



# First Quarter 2023 Earnings Call Presentation

May 4, 2023



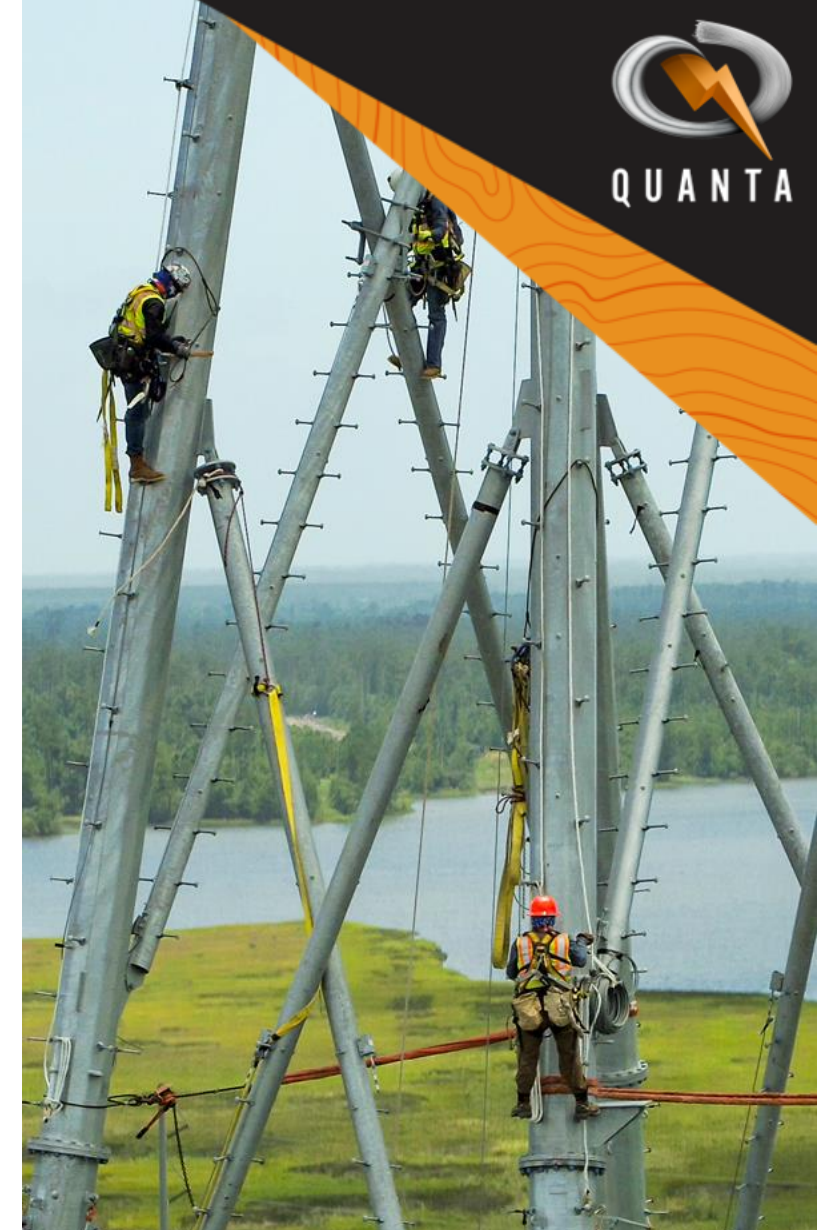


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# Call Participants and Agenda



## **Duke Austin**

President and Chief Executive Officer

## **Jayshree Desai**

Chief Financial Officer

## **Kip Rupp**

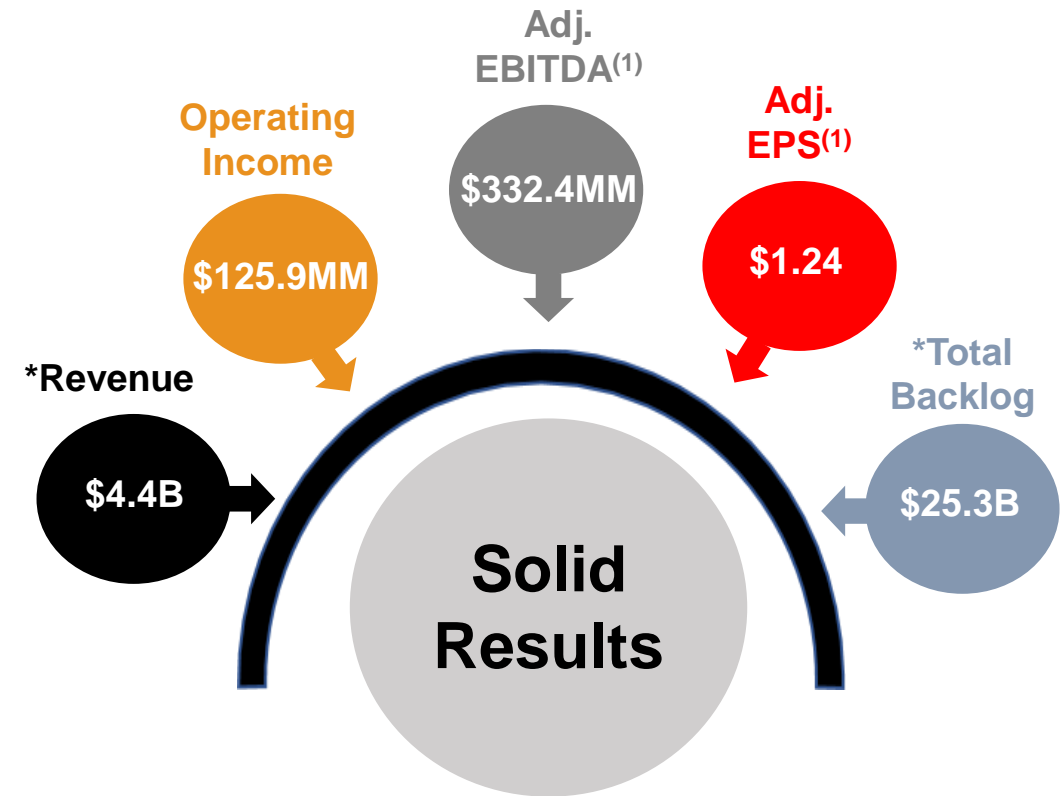
Vice President, Investor Relations

- Introduction and Forward-Looking Statements Disclaimer
- 1Q23 Results, Operational and Strategic Commentary
- Financial Review and Discussion
- Outlook
- Q&A

# First Quarter 2023 Overview



- Quanta selected by Engineering News Record for its highest honor, the Award of Excellence
- Good start to the year - on pace to achieve our 2023 expectations
- Continued solid execution and profitable growth
  - Double-digit revenue growth
- Record total backlog<sup>(1)</sup> of \$25.3 billion
  - Opportunity for new levels of record total backlog in the coming quarters
- Continue to enhance our self-perform model
- Multi-year growth opportunities driven by solutions-based strategy, growth of programmatic spending with existing and new customers and favorable energy transition and technology enablement megatrends



*\* Indicates record quarterly result or record first quarter result*

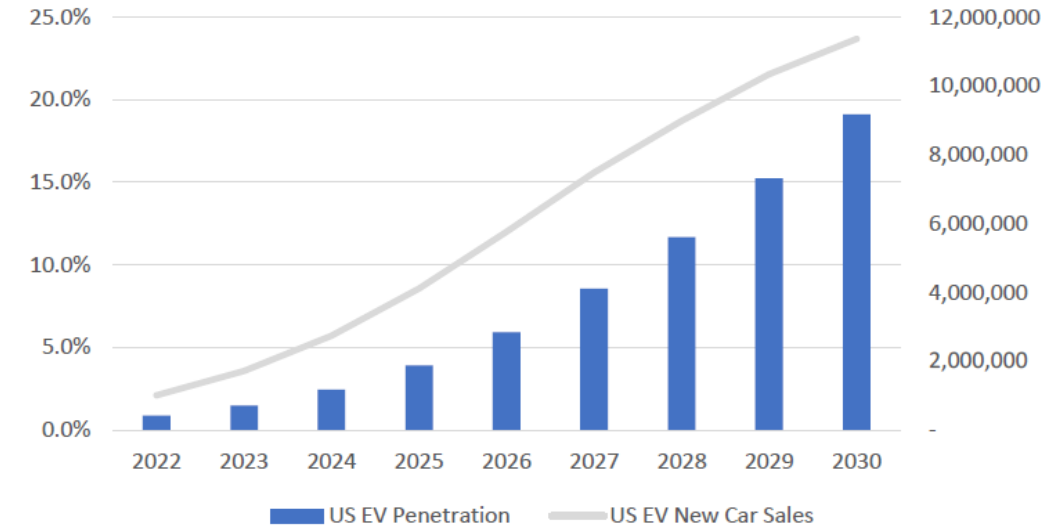
**SOLID 2023 START - MOMENTUM BUILDING FOR ANOTHER RECORD YEAR**

# Electric Power Infrastructure Solutions



- Another quarter of profitable growth. Reflects solid and safe execution and robust demand for our services
- Demand for our services driven by grid modernization, grid security, system hardening initiatives, reputation for solid and safe execution
- Believe increased load demand driven by accelerating electric vehicle (EV) penetration in areas where distribution system capacity is limited will require significant upgrades and modernization beyond what is currently appreciated
- Quanta entered into a strategic partnership with Navistar, a leading medium and heavy-duty truck and bus manufacturer, to provide its customers a turnkey battery EV product and charging infrastructure solution
  - Leverages Quanta's expertise in assessing and designing EV charging infrastructure and building and interconnecting battery charging infrastructure into the power grid

## U.S. EV Penetration and Sales Forecast

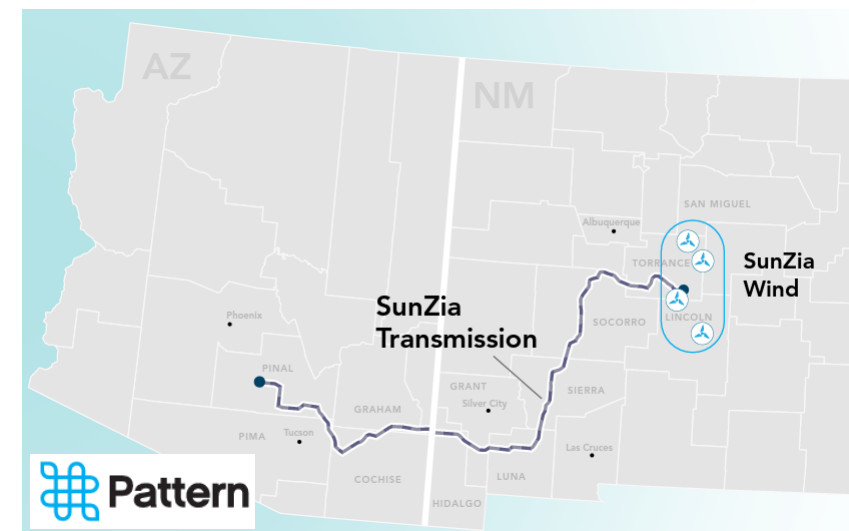


Source: UBS

**CONTINUED STRONG DEMAND FOR QUANTA'S ELECTRIC POWER INFRASTRUCTURE SOLUTIONS**

# Renewable Energy Infrastructure Solutions

- Utilities and renewable developers continue to lead the energy transition through carbon-reduction and electrification initiatives
- Achieving these goals will require substantial incremental investment in transmission, substation and renewable generation
- Quanta announced this morning its selection for the [SunZia Transmission and SunZia Wind](#) projects. Taken together this is the largest clean energy project in U.S. history
  - Builds on Blattner's long-standing relationship with Pattern Energy
  - Validates the power of Quanta's combined high-voltage transmission and renewable generation solutions and collaborative approach
  - Believe these awards are proof of concept that can serve as a model for the renewable and utility industries
- Believe solar panel supply chain and regulatory headwinds are improving and renewable generation project activity is accelerating
- Quanta is pursuing billions of dollars of high-voltage electric transmission projects designed to support renewables and overall system reliability



## Project Details

3,500+ MW

Wind energy facility

550+ miles

±525 kV HVDC

Transmission line

## Projected Schedule

2023

Target Full Construction

2025/2026

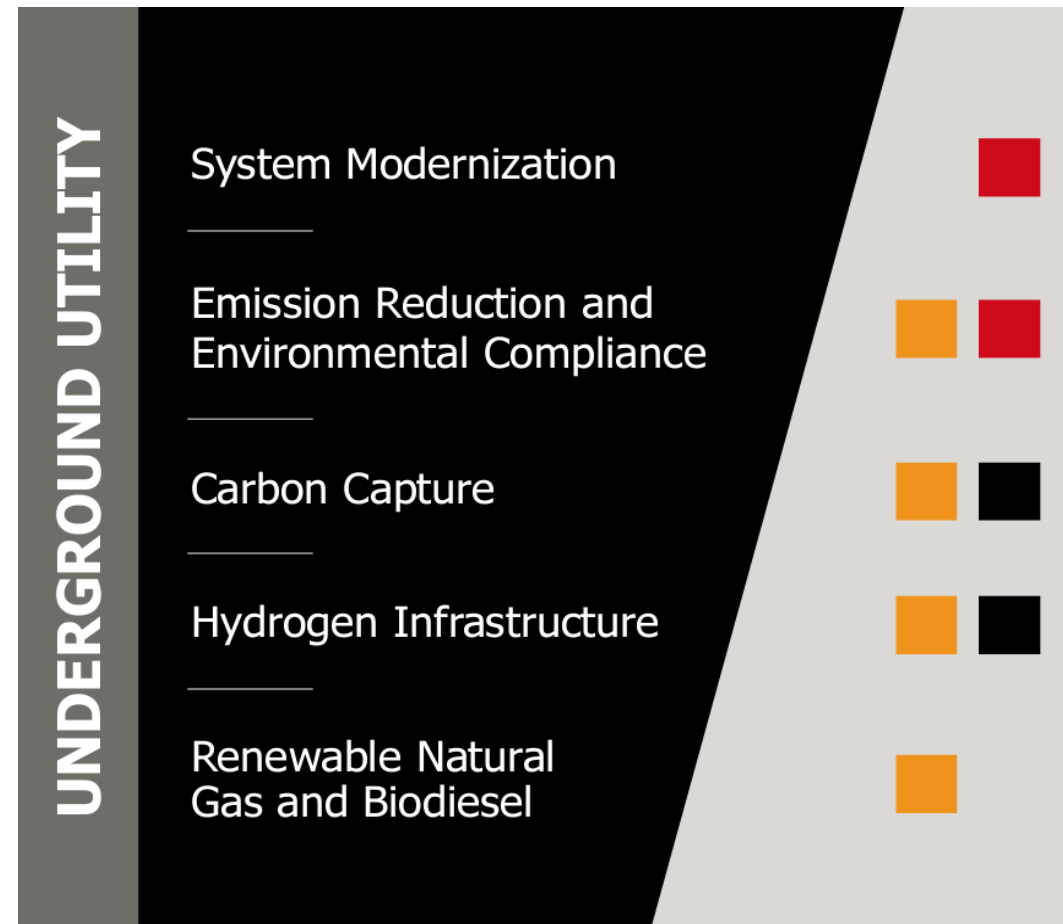
Target Commercial Operation

**INCREASINGLY POSITIVE ON MULTI-YEAR GROWTH OPPORTUNITIES**

# Underground Utility & Infrastructure Solutions



- Pleased with 1Q23 performance
  - Double-digit revenue growth
  - Record first quarter operating income
- Strength from industrial services operations
  - Solid execution
  - Strong demand due to end market recovery and pent-up demand from deferred maintenance and capital spending during the pandemic
- Continued demand for gas utility and pipeline integrity services
  - Spend driven by regulations that requires customers to modernize systems, reduce methane emissions, ensure environmental compliance and improve safety and reliability



SYSTEM MODERNIZATION AND RESILIENCY

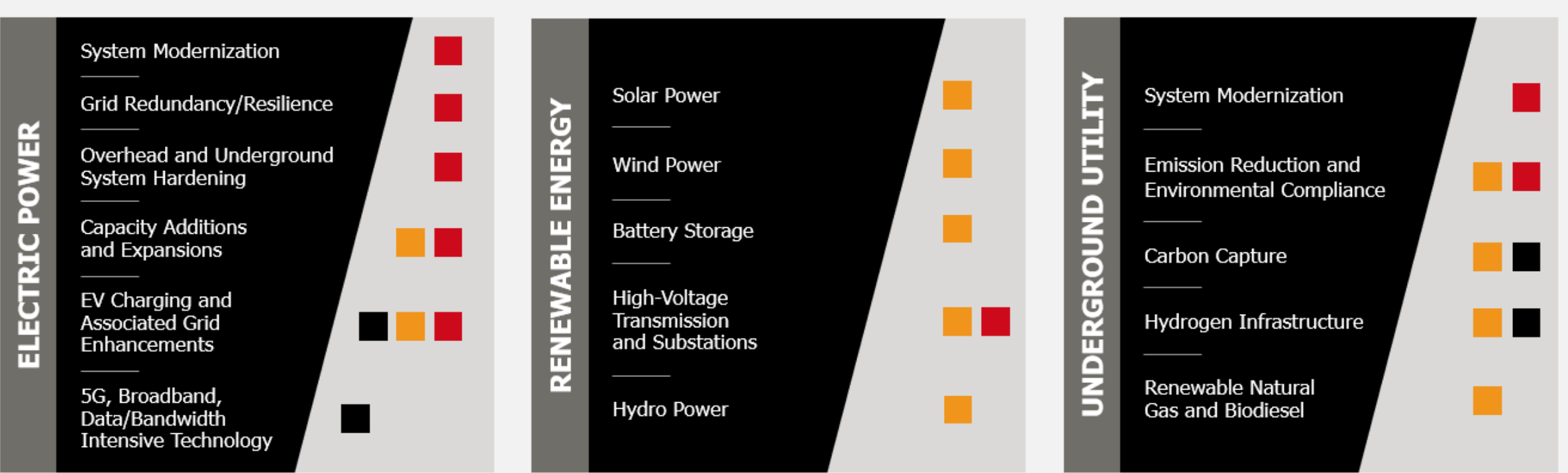
ELECTRIFICATION AND DECARBONIZATION

ENABLING TECHNOLOGY

**SOLID AND BROAD BASED PERFORMANCE; GROWING ENERGY TRANSITION OPPORTUNITIES**



# Across Our Portfolio, Megatrends Provide Multiple Paths for 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



SOUND STRATEGY \* STRENGTH AND SUSTAINABILITY \* FAVORABLE LONG-TERM TRENDS \* STRONG FINANCIAL PROFILE



# 1Q23 Segment Results versus 1Q22



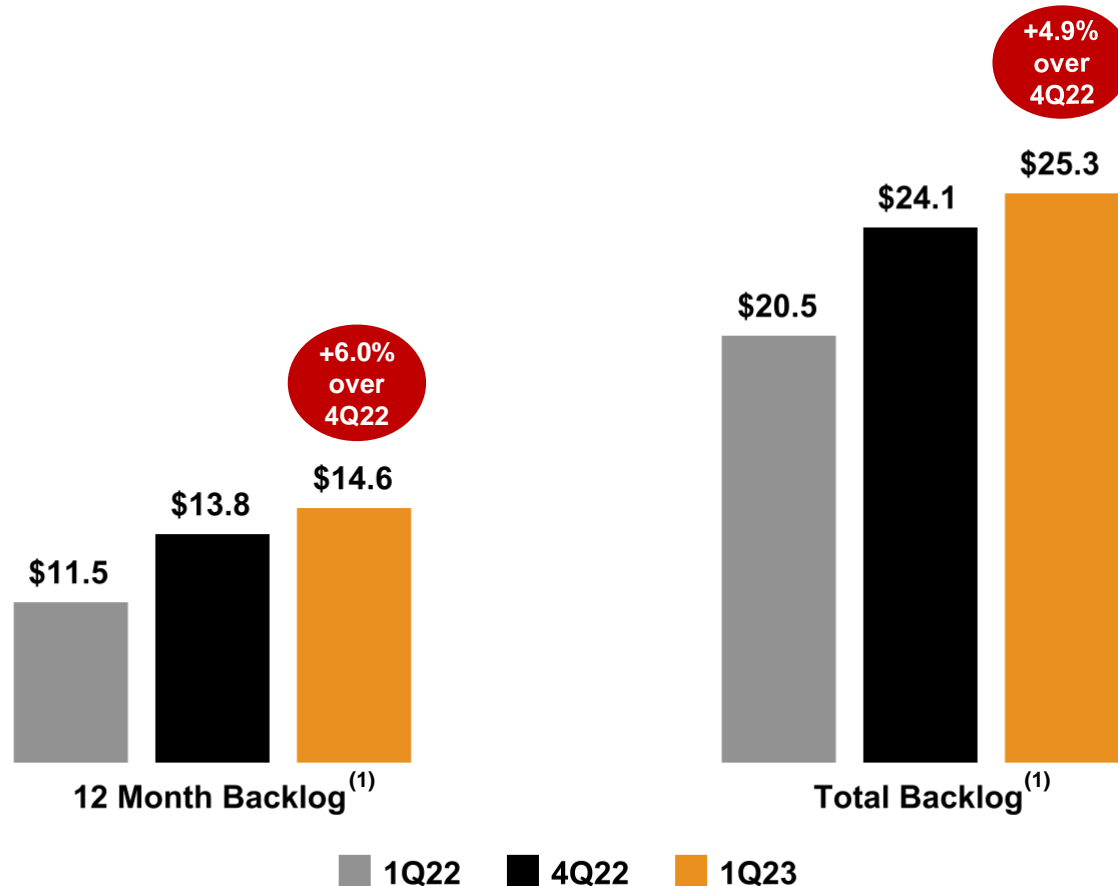
(\$M)	Revenues	Op Inc % <sup>(1)</sup> Change (bps)	Commentary
Electric Power Infrastructure Solutions	<b>\$2,336</b> <i>Up 9%</i>	<b>9.2%</b> <i>Down 30 bps</i>	<ul style="list-style-type: none"> <li>+ The increase in revenues was primarily due to growth in spending by our utility customers on grid modernization and hardening, resulting in increased demand for our electric power services, as well as approximately \$65M in revenues from acquired businesses.</li> <li>- The decrease in operating margin was primarily due to \$6M of lower equity in earnings from our integral unconsolidated affiliates, primarily due to reduced emergency restoration services revenues for one of these affiliates.</li> </ul>
Renewable Energy Solutions	<b>\$1,008</b> <i>Up 15%</i>	<b>3.5%</b> <i>Down 446 bps</i>	<ul style="list-style-type: none"> <li>+ The increase in revenues was primarily due to the timing of large renewable energy projects, as well as approximately \$35M in revenues from acquired businesses.</li> <li>- The decrease in operating margin was due to access delays, logistics and other issues associated with a large renewable energy project in Canada and cost absorption pressure related to higher levels of fixed costs related to resources required to support the expected increase in project activity in the second half of 2023 and into 2024.</li> </ul>
Underground Utility & Infrastructure Solutions	<b>\$1,084</b> <i>Up 14%</i>	<b>5.7%</b> <i>Up 60 bps</i>	<ul style="list-style-type: none"> <li>+ The increase in revenues was primarily due to higher demand from our gas utility and industrial customers as well as increased revenues associated with large pipeline projects in Canada.</li> <li>+ The increase in operating margin was primarily due to the increase in revenues, which contributed to higher levels of fixed cost absorption.</li> </ul>
Corporate & Non-Allocated	<b>N/A</b>	<b>(4.2)%</b> <i>Down 90 bps</i>	<ul style="list-style-type: none"> <li>- The decrease in corporate and non allocated costs was primarily due to a \$43M decrease in intangible asset amortization, largely associated with the acquisition of Blattner. This decrease was partially offset by an aggregate increase of \$26M primarily related to deferred compensation liabilities due to market fluctuations; compensation expense, primarily related to non-cash stock compensation expense and salaries due partially to growth in business; acquisition and integration costs related to recent acquisitions; and training costs.</li> </ul>

## RECORD FIRST QUARTER CONSOLIDATED REVENUES

# Backlog



(\$B)

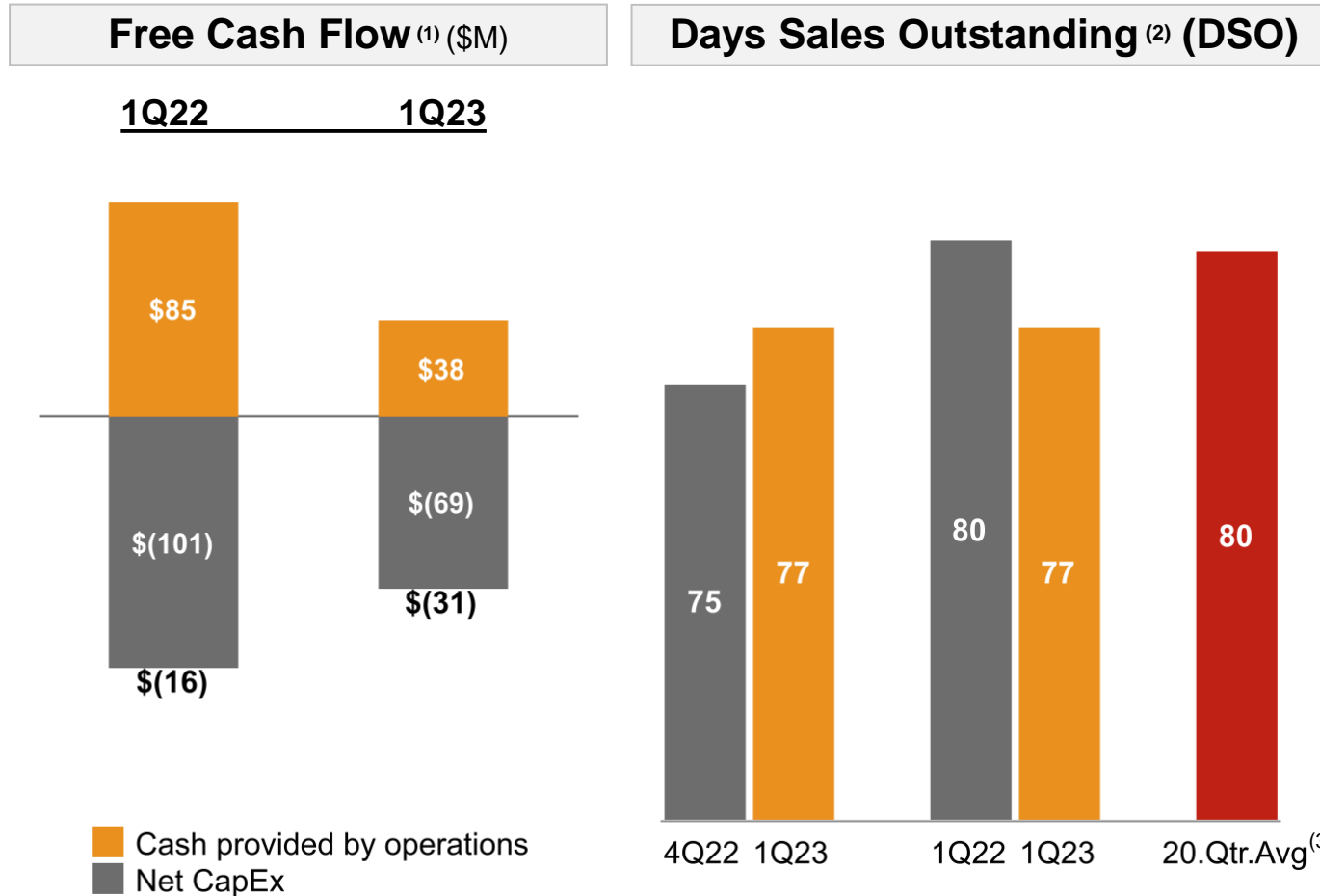


## Backlog

- Total backlog as of 1Q23 was a record \$25.3B, primarily attributable to additional awards and increases in expected volumes under MSAs.
- Twelve-month backlog of \$14.6B was also a record, driven by steady, growing demand for our base business solutions.
- Backlog at March 31, 2023 does not include amounts related to SunZia, which was awarded subsequent to quarter end.

## RECORD BACKLOG LEVELS

# Free Cash Flow & DSO



## 1st Quarter Recap

### Free Cash Flow decrease mainly driven by:

- Elevated levels of working capital related to a large renewable transmission project in Canada and normal season working capital increases required to support a ramp in work activities following the holidays.

### DSO of 77 was:

- 3 days lower than 1Q22 due partially to an increase in contract liabilities primarily related to favorable billing terms on certain large projects and increased revenues. This decrease was partially offset by increased working capital requirements primarily related to a large renewable transmission project in Canada and the timing of the associated billings, as well as the prepayment of amounts related to certain project materials that require a long-lead time.

## IMPROVED DSO DRIVEN BY FAVORABLE NEW AWARDS



# Balance Sheet & Liquidity

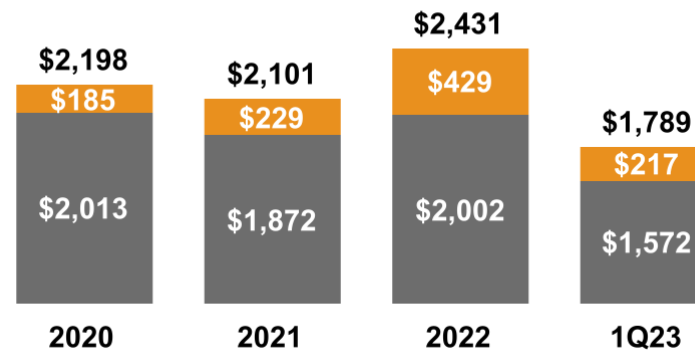
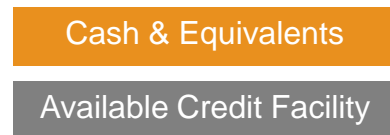


(\$M)	December 31,			March 31,
	2020	2021	2022	2023
<b>Cash and Cash Equivalents</b>	<b>185</b>	<b>229</b>	<b>429</b>	<b>217</b>
<b>Debt</b>				
Credit Facility	149	450	37	197
Commercial Paper	—	—	373	599
Term Loans	—	750	750	745
Senior Notes	1,000	2,500	2,500	2,500
Other	40	54	70	83
<b>Total Debt</b>	<b>1,189</b>	<b>3,754</b>	<b>3,730</b>	<b>4,124</b>
Operating Lease Liabilities	264	249	246	258
<b>Total Debt including Operating Lease Liabilities</b>	<b>1,453</b>	<b>4,003</b>	<b>3,976</b>	<b>4,382</b>
<b>Net Debt / EBITDA Ratio <sup>(1)</sup></b>	<b>1.2x</b>	<b>2.3x</b>	<b>2.1x</b>	<b>2.5x</b>

## Liquidity Highlights

- We expect earnings growth and cash generation to support our ability to efficiently de-lever
- 1Q23 acquisitions and slightly negative free cash flow decreased liquidity from year end, however \$1.8B of liquidity provides ample capital to support our dividend and stock repurchase programs, as well as strategic acquisitions

## Liquidity <sup>(2)</sup> (\$M)



## AMPLE LIQUIDITY FOR STRATEGIC INITIATIVES

(1) The Net Debt to EBITDA Ratio is calculated as defined in the credit agreement for our senior credit facility, which includes letters of credit issued under the facility.

(2) Liquidity includes cash and cash equivalents and availability under our senior credit facility and commercial paper program. Available commitments for revolving loans under the senior credit facility must be maintained in order to provide credit support for notes issued under the commercial paper program, and therefore such notes effectively reduce the available borrowing capacity under the senior credit facility.

# 2023 Guidance Summary



(\$M except per share data)

**Revenues**

**Adj. EBITDA <sup>(1)</sup>**

**Free Cash Flow <sup>(2)</sup>**

**Net Income (Loss)**

**Diluted EPS (GAAP)**

**Adjusted Diluted EPS <sup>(3)</sup>**

GUIDANCE		
Low	Mid	High
\$18,600	\$18,850	\$19,100
\$1,838	\$1,895	\$1,951
\$750	\$875	\$1,000
\$688	\$725	\$762
\$4.62	\$4.87	\$5.11
\$6.75	\$7.00	\$7.25

**INCREASING REVENUE OUTLOOK AND REITERATING ADJUSTED EPS EXPECTATIONS**

# Electric Power Solutions Segment Guidance



			Full-Year 2023 Estimated Range		
	2022	△	Initial Guidance	△	1Q Guidance
Revenues	\$8.9B	+ Base business growth led by continued investments supporting grid modernization, hardening and reliability	\$10.0B - \$10.1B	= Continued confidence in robust performance	\$10.0B - \$10.1B
Op Inc % <sup>(1)</sup>	10.7%	+ Continued base business execution strength	10.7% - 11.3%	= Maintaining margin expectations	10.7% - 11.3%

REITERATING FULL YEAR EXPECTATIONS



# Renewable Energy Solutions Segment Guidance



			Full-Year 2023 Estimated Range		
	2022	△	Initial Guidance	△	1Q Guidance
Revenues	\$3.8B	+ Solid growth compared to prior year with ramp in 2H23	\$4.3B - \$4.5B	+ Continued growth due to strong 1Q23 and new awards	\$4.5B - \$4.7B
Op Inc % <sup>(1)</sup>	8.1%	+ Improved margins with higher volumes - 1H23 cost absorption pressure with lower revenues	~8.5%	= Maintaining expectation of double digit execution in 2H23	~8.5%

**INCREASING REVENUES EXPECTATIONS**

# Underground Utility & Infrastructure Solutions Segment Guidance



			Full-Year 2023 Estimated Range		
	2022	△	Initial Guidance	△	1Q Guidance
Revenues	\$4.4B	<ul style="list-style-type: none"> <li>- Lower volumes of larger pipeline projects</li> <li>+ Continued base business growth</li> </ul>	\$4.1B - \$4.3B	= Remain confident in segment revenue levels	\$4.1B - \$4.3B
Op Inc % <sup>(1)</sup>	7.3%	<ul style="list-style-type: none"> <li>+ Continued strong execution across our base business</li> </ul>	7.25% - 7.75%	<ul style="list-style-type: none"> <li>- Shift in expected project mix slightly reducing full-year expectations</li> </ul>	7.0% - 7.5%

**SLIGHT REDUCTION IN MARGIN EXPECTATIONS**

## Closing Remarks



- Record revenues and strong performance through the first three months of 2023 give us confidence in our ability to execute at the midpoint of our consolidated range, and provides a path to achieve results at the high end of our range
- End markets continue to strengthen, bolstered by continued utility investments in grid hardening and modernization and favorable tailwinds driving investments in renewable infrastructure
- Remain focused on successful execution of our five key objectives
  - Grow our base business
  - Improve margins
  - Create growth platforms through service line expansion in the utility, communications and industrial industries and through adjacent industries where craft skilled labor is critical to providing cost-certain solutions
  - Be the industry leader in safety and training by investing in craft skilled labor
  - Deploy capital in a disciplined and value-creating manner
- Our world-class craft-skilled workforce, coupled with our balance sheet strength, gives us the ability to deliver industry leading solutions to our customers while maintaining the ability to opportunistically deploy capital to deliver long-term stockholder value
- **Recognize and thank our world-class employees for their hard work and dedication**

**RESILIENT BUSINESS MODEL, STRONG FINANCIAL PROFILE, AND POSITIVE MULTI-YEAR OUTLOOK**



# Appendix

- Definitions
- Reconciliation Tables
- Cautionary Statement About Forward-Looking Statements and Information

## Definitions



- **Backlog** is defined as performance obligations, plus estimated orders under master service agreements, including estimated renewals, and non-fixed price contracts expected to be completed within one year. Quanta's methodology for determining backlog may not be comparable to the methodologies used by other companies. Performance obligations are defined as management's estimate of consolidated revenues that are expected to be realized from the remaining portion of firm orders for fixed price contracts not yet completed or for which work has not yet begun. For purposes of calculating remaining performance obligations, Quanta includes all estimated revenues attributable to consolidated joint ventures and variable interest entities, revenues from funded and unfunded portions of government contracts to the extent they are reasonably expected to occur and revenues from change orders to the extent management believes additional contract revenues will be earned and are deemed probable of collection.
- **Days sales outstanding** is calculated by using the sum of current accounts receivable, net of allowance (which includes retainage and unbilled balances), plus contract assets, less contract liabilities and divided by average revenues per day during the quarter.
- **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.
- **EBITDA** is defined as earnings before interest and other financing expenses, taxes, depreciation and amortization, including from our integral unconsolidated affiliates.
- **Adjusted EBITDA** is defined as EBITDA adjusted for certain other items, in the current year, as described below:
  - **Non-cash stock-based compensation expense** varies from period to period due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted;
  - **Acquisition and integration costs** vary from period to period depending on the level of Quanta's acquisition activity;
  - **Equity in (earnings) losses of non-integral unconsolidated affiliates** varies from period to period depending on the activity and financial performance of non-integral unconsolidated affiliates, the operations of which are not operationally integral to Quanta;
  - **Gains and losses on sales of investments** varies from period to period depending on activity.

# Definitions



- **Adjusted Earnings Per Share** is defined as diluted earnings per share adjusted for the after-tax impact of certain other items, in the current year, as described below:
  - **Non-cash stock-based compensation expense** varies period to period due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted;
  - **Amortization of intangible assets and amortization included in equity in earnings** vary period to period and are impacted by Quanta's acquisition activities and investments in integral unconsolidated affiliates;
  - **Acquisition and integration costs** vary from period to period depending on the level of Quanta's acquisition activity;
  - **Equity in (earnings) losses of non-integral unconsolidated affiliates** varies from period to period depending on the activity and financial performance of non-integral unconsolidated affiliates, the operations of which are not operationally integral to Quanta;
  - **Gains and losses on sales of investments** varies from period to period depending on activity





# Reconciliation of Adjusted Net Income and Adjusted Diluted Earnings Per Share

(\$000s, except per share information)

## Net income attributable to common stock (GAAP as reported)

Adjustments:

Acquisition and integration costs

Equity in earnings of non-integral unconsolidated affiliates

Gains on sales of investments

Non-cash stock-based compensation

Amortization of intangible assets

Amortization included in equity in earnings of integral unconsolidated affiliates

Income tax impact of adjustments

Adjusted net income attributable to common stock

## Weighted average shares:

Weighted average shares outstanding for diluted and adjusted diluted earnings per share

## Earnings per share attributable to common stock:

Diluted earnings per share attributable to common stock (GAAP as reported)

Adjusted diluted earnings per share attributable to common stock

2023	FY 2023 GUIDANCE RANGE		
1Q	Low	Mid	High
\$ 95,046	\$ 687,800	\$ 724,700	\$ 761,600
19,888	21,600	21,600	21,600
(1,617)	(1,600)	(1,600)	(1,600)
(822)	(800)	(800)	(800)
27,451	116,900	116,900	116,900
72,403	286,400	286,400	286,400
1,796	6,200	6,200	6,200
(30,420)	(110,900)	(110,900)	(110,900)
<u>\$ 183,725</u>	<u>\$ 1,005,600</u>	<u>\$ 1,042,500</u>	<u>\$ 1,079,400</u>
148,661	148,900	148,900	148,900
\$ 0.64	\$ 4.62	\$ 4.87	\$ 5.11
\$ 1.24	\$ 6.75	\$ 7.00	\$ 7.25

# Reconciliation of EBITDA and Adjusted EBITDA



(\$000s)

## Net income attributable to common stock (GAAP as reported)

Interest and other financing expenses, net

(Benefit from) provision for income taxes

Depreciation expense

Amortization of intangible assets

Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates

## EBITDA

Non-cash stock-based compensation

Acquisition and integration costs

Equity in earnings of non-integral unconsolidated affiliates

Gains on sales of investments

## Adjusted EBITDA

2023	FY 2023 GUIDANCE RANGE		
1Q	Low	Mid	High
\$ 95,046	\$ 687,800	\$ 724,700	\$ 761,600
40,177	147,000	150,000	153,000
(3,421)	245,900	262,550	279,200
78,382	317,000	317,000	317,000
72,403	286,400	286,400	286,400
4,870	18,000	18,000	18,000
287,457	1,702,100	1,758,650	1,815,200
27,451	116,900	116,900	116,900
19,888	21,600	21,600	21,600
(1,617)	(1,600)	(1,600)	(1,600)
(822)	(800)	(800)	(800)
\$ 332,357	\$ 1,838,200	\$ 1,894,750	\$ 1,951,300

## Reconciliation of Free (Negative Free) Cash Flow



(\$000s)	2022	2023	FY 2023 GUIDANCE RANGE		
	1Q	1Q	Low	Mid	High
<b>Net cash provided by operating activities (GAAP as reported)</b>	\$ 85,090	\$ 38,409	\$ 1,150,000	\$ 1,275,000	\$ 1,400,000
Less: Net capital expenditures:					
Capital expenditures	(109,937)	(80,319)	(400,000)	(400,000)	(400,000)
Cash proceeds from sale of property and equipment and related insurance settlements	9,001	10,751	—	—	—
Net capital expenditures	(100,936)	(69,568)	(400,000)	(400,000)	(400,000)
<b>Free (Negative Free) Cash Flow</b>	<b>\$ (15,846)</b>	<b>\$ (31,159)</b>	<b>\$ 750,000</b>	<b>\$ 875,000</b>	<b>\$ 1,000,000</b>



# Reconciliation of Backlog

(In thousands)

	March 31, 2022		December 31, 2022		March 31, 2023	
	12 Month	Total	12 Month	Total	12 Month	Total
<b>Electric Power Infrastructure Solutions</b>						
Remaining performance obligations	\$ 2,071,266	\$ 2,731,572	\$ 2,124,820	\$ 3,033,472	\$ 2,420,570	\$ 3,986,724
Estimated orders under MSAs and short-term, non-fixed price contracts	4,308,992	9,443,108	5,415,427	10,049,435	5,145,233	9,670,799
Backlog	<u>\$ 6,380,258</u>	<u>\$12,174,680</u>	<u>\$ 7,540,247</u>	<u>\$13,082,907</u>	<u>\$ 7,565,803</u>	<u>\$13,657,523</u>
<b>Renewable Energy Infrastructure Solutions</b>						
Remaining performance obligations	\$ 2,311,389	\$ 2,947,942	\$ 3,183,568	\$ 4,638,115	\$ 3,914,949	\$ 5,080,689
Estimated orders under MSAs and short-term, non-fixed price contracts	70,199	132,959	57,555	84,094	166,338	230,341
Backlog	<u>\$ 2,381,588</u>	<u>\$ 3,080,901</u>	<u>\$ 3,241,123</u>	<u>\$ 4,722,209</u>	<u>\$ 4,081,287</u>	<u>\$ 5,311,030</u>
<b>Underground Utility &amp; Infrastructure Solutions</b>						
Remaining performance obligations	\$ 979,652	\$ 1,163,118	\$ 1,038,543	\$ 1,129,837	\$ 1,052,322	\$ 1,189,173
Estimated orders under MSAs and short-term, non-fixed price contracts	1,763,478	4,035,483	1,973,982	5,158,814	1,928,761	5,116,471
Backlog	<u>\$ 2,743,130</u>	<u>\$ 5,198,601</u>	<u>\$ 3,012,525</u>	<u>\$ 6,288,651</u>	<u>\$ 2,981,083</u>	<u>6,305,644</u>
<b>Total</b>						
Remaining performance obligations	\$ 5,362,307	\$ 6,842,632	\$ 6,346,931	\$ 8,801,424	\$ 7,387,841	\$10,256,586
Estimated orders under MSAs and short-term, non-fixed price contracts	6,142,669	13,611,550	7,446,964	15,292,343	7,240,332	15,017,611
Backlog	<u>\$11,504,976</u>	<u>\$20,454,182</u>	<u>\$13,793,895</u>	<u>\$24,093,767</u>	<u>\$14,628,173</u>	<u>\$25,274,197</u>

# Cautionary Statement About Forward-Looking Statements and Information



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, margins, cash flows, liquidity, weighted average shares outstanding, capital expenditures, interest rates and tax rates, as well as other projections of operating results and GAAP and non-GAAP financial results, including EBITDA, adjusted EBITDA and backlog;
- Expectations regarding Quanta's business or financial outlook;
- Expectations regarding opportunities, 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 reduced-carbon economy;
- Expectations regarding Quanta's plans and strategies;
- The business plans or financial condition of Quanta's customers, including with respect to the transition to a reduced-carbon economy;
- Potential benefits from, and future financial and operational performance of, acquired businesses and investments;
- Beliefs and assumptions about the collectability of receivables;
- The expected value of contracts or intended contracts with customers, as well as the expected timing, scope, services, term or results of any awarded or expected projects;
- Possible recovery of pending or contemplated insurance claims, change orders and claims asserted against customers or third parties;
- The development of and opportunities with respect to future projects, including renewable energy projects and other projects designed to support transition to a reduced-carbon economy, electrical grid modernization, upgrade and hardening projects and larger transmission and pipeline projects;
- Expectations regarding the future availability and price of materials and equipment necessary for the performance of our business;
- The expected impact of global and domestic economic conditions on our business, financial condition, results of operations, cash flows, liquidity and demand for our services, including inflation, interest rates and recessionary economic conditions and commodity prices and commodity production volumes;
- The expected impact of changes and potential changes in climate and the physical and transition risks associated with climate change and the transition to a reduced-carbon economy;
- Future capital allocation initiatives, including the amount and timing of, and strategies with respect to, any future acquisitions, investments, cash dividends, repurchases of equity or debt securities or repayments of other outstanding debt;
- The expected impact of existing or potential legislation or regulation;
- Potential opportunities that may be indicated by bidding activity or similar discussions with customers;
- The future demand for, availability of and costs related to labor resources in the industries Quanta serves;
- The expected recognition and realization of Quanta's remaining performance obligations or backlog;
- Expectations regarding the outcome of pending or threatened legal proceedings, as well as collection of amounts awarded in legal proceedings;
- Expectations regarding our ability to reduce our debt or maintain our current credit ratings; 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 guarantees of future performance; rather they 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 forward-looking statements can be affected by inaccurate assumptions and by known or unknown risks and uncertainties including, among others:



## Cautionary Statement About Forward-Looking Statements and Information



- Market, industry, economic, financial or political conditions that are outside of the control of Quanta, including economic, energy, infrastructure and environmental policies that are adopted or proposed by the U.S. federal and state governments or other governments in territories or countries in which we operate, inflation, interest rates, recessionary economic conditions, deterioration of global or specific trade relationships, and geopolitical conflicts and political unrest;
- Quarterly variations in operating and financial results, liquidity, financial condition, cash flows, capital requirements and reinvestment opportunities;
- 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, 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, inflationary pressure, reductions or eliminations in governmental funding, or customer capital constraints;
- The effect of commodity prices and commodity production volumes, which have been and may continue to be affected by inflationary pressure, 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;
- Events arising from operational hazards, including, among others, wildfires and explosions, that can arise due to the nature of Quanta's services and the conditions in which Quanta operates and can be due to the failure of infrastructure on which Quanta has performed services and result in significant liabilities that may be exacerbated in certain geographies and locations;
- 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 or other claims or actions asserted against Quanta, including amounts not covered by, or in excess of the coverage under, third-party insurance;
- 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, as well as any potential costs, liabilities, fines or penalties, arising as a result of cyber-security breaches, 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 incidents;
- Disruptions in, or failure to adequately protect Quanta's information technology systems;
- Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third-party contractors, and the impact of inflationary pressure, regulatory, supply chain and logistical challenges on these third parties;
- Estimates and assumptions relating to our financial results, remaining performance obligations and backlog;
- Quanta's inability to attract, the potential shortage of and increased costs with respect to skilled labor, as well as Quanta's inability to retain or attract key personnel and qualified employees;
- Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts;
- Cancellation provisions within Quanta's contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms;
- Quanta'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 guarantees, damages or contract terminations;
- Adverse weather conditions, natural disasters and other emergencies, including wildfires, pandemics, hurricanes, tropical storms, floods, debris flows, earthquakes and other geological- and weather-related hazards, as well as the impact of climate change;
- Quanta's inability to generate internal growth;
- Competition in Quanta's business, including the inability to effectively compete for new projects and market share, as well as technological advancements and market developments that could reduce demand for Quanta's services;



## Cautionary Statement About Forward-Looking Statements and Information

- The failure of existing or potential legislative actions and initiatives to result in increased demand for our services or 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;
- Unavailability of, or increased prices for, materials, equipment and consumables (such as fuel) used in Quanta's or its customers' businesses, including as a result of inflation, supply chain disruptions, governmental regulations on sourcing, the imposition of tariffs, duties, taxes or other assessments, and other changes in U.S. trade relationships with foreign countries;
- Loss of customers with whom Quanta has long-standing or significant relationships;
- 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;
- The inability or refusal of customers or third-party contractors to pay for services, 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;
- Risks associated with operating in international markets and U.S. territories, including instability of governments, significant currency exchange fluctuations, and compliance with unfamiliar legal or labor systems and cultural practices, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws, and complex U.S. and foreign tax regulations and international treaties;
- 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 that may arise from acquisitions or investments;
- 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 the unionized portion of our workforce on operations;
- 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;
- Risks related to the implementation of new information technology systems;
- New or changed tax laws, treaties or regulations of the inability to realize deferred tax assets; and
- Other risks and uncertainties detailed in Quanta's most recently filed Annual Report on Form 10-K, Quanta's recently filed Quarterly Reports on Form 10-Q 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](http://www.quantaservices.com) or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at [www.sec.gov](http://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 forward-looking 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.



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