



Outlook Expectations Summary

The following forward-looking statements are based on current expectations and actual results may differ materially. Such statements are current only as of August 1, 2019.

From 2Q19 Earnings Release & Conference Call

The long-term outlook for Quanta's business is positive. However, weather, regulatory, permitting, project timing, execution challenges and other factors have impacted the company's historical results, and may impact Quanta's future financial results. Therefore, Quanta's financial outlook for revenues, margins and earnings reflects management's effort to align these uncertainties with the backlog that the company is executing on and the opportunities that are expected to materialize during 2019. The following forward-looking statements are based on current expectations, and actual results may differ materially.

Estimated Range For the Full Year 2019

Several items are noteworthy when comparing the company's 2019 guidance with 2018 results. Quanta's 2019 guidance includes estimated emergency restoration revenues of approximately \$150 million, as compared to emergency restoration revenues of \$241 million in 2018, and only a limited amount of estimated work to be performed for the Atlantic Coast Pipeline project due to uncertainty as to when the project may resume construction. Further, the Fort McMurray West electric transmission project, which provided a significant amount of revenues during 2018, was completed in 1Q19. These revenue headwinds aggregate to approximately \$1 billion. Additionally, 2019 results are negatively impacted by a \$79.2 million charge, or \$0.54 per diluted share, in 2Q19 associated with the termination of a large telecommunications project in Peru, which is subject to an ongoing dispute.

Consolidated Company

Revenues \$11.5 - \$11.9 Billion

Net Income Attributable to Common Stock \$362- \$411 million
(includes \$79.2 million charge for Peru project)

EBITDA \$786 - \$866 million
(includes \$79.2 million charge for Peru project)

Adjusted EBITDA \$852 - \$932 million
(includes \$79.2 million charge for Peru project)

GAAP Diluted EPS Attributable to Common Stock \$2.46 - \$2.79
(includes \$0.54 charge due to Peru Project)

Adjusted Diluted EPS Attributable to Common Stock (a non-GAAP measure) \$2.99 - \$3.33
(includes \$0.54 charge due to Peru Project)

2019 Diluted Weighted Avg. Shares Outstanding 147.1 million

Depreciation Approx. \$213 million

Amortization of Intangibles Approx. \$50 million

Non-Cash Stock Based Compensation Approx. \$57 million

Interest Expense, Net \$58 - \$60 million

Other Income \$71 - \$73 million (See below for additional commentary)

Tax Rate 31.75% - 32.25% (See below for additional commentary; expect 3Q and 4Q rate around 29%)

Net Income Attributable to Non-Controlling Interests \$2 - \$3 million

2019 Capital Expenditures \$275 million

Foreign Exchange Rates Outlook reflects foreign exchange rates comparable to the second quarter of 2019

Electric Power Infrastructure Services Segment (See below for additional commentary)

Revenues \$7.2 - \$7.4 Billion

Operating Income Margins Between 8.4% and 8.9%
(includes ~110 basis point impact from charge for Peru project)

Pipeline & Industrial Infrastructure Services Segment (See below for additional commentary)

Revenues \$4.3 - \$4.5 Billion

Operating Income Margins Between 5.5% and 6.0%

Corporate and Non-Allocated Costs Approx. 2.8%

Other Commentary

Electric Power Infrastructure Services Segment: Our revenue guidance range reflects confidence in the continued momentum of our electric power and communications operations, and particularly our base business. Of note, our revenue guidance represents year-over-year growth, even though 2018 included a full year of revenue from the Fort McMurray West Transmission project (which was completed in the first quarter of 2019) and emergency restoration revenues of approximately \$241 million. In contrast, our 2019 guidance contemplates significantly lower larger project revenues and approximately \$150 million of emergency restoration revenues. We expect revenue growth in each quarter of 2019 compared to 2018, with a normal seasonal revenue progression. Third quarter revenues are expected to be the highest of the year, followed by a slight revenue decline in the fourth quarter. We expect year-over-year growth to exceed double digits in both the third and fourth quarter of 2019. As it relates to operating margins associated with the electric operations included in our Electric Segment, the timing of the commencement of certain large projects in Canada that impacted second quarter margins is anticipated to continue somewhat through the third quarter, partially offsetting typically higher third quarter electric power margins. However, we expect Canadian operations will improve profitability in the fourth quarter, particularly as larger transmission opportunities move to construction. Regarding the communications operations included in the Electric Segment, we continue to see the opportunity for operating margins to achieve upper single digits by the fourth quarter of 2019, led by our U.S. communications operations. As such, we see overall Electric Segment margins in the third and fourth quarters approaching 10%. For the full year, we expect operating margins for the Electric Segment to be between 8.4% and 8.9%, which includes the approximately 110 basis point negative impact associated with the Peruvian telecommunications project charge.

Pipeline and Industrial Infrastructure Services Segment: We expect revenues to be highest in the third quarter, with fourth quarter revenues expected to decline meaningfully from the third quarter due to normal seasonality and reduced larger pipeline project activity. After two years in which larger pipeline projects contributed approximately \$1.5 billion in revenues, our 2019 revenue range contemplates a significantly lower contribution from those projects, impacted by, among other things, the delay on the Atlantic Coast Pipeline project. However, we expect base business growth to partially offset this decline, as demand for our services in the gas utility and industrial markets continues to provide meaningful growth opportunities. From a margin perspective, we expect full year margins between 5.5% and 6.0%. We reduced the high end of the margin range from 6.5% previously due to pressure from approximately \$13.6 million of losses incurred in the second quarter associated with a processing facility project, which has incurred \$22 million of losses year-to-date. A substantial component of the increased loss in the second quarter was incremental liquidated damage amounts due to continued delays in completion which have now been accrued to the maximum contractual amount. We are in the final stages of this project and believe we have accrued all known losses. We expect losses from the processing facility to impact margins for the year by approximately 50 basis points at the midpoint of our revenue range. We expect margins will improve sequentially into the third quarter, but decline meaningfully in the fourth quarter due to normal seasonality.

Other Commentary:

Other Income

Included in Quanta's GAAP and adjusted diluted earnings per share expectations is the recognition of approximately \$0.30 per share of earnings related to the accounting treatment of previously deferred income for the Fort McMurray West Transmission project. The project was completed and placed in commercial operation in the first quarter of 2019, at which time we recognized the deferred profit that had been reflected in Other Expense on our statement of operations for 2017 and 2018. In addition to the recognition of previously deferred profit, we expect to recognize approximately \$5 million in other income this year attributable to our ownership stake in the Fort McMurray transmission line. Also included in other income is expected earnings from our 2018 investment in an Australian water pipeline contractor.

Peru

We incurred a \$79.2 million charge, or \$0.54 per diluted share, in the second quarter of 2019 associated with a large telecommunications project in Peru, which is subject to an ongoing dispute.

Tax Rate

Quanta had insufficient Peruvian taxable income to absorb the \$79.2 million charge associated with the Peru project, resulting in an increase in our effective tax rate to between 31.75% and 32.25% for the full year. We expect third quarter and fourth quarter rates to be approximately 29%.

Non-GAAP Financial Measure

A reconciliation of EBITDA and adjusted EBITDA (non-GAAP measures) to GAAP net income attributable to common stock and a reconciliation of estimated adjusted diluted earnings per share attributable to common stock (a non-GAAP measure) to estimated GAAP diluted earnings per share attributable to common stock, can be found in the company's press release announcing results for the fiscal quarter ended June 30, 2019, which is available on the company's website at www.quantaservices.com in the "Investors & Media" section.

Forward Looking Statements

This summary information (and oral statements regarding the subject matter of this summary information) 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 projected revenues, net income, earnings per share, EBITDA, weighted average shares outstanding, margins, capital expenditures, tax rates and other operating or financial results; expectations regarding Quanta's business or financial outlook; growth, trends or opportunities in particular markets; 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 and return capital to stockholders; the strategic use of Quanta's balance sheet; the expected value of contracts or intended contracts with customers; the scope, services, term and 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, as well as the level of commodity prices and their impact on Quanta's business or the demand for Quanta's services; the impact of existing or potential legislation or regulation; potential opportunities that may be indicated by bidding activity or discussions with customers; 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; possible recovery of pending or contemplated insurance claims, change orders and affirmative claims against customers or third parties; Quanta's plans and strategies; and the current economic and regulatory conditions and trends in the industries Quanta serves; as well as statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts. 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 any actual or potential shutdown, sequester, default or similar event or occurrence involving the U.S. federal government; quarterly variations in operating results, liquidity, financial condition, capital requirements, reinvestment opportunities or other financial results; trends and growth opportunities in relevant markets; delays, reductions in scope or cancellations of anticipated, pending or existing projects, including as a result of weather, regulatory or permitting issues, environmental processes, project performance issues, claimed force majeure events, protests or other political activity, legal challenges or customer capital constraints; the successful negotiation, execution, performance and completion of anticipated, pending and existing contracts, including the ability to obtain future project awards; Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third party contractors, the ability to attract and the potential shortage of skilled labor; the ability to retain key personnel and qualified employees; dependence on fixed price contracts and the potential to incur losses with respect to these contracts; adverse weather conditions or significant weather events; the ability to generate internal growth; competition in Quanta's business, including the ability to effectively compete for new projects and market share; the effect of commodity prices on Quanta's operations and growth opportunities and on customer capital programs and demand for Quanta's services; the future development of natural resources; the failure of existing or potential legislative actions to result in demand for Quanta's services; fluctuations of prices of certain materials used in Quanta's business, including as a result of the imposition of tariffs or changes in U.S. trade relationships with other countries; liabilities associated with multiemployer pension plans, including underfunding of liabilities and termination or withdrawal liabilities; unexpected costs or liabilities that may arise from pending or threatened legal proceedings, indemnity obligations or other claims or actions asserted against Quanta, including liabilities for claims, fines or penalties that are 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; risks relating to the potential unavailability or cancellation of third-party insurance, the exclusion of coverage for certain losses, and potential increases in premiums for coverage deemed beneficial to Quanta; damage to our brand or reputation as a result of cybersecurity or data privacy breaches, environmental and occupational health and safety matters, or corporate scandal; 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 to pay for services, including failure to collect outstanding receivables; the failure to recover on payment claims against project owners or third party contractors or to obtain adequate compensation for customer-requested change orders; the failure of Quanta's customers to comply with regulatory requirements applicable to their projects, which may result in project delays and cancellations; 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; the 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 cultural 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; the potential adverse impact resulting from uncertainty surrounding investments and acquisitions, including the ability to retain key personnel from acquired businesses, 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; requirements relating to governmental regulation and changes thereto; inability to enforce Quanta's intellectual property rights or the obsolescence of such rights; risks related to the implementation of new information technology solutions; the impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts; the cost of borrowing, availability of cash and credit, 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 access sufficient funding to finance desired growth and operations, including or ability to access capital markets on favorable terms; the ability to obtain performance bonds and other project security; the ability to continue 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; 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; and other risks and uncertainties detailed in Quanta's Annual Report on Form 10-K for the year ended Dec. 31, 2018 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 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 press release.