Puerto Rico Electric Transmission & Distribution System Operating & Maintenance Agreement Overview

July 16, 2020
Notice to Investors

This presentation (and oral statements regarding the subject matter of this presentation) includes forward-looking statements intended to qualify under the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include any statements reflecting Quanta’s expectations, intentions, strategies, assumptions, plans or beliefs about future events or performance or that do not solely relate to historical or current facts. Forward-looking statements involve certain risks, uncertainties and assumptions that are difficult to predict or beyond Quanta’s control, and actual results may differ materially from those expected, implied or forecasted by our forward-looking statements due to inaccurate assumptions and known and unknown risk and uncertainties. For additional information concerning some of the risks, uncertainties, assumptions and other factors that could affect our forward-looking statements, please refer to Quanta’s Annual Report on Form 10-K for the year ended Dec. 31, 2019, Quarterly Report on Form 10-Q for the quarter ended Mar. 31, 2020 and other documents filed with the Securities and Exchange Commission (SEC), which are available on our website (www.quantaservices.com), as well as the risks, uncertainties and assumptions identified in this presentation. Investors and analysts should not place undue reliance on Quanta’s 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 to reflect events or circumstances after the date of this presentation or otherwise, and Quanta expressly disclaims any written or oral statements made by any third party regarding the subject matter of this presentation.
Opportunity Highlights

• LUMA Energy, LLC (LUMA), 50% owned by Quanta and 50% owned by ATCO, has been selected for this historic opportunity – the transformation and modernization of the Puerto Rico electric transmission and distribution (T&D) system, in order to provide significant benefits to the people of Puerto Rico through an Operation and Maintenance Agreement (O&M Agreement) with the Puerto Rico Electric Power Authority (PREPA) and the Puerto Rico Public-Private Partnership Authority (P3)

• LUMA is a purpose-built company that leverages the strengths of Quanta, ATCO and IEM, including world-class utility operations; craft-skilled labor training and management; and federal funds procurement, management and deployment

• LUMA’s O&M Agreement is consistent with Quanta’s long-term strategy
  • Long-term, contracted agreement that is expected to provide a visible, recurring and resilient cash flow and earnings stream
  • LUMA earns a fixed fee for service plus opportunity to earn annual incentive fees based on achievement of performance metrics. PREPA retains ownership of the electric T&D system and LUMA is not required to make capital investments in the electric T&D system
  • Electric T&D system operating costs and capital expenditures are pass-through and paid from pre-funded service accounts

• Quanta believes there is opportunity for it to compete for work associated with Puerto Rico’s grid modernization efforts that are separate from its ownership interest in LUMA

• Successful collaboration with a customer to deliver unique infrastructure solutions that can serve as a blueprint for future opportunities
Puerto Rico Electric T&D System Operation & Maintenance Agreement

Summary

In response to the devastation of the island and its electric power system caused by hurricanes in 2017, as well as other challenges faced by PREPA, in June 2018, Puerto Rico began a historic process intended to transform and further modernize the electric power grid and PREPA into an organization that is (1) customer-centric, (2) affordable, (3) reliable, (4) resilient, and (5) sustainable.

To that end, Puerto Rico government agencies pursued a partnership with a private entity for a long-term agreement to operate and maintain PREPA's entire electric transmission and distribution (T&D) system and to lead the transformation of PREPA. LUMA competed for and was formally selected by the P3 to be the operator for the agreement in June 2020. Additional information can be found on the P3 website at http://www.p3.pr.gov/.
LUMA’s Expected Benefits to the People of Puerto Rico

LUMA is a purpose-built company that has been designed to help provide the people and communities of Puerto Rico with a resilient, reliable and sustainable electric T&D system, while also delivering outstanding customer service. Over the contract term, LUMA will collaborate to deliver a modern and sustainable workforce and grid for Puerto Rico. LUMA is committed to high standards of transparency, integrity, safety and operational excellence.

• LUMA is making a long-term commitment to the people of Puerto Rico and – with its partners – is focused on becoming a customer-centric utility that is a part of the Puerto Rico community.

• LUMA is taking a tailored approach to the implementation of plans for emergency preparedness and response and the further modernization of the T&D system.

• LUMA expects improved electricity affordability for the people and businesses of Puerto Rico over time and improving customer service and reliability programs.

• LUMA will seek to create economic benefits that attract businesses, create job opportunities and improve quality of life in Puerto Rico.

• LUMA will leverage its extensive experience with federal funding procurement, management and deployment.

• LUMA has made a strong commitment to Puerto Rico’s utility workforce through developing and managing a state-of-the-art line worker and technical training campus in Puerto Rico. The campus will be operated by Quanta’s accredited postsecondary educational institution - Northwest Lineman College - and plans to offer world-class, customized curriculum and training to LUMA utility workers and the next generation of Puerto Rico’s skilled workforce.
LUMA Consortium

• 50% owner of LUMA Energy, LLC
• North America’s largest and industry-leading electric power infrastructure solutions provider with world-class skilled workforce training
• 2019 revenues = $12.1 billion

Purpose-built company

✓ Best-in-class operational and customer service expertise

✓ Superior electric utility services and project execution capabilities

✓ Long-time partners with track record of superior performance

✓ Specialized partner with best-in-class disaster relief funding experience

• 50% owner of LUMA Energy, LLC
• Operator of world-class utility businesses delivering safe, reliable and affordable energy to customers
• 2019 revenues = C$4.7 billion

• Sub-contractor to LUMA for federal funds management
• +35 years experience supporting disaster response and recovery programs funded by federal, state and local sources with $51 billion deployed to date

LUMA LEVERAGES THE STRENGTHS OF QUANTA, ATCO AND IEM
Positive Reception In Puerto Rico

LUMA has Already Received Hundreds of Messages from Puerto Rico Residents and PREPA Employees that are Excited About Opportunities with LUMA and the Expected Benefits for Puerto Rico

“Hi, welcome to PR. We have been waiting for this moment. You have the full support of the PREPA Safety Team.”

“I hope to receive news soon. I am currently looking for a new challenge. I would like to be considered part of the change that all Puerto Ricans deserve.”

“I received the information about the transition from PREPA to LUMA. Currently, I’m about to complete my 30th year of service with PREPA. I have so much commitment to my company that I would like to continue working for LUMA in the future.”

“Greetings, I am just graduating from the UPR in Mayagüez as an electrical engineer. I am interested in working for your company as an electrical engineer or engineer on projects.

“Good afternoon! I worked with PREPA and I quit. I went to the United States and now I want to return to my island to work with you.”

“If you make this happen with LUMA, you will have employees with a great commitment, fidelity and pride in serving and offering a quality electric power system to our country ... and we can do it together with LUMA.”

“Many successes for Puerto Rico - thanks for being here to improve our electrical system. I have worked for 26 years with AEE in transmission and we need to improve a lot, and with your help it will be possible.”

“On what date will they interview the employees interested in joining LUMA? I am very interested in being part of this.”

“I have worked as a lineman for 18 years with PREPA. My last 5 years I was Lineman 4. I’m interested in knowing how I can apply with LUMA.”

“I appreciate [LUMA’s] efforts to keep communication channels open and the availability to address all our concerns. Although changes inevitably cause uncertainty and anxiety, information helps us process these changes responsibly and proactively. I am sure that this new beginning in the hands of LUMA will result in great career opportunities for Authority [PREPA] employees, and more than anything, in numerous benefits for the people of Puerto Rico. I offer my availability to provide assistance during any stage of the transition process.”

“Good afternoon! I worked with PREPA and I quit. I went to the United States and now I want to return to my island to work with you.”

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“On what date will they interview the employees interested in joining LUMA? I am very interested in being part of this.”

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Key Contract Terms and Objectives

Operation and Maintenance Agreement to Leverage Quanta’s and ATCO’s Best-In-Class Capabilities to Deliver Significant Benefits to the People of Puerto Rico

- Significant planned capital program to rebuild and modernize the T&D system to be managed by LUMA with funding primarily through U.S. federal disaster relief agencies
- ~1-year transition period – LUMA is working collaboratively with PREPA and the government of Puerto Rico to complete numerous steps necessary to ensure a smooth transfer of PREPA’s T&D operations to LUMA, which is targeted to occur in mid-2021
- 15-year operating period – working with local workforce and management, LUMA intends to transform the Puerto Rico T&D system and utility, including utility operations and customer service, disaster recovery and storm-hardening capital programs, into an efficient and modern utility
- LUMA earns a fixed fee for service plus opportunity to earn annual incentive fees based on achievement of performance metrics. System operating costs and capital expenditures are pass-through and paid from PREPA’s pre-funded service accounts
- LUMA does not own the T&D assets and does not own or operate the power generation assets - PREPA retains ownership of all assets. No required capital investment by LUMA
Key Contract Terms and Objectives

**Front-End Transition Period**
(2020 – 2021)

- Preparatory work to enable full transition of operations to LUMA in process
- LUMA paid a fixed transition fee
- Costs incurred by LUMA for purposes of front-end transition are reimbursable

**O&M Services Period**
(2021 – 2035)

- LUMA assumes responsibility for all in-scope operational matters
- Fixed fee for service paid monthly
- Additional incentive fees determined annually based on performance metrics
- Fixed and incentive fees indexed to inflation
- Flow-through of system operating costs and capital expenditures paid from pre-funded service accounts
- Back-end transition period begins one year before end of contract term (actual costs reimbursed plus profit mark-up)
### Key Contract Terms and Objectives

*Note: All financial information below is at the LUMA level. Quanta owns 50% of LUMA.*

#### Front-End Transition Period Compensation

<table>
<thead>
<tr>
<th>Front-End Transition Service Fee</th>
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<tbody>
<tr>
<td>• Fixed Front-End Transition Service Fee of $60M</td>
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<tr>
<td>• Reimbursement of actual costs to provide Front-End Transition Service</td>
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#### O&M Services Period Compensation

<table>
<thead>
<tr>
<th>Fixed Fee</th>
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<tr>
<td>• Fixed Fee for each Contract Year (July 1 to June 30) paid monthly</td>
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<tr>
<td>• Year 1 – $70M; Year 2 – $90M; Year 3 – $100M; Year 4 &amp; Duration of Contract – $105M (adjusted pro-rata for any partial contract year)</td>
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<tr>
<td>• Fixed Fee escalated annually at U.S. Consumer Price Index (CPI)</td>
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<tr>
<td>• System operating costs and capital expenditures are flow-through expenditures</td>
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<tr>
<td>• LUMA's costs for Executives, Board of Directors and general corporate administration borne by LUMA and paid from Fixed Fee</td>
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<tr>
<th>Incentive Fee</th>
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<td>• Incentive Fee up to a maximum of ~20% of the Fixed Fee in each Contract Year</td>
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<tr>
<td>• Year 1 – $13M; Year 2 – $17M; Year 3 – $19M; Year 4 &amp; Duration of Contract – $20M</td>
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<tr>
<td>• Incentive Fee escalated annually at U.S. CPI</td>
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Opportunity for Quanta to Further Participate in Puerto Rico’s Grid Modernization

PREPA T&D Annual CAPEX Forecast

- Example projects include hardening of north-south transmission line, substation upgrades, undergrounding of overhead lines and hardening of control / emergency operations centers
- These opportunities are separate and incremental to Quanta’s ownership interest in LUMA
- CAPEX forecast anticipates significant amount of federal funding – expected to be the largest grant ever made by the Federal Emergency Management Agency (FEMA)

Source: PREPA, COR3, and Navigant (P3 Partnership Committee Report)
<table>
<thead>
<tr>
<th>Concerns</th>
<th>Poor Experiences by Others in Puerto Rico</th>
<th>PREPA Credit Worthiness / Title 3 Risk</th>
<th>Execution Risk – Is This Really Core?</th>
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</table>
| **Mitigating Factors** | • Others had one-off contracts with PREPA for storm response. LUMA’s contract is with the P3 and supported by the Federal Government Oversight Board. LUMA and O&M Agreement thoroughly vetted over 18-month process  
• O&M Agreement has received all required government and political approvals  
• O&M Agreement is for 15 years and for the long-term modernization of the T&D grid  
• Strong contract terms and conditions protect LUMA  
• LUMA receives $115 million contract termination fee if necessary | • PREPA generates ~$3 billion in annual revenues and has +$500 million in cash  
• PREPA required to maintain minimum funding levels in restricted accounts to pay LUMA’s fee and reimbursable expenses on monthly basis. ~$59 million pre-funded account in place, which will be “topped-off” monthly  
• LUMA has termination rights and receives a fee if required account funding levels are not maintained  
• If full transition requirements are met but PREPA is still working through Title 3, LUMA may operate under a Supplemental Agreement for up to 18 months with appropriate compensation levels. If Title 3 process is not complete at the end of 18 months, LUMA may elect to terminate the agreement and receive a fee | • LUMA leverages respective companies’ areas of expertise to their responsibilities – bespoke approach major reason LUMA was selected (see extensive P3 Partnership Committee Report)  
• Quanta’s core capabilities in training and safety of craft skilled labor, T&D engineering, construction and maintenance, are Quanta’s responsibilities in LUMA  
• Quanta believes it has opportunity to compete for work to modernize the T&D system separate from LUMA |
## Top Investor Concerns vs. Mitigating Factors

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<td><strong>Risk / Timing of Achieving Full-Transition</strong></td>
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<td>• LUMA selected, in part, due to its well designed and thorough transition plan</td>
<td>• LUMA working with P3 and PREPA to finalize key items for Full-Transition and build a roadmap to a safe and reliable T&amp;D system, such as:</td>
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<td>• Handover checklists</td>
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<td>• Emergency response plans</td>
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<td>• Initial budgets</td>
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<td>• Security plans</td>
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<td>• Vegetation management plans</td>
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<td></td>
<td>• Interview and transition PREPA employees to LUMA</td>
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<td>• Full-Transition expected to occur in mid-2021</td>
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<td>• Quanta, ATCO and IEM’s industry leading emergency response capabilities were a significant factor in LUMA’s selection by the P3</td>
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<td>• Quanta has the largest electric power workforce in North America with industry leading T&amp;D emergency restoration capabilities and decades of emergency response experience</td>
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<td>• ATCO and IEM’s global disaster and emergency management services and experience</td>
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<td>• T&amp;D system ownership remains with PREPA, retaining eligibility for federal disaster relief funding in the event of another disaster</td>
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Summary

• LUMA has been selected for this historic opportunity – the transformation and modernization of the Puerto Rico electric T&D system, in order to provide significant benefits to the people of Puerto Rico through an O&M Agreement with PREPA and the P3

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- Projected revenues, net income, earnings, return on invested capital, margins, cash flows and other operating or financial results;
- Potential management and incentive fees and the expected value of the agreement for the project or Quanta’s investment in LUMA;
- The anticipated scope, services, terms and results of the operation, maintenance and transformation project and Quanta’s investment in LUMA;
- The future performance, efficiency, safety or success of the project and Quanta’s investment in LUMA, including the expected economic, workforce and social impact on Puerto Rico and expectations regarding future performance of the Puerto Rican electrical grid and service;
- The successful transition of the transmission and distribution operations to LUMA and the anticipated completion date of such transition;
- The availability of, and ability to secure, governmental funding for opportunities associated with grid modernization;
- The ability to develop the technical training campus and any future impact on workforce development;
- Expected performance obligations or backlog; trends, opportunities and economic and regulatory conditions in particular markets;
- Expectations regarding Quanta’s business or financial outlook, plans and strategies;
- The business plans or financial condition of PREPA, including its ability to emerge from bankruptcy;
- The potential benefits from the investment in LUMA; and the expected accounting treatment of Quanta’s investment in LUMA; 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.

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 or political conditions outside of the control of Quanta, including the ongoing and potential impact to financial markets and worldwide economic activity resulting from the COVID-19 pandemic;
- Successful performance and completion of the project;
- Failure to realize the anticipated value of the project;
- Delays, reductions in scope or cancellations related to the project and potential additional opportunities, including as a result of weather, regulatory or permitting issues, environmental processes, performance issues, claimed force majeure events, protests or other political activity, reductions or eliminations in governmental funding, legal challenges or customer capital constraints;
- The severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of business and governmental responses to the pandemic on Quanta’s and LUMA’s operations, personnel and supply chain;
- Performance shortfalls by LUMA or any party’s inability or failure to comply with the terms of the contract, the joint venture agreement and other agreements associated with the project, which may result in disputes, additional costs, unexcused delays, warranty claims, failure to meet performance guarantees, damages or termination;
- The potential for claims associated with schedule delays, performance shortfalls or inability or failure to comply with the contractual terms of the project;
- Estimates relating to accounting treatment of Quanta’s investment in LUMA;
- Adverse weather conditions or significant weather events, including, among others, hurricanes, tropical storms and floods;
- Risks associated with operational hazards that arise due to the nature of LUMA’s and Quanta’s services and the conditions in which they operate, including, among others, explosions;
- LUMA’s or Quanta’s involvement in a catastrophic event (e.g., fire, explosion) or other negative incident in connection with the arrangement;
- Unexpected costs or liabilities that may arise from legal proceedings, indemnity obligations, pension plans, environmental liabilities or other claims or actions asserted against LUMA or Quanta, including those not covered by, or in excess of, third-party insurance;
- The ability to attract and the potential shortage of skilled labor;
- The ability to retain key personnel and qualified employees for the successful management of LUMA;
- The successful negotiation, execution, performance and completion of anticipated, pending and existing agreements;
- The inability or refusal of PREPA to pay for Quanta’s services, including as a result of its ongoing bankruptcy;
- The inability to secure existing or potential government funding in connection with the arrangement;
Forward Looking Statements

- The potential adverse impact resulting from uncertainty surrounding Quanta’s investment in and operation of LUMA, including potential disagreements with respect to management or failure of parties to perform obligations required;
- The impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts;
- The failure of suppliers, subcontractors or other third party contractors to perform their obligations, including warranty obligations, under their subcontracts;
- Adverse changes in economic conditions and trends in relevant markets;
- Cancellation and termination provisions present in the agreements for the project;
- Estimates and assumptions in determining financial results;
- Other risks and uncertainties detailed in Quanta’s Annual Report on Form 10-K for the year ended Dec. 31, 2019, Quanta’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and any other documents that Quanta files with the 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 and analysts 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.