

MasTec (MTZ)

Industrials – Infrastructure Construction



April 21, 2026

Stock Rating

SELL

Investment Thesis

We recommend a SELL rating on MasTec with a target price of \$230, representing a 38% downside from the current price of \$372. Despite factoring in reasonable cost forecasts, strategic acquisitions, and AI/5G tailwinds – our DCF indicates the market has priced these factors beyond reasonable expectations. Even with ROIC exceeding WACC and projected to rise, our model yields a \$230 intrinsic value, indicating the stock is overvalued.

Drivers of Thesis

- **Structural Cost Pressures:** Labor shortages, fixed-price exposure, and material inputs drive our gradual COGS forecast (87.5% -> 85.0% by 2030), far higher than consensus' assumption (85.0% ->75.0%). This is the primary driver of our target price, well below \$300-\$376 market price.
- **Acquisitions Priced In:** Five 2025 deals and a \$262M water acquisition support our 7.17% revenue CAGR. ROIC is forecasted to rise to 26.7%, suggesting continued value creation, however we believe this is future growth is already reflected in the current price.
- **AI/5G Tailwinds Insufficient:** We believe Power Delivery's exposure to AI-driven data center demand and Communications' 5G growth are substantial catalysts, yet even incorporating these variables, our model cannot justify the current valuation.

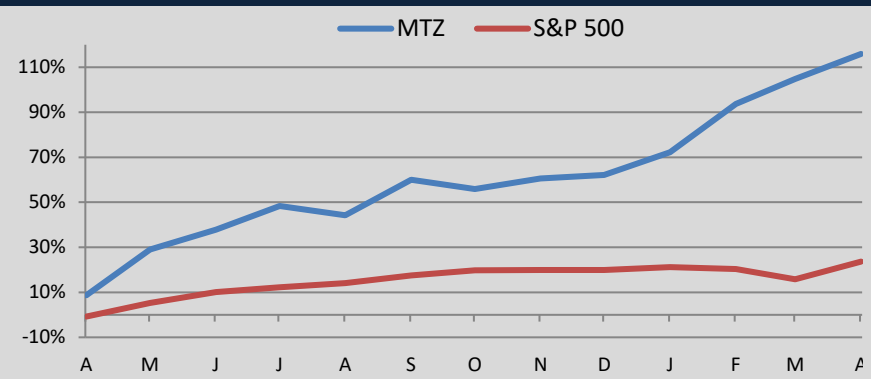
Risks to Thesis

- **Recovery in Cost Pressures:** Labor shortages and input cost inflation are expected to persist; however, if costs make a faster than expected recovery and substantially improve from historicals, this could increase our target price.
- **Policy Uncertainty:** The OBBBA accelerates IRA tax credit phaseouts for clean energy projects, creating long-term uncertainty for Clean Energy demand. Potential changes to IJIA funding could also impact funding of Communications and Power Delivery projects, impacting our price.

Earnings Estimates

Year	2023	2024	2025	2026E	2027E	2028E
EPS	\$-0.64	\$2.09	\$5.04	\$6.74	\$8.62	\$10.22
HF est. growth	-242.2%	309.0%	140.9%	28.5%	12.3%	26.1%

12 Month Performance



Target Price

\$230

Henry Fund DCF	\$230
Henry Fund DDM	\$71
Relative Multiple	\$194-\$228

Price Data

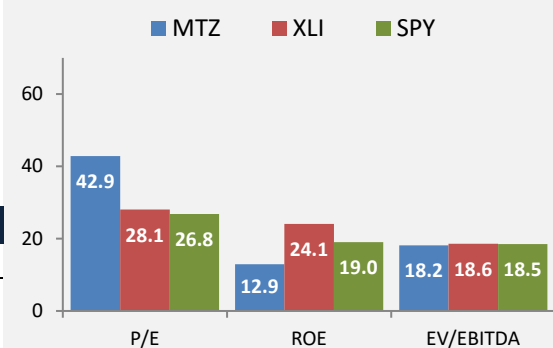
Current Price	\$372
52wk Range	\$110 – \$375
Consensus 1yr Target	\$376

Key Statistics

Market Cap (B)	\$22,878
Shares Outstanding (M)	\$78.90
Institutional Ownership	77.0%
Beta	1.34
Dividend Yield	-
Est. 5yr Growth	3.0%
Price/Earnings (TTM)	42.9
Price/Earnings (FY1)	43.7
Price/Sales (TTM)	2.05
Price/Book (mrq)	5.3

Profitability

Operating Margin	4.6%
Profit Margin	2.8%
Return on Assets (TTM)	12.9%
Return on Equity (TTM)	12.9%



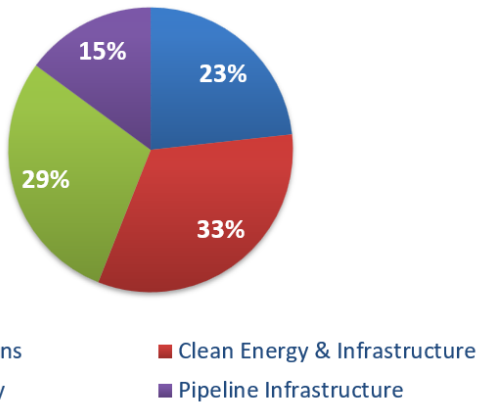
Company Description

MasTec is a leading construction infrastructure company that provides services across areas including engineering, building, installation, maintenance and upgrades services for communications, energy, utility, and other infrastructure. Primarily residing in North America, MasTec operates under five business segments: Communications, Clean Energy & Infrastructure, Power Delivery, Pipeline Infrastructure, and Other.

COMPANY DESCRIPTION

MasTec is a leading North American infrastructure construction providing engineering, building, installation, maintenance, and upgrades services across communications, energy, utility, and other infrastructure. The company operates under five segments: Communication, Clean Energy & Infrastructure, Power Delivery, Pipeline Infrastructure, and Other. In 2025, total sales amounted to \$14.3 billion, primarily driven by Clean Energy & Infrastructure and Communications segments.¹

MasTec Revenue Decompostion (2025)



Source: MTZ 10k

The company’s footprint continues to expand. As of December 31, 2025, MasTec had approximately 810 locations 36,000 employees, up from 770 locations and 32,00 employees, reflecting its ongoing growth and geographic scope across the United States and Canada.

MasTec has been involved in major projects and acquisitions in the past years. In early 2025, the company started their 700-mile high-voltage transmission and substation for its Power Delivery. Other projects include their AT&T 5G upgrade expansion, data center infrastructure buildouts, and construction of the Miami Soccer Stadium & Infrastructure (Inter Miami CF). These initiatives align with MasTec’s objective to deepen its capabilities and geographic density across North America, increasing fiber optics, high-voltage transmission lines, solar installations, and more.¹

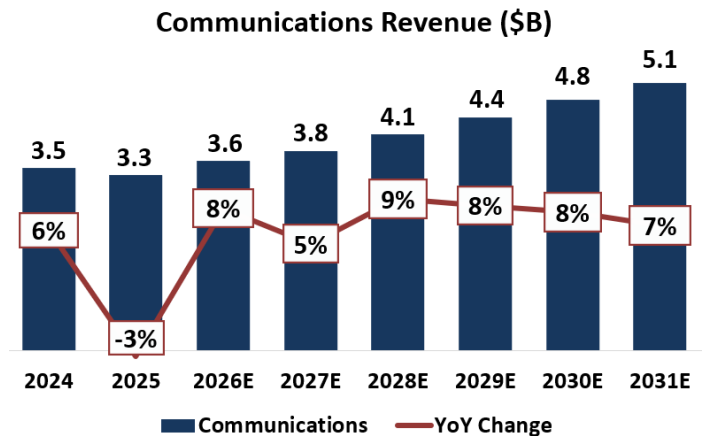
The chart below shows the geographic distribution of MasTec’s projects across North America.



Source: MasTec Website – Featured Projects

Communications

The Communications segment performs engineering, construction, maintenance and customer fulfillment activities in relation to communications infrastructure, primarily for wireless and wireline/fiber communications, wireless integration and optimization and install-to-the-home services, as well as infrastructure for utilities, among others. According to the latest annual report, revenue grew 32% to \$3.34 billion, with EBITDA margins expanding 50 bps to 9.3%. Margin improvement was driven by operational efficiencies in wireless and wireline work, partially offset by softer install-to-the-home demand. The increase in revenue was driven by higher levels of wireless and wireline project activity, due to 5G deployment and fiber expansion. MasTec’s partnership with AT&T represented approximately 10% of total company revenue in 2025, primarily within this segment.



Source: MTZ 10k, Henry Fund Model

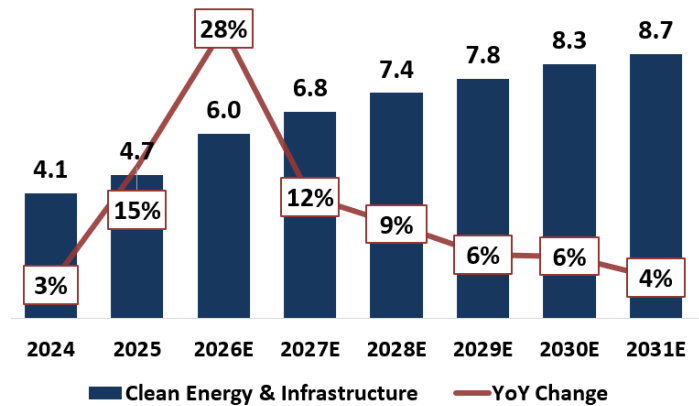
We forecast Communications revenue to grow at a 6.28% CAGR through 2034, reaching \$5.78 billion by 2034. Our outlook is supported by the major wireless carrier partnerships of MasTec (AT&T/BlackRock Gigapower), as they continue to deploy investments in 5G networks, and fiber expansions. While federal funding for this segment faces potential delays from the uncertainty surrounding the IJA, private carrier capital expenditures from these companies keeps demanding rising. According to PwC, the industry is expected to allocate over \$1.5 trillion in capital expenditures projected between 2023 to 2030, supporting sustained demand for communications infrastructure services.²

We also believe MasTec’s recent two acquisitions in its telecommunications construction and install-to-home services will add capacity in the growing markets, strengthening the company’s positioning.

Clean Energy & Infrastructure

Clean Energy and Infrastructure segments serves utility, energy, government and other end-markets through the installation and construction of power generation facilities, primarily from clean energy and renewable sources. This includes wind, solar, biomass, natural gas and hydrogen, as well as battery storage systems for renewable energy; various types of heavy civil and industrial infrastructure services, including roads, bridges and rail; and environmental remediation services. Revenue grew to \$4.70 billion, representing a 14.8% increase, with EBITDA margins improving sharply from 6.3% to 7.4% - a 110-bps gain. Revenue growth was driven by higher levels of renewable project activity, with margins expansions reflected by favorable project mixes, positive close-outs and improved productivity.

Clean Energy & Infrastructure (\$B)



Source: MTZ 10k, Henry Fund Model

We forecast Clean Energy & Infrastructure to grow at a 8.08% CAGR through 2034, with a two-phase outlook:

Near-term (2026-2027): Strong growth is driven by the “pull forward” effect as developers accelerate renewable projects to qualify for the IRA tax credits before the July 4, 2026 construction deadline and December 31, 2027, deadline.

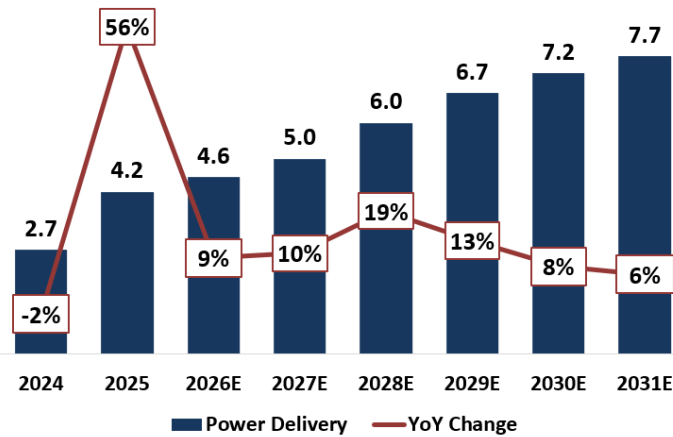
Long-term (2028+): We forecast moderate growth as IRA tax credits phase out, reducing economic incentive for new renewable projects. However, there are areas that may see sustained activity regardless of policy. In January 2026, MasTec completed its largest acquisition to date - a \$262 million water infrastructure company - boosting its capabilities in less-cyclical water markets. Additionally, the OBBBA includes provisions supporting carbon capture, which could open new growth opportunities. Given the current policy uncertainty and the segment’s reliance on renewables, our forecast assumes stabilization post-2027, with upside from less-cyclical services. (heavy civil, battery storage, carbon capture), thereby offsetting policy headwinds.

Power Delivery

Power delivery provides engineering, construction, and maintenance of power transmission and distribution infrastructure, including electrical and gas lines, power reserve and battery infrastructure, and distribution network systems, substations and grid modernization. Revenues grew to \$4.18 billion in 2025, from \$3.61 billion (+15.6%), while EBITDA margin lowered slightly by 20 bps to 8.1%, due to project mix and reduced emergency restoration work. Data center infrastructure, grid

modernizations and transmission were the key drivers for growth – factors we incorporated into our projections.

Power Delivery Revenue (\$B)



Source: MTZ 10k, Henry Fund Model

We forecast Power Delivery revenue to grow at a 8.71% CAGR through 2034. The surge in AI computing and cloud services is driving increased demand for data center construction. Each facility requires significant amounts of electrical infrastructure such as utility connections, substations and backup power systems – which falls directly in Power Delivery’s services. MasTec’s 2024 acquisition of a data center utility specialist further positions the company to capture this growth. Deloitte projects that power demand from AI data centers in the United States could grow more than thirtyfold, reaching 123 gigawatts by 2035.³

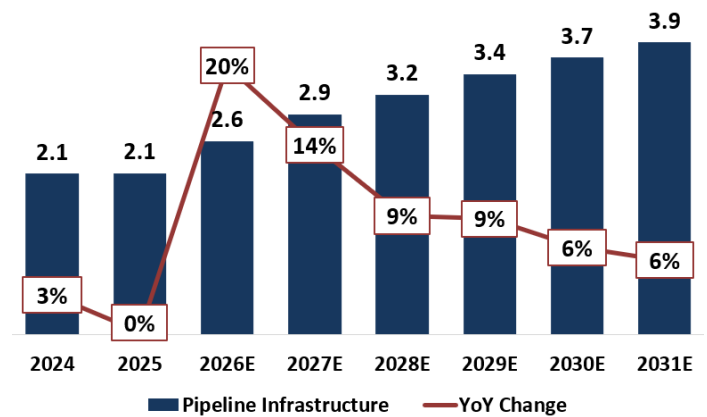
In addition to data infrastructure, grid modernization and transmission is expected to rise. According to Bloomberg, investment in transmission is projected to grow at an annual rate of 16% through 2027 compared to 9% for distribution. This spending is driven by demand for new substations, high-voltage direct-current projects, and long-distance connections.⁴ As renewable generation resources reside in remote locations, new transmission lines and substations are required to connect power to population centers while aging grid requires upgrades. Therefore, we believe these multi-year investments, combined with AI-driven data center buildouts provide substantial growth to the Power Delivery segment.

Pipeline Infrastructure

The Pipeline Infrastructure segment performs engineering, construction, maintenance, and other

services for pipeline infrastructure, including natural gas, water and carbon capture sequestration pipelines. Revenue stayed flat at \$2.14 billion in 2025, compared to \$2.13 billion in 2024, while EBITDA margins decreased by 340 basis points to 14.9%. Revenues declined 12% to \$1.49 billion in the first nine months of 2025, reflecting a weak first half. However, the segment rebounded in Q3 with 20% revenue growth, and backlog more than doubled to \$1.4 billion, suggesting momentum is building for 2026.

Pipeline Infrastructure Revenue (\$B)



Source: MTZ 10k, Henry Fund Model

We forecast Pipeline Infrastructure to grow at a 8.59% CAGR through 2034. One of our near-term drivers is the OBBBA’s incentives for oil and gas development, which contributed to the segment’s Q3 rebound and 124% backlog surge providing strong revenue visibility for 2026-2027. Beyond oil and gas pipelines, this segment is positioned for growth in carbon capture and storage (CCS) - also supported by OBBBA provisions, as well as water pipelines and pipeline integrity services, which provide less cyclical, recurring revenue. Additionally, the U.S. Energy Information Administration projects LNG export capacity will more than double by 2029, requiring demand for pipeline infrastructure to connect production areas to coastal terminals.⁵ We believe this is a multi-year growth opportunity that will benefit the segment.

Cost Structure Analysis

MasTec’s cost structure primarily consists of labor and subcontractor expenses, making it very sensitive to labor availability, wage inflation, and project execution. After cost of sales improved to 86.8% in 2024, it worsened to 87.5% in 2025 due to labor cost pressures, material costs, and reduced project efficiencies - particularly within the Pipeline and Power Delivery segments.

MasTec does not disclose a precise percentage breakdown of labor versus material costs within COGS. However, the company notes that most project materials are provided by customers, suggesting direct material costs are a smaller variable than labor. This aligns with the company’s extensive discussion of labor shortages and wage inflation as primary cost drivers. We therefore suggest that labor and subcontractor expenses represent the majority of COGS, making the company more specifically sensitive to wage inflation and labor availability.

We expect these pressures to continue, with our COGS as a percentage of revenue will remain elevated near 87.50% in the near term, gradually improving to 85.0% by 2030 as productivity gains stabilize and labor/input cost pressures moderate. This gradual improvement reflects our view that labor shortages and tariff-driven material volatility will ease slowly.

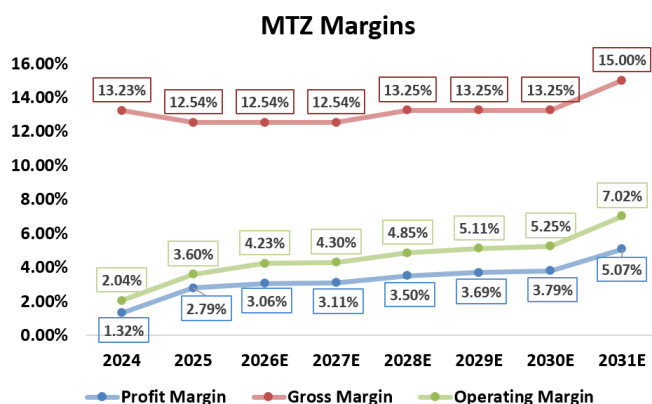
serve our long-term ROIC forecast and positive outlook of the company.

MasTec’s Contract Structure

The company’s revenue model is built on master service agreements (MSAs) and specific project contracts, each with different pricing structures and risk profiles. MSAs provide an array of services in a specific geographic territory on an as-needed basis, typically priced using time and materials or a fixed per unit basis. In 2025, MSAs represent approximately 41% of consolidated revenue, and comprised 48% of the company’s total \$19.0 billion backlog. These agreements do not guarantee a minimum amount of work as customers issue work orders as needed, but they provide recurring revenue and deep customer relationships. Most MSAs can be canceled on short notice, introducing some revenue uncertainty.¹

The remaining contracts are agreements used for specific infrastructure systems (e.g., pipelines, transmission grids), which may be subject to one or more pricing models, including fixed-price, unit-price, time and materials, or cost plus.

Under fixed-price contracts, MasTec bears the risk if labor, materials, or fuel costs exceed estimates, which compress margins. This makes project execution crucial. In contrast, time and materials and cost-plus contracts pass cost increases to the customer, protecting margins during inflationary transitions. While MasTec does not disclose precise fixed-price vs. cost-plus revenue by segment, the mix of these contract types shows the company’s sensitivity to cost pressures.



Source: MTZ 10k, Henry Fund Model

Gross Margin: Gross margin goes from 12.5% in 2025 to 15.0%, driven by our assumption that COGS will improve from 87.5% to 85.0% post-2031 in perpetuity. This largely reflects the elevated labor pressures and factoring the nature of fixed-price contracts.

Operating Margin: Operating margin rises from 3.60% to 7.0% by 2031 due to increasing gross margin and operating leverage as revenue grows. SG&A rises moderately as revenue increases while D&A follow historical trends and the company’s amortization schedule.

Profit Margin: Profit Margin expands from 2.8% in 2025 to 5.1% by 2031 reflecting the operating expansion forecasts, offset by taxes and non-controlling interests. This helps

Strategic Positioning

MasTec’s strategic positioning comprises of three categories: Scale and geographic reach, diversification across end-markets, and deep customer relationships.

MasTec is one of the largest infrastructure construction companies in North America, with approximately 33,000 employees, 780 locations, and 95 years of industry experience. This scale allows the company to bid on large, complex projects and deploy resources effectively across different regions as demand changes.¹

The company’s diversification across its four segments – Communications, Clean Energy & Infrastructure, Power Delivery, and Pipeline Infrastructure provides adaptability.

Unlike competitors focused on a single end-market (e.g. telecommunications only or power only), MasTec can narrow its focus and capital toward areas with the strongest shifts, whether that’s 5G expansion, AI-driven data center infrastructure, or oil and gas development.

MasTec does not disclose the exact length of every customer relationship, but several factors suggest these relationships are durable as their main contracts are multi-years (often 3-5 years). The company’s relationship with AT&T alone has spanned decades, representing 10% of revenue. In addition, MasTec’s status as a “preferred vendor” implies possession advantages that reduce the need to compete on prices during rebids.¹

Backlog & Business Model Viability

MasTec’s business model is supported by its record backlog (\$19 billion as of December 2025), which provides 18 months of revenue visibility and acts as protection against potential downturns in new project awards. This means if a new project slows down, the company can continue generating revenue from work already won over. This visibility combined with long-term customer relationships and segment diversification can sustain Mastec’s earnings power through differing economic cycles and current policy uncertainties (e.g., IJA, IRA funding delays).

Debt Maturity Analysis

Five-Year Debt Maturity Schedule

Fiscal Year	Coupon (%)	Payment (\$mil)
2026	4.9%	\$154.3
2027	4.9%	\$108.0
2028	4.50%/4.9%	\$1,281.1
2029	5.90%/6.63%/4.9%	\$668.5
2030	4.9%	\$130.2
Thereafter	4.9%	\$0.5
Total		\$2,345.6

Source MasTec 10k 2025

As of December 31, 2025, MasTec has a total of \$2,345.6 billion in total debt, which includes finance lease obligations. After accounting for total capital expenditures/acquisition costs and share repurchases from operating cash flows for 2026, we estimate the company will have negative cash flow, even after providing our projected liquidity from cash on the balance sheet. This may propose MasTec having to refinance their debt.

However, after our calculations for years post-2026, we estimated the company will have more than enough liquidity from both cash and operating cash flow to meet the amount of \$2.3B, thereby not having to default.

ESG Analysis

MasTec’s ESG profile has been able to capitalize on long-term infrastructure trends driven by climate policy and technological change. The company is positioned as a beneficiary of the low-carbon transition, with well-regulated physical climate impacts and safety protocols.

Environmental: Management highlights Clean Energy & Infrastructure as a key driver for growth. Fleet telematics expanded to 95% of vehicle operations. The company also initiated an enterprise-wide carbon footprint in early 2025, with its full rollout scheduled for 2026 in alignment with California SB 253.⁷

Social: Approximately 4% of its workforce are military veterans, reflecting their “Soldier for Life” partnership. As of December 2025, 9,000 out of 36,000 employees (25%) are represented by unions or subject to collective bargaining agreements – a key factor in labor relations risk.¹

Governance: The board has a representation of 63% women or minorities from their latest annual report. Jorge Mas (Chairman) and Jose R. Mas (CEO) beneficially own 23% of the outstanding shares, noting this concentration “could discourage, delay, or prevent a takeover attempt.”⁶

RECENT DEVELOPMENTS

Recent Earnings Announcement

On February 26, 2026, MasTec reported fourth quarter and full year 2025 results. Total revenue increased to \$14.3 billion (16% YoY), net income more than doubled to \$422.0 million and diluted EPS rose \$5.07 from \$2.06 in 2024. The company’s 18-month backlog reached \$19.1 billion, providing strong revenue visibility into 2026-2027, driven by unprecedented demand across communications, energy, power, and infrastructure markets.¹

MasTec also executed five acquisitions in 2025 across its Communications, Pipelines, and Clean Energy segments totaling \$87 million, followed by a \$262 million post-year-end acquisition of a water/wastewater infrastructure company in January 2026 – reflecting expansion for its

Clean Energy segment's water infrastructure capabilities. Looking ahead, we project 2026 revenue of approximately \$16.9 billion and EPS of to hit approximately \$15.9 billion with an EPS of \$6.47, reflecting continued demand and contribution from these acquisitions. Our EPS is lower than consensus range of \$6.74 due to our higher COGS outlook yet still positioning the company forward.

Record Backlog Growth

As of February 26, 2026, MasTec reported an 18-month backlog of \$19 billion, representing a 13% increase from \$14.3 a year earlier under last year's annual earnings. This marks the highest backlog level in the company's history and reflects broad-based strength across all business segments. Communications backlog grew 14% to \$5.5 billion, driven by sustained demand for wireless and wireline infrastructure, including 5G deployment and fiber expansion. Clean Energy & Infrastructure backlog increased 21% to \$6.5 billion, benefiting from the "pull-forward" effect as developers accelerate projects ahead of the IRA tax credit phaseout under the One Big Beautiful Bill Act (OBBBA). Power Delivery backlog rose 12% to \$5.6 billion, supported by transmission and distribution upgrades, including infrastructure to serve growing data center demand. Finally, the Pipeline Infrastructure backlog more than doubled to \$1.4 billion (+124%), signaling rebound in midstream project activity, further supported by OBBBA's incentives for oil and gas development.¹

It is estimated that 47% of these backlogs are attributable to master service agreements, which provide a recurring revenue foundation but carry no minimum purchase commitments. Management expects to realize around 74% of these backlogs for the remainder of 2025, with the remaining expected to be recognized in 2027 and beyond.

Acquisitions Expansion Across Segments

MasTec continues to pursue acquisitions, investments, investments, and strategic arrangements that allow the company to expand serving offerings, operations, and geographic reach. During 2025, MasTec completed five acquisitions totaling approximately \$87 million in cash consideration, adding capabilities across Communications, Pipeline Infrastructure, and Clean Energy & Infrastructure segments.¹

Communications Segment (Two Acquisitions):

July 2025: Acquired a telecommunications construction company, adding geographic capacity and skilled labor to meet rising wireless and wireline demand

November 2025: Acquired operations and assets of a business specializing in install-to-the-home services, strengthening presence in residential connectivity

Pipeline Infrastructure Segment (Two Acquisitions):

July 2025: Acquired assets of an equipment company, for which adding owned equipment could potentially improve long-term margins by reducing reliance on rentals.

August 2025: Acquired a roadway infrastructure company, adding to Pipeline's functions and supporting the segment's backlog growth.

Clean Energy & Infrastructure Segment (One Acquisition):

December 2025: Acquired a construction management and design services company, expanding the segment's services in industry and heavy civil infrastructure.

In January 2026, MasTec acquired an 86% interest in an infrastructure services company specializing in water and wastewater distribution networks for \$262 million in cash, their largest potential acquisition yet. This move would be included in the Clean Energy & Infrastructure segment and expand the company's capabilities in water infrastructure.¹

We believe these strategic acquisitions position MasTec to stay on top of growing demand across its key markets, contributing to expansion.

INDUSTRY TRENDS

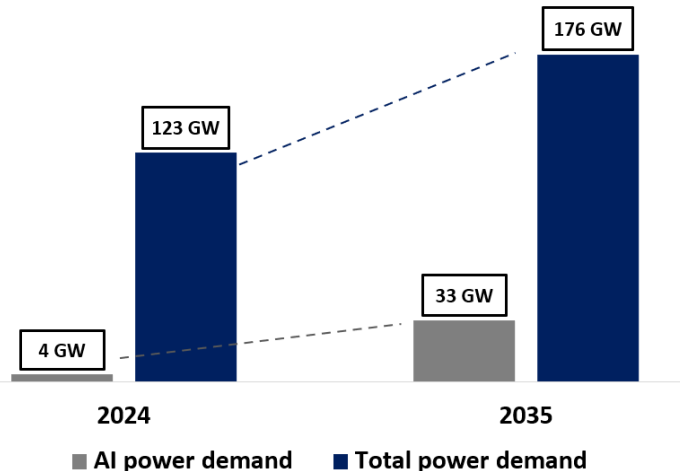
Adoption of AI

The global value of AI in the infrastructure construction industry was valued at \$4.86 billion in 2025 and is expected to grow from \$6.02 billion in 2026 to \$35.53 billion by 2034, representing a CAGR of 24.80%.⁸ North America currently dominates this market with a 39.1% share in 2025, making it highly relevant to MasTec's primary operating region. For MasTec, AI serves as an internal operational efficiency tool and more importantly, as an external demand driver.

AI and machine learning has been benefiting the industry in enhancing many companies' daily operations. It has

been used for projecting cost estimates - important for fixed-price contracts, crew scheduling, improving safety monitoring, and reducing fuel systems.⁸ MasTec is already leveraging this technology, with GPS and smart idling implemented in approximately 90% of its fleet.

Data Center Power Demand (Gigawatts)



Source: Deloitte Insights

More significantly, AI is a direct demand driver for MasTec’s Power Delivery segment. According to Deloitte, US data-center power demand will more than triple by 2035, rising from 4 gigawatts in 2024 to 123 gigawatts.³ This will increase demand for electrical infrastructure including utility transmissions, substations and distribution, as these are required for buildouts for these high-capacity data centers. In addition, MasTec’s 2024 acquisition of a data center utility specialist further positions the company to capture this growth.

We believe AI adoption will benefit MasTec through both operational efficiencies and through the increased demand for the data center infrastructure the company builds, driving their Power Delivery segment.

Labor Shortages and Cost Pressures

The construction labor force shortage continues to remain one of the biggest obstacles in the United States infrastructure industry. The four main drivers shaping the current shortage include aging workforce/accelerated retirements, demographic shifts and education pathway limitations, immigration and policy uncertainty, and the technological change and cost pressure to maintain project delivery. The Associated Builders and Contractors

(ABC) estimate the construction industry must attract approximately 350,000 new workers in 2026, beyond normal hiring to meet a middle ground between labor supply and project requirements.⁹

Other issues include the cost pressures from elevated material costs, tariffs on key inputs, supply chain volatility, and the push for premium compensation packages to attract workers, which has shown an annual wage growth of 3.7% in recent years. However, even with the increase in compensation packages, shortages remain an issue due to the public's work conditions and schedule expectations, preferring differing career paths, and limited visibility into apprentice pathways. This has directly affected MasTec’s costs, limiting margin discipline on its fixed-price contracts.

Government Spending Changes

On July 4, 2025, the current administration enacted the One Big Beautiful Bill Act (OBBBA). Part of this executive order called to “immediately” pause the disbursement of funds for the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA).

As of late 2025, the Department of Energy terminated 345 awards, representing over \$11 billion in funding. Of this, \$8.8 billion has already been redacted.¹⁸ As of February 2026, thirteen states led by California, Colorado, and Washington, sued the current administration’s actions to challenge the Department of Energy for carrying out these actions.¹¹

MasTec stated these changes to the IRA could negatively impact their Clean Energy and Infrastructure segment, as this would lose support for clean electricity investments and credits for solar and wind projects. Given the circumstances, the company reported “projects that don't start construction by July 4, 2026, and finish by the end of 2027, would lose their federal tax support.”¹ Therefore, this has led to many of MasTec’s customers starting projects earlier to meet deadlines, thus boosting the segments revenue. On the contrary, the OBBA contains provisions to incentivize oil and gas production, as well as supporting energy infrastructure such as energy storage and carbon capture, which benefits the Pipeline segment.¹ Aside from the IRA, the IIJA has historically funded \$65 billion for the company’s broadband expansion (BEAD program) and capital toward grid modernization, positively impacting the Communications and Power

Delivery Segments. MasTec currently reports no changes to business operations from the discussion to the IJJA.

Despite these circumstances, the company hasn't been negatively impacted due to record high backlogs and increased demand surrounding AI/data center and 5G expansions. These variables are currently overwhelming any policy uncertainty. Nonetheless, we will have to carefully monitor what will unravel for the rest of this year.

MARKETS AND COMPETITION

The global infrastructure construction industry was estimated at approximately \$3.82 trillion in 2025, with a projected total value of \$5.18 trillion by 2030, representing a 6.3% CAGR. Growth is driven by urban mass-transit expansion, climate resistant infrastructure, hydrogen & CCUS backbone buildouts, and gains for digital twin-enabled project management. Key risks include labor constraints, wage inflation, volatile material prices, limited government funding, and elevated fiscal-debt overhanging the projected capex, which could slow down project issuances.¹⁷

Peer Comparisons

For this analysis, we selected five peers with similar business exposure to MasTec: Quanta Services (PWR), Dycom Industries (DY), Primoris Services (PRIM), EMCOR Group (EME), and Fluor Corporation (FLR). Each are infrastructure construction across communications, power, energy, and industrial end markets. The table below summarizes key financial metrics.

Company	Mkt Cap	Revenue	NI	Backlog
MTZ	23,984	14,299	538	18,963
PWR	85,041	28,480	1,028	43,976
DY	11,208	5,546	352	8,542
PRIM	7,817	7,575	275	11,945
EME	32,993	16,986	1,273	20,138
FLR	7,057	15,503	-51	24,436

Source: FactSet

Quanta Services (PWR): Provides engineering and construction services for electric power grids, renewables and natural gas infrastructure. The company operates through Electric Infrastructure Solutions and Underground Utility & Infrastructure Solutions. Quanta is the closest peer by scale and diversification, though it has higher exposure to transmission and less to communications than MasTec

Dycom Industries (DY): A leading provider of specialty contracting services to telecommunications providers, including program management, engineering, wireless construction, and installation. Dycom is the closest comparable for MasTec's Communication segment but lacks diversification into power and pipelines.

Primoris Services (PRIM): Offers maintenance, construction, and engineering services across Utilities (gas and electric distribution) and Energy (renewables, pipelines, and petrochemical). Primoris has a similar mix of utility and energy exposure but operates at a smaller scale than MasTec.

EMCOR Group (EME): Provides electrical and mechanical construction, facility services, and industrial services across technology, commercial, healthcare and utility markets through numerous subsidiaries. EMCOR is focused more on building services than large-scale infrastructure projects.

Fluor Corporation (FLR): Serves industries including life sciences, advanced manufacturing, data centers, infrastructure, LNG, and chemicals through Urban Solutions, Energy Solutions, and Mission Solutions. Fluor leans more toward engineering and project management versus direct construction.

Company	ROE	Gross Margin	EBIT Margin	Invest CapTurn	For. P/E
MTZ	12.93	9.6	4.6	2.71	55.83
PWR	12.65	13.3	5.9	1.90	44.96
DY	18.15	15.7	8.0	1.34	32.83
PRIM	17.79	10.7	13.3	3.62	27.22
EME	38.5	19.3	9.3	5.59	28.34
FLR	-1.42	-0.8	-2.0	27.01	18.29

Source: FactSet

The figure above shows that MTZ has amongst the lowest gross and operating margins in its peer group, with Fluor as the exception. This is primarily due to differences in contract exposure. MasTec has the most exposure to fixed-price agreements, which limits pricing control during inflationary periods and rising input costs, leading to lower margins.

Quanta reports a mix of fixed-price (58.4%), unit-price (25.6%), and cost-plus (16.1%) contracts, with approximately 60% of revenue in lower-risk arrangements – contributing to its higher margins.¹⁹ It is important to note that this level of detail of contract breakdowns are uncommon; however, other peers disclose their contract

structures qualitatively. Dycom operates under MSAs, which are typically unit-price, time-and-materials, or cost plus.²⁰ PRIM uses a mix similar to MasTec (fixed-price, unit-price, cost-plus).²¹ EME uses fixed-price, guarantee maximum price (GMP), and cost plus.²² Fluor is actively shifting away from fixed-price contracts, with 80% of its backlog now in lower-risk reimbursable work, aiming to recover from negative earnings.²³

Although MasTec’s peers don’t report specific percentage breakdowns, we infer that MasTec is the most exposed to fixed-price agreements, contributing to its lower gross margin (9.6%) and operating margin (4.6%).

MasTec’s ROE of 12.93% is in line with Quanta and below Dycom/Primoris, yet its forward P/E is the highest at 55x. We believe the market is paying a premium for returns that are robust but unjustifiable given MasTec’s lower margins compared to peers. The stock’s 200% surge over the past year has also increased this ratio.

Invested capital turnover rates are also favorable for MasTec, placing it in the middle of peers as the company generates more revenue relative to capital. EMCOR’s very high turnover reflects its relatively asset-light business model.

We believe MasTec has significant growth potential from sustained catalysts like project buildout rates, continued funding, and renewable energy demand. However, we believe the company is now priced for perfection. Given its operating efficiencies and structural components that may create headwinds, we do not believe the current premium is justified compared to peers.

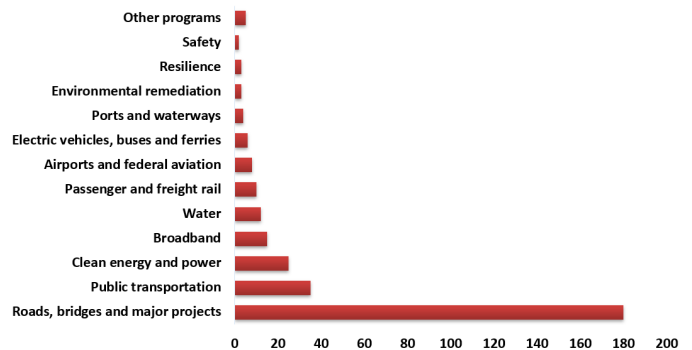
ECONOMIC OUTLOOK

Government Infrastructure Spending

The previous administration passed the two largest pieces of legislation for infrastructure and climate initiatives in U.S. history. The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure law was signed into legislation on November 15, 2021, representing over \$1.5 trillion. The Inflation Reduction Act (IRA) was signed into law on August 16, 2022, allocating between \$391 billion to \$1.2 trillion including tax credits. The IIJA provides funding and support for highways, public transportation, trucking, research, safety programs, and rail services.¹³ The IRA offers funding, programs, and tax

incentives to accelerate the transition to cleaner, renewable energy, marking this one of most significant climate change legislations.¹²

IIJA Funds Obligated to Projects (2022-2025) (\$B)



Source: Statista

As of writing this report, the current administration has taken actions to repeal funding and incentives through the One Big Beautiful Act (OBBBA) creating uncertainty for the infrastructure industry. This has posed potential project delays, cancellations, and reduced investment allocations. The Henry Fund takes a cautious approach to monitor whether further action will or will not take place. Therefore, we will monitor the landscape to see what carries out.

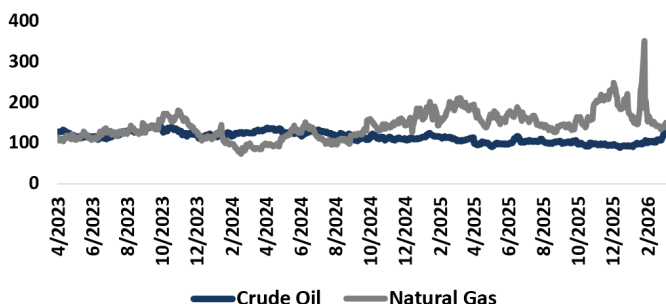
Energy and Commodity Prices

MasTec is exposed to energy and commodity prices through two pathways: Input costs and as a demand driver.

Input Costs: MasTec’s input costs include fuel for its fleet, and materials such as steel, concrete, and solar panels, directly affecting COGS. The company notes that most project materials are provided by customers, so heightened prices can affect project viability and customer demand. Ongoing tariff implementations have increased these costs, contributing to our COGS outlook. The Henry Fund believes material inputs will remain volatile for the next years before making a recovery post-2028.

Demand Driver: Higher oil and natural gas prices (more specifically LNG) can incentivize customer investment in pipeline infrastructure, benefiting the Pipeline segment. As geopolitical tensions continue to emerge in the Middle East with LNG infrastructure buildouts expanding, we believe this will remain as a catalyst for the segment’s rebound, supporting our growth forecast.

Daily stock price indexes of oil and gas commodities 2023-2026

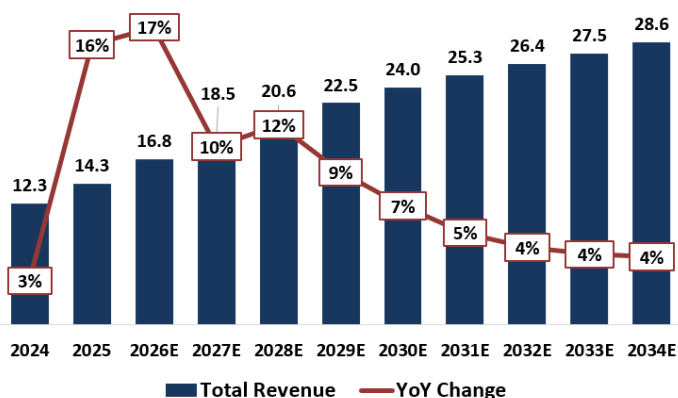


Source: Statista

VALUATION

Revenue Growth

Total Revenue Growth (\$B)



Source: Henry Fund Model

We forecast MasTec’s total revenue to grow at 8.00% CAGR from 2026 to 2024, reaching \$28.5 billion by 2034. For years 2026-2027, we took consensus estimates from FactSet and made our analysis post-2027 driven by three interconnection points: strategic acquisitions allowing expansion in high-market demands, exposure to multi-year infrastructure buildout projects (AI data centers + 5G/fiber) and visible near-term backlogs providing the foundation for our forecasts.

Digital Infrastructure: Given Power Delivery benefits from the AI-driven data center demand and grid modernization while Communications is sustained through 5G and fiber investments, despite ongoing discussion about IIJA funding.

Clean Energy & Infrastructure: Captures near-term momentum from IRA “pull-forward” effects (projects must

begin by July 2026) but moderates post-2027 as tax credits phase out. While we acknowledge that most of this segment’s revenue comes from clean energy projects, we are confident that MasTec’s recent deal of the water infrastructure company supported by other services such as heavy civil and battery storage will help offset these losses.

Pipeline Infrastructure: As this segment rebounds after its weak performance in 2025, we believe the OBBBA incentives for oil/gas LNG export growth, and carbon capture opportunities will support long-term growth opportunities.

Cost Assumptions

Our COGS forecast is the largest factor differentiating our \$230 DCF target price from consensus estimates near \$300. We forecast COGS as a percentage of revenue to remain elevated near 87.5% in the near term, improving gradually to 85.0% by 2030 reflecting recovery and pre-2021 averages. Consensus appears to assume a much faster recovery, with estimates implying COGS will be around 85% of revenues by 2026, then fall lower to 70-75% by 2028 and beyond, which is lower than pre-2021 costs. A sensitivity table below is shown for further demonstration for this effect. This would make MasTec more profitable than its closest peer Quanta, one of the industry leaders, and far above its own historical range. No infrastructure construction company of MasTec’s scale has sustained margins at that level. If this were to occur, this would require aspects such as:

- Labor constraints fall significantly
- Fixed-priced contract risk disappears
- Productivity gains to outpace any historical basis

		CV Growth of NOPLAT						
		2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
COGS % of Sales 2026E	230.05	293.86	298.08	302.59	307.40	312.55	318.08	324.03
	75.46%	268.08	272.30	276.80	281.62	286.77	292.30	298.25
	79.46%	242.29	246.52	251.02	255.83	260.98	266.51	272.47
	83.46%	216.51	220.73	225.24	230.05	235.20	240.73	246.68
	87.46%	203.62	207.84	212.34	217.16	222.31	227.84	233.79
	89.46%	190.73	194.95	199.45	204.26	209.42	214.95	220.90
	91.46%	177.83	182.06	186.56	191.37	196.52	202.05	208.01
	93.46%							

Source: Henry Fund Model

Therefore, we believe this is unreasonable for the company to attain. Putting this aside, our COGS forecasts reflect the following factors:

Structural labor challenges: Construction labor shortages and higher compensation costs to draw talent are

expected to persist - being reflected with 3-4% annual wage inflation, persistent demographic trends toward other careers, and an aging workforce. Although MasTec has long-term agreements to help mitigate these costs, the company's exposure to fixed-priced contracts means these costs cannot always be passed through.

Tariff and material uncertainty: Current trade policies remain, for which we assumed continued volatility in key inputs such as steel, concrete, and solar panel costs. It is important to note that these costs are also largely purchased by customers, thereby creating demand-side risk of potentially reducing project viability. We acknowledge that tariffs are a policy driven headwind that could subside post 2028, therefore we have factored this recovery later in our forecasts.

Aside from cost of sales, we forecast SG&A as a historical average percentage relative to revenues over our projected years (2026-2024), based around 5.2%. We also expected depreciation to steadily increase year-over-year to 2.45% of revenue by 2024, as MasTec continues to invest and allocate capital towards expansion of its geographic footprint. As for amortization, we have estimated costs using the amortization schedule from the company's 10k.

Capital Expenditures & Acquisition Costs

MasTec does not provide capex guidance beyond year 2026. Management estimates 2026 capital expenditures of approximately \$270 million. Taking this amount into consideration, we also acknowledge the company allocates substantial amounts of capital into acquisition investments each year. Therefore, we forecast a total of \$680.9 million in total capex for 2026 using the forecasted capital expenditure amount of \$270 and a historical average of acquisition investments. For the horizon until 2034, we increased these estimates using a steady growth rate of 3%, accounting for inflation and the company's consistency in investments and strategic positioning initiatives.

WACC

Our calculated weighed average cost of capital (WACC) for MasTec is 10.31%. Our WACC is approximately 0.50% above consensus, which is around 9.75%. As shown in the table below. This shows if we were to incorporate a lower

WACC in consensus range, it would only yield a range between \$230-\$280.

		SG&A % of Sales 2026E							
		230.01	4.30%	4.60%	4.90%	5.20%	5.50%	5.80%	6.10%
WACC	7.31%	526.34	503.00	479.66	455.99	432.97	409.63	386.29	
	8.31%	409.02	390.01	371.01	351.74	333.00	314.00	295.00	
	9.31%	329.30	313.26	297.23	280.96	265.15	249.11	233.08	
	10.31%	271.73	257.85	243.97	229.89	216.21	202.33	188.44	
	11.31%	228.30	216.06	203.82	191.40	179.33	167.08	154.84	
	12.31%	194.44	183.48	172.53	161.41	150.61	139.65	128.69	
	13.31%	167.35	157.43	147.51	137.45	127.66	117.74	107.82	

Source: Henry Fund Model

We made the following assumptions in our calculation:

Risk-Free Rate: We used the 10-Year Treasury bond yield as February 6, 2026.

Beta: We obtained an adjusted beta of 1.34 using the 3-year weekly beta from the Bloomberg Terminal.

Equity Risk Premium: We used the Henry Fund consensus estimate of 5.00%.

Pre-Cost of Debt: We obtained 5.62% from the yield to maturity for a MTZ 10-year corporate bond from the Bloomberg Terminal.

DCF and EP

The Henry Fund DCF and Economic Profit resulted in an implied share price of \$230. We believe this is an accurate representation of our operational and structural outlook and forecasts for the company going forward. Our terminal values used in this method are 3.00% for CV of NOPLAT, TV ROIC of 33.36%, cost of equity of 10.89%, and discounted using a 10.31% WACC. Consensus has a target price of \$376, due to the combination of its lower WACC and COGS forecast. We do not believe this range is justifiable nor attainable long-term, thus actioning a SELL.

Dividend Discount Model (DDM)

The Dividend Discount Model is calculated by pricing the expected future dividends per share back to present value using the cost of equity and EPS in the terminal year. MasTec does not pay any dividends, leaving this valuation method negligible. We obtained a price of \$71, but it is invalid given the company's absence of dividend payouts. Therefore, we will not consider this as a metric for valuing MasTec.

Relative Valuation

For our relative valuation we performed an analysis using our selection of closely related peers. Our implied P/E (EPS) ratios for 2026 and 2027 were \$201 and \$194, respectively. For our EV/EBITDA multiples, we found that MasTec's ratio was slightly above the industry's average of 16x, given MasTec's is 22x. While we place greater emphasis on the DCF as it best captures the fundamentals of our forecasts, we believe the comparable companies are structured very similarly to MasTec, thus leading us to incorporate this range into our price. Therefore, we have taken 10% on the forward P/E multiples and 5% on EV/EBITDA in combination with the DCF, still yielding \$230.

KEYS TO MONITOR

Catalysts for Growth

First, accelerated AI infrastructure spending would directly benefit Power Delivery, as it is our fastest growing segment. If data center electricity demand exceeds current expectations, Power Delivery could exceed our 7.80% CAGR forecast. Secondly, favorable policy moves such as no changes to the Inflation Reduction Act (IRA) and Bipartisan Infrastructure Legislation (IIJA). The extension of IRA tax credits beyond 2027 and the ensurance of no moves to redact the IIJA would improve long-term revenue visibility for Clean Energy, Communications, and Power Delivery segments, given the substantial funding from these acts.

Risk to Thesis

If COGS is able to make a recovery, reflecting faster than anticipated recovery in the current and ongoing-labor challenges and materials costs, this could drive margins and ROIC even further past our forecasted ROIC average of 28%, rising our target price closer to consensus ranges. Policy reversal is the second major risk. While the OBBBA already accelerates IRA phaseouts, full repeal of the IIJA broadband funding or elimination of IRA tax credits without any substitution would create substantial reduced funding for Communications, Clean Energy, and Power Delivery segments. More risks include the demand slowdown in AI Infrastructure, given this is key to our Power Delivery projections. Therefore, investors should track data center capex commentary for early warning signs of drawbacks in capital spending. Although we are warranting a SELL rating, these scenarios are risks to our

positive company performance forecasts, which could lower our target price further. The last key risk is if MasTec is unable to capture growth through its acquisitions, this could hinder its invested capital turnover relative to margins, thereby decreasing shareholder value.

Key indicators to monitor: Follow management's guidance on cost of sales, execution outcomes from recent acquisitions (if value is created), the rate of recovery of the labor constraints facing the industry, and the ongoing political/legal actions against the current administrations moves toward the IRA and IIJA funding and placements. If further action is taken towards these acts, then closely monitor MasTec's thoughts and what it could mean for the company going forward. It is also important to look at the future outlooks to see if there will be any substantial changes to AI data center spending, which will affect the profitability of the company.

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		Equity Risk Premium						
		4.55%	4.70%	4.85%	5.00%	5.15%	5.30%	5.45%
Marginal Tax Rate	230.01							
	22.54%	255.18	246.11	237.52	229.37	221.62	214.25	207.23
	23.54%	255.43	246.35	237.75	229.58	221.82	214.44	207.42
	24.54%	255.68	246.59	237.97	229.79	222.03	214.64	207.60
	25.54%	255.93	246.83	238.20	230.01	222.23	214.83	207.79
	26.54%	256.18	247.06	238.42	230.22	222.43	215.03	207.97
	27.54%	256.44	247.30	238.65	230.44	222.64	215.22	208.16
	28.54%	256.69	247.54	238.87	230.65	222.84	215.41	208.34

		Pre-tax Cost of Debt						
		2.63%	3.63%	4.63%	5.63%	6.63%	7.63%	8.63%
Cost of Equity	230.01							
	7.89%	235.01	232.96	230.95	228.97	227.03	225.13	223.26
	8.89%	235.37	233.32	231.30	229.32	227.38	225.47	223.60
	9.89%	235.72	233.67	231.65	229.67	227.72	225.81	223.93
	10.89%	236.07	234.02	231.99	230.01	228.06	226.15	224.27
	11.89%	236.42	234.36	232.34	230.35	228.40	226.48	224.60
	12.89%	236.77	234.70	232.68	230.69	228.73	226.81	224.93
	13.89%	237.11	235.04	233.01	231.02	229.06	227.14	225.25

		Power Delivery Growth 2026E						
		3.27%	5.27%	7.27%	9.27%	11.27%	13.27%	15.27%
Beta	230.01							
	1.04	294.95	297.51	300.07	302.63	305.18	307.74	310.30
	1.14	267.57	269.91	272.26	274.60	276.94	279.29	281.63
	1.24	243.89	246.05	248.21	250.37	252.52	254.68	256.84
	1.34	223.22	225.22	227.22	229.21	231.21	233.21	235.20
	1.44	205.04	206.89	208.75	210.60	212.45	214.31	216.16
	1.54	188.92	190.64	192.37	194.10	195.83	197.56	199.28
	1.64	174.53	176.15	177.76	179.38	180.99	182.61	184.22

		CV Growth of NOPLAT						
		2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
COGS % of Sales 2026E	230.01							
	75.46%	293.83	298.05	302.55	307.36	312.51	318.04	323.99
	79.46%	268.04	272.26	276.77	281.58	286.73	292.25	298.20
	83.46%	242.26	246.48	250.98	255.79	260.94	266.47	272.42
	87.46%	216.48	220.70	225.20	230.01	235.16	240.69	246.64
	89.46%	203.58	207.81	212.31	217.12	222.27	227.80	233.75
	91.46%	190.69	194.91	199.42	204.22	209.37	214.90	220.85
	93.46%	177.80	182.02	186.52	191.33	196.48	202.01	207.96

		SG&A % of Sales 2026E						
		4.30%	4.60%	4.90%	5.20%	5.50%	5.80%	6.10%
WACC	230.01							
	7.31%	526.34	502.99	479.65	455.98	432.97	409.62	386.28
	8.31%	409.01	390.01	371.01	351.74	333.00	314.00	295.00
	9.31%	329.30	313.26	297.22	280.96	265.15	249.11	233.07
	10.31%	271.73	257.85	243.97	229.89	216.20	202.32	188.44
	11.31%	228.30	216.06	203.81	191.40	179.33	167.08	154.84
	12.31%	194.44	183.48	172.52	161.41	150.61	139.65	128.69
	13.31%	167.35	157.43	147.50	137.45	127.66	117.74	107.82

		Risk Free Rate						
		3.91%	4.01%	4.11%	4.21%	4.31%	4.41%	4.51%
ROIC Terminal Year	230.01							
	28.36%	238.73	234.55	230.48	226.52	222.65	218.89	215.21
	29.36%	239.53	235.34	231.25	227.28	223.40	219.62	215.93
	31.36%	240.98	236.76	232.65	228.65	224.74	220.93	217.22
	33.36%	242.26	238.01	233.88	229.85	225.92	222.10	218.36
	35.36%	243.39	239.13	234.97	230.92	226.97	223.13	219.37
	37.36%	244.40	240.12	235.94	231.88	227.91	224.05	220.28
	39.36%	245.31	241.01	236.82	232.73	228.75	224.87	221.09

Mastec

Revenue Decomposition

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue by Operating Segment															
Communications	2,512.2	2,551.1	3,233.7	3,259.5	3,460.0	3,339.1	3,599.5	3,783.1	4,104.7	4,433.1	4,765.5	5,075.3	5,341.8	5,555.4	5,777.7
% growth		1.55%	26.76%	0.80%	6.15%	-3.49%	7.80%	5.10%	8.50%	8.00%	7.50%	6.50%	5.25%	4.00%	4.00%
Clean Energy & Infrastructure	1,526.9	1,865.0	2,618.6	3,962.0	4,092.1	4,699.6	6,036.6	6,757.4	7,382.5	7,843.9	8,322.4	8,655.2	8,914.9	9,182.4	9,457.8
% growth		22.14%	40.41%	51.30%	3.28%	14.85%	28.45%	11.94%	9.25%	6.25%	6.10%	4.00%	3.00%	3.00%	3.00%
Power Delivery	506.5	1,016.8	2,725.2	2,735.1	2,682.1	4,176.1	4,563.2	5,031.0	5,971.7	6,733.1	7,244.9	7,679.6	8,086.6	8,470.7	8,851.9
% growth		100.75%	168.02%	0.36%	-1.94%	55.70%	9.27%	10.25%	18.70%	12.75%	7.60%	6.00%	5.30%	4.75%	4.50%
Pipeline Infrastructure	1,789.8	2,540.5	1,219.6	2,072.8	2,133.6	2,137.9	2,561.2	2,918.7	3,174.1	3,445.5	3,667.1	3,868.8	4,071.9	4,285.6	4,489.2
% growth		41.94%	-51.99%	69.96%	2.93%	0.20%	19.80%	13.96%	8.75%	8.55%	6.43%	5.50%	5.25%	5.25%	4.75%
Other	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% growth		-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	6,336.0	7,973.4	9,797.1	12,029.4	12,367.8	14,352.7	16,760.6	18,490.2	20,633.0	22,455.6	23,999.8	25,278.9	26,415.1	27,494.1	28,576.5
Eliminations	(15.0)	(21.6)	(19.1)	(33.5)	(64.3)	(53.4)	-	-	-	-	-	-	-	-	-
% growth		44.00%	-11.57%	75.39%	91.94%	-21.00%	10.00%	8.50%	25.00%	7.00%	7.00%	7.00%	6.00%	6.00%	3.00%
Consolidated Revenue	6,321.0	7,951.8	9,778.0	11,995.9	12,303.5	14,299.3	16,760.6	18,490.2	20,633.0	22,455.6	23,999.8	25,278.9	26,415.1	27,494.1	28,576.5
		25.80%	22.97%	22.68%	2.56%	16.22%	17.21%	10.32%	11.59%	8.83%	6.88%	5.33%	4.49%	4.08%	3.94%

Mastec

Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue	6,320,975	7,951,781	9,778,038	11,995,934	12,303,464	14,299,171	16,760,615	18,490,241	20,633,046	22,455,612	23,999,835	25,278,870	26,415,107	27,494,110	28,576,547
Costs of revenue, excluding depreciation and amortization	5,270,879	6,805,735	8,586,333	10,613,762	10,675,987	12,506,437	14,658,834	16,171,565	17,847,585	19,424,104	20,759,857	21,487,040	22,452,841	23,369,994	24,290,065
Depreciation	258,841	345,612	371,240	433,929	366,765	295,892	330,192	386,747	436,087	479,698	518,785	554,327	587,119	617,807	646,918
Amortization of intangible assets	38,910	77,214	135,908	169,233	139,853	131,190	108,400	92,000	74,300	60,900	60,900	60,900	60,900	60,900	60,900
General and administrative expenses	319,192	306,970	559,437	698,899	684,508	713,009	872,261	962,275	1,073,791	1,168,642	1,249,007	1,315,571	1,374,703	1,430,857	1,487,189
Interest expense, net	59,629	53,413	112,255	234,405	193,266	172,985	138,412	144,929	218,581	194,340	172,880	172,395	178,244	183,801	189,284
Equity in earnings of unconsolidated affiliates, net	(29,738)	(33,830)	(28,836)	(30,697)	(30,228)	(31,964)	(56,731)	(62,585)	(69,838)	(76,007)	(81,234)	(85,564)	(89,409)	(93,062)	(96,725)
Loss on extinguishment of debt	5,569	-	-	-	11,344	-	-	-	-	-	-	-	-	-	-
Other expense (income), net	(27,471)	(33,408)	(1,358)	(40,893)	11,006	(3,776)	-	-	-	-	-	-	-	-	-
Income (loss) before income taxes	425,164	430,075	43,059	(82,704)	250,963	515,398	709,246	795,311	1,052,540	1,203,936	1,319,641	1,774,201	1,850,710	1,923,813	1,998,916
(Provision for) benefit from income taxes	(102,465)	(99,346)	(9,171)	35,408	(51,542)	(93,384)	(181,141)	(203,122)	(268,819)	(307,485)	(337,036)	(453,131)	(472,671)	(491,342)	(510,523)
Net income (loss)	322,699	330,729	33,888	(47,296)	199,421	422,014	528,105	592,188	783,722	896,450	982,604	1,321,070	1,378,038	1,432,471	1,488,393
Net income attributable to non-controlling interests	(149)	1,898	534	2,653	36,633	22,972	15,699	17,604	23,298	26,649	29,211	39,272	40,966	42,584	44,246
Net income (loss) attributable to MasTec, Inc.	322,848	328,831	33,354	(49,949)	162,788	399,042	512,405	574,584	760,423	869,801	953,394	1,281,798	1,337,073	1,389,887	1,444,147

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Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets															
<i>Current assets:</i>															
Cash and cash equivalents	423,118	360,736	370,592	529,561	399,903	396,030	383,158	788,434	2,717,827	2,704,495	2,887,804	3,906,329	5,146,354	6,450,003	7,813,890
Accounts receivable, net of allowance	784,488	1,019,324	1,399,732	1,370,074	1,381,462	1,540,263	1,805,402	1,991,712	2,222,529	2,418,850	2,585,189	2,722,963	2,845,355	2,961,582	3,078,178
Contract assets	969,743	1,227,927	1,729,886	1,756,381	1,555,807	2,001,913	2,346,486	2,588,634	2,888,626	3,143,786	3,359,977	3,539,042	3,698,115	3,849,175	4,000,717
Inventories, net	89,645	92,595	117,969	108,146	107,345	112,465	177,374	195,678	218,355	237,642	253,984	267,520	279,545	290,963	302,419
Prepaid expenses	60,631	91,488	122,308	105,880	118,888	183,575	181,387	200,105	223,295	243,019	259,731	273,573	285,870	297,547	309,261
Other current assets	31,390	81,884	118,640	104,211	89,125	94,833	139,560	153,962	171,805	186,981	199,839	210,489	219,950	228,934	237,948
Total current assets	2,359,015	2,873,954	3,859,127	3,974,253	3,652,530	4,329,079	5,033,367	5,918,525	8,442,436	8,934,772	9,546,524	10,919,915	12,475,189	14,078,206	15,742,413
Property and equipment, net	982,328	1,436,087	1,754,101	1,651,462	1,548,916	1,728,470	2,024,518	2,282,798	2,511,089	2,715,701	2,901,755	3,073,411	3,234,056	3,386,445	3,532,829
Operating lease assets right-of-use assets	176,573	260,410	279,534	418,685	396,151	457,270	535,590	603,918	664,313	718,444	767,665	813,077	855,576	895,890	934,617
Goodwill, net	1,243,034	1,520,575	2,045,041	2,126,366	2,203,077	2,248,992	2,248,992	2,248,992	2,248,992	2,248,992	2,248,992	2,248,992	2,248,992	2,248,992	2,248,992
Other intangible assets, net	184,043	670,280	946,299	784,260	727,366	656,248	547,848	455,848	381,548	320,648	259,748	198,848	137,948	77,048	16,148
Other long-term assets	282,856	960,087	409,157	418,485	447,235	503,483	518,587	534,145	550,169	566,675	583,675	601,185	619,221	637,797	656,931
Total assets	5,227,849	7,121,393	9,293,259	9,373,511	8,975,275	9,923,542	10,908,902	12,044,227	14,798,548	15,505,232	16,308,358	17,855,429	19,570,981	21,324,378	23,131,929
Liabilities and Equity															
<i>Current liabilities:</i>															
Current maturities of long-term debt, including finance leases	145,110	137,912	171,916	177,246	186,095	154,311	154,300	108,000	1,281,100	668,500	130,200	500	-	-	-
Current portion of operating lease liabilities	72,481	95,426	96,516	137,765	146,183	175,649	196,774	221,878	244,067	263,954	282,038	298,722	314,336	329,148	343,375
Accounts payable	571,269	663,063	1,109,867	1,242,602	1,105,747	1,280,897	1,508,455	1,747,731	1,950,273	2,122,545	2,268,508	2,389,405	2,496,804	2,598,793	2,701,107
Accrued salaries and wages	135,316	203,141	181,888	198,943	205,152	248,266	296,949	327,592	365,557	397,847	425,206	447,867	467,998	487,114	506,292
Other accrued expenses	187,647	229,936	365,971	415,075	455,043	540,778	414,392	433,902	654,409	581,833	517,583	516,132	533,643	550,281	566,695
Contract Liabilities	228,388	313,965	406,232	480,967	735,625	747,730	752,375	830,017	926,206	1,008,020	1,077,340	1,134,755	1,185,760	1,234,196	1,282,786
Other current liabilities	74,988	141,155	163,647	184,621	165,854	123,414	128,351	133,485	138,824	144,377	150,152	156,158	162,404	168,901	175,657
Total current liabilities	1,415,199	1,784,598	2,496,037	2,837,219	2,999,699	3,271,045	3,451,596	3,802,605	5,560,436	5,187,077	4,881,027	4,943,539	5,160,945	5,368,434	5,575,911
Long-term debt, including finance leases	1,157,632	1,876,233	3,052,193	2,888,058	2,038,017	2,176,372	2,404,398	2,571,164	2,759,602	2,924,076	3,065,661	3,186,396	3,295,021	3,397,757	3,499,104
Long-term operating lease liabilities	116,506	176,378	194,050	292,873	261,303	292,839	363,176	409,509	450,461	487,167	520,543	551,336	580,154	607,491	633,750
Deferred income taxes	302,938	450,361	571,401	390,399	362,772	478,156	485,683	493,564	505,450	516,018	525,418	534,793	544,486	554,480	564,773
Other long-term liabilities	230,049	289,962	238,291	242,701	326,141	370,609	381,727	393,179	404,974	417,124	429,637	442,527	455,802	469,476	483,561
Total Liabilities	3,222,324	4,577,532	6,552,072	6,652,250	5,987,932	6,589,021	7,086,580	7,670,020	9,680,324	9,531,461	9,392,287	9,658,591	10,036,408	10,397,638	10,757,100
Equity															
Common stock	846,764	1,043,152	1,256,452	1,273,269	1,300,930	1,329,852	1,329,852	1,329,852	1,329,852	1,329,852	1,329,852	1,329,852	1,329,852	1,329,852	1,329,852
Retained earnings	1,833,557	2,162,388	2,195,742	2,145,793	2,308,581	2,707,623	3,220,028	3,794,612	4,555,036	5,424,837	6,378,231	7,660,029	8,997,102	10,386,989	11,831,135
Accumulated other comprehensive loss	(91,444)	(78,776)	(50,955)	(52,997)	(40,847)	(44,033)	(44,033)	(44,033)	(44,033)	(44,033)	(44,033)	(44,033)	(44,033)	(44,033)	(44,033)
Treasury stock, at cost	(586,955)	(586,955)	(663,910)	(659,913)	(656,807)	(734,133)	(774,437)	(814,741)	(855,044)	(895,348)	(935,652)	(975,956)	(1,016,260)	(1,056,563)	(1,096,867)
Total MasTec, Inc. shareholders' equity	2,001,922	2,539,809	2,737,329	2,706,152	2,911,857	3,259,309	3,731,411	4,265,691	4,985,810	5,815,308	6,728,398	7,969,892	9,266,661	10,616,244	12,020,087
Non-controlling interests	3,603	4,052	3,858	15,109	75,486	75,212	90,911	108,516	131,814	158,463	187,674	226,946	267,912	310,496	354,742
Total equity	2,005,525	2,543,861	2,741,187	2,721,261	2,987,343	3,334,521	3,822,322	4,374,207	5,117,624	5,973,771	6,916,071	8,196,838	9,534,573	10,926,740	12,374,829
Total liabilities and equity	5,227,849	7,121,393	9,293,259	9,373,511	8,975,275	9,923,542	10,908,902	12,044,227	14,798,548	15,505,232	16,308,358	17,855,429	19,570,981	21,324,378	23,131,929

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Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Operating Activities									
Net Income	512,405	574,584	760,423	869,801	953,394	1,281,798	1,337,073	1,389,887	1,444,147
Depreciation	330,192	386,747	436,087	479,698	518,785	554,327	587,119	617,807	646,918
Change in deferred taxes	7,527	7,881	11,886	10,568	9,401	9,375	9,693	9,995	10,293
Operating lease right-of-use assets	(78,320)	(68,329)	(60,395)	(54,130)	(49,221)	(45,412)	(42,499)	(40,315)	(38,726)
Goodwill	-	-	-	-	-	-	-	-	-
Accounts receivable, net	(265,139)	(186,310)	(230,816)	(196,321)	(166,339)	(137,774)	(122,392)	(116,227)	(116,597)
Contract assets	(344,573)	(242,148)	(299,993)	(255,159)	(216,191)	(179,065)	(159,073)	(151,060)	(151,541)
Inventories, net	(64,909)	(18,304)	(22,677)	(19,288)	(16,342)	(13,536)	(12,025)	(11,419)	(11,455)
Prepaid expenses	2,188	(18,718)	(23,190)	(19,724)	(16,712)	(13,842)	(12,297)	(11,677)	(11,714)
Other current assets	(44,727)	(14,402)	(17,842)	(15,176)	(12,858)	(10,650)	(9,461)	(8,985)	(9,013)
Accounts payable	227,558	239,276	202,542	172,272	145,963	120,897	107,399	101,989	102,314
Accrued salaries & wages	48,683	30,644	37,964	32,290	27,359	22,661	20,131	19,117	19,178
Other accrued expenses	(126,386)	19,510	220,507	(72,576)	(64,250)	(1,452)	17,511	16,639	16,413
Contract liabilities	4,645	77,642	96,189	81,814	69,319	57,415	51,005	48,436	48,590
Other current liabilities	4,937	5,134	5,339	5,553	5,775	6,006	6,246	6,496	6,756
Net Cash from Operating Activities	214,082	793,207	1,116,025	1,019,621	1,188,083	1,650,748	1,778,431	1,870,683	1,955,562
Investing Activities									
Capex	(626,240)	(645,027)	(664,378)	(684,309)	(704,839)	(725,984)	(747,763)	(770,196)	(793,302)
Other intangible assets, net	108,400	92,000	74,300	60,900	60,900	60,900	60,900	60,900	60,900
Other long-term assets	(15,104)	(15,558)	(16,024)	(16,505)	(17,000)	(17,510)	(18,036)	(18,577)	(19,134)
Net Cash from Investing Activities	(532,944)	(568,585)	(606,102)	(639,914)	(660,939)	(682,594)	(704,899)	(727,873)	(751,536)
Financing Activities									
Current portion of long-term debt, including finance leases	(11)	(46,300)	1,173,100	(612,600)	(538,300)	(129,700)	(500)	-	-
Current portion of operating lease liabilities	21,125	25,104	22,189	19,887	18,084	16,684	15,614	14,812	14,228
Long-term debt, including finance leases	228,026	166,765	188,439	164,473	141,585	120,736	108,625	102,736	101,346
Long-term operating lease liabilities	70,337	46,333	40,953	36,705	33,376	30,793	28,818	27,337	26,260
Other long-term liabilities	11,118	11,452	11,795	12,149	12,514	12,889	13,276	13,674	14,084
Common stock	-	-	-	-	-	-	-	-	-
Share repurchases	(40,304)	(40,304)	(40,304)	(40,304)	(40,304)	(40,304)	(40,304)	(40,304)	(40,304)
Non-controlling interests	15,699	17,604	23,298	26,649	29,211	39,272	40,966	42,584	44,246
Net Cash from Financing Activities	305,991	180,654	1,419,470	(393,039)	(343,835)	50,371	166,494	160,839	159,861
Net Cash	(12,872)	405,276	1,929,393	(13,332)	183,309	1,018,525	1,240,026	1,303,649	1,363,887
Beginning Cash	396,030	383,158	788,434	2,717,827	2,704,495	2,887,804	3,906,329	5,146,354	6,450,003
Ending Cash	383,158	788,434	2,717,827	2,704,495	2,887,804	3,906,329	5,146,354	6,450,003	7,813,890

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Historical Cash Flow Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024
Cash flows from operating activities:					
Net income / loss	322,699	330,729	33,888	(47,296)	199,421
Depreciation	258,841	345,612	371,240	433,929	366,765
Amortization of intangible assets	38,910	77,214	135,908	169,233	139,853
Non-cash stock-based compensation expense	21,875	24,805	27,446	33,335	32,672
(Benefit from) provision for deferred income taxes	7,180	51,931	9,549	(140,863)	(34,433)
Equity in earnings of unconsolidated affiliates, net	(29,738)	(33,830)	(28,836)	(30,697)	(30,228)
Gains / losses on sales of assets, net	(16,210)	(35,635)	(39,692)	(21,408)	(24,138)
Loss on extinguishment of debt	-	-	-	-	11,344
Non-cash interest expense, net	2,988	3,171	4,172	5,837	5,533
Other non-cash items, net	21,775	(12,323)	4,743	8,875	13,711
Changes in assets and liabilities, net of acquisitions:					
Accounts receivable	87,372	149,152	6,298	45,007	29,634
Contract assets	63,306	49,295	(304,351)	(54,185)	207,703
Inventories	17,904	10,147	(20,523)	33,018	26,345
Other assets, current and long-term portion	20,486	(35,837)	68,603	75,047	20,546
Accounts payable and accrued expenses	94,069	(104,481)	192,119	165,892	(161,734)
Contract liabilities	21,326	10,603	(39,372)	49,384	247,502
Other liabilities, current and long-term portion	4,471	(37,479)	(68,895)	(37,831)	71,129
Net cash flows from operating activities	937,254	793,074	352,297	687,277	1,121,625
Cash flows from investment activities:					
Cash paid for acquisitions, net of cash acquired	(24,971)	(1,244,603)	(635,763)	(69,388)	(79,933)
Capital expenditures	(213,746)	(170,066)	(263,352)	(192,941)	(148,855)
Proceeds from sale of property and equipment	37,077	65,287	81,470	84,110	66,038
Payments from other investments	(17,456)	(9,996)	(3,981)	(1,899)	(801)
Proceeds from other investments	648	557	400	425	1,503
Other investing activities, net	1,843	1,650	43	1,632	4,558
Net cash used in investing activities	(216,605)	(1,357,171)	(821,183)	(178,061)	(157,490)
Cash flows from financing activities:					
Proceeds from credit facilities and term loans	1,434,610	1,503,372	4,065,000	4,378,200	4,099,102
Repayments of credit facilities and term loans	(1,741,067)	(812,103)	(3,241,128)	(4,509,950)	(5,252,750)
Proceeds from issuance of senior notes	600,000	-	-	-	549,758
Repayment of senior notes	(400,000)	-	-	-	(224,046)
Payments of finance lease obligations	(126,988)	(158,892)	(181,481)	(167,615)	(153,957)
Repurchase of common stock	(120,228)	-	(81,291)	-	-
Payments of acquisition-related contingent consideration	(10,097)	(21,675)	(35,149)	(21,638)	(24,593)
Payments for acquisition-related contingent assets	-	-	(17,636)	-	(12,351)
Payments to non-controlling interests, including acquisition of	(719)	(8,965)	(728)	(14,478)	(32,943)
Proceeds from stock-based awards	6,454	(6,024)	(4,098)	(10,330)	(2,946)
Proceeds from stock-based awards	7,090	-	-	-	-
Payments for stock-based awards	(636)	(6,024)	(4,098)	(10,330)	(2,946)
Other financing activities, net	(11,852)	6,229	(22,592)	(5,187)	(35,508)
Net cash (used in) provided by financing activities	(369,887)	501,942	480,897	(350,998)	(1,090,234)
Payments of financing costs	(11,852)	-	-	-	-
Other financing activities, net	(11,852)	-	-	-	-
Net (decrease) increase in cash and cash equivalents	350,762	(62,155)	12,011	158,218	(126,099)
Effect of currency translation on cash	929	(227)	(2,155)	751	(3,559)
Net (decrease) increase in cash and cash equivalents	351,691	(62,382)	9,856	158,969	(129,658)
Cash and cash equivalents - beginning of period	71,427	423,118	360,736	370,592	529,561
Cash and cash equivalents - end of period	423,118	360,736	370,592	529,561	399,903

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Common Size Income Statement

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Costs of revenue, excluding depreciation and amortization	83.39%	85.59%	87.81%	88.48%	86.77%	87.46%	87.46%	87.46%	86.50%	86.50%	86.50%	85.00%	85.00%	85.00%	85.00%
Depreciation	4.09%	4.35%	3.80%	3.62%	2.98%	2.07%	1.97%	2.09%	2.11%	2.14%	2.16%	2.19%	2.22%	2.25%	2.26%
Amortization of intangible assets	0.62%	0.97%	1.39%	1.41%	1.14%	0.92%	0.65%	0.50%	0.36%	0.27%	0.25%	0.24%	0.23%	0.22%	0.21%
General and administrative expenses	5.05%	3.86%	5.72%	5.83%	5.56%	4.99%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%
Interest expense, net	0.94%	0.67%	1.15%	1.95%	1.57%	1.21%	0.83%	0.78%	1.06%	0.87%	0.72%	0.68%	0.67%	0.67%	0.66%
Equity in earnings of unconsolidated affiliates, net	-0.47%	-0.43%	-0.29%	-0.26%	-0.25%	-0.22%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%	-0.34%
Loss on extinguishment of debt	0.09%	0.00%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other expense (income), net	-0.43%	-0.42%	-0.01%	-0.34%	0.09%	-0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income (loss) before income taxes	6.73%	5.41%	0.44%	-0.69%	2.04%	3.60%	4.23%	4.30%	5.10%	5.36%	5.50%	7.02%	7.01%	7.00%	6.99%
(Provision for) benefit from income taxes	-1.62%	-1.25%	-0.09%	0.30%	-0.42%	-0.65%	-1.08%	-1.10%	-1.30%	-1.37%	-1.40%	-1.79%	-1.79%	-1.79%	-1.79%
Net income (loss)	5.11%	4.16%	0.35%	-0.39%	1.62%	2.95%	3.15%	3.20%	3.80%	3.99%	4.09%	5.23%	5.22%	5.21%	5.21%
Net income attributable to non-controlling interests	0.00%	0.02%	0.01%	0.02%	0.30%	0.16%	0.09%	0.10%	0.11%	0.12%	0.12%	0.16%	0.16%	0.15%	0.15%
Net income (loss) attributable to MasTec, Inc.	5.11%	4.14%	0.34%	-0.42%	1.32%	2.79%	3.06%	3.11%	3.69%	3.87%	3.97%	5.07%	5.06%	5.06%	5.05%

Mastec
Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets															
<i>Current assets:</i>															
Cash and cash equivalents	6.69%	4.54%	3.79%	4.41%	3.25%	2.77%	2.29%	4.26%	13.17%	12.04%	12.03%	15.45%	19.48%	23.46%	27.34%
Accounts receivable, net of allowance	12.41%	12.82%	14.32%	11.42%	11.23%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%	10.77%
Contract assets	15.34%	15.44%	17.69%	14.64%	12.65%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Inventories, net	1.42%	1.16%	1.21%	0.90%	0.87%	0.79%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
Prepaid expenses	0.96%	1.15%	1.25%	0.88%	0.97%	1.28%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
Other current assets	0.50%	1.03%	1.21%	0.87%	0.72%	0.66%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Total current assets	37.32%	36.14%	39.47%	33.13%	29.69%	30.28%	30.03%	32.01%	40.92%	39.79%	39.78%	43.20%	47.23%	51.20%	55.09%
Property and equipment, net	15.54%	18.06%	17.94%	13.77%	12.59%	12.09%	12.08%	12.35%	12.17%	12.09%	12.09%	12.16%	12.24%	12.32%	12.36%
Operating lease assets right-of-use assets	2.79%	3.27%	2.86%	3.49%	3.22%	3.20%	3.20%	3.27%	3.22%	3.20%	3.20%	3.22%	3.24%	3.26%	3.27%
Goodwill, net	19.67%	19.12%	20.91%	17.73%	17.91%	15.73%	13.42%	12.16%	10.90%	10.02%	9.37%	8.90%	8.51%	8.18%	7.87%
Other intangible assets, net	2.91%	8.43%	9.68%	6.54%	5.91%	4.59%	3.27%	2.47%	1.85%	1.43%	1.08%	0.79%	0.52%	0.28%	0.06%
Other long-term assets	4.47%	4.53%	4.18%	3.49%	3.64%	3.52%	3.09%	2.89%	2.67%	2.52%	2.43%	2.38%	2.34%	2.32%	2.30%
Total assets	82.71%	89.56%	95.04%	78.14%	72.95%	69.40%	65.09%	65.14%	71.72%	69.05%	67.95%	70.63%	74.09%	77.56%	80.95%
Liabilities and Equity															
<i>Current liabilities:</i>															
Current maturities of long-term debt, including finance leases	2.30%	1.73%	1.76%	1.48%	1.51%	1.08%	0.92%	0.58%	6.21%	2.98%	0.54%	0.00%	0.00%	0.00%	0.00%
Current portion of operating lease liabilities	1.15%	1.20%	0.99%	1.15%	1.19%	1.23%	1.17%	1.20%	1.18%	1.18%	1.18%	1.18%	1.19%	1.20%	1.20%
Accounts payable	9.04%	8.34%	11.35%	10.36%	8.99%	8.96%	9.00%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%
Accrued salaries and wages	2.14%	2.55%	1.86%	1.66%	1.67%	1.74%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%	1.77%
Other accrued expenses	2.97%	2.89%	3.74%	3.46%	3.70%	3.78%	2.47%	2.35%	3.17%	2.59%	2.16%	2.04%	2.02%	2.00%	1.98%
Contract Liabilities	3.61%	3.95%	4.15%	4.01%	5.98%	5.23%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%	4.49%
Other current liabilities	1.19%	1.78%	1.67%	1.54%	1.35%	0.86%	0.77%	0.72%	0.67%	0.64%	0.63%	0.62%	0.61%	0.61%	0.61%
Total current liabilities	22.39%	22.44%	25.53%	23.65%	24.38%	22.88%	20.59%	20.57%	26.95%	23.10%	20.21%	19.56%	19.54%	19.53%	19.51%
Long-term debt, including finance leases	18.31%	23.60%	31.21%	24.08%	16.56%	15.22%	14.35%	13.91%	13.37%	13.02%	12.77%	12.60%	12.47%	12.36%	12.24%
Long-term operating lease liabilities	1.84%	2.22%	1.98%	2.44%	2.12%	2.05%	2.17%	2.21%	2.18%	2.17%	2.17%	2.18%	2.20%	2.21%	2.22%
Deferred income taxes	4.79%	5.66%	5.84%	3.25%	2.95%	3.34%	2.90%	2.67%	2.45%	2.30%	2.19%	2.12%	2.06%	2.02%	1.98%
Other long-term liabilities	3.64%	3.65%	2.44%	2.03%	2.65%	2.59%	2.28%	2.13%	1.96%	1.86%	1.79%	1.75%	1.73%	1.71%	1.69%
Total Liabilities	50.98%	57.57%	67.01%	55.45%	48.67%	46.08%	42.28%	41.48%	46.92%	42.45%	39.13%	38.21%	37.99%	37.82%	37.64%
Equity															
Common stock	13.40%	13.12%	12.85%	10.61%	10.57%	9.30%	7.93%	7.19%	6.45%	5.92%	5.54%	5.26%	5.03%	4.84%	4.65%
Retained earnings	29.01%	27.19%	22.46%	17.89%	18.76%	18.94%	19.21%	20.52%	22.08%	24.16%	26.58%	30.30%	34.06%	37.78%	41.40%
Accumulated other comprehensive loss	-1.45%	-0.99%	-0.52%	-0.44%	-0.33%	-0.31%	-0.26%	-0.24%	-0.21%	-0.20%	-0.18%	-0.17%	-0.17%	-0.16%	-0.15%
Treasury stock, at cost	-9.29%	-7.38%	-6.79%	-5.50%	-5.34%	-5.13%	-4.62%	-4.41%	-4.14%	-3.99%	-3.90%	-3.86%	-3.85%	-3.84%	-3.84%
Total MasTec, Inc. shareholders' equity	31.67%	31.94%	27.99%	22.56%	23.67%	22.79%	22.26%	23.07%	24.16%	25.90%	28.04%	31.53%	35.08%	38.61%	42.06%
Non-controlling interests	0.06%	0.05%	0.04%	0.13%	0.16%	0.53%	0.54%	0.59%	0.64%	0.71%	0.78%	0.90%	1.01%	1.13%	1.24%
Total equity	31.73%	31.99%	28.03%	22.68%	24.28%	23.32%	22.81%	23.66%	24.80%	26.60%	28.82%	32.43%	36.10%	39.74%	43.30%
Total liabilities and equity	82.71%	89.56%	95.04%	78.14%	72.95%	69.40%	65.09%	65.14%	71.72%	69.05%	67.95%	70.63%	74.09%	77.56%	80.95%

Mastec
Value Driver Estimation

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:															
Revenue	6,320,975	7,951,781	9,778,038	11,995,934	12,303,464	14,299,171	16,760,615	18,490,241	20,633,046	22,455,612	23,999,835	25,278,870	26,415,107	27,494,110	28,576,547
Less: Costs of revenue	5,270,879	6,805,735	8,586,333	10,613,762	10,675,987	12,506,437	14,658,834	16,171,565	17,847,585	19,424,104	20,759,857	21,487,040	22,452,841	23,369,994	24,290,065
Less: Depreciation	258,841	345,612	371,240	433,929	366,765	295,892	330,192	386,747	436,087	479,698	518,785	554,237	587,119	617,807	646,918
Less: Amortization of intangible assets	38,910	77,214	135,908	169,233	139,853	131,190	108,400	92,000	74,300	60,900	60,900	60,900	60,900	60,900	60,900
Less: General & administrative expenses	319,192	306,970	559,437	698,999	684,508	713,009	872,261	962,275	1,073,791	1,168,642	1,249,007	1,315,571	1,374,703	1,430,857	1,487,189
Add: Implied interest on operating leases	9,941	14,661	15,738	23,572	22,303	25,744	30,154	34,001	37,401	40,448	43,220	45,776	48,169	50,439	52,619
EBITA	443,094	430,911	140,858	103,683	458,654	678,387	821,081	911,655	1,238,684	1,362,717	1,454,506	1,906,809	1,987,713	2,064,991	2,144,093
Less: Adjusted Taxes															
Marginal Tax Rate	25.10%	25.40%	31.10%	23.50%	22.60%	25.54%	25.54%	25.54%	25.54%	25.54%	25.54%	25.54%	25.54%	25.54%	25.54%
Income Tax Provision	(102,465)	(99,346)	(9,171)	35,408	(51,542)	(93,384)	(181,141)	(203,123)	(268,819)	(307,485)	(337,036)	(453,131)	(472,671)	(491,342)	(510,523)
Add: Tax shield on operating lease interest	2,495	3,724	4,894	5,539	5,041	6,575	7,701	8,684	9,552	10,331	11,038	11,691	12,302	12,882	13,438
Add: Tax shield on interest expense	14,967	13,567	34,911	55,085	43,678	44,180	35,351	37,015	55,826	49,634	44,153	44,030	45,523	46,942	48,343
Add: Loss on extinguishment of unconsolidated affiliates	(7,464)	(8,593)	(8,968)	(7,214)	(6,832)	(8,164)	(14,489)	(15,984)	(17,837)	(19,412)	(20,747)	(21,853)	(22,835)	(23,767)	(24,703)
Add: Equity in earnings of unconsolidated affiliates	1,398	-	-	2,564	-	-	-	-	-	-	-	-	-	-	-
Less: Tax on other income	(6,895)	(8,486)	(422)	(9,610)	2,487	(964)	-	-	-	-	-	-	-	-	-
Total Adjusted Taxes	(84,174)	(82,162)	22,089	98,429	(9,578)	(49,828)	(152,579)	(173,408)	(221,278)	(266,933)	(302,592)	(419,263)	(437,681)	(455,285)	(473,445)
Change in deferred taxes	6,612	147,423	121,040	(181,002)	(27,627)	115,384	7,527	7,881	11,886	10,568	9,401	9,375	9,693	9,995	10,293
NOPLAT	533,880	660,496	239,809	(175,748)	440,606	843,599	981,187	1,092,944	1,471,848	1,640,217	1,766,498	2,335,447	2,435,086	2,530,271	2,627,831
Invested Capital (IC):															
Normal Cash	175,066	220,233	270,813	332,240	340,757	396,030	464,202	512,106	571,453	621,931	664,700	700,124	731,593	761,477	791,456
Add: Accounts receivable, net	784,488	1,019,324	1,399,732	1,370,074	1,381,462	1,540,263	1,805,402	1,991,712	2,222,529	2,418,850	2,585,189	2,722,963	2,845,355	2,961,582	3,078,178
Add: Contract assets	969,743	1,227,927	1,729,886	1,756,381	1,555,807	2,001,913	2,346,486	2,588,634	2,888,626	3,143,786	3,359,977	3,539,042	3,698,115	3,849,175	4,000,717
Add: Inventories, net	89,645	92,595	117,969	108,146	107,345	112,465	177,374	195,678	218,355	237,642	253,984	267,520	279,545	290,963	302,419
Add: Prepaid expenses	60,631	91,488	122,308	105,880	118,888	183,575	181,387	200,105	223,295	243,019	259,731	273,573	285,870	297,547	309,261
Add: Other current assets	31,390	81,884	118,640	104,211	89,125	94,833	139,560	153,962	171,805	186,981	199,839	210,489	219,950	228,934	237,948
Less: Accounts payable	571,269	663,063	1,109,867	1,242,602	1,105,747	1,280,897	1,508,455	1,747,731	1,950,273	2,122,545	2,268,508	2,389,405	2,496,804	2,598,793	2,701,107
Less: Accrued salaries & wages	135,316	203,141	181,888	198,943	205,152	248,266	296,949	327,592	365,557	397,847	425,206	447,867	467,998	487,114	506,292
Less: Other accrued expense	187,647	229,936	365,971	415,075	455,043	540,778	414,392	433,902	654,409	581,833	517,583	516,132	533,643	550,281	566,695
Less: Contract liabilities	228,388	313,965	406,232	480,967	735,625	747,730	752,375	830,017	926,206	1,008,020	1,077,340	1,134,755	1,185,760	1,234,196	1,282,786
Less: Other current liabilities	74,988	141,155	163,647	181,621	165,854	133,414	128,351	133,485	138,824	144,377	150,152	156,158	162,404	168,901	175,557
Net Working Capital (NWC)	913,355	1,182,191	1,531,743	1,254,724	925,963	1,387,994	2,013,889	2,169,470	2,460,792	2,597,586	2,884,630	3,069,394	3,213,818	3,350,393	3,487,442
Add: Net PPE	982,328	1,436,087	1,754,101	1,651,462	1,548,916	1,728,470	2,024,518	2,282,798	2,511,089	2,715,701	2,901,755	3,073,411	3,234,056	3,386,445	3,532,829
Add: PV of operating leases	176,573	260,410	279,534	418,685	396,151	457,270	535,590	603,918	664,313	718,444	767,665	813,077	855,576	895,890	934,617
Add: Other intangible assets	184,043	670,280	946,299	784,260	727,366	656,248	547,848	455,848	381,548	320,648	259,748	198,848	137,948	77,048	16,148
Add: Other long-term assets	282,856	360,087	409,157	418,485	447,235	503,483	518,587	534,145	550,169	566,675	583,675	601,185	619,221	637,797	656,913
Less: Other long-term liabilities	230,049	289,962	238,391	243,701	326,141	370,609	381,727	393,179	404,974	417,124	429,637	442,527	455,802	469,476	483,561
Invested Capital (IC)	2,309,106	3,619,093	4,682,443	4,283,915	3,719,490	4,362,856	5,258,705	5,653,000	5,962,939	6,501,929	6,967,835	7,313,389	7,604,816	7,878,098	8,144,406
Free Cash Flow (FCF):															
NOPLAT	533,880	660,496	239,809	(175,748)	440,606	843,599	981,187	1,092,944	1,471,848	1,640,217	1,766,498	2,335,447	2,435,086	2,530,271	2,627,831
Change in IC	1,309,987	1,063,350	(399,528)	(564,425)	643,366	895,849	394,295	309,939	538,991	465,906	345,554	291,427	273,282	266,308	266,308
FCF	(649,490)	(823,541)	222,780	1,005,030	200,233	85,338	698,649	1,161,909	1,101,226	1,300,592	1,989,893	2,143,659	2,256,989	2,361,523	2,361,523
Return on Invested Capital (ROIC):															
NOPLAT	533,880	660,496	239,809	(175,748)	440,606	843,599	981,187	1,092,944	1,471,848	1,640,217	1,766,498	2,335,447	2,435,086	2,530,271	2,627,831
Beginning IC	2,309,106	3,619,093	4,682,443	4,283,915	3,719,490	4,362,856	5,258,705	5,653,000	5,962,939	6,501,929	6,967,835	7,313,389	7,604,816	7,878,098	8,144,406
ROIC	23.30%	18.26%	5.12%	-4.13%	11.74%	19.31%	18.86%	19.34%	24.69%	25.23%	25.35%	32.07%	32.03%	32.14%	32.26%
Economic Profit (EP):															
Beginning IC	2,309,106	3,619,093	4,682,443	4,283,915	3,719,490	4,362,856	5,258,705	5,653,000	5,962,939	6,501,929	6,967,835	7,313,389	7,604,816	7,878,098	8,144,406
(WACC - WACC)	-10.31%	-18.30%	-3.68%	-14.06%	-0.02%	12.37%	12.18%	10.48%	15.73%	17.20%	16.86%	23.21%	22.99%	22.95%	23.05%
EP	422,489	(133,223)	(658,382)	(951)	460,219	531,493	550,912	889,175	1,025,598	1,096,323	1,617,249	1,681,271	1,746,418	1,815,810	1,815,810

Mastec*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.21%
Beta	1.34
Equity Risk Premium	5.00%
Cost of Equity	10.89%

ASSUMPTIONS:

10 Year Treasury Yield (2/6/2026)
 3 Year Weekly Beta (2/6/2026)
 Henry Fund Consensus

Cost of Debt:

Risk-Free Rate	4.21%
Implied Default Premium	1.42%
Pre-Tax Cost of Debt	5.63%
Marginal Tax Rate	26%
After-Tax Cost of Debt	4.19%

10 Year Treasury Yield (2/6/2026)

YTM on company's 10 year corporate bond

Market Value of Common Equity:

Total Shares Outstanding	79,310
Current Stock Price	\$371.48
MV of Equity	29,462,079

MV Weights

91.36%

Market Value of Debt:

Current Portion of LTD	154,311
Long-Term Debt	2,176,372
PV of Operating Leases	457,270
MV of Total Debt	2,787,953

8.64%

Market Value of the Firm

32,250,031.80

Estimated WACC

10.31%

Mastec

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	3.00%
CV Year ROIC	33.36%
WACC	10.31%
Cost of Equity	10.89%

Fiscal Years Ending Dec. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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DCF Model:

Free Cash Flow (FCF)	85,338	698,649	1,161,909	1,101,226	1,300,592	1,989,893	2,143,659	2,256,989	2,361,523
Continuing Value (CV)									32,727,273
PV of FCF	77,364	574,183	865,683	743,805	796,378	1,104,596	1,078,761	1,029,662	14,930,522

Value of Operating Assets:	21,200,955
Non-Operating Adjustments	
Add: Excess Cash	(81,044)
Less: PV Operating Leases	(535,590)
Less: NCI	(90,911)
Less: ST Debt	(154,300)
Less: LT Debt	(2,404,398)
Value of Equity	17,934,712
Shares Outstanding	79,310
Intrinsic Value of Last FYE	\$ 226.13
Implied Price as of Today	\$ 230.01

EP Model:

Economic Profit (EP)	531,493	550,912	889,175	1,025,598	1,096,323	1,617,249	1,681,271	1,746,418	1,815,810
Continuing Value (CV)									24849175.8
PV of EP	481,829	452,766	662,482	692,723	671,300	897,741	846,072	796,734	11,336,452

Total PV of EP	16,838,099
Invested Capital (last FYE)	4,362,856
Value of Operating Assets:	21,200,955
Non-Operating Adjustments	
Add: Excess Cash	(81,044)
Less: PV Operating Leases	(535,590)
Less: NCI	(90,911)
Less: ST Debt	(154,300)
Less: LT Debt	(2,404,398)
Value of Equity	17,934,712
Shares Outstanding	79,310
Intrinsic Value of Last FYE	\$ 226.13
Implied Price as of Today	\$ 230.01

Mastec*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
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EPS	\$ 5.03	\$ 6.47	\$ 7.27	\$ 9.63	\$ 11.03	\$ 12.11	\$ 16.30	\$ 17.02	\$ 17.72	\$ 18.43
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Key Assumptions

CV growth of EPS	2.50%
CV Year ROE	13.22%
Cost of Equity	10.89%

Future Cash Flows

P/E Multiple (CV Year)										966.90%
EPS (CV Year)										\$ 18.43
Future Stock Price										\$ 178.23
Dividends Per Share	0	0	0	0	0	0	0	0	0	0
Discounted Cash Flows	0	0	0	0	0	0	0	0	0	\$ 70.32

Intrinsic Value as of Last FYE \$ 70.32

Implied Price as of Today **\$ 70.51**

Mastec*Relative Valuation Models*

Ticker	Company	Price	EPS		P/E		EV 2026E	EBITDA 2026E	Multiples 2026E
			2026E	2027E	26	27			
PWR	Quanta Services Inc	\$605.89	\$13.02	\$15.26	46.54	39.70	90,977	3,408	26.70
DY	Dycom Industries Inc	\$404.81	\$11.97	\$13.95	33.82	29.02	12,777	946	13.51
PRIM	Primoris Services Corp	\$164.67	\$5.92	\$6.78	27.82	24.29	7,993	570	14.02
EME	EMCOR Group Inc	\$838.01	\$28.31	\$31.84	29.60	26.32	31,825	1,900	16.75
FLR	Fluor Corporation	\$47.14	\$2.69	\$3.28	17.52	14.37	4,172	544	7.67
			Average		31.06	26.74			15.73

MTZ	Mastec	\$371.48	\$6.47	\$7.27	57.38	51.1	25,360	1,147,839	0.0
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Implied Relative Value:

P/E (EPS26)	\$ 201.08
P/E (EPS27)	\$ 194.38
EV/EBITDA 2026E	\$ 228.26

Mastec*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Cost of Equity: 10.89%
 Current Stock Price: \$371.48

Fiscal Years Ending Dec. 31	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Share Repurchases (\$)	40,304	40,304	40,304	40,304	40,304	40,304	40,304	40,304	40,304	40,304
Expected Price of Repurchased Shares:	\$ 371.48	\$ 377.48	\$ 383.58	\$ 389.78	\$ 396.08	\$ 402.48	\$ 408.99	\$ 415.59	\$ 422.31	\$ 429.14
Number of Shares Repurchased:	108	107	105	103	102	100	99	97	95	94
Shares Outstanding (beginning of the year)	79,310	79,202	79,095	78,990	78,886	78,785	78,684	78,586	78,489	78,393
Less: Shares Repurchased in Treasury	108	107	105	103	102	100	99	97	95	94
Shares Outstanding (end of the year)	79,202	79,095	78,990	78,886	78,785	78,684	78,586	78,489	78,393	78,299

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Key Management Ratios

Fiscal Years Ending Dec. 31	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:															
Current Ratio (Current Assets / Current Liabilities)	1.67	1.61	1.55	1.40	1.22	1.32	1.46	1.56	1.52	1.72	1.97	2.21	2.42	2.62	2.82
Quick Ratio (Current Assets - Inventory / Current Liabilities)	1.60	1.56	1.50	1.36	1.18	1.29	1.41	1.50	1.48	1.68	1.92	2.15	2.36	2.57	2.77
Cash Ratio (Cash + Cash Equivalents / Current Liabilities)	0.30	0.20	0.15	0.19	0.13	0.12	0.11	0.21	0.49	0.52	0.60	0.79	1.00	1.20	1.40
Asset-Management Ratios:															
Total Asset Turnover (Sales / Avg Total Assets)		1.29	1.19	1.29	1.34	1.51	1.61	1.61	1.54	1.48	1.51	1.48	1.41	1.34	1.29
Current Asset Turnover (Sales / Avg Current Assets)		3.04	2.90	3.06	3.23	3.58	3.58	3.38	2.87	2.58	2.60	2.47	2.26	2.07	1.92
Fixed Asset Turnover (Sales / PPE)	6.43	5.54	5.57	7.26	7.94	8.27	8.28	8.10	8.22	8.27	8.27	8.23	8.17	8.12	8.09
Financial Leverage Ratios:															
Debt to Equity (Total Debt / Total Equity)	0.65	0.79	1.18	1.13	0.74	0.70	0.67	0.61	0.79	0.60	0.46	0.39	0.35	0.31	0.28
Debt to Assets (Total Debt / Total Assets)	0.25	0.28	0.35	0.33	0.25	0.23	0.23	0.22	0.27	0.23	0.20	0.18	0.17	0.16	0.15
Debt to EBITDA (Total Debt / EBITDA)	1.80	2.36	5.86	5.89	2.94	2.47	2.23	2.10	2.59	2.06	1.68	1.33	1.32	1.31	1.29
Profitability Ratios:															
Return on Equity (NI/Beg TSE)		16.40%	1.31%	-1.82%	5.98%	13.36%	15.37%	15.03%	17.38%	17.00%	15.96%	18.53%	16.31%	14.58%	13.22%
Return on Assets (NI / Total Assets)	6.18%	4.62%	0.36%	-0.53%	1.81%	4.02%	4.70%	4.77%	5.14%	5.61%	5.85%	7.18%	6.83%	6.52%	6.24%
Profit Margin (NI / Sales)	5.11%	4.14%	0.34%	-0.42%	1.32%	2.79%	3.06%	3.11%	3.69%	3.87%	3.97%	5.07%	5.06%	5.06%	5.05%
Margins:															
Gross Margin (Gross Profit / Revenue)	16.61%	14.41%	12.19%	11.52%	13.23%	12.54%	12.54%	12.54%	13.50%	13.50%	13.50%	15.00%	15.00%	15.00%	15.00%
Operating Margin (Operating Income EBIT) / Revenue)	6.73%	5.41%	0.44%	-0.69%	2.04%	3.60%	4.23%	4.30%	5.10%	5.36%	5.50%	7.02%	7.01%	7.00%	6.99%
Interest Coverage Ratio															
	7.13	8.05	0.38	-0.35	1.30	2.98	5.12	5.49	4.82	6.19	7.63	10.29	10.38	10.47	10.56

Valuation of Options Granted under ESOP

Current Stock Price	\$371.48
Risk Free Rate	4.21%
Current Dividend Yield	
Annualized St. Dev. of Stock Returns	40.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1					
Range 2					
Range 3					
Range 4					
Range 5					
Range 6					
Range 7					
Range 8					
Range 9					
Total					NO ESOP