



# 4Q and Full-Year 2022 Earnings Call Presentation

February 23, 2023

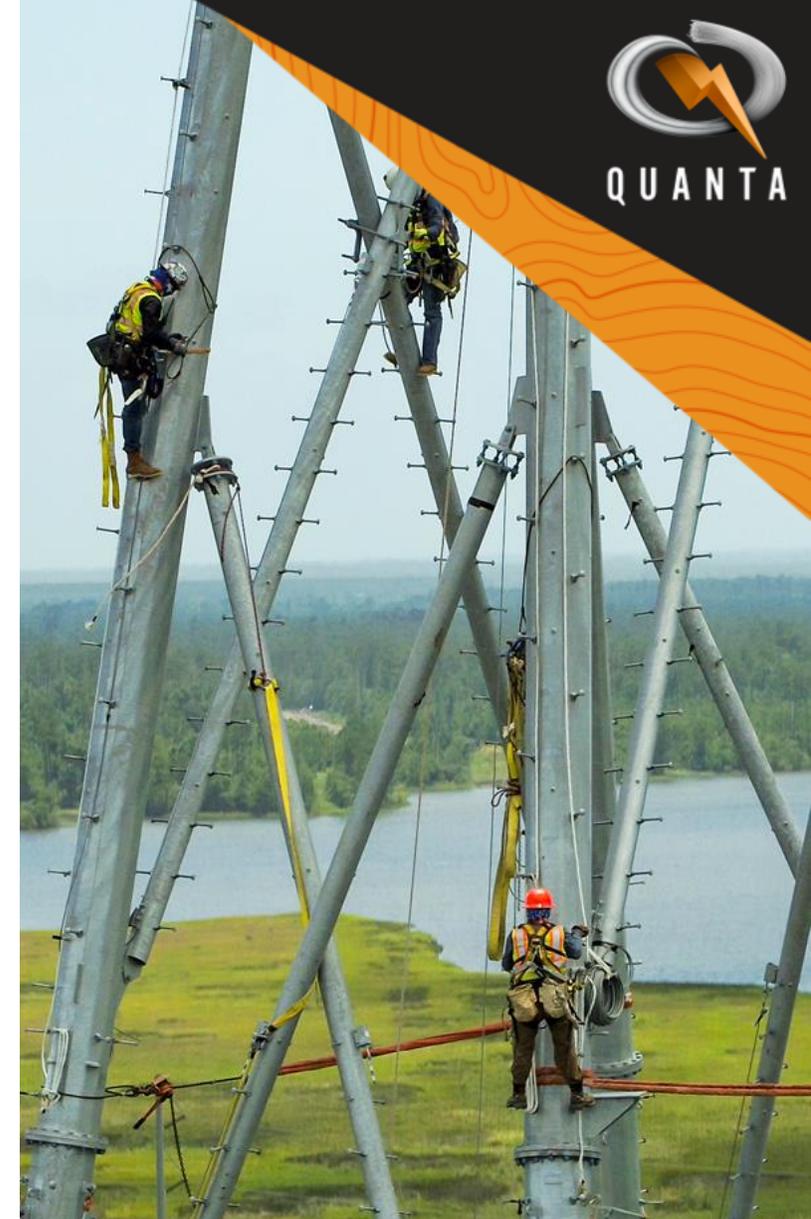


# Notice to Investors

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 risks and uncertainties. Additionally, while all forward-looking statements are necessarily speculative, Quanta believes that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection extends from the date of preparation. 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 Reports on Form 10-K for the years ended December 31, 2021 and December 31, 2022 (when filed), Quarterly Reports on Form 10-Q for the quarters ended March 31, 2022, June 30, 2022 and September 30, 2022 and other documents filed with the Securities and Exchange Commission, which are available on our website ([www.quantaservices.com](http://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.

Certain information may be provided in this presentation that includes financial measurements that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP). These non-GAAP financial measures should not be considered as alternatives to GAAP financial measures, such as net income attributable to common stock and cash flow provided by operating activities, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. For a reconciliation to the most directly comparable GAAP financial measures, please refer to the accompanying reconciliation tables.

The information contained in this document has not been audited by any independent auditor. This presentation is prepared as a convenience for securities analysts and investors and may be useful as a reference tool. Quanta may elect to modify the format or discontinue publication at any time, without notice to securities analysts or investors.



---

## Call Participants and Agenda

### **Duke Austin**

President and Chief Executive Officer

### **Jayshree Desai**

Chief Financial Officer

### **Kip Rupp**

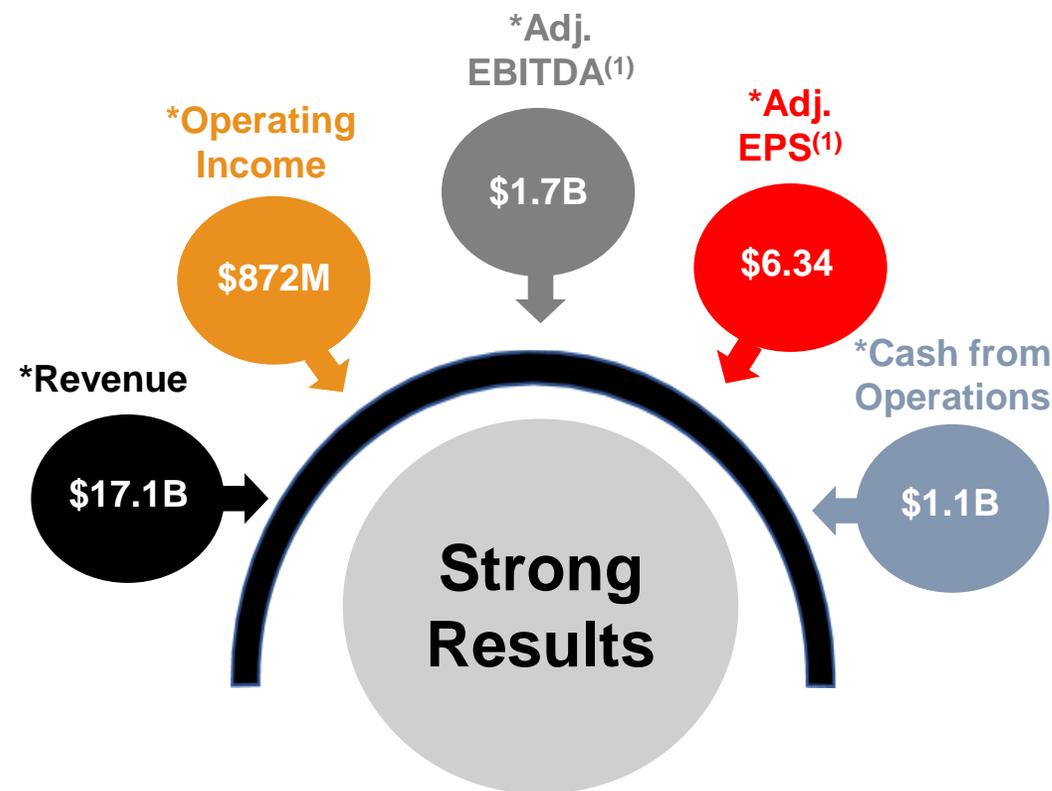
Vice President, Investor Relations

- Introduction and Forward-Looking Statements Disclaimer
- 2022 Results, Operational and Strategic Commentary
- Financial Review and Discussion
- Outlook
- Q&A

# 2022: Another Year of Solid, Safe Execution and Profitable Growth



- Strong full-year 2022 results include record:
  - Revenues
  - Adjusted EBITDA
  - Adjusted EPS
  - Total Backlog
  - Cash from Operations
- Results built off an industry-leading operational platform and financial strength, dedication of our employees and culture of collaboration
- Quanta has delivered five consecutive years of record adjusted EBITDA and six consecutive years of record adjusted EPS
- Demonstrates benefit of diversified portfolio of solutions, repeatable and sustainable model and successful execution of strategic initiatives



*\* Indicates annual record*

**2022 RESULTS REFLECT SUCCESSFUL EXECUTION OF STRATEGIC INITIATIVES**

# Select Full-Year 2022 Accomplishments



- Advanced our front-end solutions strategy, both organically and through acquisition and investments
- Record Electric Power Infrastructure Solutions segment revenues
- Expanded emergency response capabilities - strong and safe emergency response performance
- LUMA Energy continued to make substantial performance improvements across its operations and had a successful restoration response to Hurricane Fiona
- Grew communications services revenue by 30% and advanced wireless infrastructure capabilities
- Continued progress growing and diversifying our services portfolio across operating companies
- Quanta's "Capacity Model" recognized by National Safety Council as award finalist
- Acquired \$128 million of our common stock and increased our dividend per share by 17% while also increasing liquidity
- Continued to increase efforts and dedicate resources to sustainable business practices. Published first consolidated set of sustainability metrics, including our Scope 1 and 2 emissions

**Grow Base  
Business**

**Improve  
Margins**

**Expand Service  
Offerings**

**Develop Craft  
Skilled Labor**

**Disciplined & Value  
Creating Capital  
Deployment**

**DELIVERING ON STRATEGIC INITIATIVES AND ACHIEVED A GREAT DEAL IN 2022**

# Electric Power Infrastructure Solutions



- Another strong year of profitable growth despite supply chain challenges
- Reflects solid and safe execution, robust demand for our services and operational excellence
  - Grid modernization, system hardening, grid upgrades for increased EV penetration and emergency response work
- Backlog driven by renewed and new multi-year master services agreements (MSAs)
- Undergrounding of electric power lines is gaining momentum. Many initiatives are part of large-scale, multi-year system modernization and hardening programs
- Deployed significant resources to support utility customers whose electrical power infrastructure was damaged or destroyed by severe weather events



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

# Renewable Energy Infrastructure Solutions

- Utilities and renewable developers continue to advance carbon-reduction initiatives, increase electrification and lead the energy transition
- Achieving this will require substantial incremental investment in transmission, substation and renewable generation
- *Example:* In December 2022, Quanta announced it was selected by Xcel Energy as prime constructor for Colorado's Power Pathway high-voltage electric transmission project in Colorado
  - ~610 mile transmission line is designed to improve reliability of the state's power grid and enable future renewable energy development, including approximately 5,500 megawatts of new wind, solar and other resources that Xcel Energy plans to add through 2030
- Believe Quanta is uniquely positioned to collaborate with customers to shape their energy-transition initiatives
- Increasingly positive on multi-year growth opportunities



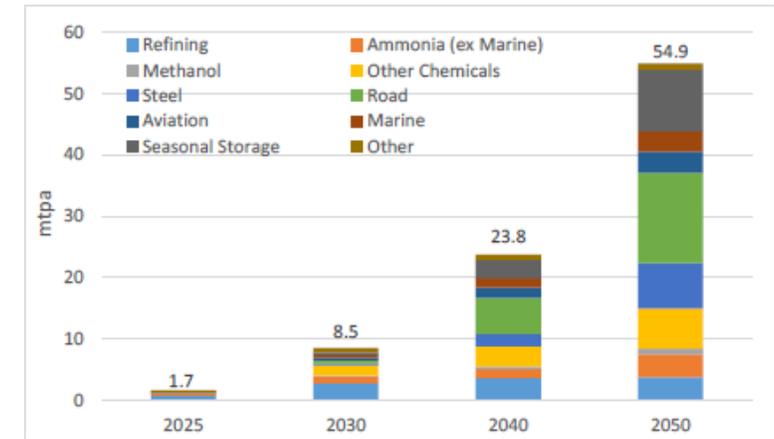
**INDUSTRY-LEADING ENERGY TRANSITION AND RENEWABLE ENERGY SOLUTIONS PLATFORM**

# Underground Utility & Infrastructure Solutions

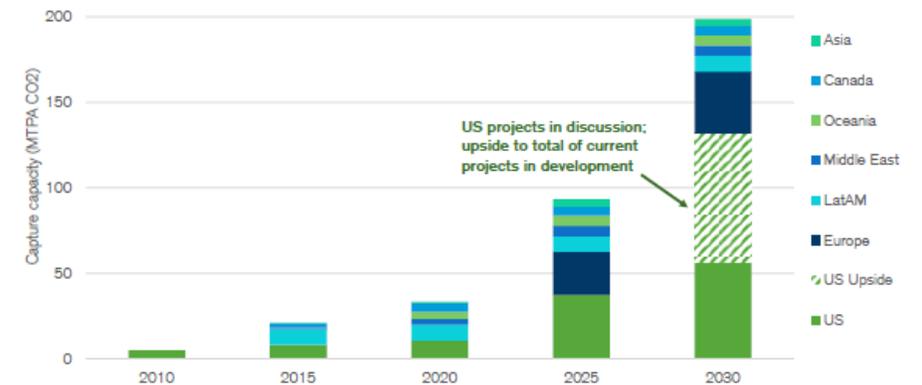


- Consistently performed at a high level throughout 2022
- Revenues grew strongly and margins significantly improved
  - Solid demand for gas utility, pipeline integrity and industrial services. Executed well on pipeline project work
- Continued to invest in our people and operational strategies during the pandemic, which made us a stronger and better company
- Continue to believe Quanta has meaningful opportunity to play an evolving and increasing role in support of customer carbon-reduction initiatives, which would require new construction and modernization of existing infrastructure.
- Inflation Reduction Act also includes incentives for the traditional energy and industrial industries to support energy transition, enhancing opportunities for this segment
  - Including clean hydrogen and carbon sequestration

Projected North America Green Hydrogen Demand<sup>(1)</sup>

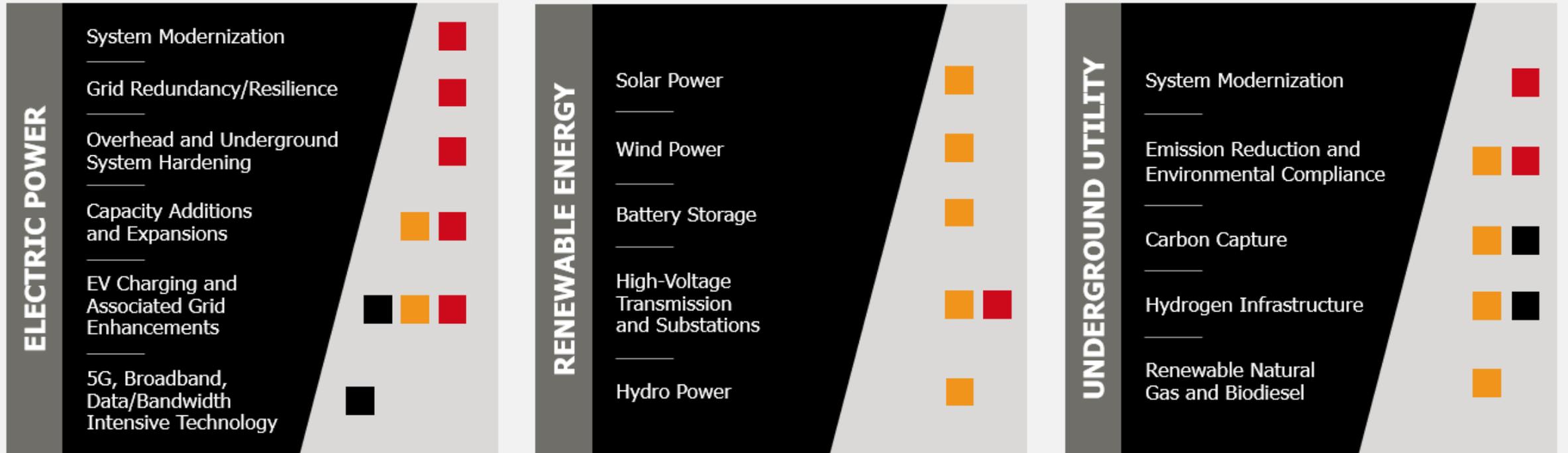


Estimated Carbon Capture Capacity in Operation and Development<sup>(1)</sup>



**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**

# Strong 2022 Performance and Positive Multi-Year Outlook



- 2022 performance and full-year 2023 expectations demonstrate our confidence in the strength and sustainability of our business and long-term strategy, favorable end-market trends, our ability to safely execute and our strong competitive position
- 2023 financial outlook includes record revenues and improved margins with opportunity for double-digit growth in adjusted EBITDA, cash flow and earnings per share
- We are strategically transforming our ability to collaborate with our customers on their energy-transition initiatives
- Increasingly confident in our ability to achieve or exceed the 2026 financial goals presented in our 2022 Investor Day
  - Organic growth strategy with opportunity to generate 10% Adj. EPS CAGR
  - Capital allocation platform with opportunity to deliver +15% Adj. EPS CAGR
- Continue to believe Quanta's diversity, unique operating model and entrepreneurial mindset form the foundation that will allow us to continue generating long-term value for all our stakeholders



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

# 4Q22 Segment Results versus 4Q21



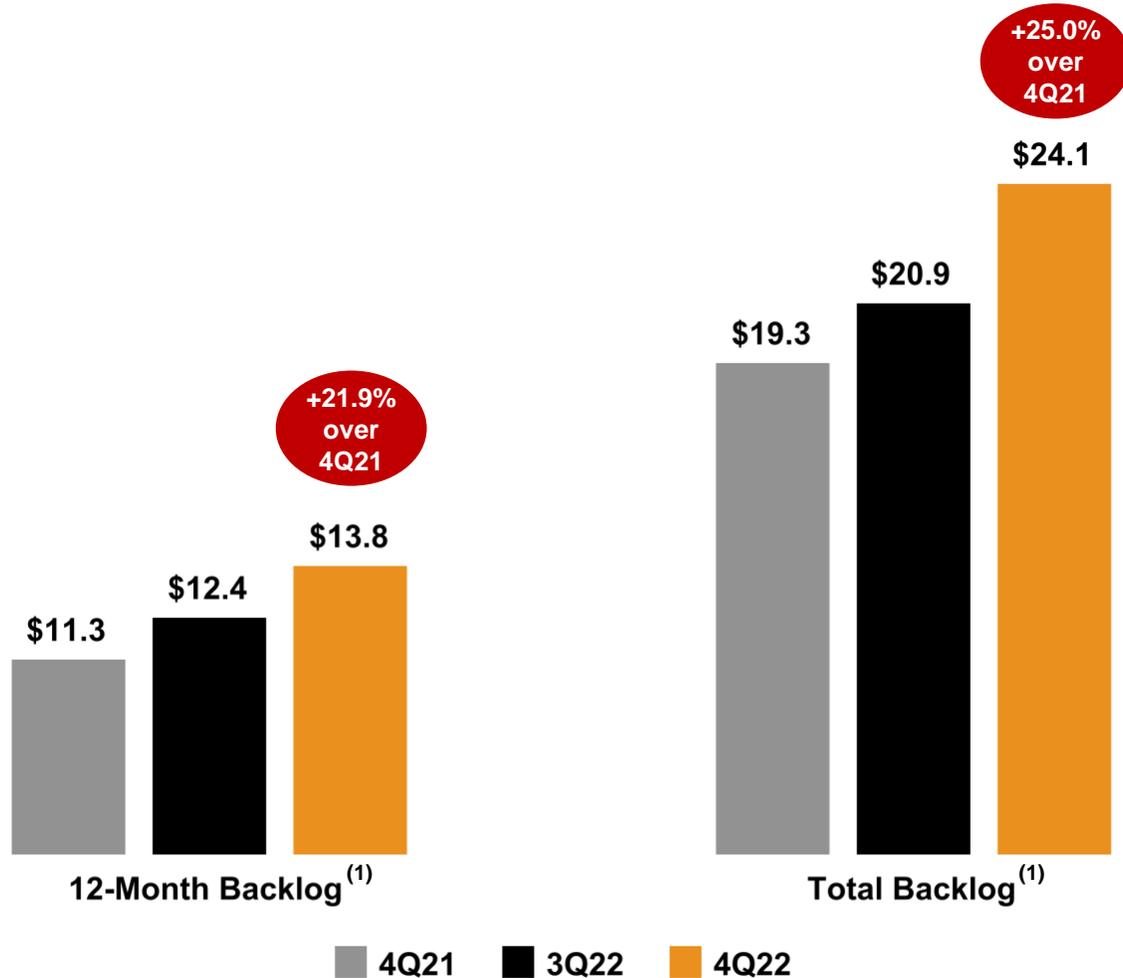
(\$M)	Revenues	Op Inc % <sup>(1)</sup> Change (bps)	Commentary
Electric Power Infrastructure Solutions	<b>\$2,320</b> <i>Up 9%</i>	<b>11.5%</b> <i>Down 30 bps</i>	<ul style="list-style-type: none"> <li>+ Revenues increased primarily due to increased spending by our utility customers on grid modernization and hardening, resulting in increased demand for electric power services, as well as \$40M in revenues from acquired businesses.</li> <li>- The decrease in margin was primarily due to the decrease of \$13M in equity in earnings from integral unconsolidated affiliates as well as less favorable results associated with normal variability in overall project timing and project mix, inefficiencies attributable to supply chain disruptions impacting certain operations and elevated consumable costs. These decreases were partially offset by improved performance on various communications projects.</li> </ul>
Renewable Energy Solutions	<b>\$1,000</b> <i>Up 29%</i>	<b>6.4%</b> <i>Down 270 bps</i>	<ul style="list-style-type: none"> <li>+ Revenues increased primarily due to \$70M in revenues from acquired businesses as well as an overall increase in our general renewables market.</li> <li>- Decreased margins due to a change in the mix of work due to acquisitions, project delays and operating inefficiencies due to regulatory and supply chain challenges. 4Q22 also negatively impacted by ~120 basis points due to impairment charges on a software implementation project at an acquired company that commenced prior to our acquisition and was discontinued in 4Q22.</li> </ul>
Underground Utility & Infrastructure Solutions	<b>\$1,097</b> <i>Up 9%</i>	<b>7.1%</b> <i>Up 220 bps</i>	<ul style="list-style-type: none"> <li>+ Revenues increased primarily due to higher demand from our gas utility and industrial customers.</li> <li>+ Margins increased due to the improved performance across the segment from solid execution and better resource utilization, particularly with respect to our base business operations. Additionally, 4Q21 was negatively impacted by approximately \$12M attributable to a provision for credit loss and an impairment charge.</li> </ul>
Corporate & Non-Allocated	<b>N/A</b>	<b>(3.4)%</b> <i>Down 250 bps</i>	<ul style="list-style-type: none"> <li>- \$82M decrease in costs compared to 4Q21 primarily due to a \$37M decrease in amortization of intangibles, a \$33M decrease in deal costs, and an \$8M change in fair value of contingent consideration liabilities.</li> </ul>

## RECORD FOURTH QUARTER REVENUES CLOSE OUT SOLID 2022

# Backlog <sup>(1)</sup>



(\$B)



## Total Backlog

- Total backlog of \$24.1B and 12-month backlog of \$13.8B represent record levels as of December 31, 2022
- The increase in backlog is primarily attributable to multiple new project awards, including Colorado Power Pathway Project, and extensions and increases in expected volumes under MSAs
- Continued backlog growth indicates steady and growing demand for our base business solutions. We remain confident in our ability to capitalize on opportunities that can lead to new record levels of backlog in future quarters

## RECORD 12-MONTH & TOTAL BACKLOG

# Free Cash Flow & DSO



## 4th Quarter Recap

### Free Cash Flow increase driven by:

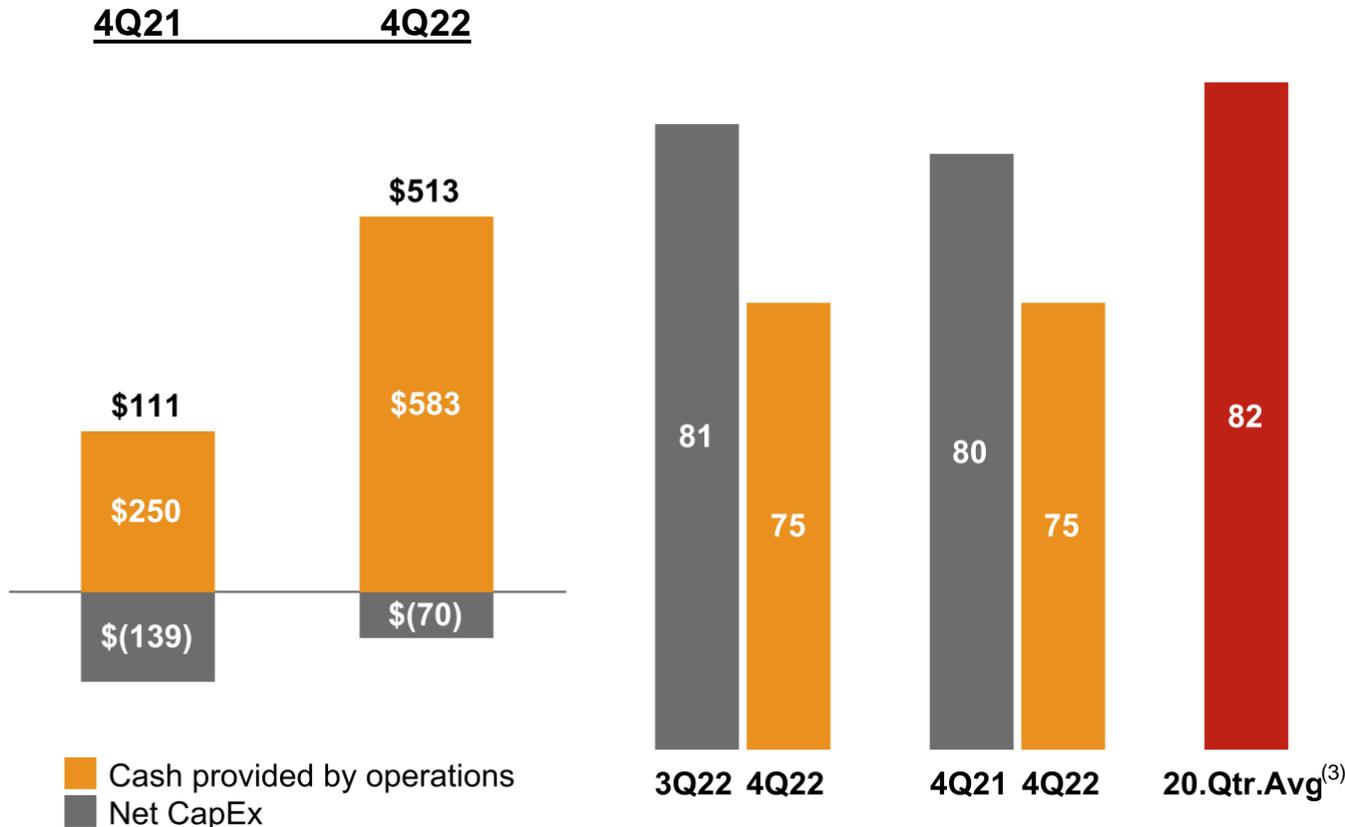
- 4Q22 cash flow benefited from favorable billing arrangements on certain contracts. Net capital expenditures in 4Q21 included a \$50 million opportunistic procurement of strategic equipment
- Contributing to the strong free cash flow in 4Q22 was the collection of \$101M pursuant to coverage under an insurance policy for the improper collection of the advance payment and performance bonds related to our Peruvian subsidiary's terminated telecommunications project

### DSO of 75 Days was:

- 6 days lower compared to 3Q22. The reduction was primarily due to favorable billing arrangements related to certain projects

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

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



## STRONG FREE CASH FLOW AND FAVORABLE DSO REDUCTION

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

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

(3) 20 quarter average from December 31, 2017 through December 31, 2022.

# Balance Sheet & Liquidity

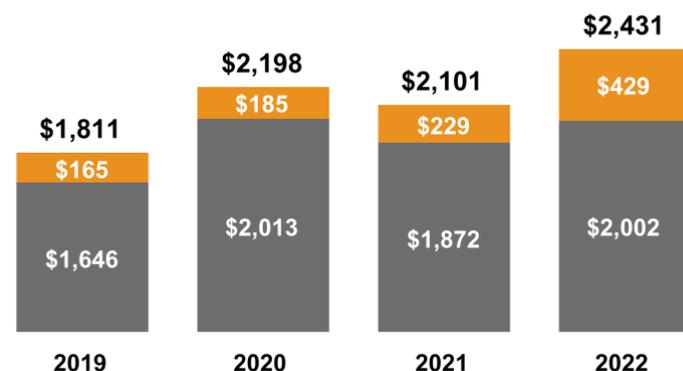
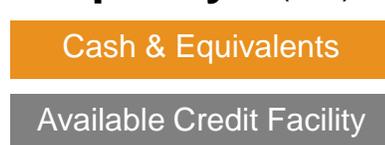


(\$M)	December 31,			
	2019	2020	2021	2022
<b>Cash and Cash Equivalents</b>	165	185	229	429
<b>Debt</b>				
Credit Facility (Revolver)	105	149	450	37
Commercial Paper	—	—	—	373
Term Loans	1,241	—	750	750
Senior Notes	—	1,000	2,500	2,500
Other	21	40	54	70
<b>Total Debt</b>	<b>1,367</b>	<b>1,189</b>	<b>3,754</b>	<b>3,730</b>
Operating Lease Liabilities	289	264	249	246
<b>Total Debt including Operating Lease Liabilities</b>	<b>1,656</b>	<b>1,453</b>	<b>4,003</b>	<b>3,976</b>
<b>Net Debt / EBITDA Ratio <sup>(1)</sup></b>	<b>1.6x</b>	<b>1.2x</b>	<b>2.3x</b>	<b>2.1x</b>

## Liquidity Highlights

- Continue to identify and execute on strategic investments and acquisitions, closed ~\$588M of acquisitions in January of 2023
- We expect continued earnings growth and cash generation to support our ability to efficiently de-lever over the coming quarters
- Ample liquidity available to continue to create stockholder value through incremental capital deployment

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



## CONSERVATIVE LEVERAGE & AMPLE LIQUIDITY FOR STRATEGIC INITIATIVES

(1) Net Debt to EBITDA Ratio, as calculated under the credit agreement for our senior credit facility includes Total Debt above, as well as certain other items including letters of credit.

(2) Liquidity includes cash and cash equivalents and availability under our senior credit facility. 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.

# Electric Power Solutions Segment Guidance



	2022	△	Estimated Range 2023
Revenues	\$8.9B	+ Base business growth led by continued investments supporting grid modernization, hardening and reliability	\$10.0B - \$10.1B
Op Inc % (1)	10.7%	+ Continued base business execution strength	10.7% - 11.3%

**EXPECTED DOUBLE-DIGIT REVENUE GROWTH AND DOUBLE-DIGIT MARGINS**

# Renewable Energy Solutions Segment Guidance



	2022	△	Estimated Range 2023
Revenues	\$3.8B	+ Solid growth compared to prior year with ramp in 2H23	\$4.3B - \$4.5B
Op Inc % <sup>(1)</sup>	8.1%	+ Improved margins with higher volumes - 1H23 cost absorption pressure with lower revenues	~8.5%

**EXPECTED ROBUST GROWTH WITH IMPROVED MARGIN OUTLOOK**

# Underground Utility & Infrastructure Solutions Segment Guidance



	2022	△	Estimated Range 2023
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
Op Inc % (1)	7.3%	<ul style="list-style-type: none"> <li>+ Continued strong execution across our base business</li> </ul>	7.25% - 7.75%

**EXPECTED UPPER SINGLE-DIGIT MARGINS DESPITE REDUCTION IN REVENUE**

# 2023 Guidance Summary



(\$M except per share data)

	Estimated Range		
	Low	Mid	High
<b>Revenues</b>	\$18,400	\$18,650	\$18,900
<b>Adj. EBITDA <sup>(1)</sup></b>	\$1,825	\$1,881	\$1,938
<b>Free Cash Flow <sup>(2)</sup></b>	\$750	\$875	\$1,000
<b>Net Income</b>	\$692	\$729	\$766
<b>Diluted EPS (GAAP)</b>	\$4.67	\$4.92	\$5.17
<b>Adjusted Diluted EPS <sup>(3)</sup></b>	\$6.75	\$7.00	\$7.25

**ENABLING THE ENERGY TRANSITION WITH INDUSTRY-LEADING INFRASTRUCTURE SOLUTIONS**

(1) Refer to the appendix for the definition of Adjusted EBITDA, a non-GAAP financial measure, and a reconciliation to Net Income Attributable to Common Stock.

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

(3) Refer to the appendix for the definition of Adjusted Diluted EPS, a non-GAAP financial measure, and a reconciliation to Diluted EPS.

## Closing Remarks



- The infrastructure investment required to support North America's energy transition remains in its early stages, and creates opportunities for Quanta's industry-leading comprehensive, end-to-end solutions
- Our relationships and the breadth of our solutions have proven to be critical in our ability to navigate the economic landscape of the last three years, and we are confident those attributes position us to continue along our expected double digit growth trajectory
- Our world-class craft-skilled workforce, coupled with our balance sheet strength, gives us the opportunity to deliver industry-leading solutions to our customers while maintaining the ability to deploy capital to deliver long-term stockholder value
- **Recognize and thank our world-class employees for their hard work and dedication**

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

# 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 (which includes retainage and unbilled balances), net of allowance, 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;
  - **Unrealized loss from mark-to-market adjustments on investment** in a public company, Starry Group Holdings, Inc., varies from period to period based on fluctuations in the market price of the company's common stock;
  - **Gains on sales of investments** varies from period to period depending on activity.
  - **Asset impairment charges** vary from period to period depending on economic and other factors; and
  - **Change in fair value of contingent consideration liabilities** varies period to period depending on the performance in post-acquisition periods of certain acquired businesses and the effect of present value accretion on fair value calculations.

## 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;
  - **Asset impairment charges** vary from period to period depending on economic and other factors;
  - **Acquisition and integration costs** vary from period to period depending on the level of Quanta's 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 and the effect of present value accretion on fair value calculations;
  - **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;
  - **Unrealized loss from mark-to-market adjustments on investment** in a public company, Starry Group Holdings, Inc., varies from period to period based on fluctuations in the market price of the company's common stock;
  - **Gains on sales of investments** varies from period to period depending on activity; and
  - **Impact of income tax contingency releases** vary from period to period and depend on the level of reserves for uncertain tax positions and the expiration dates under various federal and state statute of limitations periods.



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

(\$000s, except per share information)

	2022	FY 2023 GUIDANCE RANGE		
	FY	Low	Mid	High
<b>Reconciliation of adjusted net income attributable to common stock:</b>				
Net income attributable to common stock (GAAP as reported)	\$ 491,189	\$ 691,700	\$ 728,800	\$ 765,900
Adjustments:				
Acquisition and integration costs	47,431	19,100	19,100	19,100
Asset impairment charges	14,457	—	—	—
Change in fair value of contingent consideration liabilities	4,422	—	—	—
Equity in earnings of non-integral unconsolidated affiliates	(20,333)	(1,600)	(1,600)	(1,600)
Unrealized loss from mark-to-market adjustment on investment	91,500	—	—	—
Gains on sales of investments	(22,222)	(1,400)	(1,400)	(1,400)
Non-cash stock-based compensation	105,600	115,900	115,900	115,900
Amortization of intangible assets	353,973	279,000	279,000	279,000
Amortization related to integral unconsolidated affiliates	1,894	5,900	5,900	5,900
Income tax impact of adjustments	(125,578)	(108,400)	(108,400)	(108,400)
Impact of income tax contingency releases	(4,197)	—	—	—
Adjusted net income attributable to common stock	<u>\$ 938,136</u>	<u>\$ 1,000,200</u>	<u>\$ 1,037,300</u>	<u>\$ 1,074,400</u>
<b>Weighted average shares:</b>				
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	147,992	148,200	148,200	148,200
<b>Earnings per share attributable to common stock:</b>				
Diluted earnings per share attributable to common stock (GAAP as reported)	\$ 3.32	\$ 4.67	\$ 4.92	\$ 5.17
Adjusted diluted earnings per share attributable to common stock	\$ 6.34	\$ 6.75	\$ 7.00	\$ 7.25

## Estimated Long-Term Non-GAAP Financial Measures

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



## Reconciliation of EBITDA and Adjusted EBITDA

(\$000s)

	2022	FY 2023 GUIDANCE RANGE		
	FY	Low	Mid	High
Net income attributable to common stock (GAAP as reported)	\$ 491,189	\$ 691,700	\$ 728,800	\$ 765,900
Interest expense, net	121,757	147,000	150,000	153,000
Provision for income taxes	192,243	246,900	263,650	280,400
Depreciation expense	290,647	310,400	310,400	310,400
Amortization of intangible assets	353,973	279,000	279,000	279,000
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	14,274	17,600	17,600	17,600
<b>EBITDA</b>	<b>1,464,083</b>	<b>1,692,600</b>	<b>1,749,450</b>	<b>1,806,300</b>
Non-cash stock-based compensation	105,600	115,900	115,900	115,900
Acquisition and integration costs	47,431	19,100	19,100	19,100
Equity in earnings of non-integral unconsolidated affiliates	(20,333)	(1,600)	(1,600)	(1,600)
Gains on sales of investments	(22,222)	(1,400)	(1,400)	(1,400)
Unrealized loss from mark-to-market adjustment on investment	91,500	—	—	—
Asset impairment charges	14,457	—	—	—
Change in fair value of contingent consideration liabilities	4,422	—	—	—
<b>Adjusted EBITDA</b>	<b>\$1,684,938</b>	<b>\$1,824,600</b>	<b>\$1,881,450</b>	<b>\$1,938,300</b>

## Reconciliation of Free Cash Flow



(\$000s)	2021		2022		FY 2023 GUIDANCE RANGE		
	4Q	FY	4Q	FY	Low	Mid	High
<b>Net cash provided by operating activities (GAAP as reported)</b>	\$ 249,953	\$ 582,390	\$ 583,129	\$1,130,312	\$1,150,000	\$1,275,000	\$1,400,000
Less: Net capital expenditures:							
Capital expenditures	(152,856)	(385,852)	(90,161)	(427,630)	(400,000)	(400,000)	(400,000)
Proceeds from sale of property and equipment and related insurance settlements	14,085	49,721	20,520	64,123	—	—	—
Net capital expenditures	(138,771)	(336,131)	(69,641)	(363,507)	(400,000)	(400,000)	(400,000)
<b>Free Cash Flow</b>	<b>\$ 111,182</b>	<b>\$ 246,259</b>	<b>\$ 513,488</b>	<b>\$ 766,805</b>	<b>\$ 750,000</b>	<b>\$ 875,000</b>	<b>\$1,000,000</b>

# Reconciliation of Backlog



(\$000s)

	December 31, 2021		September 30, 2022		December 31, 2022	
	12 Month	Total	12 Month	Total	12 Month	Total
<b>Electric Power Infrastructure Solutions</b>						
Remaining performance obligations	\$2,002,862	\$2,769,106	\$2,207,737	\$2,854,847	\$2,124,820	\$3,033,472
Estimated orders under MSAs and short-term, non-fixed price contracts	4,492,038	9,447,765	4,987,105	10,126,733	5,415,427	10,049,435
Backlog	<u>6,494,900</u>	<u>12,216,871</u>	<u>7,194,842</u>	<u>12,981,580</u>	<u>7,540,247</u>	<u>13,082,907</u>
<b>Renewable Energy Infrastructure Solutions</b>						
Remaining performance obligations	2,178,846	2,428,408	2,305,314	2,917,067	3,183,568	4,638,115
Estimated orders under MSAs and short-term, non-fixed price contracts	65,618	120,237	70,150	116,922	57,555	84,094
Backlog	<u>2,244,464</u>	<u>2,548,645</u>	<u>2,375,464</u>	<u>3,033,989</u>	<u>3,241,123</u>	<u>4,722,209</u>
<b>Underground Utility &amp; Infrastructure Solutions</b>						
Remaining performance obligations	637,843	697,881	899,476	1,062,252	1,038,543	1,129,837
Estimated orders under MSAs and short-term, non-fixed price contracts	1,934,826	3,810,829	1,958,278	3,796,809	1,973,982	5,158,814
Backlog	<u>2,572,669</u>	<u>4,508,710</u>	<u>2,857,754</u>	<u>4,859,061</u>	<u>3,012,525</u>	<u>6,288,651</u>
<b>Total</b>						
Remaining performance obligations	4,819,551	5,895,395	5,412,527	6,834,166	6,346,931	8,801,424
Estimated orders under MSAs and short-term, non-fixed price contracts	6,492,482	13,378,831	7,015,533	14,040,464	7,446,964	15,292,343
Backlog	<u>\$11,312,033</u>	<u>\$19,274,226</u>	<u>\$12,428,060</u>	<u>\$20,874,630</u>	<u>\$13,793,895</u>	<u>\$24,093,767</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, EBITDA, margins, cash flows, liquidity, weighted average shares outstanding, capital expenditures, interest rates, tax rates, as well as other operating results and GAAP and non-GAAP financial results;
- Expectations regarding Quanta's business or financial outlook;
- Expectations regarding opportunities, trends, technological developments, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries, including with respect to Quanta's increased operations in the renewable energy market and the transition to a reduced-carbon economy;
- Expectations regarding Quanta's plans and strategies;
- Potential benefits from, and future financial and operational performance of, acquired businesses and investments, including Blattner Holding Company and its operating subsidiaries (collectively, Blattner) and Quanta's investment in LUMA Energy;
- Possible recovery of pending or contemplated insurance claims, change orders and claims asserted against customers or third parties;
- Expectations regarding the outcome of pending or threatened legal proceedings, as well as the collection of amounts awarded in 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 transition to a reduced-carbon economy;
- The potential impact of commodity prices and commodity production volumes on Quanta's business, financial condition, results of operations, cash flows and demand for Quanta's services;
- Projected or expected recognition and realization of Quanta's remaining performance obligations and backlog;
- The future demand for, availability of and costs related to labor resources in the industries Quanta serves;
- Future capital allocation initiatives, including the amount and timing of, and strategies with respect to, any future acquisitions, investments, cash dividends, repurchases of equity or debt securities or repayments of other outstanding debts;
- The ability to deliver increased value or return capital to stockholders;
- The expected value of contracts or intended contracts with customers, as well as the expected timing, scope, services, term or results of any projects awarded or expected to be awarded to Quanta;
- The development of and opportunities with respect to future projects, including renewable 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 and liquidity, including inflation, interest rates and recessionary economic conditions;
- The expected impact of changes or potential changes to climate and the physical and transition risks associated with climate change and the transition to a reduced-carbon economy;
- The impact of existing or potential legislation or regulation, including the Inflation Reduction Act;
- Potential opportunities that may be indicated by bidding activity or discussions with customers;
- Expectations regarding our ability to reduce our debt or maintain our current credit ratings; 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 as a result of, among other things, inflation, interest rates, recessionary economic conditions, deterioration or global or specific trade relationships and geopolitical conflicts and 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;
- Fluctuations in the amount of work customers assign to Quanta, 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 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 and other obligations or other claims or actions asserted against Quanta, including amounts not covered by, or in excess of the coverage under, third-party insurance;
- The outcome of pending or threatened legal proceedings;
- Potential unavailability or cancellation of third-party insurance coverage, as well as the exclusion of coverage for certain losses, potential increases in premiums for coverage deemed beneficial to Quanta, or the unavailability of coverage deemed beneficial to Quanta at reasonable and competitive rates (e.g., coverage for wildfire events);
- Damage to Quanta's brand or reputation, as well as potential costs, liabilities, fines and 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;
- Technological advancements and other market developments that could reduce demand for Quanta's services;
- Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third-party contractors, and the impact of inflationary pressure, regulatory, supply chain and logistical challenges on these third parties;
- Quanta's inability to attract, the potential shortage of and increased costs with respect to skilled labor and key personnel;
- Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts, including as a result of inaccurate estimates of project costs or inability to meet project schedule requirements or achieve guaranteed performance or quality standards for a project;
- Estimates an assumptions relating to our financial results, remaining performance obligations and backlog;
- Quanta's ability to successfully complete remaining performance obligations and realize backlog;
- Adverse weather conditions, natural disasters and other emergencies, including wildfires, pandemics, hurricanes, tropical storms, floods, debris flows, earthquakes and other geological- and weather-related hazards;
- the impact of changes and potential changes in climate;
- Quanta's inability to generate internal growth;
- Competition in Quanta's business, including the ability to effectively compete for new projects and market share;
- The failure of existing or potential legislative actions and initiatives to result in increased demand for our services;
- The future development of natural resources;

# Cautionary Statement About Forward-Looking Statements and Information



- 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 affecting the sourcing of certain materials and equipment, the imposition of tariffs, duties, taxes, or other assessments, and other changes in U.S. trade relationships with foreign countries;
- Cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms;
- Loss of customers with whom Quanta has long-standing or significant relationships;
- 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;
- 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, which could result in our inability to collect our outstanding receivables, failure to recover amounts billed to, or avoidance of certain payments received from, customers in bankruptcy, or failure to recover on change orders or contract claims;
- Budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, including renewable energy projects, which may result in project delays or cancellations;
- Risks associated with operating in international markets and U.S. territories, including instability of governments, currency exchange fluctuations, and compliance with unfamiliar legal and labor systems and business practices, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws, complex U.S. and foreign tax regulations and international 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 our 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;
- New or changed tax laws, treaties or regulations;
- Inability to realize deferred tax assets;
- Significant fluctuations in foreign currency exchange rates;
- Other risks and uncertainties detailed in Quanta's most recently filed Annual Report on Form 10-K, 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.



## Connect With Quanta Services Investor Relations



**@QuantaIR**



**QuantaServicesIR**

### Investor Contact

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

### Corporate Office

2727 North Loop West  
Houston, TX 77008  
713-629-7600  
[www.quantaservices.com](http://www.quantaservices.com)