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 February 27, 2020.

From 4Q19 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 expected to materialize during 2020. The following forward-looking statements are based on current expectations, and actual results may differ materially.

Estimated Ranges For the Full Year 2020

Consolidated Company	
Revenues	$12.2 - $12.6 billion
Net Income Attributable to Common Stock	$439 - $499 million
EBITDA	$961 million - $1.05 billion
Adjusted EBITDA	$1.03 - $1.12 billion
GAAP Diluted EPS Attributable to Common Stock	$2.93 - $3.33
Adjusted Diluted EPS Attributable to Common Stock (a non-GAAP measure)	$3.62 - $4.02
2020 Diluted Weighted Avg. Shares Outstanding	149.9 million
Depreciation	Approx. $217 million
Amortization of Intangibles	Approx. $71 million
Non-Cash Stock-Based Compensation	Approx. $63 million
Interest Expense, Net	$47 - $42 million
Other Income	$2 - $4 million
Tax Rate	29.75% - 30.25%
Net Income Attributable to Non-Controlling Interests	$2 - $3 million
2020 Capital Expenditures	$300 million
Free Cash Flow	$400 - $600 million
Foreign Exchange Rates	Outlook reflects foreign exchange rates comparable to the fourth quarter of 2019

Electric Power Infrastructure Services Segment	
Revenues	$7.6 - $7.8 billion
Operating Income Margin	Between 9.2% - 9.8%
Operating Income Margin (excluding Latin America)	Between 9.5% - 10.0%

Pipeline & Industrial Infrastructure Services Segment	
Revenues	$4.6 - $4.8 billion
Operating Income Margin	Between 6.8% - 7.2%

Corporate and Non-Allocated Costs	Approx. 2.8%

←(1Q20 rate as high as 33%)

Other Commentary

Electric Power Infrastructure Services Segment: Our revenue guidance reflects confidence in the continued momentum of our electric power and U.S. communications operations, and particularly our base business. We expect Electric Power segment revenues between $7.6 and $7.8 billion, which includes revenues from our communications operations of around $500 million, and minimal revenues from our Latin American operations. We expect base business activities to represent approximately 90% of segment revenues. We expect revenue growth in each quarter of 2020 compared to 2019, with quarter-over-quarter growth in the second and third quarters potentially exceeding 10%. We expect first quarter revenues to be the lowest of the year due to weather impacting certain construction activities, as well as the majority of our expected California fire hardening activities coming in the second half of the year. We expect the high end of our revenue range to represent greater revenue growth opportunities in the third and fourth quarters relative to 2019. We expect that first quarter operating margins will be the lowest for the year, possibly between 7.0% and 7.5% due to pressure from operational losses and costs associated with exit activities in Latin America of up to $10 million. Additionally, margins in our core electric and communications operations are expected to be negatively impacted by the weather challenges and fire hardening timing that are impacting first quarter revenue levels, resulting in decreased cost absorption. However, we expect subsequent quarters will return to our normal operating range, with margins increasing in the second and third quarters and then declining slightly in the fourth quarter. We believe communications operating income margins, which have been dilutive to segment margins in prior periods, could be at parity with electric operations on a full-year basis. For the full year, we expect operating margin for the segment to be between 9.5% and 10.0% without the impact of Latin America.

Pipeline and Industrial Infrastructure Services Segment: We expect revenues for the segment between $4.6 to $4.8 billion. We currently expect larger project revenues in 2020 to decline from 2019 levels by as much as $700 million, to around $500 million. Although some level of incremental larger pipeline project awards are factored into our range of guidance, our financial expectations for 2020 are not dependent upon contributions from the Atlantic Coast Pipeline project. This larger project revenue reduction represents a significant headwind; however, we anticipate being able to largely offset this decline with growth from gas distribution services, including a full year of revenues from our 2019 acquisition of Hallen Construction, and continued demand for our industrial services. From a seasonality perspective, we expect first quarter revenues to be the lowest for the year, likely a double-digit decline from the first quarter of 2019 due to the reduced levels of larger project revenues year-over-year and normal seasonality in our more weather-sensitive regions. Revenues should increase sequentially into the third quarter, then seasonally decline in the fourth quarter. Revenues as compared to 2019 are expected to be lower on a quarter-over-quarter basis for the third and fourth quarters, with fourth quarter revenues potentially declining over 10% relative to 2019. We expect segment margins between 6.8% and 7.2%, led by continued execution from our gas distribution and industrial operations. Our first quarter traditionally has lower activity in our gas distribution business due to weather seasonality, which impacts our revenues and pressures margins. Accordingly, we expect first quarter margins in the lower single digits, with improvement into the second and third quarters, then seasonally declining in the fourth quarter.

Latin America Operations: Quanta's outlook for 2020 includes the expected results of our Latin American (LATAM) operations, included within our Electric Power Infrastructure Services segment. We have completed a strategic review of our LATAM operations due to the circumstances experienced in Peru in 2019 and political volatility in other countries in the region and have concluded that we will pursue the orderly exit of these operations. We are considering various options and believe a significant portion of the process could be achieved in 2020. In 2020, our LATAM operations are expected to generate revenues of $20 million to $40 million, an operating loss of $15 million to $20 million and diluted loss per share of $0.10 to $0.13.

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 and year ended December 31, 2019 and accompanying presentation, which are available on the company's website at www.quantaservices.com in the "Investors Relations" 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; Quanta's plans, strategies and opportunities, including the plans, timing, effects and other matters relating to the exit of its Latin American operations; trends and economic and regulatory conditions in particular markets or industries; projected or expected realization of remaining performance obligations and backlog; the potential benefits from acquisitions or investments; the expected financial and operational performance of acquired businesses; the future demand for and availability of labor resources in the industries Quanta serves; future capital allocation initiatives, including the amount, timing and strategies with respect to any future stock repurchases or expectations regarding the declaration, amount and timing of any future cash dividends; the ability to deliver increased value or return capital to stockholders; the expected value of contracts or intended contracts with customers; the scope, services, term or results of any projects awarded or expected to be awarded to Quanta; the anticipated commencement and completion dates for any projects awarded; the development of larger electric transmission and pipeline projects; future 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; and possible recovery of pending or contemplated insurance claims, change orders and affirmative claims asserted against customers or third parties; 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, including Quanta's ability to obtain future project awards; the time and costs required to exit Quanta's Latin American operations and Quanta's ability to effect related transactions on acceptable terms, as well as the business and political climate in Latin America; delays, 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; risks associated with operational hazards that arise due to the nature of Quanta's services and the conditions in which Quanta operates, including, among others, wildfires and explosions; unexpected costs or liabilities that may arise from legal proceedings, indemnity obligations, reimbursement obligations associated with letters of credit or bonds, multiemployer pension plans (e.g., withdrawal liability) or other claims or actions asserted against Quanta, including those not covered by, or in excess of, third-party insurance; reimbursement obligations associated with letters of credit or bonds; the outcome of pending or threatened legal proceedings; potential unavailability or cancellation of third-party insurance coverage, as well as the exclusion of coverage for certain losses, potential increases in premiums for coverage deemed beneficial to Quanta, or the unavailability of coverage deemed beneficial to Quanta at reasonable and competitive rates; damage to our brand or reputation as a result of cyber-security or data privacy breaches, environmental and occupational health and safety matters, corporate scandal, failure to successfully perform a high-profile project, involvement in a catastrophic event (e.g., fire, explosion) or other negative incident; Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third party contractors; the ability to attract and the potential shortage of skilled labor; the ability to retain key personnel and qualified employees; Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts; estimates relating to our financial results, remaining performance obligations and backlog; adverse weather conditions or natural disasters, including wildfires, pandemics, hurricanes, tropical storms and floods; Quanta's ability to generate internal growth; competition in Quanta's business, including the ability to effectively compete for new projects and market share; the 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; cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms; loss of customers with whom Quanta has long-standing or significant relationships; the potential that participation in joint ventures or similar structures exposes Quanta to liability and/or harm to its reputation for acts or omissions by partners; Quanta's inability or failure to comply with the terms of its contracts, which may result in additional costs, unexcused delays, warranty claims, failure to meet performance guarantees, damages or contract terminations; the inability or refusal of customers or third party contractors to pay for services, including failure to collect outstanding receivables; failure to recover amounts billed to customers experiencing financial difficulties or in bankruptcy or the failure to obtain adequate compensation for change orders and contract claims; budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, which may result in project delays or cancellations; estimates and assumptions in determining financial results, remaining performance obligations and backlog; Quanta's ability to successfully complete remaining performance obligations or realize backlog; risks associated with operating in international markets, including instability of foreign governments, currency exchange fluctuations, and compliance with unfamiliar foreign legal systems and business practices, applicable anti-bribery and anti-corruption laws, complex tax regulations and international treaties; the ability to successfully identify, complete, integrate and realize synergies from acquisitions, including retention of key personnel; the potential adverse impact resulting from uncertainty surrounding investments and acquisitions, including the potential increase in risks already existing in Quanta's operations and poor performance or decline in value of Quanta's investments; the adverse impact of impairments of goodwill, receivables, property and equipment and other intangible assets or investments; growth outpacing Quanta's decentralized management and infrastructure; inability to enforce Quanta's intellectual property rights or the obsolescence of such rights; the impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts; the ability to access sufficient funding to finance desired growth and operations, including our ability to access capital markets on favorable terms, as well as fluctuations in the price and volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations and other factors affecting financing and investing activities; the ability to obtain performance bonds and other project security; the ability to meet certain regulatory requirements applicable to Quanta and its subsidiaries; rapid technological and other structural changes that could reduce the demand for Quanta's services; risks related to the implementation of new information technology systems; new or changed tax laws, treaties or regulations; increased costs associated with regulatory changes, including labor costs or healthcare costs; significant fluctuations in foreign currency exchange rates; and other risks and uncertainties detailed in Quanta's most recently filed Annual Report on Form 10-K, Quanta's recently filed Quarterly Reports on Form 10-Q and any other documents that Quanta files with the Securities and Exchange Commission (SEC). For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through Quanta's website at www.quantaservices.com 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 this summary information.