



QUANTA

1Q20

# Earnings Call Presentation

May 7, 2020



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## Call Participants and Agenda

### **Duke Austin**

President and Chief Executive Officer

### **Derrick Jensen**

Chief Financial Officer

### **Kip Rupp**

Vice President, Investor Relations

- Introduction and Forward Looking Statements Disclaimer
- Quanta's COVID-19 Response
- First Quarter Results, Operational and Strategic Commentary
- Financial Review and Discussion
- Outlook
- Closing Remarks
- Q&A



# Quanta's COVID-19 Response

## Quanta Strengths

- Solid 1Q20 results
- Successful execution of five key objectives
- Resilient business model
- Strong balance sheet & liquidity
- Operational diversity
- Est. ~80% to 90% of 2020E revenues from resilient utility, communications and certain P&I services
- Self perform ~85% of revenues
- World class craftsmen

## Employees

- Focused on health and safety of our employees
- Implemented pandemic plan
- Implemented work-from-home and other human resources policies aimed at health and safety of employees
- 39,500 employees at end of 1Q20; no meaningful impact on health or availability of workforce or key personnel as a result of COVID-19

## Customers

- Customers and end markets are critical infrastructure
- Continued communication and collaboration with customers
- Initiated business continuity plan to ensure continued service to customers
- Believe Quanta can emerge in even better competitive position with successful performance during the crisis

## Proactive Expense & Capex Management

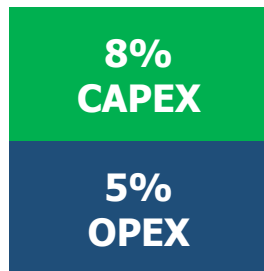
- Experiencing COVID-19 disruptions and adjusting accordingly
- COVID-19 exacerbating energy market challenges, particularly demand for fuel, which is impacting certain Pipeline and Industrial operations
- Proactively implemented cost and capex management initiatives

**RESILIENT BUSINESS MODEL, STRONG FINANCIAL PROFILE, PROACTIVE MANAGEMENT**

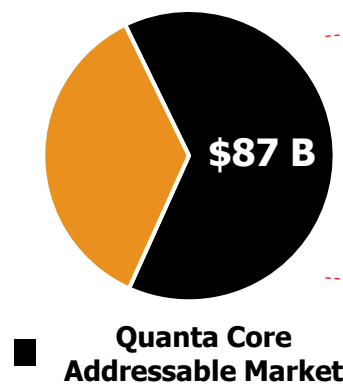
## Electric Power Infrastructure Services

- Demand for our services remains solid
- Utilities continue to actively deploy capital into their systems
  - Grid modernization, storm and fire hardening, renewables integration, reliability, etc.
  - Most utilities have confirmed 2020 and multi-year transmission and distribution capital plans
- Watay and East West Tie Line high-voltage electric transmission projects proceeding
- Continue to pursue \$billions of larger electric transmission projects throughout our service territories

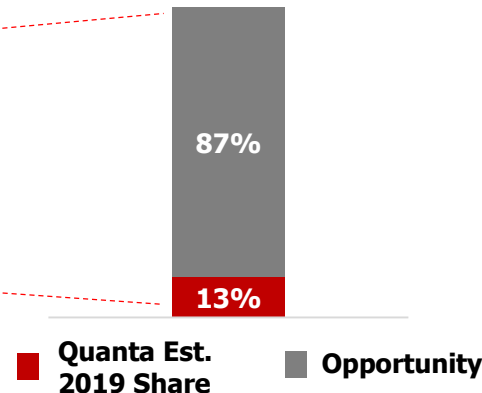
**Top 25 Quanta Utility  
Customer Spend  
CAGR: 2000-2018  
(\$ in billions)**



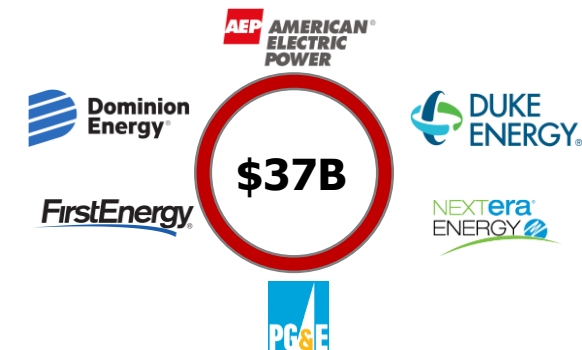
**2019E Utility Capex  
= \$136 B <sup>(1)</sup>**



**Quanta Core Solutions  
= \$61 B <sup>(1)</sup>**



**Aggregate Select Utility  
Multi-Year Avg. Annual  
Capex Spend <sup>(2)</sup>**

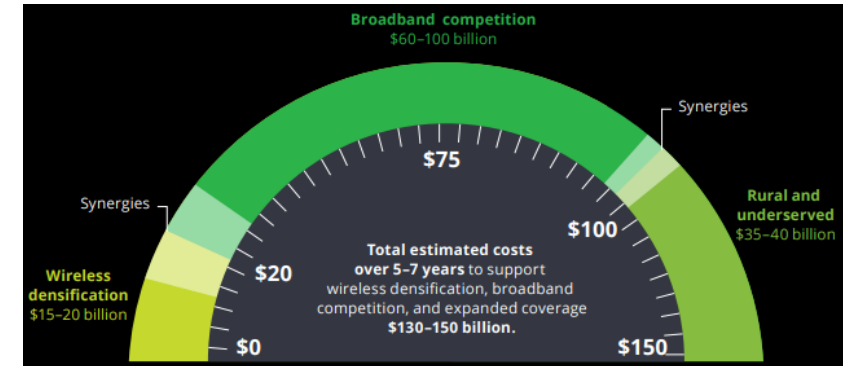


**LARGE, VISIBLE, CONSISTENT AND GROWING MARKET WITH AMPLE OPPORTUNITY FOR QUANTA**

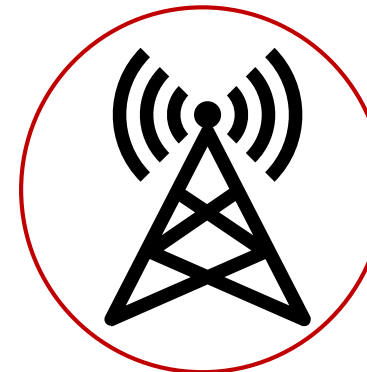
# Communications Infrastructure Services *(within Electric Power Segment)*

- Solid first quarter
- COVID-19 / work-from-home / shelter-in-place has highlighted the need for bandwidth intensive, reliable, secure, fast communications and data services
- Favorable recent industry data points indicating positive near- and medium-term demand for Quanta's communications infrastructure services
- Projects largely moving forward with minimal COVID-19 disruptions so far
- Continue to collaborate with utilities and wireless carriers on future 5G opportunities

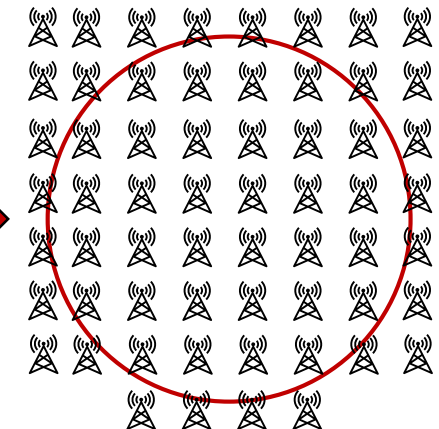
**To Meet Future Broadband Needs, The U.S. Needs Est. \$130-\$150B of Fiber Infrastructure Investment<sup>(1)</sup>**



**Today's 4G Network**



**Future 5G Network<sup>(2)</sup>**



○ = 1 Square Mile

**FIBER DENSIFICATION AND 5G DEPLOYMENTS PROVIDE LARGE OPPORTUNITY**



## Pipeline and Industrial Infrastructure Services

- Solid first quarter. Began to experience COVID-19 and challenging energy market effects late in the first quarter that have continued into 2Q20

Gas Distribution (Utility)	Maintenance & Integrity	Other P&I Infrastructure Services	Larger Pipeline Projects
<ul style="list-style-type: none"><li>• Performed well in 1Q20 (seasonally weakest quarter)</li><li>• Utilities in early stages of multi-decade gas system modernization programs</li><li>• 2Q Shelter-in-place orders causing disruptions in certain metro markets, with material impact in 2Q</li><li>• Managing headcount and costs in affected areas</li><li>• Previously halted work expected to return to normal levels by early 3Q</li></ul>	<ul style="list-style-type: none"><li>• Industrial Services had a record 1Q – broad based demand for services <sup>(1)</sup></li><li>• COVID-19 and energy market dynamics began to negatively impact work in late 1Q, with material impact in 2Q</li><li>• Cautiously optimistic that there is opportunity for stability in 2H20, albeit at reduced levels reflective of current environment</li></ul>	<ul style="list-style-type: none"><li>• Began to experience softness in certain markets late in 1Q20</li><li>• Have some, though not significant midstream exposure to oil-focused areas</li><li>• Expect oil-focused areas to be negatively impacted for remainder of 2020</li><li>• Taking proactive steps to manage headcount and costs</li></ul>	<ul style="list-style-type: none"><li>• Continue to actively pursue \$billions of larger pipeline opportunities</li><li>• Most of what we are pursuing are for natural gas pipelines</li><li>• Pipelines are long-term assets needed to move hydrocarbons and are secured with long-term agreements</li><li>• Permitting and regulatory approvals remain gating factor for projects moving forward</li></ul>

### DIVERSIFIED SERVICES OFFERING HELPS TO MITIGATE RISK

(1) The largest portion of Industrial Services represents Maintenance and Integrity services, however a portion of Industrial operations are generally included in Other P&I Infrastructure Services

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## Strength and Flexibility to Navigate Uncertainty

- Have executed well on our strategy to mitigate risks through diversification and a strong financial profile
- Diverse, high-quality customer base with low customer concentration
- Broad and diverse geographic presence
- Diverse and expanding line of services
- 80% to 90% of estimated 2020 revenues from services and end markets we believe are resilient
- These attributes should continue to benefit Quanta during favorable and challenging times

**RESILIENT BUSINESS MODEL AND STRONG FINANCIAL PROFILE**

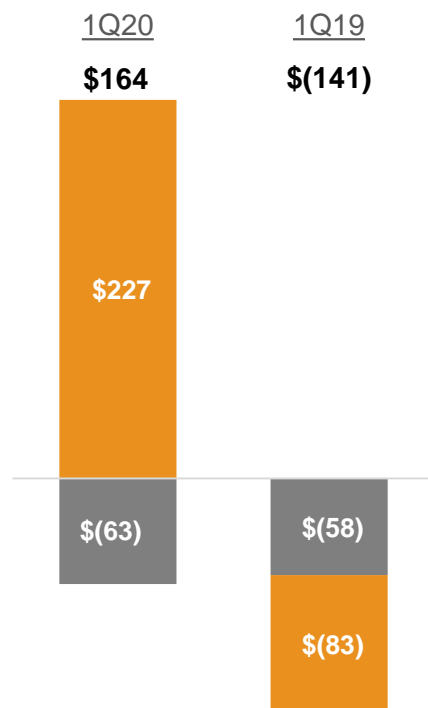
## 1Q 2020 Segment Results versus 1Q 2019

(\$MMs)	Revenues	Op Inc % Change (bps)	Commentary
Electric Power ex Latin America	<b>\$1,762</b> <i>Up 8%</i>	<b>8.2%</b> <i>Down 170</i>	<ul style="list-style-type: none"> <li>+ Revenue growth reflects continued base business strength; aggregate communications revenues, included in the electric segment, grew revenues almost 40% versus 1Q19</li> <li>- Lower margins due to seasonality as well as fire hardening activities being weighted toward the second half of 2020 resulting in some level of cost absorption pressure in the first quarter</li> </ul>
Latin America	<b>\$5</b> <i>Down 83%</i>	<b>(348.5%)</b> <i>NM</i>	<ul style="list-style-type: none"> <li>- Orderly exit is proceeding; losses primarily relate to early termination and close out costs associated with projects in the region, exacerbated by stringent COVID-19 stay at home orders in the second quarter necessitating loss recognition on certain projects in 1Q20</li> <li>- Losses in Latin America receive no tax benefit</li> </ul>
Pipeline & Industrial	<b>\$997</b> <i>Down 13%</i>	<b>3.1%</b> <i>Down 50</i>	<ul style="list-style-type: none"> <li>- Revenue decline due to the expected reduction in larger pipeline project revenues, from which the contributions were approximately \$170MM lower than 1Q19</li> <li>+ Increased levels of base business activities including \$100MM of revenue from acquired companies</li> <li>- Margins lower than 1Q19 but within our range of expectations for the quarter despite being negatively impacted by adverse weather across our Canadian pipeline operations</li> </ul>
Corporate & Non- Allocated	<b>N/A</b>	<b>(2.9%)</b> <i>Down 10</i>	<ul style="list-style-type: none"> <li>+ \$4MM decrease compared to 1Q19 primarily due to a \$12MM change in deferred compensation related expense associated with changes in the market value of deferred compensation liabilities (for which an approximately equivalent offsetting change is recorded below operating income in Other Income (Expense), net), offset by \$5MM of increased amortization and \$3MM associated with the change in fair value of contingent consideration liabilities</li> </ul>

FIRST QUARTER RESULTS IN LINE WITH EXPECTATIONS

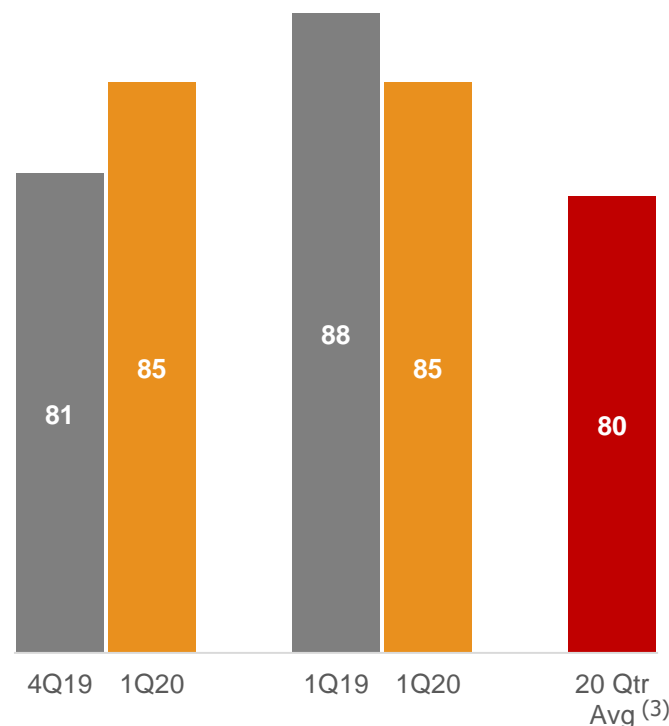
## Free Cash Flow & DSO

### Free Cash Flow <sup>(1)</sup> (\$MMs)



■ Cash provided by (used in) operations  
■ Net CapEx

### Days Sales Outstanding <sup>(2)</sup>



## 1<sup>st</sup> Quarter Recap

### Free Cash Flow driven by:

- A decrease in working capital requirements due to lower revenues compared to 4Q19
- Collection of \$82MM of insurance proceeds related to insurance matters settled in 4Q19

### DSO of 85 was:

- 3 days lower than 1Q19 due to lower levels of retainage compared to 1Q19 as well as 1Q19 containing elevated levels of pre-petition receivables related to PG&E

## SOLID FIRST QUARTER CASH FLOW

(1) Refer to the appendix for the definition of Free (Negative Free) Cash Flow, a non-GAAP measure, and a reconciliation to Net Cash Provided by (Used in) Operating Activities

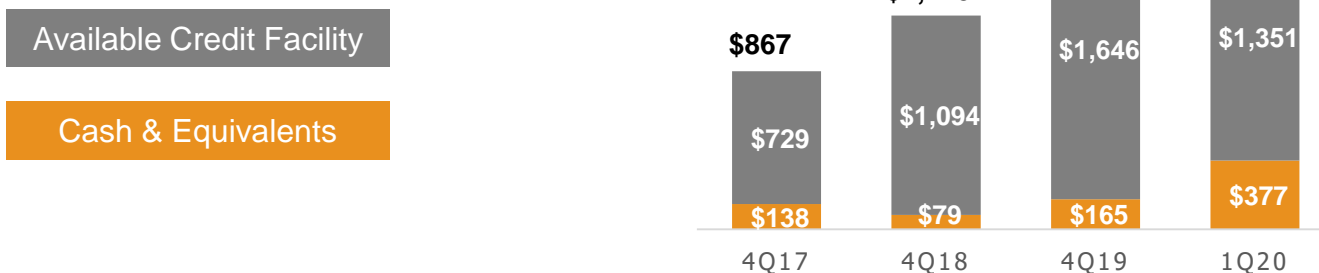
(2) Refer to the appendix for the definition of Days Sales Outstanding

(3) 20 quarter average from April 1, 2015 through March 31, 2020

## Balance Sheet & Liquidity

	Dec 31,			Mar 31,
(\$MMs)	2017	2018	2019	2020
<b>Cash</b>	<b>138</b>	<b>79</b>	<b>165</b>	<b>377</b>
<b>Debt</b>				
Term Loans	-	593	1,241	1,225
Credit Facility	668	479	105	410
Other	4	34	21	28
<b>Total Debt</b>	<b>672</b>	<b>1,106</b>	<b>1,367</b>	<b>1,663</b>
Operating Lease Liabilities	-	-	289	292
<b>Total Debt including Operating Lease Liabilities</b>	<b>672</b>	<b>1,106</b>	<b>1,656</b>	<b>1,955</b>
<b>Net Debt / EBITDA Ratio <sup>(1)</sup></b>	<b>1.4x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>1.7x</b>

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



### Liquidity Highlights

- Ample liquidity and balance sheet strength to navigate operational uncertainties due to COVID-19 dynamics
- Bank-defined leverage ratio of approximately 1.7x, which is within our preferred range of 1.5x – 2.0x

## CONSERVATIVE LEVERAGE & AMPLE LIQUIDITY FOR STRATEGIC INITIATIVES

## Electric Power Segment Guidance (*Ex-LATAM*<sup>(1)</sup>)

		2020 GUIDANCE RANGE			
	2019	Δ	Pre-COVID-19 Guidance	Δ	Current Guidance
Revenues	\$7.1B	<ul style="list-style-type: none"> <li>+ Continued base electric growth</li> <li>+ U.S. telecom growth</li> <li>+ Larger projects increase</li> <li>- Fire hardening normalizes</li> </ul>	\$7.6B - \$7.8B	<ul style="list-style-type: none"> <li>- Reduced levels of electric infrastructure services provided to industrial customers due to COVID-19 both impacting facility access and refined product demand, causing customer budget pullbacks</li> </ul>	\$7.5B - \$7.7B
Op Inc %	9.6%	<ul style="list-style-type: none"> <li>+ Canada improvement with larger projects commencing</li> <li>+ Telecom improvement</li> <li>+ Continued U.S. execution</li> <li>- Fire hardening normalizes</li> </ul>	9.5% - 10.0%	<ul style="list-style-type: none"> <li>- Permitting delays due to local government office closures</li> </ul>	9.4% - 9.7%

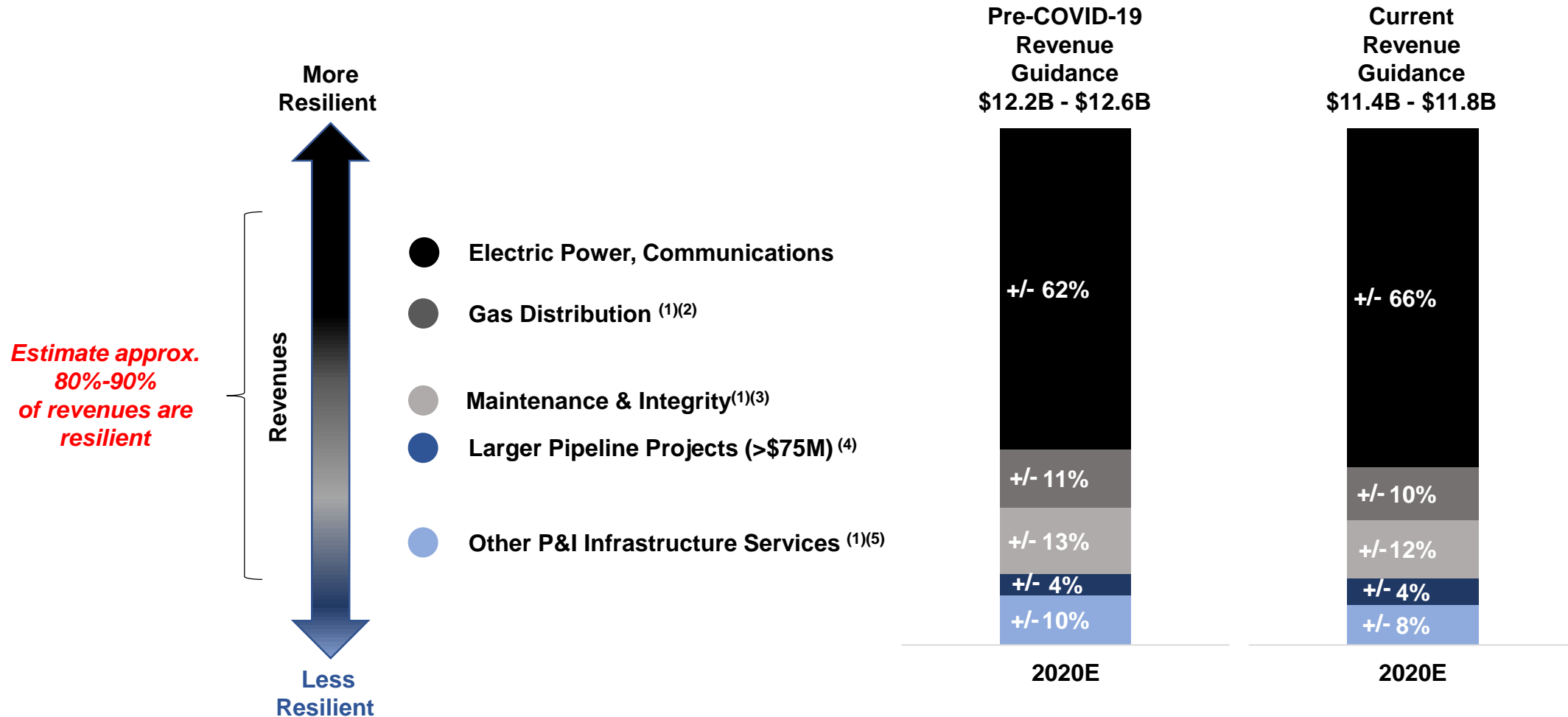
### ELECTRIC POWER EXPECTATIONS LARGELY INTACT

# Pipeline & Industrial Segment Guidance

			2020 GUIDANCE RANGE		
	2019	Δ	Pre-COVID-19 Guidance	Δ	Current Guidance
Revenues	\$5.0B	<ul style="list-style-type: none"> <li>+ Full year of Hallen</li> <li>+ Continued base business growth</li> <li>- ~\$700MM larger project reduction</li> </ul>	\$4.6B - \$4.8B	<ul style="list-style-type: none"> <li>- Reduced levels of gas distribution services due to regional COVID-19 stay-at-home orders</li> <li>- Reduced levels of industrial turnaround and maintenance services due to COVID-19 both impacting facility access and refined product demand, causing customer budget pullbacks</li> </ul>	~\$4.0B
Op Inc % excluding Impairments <sup>(1)</sup>	6.9%	<ul style="list-style-type: none"> <li>+ Continued base business improvement</li> <li>+ Accretive Hallen margins</li> <li>+ Further elimination of oil influenced assets</li> <li>- Larger project reduction</li> </ul>	6.8% - 7.2%	<ul style="list-style-type: none"> <li>- Energy environment causing reduced levels of smaller capital projects for industrial and pipeline related infrastructure</li> </ul>	Likely < 5%

## COVID-19 DISRUPTING BASE BUSINESS ACTIVITIES ACROSS THE SEGMENT

# Supplemental Segment Guidance Information



**ESTIMATE 80%-90% OF 2020 REVENUES DERIVED FROM RESILIENT SERVICES**

(1) Due to similarities and potential overlap in the allocation of certain types of work across these categories, in some cases management has applied judgment in these estimates

(2) Includes services performed for natural gas utilities on their gas distribution systems

(3) Services include maintenance, repair and replacement of pipeline, industrial and associated infrastructure, including mechanical, inspection, catalyst handling and other maintenance activities

(4) Consists of pipeline construction projects with contract values in excess of \$75 million

(5) Includes pipeline and industrial construction projects with contract values less than \$75 million, including small and medium sized pipeline projects, stations, new storage tanks and other ancillary services

## 2020 Guidance Summary

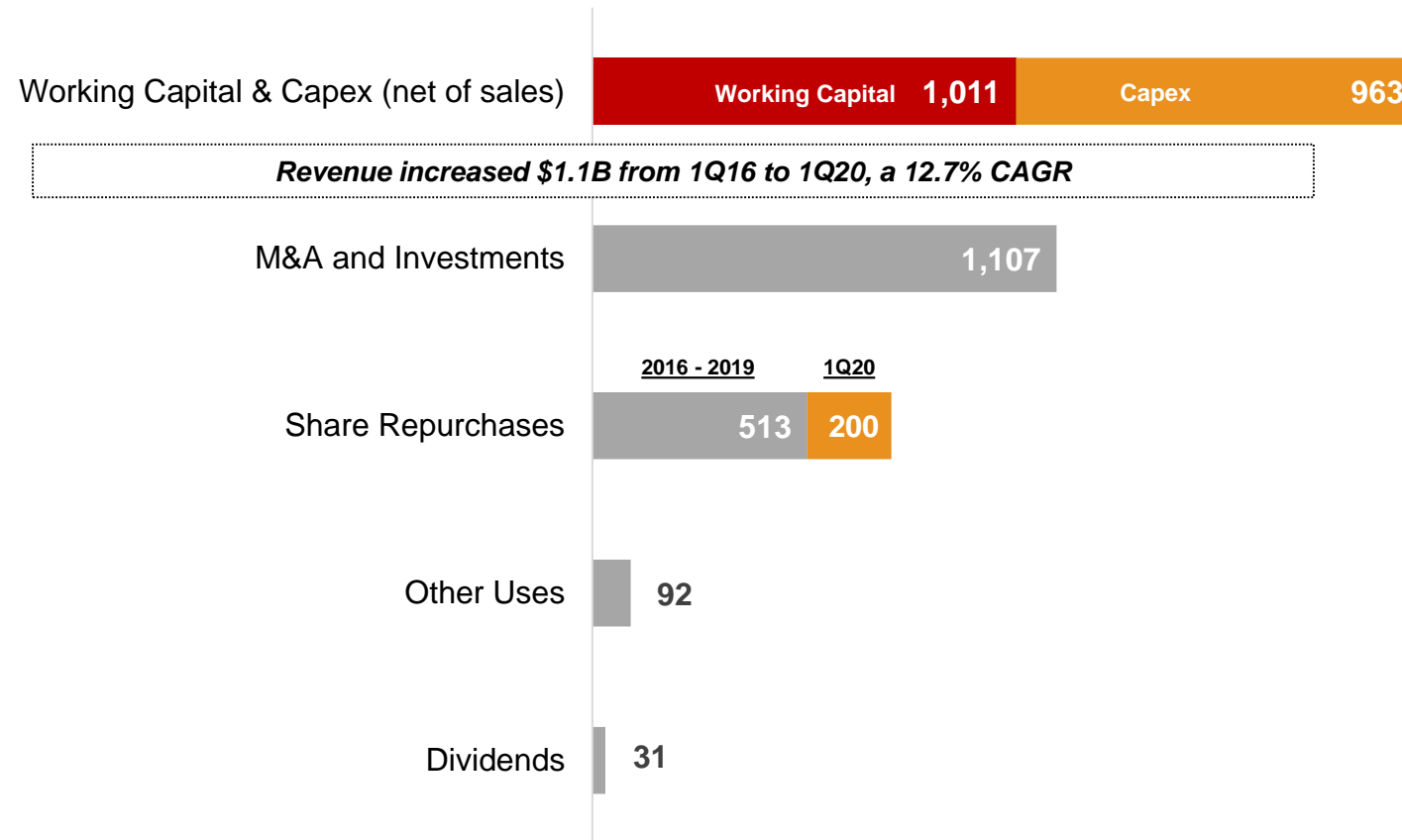
(\$MMs except per share data)

	LOW	MID POINT	HIGH
<b>Revenues</b>	\$11,400	\$11,600	\$11,800
<b>Adj. EBITDA <sup>(1)</sup></b>	\$860	\$893	\$925
<b>Free Cash Flow <sup>(2)</sup></b>	\$400	\$500	\$600
<b>Net Income</b>	\$325	\$348	\$370
<b>Diluted EPS (GAAP)</b>	\$2.25	\$2.41	\$2.57
<b>Adjusted Diluted EPS <sup>(3)</sup></b>	\$3.04	\$3.20	\$3.36

Net Income and Adjusted EBITDA guidance includes an estimated \$25MM - \$30MM of operating losses associated with our orderly exit of Latin America, an impact to both Diluted EPS (GAAP) and Adjusted Diluted EPS between \$0.17 and \$0.21.

# Capital Allocation Priorities

## Capital Deployment – 1Q16 through 1Q20 (\$MMs)



## Capital Allocation

- Working capital and capex required to support the organic growth of the business remain our first priority and have been the largest use of capital from 1Q16 to 1Q20
- Acquisitions and strategic investments totaled approximately \$1.1B from 1Q16 to 1Q20, led by the acquisitions of Stronghold in 2017 and Hallen Construction in 2019, which strategically bolstered our base business capabilities in the Pipeline & Industrial segment
- We are committed to the deployment of capital to shareholders through stock repurchases, further evidenced by the repurchase of 6MM shares during 1Q20 at an average price of \$33.56, and quarterly dividends, which we commenced in 1Q19 and increased 25% in 4Q19

MAINTAINING BALANCED APPROACH TO CAPITAL ALLOCATION

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## Closing Remarks

- Quanta was built for times like this and we are confident in the resiliency and sustainability of our business model
- Expect soft 2Q20 but cautiously optimistic most severe challenges are largely behind us
- Remain focused on successful execution of our five key objectives
  - Focus on and grow our base business
  - Improve margins
  - Create growth platforms through service line expansion in the utility, communications and industrial industries, and 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
- Believe adjusted EBITDA before effects of Latin American operations and COVID-19 on 2020 expectations continue to trend towards \$1 billion
- Continue to have a positive multi-year outlook and believe Quanta has opportunity to generate meaningful 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
- Forward Looking Statement Disclaimers

## Definitions

- **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 (used in) 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, taxes, depreciation, amortization and equity in (earnings) losses of unconsolidated affiliates.
- **Adjusted EBITDA** is defined as EBITDA adjusted for certain other items as described below:
  - **Non-cash stock-based compensation expense** may vary 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 period to period depending on the level of Quanta's ongoing acquisition activity;
  - **Change in fair value of contingent consideration liabilities** varies from period to period depending on the performance in post-acquisition periods of certain acquired businesses

## Definitions

- **Adjusted Earnings per Share** is defined as diluted earnings per share adjusted for the after-tax impact of certain other items as described below:
  - **Non-cash stock-based compensation expense** may vary 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** is impacted by Quanta's ongoing acquisition activity, and therefore can vary from period to period;
  - **Acquisition and integration costs** vary period to period depending on the level of Quanta's ongoing acquisition activity;
  - **Change in fair value of contingent consideration liabilities** varies from period to period depending on the performance in post-acquisition periods of certain acquired businesses;
  - **Losses of sale of passive equity investments** vary period to period depending on various market factors outside Quanta's influence or control
- **Net working capital** is defined as (1) total current assets less cash and cash equivalents, less current assets of discontinued operations less (2) total current liabilities less current maturities of long-term debt and short-term debt, less current portion of operating lease liabilities, less current liabilities of discontinued operations.

## Reconciliation of EBITDA and Adjusted EBITDA

(\$000s)

Net income attributable to common stock (GAAP as reported)
Interest expense, net
Provision for income taxes
Amortization of intangible assets
Equity in (earnings) losses of unconsolidated affiliates
Depreciation expense
<b>EBITDA</b>
Non-cash stock-based compensation
Acquisition and integration costs
Change in fair value of contingent consideration liabilities
<b>Adjusted EBITDA</b>

ESTIMATED RANGE		
FY 2020		
Low	Mid	High
\$ 325,300	\$ 347,850	\$ 370,400
38,000	36,500	35,000
138,200	149,850	161,500
71,000	71,000	71,000
3,000	3,000	3,000
204,500	204,500	204,500
780,000	812,700	845,400
72,000	72,000	72,000
1,900	1,900	1,900
5,600	5,600	5,600
<u>\$ 859,500</u>	<u>\$ 892,200</u>	<u>\$ 924,900</u>

## Reconciliation of Adjusted Diluted Earnings per Share

(\$000s, except per share information)

### Reconciliation of adjusted net income attributable to common stock:

Net income attributable to common stock (GAAP as reported)

Adjustments:

Acquisition and integration costs

Change in fair value of contingent consideration liabilities

Loss on passive equity investment

Non-cash stock-based compensation

Amortization of intangible assets

Income tax impact of non-cash 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

ESTIMATED RANGE		
FY 2020		
Low	Mid	High
\$ 325,300	\$ 347,850	\$ 370,400
1,900	1,900	1,900
5,600	5,600	5,600
3,100	3,100	3,100
72,000	72,000	72,000
71,000	71,000	71,000
(39,500)	(39,500)	(39,500)
<u>\$ 439,400</u>	<u>\$ 461,950</u>	<u>\$ 484,500</u>
<u>144,400</u>	<u>144,400</u>	<u>144,400</u>
\$ 2.25	\$ 2.41	\$ 2.57
<u>\$ 3.04</u>	<u>\$ 3.20</u>	<u>\$ 3.36</u>

## Reconciliation of Free Cash Flow

(\$000s)	2019 1Q	2020 1Q	ESTIMATED RANGE		
			FY 2020		
			Low	Mid	High
<b>Net cash provided by operating activities (GAAP as reported)</b>	\$ (82,750)	\$ 227,549	\$ 650,000	\$ 750,000	\$ 850,000
Less: Net capital expenditures:					
Capital expenditures	(68,626)	(68,109)	(250,000)	(250,000)	(250,000)
Proceeds from sale of property and equipment	10,851	4,988	-	-	-
Net capital expenditures	(57,775)	(63,121)	(250,000)	(250,000)	(250,000)
<b>Free Cash Flow</b>	<u>\$ (140,525)</u>	<u>\$ 164,428</u>	<u>\$ 400,000</u>	<u>\$ 500,000</u>	<u>\$ 600,000</u>

## Reconciliation of Electric Power Segment excluding Latin America

(\$000s)		2020 GUIDANCE RANGE			
	2019	Pre-COVID-19 Guidance		Current Guidance	
	FY	Low	High	Low	High
<b>Revenues:</b>					
Electric Power Infrastructure Services	\$ 7,121,837	\$ 7,620,000	\$ 7,840,000	\$ 7,520,000	\$ 7,740,000
Less: Latin America	63,226	20,000	40,000	20,000	40,000
Electric Power excluding Latin America	<u>\$ 7,058,611</u>	<u>\$ 7,600,000</u>	<u>\$ 7,800,000</u>	<u>\$ 7,500,000</u>	<u>\$ 7,700,000</u>
<b>Operating income (loss):</b>					
Electric Power Infrastructure Services	\$ 591,177	\$ 702,000	\$ 766,000	\$ 675,000	\$ 721,900
Less: Latin America	(85,749)	(20,000)	(15,000)	(30,000)	(25,000)
Electric Power excluding Latin America	<u>\$ 676,926</u>	<u>\$ 722,000</u>	<u>\$ 781,000</u>	<u>\$ 705,000</u>	<u>\$ 746,900</u>
<b>Operating margin:</b>					
Electric Power Infrastructure Services	8.3%	9.2%	9.8%	9.0%	9.3%
Less: Latin America	(135.6%)	(100.0%)	(37.5%)	(150.0%)	(62.5%)
Electric Power excluding Latin America	9.6%	9.5%	10.0%	9.4%	9.7%

## Reconciliation of Pipeline & Industrial Segment excluding Asset Impairments<sup>(1)</sup>

(\$000s)	2019 FY	2020 GUIDANCE RANGE		
		Pre-COVID-19 Guidance	Current Guidance	
		Low	High	
<b>Revenues</b>	\$ 4,990,316	\$ 4,600,000	\$ 4,800,000	\$ 3,900,000 \$ 4,100,000
Operating income	\$ 332,011	\$ 313,000	\$ 346,000	\$ 175,500 \$ 205,000
Plus: Asset impairments <sup>(1)</sup>	10,196	-	-	- -
<b>Operating income excluding impairments</b>	<b>\$ 342,207</b>	<b>\$ 313,000</b>	<b>\$ 346,000</b>	<b>\$ 175,500 \$ 205,000</b>
Operating margin	6.7%	6.8%	7.2%	4.5% 5.0%
Plus: Asset impairments <sup>(1)</sup>	0.2%	0.0%	0.0%	0.0% 0.0%
<b>Operating margin excluding impairments</b>	<b>6.9%</b>	<b>6.8%</b>	<b>7.2%</b>	<b>4.5% 5.0%</b>

## 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, tax rates and other operating or financial results;
- Expectations regarding Quanta's business or financial outlook;
- Expectations regarding the COVID-19 pandemic, including the potential impact of the COVID-19 pandemic and of governmental responses to the pandemic on Quanta's business, operations, supply chain and personnel, financial condition, results of operations, cash flows and liquidity;
- Quanta's plans, strategies and opportunities, including the plans, timing, effects and other matters relating to the COVID-19 pandemic and the exit, through potential sale or otherwise, of its Latin American operations;
- 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;
- The potential impact of the recent decrease in commodity prices and volatility in production volumes on Quanta's business, financial condition, results of operations and cash flows and demand for Quanta's services;
- Trends and economic and regulatory conditions in particular markets or industries;
- Projected or expected realization of remaining performance obligations and backlog;
- The potential benefits from acquisitions or investments;
- The expected financial and operational performance of acquired businesses;
- The future demand for and availability of labor resources in the industries Quanta serves;
- Future capital allocation initiatives, including the amount, timing and strategies with respect to any future stock repurchases or expectations regarding the declaration, amount and timing of any future cash dividends;
- The ability to deliver increased value or return capital to stockholders;
- The expected value of contracts or intended contracts with customers;
- The scope, services, term or results of any projects awarded or expected to be awarded to Quanta;
- The anticipated commencement and completion dates for any projects awarded;
- The development of larger electric transmission and pipeline projects;
- The impact of existing or potential legislation or regulation;
- Potential opportunities that may be indicated by bidding activity or discussions with customers;
- Possible recovery of pending or contemplated insurance claims, change orders and affirmative 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.



## Forward Looking Statements

Although Quanta's management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements can be affected by inaccurate assumptions and by known and unknown risks and uncertainties that are difficult to predict or beyond Quanta's control, including, among others:

- Market conditions;
- The effects of industry, economic, financial or political conditions outside of the control of Quanta, including weakness in capital markets or the ongoing and potential impact to financial markets and worldwide economic activity resulting from the COVID-19 pandemic and related governmental actions;
- Quarterly variations in operating results, liquidity, financial condition, cash flows, capital requirements, reinvestment opportunities or other financial results, including the ongoing and potential impact to Quanta's business, operations and supply chain of the COVID-19 pandemic and related governmental actions;
- The severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of business and governmental responses to the pandemic (e.g., shelter-in-place and other mobility restrictions, business closures) on Quanta's operations, personnel and supply chain and on commercial activity and demand across Quanta's and Quanta's customers' businesses;
- Quanta's inability to predict the extent to which the COVID-19 pandemic and related impacts will adversely impact its business, financial performance, results of operations, financial position, the prices of its securities and the achievement of its strategic objectives, including with respect to governmental restrictions on its ability to operate, workforce availability, regulatory and permitting delays, and future demand for energy and the resulting impact on demand for Quanta's services;
- Trends and growth opportunities in relevant markets, including Quanta's ability to obtain future project awards;
- The time and costs required to exit Quanta's Latin American operations and Quanta's ability to effect related transactions on acceptable terms, as well as the business and political climate in Latin America;
- Delays, deferrals, reductions in scope or cancellations of anticipated, pending or existing projects as a result of, among other things, the COVID-19 pandemic, weather, regulatory or permitting issues (including the recent court ruling vacating the U.S. Army Corps of Engineers' Nationwide Permit 12), environmental processes, project performance issues, claimed force majeure events, protests or other political activity, legal challenges or customer capital constraints;
- The effect of commodity prices and 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 or liabilities that may arise from legal proceedings, indemnity obligations, reimbursement obligations associated with letters of credit or bonds, multiemployer pension plans (e.g., withdrawal liability) or other claims or actions asserted against Quanta, including those not covered by, or in excess of, third-party insurance;
- Reimbursement obligations associated with letters of credit or bonds;
- 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;
- Damage to our brand or reputation as a result of cyber-security or data privacy breaches, environmental and occupational health and safety matters, corporate scandal, failure to successfully perform a high-profile project, involvement in a catastrophic event (e.g., fire, explosion) or other negative incident;
- 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;
- The ability to attract and the potential shortage of skilled labor;
- The ability to retain key personnel and qualified employees and the impact of the COVID-19 pandemic on the availability and performance of our workforce and key personnel;
- Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts;
- Estimates relating to our financial results, remaining performance obligations and backlog;
- Adverse weather conditions, natural disasters and other emergencies, including wildfires, pandemics (including the ongoing COVID-19 pandemic), hurricanes, tropical storms and floods;
- Quanta's ability to generate internal growth;
- Competition in Quanta's business, including the ability to effectively compete for new projects and market share;
- The future development of natural resources;
- The failure of existing or potential legislative actions to result in demand for Quanta's services;

## Forward Looking Statements

- Fluctuations of prices of certain materials used in Quanta's or its customers' businesses, including as a result of the imposition of tariffs, governmental regulations affecting the sourcing of certain materials and equipment, or changes in U.S. trade relationships with other 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;
- The potential that participation in joint ventures or similar structures exposes Quanta to liability and/or harm to its reputation for acts or omissions by partners;
- 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;
- The inability or refusal of customers or third party contractors to pay for services, including as a result of the COVID-19 pandemic or the recent decrease in commodity prices;
- Budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, which may result in project delays or cancellations;
- Estimates and assumptions in determining financial results, remaining performance obligations and backlog;
- Quanta's ability to successfully complete remaining performance obligations or realize backlog;
- Risks associated with operating in international markets, including instability of foreign governments, currency exchange fluctuations, and compliance with unfamiliar foreign legal systems and business practices, applicable anti-bribery and anti-corruption laws, complex tax regulations and international treaties;
- The ability to successfully identify, complete, integrate and realize synergies from acquisitions, including retention of key personnel;
- The potential adverse impact resulting from uncertainty surrounding investments and acquisitions, including the potential increase in risks already existing in Quanta's operations and poor performance or decline in value of Quanta's investments;
- The adverse impact of impairments of goodwill, receivables, property and equipment and other intangible assets or investments;
- Growth outpacing Quanta's decentralized management and infrastructure;
- Inability to enforce Quanta's intellectual property rights or the obsolescence of such rights;
- The impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts;
- The ability to access sufficient funding to finance desired growth and operations, including our 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 and other factors affecting financing and investing activities;
- The ability to obtain performance bonds and other project security;
- The ability to meet certain regulatory requirements applicable to Quanta and its subsidiaries;
- Rapid technological and other structural changes that could reduce the demand for Quanta's services;
- Risks related to the implementation of new information technology systems;
- New or changed tax laws, treaties or regulations;
- Increased costs associated with regulatory changes, including labor costs or healthcare costs;
- Significant fluctuations in foreign currency exchange rates;
- 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 this date. 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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### **Investor Contact**

Kip Rupp, CFA  
Vice President – Investor Relations  
713-341-7260  
[investors@quantaservices.com](mailto:investors@quantaservices.com)

### **Corporate Office**

2800 Post Oak Blvd., Suite 2600  
Houston, TX 77056  
713-629-7600  
[www.quantaservices.com](http://www.quantaservices.com)