

MasTec, Inc. (MTZ)

Industrials – Infrastructure Construction

September 20, 2024

Investment Thesis

We recommend a BUY rating on MasTec (MTZ) with 9.15% to 23.60% upside. The company is well-positioned to capitalize on key infrastructure trends, including clean energy and 5G expansion. Additionally, major projects, such as the 700-mile transmission line and AT&T partnership, are expected to drive strong revenue growth.

Drivers of Thesis

- MasTec's 700-mile transmission project, starting in 2025, is projected to generate \$300-\$500 million in annual revenues, positioning the company for future large-scale transmission opportunities and significantly boosting growth in the Power Delivery segment.
- The expanded AT&T partnership is expected to grow MasTec's wireless revenues by 30%-50% over 2023 levels. This contract will help rebalance its wireless and wireline segments, driving significant revenue growth through 2025.
- The \$42.45B BEAD program is expected to drive broadband infrastructure investment starting in 2025, with MasTec poised to capture a substantial share of rural broadband contracts, enhancing its long-term growth prospects.

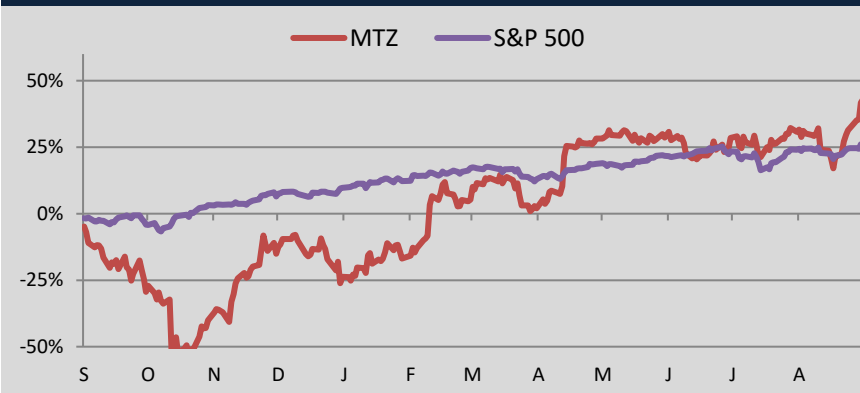
Risks to Thesis

- Delays in regulatory approvals and permitting, especially for the 700-mile transmission project, could impact revenue recognition and project timelines, pushing potential revenues from 2025 further into the future.
- Rising material costs and inflation may reduce margins in key segments like Clean Energy & Infrastructure, especially if MasTec faces difficulties passing these additional costs onto clients under fixed-price contracts.

Earnings Estimates

Year	2021	2022	2023	2024E	2025E	2026E
EPS	\$4.54	\$0.45	\$-0.64	\$3.73	\$5.05	\$5.35
HF est.				\$4.29	\$5.06	\$5.36
Growth	2.4%	-90.0%	-242.2%	770.1%	18.07%	5.9%

12 Month Performance



Stock Rating

BUY

Target Price

\$136-154

Henry Fund DCF	\$154
Henry Fund DDM	\$65
Relative Multiple	\$136

Price Data

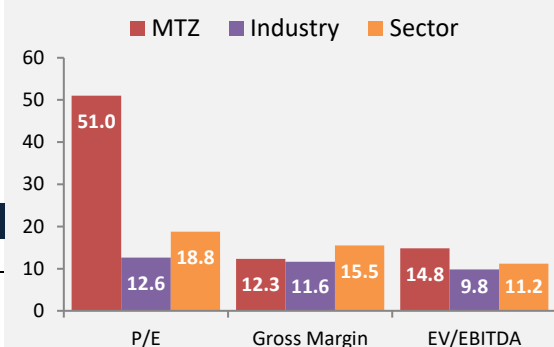
Current Price	\$126.1
52wk Range	\$44.6 – 127.9
Consensus 1yr Target	\$124.6

Key Statistics

Market Cap (B)	\$9.9
Shares Outstanding (M)	\$79.2
Institutional Ownership	75.8%
Beta	1.05
Dividend Yield	0.0%
Est. 5yr Growth	38.6%
Price/Earnings (TTM)	51.0
Price/Earnings (FY1)	0.0
Price/Sales (TTM)	0.8
Price/Book (mrq)	3.6

Profitability

Operating Margin	5.5%
Profit Margin	0.7%
Return on Assets (TTM)	2.3%
Return on Equity (TTM)	4.1%



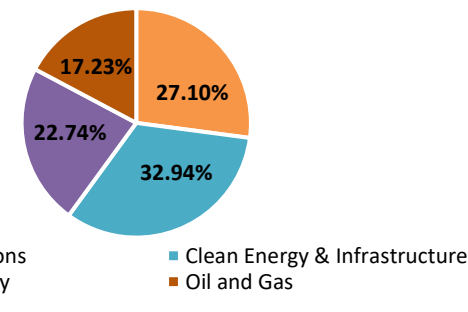
Company Description

MasTec, Inc. is a leading infrastructure construction company that specializes in engineering, construction, and maintenance services for energy, communications, and utility infrastructure. Its key areas include renewable energy projects, oil and gas pipelines, and telecommunications networks. Primarily operating in North America, MasTec serves major utility companies, energy producers, telecom firms, and government entities.

COMPANY DESCRIPTION

MasTec (MTZ) is a leading infrastructure construction company that mainly operates in North America. The company's primary activities include engineering, building, installation, maintenance, and upgrade of communications, energy, utility and other infrastructure. MasTec operates under five reportable segments: Communications, Clean Energy & Infrastructure, Power Delivery, Oil and Gas, and Other. This structure is generally focused on broad end-user markets for labor-based construction services.¹ In 2023, MasTec revenue was up 23% to \$12 billion, compared to \$9.8 billion for the prior year. Revenue growth was driven primarily by the Clean Energy & Infrastructure and Communications segments.

MTZ 2023 Revenue by Segment (\$12B)



Source: MTZ 10-K 2023

As of December 31, 2023, MasTec had approximately 34,000 employees and 850 locations. The company provides services to a broad range of customers, with a significant portion of their work delivered through multi-year agreements, such as master service and other service contracts. These agreements ensure long-term, recurring work. The rest of their projects are based on contracts for specific tasks, where they are responsible for constructing or installing entire infrastructure systems or specific components. This combination of long-term agreements and project-specific contracts allows MasTec to maintain a balanced and diversified service portfolio.

MasTec has been involved in building 5G networks, constructing large-scale solar and wind farms, and installing essential pipeline systems. Their ability to execute projects across different sectors positions them as a key player in North America's modernization efforts. The map below showcases various infrastructure projects undertaken by MasTec across North America, categorized

by different types of expertise such as energy, telecommunications, transportation, and utilities. Icons represent specific project categories, indicating their locations and areas of focus.

Featured Projects



Source: Mastec Website – Featured Projects

Communications Segment

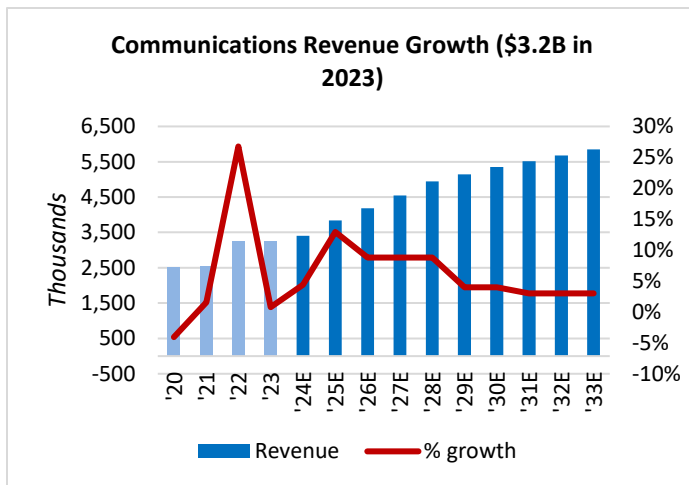
The Communications segment handles engineering, construction, maintenance, and customer service activities related to communications infrastructure. This includes work on wireless and wireline/fiber networks, as well as services for install-to-the-home customers and infrastructure projects for utilities. The segment plays an important role in supporting the expansion of telecommunications and data services, addressing the growing demand for faster, more reliable networks.

Communications revenue for 2023 was \$3.26 billion, up 1% from 2022's \$3.23 billion. Acquisitions added \$149 million in revenue, while organic revenue dropped by \$123 million (4%) due to lower activity in wireless and install-to-the-home projects, influenced by macroeconomic factors such as higher financing costs and changes in consumer behavior. However, this decline was partially offset by increased wireline and utility project work.

MasTec's Communications segment has strong growth potential, driven by increasing demand for 5G infrastructure. According to IBIS World, the wireless tower construction industry is projected to grow at a 1.9% CAGR over the next five years² and MasTec is a key player in the industry. We expect the company's expanded partnership with AT&T, which includes a five-year swap-out of Nokia

equipment for Ericsson, to boost the company's 2025 segment revenues by double digits. Additionally, MasTec has exclusive rights to perform specific services for AT&T in certain regions, further securing long-term revenue streams.

On the public sector side, MasTec is well-positioned to benefit from the Broadband Equity Access and Deployment (BEAD) program, which will provide over \$42 billion in funding to expand broadband access. This is expected to positively impact MasTec's business in 2025. Finally, the rapid growth of Smart Cities and the Internet of Things (IoT), forecasted to grow at 24.35% CAGR between 2024 and 2032³, further enhances the outlook for this segment. Keeping all this in mind, we believe MasTec has numerous opportunities ahead, leading us to forecast a 6.02% CAGR for the Communications segment from FY2024-2033.



Source: MTZ 10-K, Henry Fund Model

Clean Energy & Infrastructure

This segment provides engineering, construction, and maintenance services for renewable energy projects, power delivery systems, and heavy civil infrastructure. This includes the development of wind and solar farms, repowering of aging wind assets, and construction of roads, bridges, and other critical infrastructure. In 2023, this segment was the largest contributor to the company's revenues, generating approximately \$4 billion with adjusted EBITDA margins of 4.3%.

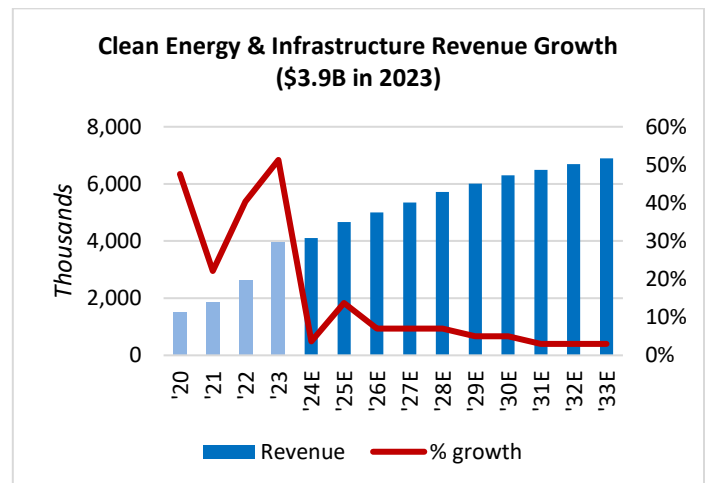
We expect this segment to have strong growth due to increasing demand for renewable energy and infrastructure upgrades. Global investment in low-carbon projects grew by 17% in 2023, with renewable energy

accounting for \$623 billion⁴. The shift toward renewables, driven by corporate decarbonization targets and favorable economics, positions MasTec well for future growth.

Additionally, government initiatives like the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) are providing significant funding, with the IRA alone offering \$370 billion in clean energy incentives that extend through at least 2032. These policies, combined with the repowering of aging wind infrastructure (expected to impact over 20% of the U.S. wind fleet by 2028)⁵, offer substantial opportunities for MasTec.

Finally, MasTec ended FY2023 with \$3.7 billion in backlog and an additional \$2 billion in upcoming contracts in the Clean & Infrastructure segment. Thus, we believe the company is well-positioned to capture this growing demand. Infrastructure investment in roads, bridges, and site development is also driving growth.

The combination of these factors provides a bullish outlook for MasTec's Clean Energy & Infrastructure segment. Based on these trends and MasTec's strong position in the market, we project a 5.69% CAGR for this segment during the forecast period.



Source: MTZ 10-K, Henry Fund Model

Power Delivery

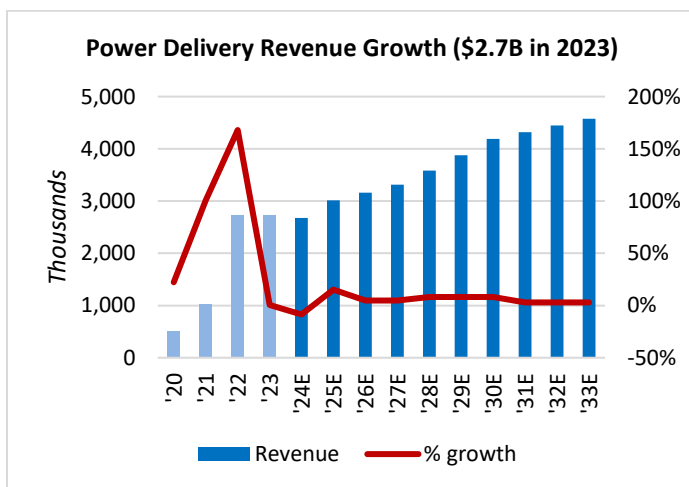
The Power Delivery segment provides engineering, construction, and maintenance services for electric transmission and distribution infrastructure, including high-voltage transmission lines, substations, and power grids. This segment plays a critical role in maintaining and upgrading the U.S. electrical grid. In 2023, the Power

Delivery segment generated \$2.7 billion in revenue, with an adjusted EBITDA margin of 7.9%,

We consider a driver of future growth to be MasTec's recent award of a 700-mile high-voltage transmission and substation project, one of the largest in the U.S. This project is expected to generate \$300 million to \$500 million annually between 2025 and 2028, offering strong visibility and resource utilization for the segment.

Additionally, MasTec is currently bidding on other large projects that could lead to further double-digit annual growth in the segment. With a record \$3 billion in backlog for Power Delivery, the company is well-positioned to capture future opportunities. Furthermore, the increasing demand for grid resiliency and renewable energy integration provide a favorable outlook for the segment.

While some challenges persist, particularly in the distribution market, we remain optimistic about the segment's growth. With the awarded transmission project and broader market dynamics, we forecast a 5.29% CAGR for MasTec's Power Delivery segment for FY2024-2033.



Source: MTZ 10-K, Henry Fund Model

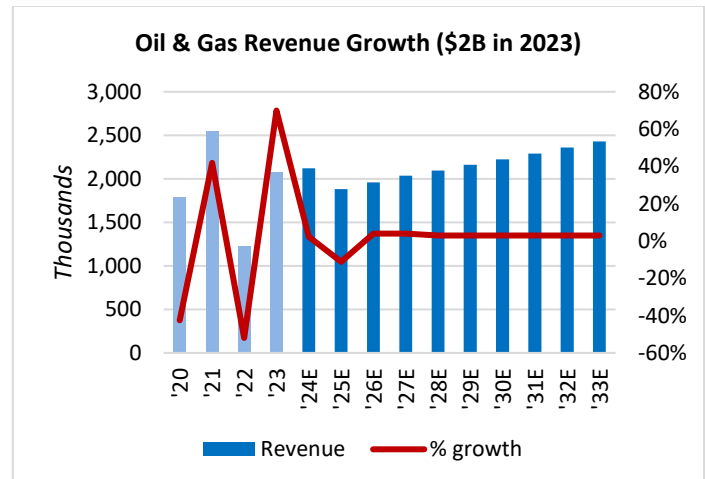
Oil and Gas

MasTec's Oil and Gas Pipeline segment plays a critical role in providing construction and maintenance services for natural gas, water, and carbon capture pipelines. The segment also focuses on pipeline integrity services to ensure safe, long-term usage. In 2023, the segment generated nearly \$2.1 billion in revenue with an adjusted EBITDA margin of 13.7%.

A major development in this segment is the completion of the Mountain Valley Pipeline (MVP) project, which is expected by Q2 2024, marking a significant milestone for the business. MasTec continues to perform well across its broad range of services, maintaining strong performance despite minor delays in project timing.

Natural gas remains a crucial part of the U.S. energy mix, both as a primary fuel source and as baseload backup to renewable energy. The U.S. Department of Energy projects that natural gas will account for 20% of U.S. electricity generation by 2050⁶, maintaining its relevance amid the transition to cleaner energy. Rising demand for liquefied natural gas (LNG) exports, spurred by geopolitical factors like the war in Ukraine, is expected to support continued investment in pipeline infrastructure to transport LNG to coastal export facilities.

Furthermore, MasTec is positioned to benefit from regulatory and sustainability-driven investments in pipeline replacement and rehabilitation to upgrade aging infrastructure. Decarbonization trends are also driving demand for carbon capture sequestration and hydrogen pipelines, both of which are supported by government funding through the IIJA and IRA.



Source: MTZ 10-K, Henry Fund Model

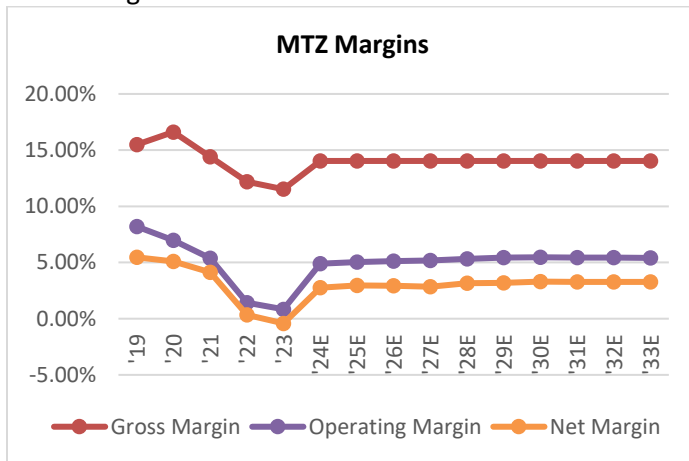
While we expect the Oil and Gas segment to experience modest growth, with a projected 1.61% CAGR from FY2024-2033, we believe MasTec remains well-positioned to support the energy transition. The company's broad service offerings and strong market presence enable it to capture opportunities across both traditional energy markets and emerging sectors like carbon capture and hydrogen technologies.

Other

The Other segment includes certain equity investees whose services differ from those provided by MasTec's primary segments, as well as small business units that operate in select international markets. While smaller in scale, this segment allows MasTec to diversify its service offerings and tap into opportunities in niche and international end-markets.

Cost Structure Analysis

The chart below depicts MasTec's margins which have faced volatility in recent years due to rising costs and project delays. However, our forecasts indicate a stabilization in margins starting in 2024, supported by large-scale projects, operational efficiencies, and favorable government incentives.



Source: Henry Fund Model

MasTec's gross margins peaked at 16.61% in 2020 but have since faced pressure due to rising material and labor costs. By 2024, we project margins to stabilize at 14.05%, driven by operational efficiencies and a favorable project mix, including large-scale endeavors such as the 700-mile high-voltage transmission line and the Mountain Valley Pipeline (MVP). This outlook is slightly more optimistic compared to consensus estimates, which forecast gross margins at 13.20% for 2024 and 13.40% for 2025, suggesting our view places emphasis on MasTec's ability to capture efficiencies and benefit from high-margin projects in telecommunications and clean energy.

Operating margins saw declines in 2022-2023 due to higher SG&A expenses and project delays. We forecast stabilization around 4.89% in 2024 and 5.04% in 2025, exceeding consensus expectations of 3.47% and 4.39%,

respectively. This difference highlights our confidence in MasTec's cost control initiatives, economies of scale from larger projects, and strategic focus through its regional operating model in Power Delivery, complemented by federal programs like the IIJA and IRA.

Net margins turned negative in 2022, primarily due to debt-related interest expenses and one-time project challenges. We anticipate recovery and stabilization at 2.76% in 2024 and 2.97% in 2025, compared to consensus estimates of 1.44% and 2.29%. Our more favorable view stems from anticipated stronger cash flows from major projects, strategic debt reduction, and tax incentives from the IRA. Furthermore, consistent revenue growth from MasTec's diverse portfolio is expected to provide a steady foundation for improved net margins.

Additional Company Analysis

Contract Structure

MasTec's revenue is primarily generated through Master Service Agreements (MSAs) and project-specific contracts. As of December 31, 2023, MSAs contributed 40% of consolidated revenue. These agreements typically cover a range of services for a specific geographic area, utilized on an as-needed basis, and priced by time and materials or fixed price per unit.

MSAs are often secured through competitive bidding, although they can also be extended through negotiation without re-bidding. These agreements are usually multi-year and can be exclusive within certain regions, but they do not guarantee a fixed volume of work. Services are executed via individual work orders, each of which is performed for a fixed fee.

On the other hand, project-specific contracts involve the construction and installation of complete infrastructure systems, using varied pricing structures like fixed price, unit price, or cost-plus. MasTec employs a cost-to-cost method to recognize revenue over time, with ongoing adjustments for factors like job performance or variable conditions. For 2023, such adjustments had a minimal impact on revenue, affecting less than 0.2%.

MasTec's strong industry relationships, competitive bidding strategies, and efficient service delivery make it well-positioned to secure both MSAs and large project-specific contracts, ensuring steady revenue streams and long-term growth. However, fixed-price contracts carry

inherent margin risks. If project costs exceed initial estimates due to rising material prices, labor shortages, or unforeseen delays, MasTec must absorb these additional costs, potentially reducing profitability. Effective resource management and cost controls are crucial to mitigate these risks and maintain healthy margins on fixed-price contracts.

Strategy

The company's strategy is centered on capitalizing on growth opportunities, operational excellence, effective capital structure management, and strategic acquisitions.

First, MasTec aims to leverage its broad geographic presence, technical expertise, and customer relationships to capture growth in sectors like wireless and fiber infrastructure, clean energy, power delivery, pipelines, and heavy civil construction.

In operational excellence, the company is committed to maintaining strong profit margins and cash flows by optimizing project management, resource utilization, and working capital. MasTec focuses on effectively managing customer contract bidding procedures, prioritizing acquisition and operational integration, enhancing financial systems, and implementing cybersecurity best practices to improve operational effectiveness.

Third, MasTec continues to manage its capital structure prudently, maintaining its investment-grade credit rating even after acquisitions like Infrastructure and Energy Alternatives (IEA). The company has access to significant capital resources through its \$2.25 billion senior unsecured credit facility and expects to evaluate refinancing and debt management opportunities regularly.

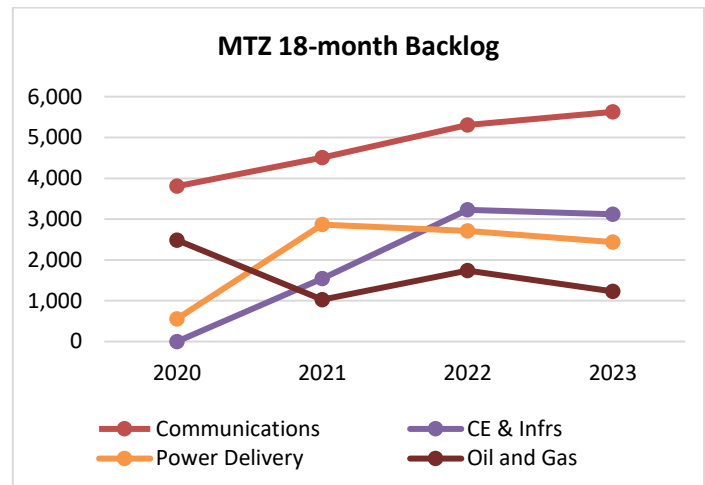
Finally, MasTec pursues acquisitions that expand its service offerings, customer base, and geographic reach. Recent acquisitions, like IEA and INTREN, LLC, have diversified the company's portfolio. Acquisitions seek to maximize performance and may divest non-core assets if they no longer align with its long-term strategy.

Backlog

Backlog is a critical metric for companies like MasTec, providing insight into future revenue opportunities from ongoing and upcoming projects; MasTec's backlog covers

an 18-month period. As of December 31, 2023, 59% of MasTec's backlog was tied to MSAs. Although these agreements offer flexibility, they do not guarantee a fixed volume of work since they can be cancelled at short or no advance notice. Approximately 75% of MasTec's 2023 year-end backlog is expected to be realized in 2024, providing clear visibility into near-term revenue.

The following graph presents 18-month backlog by revenue segment for the past four years:



Source: MTZ 10-K

Debt Maturity Analysis

Fiscal Year	Payment (\$mil)
2024	\$177.2
2025	558.0
2026	1,185.9
2027	268.7
2028	604.1
Thereafter	284.9
TOTAL	\$3,078.8

Source: MTZ 2023 10-K

As of December 2023, MasTec had approximately \$3 billion in total debt, distributed across debt instruments, including term loans, revolving credit, and notes/bonds⁷. The debt maturity schedule shows significant obligations coming due in 2026 and 2028, with payments of \$1.19 billion and \$604.1 million, respectively, which will require strong cash flow management or refinancing.

For 2024, we estimate operating cash flows of \$219.60 million. Thus, the company should comfortably meet its 2024 debt obligations of \$177.2 million. Therefore, we are

not immediately concerned about MasTec's ability to repay its near-term debt.

However, the 2026 maturity of \$1.19 billion raises concerns, as it significantly exceeds our expected operating cash flow of \$776 million for that year. Without substantial growth in operating cash flows or asset sales, MasTec will likely need to refinance a portion of this debt to extend the maturity.

The chart below compares MasTec's debts ratios with those of its peers.

Company	D/E ratio	Current Ratio	Quick Ratio	S&P Credit Rating
Mastec	1.29	1.40	1.26	BBB-
Quanta Services	0.71	1.47	1.44	BBB-
Dycom Industries	0.84	3.06	2.85	BB
Primoris Services	1.06	1.41	1.38	-
EMCOR Group	0.14	1.26	1.23	BBB-
Fluor Corporation	0.66	1.60	1.60	BB+

Source: FactSet

MasTec's Debt-to-Equity (D/E) ratio of 1.29 reflects a relatively higher reliance on debt compared to its peers, such as Quanta Services and Fluor Corporation. While MasTec's leverage is on the higher end, its investment-grade credit rating (BBB-) and access to a \$2.25 billion senior unsecured credit facility provide the company with financial flexibility to manage its debt obligations effectively. The company's current liquidity ratios demonstrate adequate short-term liquidity, though slightly lower than peers like Dycom Industries and Fluor Corporation.

MasTec's strong backlog and stable cash flow generation gives us confidence in its ability to manage near-term debt obligations and secure favorable refinancing terms when needed. Management has emphasized maintaining its investment-grade credit rating, which is crucial for securing favorable borrowing costs and ensuring financial stability. We believe that this focus, combined with a well-structured debt portfolio, will enable MasTec to address

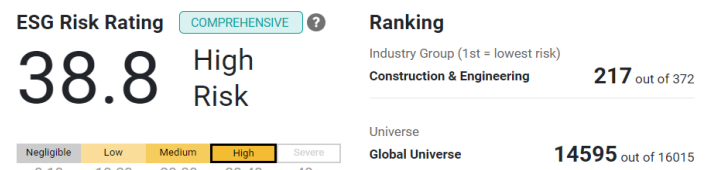
its debt maturities and maintain operational flexibility in the coming years.

ESG Analysis

On the environmental front, MasTec is growing its renewable energy projects, including wind, solar, and biofuels. The 2022 acquisition of Infrastructure and Energy Alternatives (IEA) strengthened its clean energy efforts, with renewables now making up 25% of revenue. However, the energy infrastructure sector tends to score high on environmental impact because of challenges like emissions and land use, even as companies like MasTec shift to cleaner solutions. Its work on carbon capture, hydrogen technologies, and water pipelines shows a commitment to reducing its environmental footprint.

Socially, MasTec focuses on workforce safety, diversity, and community support. The company works to create an inclusive and injury-free workplace and engages in community programs, such as veteran hiring and partnerships with indigenous groups. While these efforts support a positive social rating, it is worth considering how they compare to what other companies in the industry are doing.

Furthermore, governance at MasTec is overseen by the Nominating, Sustainability, and Corporate Governance Committee, which integrates ESG principles into its business strategy. With 63% of the board comprising women and minorities, the company reflects its focus on diversity. Strong risk management, ethical practices, and a commitment to long-term value creation guide MasTec's corporate governance efforts⁸.



Source: Morningstar Sustainability

As of April 4, 2024, MasTec has a 38.8 rating, and it is considered "High Risk" according to Morningstar Sustainability. This indicates that MasTec faces significant ESG-related risks, particularly in areas such as environmental impact from its oil and gas activities and governance challenges.

Company	ESG Risk Rating	
Mastec (MTZ)	38.8	High
Quanta Services (PWR)	36.6	High
Dycom Industries (DY)	35.9	High
Primoris Services (PRIM)	34.5	High
EMCOR Group (EME)	33.1	High
Fluor Corporation (FLR)	30.1	High

Source: Morningstar Sustainalytics

As shown above, all MasTec's peers in the construction and engineering industry fall within the high-risk category.

However, MasTec has the highest rating suggesting that it has more exposure to environmental, social, or governance-related challenges than its competitors. This rating highlights the need for MasTec to further strengthen its ESG practices, particularly as it operates in sectors like oil and gas, which face heightened scrutiny in environmental impact assessments.

RECENT DEVELOPMENTS

Recent Earnings Announcement

MasTec announced its second quarter 2024 financial results on August 1, 2024, reporting record revenue and strong performance across several segments. Second-quarter revenue reached \$3.0 billion, a 3% increase compared to the same period in 2023, setting a new second-quarter record. GAAP net income surged by 161% to \$43.8 million, or \$0.43 per diluted share, compared to \$16.8 million, or \$0.20 per share, in Q2 2023. On an adjusted basis, net income was \$85.6 million with adjusted earnings per share of \$0.96, surpassing expectations by \$0.08. Adjusted EBITDA was \$267.8 million, also beating expectations and up from \$255.4 million in Q2 2023. Additionally, the company reported a strong operating cash flow of \$264 million for the quarter, highlighting its financial flexibility.

MasTec's backlog reached a record \$13.3 billion in Q2 2024, growing by \$501 million from Q1. A key contributor was the award of a 700-mile high-voltage transmission project, set to begin in early 2025, strengthening the Power Delivery segment. CEO Jose Mas highlighted that this growth reflects customer confidence in MasTec's ability to deliver strategic projects, positioning the company for continued success across its core segments.

Looking ahead, MasTec provided updated guidance for the full year 2024. The company expects total revenue of approximately \$12.4 billion and GAAP net income of \$131 million, translating to \$1.25 in diluted EPS. Adjusted EBITDA is projected to reach \$975 million, representing 7.9% of revenue, with adjusted EPS expected at \$3.03.

The updated guidance provided by MasTec aligns with our predictions for revenue in 2024, which we also estimate at approximately \$12.2 billion. However, while the company expects adjusted EPS of \$3.03, our prediction is slightly higher, reflecting our more optimistic outlook on MasTec's earnings performance.

Acquisitions

MasTec continues to grow and diversify its business through strategic acquisitions aimed at expanding its market presence, geographic reach, and service offerings. In 2023, the company completed four key acquisitions, including two telecommunications companies specializing in wireless services and broadband/fiber-to-the-home initiatives, enhancing the Communications segment. Additionally, MasTec acquired significant stakes in two equipment companies within the Oil and Gas segment.

These acquisitions were funded through a combination of cash and debt, with a total purchase price of approximately \$69 million, along with earned-out liabilities¹. The amount suggests that these were smaller acquisitions, likely intended to bolster existing operations or enter niche markets where MasTec is already active. The integration of these acquisitions is largely complete, and they are expected to contribute synergies and operational efficiencies across the company's core segments.

Additionally, in late 2022, MasTec completed the acquisition of Infrastructure and Energy Alternatives (IEA), significantly enhancing its presence in the renewable energy sector. IEA, a leader in wind and solar construction, has outperformed expectations, contributing to the rapid expansion of MasTec's Clean Energy & Infrastructure segment. Since the acquisition, the segment has approached \$2 billion in revenue, driven by large-scale projects across multiple geographies with limited competition. This acquisition aligns with MasTec's strategy to capitalize on the growing demand for clean energy and solidifies its position as a major player in the low-carbon energy transition.

Major Project Wins

Transmission Project

MasTec's recent award of a 700-mile high-voltage transmission and substation project is a significant development for the company's Power Delivery segment. The project, expected to begin in early 2025 and complete in 2028, is projected to generate annual revenues of \$300 million to \$500 million. This marks the largest transmission project MasTec has ever secured, reflecting the company's growing expertise in large-scale infrastructure projects.

This win reflects the company's ability to pursue and execute large-scale, complex projects. The long pursuit of this project, combined with a deep understanding of the risk profile, positions MasTec to capitalize on future opportunities in the transmission infrastructure market. As MasTec successfully executes this project, it is likely to open doors for similar large-scale contracts, reinforcing the company's role as a leader in grid modernization and infrastructure development.

AT&T Partnership

In Q4 2023, MasTec expanded its long-standing partnership with AT&T, securing additional work on critical infrastructure projects. AT&T is planning a major network upgrade, replacing Nokia equipment with Ericsson over a five-year period, with the overall value of this network modernization project estimated at approximately \$14 billion¹².

While the exact financial terms of MasTec's involvement have not been publicly disclosed, this large-scale switch to Ericsson equipment is expected to drive significant growth in MasTec's wireless business, with a projected increase of 30-50% compared to 2023 levels. The expansion is anticipated to shift the company's wireline/wireless revenue split from 60/40 closer to 50/50, further strengthening its position in wireless network modernization.

INDUSTRY TRENDS

5G Network Expansion

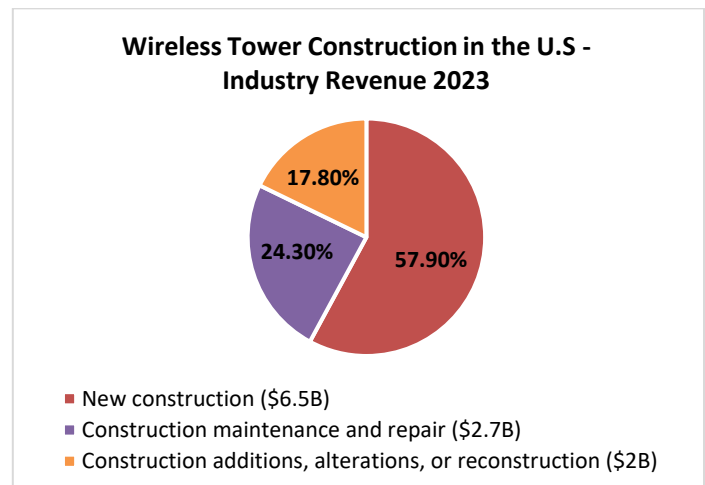
The Wireless Tower Construction industry is driven by the increasing demand for telecommunications infrastructure to support the growing usage of mobile internet and Internet of Things (IoT) technologies. The push for faster,

more reliable networks has boosted the development of 5G infrastructure, which is in the early stages but gaining momentum.

Looking ahead, the industry is expected to grow at a CAGR of 1.9% over the next five years², driven by government initiatives like the FCC's rural broadband programs and the Infrastructure Investment and Jobs Act (IIJA), which aim to expand high-speed internet access across the country. Investments in 5G networks will play a critical role, as telecom providers upgrade both 5G and legacy 4G networks to meet the increasing demand for high-speed data services.

For MasTec, one of the major players in the industry, this 5G network expansion presents significant growth opportunities. The company's expertise in wireless and wireline infrastructure construction, along with its key partnerships (such as with AT&T) positions it to benefit from the wave of 5G infrastructure projects and result in continued growth for the Communications segment.

The graph below shows revenues broken down by key products and service lines within the Wireless Tower Construction Industry for 2023.



Source: IBIS World

Power Grid Expansion and Renewable Integration

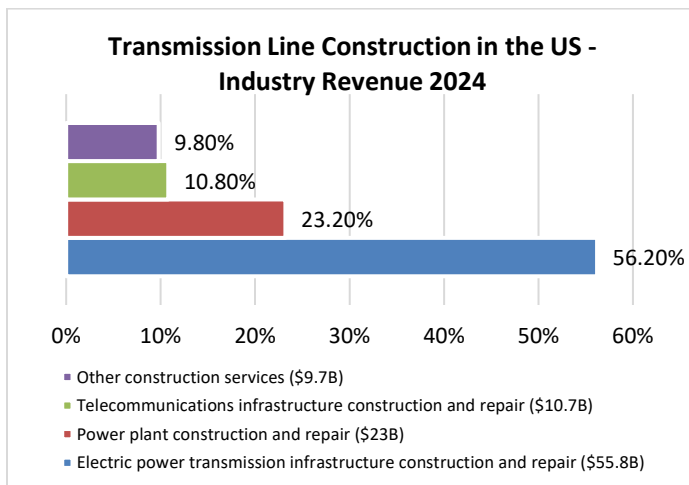
The Transmission Line Construction industry is poised for steady growth over the next five years, with a CAGR of 1.3% through 2029⁹. This growth is driven by rising demand for electrification across sectors such as transportation, manufacturing, and agriculture, as the nation seeks to transition to renewable energy and reduce

carbon emissions. With the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) allocating billions of dollars into infrastructure upgrades, the need for expanded grid capacity and new transmission lines is at an all-time high. Additionally, the expanding role of renewables like solar and wind, which often require long-distance transmission lines to connect remote generation sites to urban areas, further fuels the need for large-scale projects.

For MasTec, this presents a clear path to growth. The company is already involved in large-scale projects like the 700-mile transmission project, expected to begin in early 2025. As government funding continues to roll out and demand for grid expansion rises, MasTec is well-positioned to capitalize on these trends, leveraging its expertise and resources to secure more high-value contracts, driving long-term growth in the transmission line sector.

The graph below revenues broken down by key products

and service lines within the Transmission Line Construction Industry for 2024.



Source: IBIS World

Natural Gas Infrastructure Growth and LNG Expansion

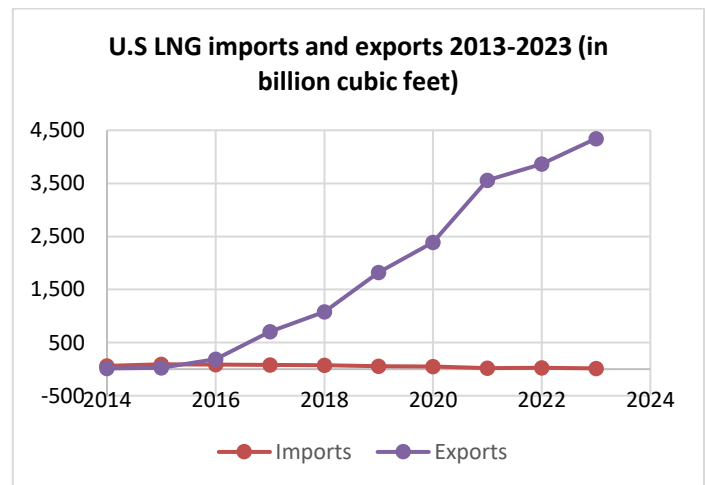
The growing demand for natural gas in the U.S. is expected to drive significant infrastructure development over the coming decades. According to the DOE's Annual Energy Outlook 2022, natural gas will account for approximately 35% of U.S. electricity generation by 2050, with natural gas-powered sources representing around 40% of new capacity additions through 2050. This positions natural gas

as the second-largest contributor to the U.S. energy mix, just behind renewables, highlighting its ongoing importance in energy production.

A major driver of this growth is Liquefied Natural Gas (LNG), which allows natural gas to reach international markets where pipelines are impractical. LNG exports have grown exponentially in recent years, with the U.S. now leading the world in LNG exports¹⁰. LNG facilities liquefy gas for transport via specialized carriers to overseas markets, primarily in Asia. Upon arrival, LNG is regasified and distributed for industrial, commercial, and residential use. The U.S. is expected to see continued growth in LNG exports, with increasing demand requiring further pipeline infrastructure to transport natural gas to coastal export facilities.

MasTec is well-positioned to benefit from new pipeline construction projects and the ongoing maintenance of aging infrastructure, as LNG infrastructure expansion continues to accelerate.

Below is a graph showcasing the rapid growth of U.S LNG exports and the decline in imports in the last ten years.



Source: Statista

MARKETS AND COMPETITION

The global infrastructure construction market size was estimated at \$3.6 billion in 2023 and is projected to reach \$5.2 billion by 2032, growing at a CAGR of 4.30% during the forecast period. This growth is driven by increasing government investments in infrastructure projects, rising urbanization, and the need for modernized transportation, energy, and utility systems. As economies continue to develop and populations grow, the demand for

infrastructure to support expansion and sustainability is expected to drive the industry forward, positioning it for steady growth throughout the decade.

Peer Comparisons

For this analysis, we selected the following peers: Quanta Services (PWR), EMCOR Group (EME), Fluor Corporation (FLR), Dycom Industries (DY), Primoris Services (PRIM). These companies are among the leading players in the infrastructure construction industry, offering a wide range of services including engineering, construction, and maintenance for power, telecommunications, oil and gas, and industrial sectors, similar to MasTec's core business operations. The chart below shows FY2023 data on MTZ and its peers (\$ in millions).

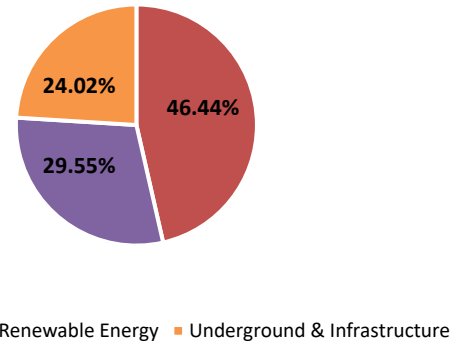
Company	Mkt Cap	Revenue	Net Income
PWR	42,856	20,882	744
EME	20,323	12,582	632
MTZ	9,992	11,995	-49
FLR	8,083	15,474	139
DY	5,695	4,175	218
PRIM	3,173	5,715	126

Source: FactSet

Quanta Services (PWR)

Quanta Services, Inc. provides comprehensive infrastructure solutions across key industries, including electric power, oil and gas, communications, pipeline, and renewable energy. The company operates through three segments: Electric Power, which delivers services for electric power and communications markets; Renewable Energy, focused on providing infrastructure solutions for the renewable energy sector; and Underground and Infrastructure, offering solutions for the transportation, distribution, and storage of natural gas, oil, and related products.

PWR Revenue by Segment 2023

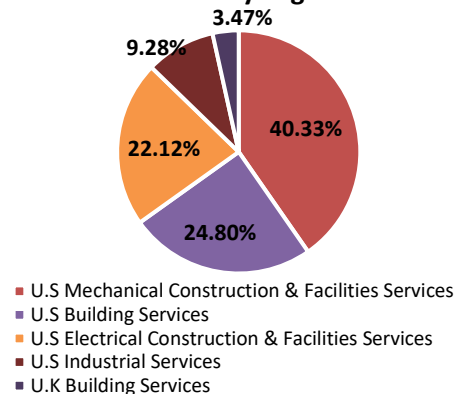


Source: FactSet

Quanta Services competes directly with MasTec in several key segments, particularly in electric power, renewable energy, and communications infrastructure. Their overlap in these growing industries positions them as major competitors in the race to capture market share in energy transition and infrastructure modernization projects.

EMCOR Group (EME)

EME Revenue by Segment 2023



Source: FactSet

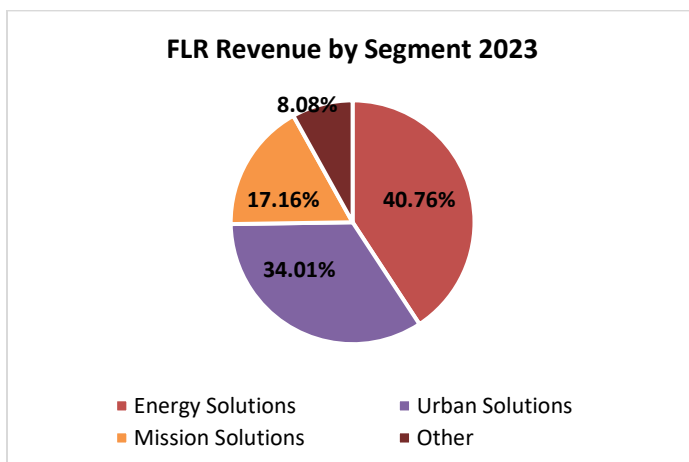
EMCOR Group, Inc. provides electrical and mechanical construction, as well as facilities services, across several specialized segments. These include United States Electrical Construction and Facilities Services, which offers systems for electrical power transmission and distribution; United States Mechanical Construction and Facilities Services, which handles heating, ventilation, air conditioning, refrigeration, and clean-room process ventilation systems; and United States Building Services, which focuses on the operation and maintenance of customer facilities. EMCOR also operates in United States Industrial Services, offering industrial maintenance and

services, and United Kingdom Building Services, providing commercial and government site-based operations and facility services.

EMCOR competes with MasTec in sectors like electrical power infrastructure and mechanical services, particularly in the areas of power transmission and industrial construction services. While both companies focus on infrastructure solutions, EMCOR's greater emphasis on building and industrial services provides it with a broader scope in facility management and mechanical construction compared to MasTec's focus on telecommunications and energy infrastructure.

Fluor Corporation (FLR)

Fluor Corporation is a holding company that provides engineering, procurement, and construction (EPC) services, along with fabrication, modularization, and project management solutions. It operates through four segments: Energy Solutions, which focuses on energy transition markets such as asset decarbonization, carbon capture, renewable fuels, waste-to-energy, and low-carbon energy sources like hydrogen and nuclear power; Urban Solutions, which offers EPC and project management services for infrastructure and staffing; Mission Solutions, which provides technical products to federal agencies and services for commercial nuclear clients; and Other, which includes operations in AMECO, Stork, and NuScale.



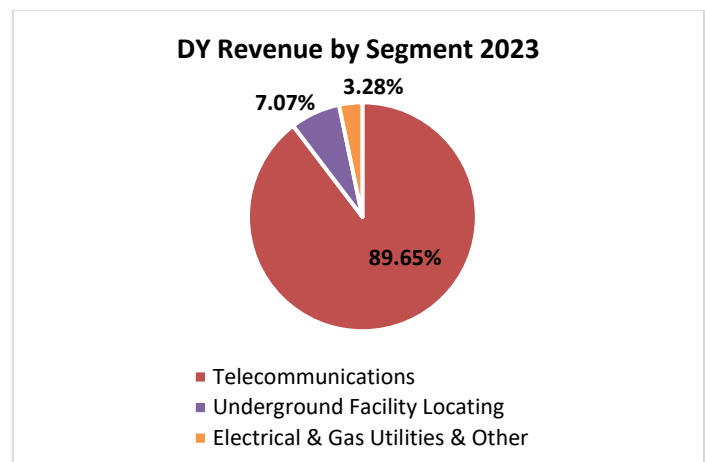
Source: FactSet

Fluor competes with MasTec in the energy transition and infrastructure construction markets, particularly in areas such as renewable energy and carbon capture. Both companies are focused on expanding capabilities in

decarbonization and low-carbon energy projects, making them competitors in the evolving energy sector.

Dycom Industries (DY)

Dycom Industries, Inc. provides a wide range of contracting services across the United States, primarily supporting telecommunications, electric, and gas utility sectors. The company operates through three main segments: Telecommunications, which focuses on engineering, construction, maintenance, and installation services for fiber-optic networks and wireless infrastructure; Underground Facility Locating, which ensures safe construction practices by identifying underground structures for various utilities; and Electrical & Gas Utilities and Other, which offers infrastructure services to support the development and maintenance of electricity and natural gas systems.



Source: FactSet

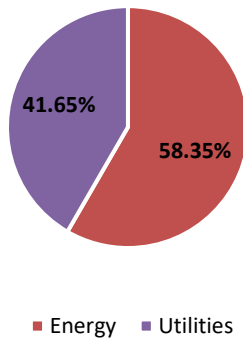
Dycom competes with MasTec in the telecommunications and utility sectors, particularly in the development of 5G infrastructure and fiber-optic networks. This overlap positions both as key players in the rapidly expanding infrastructure market.

Primoris Services (PRIM)

Primoris Services Corp. operates through two primary segments: Utilities and Energy & Renewables. It also provides pipeline services, even though it no longer reports them as a separate revenue segment after divesting the Pipeline segment in 2022. The Utilities segment focuses on services like telecommunications, as well as the installation and maintenance of natural gas and electric utility systems. The Energy & Renewables segment provides comprehensive engineering, procurement, and

construction services for renewable energy projects and other infrastructure like highways and flood control.

PRIM Revenue by Segment 2023



Source: FactSet

Primoris competes with MasTec primarily in utility infrastructure and renewable energy, where both companies offer services related to energy transition projects. However, Primoris remains an important player in pipeline construction and maintenance, aligning with broader trends in energy and infrastructure development.

Financial and Operating Metrics

Market Valuation

Company	Mkt Cap (B)	Trailing P/E	Forward P/E
MTZ	9.99	51.00	27.25
PWR	42.85	54.88	28.90
EME	20.32	24.98	22.72
FLR	8.08	20.34	14.47
DY	5.69	24.31	25.84
PRIM	3.17	20.82	14.97

Sources: FactSet, Yahoo Finance

MasTec's market valuation and P/E ratios present a mixed picture compared to its peer group. With a market cap of \$9.99 billion, MTZ is smaller than some of its major competitors, such as PWR and EME, but larger than DY and PRIM. This positions MasTec as a mid-sized player in the infrastructure construction sector.

Looking at the trailing P/E ratio, MTZ's is in the higher range, reflecting strong recent performance and market expectations for continued earnings growth. However, it is lower than PWR, suggesting that Quanta is seen as having

even greater growth potential or has been valued more aggressively by the market. Other peers, such as FLR, PRIM, and DY, have lower trailing P/E ratios, indicating more conservative valuations or potentially less optimism about recent earnings performance.

MTZ's forward P/E ratio suggests the market expects solid future earnings growth, positioning it closely with PWR. This suggests both companies are expected to benefit from similar market trends, such as infrastructure investment and energy transition. On the other hand, FLR and PRIM have much lower forward P/E ratios, indicating that these companies may be perceived as offering less growth potential or are undervalued relative to their future earnings prospects. Overall, MTZ's valuation reflects a healthy balance of current performance and future growth expectations, positioning it competitively within its peer group.

Profitability Ratios

Company	TTM Op Margin (%)	Net Margin (%)	ROA (%)	ROE (%)
MTZ	3.98	0.07	1.47	4.99
PWR	5.36	3.57	5.01	12.78
EME	9.08	5.03	10.43	28.49
FLR	3.10	0.90	2.01	7.46
DY	8.65	5.24	9.06	22.76
PRIM	5.54	2.21	3.42	10.76

Source: FactSet, Yahoo Finance

MTZ shows mixed results when compared to its peers in terms of profitability ratios. Its operating margin falls short compared to companies DY EME, highlighting potential challenges in managing operational costs or maintaining pricing power. These lower margins suggest that MasTec may face higher operational expenses or inefficiencies compared to its competitors, leading to lower overall profitability.

One of the most concerning metrics for MTZ is its net margin, which is only 0.07%, significantly lagging peers like EME and DY. However, since the operating margin remains strong while net margin is lower, this suggests that core operations are healthy but have been impacted by temporary or non-recurring costs.

Return on assets and return on equity further illustrate MTZ's challenges. Its ROA of 1.47% is well below the group, especially compared to DY and EME, showing less

efficiency in converting its assets into profits. The company's ROE of 4.99% is also at the bottom, far below EME's impressive 28.49%, indicating weaker shareholder returns, possibly due to higher leverage or lower profit generation.

In sum, while MasTec operates in a competitive industry with strong peers, these profitability metrics suggest that the company is facing more operational and financial headwinds than its competitors. Improving cost management and boosting profitability will be key for MasTec to close the performance gap.

Operating Metrics

Company	CapEx	Backlog	Backlog time
MTZ	192.94	12,407	18 months
PWR	434.80	30,110	12 months
EME	78.40	4,500	Not specified
FLR	106.00	29,441	Not specified
DY	218.49	6,910	12-months
PRIM	103.00	4,780	12 months

Source: Companies' 10-Ks

When analyzing the CapEx and backlog figures, MasTec demonstrates a balanced investment strategy relative to its peers, positioning itself as a competitive player in the infrastructure construction market. While PWR leads with a significant CapEx of \$434.80 million, MTZ maintains a substantial investment of \$192.94 million due to its focus on clean energy and telecommunications infrastructure. DY and FLR also invest heavily, with CapEx of \$218.49 million and \$106 million, respectively, showing their commitment to expansion in the telecommunications and energy sectors. EME and PRIM have comparatively lower CapEx, which may suggest a more conservative capital deployment strategy or a different focus on maintenance over aggressive growth.

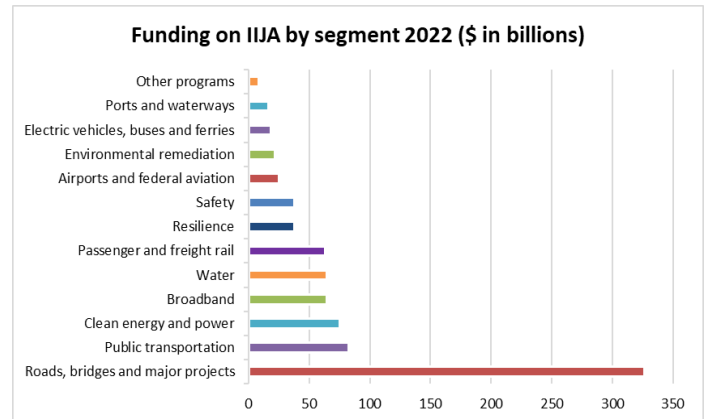
In terms of backlog, MTZ is performing solidly with \$12,407 million over an 18-month period, reflecting its success in securing key long-term projects, particularly in clean energy and infrastructure. This backlog places MTZ in a strong position for continued revenue generation and project stability. However, PWR and FLR far exceed other companies, with backlogs of \$30,110 million and \$29,441 million, respectively, indicating their dominance in large-scale, long-term infrastructure projects. MTZ's backlog suggests that while it may not lead in sheer size compared

to PWR and FLR, it is still well-positioned in the competitive landscape, especially given its balanced approach to CapEx and its diversified project base.

ECONOMIC OUTLOOK

Government Infrastructure Spending

Over the past decade, government infrastructure spending has seen fluctuations based on federal budgets and legislative initiatives. The passage of the Infrastructure Investment and Jobs Act (IIJA) in 2021 marked one of the largest infrastructure investment efforts in U.S. history, with a \$1.2 trillion package aimed at improving roads, bridges, energy systems, and broadband networks. Additionally, \$550 billion of that figure is going toward new investments and programs¹³. Similarly, the Inflation Reduction Act (IRA) of 2022 allocated \$370 billion towards clean energy projects and infrastructure development.



Source: Statista

The Henry Fund believes that government infrastructure spending will remain strong in the coming years, particularly due to multi-year allocations from the IIJA and IRA; we expect this spending to continue benefiting infrastructure companies like MasTec. However, it is important to monitor these programs, as the upcoming presidential elections could impact their future. Changes in administration or Congressional control may alter funding priorities, affecting infrastructure investments and MasTec's growth opportunities.

Interest Rates and Access to Capital

Interest rates are a key point of economic policy in the U.S. After a prolonged period of historically low rates following the 2008 financial crisis and the COVID-19 pandemic, the

Federal Reserve took a more aggressive stance in 2022 to curb rising inflation. This led to a series of rate hikes, pushing the federal funds rate from near zero to about 5.25% in 2023. However, in September 2024, the Fed shifted its approach and decreased interest rates by 50 basis points as inflationary pressures began to subside.

The Henry Fund expects at least one more 25 bps rate cut before the end of 2024, as the Fed seeks to balance controlling inflation while supporting economic growth. However, while rates are expected to ease somewhat, they are unlikely to return to pre-pandemic lows in the near term. The recent rate cut and anticipated further reductions will likely improve MasTec's financial flexibility, reducing pressure on margins and providing better access to capital for new projects. Maintaining its investment-grade credit rating will remain key for MasTec as it continues to manage its capital structure in this shifting interest rate environment.



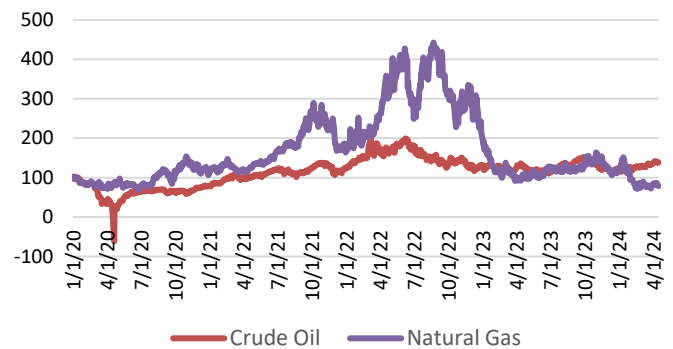
Source: FRED

Energy Transition and Commodity Prices

The past decade has seen a major push toward renewable energy, driven by environmental concerns and government policy. In parallel, natural gas has remained a key energy source in the transition to a lower-carbon economy. However, commodity prices, particularly for oil and gas, have experienced volatility, with oil prices swinging dramatically in response to global supply-demand imbalances and geopolitical events such as the OPEC production cuts and the Russia-Ukraine war.

While the consensus sees a continued transition toward renewables, we believe that natural gas will remain an important part of the energy mix through 2050. We also expect commodity prices to remain volatile, though the push for LNG exports could stabilize natural gas demand.

Daily stock price indexes of oil and gas commodities 2020 - 2024

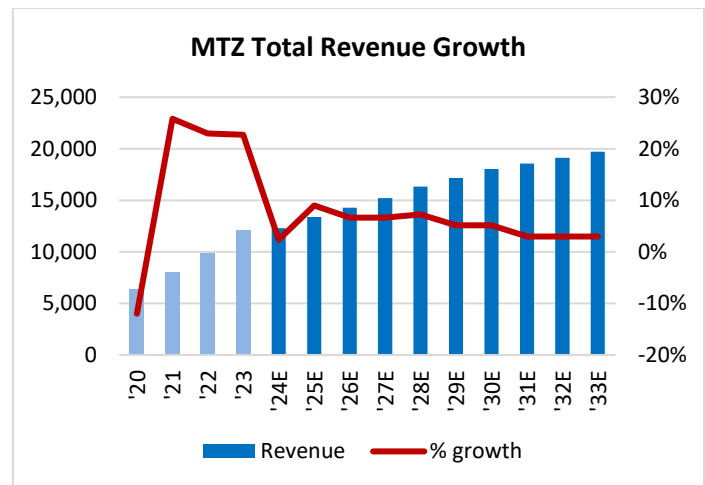


Source: Statista

MasTec's diversified portfolio across clean energy, oil, and gas positions it well for the energy transition. Its involvement in natural gas pipeline construction and renewable energy projects makes it a beneficiary of both the continued use of natural gas and the growth in renewables. However, volatile commodity prices could pose a risk to project margins and client spending in its oil and gas segment.

VALUATION

Revenue Growth



Source: Henry Fund Model

The Henry Fund forecasts MasTec's revenue to grow by 2.37% in 2024, with the highest growth expected in the Communications and Clean Energy & Infrastructure segments. This growth is driven by increasing demand for renewable energy infrastructure and strong backlog momentum. MasTec's backlog for the segment grew by

\$160 million in the last quarter to approximately \$3.7 billion, reflecting robust bookings in renewables and infrastructure projects. While short-term challenges exist, the long-term fundamentals for the CE&I segment remain strong, particularly as infrastructure investments related to highways, bridges, and energy storage increase. MasTec is also positioned to benefit from the rising demand for renewables, with companies like NextEra forecasting a tripling of demand over the next seven years.

For each of the segments, we used growth rates based on consensus estimates obtained from Bloomberg for FY24 and 25. Beyond these years, assumptions were formulated using a combination of historical trends and available consensus data.

MasTec is a company that expands through strategic projects and government funding initiatives. We anticipate steady growth as the 700-mile transmission project begins to contribute to revenue in 2025. Additionally, the BEAD program award and the increasing demand for renewable energy infrastructure and power delivery will play a crucial role in driving growth for the company. These developments open significant opportunities for MasTec to solidify its market position in the coming years.

Operating Expenses

MasTec's cost of revenue as a percentage of sales has been historically high due to the nature of its large-scale infrastructure projects and the associated material and labor costs. In our model, we take an average of historical trends and apply it to the forecast, while considering anticipated increases due to MasTec's ongoing expansion into renewable energy and power delivery projects. We expect cost of revenue to remain high, driven by the capital-intensive nature of its operations, especially in the Clean Energy and Infrastructure segment.

For SG&A expenses, we have adopted a cautious approach due to the inherent uncertainty in predicting project-related costs, especially for large, complex projects like the 700-mile transmission project. Historically, MasTec's SG&A expenses as a percentage of sales have remained steady, and our projections are based on this historical average to maintain consistency. However, considering MasTec's involvement in strategic partnerships and government-funded projects, there is potential for higher costs, and our estimate could be conservative.

To estimate interest expenses, we aggregated the forecasted interest-bearing liabilities from the balance sheet. We applied a pre-tax cost of debt to these aggregated figures to forecast future interest expenses, accounting for MasTec's debt structure and refinancing needs as large capital projects come online

Earnings Estimates

Our forecasted earnings per share for 2024E and 2025E are slightly higher compared to consensus estimates. Our EPS is anticipated to the strong growth MasTec has experienced this year. We are forecasting impairments using an average as a percentage of revenues over the past five years, acknowledging that unforeseen events, while impossible to predict, are likely to occur and impact operations.

Capital Expenditures

MasTec does not provide specific guidance on capital expenditures beyond the current year. However, we forecast \$624.15 in CapEx for 2024 using a historical average of capital expenditures plus acquisition-related investments. We increased these estimates at a steady growth rate, accounting for inflation over the forecast period, reflecting the company's consistent investment in infrastructure and strategic growth initiatives.

WACC Assumptions

Our calculated weighted average cost of capital (WACC) for MasTec was 7.59%. For this calculation, we made the following assumptions:

Risk-Free Rate: We used the 10-year Treasury bond yield as of September 20, 2024.

Beta: We obtained 1.21 beta from Bloomberg using the average 3-year weekly raw beta.

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

Pre-Tax Cost of Debt: We obtained 4.85% from Bloomberg as the yield to maturity for a MTZ corporate bond due on 2029.

Tax Rate: We used an implied marginal tax rate of 25.90% based on MTZ's historical average.

Discounted Cash Flow Model (DCF)

The Henry Fund DCF and Economic Profit (EP) models resulted in an implied share price of \$154 which we have used as the high end of our valuation range. We have high confidence in this model as it captures key aspects of MasTec's financial performance, including projected free cash flows, debt structure, and cost management strategies. By reflecting the impact of major infrastructure projects, operational efficiencies, and the company's capital structure the DCF/EP model presents a well-rounded view of MasTec's potential for value creation and long-term growth.

Dividend Discount Model (DDM)

The DDM model calculates the per-share value of equity by discounting future dividend payments using the cost of equity to determine an appropriate share price. However, in MasTec's case, the company does not pay dividends, rendering this model inapplicable. Consequently, the DDM provides a price target of \$71, which is significantly lower than the valuations obtained from the DCF and Relative Valuation models. Given the company's lack of dividend payments, we have zero confidence in this model's accuracy, and we do not consider it a reliable measure for pricing MasTec stock.

Relative Valuation Model

For this model, we compared MasTec's relative value to five other peers previously analyzed. Based on projected EPS, we obtained an implied share value range between \$105 and \$110. The lower prices from this comparison may be attributed to MasTec's heavy investment in capital projects, high debt levels, and comparatively lower earnings growth expectations. However, when comparing the companies using EV/EBITDA multiples, we found that MasTec's multiples are in line with industry averages. This method provided an implied value of \$136, which aligns closely with our DCF analysis and gives us greater confidence in this valuation. Therefore, we selected \$136 as the low end of our final target price range.

KEYS TO MONITOR

Drivers

The AT&T partnership and the 700-mile transmission project are key drivers for MasTec's future growth. The

AT&T wireless infrastructure upgrade, including the switch from Nokia to Ericsson equipment, is expected to significantly boost MasTec's wireless business, contributing to margin expansion and revenue growth. Additionally, the 700-mile transmission project, set to commence in 2025, will bring in \$300 million to \$500 million annually, further enhancing revenue streams. A third driver to watch is the increasing demand for clean energy infrastructure, where MasTec's expertise in renewable energy projects positions it to capture a growing share of this market, driven by government incentives like the BEAD program.

Risks

While MasTec's future looks promising, there are significant risks to consider. First, regulatory delays, particularly in obtaining permits for the pivotal 700-mile transmission project, could slow progress. Any hold-ups in environmental approvals or permitting could lead to substantial delays, impacting revenue and profitability in the Power Delivery segment. Additionally, fluctuating material costs, especially for essential materials like steel and copper, present a challenge. Since many contracts are fixed-price, MasTec may face margin compression if material prices rise unexpectedly, which could affect their ability to maintain profitability across segments.

Important key to monitor: It is crucial to closely follow the upcoming election results and the winning candidate's stance on the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). Any changes to these programs, including potential repeals or alterations, could significantly impact MasTec's growth prospects. If future policies lead to reduced infrastructure spending, this could negatively affect MasTec's backlog and revenue streams, posing a risk to our current buy recommendation.

Recommendation and Conclusion

We recommend a BUY with a target price range between \$136 and \$154, aligned with consensus estimates. While the price is ambitious, our bullish outlook on MasTec's prospects, particularly its key projects and increasing backlog supports this valuation. The company is well-positioned to benefit from large-scale opportunities in the energy and telecommunications sectors, and its growing expertise in clean energy and power infrastructure will continue to provide growth opportunities.

REFERENCES

1. [MasTec, Inc. 2023 10-K](#)
2. [IBIS World Industry Report: Wireless Tower Construction in the US.](#)
3. [Fortune Business Insights](#)
4. [BloombergNEF](#)
5. [Wood Mackenzie](#)
6. [EIA Annual Energy Outlook 2023](#)
7. FactSet
8. [MasTec, Inc Website](#)
9. [IBIS World Industry Report: Transmission Line Construction in the US.](#)
10. [EIA Website](#)
11. [Statista](#)
12. Yahoo Finance
13. [U.S Department of Transportation](#)
14. [FRED](#)

DISCLAIMER

Henry Fund reports are created by graduate students in the Applied Securities Management program at the University of Iowa's Tippie College of Business. These reports provide potential employers and other interested parties an example of the analytical skills, investment knowledge, and communication abilities of our students. Henry Fund analysts are not registered investment advisors, brokers or licensed financial professionals. The investment opinion contained in this report does not represent an offer or solicitation to buy or sell any of the aforementioned securities. Unless otherwise noted, facts and figures included in this report are from publicly available sources. This report is not a complete compilation of data, and its accuracy is not guaranteed. From time to time, the University of Iowa, its faculty, staff, students, or the Henry Fund may hold an investment position in the companies mentioned in this report.

MasTec Inc
Revenue Decomposition

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenue by Operating Segment															
Communications	2,618.8	2,512.2	2,551.1	3,233.7	3,259.5	3,402.5	3,843.0	4,180.4	4,547.5	4,946.7	5,144.6	5,350.4	5,510.9	5,676.2	5,846.5
% growth		-4.07%	1.55%	26.76%	0.80%	4.39%	12.95%	8.78%	8.78%	8.78%	4.00%	4.00%	3.00%	3.00%	3.00%
Clean Energy & Infrastructure	1,034.3	1,526.9	1,865.0	2,618.6	3,962.0	4,106.1	4,669.6	4,996.5	5,346.2	5,720.5	6,006.5	6,306.8	6,496.0	6,690.9	6,891.6
% growth		47.63%	22.14%	40.41%	51.30%	3.64%	13.72%	7.00%	7.00%	7.00%	5.00%	5.00%	3.00%	3.00%	3.00%
Power Delivery	413.9	506.5	1,016.8	2,725.2	2,735.1	2,676.7	3,014.7	3,161.5	3,315.5	3,584.7	3,875.8	4,190.5	4,316.2	4,445.7	4,579.1
% growth		22.37%	100.75%	168.02%	0.36%	-8.59%	15.27%	4.87%	4.87%	8.12%	8.12%	8.12%	3.00%	3.00%	3.00%
Oil and Gas	3,117.2	1,789.8	2,540.5	1,219.6	2,072.8	2,119.2	1,882.2	1,957.5	2,035.8	2,096.9	2,159.8	2,224.6	2,291.3	2,360.0	2,430.8
% growth		-42.58%	41.94%	-51.99%	69.96%	2.24%	-11.18%	4.00%	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other	0.2	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-
% growth		200%	-100%	-	-	-	-	-	-	-	-	-	-	-	-
Total	7,184.2	6,335.4	7,973.4	9,797.1	12,029.4	12,304.5	13,409.5	14,295.9	15,245.0	16,348.7	17,186.6	18,072.2	18,614.4	19,172.8	19,748.0
Eliminations	(1.2)	(15.0)	(21.6)	(19.1)	(33.5)	(24.6)	(26.8)	(28.5)	(30.4)	(32.6)	(34.3)	(36.1)	(37.1)	(38.3)	(39.4)
% growth		1150.00%	44.00%	-11.57%	75.39%	-26.70%	8.98%	6.61%	6.64%	7.24%	5.13%	5.15%	3.00%	3.00%	3.00%
Consolidated Revenue	7,183.2	6,321.0	7,951.8	9,778.0	11,995.9	12,279.9	13,382.7	14,267.4	15,214.5	16,316.1	17,152.3	18,036.2	18,577.3	19,134.6	19,708.6
		-12.00%	25.80%	22.97%	22.68%	2.37%	8.98%	6.61%	6.64%	7.24%	5.13%	5.15%	3.00%	3.00%	3.00%

MasTec Inc*Income Statement*

(in thousands)

<i>Fiscal Years Ending Dec. 31</i>	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenue	7,183,188	6,320,975	7,951,781	9,778,038	11,995,934	12,279,945	13,382,740	14,267,362	15,214,527	16,316,117	17,152,321	18,036,167	18,577,252	19,134,570	19,708,607
Costs of revenue, excluding depreciation & amortization	6,070,244	5,270,879	6,805,735	8,586,333	10,613,762	10,554,613	11,502,465	12,262,798	13,076,886	14,023,703	14,742,420	15,502,086	15,967,148	16,446,163	16,939,548
Depreciation	212,485	258,841	345,612	371,240	433,929	408,538	461,878	506,654	545,125	578,994	609,545	637,752	664,351	689,901	714,828
Amortization of intangible assets	22,997	38,910	77,214	135,908	169,233	133,600	109,800	90,800	81,100	68,800	53,000	53,000	53,000	53,000	53,000
Goodwill & intangible asset impairment	3,319	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General & administrative expenses	299,500	319,192	306,970	559,437	698,899	605,401	659,769	703,381	750,076	804,385	845,609	889,183	915,859	943,334	971,634
Interest expense, net	77,026	59,629	53,413	112,255	234,405	148,667	141,754	169,667	211,572	176,425	196,619	184,566	191,675	196,698	200,693
Equity in earnings of unconsolidated affiliates	(27,367)	(29,738)	(33,830)	(28,836)	(30,697)	(31,900)	(33,151)	(34,450)	(35,801)	(37,204)	(38,663)	(40,178)	(41,753)	(43,390)	(45,091)
Loss on extinguishment of debt	-	5,569	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income, net	14,045	(27,471)	(33,408)	(1,358)	(40,893)	-	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes	510,939	425,164	430,075	43,059	(82,704)	461,026	540,225	568,512	585,568	701,016	743,790	809,759	826,973	848,864	873,995
Benefit from (provision for) income taxes	(116,843)	(102,465)	(99,346)	(9,171)	35,408	(119,406)	(139,918)	(147,245)	(151,662)	(181,563)	(192,642)	(209,728)	(214,186)	(219,856)	(226,365)
Net (loss) income	394,096	322,699	330,729	33,888	(47,296)	341,620	400,307	421,267	433,906	519,452	551,149	600,031	612,787	629,008	647,630
Net income attributable to non-controlling interests	1,762	(149)	1,898	534	2,653	2,757	2,865	2,977	3,094	3,215	3,341	3,472	3,609	3,750	3,897
Net (loss) income attributable to MasTec, Inc.	392,334	322,848	328,831	33,354	(49,949)	338,863	397,442	418,290	430,812	516,237	547,807	596,559	609,178	625,258	643,733

MasTec Inc
Balance Sheet

(In thousands)

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Assets															
Current Assets:															
Cash & cash equivalents	71,427	423,118	360,736	370,592	529,561	43,889	713,264	1,731,735	1,173,387	1,817,409	1,862,307	2,349,674	2,863,809	3,373,130	3,886,210
Accounts receivable, net	850,326	784,488	1,019,324	1,399,732	1,370,074	1,542,450	1,680,969	1,792,084	1,911,055	2,049,423	2,154,456	2,265,473	2,333,437	2,403,441	2,475,544
Contract assets	1,024,568	969,743	1,227,927	1,729,886	1,756,381	1,900,451	2,071,120	2,208,024	2,354,608	2,525,091	2,654,502	2,791,287	2,875,025	2,961,276	3,050,114
Inventories, net	100,069	89,645	92,595	117,969	108,146	149,417	162,835	173,598	185,123	198,527	208,701	219,456	226,039	232,820	239,805
Prepaid expenses	52,000	60,631	91,488	122,308	105,880	121,992	132,948	141,736	151,145	162,088	170,396	179,176	184,551	190,088	195,790
Other current assets	75,169	31,390	81,884	118,640	104,211	114,323	124,590	132,825	141,643	151,899	159,683	167,912	172,949	178,138	183,482
Total current assets	2,173,559	2,359,015	2,873,954	3,859,127	3,974,253	3,872,521	4,885,725	6,180,003	5,916,961	6,904,437	7,210,045	7,972,978	8,655,811	9,338,892	10,030,945
Property & equipment, net	905,835	982,328	1,436,087	1,754,101	1,651,462	1,867,081	2,048,084	2,203,598	2,340,505	2,464,006	2,578,030	2,685,553	2,788,836	2,889,598	2,989,153
Operating lease right-of-use assets	229,903	176,573	260,410	279,534	418,685	473,349	519,238	558,665	593,374	624,684	653,592	680,852	707,036	732,582	757,822
Goodwill, net	1,221,440	1,243,034	1,520,575	2,045,041	2,126,366	2,125,893	2,125,893	2,125,893	2,125,893	2,125,893	2,125,893	2,125,893	2,125,893	2,125,893	2,125,893
Other intangible assets, net	211,528	184,043	670,280	946,299	784,260	650,660	540,860	450,060	368,960	300,160	247,160	194,160	141,160	88,160	35,160
Other long-term assets	254,741	282,856	360,087	409,157	418,485	496,665	541,268	577,047	615,355	659,909	693,730	729,477	751,361	773,902	797,119
Total Assets	4,997,006	5,227,849	7,121,393	9,293,259	9,373,511	9,486,170	10,661,069	12,095,265	11,961,049	13,079,089	13,508,449	14,388,913	15,170,098	15,949,027	16,736,091
Liabilities and Equity															
Current Liabilities:															
Current portion of long-term debt, including finance lea	118,429	145,110	137,912	171,916	177,246	177,200	558,000	1,185,900	268,700	604,100	284,900	284,900	284,900	284,900	284,900
Current portion of operating lease liabilities	81,561	72,481	95,426	96,516	137,765	170,975	187,550	201,791	214,328	225,637	236,079	245,925	255,383	264,610	273,727
Accounts payable	535,029	571,269	663,063	1,109,867	1,242,602	1,229,946	1,340,401	1,429,004	1,523,871	1,634,205	1,717,958	1,806,484	1,860,678	1,916,498	1,973,993
Accrued salaries & wages	87,562	135,316	203,141	181,888	198,943	216,040	235,442	251,005	267,668	287,049	301,760	317,309	326,829	336,633	346,732
Other accrued expenses	115,581	187,647	229,936	365,971	415,075	360,348	392,709	418,668	446,462	478,788	503,326	529,262	545,140	561,494	578,339
Contract liabilities	206,180	228,388	313,965	406,232	480,967	456,711	497,726	530,626	565,853	606,823	637,922	670,794	690,918	711,645	732,995
Other current liabilities	74,784	74,988	141,155	163,647	184,621	177,205	193,119	205,884	219,552	235,449	247,515	260,270	268,078	276,120	284,404
Total current liabilities	1,219,126	1,415,199	1,784,598	2,496,037	2,837,219	2,788,426	3,404,947	4,222,878	3,506,435	4,072,050	3,929,461	4,114,944	4,231,925	4,351,901	4,475,090
Long-term debt, including finance leases	1,314,030	1,157,632	1,876,233	3,052,193	2,888,058	2,745,559	2,940,293	3,176,415	3,368,930	3,449,895	3,520,578	3,667,154	3,770,719	3,853,093	3,921,856
Long-term operating lease liabilities	154,553	116,506	176,378	194,050	292,873	322,169	353,402	380,236	403,859	425,170	444,845	463,398	481,220	498,607	515,785
Deferred income taxes	296,326	302,938	450,361	571,401	390,399	382,694	373,665	364,163	354,377	342,661	330,230	316,696	302,875	288,688	274,080
Other long-term liabilities	221,280	230,049	289,962	238,391	243,701	253,498	263,688	274,289	285,315	296,785	308,715	321,126	334,035	347,463	361,431
Total Liabilities	3,205,315	3,222,324	4,577,532	6,552,072	6,652,250	6,492,345	7,335,995	8,417,981	7,918,915	8,586,560	8,533,829	8,883,318	9,120,773	9,339,752	9,548,243
Equity															
Common stock	818,944	846,764	1,043,152	1,256,452	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269	1,273,269
Retained earnings	1,510,709	1,833,557	2,162,388	2,195,742	2,145,793	2,484,656	2,882,098	3,300,388	3,731,200	4,247,437	4,795,244	5,391,803	6,000,981	6,626,239	7,269,972
Accumulated other comprehensive loss	(75,706)	(91,444)	(78,776)	(50,955)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)	(52,997)
Treasury stock	(466,727)	(586,955)	(586,955)	(663,910)	(659,913)	(728,970)	(798,027)	(867,084)	(936,141)	(1,005,198)	(1,074,255)	(1,143,312)	(1,212,369)	(1,281,426)	(1,350,483)
Total MasTec, Inc. shareholders' equity	1,787,220	2,001,922	2,539,809	2,737,329	2,706,152	2,975,958	3,304,343	3,653,576	4,015,331	4,462,511	4,941,261	5,468,763	6,008,884	6,565,085	7,139,761
Non-controlling interests	4,471	3,603	4,052	3,858	15,109	17,866	20,731	23,708	26,803	30,018	33,359	36,832	40,440	44,190	48,087
Total Equity	1,791,691	2,005,525	2,543,861	2,741,187	2,721,261	2,993,824	3,325,074	3,677,284	4,042,133	4,492,529	4,974,620	5,505,595	6,049,324	6,609,275	7,187,849
Total Liabilities and Equity	4,997,006	5,227,849	7,121,393	9,293,259	9,373,511	9,486,170	10,661,069	12,095,265	11,961,049	13,079,089	13,508,449	14,388,913	15,170,098	15,949,027	16,736,091

MasTec Inc
Historical Cash Flow Statement

(in thousands)

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023
Cash flows from operating activities:					
Net (loss) income	394,096	322,699	330,729	33,888	(47,296)
Depreciation	212,485	258,841	345,612	371,240	433,929
Amortization of intangible assets	22,997	38,910	77,214	135,908	169,233
Non-cash stock-based compensation expense	16,447	21,875	24,805	27,446	33,335
(Benefit from) provision for deferred income taxes	22,160	7,180	51,931	9,549	(140,863)
Equity in earnings of unconsolidated affiliates	(27,367)	(29,738)	(33,830)	(28,836)	(30,697)
Gains on sales of assets, net	(13,908)	(16,210)	(35,635)	(39,692)	(21,408)
Non-cash interest expense, net	3,219	2,988	3,171	4,172	5,837
Other non-cash items, net	(2,768)	21,775	(12,323)	4,743	8,875
Changes in assets and liabilities, net of acquisitions:					
Accounts receivable	(124,739)	87,372	149,152	6,298	45,007
Contract assets	237,800	63,306	49,295	(304,351)	(54,185)
Inventories	24,051	17,904	10,147	(20,523)	33,018
Other assets, current & long-term portion	10,180	20,486	(35,837)	68,603	75,047
Accounts payable & accrued expenses	(228,142)	94,069	(104,481)	192,119	165,892
Contract liabilities	(52,215)	21,326	10,603	(39,372)	49,384
Other liabilities, current & long-term portion	52,663	4,471	(37,479)	(68,895)	(37,831)
Net cash flows from operating activities	546,959	937,254	793,074	352,297	687,277
Cash flows from investment activities:					
Cash paid for acquisitions, net of cash acquired	(179,481)	(24,971)	(1,244,603)	(635,763)	(69,388)
Capital expenditures	(126,473)	(213,746)	(170,066)	(263,352)	(192,941)
Proceeds from sale of property & equipment	35,015	37,077	65,287	81,470	84,110
Payments for other investments	(5,589)	(17,456)	(9,996)	(3,981)	(1,899)
Proceeds from other investments	14,705	648	557	400	425
Other investing activities, net	-	1,843	1,650	43	1,632
Net cash used in investing activities	(261,823)	(216,605)	(1,357,171)	(821,183)	(178,061)
Cash flows from financing activities:					
Proceeds from credit facilities & term loans	3,025,927	1,434,610	1,503,372	4,065,000	4,378,200
Repayments of credit facilities	(3,126,595)	(1,741,067)	(812,103)	(3,241,128)	(4,509,950)
Proceeds from issuance of senior notes	-	600,000	-	-	-
Repayments of senior notes	-	(400,000)	-	-	-
Repayments of other borrowings, net	(12,438)	(62)	-	-	-
Payments of finance lease obligations	(88,341)	(126,988)	(158,892)	(181,481)	(167,615)
Repurchases of common stock	(5,652)	(120,228)	-	(81,291)	-
Payments of acquisition-related contingent consideration	(34,267)	(10,097)	(21,675)	(35,149)	(21,638)
Payments for acquisition-related contingent assets	-	-	-	(17,636)	-
Proceeds from (distributions to) non-controlling interests	583	(719)	-	-	-
Payments to non-controlling interests, including acquisition of interests	-	-	(8,965)	(728)	(14,478)
Proceeds from stock-based awards	4,655	7,090	-	-	-
Payments for stock-based awards	(45)	(636)	(6,024)	(4,098)	(10,330)
Other financing activities, net	(8,458)	(11,790)	6,229	(22,592)	(5,187)
Net cash (used in) provided by financing activities	(244,631)	(369,887)	501,942	480,897	(350,998)
Effect of currency translation on cash	181	929	(227)	(2,155)	751
Net increase (decrease) in cash & cash equivalents	44,005	351,691	(62,382)	9,856	158,969
Cash & cash equivalents - beginning of period	27,422	71,427	423,118	360,736	370,592
Cash & cash equivalents - end of period	71,427	423,118	360,736	370,592	529,561

MasTec Inc
Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Operating Activities										
Net income	338,863	397,442	418,290	430,812	516,237	547,807	596,559	609,178	625,258	643,733
Depreciation	408,538	461,878	506,654	545,125	578,994	609,545	637,752	664,351	689,901	714,828
Change in deferred taxes	(7,705)	(9,029)	(9,502)	(9,787)	(11,716)	(12,431)	(13,534)	(13,821)	(14,187)	(14,607)
Operating lease right-of-use assets	(54,664)	(45,889)	(39,426)	(34,709)	(31,310)	(28,908)	(27,260)	(26,185)	(25,546)	(25,240)
Goodwill	473	-	-	-	-	-	-	-	-	-
Accounts receivable, net	(172,376)	(138,519)	(111,115)	(118,971)	(138,368)	(105,033)	(111,018)	(67,964)	(70,003)	(72,103)
Contract assets	(144,070)	(170,669)	(136,905)	(146,584)	(170,483)	(129,411)	(136,785)	(83,739)	(86,251)	(88,838)
Inventories, net	(41,271)	(13,418)	(10,764)	(11,525)	(13,404)	(10,175)	(10,754)	(6,584)	(6,781)	(6,985)
Prepaid expenses	(16,112)	(10,955)	(8,788)	(9,409)	(10,943)	(8,307)	(8,780)	(5,375)	(5,537)	(5,703)
Other current assets	(10,112)	(10,267)	(8,236)	(8,818)	(10,256)	(7,785)	(8,228)	(5,037)	(5,188)	(5,344)
Accounts payable	(12,656)	110,455	88,603	94,867	110,334	83,753	88,525	54,195	55,820	57,495
Accrued salaries & wages	17,097	19,401	15,563	16,663	19,380	14,711	15,549	9,519	9,805	10,099
Other accrued expenses	(54,727)	32,361	25,959	27,794	32,326	24,538	25,936	15,878	16,354	16,845
Contract liabilities	(24,256)	41,015	32,901	35,227	40,970	31,100	32,872	20,124	20,728	21,349
Other current liabilities	(7,416)	15,914	12,765	13,668	15,896	12,067	12,754	7,808	8,042	8,284
Net Cash from Operating Activities	219,607	679,719	776,000	824,354	927,657	1,021,472	1,093,589	1,172,348	1,212,416	1,253,813
Investing Activities										
Capex	(624,157)	(642,882)	(662,168)	(682,033)	(702,494)	(723,569)	(745,276)	(767,634)	(790,663)	(814,383)
Other intangible assets, net	133,600	109,800	90,800	81,100	68,800	53,000	53,000	53,000	53,000	53,000
Other long-term assets	(78,180)	(44,603)	(35,779)	(38,308)	(44,554)	(33,820)	(35,747)	(21,884)	(22,541)	(23,217)
Net Cash from Investing Activities	(568,737)	(577,684)	(607,147)	(639,241)	(678,248)	(704,389)	(728,023)	(736,518)	(760,204)	(784,600)
Financing Activities										
Current portion of long-term debt, including finance leases	(46)	380,800	627,900	(917,200)	335,400	(319,200)	-	-	-	-
Current portion of operating lease liabilities	33,210	16,575	14,241	12,537	11,309	10,442	9,846	9,458	9,227	9,117
Long-term debt, including finance leases	(142,499)	194,734	236,122	192,515	80,965	70,683	146,576	103,564	82,374	68,763
Long-term operating lease liabilities	29,296	31,233	26,834	23,624	21,310	19,675	18,553	17,822	17,387	17,178
Other long-term liabilities	9,797	10,191	10,600	11,026	11,470	11,931	12,410	12,909	13,428	13,968
Common stock	-	-	-	-	-	-	-	-	-	-
Share repurchases	(69,057)	(69,057)	(69,057)	(69,057)	(69,057)	(69,057)	(69,057)	(69,057)	(69,057)	(69,057)
Non-controlling interests	2,757	2,865	2,977	3,094	3,215	3,341	3,472	3,609	3,750	3,897
Net Cash from Financing Activities	(136,542)	567,341	849,617	(743,461)	394,613	(272,185)	121,802	78,305	57,109	43,866
Net Cash	(485,672)	669,375	1,018,471	(558,348)	644,022	44,897	487,368	514,134	509,321	513,079
Beginning Cash	529,561	43,889	713,264	1,731,735	1,173,387	1,817,409	1,862,307	2,349,674	2,863,809	3,373,130
Ending Cash	43,889	713,264	1,731,735	1,173,387	1,817,409	1,862,307	2,349,674	2,863,809	3,373,130	3,886,210

MasTec Inc
Common Size Income Statement

<i>Fiscal Years Ending Dec. 31</i>	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Revenue	100%	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 & amortization	84.51%	83.39%	85.59%	87.81%	88.48%	85.95%	85.95%	85.95%	85.95%	85.95%	85.95%	85.95%	85.95%	85.95%	85.95%
Depreciation	2.96%	4.09%	4.35%	3.80%	3.62%	3.33%	3.45%	3.55%	3.58%	3.55%	3.55%	3.54%	3.58%	3.61%	3.63%
Amortization of intangible assets	0.32%	0.62%	0.97%	1.39%	1.41%	1.27%	0.95%	0.74%	0.62%	0.49%	0.36%	0.34%	0.33%	0.32%	0.31%
Goodwill & intangible asset impairment	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
General & administrative expenses	4.17%	5.05%	3.86%	5.72%	5.83%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%
Interest expense, net	1.07%	0.94%	0.67%	1.15%	1.95%	1.21%	1.06%	1.19%	1.39%	1.08%	1.15%	1.02%	1.03%	1.03%	1.02%
Equity in earnings of unconsolidated affiliates	-0.38%	-0.47%	-0.43%	-0.29%	-0.26%	-0.26%	-0.25%	-0.24%	-0.24%	-0.23%	-0.23%	-0.22%	-0.22%	-0.23%	-0.23%
Loss on extinguishment of debt	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income, net	0.20%	-0.43%	-0.42%	-0.01%	-0.34%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(Loss) income before income taxes	7.11%	6.73%	5.41%	0.44%	-0.69%	3.75%	4.04%	3.98%	3.85%	4.30%	4.34%	4.49%	4.45%	4.44%	4.43%
Benefit from (provision for) income taxes	-1.63%	-1.62%	-1.25%	-0.09%	0.30%	-0.97%	-1.05%	-1.03%	-1.00%	-1.11%	-1.12%	-1.16%	-1.15%	-1.15%	-1.15%
Net (loss) income	5.49%	5.11%	4.16%	0.35%	-0.39%	2.78%	2.99%	2.95%	2.85%	3.18%	3.21%	3.33%	3.30%	3.29%	3.29%
Net income attributable to non-controlling interests	0.02%	0.00%	0.02%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Net (loss) income attributable to MasTec, Inc.	5.46%	5.11%	4.14%	0.34%	-0.42%	2.76%	2.97%	2.93%	2.83%	3.16%	3.19%	3.31%	3.28%	3.27%	3.27%

MasTec Inc
Common Size Balance Sheet

<i>Fiscal Years Ending Dec. 31</i>	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Assets															
<i>Current Assets:</i>															
Cash & cash equivalents	0.99%	6.69%	4.54%	3.79%	4.41%	0.36%	5.33%	12.14%	7.71%	11.14%	10.86%	13.03%	15.42%	17.63%	19.72%
Accounts receivable, net	11.84%	12.41%	12.82%	14.32%	11.42%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%	12.56%
Contract assets	14.26%	15.34%	15.44%	17.69%	14.64%	15.48%	15.48%	15.48%	15.48%	15.48%	15.48%	15.48%	15.48%	15.48%	15.48%
Inventories, net	1.39%	1.42%	1.16%	1.21%	0.90%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%	1.22%
Prepaid expenses	0.72%	0.96%	1.15%	1.25%	0.88%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
Other current assets	1.05%	0.50%	1.03%	1.21%	0.87%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%
Total current assets	30.26%	37.32%	36.14%	39.47%	33.13%	31.54%	36.51%	43.32%	38.89%	42.32%	42.04%	44.21%	46.59%	48.81%	50.90%
Property & equipment, net	12.61%	15.54%	18.06%	17.94%	13.77%	15.20%	15.30%	15.45%	15.38%	15.10%	15.03%	14.89%	15.01%	15.10%	15.17%
Operating lease right-of-use assets	3.20%	2.79%	3.27%	2.86%	3.49%	3.85%	3.88%	3.92%	3.90%	3.83%	3.81%	3.77%	3.81%	3.83%	3.85%
Goodwill, net	17.00%	19.67%	19.12%	20.91%	17.73%	17.31%	15.89%	14.90%	13.97%	13.03%	12.39%	11.79%	11.44%	11.11%	10.79%
Other intangible assets, net	2.94%	2.91%	8.43%	9.68%	6.54%	5.30%	4.04%	3.15%	2.43%	1.84%	1.44%	1.08%	0.76%	0.46%	0.18%
Other long-term assets	3.55%	4.47%	4.53%	4.18%	3.49%	4.04%	4.04%	4.04%	4.04%	4.04%	4.04%	4.04%	4.04%	4.04%	4.04%
Total Assets	69.57%	82.71%	89.56%	95.04%	78.14%	77.25%	79.66%	84.78%	78.62%	80.16%	78.76%	79.78%	81.66%	83.35%	84.92%
Liabilities and Equity															
<i>Current Liabilities:</i>															
Current portion of long-term debt, including finance lea	1.65%	2.30%	1.73%	1.76%	1.48%	1.44%	4.17%	8.31%	1.77%	3.70%	1.66%	1.58%	1.53%	1.49%	1.45%
Current portion of operating lease liabilities	1.14%	1.15%	1.20%	0.99%	1.15%	1.39%	1.40%	1.41%	1.41%	1.38%	1.38%	1.36%	1.37%	1.38%	1.39%
Accounts payable	7.45%	9.04%	8.34%	11.35%	10.36%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%	10.02%
Accrued salaries & wages	1.22%	2.14%	2.55%	1.86%	1.66%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%
Other accrued expenses	1.61%	2.97%	2.89%	3.74%	3.46%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%	2.93%
Contract liabilities	2.87%	3.61%	3.95%	4.15%	4.01%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%
Other current liabilities	1.04%	1.19%	1.78%	1.67%	1.54%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%
Total current liabilities	16.97%	22.39%	22.44%	25.53%	23.65%	22.71%	25.44%	29.60%	23.05%	24.96%	22.91%	22.81%	22.78%	22.74%	22.71%
Long-term debt, including finance leases	18.29%	18.31%	23.60%	31.21%	24.08%	22.36%	21.97%	22.26%	22.14%	21.14%	20.53%	20.33%	20.30%	20.14%	19.90%
Long-term operating lease liabilities	2.15%	1.84%	2.22%	1.98%	2.44%	2.62%	2.64%	2.67%	2.65%	2.61%	2.59%	2.57%	2.59%	2.61%	2.62%
Deferred income taxes	4.13%	4.79%	5.66%	5.84%	3.25%	3.12%	2.79%	2.55%	2.33%	2.10%	1.93%	1.76%	1.63%	1.51%	1.39%
Other long-term liabilities	3.08%	3.64%	3.65%	2.44%	2.03%	2.06%	1.97%	1.92%	1.88%	1.82%	1.80%	1.78%	1.80%	1.82%	1.83%
Total Liabilities	44.62%	50.98%	57.57%	67.01%	55.45%	52.87%	54.82%	59.00%	52.05%	52.63%	49.75%	49.25%	49.10%	48.81%	48.45%
Equity															
Common stock	11.40%	13.40%	13.12%	12.85%	10.61%	10.37%	9.51%	8.92%	8.37%	7.80%	7.42%	7.06%	6.85%	6.65%	6.46%
Retained earnings	21.03%	29.01%	27.19%	22.46%	17.89%	20.23%	21.54%	23.13%	24.52%	26.03%	27.96%	29.89%	32.30%	34.63%	36.89%
Accumulated other comprehensive loss	-1.05%	-1.45%	-0.99%	-0.52%	-0.44%	-0.43%	-0.40%	-0.37%	-0.35%	-0.32%	-0.31%	-0.29%	-0.29%	-0.28%	-0.27%
Treasury stock	-6.50%	-9.29%	-7.38%	-6.79%	-5.50%	-5.94%	-5.96%	-6.08%	-6.15%	-6.16%	-6.26%	-6.34%	-6.53%	-6.70%	-6.85%
Total MasTec, Inc. shareholders' equity	24.88%	31.67%	31.94%	27.99%	22.56%	24.23%	24.69%	25.61%	26.39%	27.35%	28.81%	30.32%	32.35%	34.31%	36.23%
Non-controlling interests	0.06%	0.06%	0.05%	0.04%	0.13%	0.15%	0.15%	0.17%	0.18%	0.18%	0.19%	0.20%	0.22%	0.23%	0.24%
Total Equity	24.94%	31.73%	31.99%	28.03%	22.68%	24.38%	24.85%	25.77%	26.57%	27.53%	29.00%	30.53%	32.56%	34.54%	36.47%
Total Liabilities and Equity	69.57%	82.71%	89.56%	95.04%	78.14%	77.25%	79.66%	84.78%	78.62%	80.16%	78.76%	79.78%	81.66%	83.35%	84.92%

MasTec Inc
Value Driver Estimation

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
NOPLAT:															
Revenues	7,183,188	6,320,975	7,951,781	9,778,038	11,995,934	12,279,945	13,382,740	14,267,362	15,214,527	16,316,117	17,152,321	18,036,167	18,577,252	19,134,570	19,708,607
Less: Costs of revenue	6,070,244	5,270,879	6,805,735	8,586,333	10,613,762	10,554,613	11,502,465	12,262,798	13,076,886	14,023,703	14,742,420	15,502,086	15,967,148	16,446,163	16,939,548
Less: Depreciation	212,485	258,841	345,612	371,240	433,929	408,538	461,878	506,654	545,125	578,994	609,545	637,752	664,351	689,901	714,828
Less: Amortization of intangible assets	22,997	38,910	77,214	135,908	169,233	133,600	109,800	90,800	81,100	68,800	53,000	53,000	53,000	53,000	53,000
Less: General & administrative expenses	299,500	319,192	306,970	559,437	698,899	605,401	659,769	703,381	750,076	804,385	845,609	889,183	915,859	943,334	971,634
Add: Implied Interest on Operating Leases	11,150	8,564	12,630	13,557	20,306	22,957	25,183	27,095	28,779	30,297	31,699	33,021	34,291	35,530	36,754
EBITA	589,112	441,717	428,880	138,677	100,417	600,750	674,011	730,824	790,118	870,534	933,446	987,168	1,011,185	1,037,702	1,066,351
Less: Adjusted Taxes															
Marginal Tax Rate	24.40%	25.10%	25.40%	31.10%	23.50%	25.90%	25.90%	25.90%	25.90%	25.90%	25.90%	25.90%	25.90%	25.90%	25.90%
Income Tax Provision	116,843	102,465	99,346	9,171	35,408	(119,406)	(139,918)	(147,245)	(151,662)	(181,563)	(192,642)	(209,728)	(214,186)	(219,856)	(226,365)
Add: Tax shield on operating lease interest	2,721	2,150	3,208	4,216	4,772	5,946	6,522	7,018	7,454	7,847	8,210	8,553	8,881	9,202	9,519
Add: Tax shield on interest expense	18,794	14,967	13,567	34,911	55,085	38,505	36,714	43,944	54,797	45,694	50,924	47,803	49,644	50,945	51,979
Add: Tax on goodwill & intangible asset impairment	810	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	1,398	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Equity in earnings of unconsolidated affiliates	(6,678)	(7,464)	(8,593)	(8,968)	(7,214)	(8,262)	(8,586)	(8,923)	(9,272)	(9,636)	(10,014)	(10,406)	(10,814)	(11,238)	(11,679)
Less: Tax on other income	3,427	(6,895)	(8,486)	(422)	(9,610)	-	-	-	-	-	-	-	-	-	-
Total Adjusted Taxes	129,063	120,410	116,014	39,753	97,661	(83,217)	(105,268)	(105,206)	(98,684)	(137,658)	(143,521)	(163,779)	(166,475)	(170,947)	(176,544)
Change in deferred taxes	22,160	6,612	147,423	121,040	(181,002)	(7,705)	(9,029)	(9,502)	(9,787)	(11,716)	(12,431)	(13,534)	(13,821)	(14,187)	(14,607)
NOPLAT	482,209	327,919	460,289	219,964	(178,246)	676,262	770,250	826,528	879,015	996,475	1,064,536	1,137,413	1,163,839	1,194,461	1,228,289
Invested Capital (IC):															
Normal Cash	71,427	62,853	79,070	97,229	119,283	122,107	133,073	141,869	151,288	162,242	170,556	179,345	184,725	190,267	195,975
Add: Accounts receivable, net	850,326	784,488	1,019,324	1,399,732	1,370,074	1,542,450	1,680,969	1,792,084	1,911,055	2,049,423	2,154,456	2,265,473	2,333,437	2,403,441	2,475,544
Add: Contract assets	1,024,568	969,743	1,227,927	1,729,886	1,756,381	1,900,451	2,071,120	2,208,024	2,354,608	2,525,091	2,654,502	2,791,287	2,875,025	2,961,276	3,050,114
Add: Inventories, net	100,069	89,645	92,595	117,969	108,146	149,417	162,835	173,598	185,123	198,527	208,701	219,456	226,039	232,820	239,805
Add: Prepaid expenses	52,000	60,631	91,488	122,308	105,880	121,992	132,948	141,736	151,145	162,088	170,396	179,176	184,551	190,088	195,790
Add: Other current assets	75,169	31,390	81,884	118,640	104,211	114,323	124,590	132,825	141,643	151,899	159,683	167,912	172,949	178,138	183,482
Less: Accounts payable	535,029	571,269	663,063	1,109,867	1,242,602	1,229,946	1,340,401	1,429,004	1,523,871	1,634,205	1,717,958	1,806,484	1,860,678	1,916,498	1,973,993
Less: Accrued salaries & wages	87,562	135,316	203,141	181,888	198,943	216,040	235,442	251,005	267,668	287,049	301,760	317,309	326,829	336,633	346,732
Less: Other accrued expenses	115,581	187,647	229,936	365,971	415,075	360,348	392,709	418,668	446,462	478,788	503,326	529,262	545,140	561,494	578,339
Less: Contract liabilities	206,180	228,388	313,965	406,232	480,967	456,711	497,726	530,626	565,853	606,823	637,922	670,794	690,918	711,645	732,995
Less: Other current liabilities	74,784	74,988	141,155	163,647	184,621	177,205	193,119	205,884	219,552	235,449	247,515	260,270	268,078	276,120	284,404
Net Working Capital (NWC)	1,154,423	801,142	1,041,028	1,358,159	1,041,767	1,510,489	1,646,137	1,754,950	1,871,455	2,006,956	2,109,813	2,218,530	2,285,086	2,353,638	2,424,248
Add: Net PPE	905,835	982,328	1,436,087	1,754,101	1,651,462	1,867,081	2,048,084	2,203,598	2,340,505	2,464,006	2,578,030	2,685,553	2,788,836	2,889,598	2,989,153
Add: PV of operating leases	229,903	176,573	260,410	279,534	418,685	473,349	519,238	558,665	593,374	624,684	653,592	680,852	707,036	732,582	757,822
Add: Other intangible assets	211,528	184,043	670,280	946,299	784,260	650,660	540,860	450,060	368,960	300,160	247,160	194,160	141,160	88,160	35,160
Add: Other long-term assets	254,741	282,856	360,087	409,157	418,485	496,665	541,268	577,047	615,355	659,909	693,730	729,477	751,361	773,902	797,119
Less: Other long-term liabilities	221,280	230,049	289,962	238,391	243,701	253,498	263,688	274,289	285,315	296,785	308,715	321,126	334,035	347,463	361,431
Invested Capital (IC):	2,535,150	2,196,893	3,477,930	4,508,859	4,070,958	4,744,746	5,031,899	5,270,030	5,504,335	5,758,930	5,973,608	6,187,446	6,339,444	6,490,417	6,642,070
Free Cash Flow (FCF):															
NOPLAT	482,209	327,919	460,289	219,964	(178,246)	676,262	770,250	826,528	879,015	996,475	1,064,536	1,137,413	1,163,839	1,194,461	1,228,289
Change in IC	(338,257)	1,281,036	1,030,930	(437,901)	673,788	287,153	238,131	234,304	254,596	214,678	213,838	151,998	150,972	151,653	
FCF	666,175	(820,747)	(810,965)	259,655	2,474	483,097	588,397	644,711	741,880	849,858	923,575	1,011,840	1,043,489	1,076,636	
Return on Invested Capital (ROIC):															
NOPLAT	482,209	327,919	460,289	219,964	(178,246)	676,262	770,250	826,528	879,015	996,475	1,064,536	1,137,413	1,163,839	1,194,461	1,228,289
Beginning IC	2,535,150	2,196,893	3,477,930	4,508,859	4,070,958	4,744,746	5,031,899	5,270,030	5,504,335	5,758,930	5,973,608	6,187,446	6,339,444	6,490,417	
ROIC	12.93%	20.95%	6.32%	-3.95%	16.61%	16.23%	16.43%	16.68%	18.10%	18.48%	19.04%	18.81%	18.84%	18.92%	
Economic Profit (EP):															
Beginning IC		2,535,150	2,196,893	3,477,930	4,508,859	4,070,958	4,744,746	5,031,899	5,270,030	5,504,335	5,758,930	5,973,608	6,187,446	6,339,444	6,490,417
x (ROIC - WACC)	-7.59%	5.35%	13.36%	-1.26%	-11.54%	9.02%	8.65%	8.84%	9.09%	10.52%	10.90%	11.45%	11.22%	11.25%	11.34%
EP		135,542	293,581	(43,954)	(520,395)	367,343	410,201	444,689	479,106	578,786	627,527	684,113	694,313	713,401	735,772

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

Risk-Free Rate	3.73%
Beta	1.05
Equity Risk Premium	5.00%
Cost of Equity	8.98%

ASSUMPTIONS:*10-year Treasury bond as of 9/20/24**3-year weekly beta as of 9/20/24**Henry Fund consensus***Cost of Debt:**

Risk-Free Rate	3.73%
Implied Default Premium	1.12%
Pre-Tax Cost of Debt	4.85%
Marginal Tax Rate	25.90%
After-Tax Cost of Debt	3.59%

*YTM on MTZ corporate bond due 6/15/29***Market Value of Common Equity:**

Total Shares Outstanding	79,280
Current Stock Price	\$126.14
MV of Equity	10,000,389

MV Weights

74.16%

Market Value of Debt:

Current Portion of LTD	177,246
Long-Term Debt	2,888,058
PV of Operating Leases	418,685
MV of Total Debt	3,483,989.00

25.84%

Market Value of the Firm**13,484,378.17**

100.00%

Estimated WACC

7.59%

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

Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	18.92%
WACC	7.59%
Cost of Equity	8.98%

Fiscal Years Ending Dec. 31	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
------------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

DCF Model:

Free Cash Flow (FCF)	2,474	483,097	588,397	644,711	741,880	849,858	923,575	1,011,840	1,043,489	1,076,636
Continuing Value (CV)										20,950,298
PV of FCF	2,300	417,353	472,471	481,176	514,644	547,967	553,497	563,624	540,256	10,846,817

Value of Operating Assets:	14,940,103
Non-Operating Adjustments	
Add: Excess Cash	(78,218)
Less: PV Operating Leases	(493,144)
Less: NCI	(17,866)
Less: ST Debt	(177,200)
Less: LT Debt	(2,745,559)
Value of Equity	11,428,116
Shares Outstanding	78,733
Intrinsic Value of Last FYE	\$ 145.15
Implied Price as of Today	\$ 154.44

EP Model:

Economic Profit (EP)	367,343	410,201	444,689	479,106	578,786	627,527	684,113	694,313	713,401	735,772
Continuing Value (CV)										14,459,881
PV of EP	341,434	354,378	357,076	357,577	401,505	404,614	409,988	386,752	369,356	7,486,466

Total PV of EP	10,869,145
Invested Capital (last FYE)	4,070,958
Value of Operating Assets:	14,940,103
Non-Operating Adjustments	
Add: Excess Cash	(78,218)
Less: PV Operating Leases	(493,144)
Less: NCI	(17,866)
Less: ST Debt	(177,200)
Less: LT Debt	(2,745,559)
Value of Equity	11,428,116
Shares Outstanding	78,733
Intrinsic Value of Last FYE	\$ 145.15
Implied Price as of Today	\$ 154.44

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

<i>Fiscal Years Ending</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
EPS	\$ 4.29	\$ 5.06	\$ 5.36	\$ 5.55	\$ 6.69	\$ 7.13	\$ 7.80	\$ 8.00	\$ 8.24	\$ 8.52

Key Assumptions

CV growth of EPS	2.50%
CV Year ROE	9.74%
Cost of Equity	8.98%

Future Cash Flows

P/E Multiple (CV Year)											11.47
EPS (CV Year)											\$ 8.52
Future Stock Price											\$ 97.71
Dividends Per Share	0	0	0	0	0	0	0	0	0	0	
Discounted Cash Flows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.27

Intrinsic Value as of Last FYE	\$ 70.27
Implied Price as of Today	\$ 71.68

MasTec Inc*Relative Valuation Models*

Ticker	Company	Price	EPS 2024E	EPS 2025E	P/E 24	P/E 25	EV 2024E	EBITDA 2024E	Multiples 2024E
PWR	Quanta Services Inc	\$269.54	\$5.90	\$7.22	31.30	26.60	43,618	2,260	19.30
DY	Dycom Industries Inc	\$184.74	\$7.67	\$9.52	23.40	19.70	13,104	560	23.40
PRIM	Primoris Services Corp	\$54.60	\$2.92	\$3.42	16.30	14.30	4,130	401	10.30
EME	EMCOR Group Inc	\$435.60	\$1.25	\$2.77	41.80	29.50	12,551	973	12.90
FLR	Fluor Corporation	\$45.89	\$2.83	\$3.08	15.90	14.10	6,156	648	9.50
Average					25.74	20.84			15.08

MTZ	MasTec Inc	\$126.14	\$4.29	\$5.06	37.2	26.3	11,481	910	12.6
-----	------------	----------	--------	--------	------	------	--------	-----	------

Implied Relative Value:

P/E (EPS24)	\$	110.40
P/E (EPS25)	\$	105.54
EV/EBITDA 2024	\$	136.83

MasTec Inc
Key Management Ratios

Fiscal Years Ending Dec. 31	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Liquidity Ratios:															
Current Ratio (Current Assets / Current Liabilities)	1.78	1.67	1.61	1.55	1.40	1.39	1.43	1.46	1.69	1.70	1.83	1.94	2.05	2.15	2.24
Quick Ratio (Current Assets-Inventory)/Current Liabilities	1.70	1.60	1.56	1.50	1.36	1.34	1.39	1.42	1.63	1.65	1.78	1.88	1.99	2.09	2.19
Cash Ratio (Cash & Cash Equivalents / Current Liabilities)	0.06	0.30	0.20	0.15	0.19	0.02	0.21	0.41	0.33	0.45	0.47	0.57	0.68	0.78	0.87
Asset-Management Ratios:															
Total Asset Turnover (Sales / Avg Total Assets)		1.24	1.29	1.19	1.29	1.30	1.33	1.25	1.26	1.30	1.29	1.29	1.26	1.23	1.21
Current Asset Turnover (Sales / Avg Current Assets)		2.79	3.04	2.90	3.06	3.13	3.06	2.58	2.52	2.55	2.43	2.38	2.23	2.13	2.03
Fixed Asset Turnover (Sales / PPE)	7.93	6.43	5.54	5.57	7.26	6.58	6.53	6.47	6.50	6.62	6.65	6.72	6.66	6.62	6.59
Financial Leverage Ratios:															
Debt to Equity (Total Debt/Total Equity)	0.80	0.65	0.79	1.18	1.13	0.98	1.05	1.19	0.90	0.90	0.76	0.72	0.67	0.63	0.59
Debt to Assets (Total Debt/Total Assets)	0.29	0.25	0.28	0.35	0.33	0.31	0.33	0.36	0.30	0.31	0.28	0.27	0.27	0.26	0.25
Debt to EBITDA (Total Debt/EBITDA)	1.74	1.76	2.36	4.99	4.36	2.56	2.81	3.28	2.57	2.67	2.38	2.36	2.35	2.32	2.29
Profitability Ratios:															
Return on Equity (NI / Beg TSE)		18.02%	16.40%	1.31%	-1.82%	12.45%	13.28%	12.58%	11.72%	12.77%	12.19%	11.99%	11.06%	10.34%	9.74%
Return on Assets (NI / Total Assets)	7.85%	6.18%	4.62%	0.36%	-0.53%	3.57%	3.73%	3.46%	3.60%	3.95%	4.06%	4.15%	4.02%	3.92%	3.85%
Profit Margin (NI / Sales)	5.46%	5.11%	4.14%	0.34%	-0.42%	2.76%	2.97%	2.93%	2.83%	3.16%	3.19%	3.31%	3.28%	3.27%	3.27%
No dividend payments															
Total Payout Ratio ((Divs. + Repurchases)/NI)	0.01	0.37	-	2.44	(1.38)	0.20	0.17	0.17	0.16	0.13	0.13	0.12	0.11	0.11	0.11
Margins															
Gross Margin	15.49%	16.61%	14.41%	12.19%	11.52%	14.05%	14.05%	14.05%	14.05%	14.05%	14.05%	14.05%	14.05%	14.05%	14.05%
Operating Margin	8.20%	6.99%	5.39%	1.42%	0.84%	4.89%	5.04%	5.12%	5.19%	5.34%	5.44%	5.47%	5.44%	5.42%	5.41%
Net Margin	5.46%	5.11%	4.14%	0.34%	-0.42%	2.76%	2.97%	2.93%	2.83%	3.16%	3.19%	3.31%	3.28%	3.27%	3.27%
Interest Coverage Ratio	7.65	7.41	8.03	1.24	0.43	4.04	4.75	4.31	3.73	4.93	4.75	5.35	5.28	5.28	5.31

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

Cost of Equity: 8.98%

Current Stock Price: \$126.14

<i>Fiscal Years Ending Dec. 31</i>	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Share Repurchases (\$)	69,057	69,057	69,057	69,057	69,057	69,057	69,057	69,057	69,057	69,057
Expected Price of Repurchased Shares:	\$ 126.14	\$ 137.47	\$ 149.81	\$ 163.27	\$ 177.93	\$ 193.90	\$ 211.32	\$ 230.29	\$ 250.97	\$ 273.51
Number of Shares Repurchased:	547	502	461	423	388	356	327	300	275	252
Shares Outstanding (beginning of the year)	79,280	78,733	78,230	77,769	77,346	76,958	76,602	76,275	75,975	75,700
Less: Shares Repurchased in Treasury	547	502	461	423	388	356	327	300	275	252
Shares Outstanding (end of the year)	78,733	78,230	77,769	77,346	76,958	76,602	76,275	75,975	75,700	75,448

MasTec Inc*Valuation of Options Granted under ESOP*

Current Stock Price	\$126.14
Risk Free Rate	3.73%
Current Dividend Yield	0.00%
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	

MasTec Inc
Sensitivity Tables

2024E Cost of Operations %	CV Growth of NOPLAT							
	154.44	1.90%	2.10%	2.30%	2.50%	2.70%	2.90%	3.10%
	82.95%	287.70	294.29	301.37	309.02	317.29	326.27	336.05
	83.95%	239.72	245.21	251.12	257.49	264.39	271.87	280.02
	84.95%	191.74	196.14	200.87	205.97	211.48	217.47	223.99
	85.95%	143.77	147.07	150.61	154.44	158.58	163.07	167.96
	86.45%	119.78	122.53	125.49	128.68	132.13	135.87	139.95
	86.95%	95.79	97.99	100.36	102.91	105.67	108.67	111.94
	87.45%	71.80	73.46	75.23	77.15	79.22	81.47	83.92

Cost of Equity	Pre-tax Cost of Debt							
	154.44	1.85%	2.85%	3.85%	4.85%	5.85%	6.85%	7.85%
	5.98%	443.51	397.07	357.24	322.72	292.49	265.80	242.05
	6.98%	320.11	291.60	266.26	243.58	223.17	204.69	187.89
	7.98%	245.21	225.57	207.72	191.42	176.48	162.72	150.02
	8.98%	194.89	180.33	166.89	154.44	142.88	132.10	122.05
	9.98%	158.75	147.38	136.77	126.84	117.53	108.77	100.52
	10.98%	131.53	122.31	113.63	105.45	97.71	90.39	83.45
	11.98%	110.27	102.58	95.29	88.37	81.79	75.53	69.56

Tax Rate	Equity Risk Premium							
	154.44	4.55%	4.70%	4.85%	5.00%	5.15%	5.30%	5.45%
	22.90%	164.82	159.41	154.24	149.31	144.60	140.10	135.78
	23.90%	166.70	161.22	156.00	151.01	146.25	141.70	137.33
	24.90%	168.58	163.04	157.76	152.72	147.91	143.30	138.90
	25.90%	170.47	164.87	159.53	154.44	149.57	144.92	140.47
	26.90%	172.38	166.72	161.32	156.17	151.25	146.54	142.04
	27.90%	174.30	168.57	163.11	157.90	152.93	148.18	143.63
	28.90%	176.22	170.43	164.91	159.65	154.62	149.82	145.22

Depreciation Rate	2024E %Growth Capex							
	154.44	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
	21.74%	163.19	160.89	158.56	156.20	153.81	151.39	148.93
	22.74%	162.61	160.28	157.91	155.51	153.08	150.61	148.12
	23.74%	162.14	159.77	157.36	154.92	152.46	149.96	147.43
	24.74%	161.76	159.35	156.91	154.44	151.94	149.40	146.83
	25.74%	161.45	159.01	156.54	154.04	151.50	148.93	146.33
	26.74%	161.22	158.75	156.25	153.71	151.14	148.54	145.90
	27.74%	161.05	158.55	156.02	153.45	150.85	148.21	145.54

WACC	2024E SGA%							
	154.44	4.18%	4.43%	4.68%	4.93%	5.18%	5.68%	5.93%
	4.59%	572.45	540.93	509.41	477.89	446.37	383.32	351.80
	5.59%	363.72	342.44	321.17	299.89	278.61	236.06	214.78
	6.59%	257.35	241.30	225.26	209.21	193.16	161.06	145.02
	7.59%	193.08	180.20	167.32	154.44	141.56	115.79	102.91
	8.59%	149.96	139.20	128.45	117.70	106.95	85.45	74.70
	9.59%	119.19	109.97	100.74	91.51	82.28	63.83	54.60
	10.59%	96.15	88.07	79.99	71.90	63.82	47.65	39.57

Normal Cash %	Beta							
	154.44	0.75	0.85	0.95	1.05	1.15	1.25	1.35
	0.54%	216.56	192.86	172.88	155.80	141.04	128.15	116.80
	0.69%	216.07	192.38	172.42	155.35	140.60	127.72	116.37
	0.84%	215.58	191.91	171.96	154.90	140.16	127.29	115.95
	0.99%	215.07	191.42	171.48	154.44	139.71	126.84	115.51
	1.14%	214.60	190.96	171.03	154.00	139.28	126.42	115.10
	1.29%	214.11	190.49	170.57	153.55	138.84	125.99	114.67
	1.44%	213.62	190.01	170.11	153.10	138.40	125.56	114.25