

INVESTOR DAY



Welcome & Introduction

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Vice President, Investor Relations





## Welcome and Introduction

### **QUANTA IS THE LEADING SPECIALITY** INFRASTRUCTURE SOLUTIONS PROVIDER



Largest and preferred employer of craft skilled labor in the industry. Selfperform +80% of our work - helps mitigate risk and provide cost certainty to customers



**Industry leading** safety and training programs and results



Strong financial profile

**12% CAGR** in revenue in last 10 years



Strong scope and scale with deep customer relationships. Est. +90% of 2021 revenues from repeatable and **sustainable** activity



**Growing Total Addressable Market** (TAM) driven by megatrends with expanding market share across all three segments



**Recognized market** leader in the utility, renewable, communications and energy infrastructure industries



Leveraging our strengths and innovation to drive sustainable and organic growth



Strong track record of valueadded acquisitions. Completed +250



**Entrepreneurial** business model and culture

24 YEAR HISTORY OF PROVIDING INDUSTRY LEADING SERVICES

# Agenda

- Introduction
- Reflection on Last 5 Years
- 3 **Business Strategy Update**
- 4 Financial Update
- Wrap up
- Q&A 6





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Welcome to the Quanta Investor Day 2022

# Key Takeaways

Successfully executing on our strategic initiatives to drive operational excellence, total cost solutions for our clients, profitable growth and value for our stakeholders

Solid performance of our portfolio over the last five years and confident in our ability to deliver on our new five-year goals

Uniquely positioned to capitalize on the megatrends and opportunities to lead the energy transition and enable technology

A platform with opportunity to deliver 10% organic adjusted EPS CAGR and a strategy with opportunity to deliver +15% adjusted EPS CAGR through 2026



OVERVIEW OF THE LAST 5 YEARS What Quanta Has Accomplished

Duke Austin
President & Chief Executive Officer





Quanta – A People Business Delivering the Energy Transition Infrastructure Solutions for the Future

### **BUILDING PEOPLE - NOT JUST PROJECTS**



**Electric Power Infrastructure Solutions** 



Renewable Energy Infrastructure Solutions



Underground Utility & Infrastructure Solutions





# We Have Delivered on Our Strategic Initiatives

**Grew Base Business** 

**Improved Margins & Returns** 

**Expanded Service Offerings** 

Value Added **Capital Allocation** Strategy

~\$6B

Estimated increase in base business revenues from 2016-2021

~15% CAGR

Accounted for +90% of 2021 revenue

Enhances visibility and predictability

Base business is driven by multi-year trends and multi-year spending programs, which generally have nominal year-to-year fluctuations outside of larger macroeconomic impacts. Base business includes services performed under contracts with values less than \$100 million for Electric Power Solutions and less than \$75 million for Underground Utility and Infrastructure Solutions. Base business for the Renewable Energy Infrastructure Solutions segment includes renewable generation contracts for Blattner and other renewable related projects less than \$100 million in contract value.

**Consolidated Adjusted** 9.7% **EBITDA** 7.6% Margin<sup>(1)</sup> 2021 2016

#### **460 Basis Points**

Improvement in Return on Invested Capital from 2016 to 2021 (excluding impact of the Blattner acquisition in 2021)

Exited LATAM and other international operations to focus on North America and Australia

Strategic initiatives in place designed to improve margins and returns across the portfolio Acquired leadership position in renewable generation infrastructure solutions



Acquired a leading gas LDC services presence in the New York metro market with the acquisition



2019 **Acquisition** 

Largely organic expansion of U.S. communications services market, supplemented with select acquisitions

Acquired a leading position in downstream industrial services



2017 **Acquisition** 

Increasing market **share** with customers

**\$150M** incremental investment in training and safety

**Developed Craft** 

**Skilled Labor** 

Including the **strategic acquisition** of Northwest Lineman College (NLC)



2018 **Acquisition** 

Incremental job training

for **+16,000** people at Quanta facilities in 2021, both employees and industry

43,700

YE employee count (2021)

Strategic initiatives with trade associations, unions, universities and military programs, driving labor pool diversity

from

2016

Working capital to support differentiated self-perform model and growth

~\$3.9B

Cash for acquisitions and strategic investments that further our strategic goals from 2016-2021

\$827 mm

Repurchased of PWR stock (~\$473 million available under stock repurchase authorization as of Feb. 24, 2022)

Initiated quarterly cash dividend in 1019.

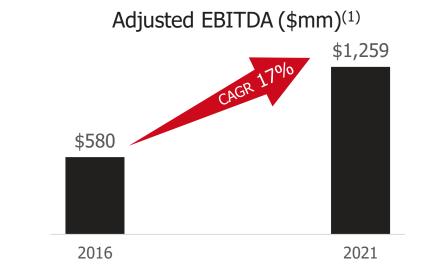
Have since increased by **75%** 

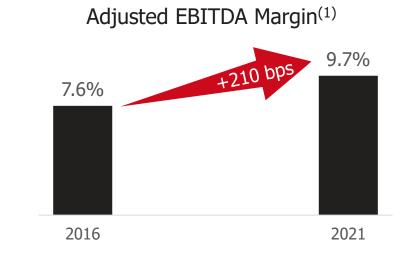


# Achieved Consistent Growth & Improved **Profitability**

Strong Performance Over Last 5 Years Achieved as a Result of the Successful **Execution of Our** Strategic **Initiatives** 









### We Are Confident We Can Continue to Deliver on Our Goals



Double-Digit Adjusted **EBITDA Margins** 

**EPS** Growth Greater Than Revenue Growth











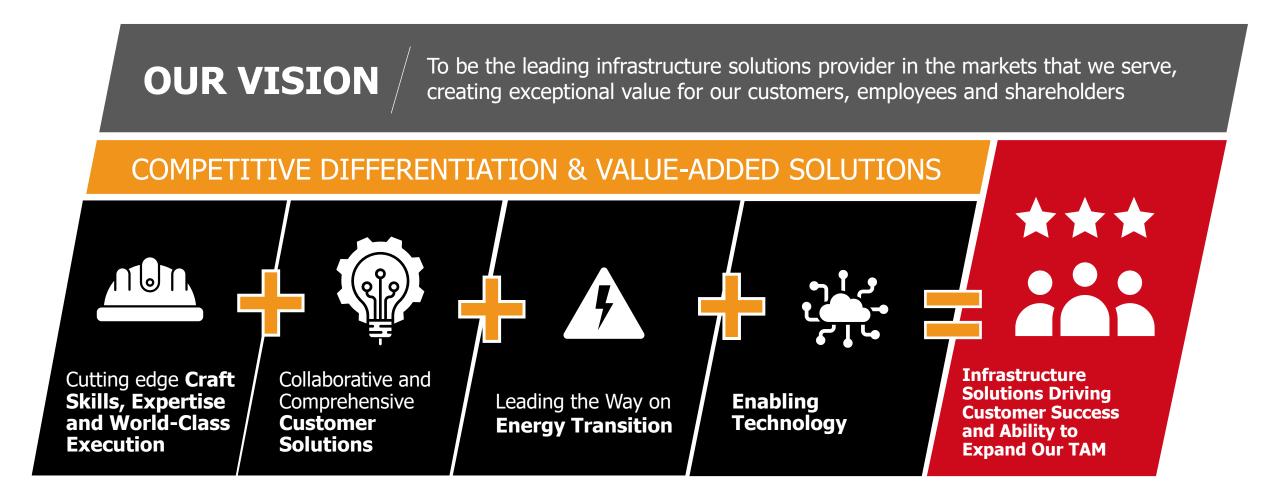


Quanta Well Positioned for Future Growth





# Key Differentiators to Drive Profitable Growth





CUTTING EDGE CRAFT
SKILLS EXPERTISE
AND WORLD CLASS
EXECUTION





# Our Focus on PEOPLE Is at the Heart of Our Growth Strategy and Success

The Foundation and Core Principles of Our People Strategy



Fostering and prioritizing these elements ...



## Investing in Safety, Training and Recruitment Programs to Meet Our Customers' Needs

530

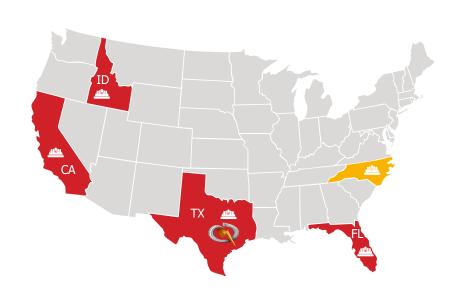
2011

2013

2015

2017

#### **Dedicated Training Facilities**

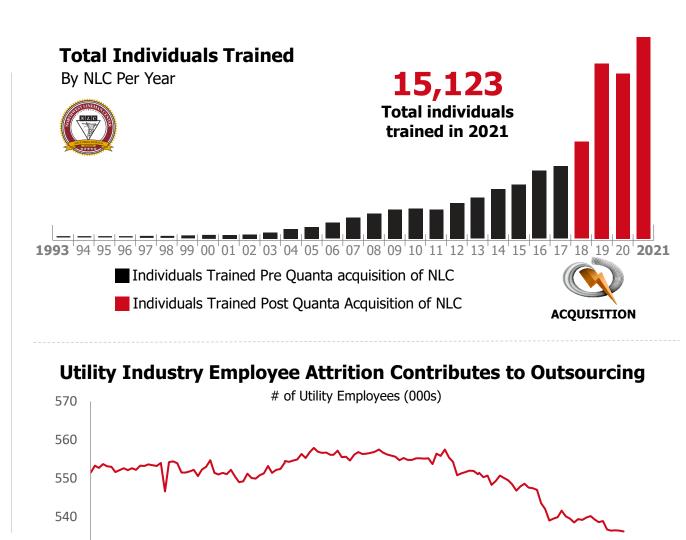




Northwest Lineman College (NLC) – Post secondary education institution that has provided world-class electric training curriculum for 28 years. Added communications and gas distribution curriculum



**Quanta Training Center – World-class 2,300 acre** training facility. Up-training employees to advanced capabilities in all industries





2021

2019

# Continuing to Invest in CRAFT SKILL Capabilities Yields a Distinct Competitive Advantage

### ... Ensures we are





# COLLABORATIVE AND COMPREHENSIVE SOLUTIONS



## Focused on Meeting the Needs of Our High-Quality and Diverse Customer Base

### LOW CUSTOMER CONCENTRATION

Largest customer accounted for

of 2021 revenues

Top 10 customers accounted for

of 2021 revenues

### **SELECT CUSTOMERS – Many of Our Customer Relationships Span Decades**

**Electric Power** 













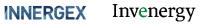


Renewable Generation



















Communications













Underground Utility & Infrastructure Solutions



















We provide services across our reporting segments to most of the customers listed



# Deeply Ingrained and Collaborative **Customer Relationships**

Quanta's Estimated 2021 Aggregate Avg. Craft Employee Count Providing Services to Long-Time Large Customers =

~17,000

Quanta Services has worked collaboratively with representative customers such as these for **more than** 20 years

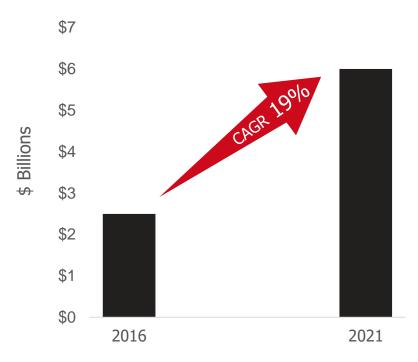




# Deep Customer Relationships **Underpin Growth**

Driving Repeatable, Consistent Revenue Through Deep and Collaborative Customer Relationships

#### **Top 20 Customers Based on 2021** Base Business Revenues (1)



**Base Business Revenues** 



(1) Base business is driven by multi-year trends and multi-year spending programs, which generally have nominal year-to-year fluctuations outside of larger macroeconomic impacts. Base business includes services performed under contracts with values less than \$100 million for Electric Power Solutions and less than \$75 million for Underground Utility and Infrastructure Solutions. Base business for the Renewable Energy Infrastructure Solutions segment includes renewable generation contracts for Blattner and other renewable related projects less than \$100 million in contract value.

# Construction-Led Infrastructure Solutions Leveraging the Portfolio

### Revenues - 2022E<sup>(1)</sup>

**51%** 

**Electric Power** Infrastructure Solutions

24%

Wind

Renewable Energy Infrastructure Solutions

25%

Underground Utility & Infrastructure Solutions





















Energized Services



**Emergency** Restoration



Engineering Services



Storage





Facilities

Compression, Metering & Pumping Stations



Horizontal **Directional Drilling** 















**Pipeline Logistics** Management

DESIGN

**ENGINEERING** 

**PROJECT MANAGEMENT** 

**INSTALLATION** 

Solar

**MAINTENANCE** 

REPLACEMENT



# Quanta's COLLABORATIVE AND COMPREHENSIVE SOLUTIONS **Enhance Customer Outcomes**







#### INTERMEDIARY/ **EXTERNAL COMPANY**

Customer would often choose engineer-led firm with limited construction expertise, to design the project and lead the selection of construction firm



#### **RANGE OF OUTCOMES**

- Higher total cost to customer (margin on a margin)
- Possible mismatch between work required and construction capabilities hired
- Greater risk for sub-optimal project outcome – change order disputes and remedial work required
- Customer bears multiple costs at several stages and bears greater risk

### **QUANTA HAS EVOLVED AND ADVANCED THE APPROACH**

**CONSTRUCTION-LED**, AUGMENTED WITH FRONT-END SERVICES = THE QUANTA SOLUTION





#### **NO INTERMEDIARY**

Quanta's comprehensive solutions are construction-led from the outset, supported by front-end solutions, working directly and collaboratively with the customer to provide a complete suite of services



#### THE DIFFERENCE - VALUE ADDED **SOLUTIONS**

- · We leverage our construction expertise to lead front-end services to properly scope, design and execute projects
- Helps ensure on-time, onbudget project delivery



# The Quanta Solution Allows Us to Deliver for the Customer

### WHY WE WIN

### **ENABLERS**

Our Self-Perform and Turnkey Capabilities Allow Us to Collaborate with Customers and Programmatically Plan and Execute on their Multi-Year Infrastructure **Investment Programs** 

**Craft skilled resources are in high demand** – Quanta is a preferred employer with the largest craft skilled workforce in our industry

We are construction-led, **complemented** with front-end services to meet increasing needs of our customers

**Ouanta has enhanced its capabilities** and turnkey solutions both organically and through strategic acquisitions

Safely delivering on time and on budget allows for cost certainty and a superior **outcome** for the customer

Quanta's industry-leading experience and scope and scale allow us to partner on customers' multi-year investment plans and complex projects

Gives Quanta greater control of the planning and execution with improved visibility and predictability to reduce overall cost to the customer

**Fosters collaboration** and enables us to deliver innovative solutions that competitors cannot



# Case Study: The Quanta Solution Is Market Leading -**Enhancing Customer Relationships**

### **CLIENT PROFILE**



Existing **Top 20** Quanta client

+\$10B Annual utility revenue



Owns and operates +120,000 circuit miles of transmission and distribution lines

- Historically employed a tactical approach
- Low price most important
- Reactive approach to planning
- Flat annual revenue contribution to **Ouanta**

#### **SOLUTIONS WE IMPLEMENTED**

- Demonstrated the benefits of our unique and deep technical expertise and capabilities, including:
  - Energized services
  - Renewable transmission interconnections
  - Workforce development solutions
- Deployed significant resources and a differentiated approach to the client following a catastrophic hurricane event
- Collaboration with the client to plan their work and sequence their investments in the power grid to match resource availability given the resource constrained market

#### WHAT WE ACHIEVED

Significantly expanded work scopes with the client to include:

















- Significantly increased revenue contribution from the client
- Implemented solutions that are mutually beneficial to the client and Ouanta
- Collaborative and methodical approach has driven value and increased our opportunities with the client
- Client relationship now both embedded and elevated from being a vendor to a partner



LEADING THE ENERGY
TRANSITION &
CAPITALIZING ON
MEGATRENDS





# Massive and Growing Energy Transition TAM Driven by Megatrends

**Estimated Annual** Required Global Green Capex in the 2020s to Support Net Zero Goals

#### **Carbon Capture Utilization & Storage** \$90BN

- From Fossil Fuels
- From Biofuels
- Direct Air Capture
- •CO2 Transportation

#### **Nuclear Generation \$90BN**

### **Hydrogen Infrastructure \$7BN**

- Pipelines/Storage
- Hydrogen Stations

#### **Electrification** \$302BN

- EV Car, Truck, Bus & Van
- Electric/ Hydrogen Rail
- Buildings/Heat

Electric Arc

Steel

SAF Aircraft

# **NET ZERO**

\$3.0TN

#### Hydrogen End Use \$49BN

- Gas Grid Blending
- Electricity Generation

#### **EV Chargers** \$38BN

Public Stations

#### **Energy Efficiency** \$610BN

- ICE Vehicles
- Appliances
- HVAC

Direct Reduced Iron

Other (incl. FCEV)

- Primary Chemicals
- Zero Carbon Buildings

#### **Low Emission Fuels** \$132BN



- · Liquid Biofuels
- Hydrogen w/
- Hydrogen Electrolysis

#### **Battery Storage** \$52BN

### Renewables



Solar PV

- Onshore Wind
- Residential Solar
   Offshore Wind
- Other (Hydroelectric/ Geothermal)

#### **Electricity Grids** \$523BN



Digitization

 Expansion Substations







- PROVIDING A SAFETY-FOCUSED HIGHLY TRAINED WORK FORCE
- **GRID HARDENING** AND MODERNIZATION
- AN INDUSTRY-LEADING RENEWABLE **GENERATION INFRASTRUCTURE PLATFORM**
- UTILITY-SCALE ENERGY STORAGE
- CONNECTING RENEWABLES PROJECTS
- METHANE LEAKAGE **DETECTION AND PREVENTION**
- FIBER TO THE HOME, NEXT-GEN WIRELESS
- ADVANCED BIOFUELS, RENEWABLE NATURAL GAS, HYDROGEN
- RESPONSE TO NATURAL DISASTERS AND EXTREME WEATHER
- **EV-CHARGING NETWORKS**

# Quanta Enables the Energy Transition

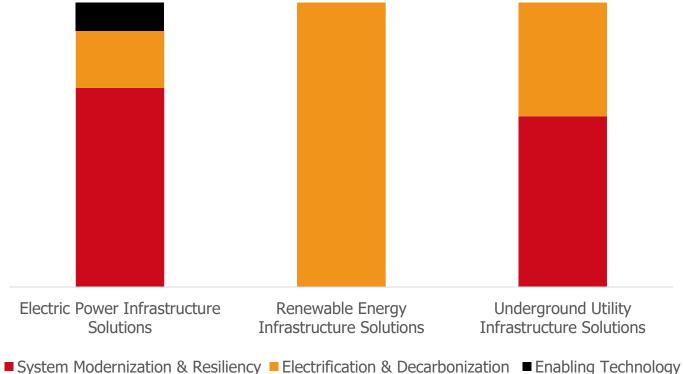




# Long-Term Megatrends Underpinning and Creating **Strategic Opportunities**



### **Quanta Segment Exposure to Megatrends** Estimated Opportunity by Segment



### **Electric Power Infrastructure Solutions**

\$208B & \$338B

Est. U.S. grid funding gap by 2029 and 2039 to strengthen it and meet renewable energy goals(5)



### 35,000 Miles

of overhead distribution conductor hardening opportunity in CenterPoint Energy's Houston service territory (4)

>100,000

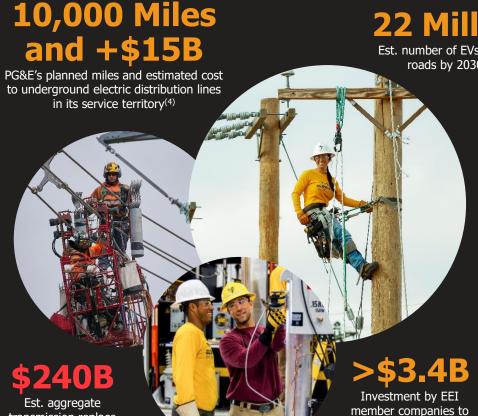
Est. EV fast charging stations required to support 22 million FVs<sup>(2)</sup>



+200,000 Miles of high-voltage transmission lines and

+5.5 Million Miles

of distribution lines in the United States electrical grid<sup>(6)</sup>



22 Million

Est. number of EVs on U.S. roads by 2030<sup>(2)</sup>



Est. Annual North American T&D Spend in 2025(1)

Automakers announced investments in next-generation electric vehicles<sup>(7)</sup>



distribution lines are

approaching the end

of their useful life (5)

70% of transmission and

+8 Hours Avg. consumer power

disruption in 2020

+2X

Versus 2013(5)

\$143B

Est. U.S. Investor-Owned Utility Capex in 2021<sup>(2)</sup>

96,000 Miles

Est. aggregate circuit miles of transmission to be replaced and upgraded from 2022-2042(3)





(1) The C Three Group

(2) Edison Electric Institute (EEI)

(3) Americans for a Clean Energy Grid, "Planning for the Future", Jan. 2021

(4) Company press releases and reports

(5) The Wall Street Journal, Feb. 18, 2022

(6) Scientific American

transmission replace

and upgrade investment

from 2022-2042<sup>(3)</sup>

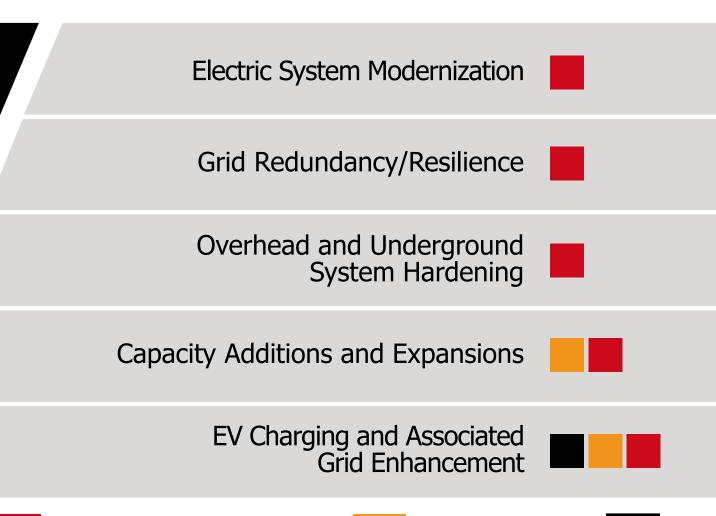
(7) S&P Capital IQ

accelerate EV adoption (2)

### **Electric Power Infrastructure Solutions**

SYSTEM MODERNIZATION AND RESILIENCY

Significant Grid Investment is Required to Meet the Needs of Today and to Enable the **Energy Transition of** Tomorrow. **These Initiatives Provide Multiple Paths** for Multi-Year Growth.





**ELECTRIFICATION AND DECARBONIZATION** 

**ENABLING TECHNOLOGY** 

### **Electric Power Infrastructure Solutions**

Utility Capex Budgets Are Expanding and in the Early Stages of the Energy Transition

\$~19.2B \$63B \$38B ~\$17B 2021-2025 2022-2026 +\$40B \$70B-75B 2020-2026 2021-2025 2027-2031 2021-2030 CenterPoint. **AMERICAN** DUKE ENERGY. FirstEnergy ... **ELECTRIC** 

 Electric Transmission 38%

**POWER** 

- Electric Distribution 27%
- Regulated Renewables 22%
- Both capital plans allocate approximately **58%** of investments to electric infrastructure

Energy

- 2022-2026 capex plan includes ~\$33 billion for power grid investment
- 2022-2026 capex plan includes ∼\$14 billion for zero-carbon generation investment
- Gird Modernization & Resiliency ~51%
- Customer-Centric Growth ~39%
- Conservation & Clean **Energy Transition** Enablement ~10%

 Unprecedented level of system investments

\$53B

2022-2026

- Ungrounding & other growth opportunities major drivers
- Other accelerated wildfire mitigation efforts



Sources: Customer materials

# **Enabling Technology**

\$275B

Est. 5G investment by U.S. wireless companies (1)

Amount spent by U.S. wireless companies on C-band and midband 5G spectrum over the last twelve-months<sup>(6)</sup>



Est. number of Americans without minimally acceptable Internet speed<sup>(4)</sup>

### **5** Years

Est. capital investment in fiber-to-thehome (FTTH) from '22-'26 will exceed ALL FTTH investment to date<sup>(9)</sup>



60x

Est. number of small cell sites need to cover same footprint as a 4G cell site(2)



\$20.4B

Rural Digital Opportunity Fund money allocated to expand broadband infrastructure in underserved markets(5)

80%

of future infrastructure deployments will be small cells(3)



+2,750

Number of data centers in the U.S. in 2022<sup>(8)</sup>



300x

More mobile data traffic on mobile networks in 2021 versus 2011<sup>(7)</sup>



Est. average speed of 5G versus 4G<sup>(7)</sup>



Allocated to expand broadband infrastructure in underserved markets(4)



(1) Accenture

(2) Fiber Broadband Association

(4) The White House – Infrastructure Investment and Jobs Act

(5) RDOF.com

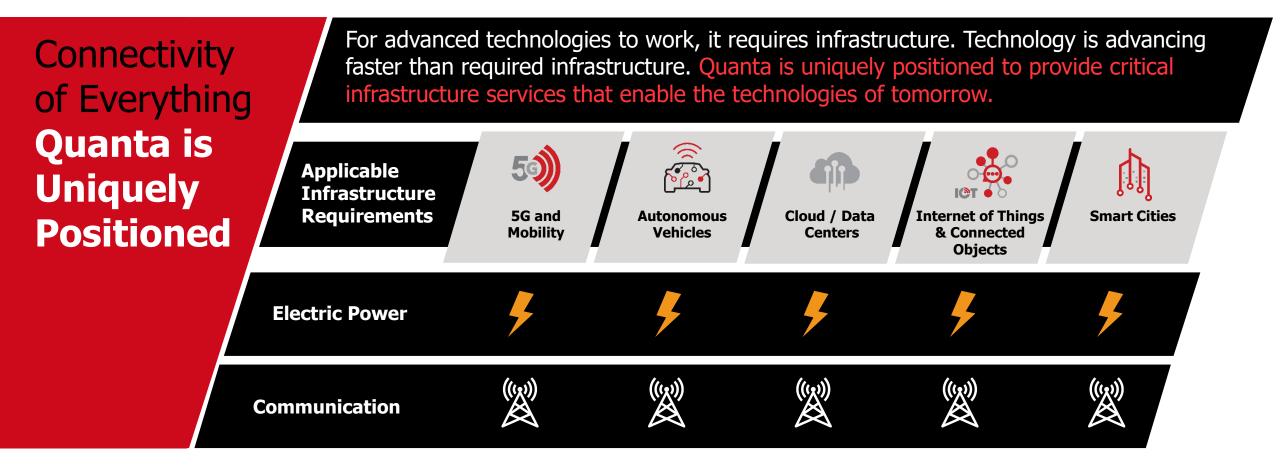
(6) Light Reading

(7) Ericsson

(8) Statista

(9) Broadband Technology Report

# **Enabling Technology**





# Renewable Energy Infrastructure Solutions

### +160GWs

Est. U.S. renewable generation nameplate capacity installations from 2021-2025(1)



### **51GWs**

Reduction in coal fired generating capacity from 2022 through 2027(4)

### **25 GWs**

of new battery storage capacity to come online in the U.S. from 2022-2023(4)



# 38 States &

renewable electricity standards(6)

+24% to **31.1 GWs** Increase in global corporate renewable power purchase agreements in 2021(5) +76%

Est. global energy transition investment in 2021<sup>(4)</sup>



\$30B-\$90B \$200B-\$600B from 2030-2050

Est. incremental transmission investment due to electrification(2)

To achieve global net-zero by 2050, estimate it requires energy transition investment of

> annually from 2022-2025 and

annually from

2026-2030(5)

### **41GWs**

approved additional renewable capacity in CA by 2032 to achieve an

86%

greenhouse gas-free power grid(4)

~31GWs

Planned U.S. offshore wind capacity by 2030<sup>(4)</sup>

# **District of Columbia**

have enforceable or voluntary

(1) Quanta Services and confidential industry estimates

(2) Wires Group "Informing the Transmission Discussion", Jan. 2020

(3) The Wall Street Journal, Feb. 18, 2022

(4) S&P Capital IQ (5) Bloomberg NEF

of U.S. generating

capacity additions in 2021

from wind and solar(4)

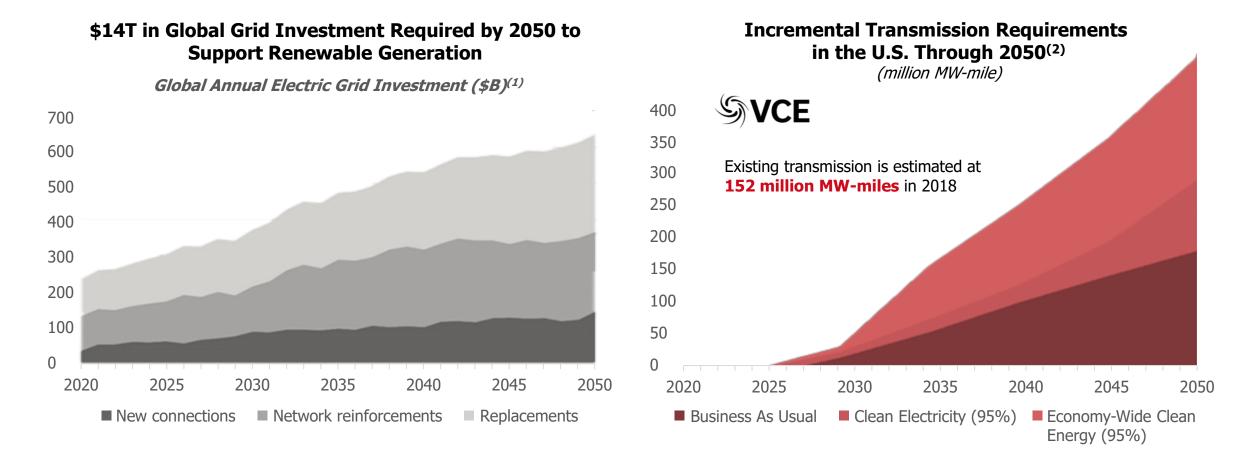
# Renewable Energy Infrastructure Solutions

Solar Power Near- and Long-Term Growth of Renewable Wind Power **Generation Capacity** and Associated **Battery Storage** Infrastructure to **Support Transitioning High-Voltage Transmission** to a Carbon-Neutral and Substations Economy Hydro Power **ELECTRIFICATION AND DECARBONIZATION** SYSTEM MODERNIZATION AND RESILIENCY



### Renewable Energy Infrastructure Solutions

Significant Upgrading of Transmission and Grid Infrastructure Required to Support Renewable Energy Growth





(1) As of Feb. 23, 2021; Source: BloombergNEF

(2) Source: Vibrant Clean Energy, LLC

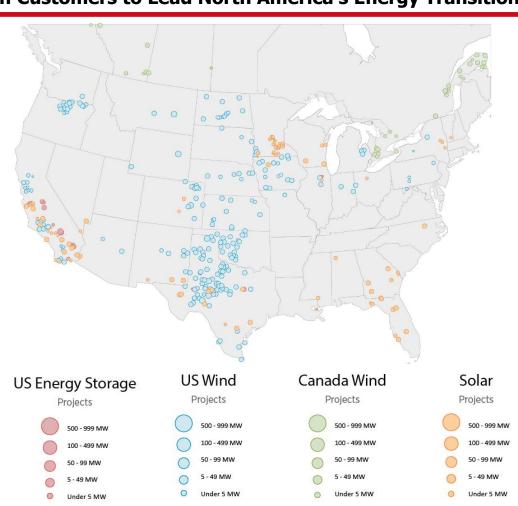
### Renewable Energy Infrastructure Solutions



**A Leading Infrastructure Solutions Platform to Collaborate** with Customers to Lead North America's Energy Transition

Acquiring Blattner has enhanced Quanta's capabilities and geographic reach

Blattner has installed +50 gigawatts of the total 200 gigawatts of utility-scale renewable capacity installed in the **United States** 



+15X

**Estimated Emissions Avoided From** Renewable Projects Built by Blattner in 2021<sup>(1)</sup> Relative to Quanta's 2021 **Estimated Scope** 1 Emissions<sup>(2)</sup>

(1) Pro forma based on the assumption that Quanta owned Blattner for the entire fiscal year 2021. Emissions avoided calculation is also based on certain pre-acquisition data provided by Blatter and in part based on thirdparty industry data.

(2) Preliminary results based on information currently available, and Quanta's actual Scope 1 emissions may vary due to certain final adjustments to the data we have currently collected. Accordingly, you should not place undue reliance on this preliminary data.

# Underground Utility and Infrastructure Solutions

### \$90B

Est. incremental investment in carbon capture utilization and storage needed per year in the 2020s to support Net Zero goals(1)



Est. incremental investment in hvdrogen infrastructure needed per year in the 2020s to support Net Zero goals(1)

Est, incremental investment in low emission fuels needed per year in the 2020s to support Net Zero goals(1)



Est. investment by Investor-Owned Utilities in gas related delivery infrastructure in 2021<sup>(2)</sup>



73%

The decline in annual methane emissions from the U.S. natural gas distribution system from 1990-2018 through system modernization<sup>(5)</sup>



Est, incremental investment in water infrastructure needed per year in the 2020s to support United **Nations Sustainable** Development Goals(1)



+2.2MM Miles

Of pipeline in the U.S. natural gas distribution system(3)



Est. incremental investment in hydrogen end-use needed per year in the 2020s to support Net Zero goals(1)



+544K Miles

Of hazardous liquids, gas transmission and LNG pipelines in the U.S.<sup>(4)</sup>



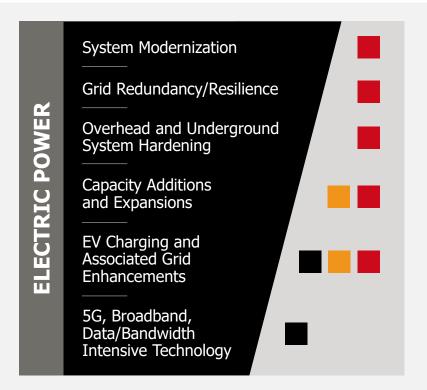
- (1) Source: Goldman Sachs Sustain
- (2) Edison Electric Institute
- (3) Pipeline and Hazardous Materials Safety Administration (PHMSA)
- (4) Interstate National Gas Association of America (INGAA)
- (5) Environmental Protection Agency

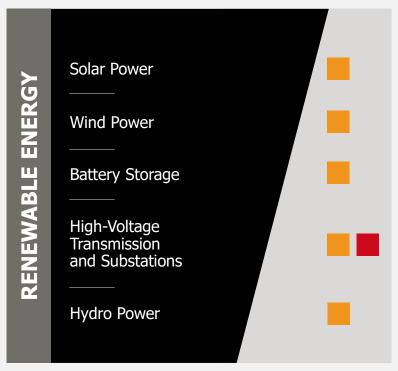
# Underground Utility and Infrastructure Solutions

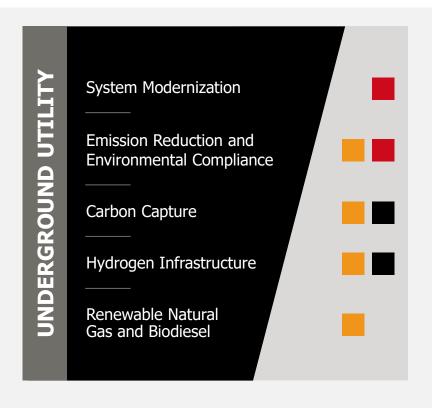
System Modernization Methane Emission Reduction **GAS** Gas Utilities and the Traditional Energy UTILITIES Hydrogen Blending Industry are in the Early Stages of Adoption of Energy Transition Efforts Renewable Natural Gas Quanta is Supporting Customers' **Environmental Compliance** Strategies to Modernize their Infrastructure and to Reduce their Carbon **Emissions Reduction** DOWN **STREAM** Footprint in Order to Transition their Biodiesel Operations and Assets Towards "Greener" Renewable Natural Gas **Business Opportunities** Initiatives are Accelerating and Renewable Generation Quanta is Actively Pursuing **ENERGY &** Hydrogen Production & Transportation MIDSTRFAM Numerous Opportunities Methane Emission Reduction COMPANIES Carbon Capture SYSTEM MODERNIZATION AND RESILIENCY **ELECTRIFICATION AND DECARBONIZATION ENABLING TECHNOLOGY** 



# Across the Portfolio, Megatrends Provide Multiple Paths for Near and Long-Term Growth







Leveraging our solutions portfolio, the continued successful execution of our strategic initiatives and megatrend drivers provide multiple paths for near-and long-term profitable growth

SYSTEM MODERNIZATION AND RESILIENCY

ELECTRIFICATION AND DECARBONIZATION

ENABLING TECHNOLOGY



EMBEDDING
SUSTAINABILITY
AND ADVANCING
OUR ESG PROGRAMS





# Quanta Is Focused on Long-Term Corporate Responsibility and Sustainability

### **PEOPLE**

### **PLANET**

### **PRINCIPLES**

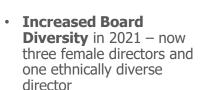
- Safety drives everything we do - our employees are our #1 asset
- Have incrementally invested +\$150mm in training and safety initiatives for our employees
- **\$742 Million** in diverse supplier spend in 2021, a 9% increase over 2020
- 31% of individuals trained at campus career programs at Northwest Lineman College (NLC) during 2021 were ethnically diverse – an increase from 26% in 2019





- With Blattner, we are leading the way in expanding renewable generation capacity in the US
- Quanta has an industry-leading reputation for environmental **stewardship** during its projects
- Partnership with General Motors to incorporate a significant number of Chevrolet Silverado EVs into our fleet

· Board-level oversight of **ESG-related matters** 





- 97% approval of executive compensation at 2021 annual meeting
- 20% of 2021 target annual cash incentive and 20% of 2021 target LTIP linked to achieving safety and sustainability goals

QUANTA'S SUSTAINABILITY MISSION centers on collaborating with our customers to meet their needs and creating value for stakeholders, while focusing on employee safety and conducting our business in a socially, economically and environmentally responsible manner





# Our Goal Is to Have a Sustainability Program as Compelling as Our ESG Story



A Leader in the Energy **Transition** 

Playing a central role in building the infrastructure required for a low-carbon future



**Embedding** Sustainability

Addressing a broader suite of ESG topics and developing mechanisms to track change and instill sustainability best practices at the operating level



**Focus on Metrics and** Reporting

Reporting a suite of metrics across the E, S and G categories that best represent our business and investor and other stakeholder expectations



An Industry-Leading Sustainability Profile



Plan to Meaningfully Increase Our ESG ratings

We are actively working to increase our depth and breadth of disclosures to augment our compelling position in the energy transition



# **KEY TAKEAWAYS**



# Key Takeaways

Successfully executing on our strategic initiatives to drive operational excellence, profitable growth and value for our stakeholders

Our people are our greatest asset and benefit from our safety culture and commitment to training, enabling them to safely meet our customers' needs while positioning Quanta for future growth

Quanta's solutions have enhanced customer outcomes through providing comprehensive, construction-led and self-performed services, complemented by front-end capabilities

Uniquely positioned to capitalize on the megatrends and opportunities to lead the energy transition and enable technology

Committed to sustainability for our customers and our organization and developing a compelling ESG story



THE NEXT 5 YEARS

Multiple Levers for Growth

Derrick Jensen Chief Financial Officer

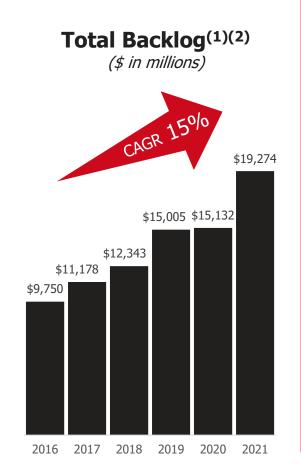






# Strong Historical Performance











<sup>(1) 2019</sup> and 2020 exclude Latin America

### Strong Execution Against Prior Five-Year Plan

	2016	2021 Target <sup>(1)</sup>	2021 Actual
Revenues	\$7.7Bn	\$12.2B	\$13.0B
Adjusted EBITDA <sup>(2)</sup>	\$0.58B	\$1.26B	\$1.26B
Adjusted EBITDA Margin <sup>(2)</sup>	7.6%	10.3%	9.7% <sup>(a)</sup>
Adj EPS <sup>(2)</sup>	\$1.51	\$3.98	\$4.92
ROIC <sup>(3)</sup>	5.5%	~10.0%	8.9% 10.1% <sup>(b)</sup>



Delivered against prior fiveyear plan

- (a) 2021 Adj. EBITDA margin impacted by pandemic
- (b) 2021 ROIC excluding Blattner would be 10.1%



Strategic focus on and investments made to grow base business solutions



Maintained a strong balance sheet and financial flexibility



Executed on disciplined and opportunistic capital deployment strategy

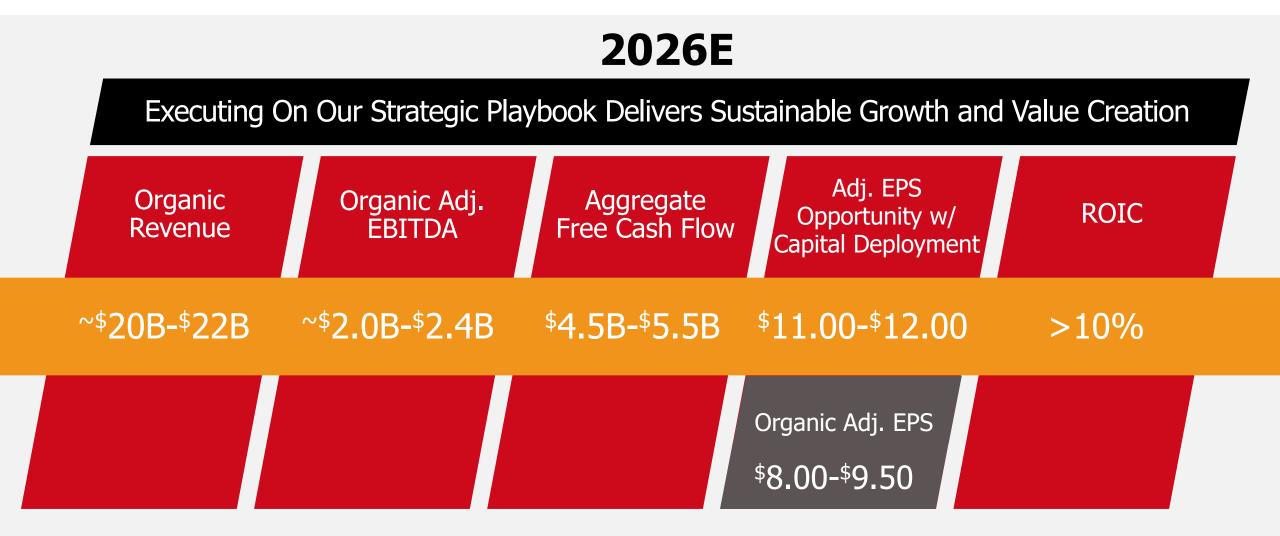


<sup>(1)</sup> The previously communicated 2021 Target of \$10B of Revenue and \$1B of Adj EBITDA was an organic target; the target figures presented above include the estimated contributions from the inorganic activity in our original expectations.

<sup>(2)</sup> Refer to appendix for a reconciliation of this non-GAAP financial measure to its most directly comparable GAAP financial measure.

<sup>(3)</sup> Refer to appendix for a definition and reconcilliation of return on invested capital (ROIC).

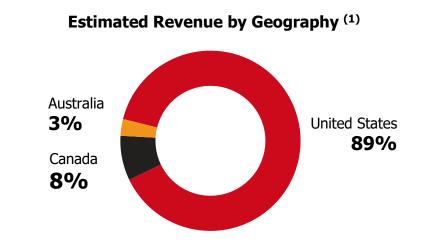
# Long-Term Organic Growth Expectations

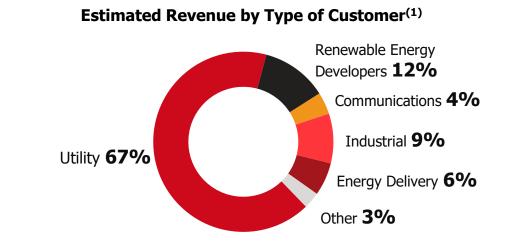


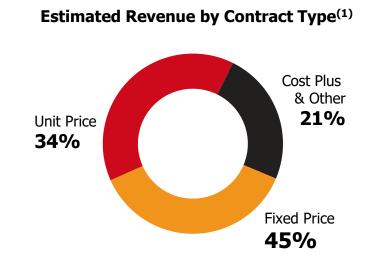


# Diversified Revenue Streams from Multiple Growth Opportunities Reduces Project Concentration Risk

**FISCAL** YEAR 2022E







**Last 5 Years – Fixed Price Contracts** with Losses > \$10MM

1%



#### **BASE BUSINESS:**

Repeatable, sustainable revenues

Primarily electric and gas utility spend

#### **BASE RENEWABLES:**

Recurring and visible renewable generation projects

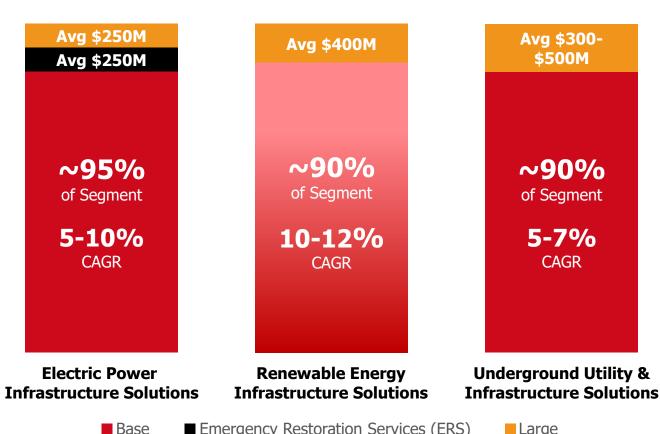
#### **LARGE PROJECTS:**

Large scale, multi-year electric transmission and pipeline projects

Contract value typically >\$100mn for transmission and pipeline projects

# 2022 – 2026: Base Business Underpinning **Expectations**

Est. '22-'26 Consolidated Organic Revenue Growth = 5-8% CAGR

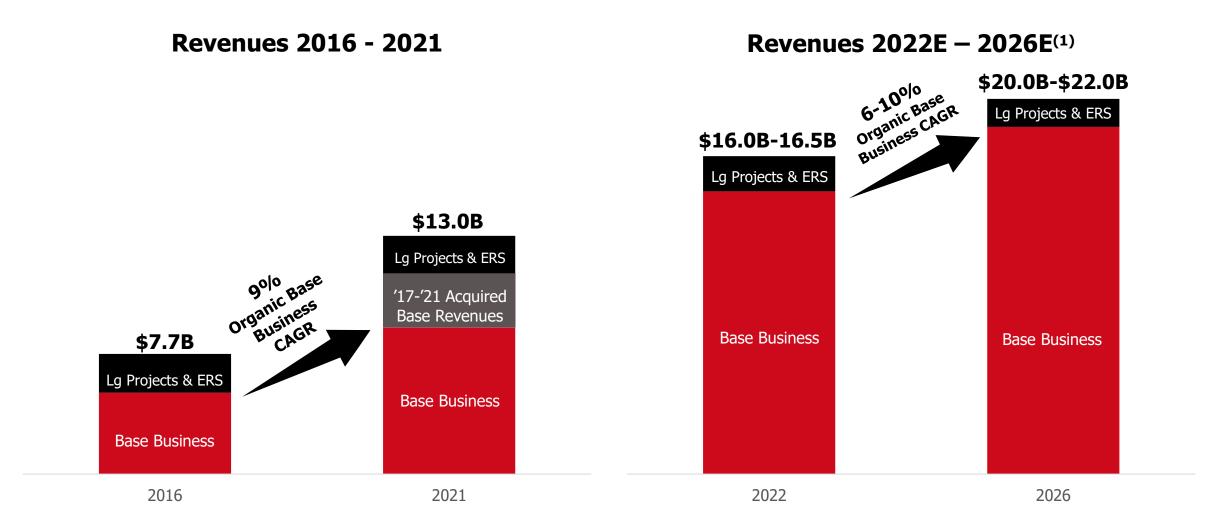




■ Emergency Restoration Services (ERS)

Large

### Strategic Focus on Base Business from 2016 – 2021 Established Solid Foundation for Future Growth





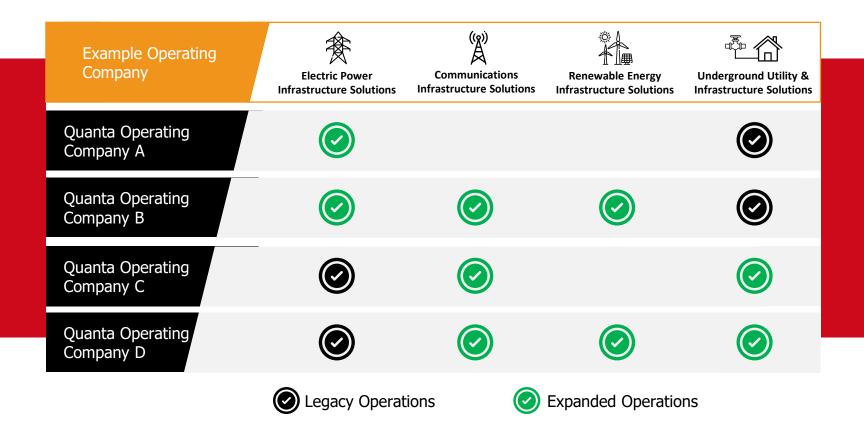
### 2022 – 2026: Positioned for Growth

Est. 2022-2026	ELECTRIC POWER INFRASTRUCTURE	RENEWABLE ENERGY INFRASTRUCTURE	UNDERGROUND UTILITY & INFRASTRUCTURE	CONSOLIDATED
Organic Revenue CAGR	5% - 9%	8% - 10%	3% - 5%	5% - 8%
Target OI Margin	10.5% - 11.5%	9.0% - 10.0%	7.0% - 8.5%	6.5% - 8.0%
Target Adjusted EBITDA Margin	12.0% - 13.0%	10.0% - 11.0%	9.0% - 10.5%	10.0% - 11.0%
Possible Upside Drivers	<ul> <li>Puerto Rico T&amp;D construction</li> <li>Accelerated EV infrastructure needs</li> <li>Increased customer outsourcing</li> <li>Excess ERS</li> <li>Higher margins through execution</li> </ul>	<ul> <li>Accelerated North American investment</li> <li>Australia renewables build</li> <li>Utility rate basing of renewables in North America</li> <li>Higher margins through execution</li> </ul>	<ul> <li>LDC Replacement Programs</li> <li>Increased system integrity programs</li> <li>Accelerated growth in Australia and Canada</li> </ul>	



### Building on Our Portfolio of Capabilities

**Driving Consolidated** Revenue, Adj. EBITDA, EPS and ROIC

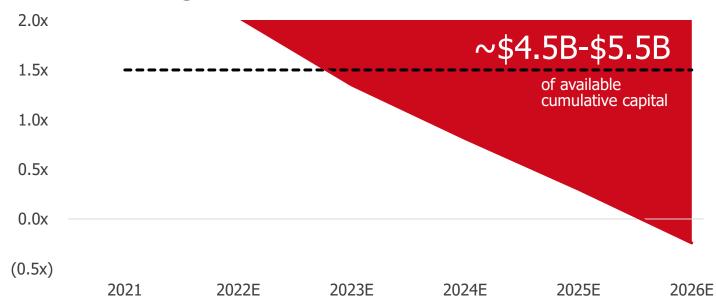




# Robust Cash Generation Coupled With Leverage Capacity Amplifies Return Opportunities



### **Bank Leverage Ratio Based on Maturities of Fixed Debt**



Maintaining Leverage Between

 $1.5x - 2.0x^{(2)}$ 

Creates Incremental Capital Deployment Opportunity as Organic Performance Builds Greater Leverage Capacity



<sup>(1)</sup> Refer to appendix for a reconciliation of this non-GAAP financial measure to its most directly comparable GAA financial measure.

<sup>(2)</sup> Seasonal cash flow effects, opportunistic deployments of capital, project timing and other variability may create leverage profiles outside of our target range during the periods

# Strong Track Record of Strategic and Opportunistic Capital Deployment

Believe Opportunistic Capital Deployment Offers Better Value Creation

#### **Capital Deployment Priorities**

#### **Organic Growth**

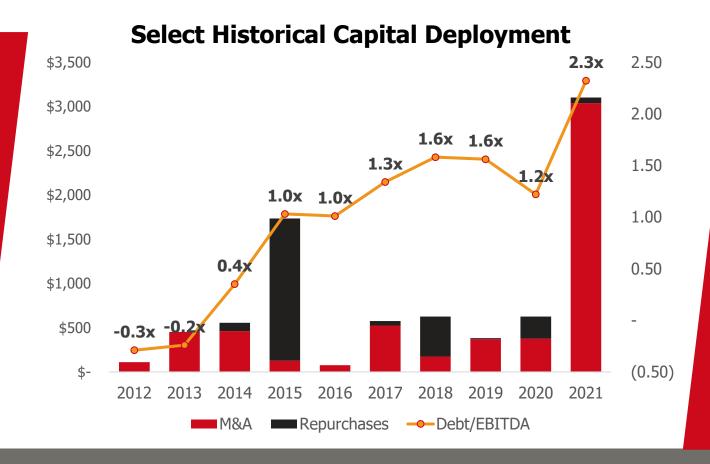
- Working Capital
- Capex

#### **Inorganic Growth**

- Acquisitions
- Investments

#### **Excess Capital**

Shareholder returns



### **Aggregate Capital Deployed** 2012-2021

- 1. Acquisitions & **Investments** = \$5.7B
  - Avg. acquisition multiple = 5x-7x
- **Stock Repurchased** = \$2.5B 95M shares at avg. price of \$26.67 per share



# Strategic Acquisitions Will Continue to Play a Role

Acquisitions have and will continue to play a strategic role in differentiating Quanta in the marketplace and **positioning** the company for profitable long-term growth

#### **SELECT ACQUISITION EXAMPLES**

#### **Leading Utility-Scale** Renewable **Solutions**

- Provides leading position in utilityscale renewable generation engineering and construction
- Transforms our energy transition solutions capabilities

### **Core Characteristics**

- Strong, entrepreneurial management team
- Extended track record of operational excellence and success (no turnarounds)
- Financially sound
- Company leadership remains post-acquisition

#### **Strategic Rationale**

- Brings leadership position in a new geography
- Enhances presence and capability in existing geography
- Brings or enhances customer relationships
- Provides leadership position in complementary or new market
- Adds unique service or technology to leverage and differentiate our solutions offering

#### **Engineering & Program Delivery**

Gas/Electric

engineering

capabilities

specialist

Land acquisition

and permitting

telecom

Distribution &

Premier aviation contractor in Western U.S.

**Safety** 

**Enhancement/** 

**Capabilities** 

Differentiation

- Enhances aircraft utility capabilities
- Strong leadership team

### **Enhancing Self-Perform Capabilities**

- Western U.S. heavy civil, energy and industrial contactor
- Leverage capabilities to enhance selfperform capabilities for electric power and telecom operations

#### **Bolster Southeast** Region

- Enhancing electric utility capabilities in southeast **United States**
- Additional ERS resources

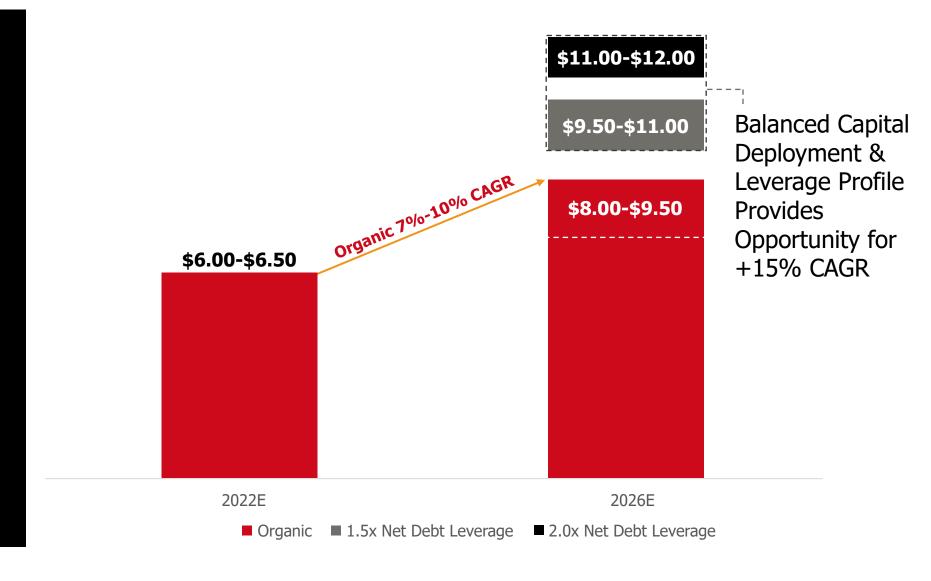
#### Telecom **Capabilities**

- Enhances communications capabilities
- Geographic expansion
- Creates and enhances existing customer relationships



# 2026 – Multiple Levers to Deliver Attractive Adj. EPS Growth

**Balanced Capital** Deployment and Prudent Leverage **Profile Offers** Opportunity for Solid Double-Digit Adjusted Earnings Per Share CAGR

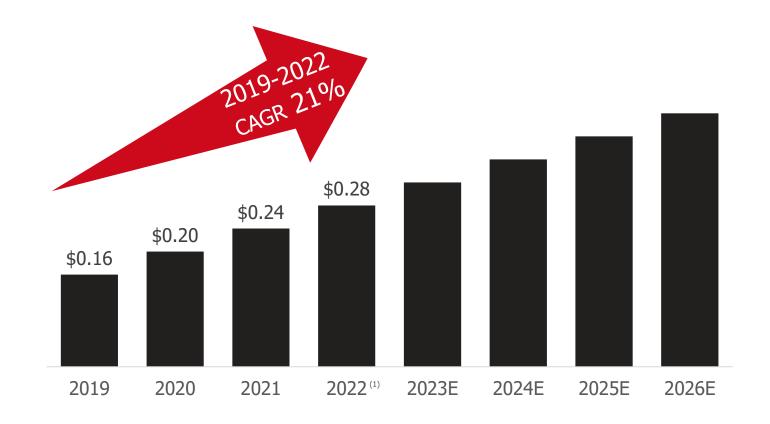




### Dividend Growth Another Tool for Stockholder Value

Intend to Increase our Dividend Commensurate with Net Income and Free Cash Flow Growth

### **Dividend Per Share**





# Disciplined and Opportunistic Capital Allocation Creating Long-Term Value for Shareholders

Disciplined and Opportunistic Capital Allocation

Operations

#### Supporting Operational Needs

- Providing the working capital necessary to deliver solutions
- Procuring property and equipment required to support project delivery
- · Strong balance sheet to support our investment grade credit rating and bonding requirements
- Delivering letters of credit to secure awards

M&A

#### Executing Strategic M&A and Investments

- Adding world-class leadership to the organization
- Expanding geographic presence and customer footprint
- · Increasing capabilities and paths for growth
- Broadening front-end solutions

Return of Capital

#### Disciplined and Opportunistic Return of Capital

- Strive to maintain share neutrality against M&A and stock compensation
- Evaluate all investments against returns on stock repurchases
- Maintain ability to aggressively address value dislocations
- Consistently grow dividend





# Visible Megatrends Provide Opportunity to Enable, Expand and Extend Growth Expectations

### Megatrend **Drivers**

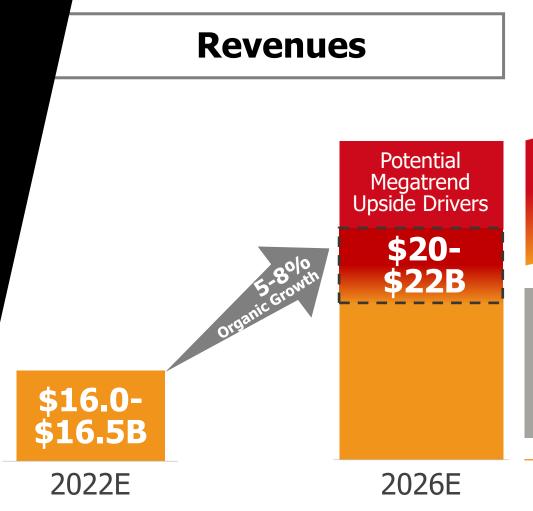
EV charging and associated grid infrastructure

Electrification-driven load growth and capacity expansion

High-voltage electric transmission

Hydrogen infrastructure

Emission reduction and carbon capture infrastructure



Timing of megatrends extend growth opportunities beyond '26

### Megatrends:

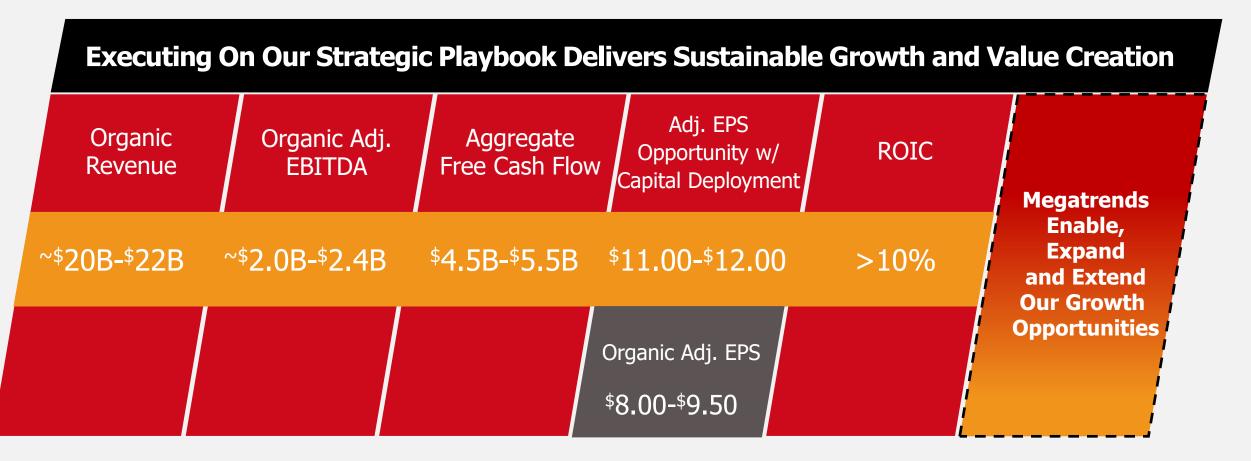
- **Enable** achievement of current growth objectives
- **Expand** growth possibilities
- Extend the longevity of Quanta's growth expectations

BEYOND 2026



# Compelling Organic Growth Enhanced with Capital Deployment

### **2026E**





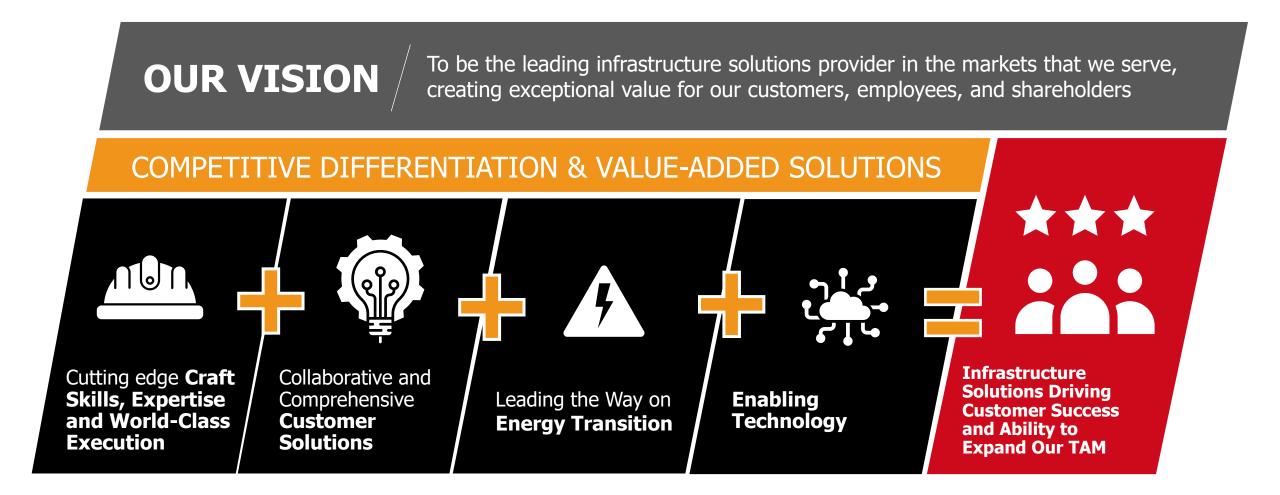
# WRAP UP A Compelling Investment Case

Duke Austin
President & Chief Executive Officer





### We Are Confident We Can Continue to Deliver on Our Goals





# A Compelling Investment Case

- Successfully executing on our strategic initiatives to drive operational excellence, profitable growth and value for our stakeholders
- Quanta's solutions have enhanced customer outcomes through providing comprehensive, construction-led and self-performed services, complemented by front-end capabilities
- Uniquely positioned to capitalize on the megatrends and opportunities to lead the energy transition and enable technology
- Solid performance of our portfolio over the last five years and confident in our ability to deliver on our new five-year goals
- A platform with opportunity to deliver 10% organic adjusted EPS CAGR and a strategy with opportunity to deliver +15% adjusted EPS CAGR through 2026







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### CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This presentation (and oral statements regarding the subject matter of this presentation) contains forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to the following:

- Projected revenues, net income, earnings per share, EBITDA, margins, cash flows, liquidity, weighted average shares outstanding, capital expenditures and tax rates, as well as other operating and GAAP and non-GAAP financial results:
- Expectations regarding Quanta's business or financial outlook;
- Expectations regarding opportunities, trends, technological developments, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries, including with respect to Quanta's increased operations in the renewable energy market and the transition to a carbon-neutral economy;
- Expectations regarding the COVID-19 pandemic, including the continued and potential impact of the COVID-19 pandemic and of governmental and customer responses to the pandemic on Quanta's business, operations, supply chain, personnel, financial condition, results of operations, cash flows and liquidity;
- Expectations regarding Quanta's plans, strategies and opportunities;
- Potential benefits from, and future financial and operational performance of, acquired businesses and investments, including Blattner and Quanta's equity interest in LUMA Energy LLC;
- The expected outcome of pending and threatened legal proceedings;
- Beliefs and assumptions about the collectability of receivables;
- The business plans or financial condition of Quanta's customers, including with respect to the COVID-19 pandemic and transitioning to a carbon-neutral economy;
- The potential impact of commodity prices and commodity production volumes on Quanta's business, financial condition, results of operations, cash flows and demand for Quanta's services;
- Projected or expected recognition and realization of Quanta's remaining performance obligations and backlog;
- The future demand for, availability of and costs related to labor resources in the industries Quanta serves;
- Future capital allocation initiatives, including the amount and timing of, and strategies with respect to, any future acquisitions, investments, stock repurchases or cash dividends;
- The ability to deliver increased value or return capital to stockholders;
- The expected value of contracts or intended contracts with customers, as well as the scope, services, term or results of any projects awarded or expected to be awarded to Quanta;
- The development of and opportunities with respect to future projects, including renewable and other projects designed to support transition to a carbon-neutral economy and comply with environmental requirements, electrical grid and other modernization, upgrade and hardening projects, and projects designed to support technological advancements;
- Expectations regarding the future availability and price of materials and equipment necessary for the performance of our services;
- The expected impact of changes or potential changes to climate;
- The impact of existing or potential legislation or regulation;
- Potential opportunities that may be indicated by bidding activity or discussions with customers;
- Expectations regarding our ability to reduce our debt or maintain our current credit ratings;
- Possible recovery of pending or contemplated insurance claims, change orders and claims asserted against customers or third parties; and
- Other statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts.

These forward-looking statements are not quarantees of future performance, involve or rely on a number of risks, uncertainties, and assumptions that are difficult to predict or are beyond our control, and reflect management's beliefs and assumptions based on information available at the time the statements are made. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecasted by our forward-looking statements and that any or all of our forward-looking statements may turn out to be inaccurate or incorrect. These inaccurate assumptions and by known or unknown risks and uncertainties including, forward-looking statements can be affected by among others:

- Market, industry, economic, financial or political conditions that are outside of the control of Quanta, including as a result of, among other things, inflation and geopolitical conflict and unrest;
- Quarterly variations in operating results, liquidity, financial condition, cash flows, capital requirements and reinvestment opportunities, including the ongoing and potential impact to Quanta's business, operations, workforce and supply chains of the COVID-19 pandemic and governmental and customer responses thereto;



### CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

- The severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of business and governmental responses thereto on Quanta's operations, personnel and supply chains and on commercial activity and demand across Quanta's business and its customers' businesses, as well as Quanta's inability to predict the extent to which the COVID-19 pandemic will adversely impact its business, financial performance, results of operations, financial position liquidity, cash flows, the prices of its securities and achievement of its strategic objectives:
- Trends and growth opportunities in relevant markets, including Quanta's ability to obtain future project awards;
- Delays, deferrals, reductions in scope or cancellations of anticipated, pending or existing projects as a result of, among other things, the COVID-19 pandemic, supply chain disruptions and other logistical challenges, weather, regulatory or permitting issues, environmental processes, project performance issues, claimed force majeure events, protests or other political activity, legal challenges, reductions or eliminations in governmental funding, or customer capital constraints;
- The effect of commodity prices and commodity production volumes on Quanta's operations and growth opportunities and on customer capital programs and demand for Quanta's services:
- The successful negotiation, execution, performance and completion of anticipated, pending and existing contracts;
- Risks associated with operational hazards that arise due to the nature of Quanta's services and the conditions in which Quanta operates, including, among others, wildfires and explosions;
- Unexpected costs, liabilities, fines or penalties that may arise from legal proceedings, indemnity obligations, reimbursement obligations associated with letters of credit or bonds, multiemployer pension plans (e.g., underfunding of liabilities, termination or withdrawal liability) or other claims or actions asserted against Quanta, including amounts not covered by, or in excess of the coverage under, third-party insurance;
- The outcome of pending or threatened legal proceedings;
- Potential unavailability or cancellation of third-party insurance coverage, as well as the exclusion of coverage for certain losses, potential increases in premiums for coverage deemed beneficial to Quanta, or the unavailability of coverage deemed beneficial to Quanta at reasonable and competitive rates (e.g., coverage for wildfire events);
- Damage to Quanta's brand or reputation arising as a result of cyber-security, environmental and occupational health and safety matters, corporate scandal, failure to successfully perform or negative publicity regarding a high-profile project, involvement in a catastrophic event (e.g., fire, explosion) or other negative incident;
- Disruptions in, or failure to adequately protect Quanta's information technology systems;
- Technological advancements and other market developments that could reduce demand for Quanta's services;
- Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third-party contractors, and the impact of the COVID-19 pandemic on these service providers;
- Quanta's inability to attract, the potential shortage of and increased costs with respect to skilled labor, key personnel and qualified employees;
- Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts, including as a result of inaccurate estimates of project costs or inability to meet project schedule requirements or achieve guaranteed performance or quality standards for a project;
- Estimates and assumptions relating to our financial results, remaining performance obligations and backlog:
- Quanta's ability to successfully complete remaining performance obligations and realize backlog;
- Adverse weather conditions, natural disasters and other emergencies, including wildfires, pandemics (including the ongoing COVID-19 pandemic), hurricanes, tropical storms, floods, debris flows, earthquakes and other geological- and weather-related hazards;
- The impact of changes and potential changes in climate;
- Quanta's inability to generate internal growth;
- Competition in Quanta's business, including the ability to effectively compete for new projects and market share;
- The failure of existing or potential legislative actions and initiatives to result in increased demand for our services;
- The future development of natural resources;
- · Unavailability of, or increased prices for, materials, equipment and fuel used in Quanta's or its customers' businesses, including as a result of inflation, supply chain disruptions, governmental regulations affecting the sourcing of certain materials and equipment, the imposition of tariffs and other changes in U.S. trade relationships with foreign countries;
- Cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms;
- Loss of customers with whom Quanta has long-standing or significant relationships;



### CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

- The potential that Quanta's participation in joint ventures or similar structures exposes Quanta to liability and/or harm to its reputation as a result of acts or omissions by partners;
- Ouanta's inability or failure to comply with the terms of its contracts, which may result in additional costs, unexcused delays, warranty claims, failure to meet performance quarantees, damages or contract terminations;
- The inability or refusal of customers or third-party contractors to pay for services, which could be attributable to, among other things, the COVID-19 pandemic or challenged energy market, and which could result in our inability to collect our outstanding receivables, failure to recover amounts billed to, or avoidance of certain payments received from, customers in bankruptcy, or failure to recover on change orders or contract claims;
- Budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, including renewable energy projects, which may result in project delays or cancellations;
- Risks associated with operating in international markets and U.S. territories, including instability of governments, currency exchange fluctuations, and compliance with unfamiliar legal and labor systems and business practices, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws, complex U.S. and foreign tax regulations and international
- The inability to successfully identify, complete, integrate and realize synergies from acquisitions, including the inability to retain key personnel from acquired businesses;
- The potential adverse impact of investments and acquisitions, including the potential increase in risks already existing in Quanta's operations, poor performance or decline in value of acquired businesses or investments and unexpected costs or liabilities;
- The adverse impact of impairments of goodwill, other intangible assets, receivables, long-lived assets or investments;
- Difficulties arising from Quanta's decentralized management structure;
- The impact of our unionized portion of our workforce on operations, including labor stoppages or interruptions due to strikes or lockouts;
- The inability to access sufficient funding to finance desired growth and operations, including the ability to access capital markets on favorable terms, as well as fluctuations in the price and volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations, a downgrade in our credit ratings and other factors affecting financing and investing activities;
- The inability to obtain bonds, letters of credit and other project security;
- New or changed tax laws, treaties or regulations;
- Inability to realized deferred tax assets;
- Significant fluctuations in foreign currency exchange rates;
- Other risks and uncertainties detailed in Quanta's most recently filed Annual Report on Form 10-K and any other documents that Quanta files with the Securities and Exchange Commission (SEC).

For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through Quanta's website at www.quantaservices.com or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at www.sec.gov. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which are current only as of the date of this presentation. Quanta does not undertake and expressly disclaims any obligation to update or revise any forwardlooking statements, whether as a result of new information, future events or otherwise. Quanta further expressly disclaims any written or oral statements made by any third party regarding the subject matter of this presentation.



# **APPENDIX**



# RECONCILIATION OF ADJUSTED NET INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO COMMON STOCK

For the Years Ended December 31, (in thousands, except per share information) (Unaudited)

2021

As of February 24, 2022 Estimated Guidance Range

									2021			2022E		Excluding Latin	America
		2016	2017	2018		2019	2020	2021		Target	Low	Midpoint	High	2019	2020
Reconciliation of adjusted net income from continuing operations attributable to common stock:															
Net income from continuing operations attributable to common stock (as defined by GAAP)	\$	198,725	\$ 314,978	\$ 293,3	346 \$	402,044	\$ 445,596	\$ 485,956	\$	561,936	\$ 529,600	\$ 566,900 \$	604,200 \$	487,793 \$	519,584
Adjustments:															
Acquisition and integration costs		3,053	10,579	17	,233	24,767	19,809	47,36	8	-	43,600	43,600	43,600	24,767	19,809
Asset impairment charges		7,964	59,950	52	,658	13,892	8,282	5,743	3	-	-	-	-	13,892	1,300
Change in fair value of contingent consideration liabilities		-	(5,171)	(11,	248)	13,404	719	6,734	4	-	-	-	-	13,404	719
Write-off of deferred financing costs		-	-		-	-	2,492	4,426	3	-	-	-	-	-	2,492
Impairments of non-integral unconsolidated affiliates		-	-		-	-	8,679		-	-	-	-	-	-	8,679
Severance and restructuring charges		6,352	-	1,	326	-	6,808		-	-	-	-	-	-	4,088
Gain on sale of equity investment		-	-		-	(12,973)	-		-	-	-	-	-	(12,973)	-
Income tax benefits associated with sale of equity investment		-	-		-	(7,756)	-		-	-	-	-	-	(7,756)	-
Bargain purchase gain		-	-		-	(3,138)	-		-	-	-	-	-	(3,138)	-
Income tax impact of adjustments		(3,982)	(24,197)	(18,	649)	(12,985)	(9,112)	(16,407	7)	-	-	-	-	(12,985)	(9,112)
Impact of income tax contingency releases		(20,488)	(7,223)	(8,0	)49)	(6,136)	(8,174)	(6,731	)	-	-	-	-	(6,136)	(8,174)
Impact of release of valuation allowance		-	-		-	-	(45,148)		-	-	-	-	-	- · · · · · · · · · · ·	(45,148)
Impact of change in Canadian provincial statutory tax rate		-	-		-	(2,532)	-		-	-	-	-	-	(2,532)	-
Impact of favorable settlement, net of reduction of related indemnification asset		-	-		-	(911)	-		-	-	-	-	-	(911)	-
Impact of the Tax Cuts and Job Act of 2017		-	(70,129)	33	,067	-	-		-	-	-	-	-	-	-
Income tax impact primarily related to entity restructuring and recapitalization efforts		-	(18,224)	1,	842	-	-		-	-	-	-	-	-	-
Adjusted net income from continuing operations attributable to common stock before certain non-cash adjustments	-	191,624	260,563	361	526	407,676	429,951	527,08	9	561,936	573,200	610,500	647,800	493,425	494,237
Non-cash stock-based compensation		41,134	46,448	52	,484	52,013	91,641	88,25	9	49,734	98,100	98,100	98,100	52,013	91,641
Amortization of intangible assets		31,685	32,205	43	,994	62,091	76,704	165,36	6	67,446	347,300	347,300	347,300	62,091	76,704
Income tax impact of non-cash adjustments		(26,183)	(28,877)	(25,	219)	(29,793)	(43,889)	(66,066	6)	(45,700)	(127,100)	(127,100)	(127,100)	(29,793)	(43,889)
Adjusted net income from continuing operations attributable to common stock	\$	238,260	\$ 310,339	\$ 432,	785 \$	491,987	\$ 554,407	\$ 714,648	\$	633,416	\$ 891,500	\$ 928,800 \$	966,100 \$	577,736 \$	618,693
Weighted average shares:															
Weighted average shares outstanding for diluted earnings per share		157,288	157,155	154	226	147,534	145,247	145,37	3	159,071	148,700	148,700	148,700	147,534	145,247
Weighted average shares outstanding for adjusted diluted earnings per share		157,288	157,155	154	226	147,534	145,247	145,37	3	159,071	148,700	148,700	148,700	147,534	145,247
Diluted earnings per share from continuing operations attributable to common stock and adjusted diluted earnings per share from continuing operations attributable to common stock:															
Diluted earnings per share from continuing operations attributable to common stock (as defined by GAAP)	\$	1.26	\$ 2.00	\$ 1	.90 \$	2.73	\$ 3.07	\$ 3.34	\$	3.53	\$ 3.56	\$ 3.81 \$	4.06 \$	3.31 \$	3.58
Adjusted diluted earnings per share from continuing operations attributable to common stock	\$	1.51	\$ 1.97	\$ 2	.81 \$	3.33	\$ 3.82	\$ 4.92	\$	3.98	\$ 6.00	\$ 6.25 \$	6.50 \$	3.92 \$	4.26



**Excluding Latin America** 

### RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

For the Years Ended December 31. (in thousands, except per share information) (Unaudited)

#### As of February 24, 2022

Estimated Guidance Range 2021 2022E **Excluding Latin America** 2016 2017 2018 2019 2020 2021 Target Low Midpoint High 2019 2020 Net income from continuing operations attributable to common stock (as defined by GAAP) 198,725 314,978 293,346 402,044 445,596 485,956 561,936 \$ 529,600 566,900 \$ 604,200 487,793 \$ 519,584 \$ 66,890 Interest expense 14,887 20,946 36.945 66,890 45,013 68.899 7.293 94.000 96,000 98.000 45.013 (2,423)(832)(1,555)(927)(2,449)(3,194)(778)(927)(2,449)Interest income Interest expense, net 12,464 20,114 35,390 65,963 42,564 65,705 6,515 94,000 96,000 98,000 65,963 42,564 35,532 348,331 192,200 119,387 107,246 161,659 165,472 119,387 130,918 176,900 207,500 165,472 Provision for income taxes 170,240 183,808 202,519 218,107 225,256 255,529 226,300 218,107 225,256 Depreciation expense 290,900 290,900 290,900 Amortization of intangible assets 31.685 32.205 43.994 62.091 76.704 165.366 67.446 347.300 347.300 347.300 62.091 76,704 Income taxes and depreciation included in equity in earnings of integral unconsolidated affiliates 3,174 9,728 10,500 10,500 10,500 3,174 EBITDA (a) 520,360 586,637 736,908 913,677 912,681 1,113,202 1,210,528 1,449,200 1,503,800 1,558,400 999,426 986,669 Non-cash stock-based compensation 41,134 46,448 52,484 52,013 91,641 88,259 49,734 98,100 98,100 98,100 52,013 91,641 17.233 47.368 43.600 43.600 43.600 19.809 Acquisition and integration costs 3.053 10.579 24.767 19.809 24.767 Equity in (earnings) losses of non-integral unconsolidated affiliates 979 10,945 52.867 (76,801)9.994 (2,121)(76,801)9.994 Asset impairment charges 7,964 59,950 52,658 13,892 8.282 5.743 13,892 1,300 6,734 719 Change in fair value of contingent consideration liabilities (5,171)(11,248)13,404 719 13,404 6,352 1,326 6,808 4,088 Severance and restructuring costs 3.991 Reduction of indemnification asset 3.991 Bargain purchase gain (3,138)(3,138)Adjusted EBITDA 579.842 709.388 902,228 941,805 \$ 1,049,934 \$ 1,259,185 1,260,262 \$ 1,590,900 1.645.500 \$ 1,700,100 1,027,554 1,114,220 Consolidated revenues 11.202.672 \$ 12.980.213 12.183.412 16,000,000 16,250,000 16.500.000 12.048.927 11.195.071 7.651.319 9.466.478 \$ 11.171.423 12.112.153 Adjusted EBITDA Margin 7.6 % 7.5 % 8.1 % 7.8 % 9.4 % 9.7 % 10.3 % 9.9 % 10.1 % 10.3 % 8.5 % 10.0 %

(a) The calculation of EBITDA in prior periods has been amended to conform to the 2021 calculation of EBITDA.



### RECONCILIATION OF BACKLOG (a)

#### For the Years Ended December 31, (in thousands) (Unaudited)

	2018		20	19	20	20	2021		
	12 Month	Total	12 Month	Total	12 Month	Total	12 Month	Total	
Total									
Remaining performance obligations	3,097,004	4,681,471	3,153,816	5,302,451	2,838,363	3,985,384	4,819,551	5,895,395	
Estimated orders under MSAs and short-term, non-fixed price contracts	3,878,983	7,661,162	4,793,237	9,702,450	5,428,262	11,147,050	6,492,482	13,378,831	
Backlog	\$ 6,975,987	\$ 12,342,633	\$ 7,947,053	\$ 15,004,901	\$ 8,266,625	\$ 15,132,434	\$ 11,312,033	\$ 19,274,226	

(a) Prior to the revenue recognition guidance which Quanta adopted on January 1, 2018, there was no comparable financial measure calculated in accordance with GAAP for backlog.



### **RECONCILIATION OF FREE CASH FLOW**

Free cash flow is defined as net cash provided by operating activities less net capital expenditures. Net capital expenditures is defined as capital expenditures less proceeds from sale of property and equipment and from insurance settlements related to property and equipment.

For the Years Ended December 31, (in thousands) (Unaudited)

As of February 24, 2022
Estimated Guidance Range

	 LJuii	atc	a Gardance i	varie	<u> </u>
			2022E		
	Low		Midpoint		High
Capital expenditures Proceeds from sale of property and equipment Proceeds from insurance settlements related to property and equipment Net capital expenditures ree Cash Flow	\$ 1,050,000	\$	1,150,000	\$	1,250,000
Less: Net capital expenditures:					
Capital expenditures	(400,000)		(400,000)		(400,000)
Proceeds from sale of property and equipment	-		-		-
	-		-		-
Net capital expenditures	(400,000)		(400,000)		(400,000)
Free Cash Flow	\$ 650,000	\$	750,000	\$	850,000
Adjusted EBITDA	\$ 1,590,900	\$	1,645,500	\$	1,700,100
FCF Conversion	41 %		46 %		50 %



### RECONCILIATION OF REVENUES EXCLUDING LATIN AMERICA

For the Years Ended December 31, (in thousands) (Unaudited)

Revenues:

Consolidated Revenues

Less: Latin America

Consolidated Revenues excluding Latin America

2019	2020
\$ 12,112,153	\$ 11,202,672
 63,226	 7,601
\$ 12,048,927	\$ 11,195,071

### **ESTIMATED LONG-TERM NON-GAAP FINANCIAL MEASURES**

This presentation also includes certain long-term projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, Quanta is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of the estimated comparable GAAP measures is included and no reconciliation of these forward-looking non-GAAP financial measures is included. For the same reasons, Quanta is unable to address the probable significance of the unavailable information, which could be material to future results.



### **RECONCILIATION OF RETURN ON INVESTED CAPITAL (ROIC)**

Return on invested capital ("ROIC") is calculated by dividing Adjusted EBITA, net of tax (a non-GAAP measure) by average invested capital.

Adjusted EBITA, net of tax, is calculated as Adjusted EBITDA (a non-GAAP measure), less stock-based compensation expense, less depreciation expense, less income taxes based on a tax rate that has been adjusted to exclude the impact of certain non-recurring and non-operating items that impacted income taxes calculated in accordance with GAAP.

Average invested capital is the average of invested capital at the beginning of the applicable fiscal year and invested capital at the end of the applicable fiscal year. Invested capital is equal to (1) total assets, less cash and cash equivalents and assets of discontinued operations, minus (2) total current liabilities less current maturities of long-term debt and short-term debt, current portion of operating lease liabilities, and current liabilities of discontinued operations.

					2021
	2016		 2021		Target
Adjusted EBITDA (a non-GAAP measure)	\$	579,842	\$ 1,259,185	\$	1,260,262
Less: Depreciation		(170,240)	(255,529)		(226,300)
Less: Stock-based compensation		(41,134)	 (88,259)		(49,734)
Adjusted EBITA		368,468	915,397		984,228
Income tax provision based on adjusted tax rate		(148,810)	 (211,580)		(376,633)
Adjusted EBITA, net of tax	\$	219,658	\$ 703,817	\$	607,595
Total Assets (GAAP as reported)	\$	5,354,059	\$ 12,855,189	\$	8,418,999
Less: Cash and cash equivalents		(112,183)	(229,097)		(638,907)
Less: Current liabilities		(1,205,228)	(3,164,960)		(1,781,373)
Plus: Current maturities of long-term debt and short-term debt		7,563	29,166		3,458
Plus: Current portion of operating lease liabilities		-	 78,251		
Invested capital		4,044,211	9,568,549		6,002,177
Prior year invested capital		3,903,408	 6,174,994		5,639,239
Average Invested Capital	\$	3,973,810	\$ 7,871,772	\$	5,820,708
Return on Invested Capital (ROIC)		5.5 %	8.9 %		10.4 %

