Initiating Coverage:

Tutor Perini Corp (NYSE: TPC)

(Headliner of recent developments involving wordplay)

Key Take-away: Tutor Perini Corp's stock has been flying high for the last year, and especially in the last three months, being up 100% since May 2025. This has made this stock one of the highest-gaining construction companies on the market. There are a lot of reasons for this sudden rise in the stock price, but most recently, it has been its Q1 2025 results, where they gave guidance for a positive net income for the first time since 2021. This, combined with the hope that most of their litigation cases will end by 2025, and the large backlog that they hold, has made it a desirable stock for anyone looking in this industry.

$21.1 Billion Backlog: Over 2024 and 2025, Tutor Perini has built up one of the biggest backlogs in the industry, worth over $20 billion. They have done this through competitive bidding, and almost 80% of these contracts are civil contracts that are given by local and state governments. The remaining contracts are from the Building and Specialty Contractors segments. Just to put this in perspective, Tutor Perini's revenue last year was $4.3 billion, which means their backlog is almost 5x their 2024 revenue. This is unheard of in this industry, because a company like MasTec, which is much bigger in size and has $12.3 billion in revenue, only has a backlog of $14.2 billion. While this brings a great opportunity for topline growth, questions must be asked if the company is capable of executing so many high-profile projects while improving their operating and net margins.

Q1 2025 Earnings Report & Guidance: Tutor Perini had one of the most unexpected Q1 earnings, sending the stock soaring close to 100%. In the earnings report, Tutor Perini announced that it had won the $1.8 billion NYC Midtown Bus Terminal contract, showing that the backlog will not reduce significantly any time soon. This was also the first time in a few quarters where the company posted a positive EPS with conservative guidance of a positive EPS for FY2025, which would be the first since 2021. More importantly, it was the guidance that they expect the EPS to double in 2026 and 2027 as the construction on the backlog begins, and then they see it levelling off in 2028 and 2029. This doubling of EPS will be achieved as they see improvement of margins in the civil segment from 8% a few years ago to north of 12%, which is a big win, as that makes up most of the revenue for the company. The positive results and the guidance given by the company have been the main reasons that the stock has performed so well in the last 3 months.

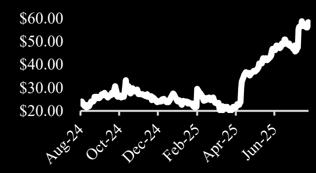
Valuation: We initiate coverage with a $59.00 PT.

Consortium Research Group
Industrials | Construction
August 24th, 2025

Stock Rating:	Equal Weight
Price Target:	$59.00

Price:	$58.43
Potential Upside/Downside:	1.25%
Ticker:	$TPC

1 Year History



Industrials Coverage Team

Analyst
Krish Shah
Rutgers University
Kas785@scarletmail.rutgers.edu

Company Overview

Company Description: Tutor Perini Corporation is a leading civil and building construction company headquartered in Los Angeles, California. The Company was formed through the 2008 merger between Tutor-Saliba Corporation and Perini Corporation. The firm provides general contracting, construction management, and design-build services. Their customers include private companies in the hospitality, gaming, and healthcare sectors. But the majority of their business comes from state and local government contracts. Their strengths and expertise in the construction of infrastructure projects have been created by their vertical integration capabilities, which they established more than a decade ago through the acquisitions of various business entities. This has allowed the business to complete some famous projects, such as Newark Liberty International Airport Terminal A, Hudson Yards in New York City, and Cosmopolitan Resort and Casino in Las Vegas.

Winning Major Contracts/Record Backlog: Tutor Perini's backlog is staggering $21.1 billion, which is double of its backlog a year earlier. This has been possible because of the shift in focus to bidding on larger projects in the civil space offered by state and local governments. This has allowed them to focus on larger and complex projects which have very little competition due to its complexity. Some of the key projects that have contributed to this backlog are $1.87 billion Midtown Bus Terminal Replacement – Phase 1, $3.8 billion Manhattan Jail facility, $2.95 billion Brooklyn Jail, and many others. These projects usually have a completion period between 1-5 years, which should allow a double-digit topline growth for the company in 2026 and 2027 and normalization in 2028 and 2029. This also gives the company more liberty in future bidding to have enough room to improve its margins.

Corporate Structure: Tutor Perini has been able to stay competitive over the years because of its vertical integration by acquiring companies in critical aspects such as electrical, mechanical, HVAC, and underground work. These subsidiaries allow Tutor Perini to have ever greater quality control but also give them higher cost certainty. By not relying on subcontractors, this vertical integration also improves timelines, allowing TPC to have net margins upward of 14%.

Industry Overview

Increased Infrastructure Spending: Over the last 2 years, we have seen a major wave of civil infrastructure projects in the country. It has been fueled by federal programs such as the Infrastructure Investment and Jobs Act and by state-level funding committees. Billions of dollars of contracts are being given to modernize transit, water systems, public facilities, and airports. This has created a great environment for large general contractors like Tutor Perini, as they are some of the few companies that have the tools to execute these projects. This wave is the cause of TPC's improved backlog and for the surge in its stock price. These contracts are long enough to secure the topline growth of these contractors for the next 4 to 5 years.

Indo/Pacific Military Infrastructure: There has been an expansion of U.S military and defense infrastructure in the Indo-Pacific region, particularly in Guam. Due to the geopolitical tensions, the U.S. government is investing heavily in its bases, ports, and missile defense systems in Guam. They are looking for trusted contractors that can execute these multi-billion-dollar projects under demanding conditions. Tutor Perini has been heavily focused on these projects through their Guam subsidiary called Black Construction. They have started executing some major projects such as Apra Harbor Glass Breakwater repairs ($560mm) and mission integration test facility ($113mm). If the government continues with its plans in the region, it will create an even bigger opportunity for contractors like TPC.

Peer Comparisons

Comparable Companies

$mm

Ticker	Mkt Cap	EV	P/E LTM	Revenue LTM	EBITDA LTM
Comfort Systems USA, Inc. (NYSE:FIX)	$19,813	$19,765	28.2x	$7,685	$1,076
MasTec, Inc. (NYSE:MTZ)	$14,105	$16,462	29.2x	$12,464	$946
Granite Construction Incorporated (NYSE:GVA)	$4,149	$4,368	16.7x	$4,035	$330
IES Holdings, Inc. (NasdaqGM:IESC)	$6,518	$6,523	-	$3,128	$378
Tutor Perini Corp.	$2,545	$2,750	23.7x	$4,525	-$33

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margi	EBIT Margin	1 Yr Rev Growth Rate LF
Comfort Systems USA, Inc. (NYSE:FIX)	18.4x	22.5%	14.0%	12.2%	26.3%
MasTec, Inc. (NYSE:MTZ)	17.4x	13.1%	7.6%	3.8%	3.0%
Granite Construction Incorporated (NYSE:GVA)	13.2x	14.9%	8.2%	5.0%	11.4%
IES Holdings, Inc. (NasdaqGM:IESC)	17.3x	24.6%	12.1%	10.7%	21.5%
Tutor Perini Corp.	-83.8x	4.8%	(0.7%)	(1.9%)	9.0%
High	18.37x	24.6%	14.0%	12.2%	26.3%
75th Percentile	17.40x	22.5%	12.1%	10.7%	21.5%
Average	-3.52x	16.0%	8.2%	6.0%	14.3%
Median	17.25x	14.9%	8.2%	5.0%	11.4%
25th Percentile	13.23x	13.1%	7.6%	3.8%	9.0%
Low	-83.84x	4.8%	-0.7%	-1.9%	3.0%

General Dynamics Valuation		
Implied Enterprise Value (25th Percentile)	$	(434)
Implied Enterprise Value (Median)	**$**	**(566)**
Implied Enterprise Value (75th Percentile)	$	(571)
Implied Share Price (25th Percentile)	$	(11.59)
Implied Share Price (Median)	**$**	**(14.09)**
Implied Share Price (75th Percentile)	$	(14.19)

Source: CapIQ

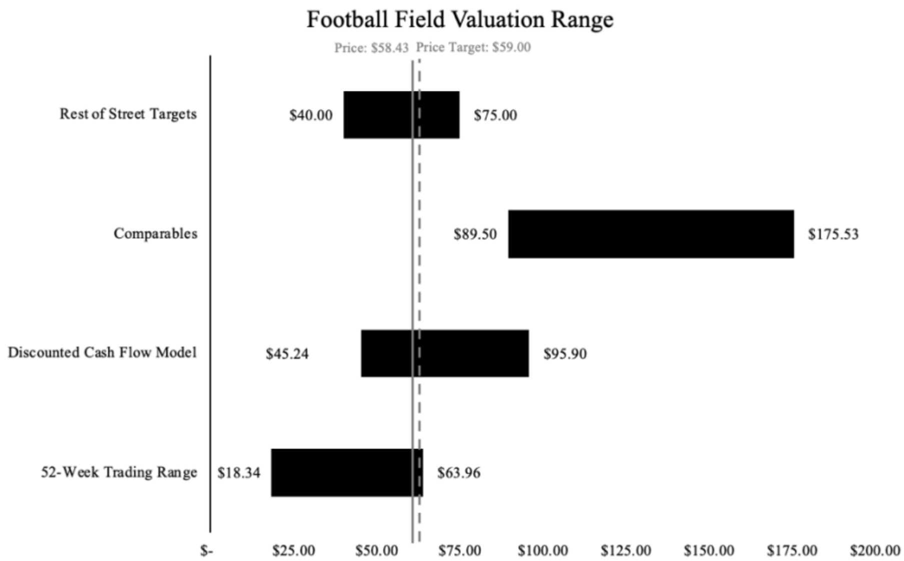
Investment Theses

$21.1 Billion Backlog & Improved Operating Margins: Tutor Perini has created one of the biggest backlogs in the industry over the last 18 months due to aggressive bidding and lowered competition for larger projects. This has ballooned its backlog to over $20 billion, which is almost 5 times its FY2024 revenue, and this backlog will be realized between 2025 and 2027. This transition has elevated the company’s current level and will increase the company’s revenue by 50%-70% within 2 years. As per the earnings call, the company has been able to do this while keeping healthy margins upward of 12%, which will be a record high for Tutor Perini. And having such a big backlog allows the company to be more selective for future projects, commanding higher margins. This will be a huge achievement for the company as they have been lacking in terms of margins compared to their peers for the last couple of years, hence have been trading at much lower multiples when compared to their competitors. This combination should allow the company to make healthy topline and bottom-line growth, which will increase the company's EPS and FCF multiple fold over the next few years.

Resolving Legacy Disputes: One of the main reasons Tutor Perini has been posting losses for the last couple of years is due to their legal disputes, especially in the building segment. These legal segments usually go to trial and have been unfavorable for the company or have led to a settlement out of court. In 2023, these legal disputes cost $122 million and another $8 million in settlements, totaling almost $130 million. In 2024, the legal disputes cost Tutor Perini $167 million plus another $40 million in settlements. These disputes were the difference between having a positive and a negative net income for the company. As per the annual call in February, the company anticipates that 70% of the remaining disputes should be settled by the end of the year, which could possibly hurt the net income and cash flow, but will clear the path for this business in its most fruitful years: 2026 and 2027. Clearing these legacy disputes will highlight the bottom line of the company even more and produce FCF for the company to either return to the stockholders or to invest back in the company.

Price Target & Valuation

Our analysis gives $TPC a price target of $59.00 and an Equal Weight rating.



Potential Downsides to Our Rating

Poor Margins: TPC has done an amazing job of growing such a big backlog, but this competitive bidding might come with lowered margins and net income. While there have been more contracts today than before, they do not explain such a sudden increase in backlog, which brings me to the conclusion that TPC bid very competitively on the newer projects and will result in lower margins than the street predicts.

Execution Capacity & Higher Opex: TPC's backlog shows that upcoming revenues are going to be significantly higher than their past, and this brings the question of whether they will be able to execute all of these projects in due time. Small delays and changes could cost the company millions. Newer and larger projects also mean increased opex, which will increase fixed costs for the company and will only be feasible if they continue bringing in such high-revenue projects in the future.

Our Price Target: $59.00

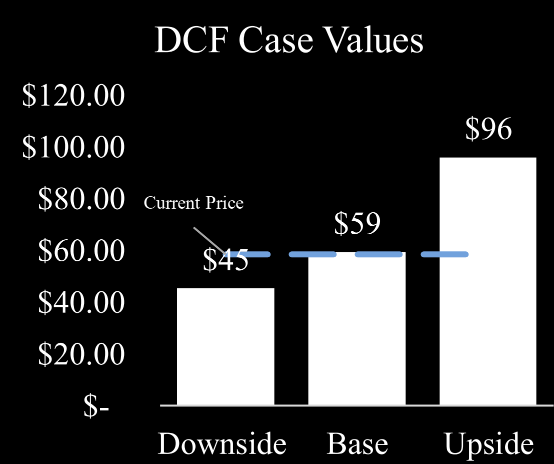
Our PT is based on growth rates in the mid-teens for revenue for 2025-2027, and then we assume the growth rate will normalize. We also assume EBIT margins of 10-12% which have been shown by the company in its recent quarters.

Our Upside Case: $96.00

Our upside case is based on a strong growth environment in civil contracts and assumes that the company will be able to improve its backlog over the next four years. It also hopes that the free cash flow will allow for more vertical integration and higher margins

Our Downside Case: $45.00

Our downside case assumes that TPC will have a lot of operational inefficiency when trying to deal with the huge number of large projects, which will affect the revenues, and we assume a lower growth rate for revenue as well.



Projections

Income Statement ($mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	4,327	5,230	5,965	6,681	7,332	19.2%
EBITDA	(48)	213	388	392	385	-299.7%
EBIT	(102)	163	298	301	293	-242.1%
NOPAT	243	204	(127)	(58)	(51)	-159.6%

Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	-1.1%	4.1%	6.5%	5.9%	5.3%	4.1%
EBIT Margin	-2.4%	3.1%	5.0%	4.5%	4.0%	2.9%
Revenue Growth	11.5%	20.9%	14.0%	12.0%	9.7%	13.6%
EBIT Growth	-9.6%	-259.6%	83.0%	0.8%	-2.5%	-37.6%

Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	5.4x	13.9x	172.2x	73.8x	44.2x	61.9x
EV/Sales	0.8x	0.6x	0.5x	0.5x	0.4x	0.6x
EV/EBITDA	-67.5x	15.3x	8.4x	8.3x	8.5x	-5.4x
FCF Yield	18.6%	7.2%	0.6%	1.4%	2.3%	6.0%

About $TPC

Tutor Perini Corporation ($TPC), founded in 1894, operates as a major civil and building contractor in the United States. The company specializes in large-scale, complex projects in sectors such as transportation, water, healthcare, hospitality, and corrections. It has three main business segments: Civil, Building, and Specialty Contractors. Tutor Perini is successful because of its vertical integration, and nationwide reach to execute high-value projects with very few competitors.

Disclosures & Ratings

Consortium Equity Research does not hold any professional relationships with any reported equities. **Overweight** means the analyst team believes the stock price will outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months. **Equal Weight** means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

Tutor Perini Corp.
Discounted Cash Flow

Active Case:	**2 Base**
Current Share Price	$58.43

DCF Analysis ($mm)	FY2020 12/31/2020	FY2021 12/31/2021	FY2022 12/31/2022	FY2023 12/31/2023	FY2024 12/31/2024	FY2025 12/31/2025	FY2026 12/31/2026	FY2027 12/31/2027	FY2028 12/30/2028	FY2029 12/30/2029	FY2030 12/31/2030
Stub						0.65	1.65	2.65	3.65	4.65	5.65
Discount Period						0.18	0.85	1.85	2.85	3.85	4.85
Revenue	5,319	4,642	3,791	3,880	4,327	5,230	5,965	6,681	7,332	7,868	8,247
Revenue Growth	*0%*	*-13%*	*-18%*	*2%*	*12%*	*21%*	*14%*	*12%*	*10%*	*7%*	*5%*
Civil	2,565	2,444	1,957	1,971	2,249	2,796	3,355	3,900	4,388	4,772	5,011
Building	2,114	1,575	1,305	1,303	1,667	1,796	1,940	2,080	2,216	2,343	2,460
Specialty Contractors	639	623	528	606	411	638	670	700	728	754	776
EBIT	265	230	(202)	(113)	(102)	163	298	301	293	275	247
EBIT Margin	*5%*	*5%*	*-5%*	*-3%*	*-2%*	*3%*	*5%*	*5%*	*4%*	*4%*	*3%*
Tax Expense	22	26	(75)	(55)	(51)	41	60	60	59	55	49
Effective Tax Rate	*8%*	*11%*	*37%*	*49%*	*50%*	*25%*	*20%*	*20%*	*20%*	*20%*	*20%*
NOPAT	242.81	204.03	(127.10)	(57.90)	(51.40)	122.50	238.59	240.51	234.61	220.31	197.92
D&A	107	118	64	45	54	50	89	92	92	89	82
Capex	55	39	60	53	37	110	72	73	73	71	66
Changes in NWC	207	365	(386)	(389)	(610)	(160)	239	217	183	138	82
UFCF	88	(82)	264	324	574	223	18	42	70	100	132
PV of FCF						218	16	34	50	65	76

Weighted Average Cost of Capital ($mm)	
Market Risk Premium	4.33%
Beta	1.89
Risk Free Rate	4.39%
Cost of Equity	10.96%
Weighted Average Cost of Debt	11.37%
Tax Rate	20.00%
Cost of Debt	1.17%
Total Equity	$3,082
Total Debt	$178
Equity/Total Capitalization	87.16%
Debt/Total Capitalization	12.84%
WACC	12.12%

Terminal Value Perpetutity Growth Method	
2034 FCF	$132
Growth	3.00%
Terminal Value	$1,446
PV of Terminal Value	$830
PV of Projection Period	$459
PV of Terminal Value	$830
Implied TEV	$1,289
(-) Debt	$454
(+) Cash	$276
Implied Equity Value	$1,111
Basic Shares Outstanding	53
Implied Share Price	$21.06
Upside/Downside	-63.95%

Implied Exit BF EV/EBIT	5.2x

Terminal Value Exit Multiple Method	
2034 EBIT	$247
EV/EBIT Exit Multiple	20.0x
Terminal Value	$4,948
PV of Terminal Value	$2,839
PV of Projection Period	$459
PV of Terminal Value	$2,839
Implied TEV	$3,298
(-) Debt	$454
(+) Cash	$276
Implied Equity Value	$3,120
Diluted Shares Outstanding	53
Implied Share Price	$59.16
Upside/Downside	1.3%

Implied PGR	7.1%

Blended Share Price	
Perpetutity Growth Method	0%
Exit Multiple Method	100%
Blended Share Price	$59.16
Upside/Downside	1.25%