

QUANTA

3Q20
Earnings Call Presentation

October 29, 2020



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Call Participants and Agenda

Duke Austin
President and Chief Executive Officer

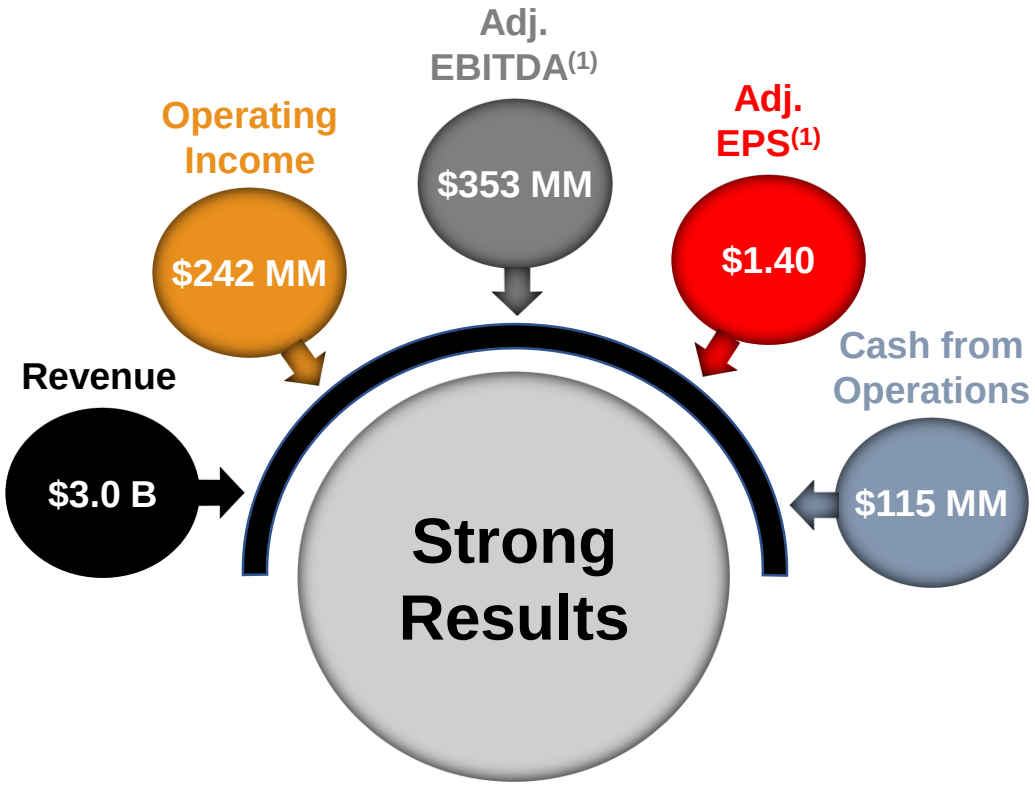
Derrick Jensen
Chief Financial Officer

Kip Rupp
Vice President, Investor Relations

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

3Q20 Highlights

- Strong 3Q20 results that exceeded expectations
  - Electric Power and Pipeline & Industrial segment margins
  - Adjusted EBITDA
  - Earnings Per Share
  - Cash flow
  - Record backlog of $15.1 billion
- Results demonstrate our ability to adapt, the resiliency of our business and the operational excellence of our people, which is nothing short of impressive
- Strong balance sheet and ample liquidity
  - Completed offering of $1 billion of 2.9% senior notes due 2030
  - Expanded capacity and extended term of senior credit facility
  - Received investment grade corporate credit rating
- Published first Corporate Responsibility Report, which focuses on Quanta's commitment to People, Planet and Principles



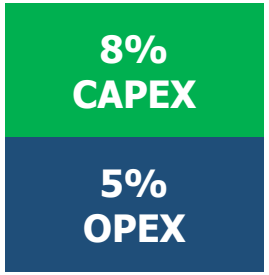
STRONG 3Q20 RESULTS DEMONSTRATE BUSINESS RESILIENCY AND OPERATIONAL EXCELLENCE

(1) Refer to appendix for a reconciliation of this non-GAAP measure to its most directly comparable GAAP measure.

Electric Power Infrastructure Services

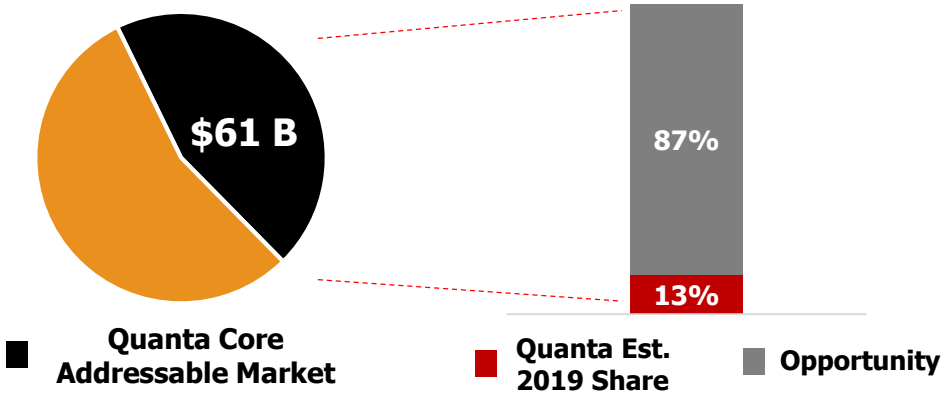
- Record quarterly revenue and solid operating income margins
- Driven by strong demand, effective cost management, high utilizations, operational excellence and record levels of emergency response activity
- Utilities continue to actively deploy capital into their systems
  - Grid modernization, storm and fire hardening, renewables integration, reliability, etc.
  - Efforts to transition towards carbon neutral/free environment
- Actively performing renewable-related work and pursuing additional opportunities, including onshore and offshore wind, solar and hydroelectric
  - Demand for substation, transmission interconnects, battery storage and larger transmission projects

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



2019E U.S. Utility Capex = $136 B (1)

Quanta Core Solutions = $61 B



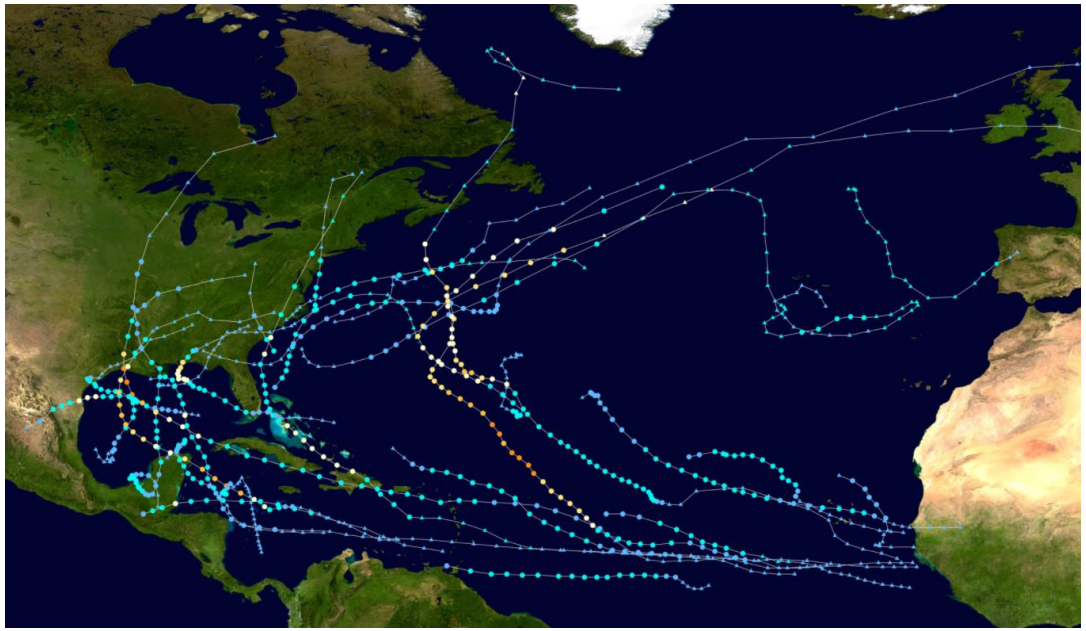
LARGE, VISIBLE, CONSISTENT AND GROWING MARKET WITH AMPLE OPPORTUNITY

(1) Sources: Edison Electric Institute and Quanta estimates.

Electric Power Infrastructure Services

- Significant resources deployed to provide emergency response services to utilities
  - Hurricanes Isaias, Laura, Sally and Delta, and the Midwest derecho storm
  - Supported efforts to restore power to millions of people
  - Quanta crews providing emergency response and rebuilding damaged infrastructure for +90 consecutive days
  - Deployed more than 7,000 line workers and support staff from 20 different operating units
- These events and the wildfires in western region of the U.S. highlight need for grid hardening programs and investment
- Recent acquisition of North Carolina-based specialty contractor serving southeast and Mid-Atlantic region
  - Electric distribution, transmission and substation maintenance and construction services
  - Increases Quanta's resources in the region to support utilities' modernization, hardening and renewables programs

2020 Atlantic Hurricane Season



Source: Wikipedia

UNMATCHED ABILITY TO MOBILIZE SIGNIFICANT RESOURCES TO SUPPORT CUSTOMERS

Puerto Rico Electric T&D System Operation & Maintenance Agreement

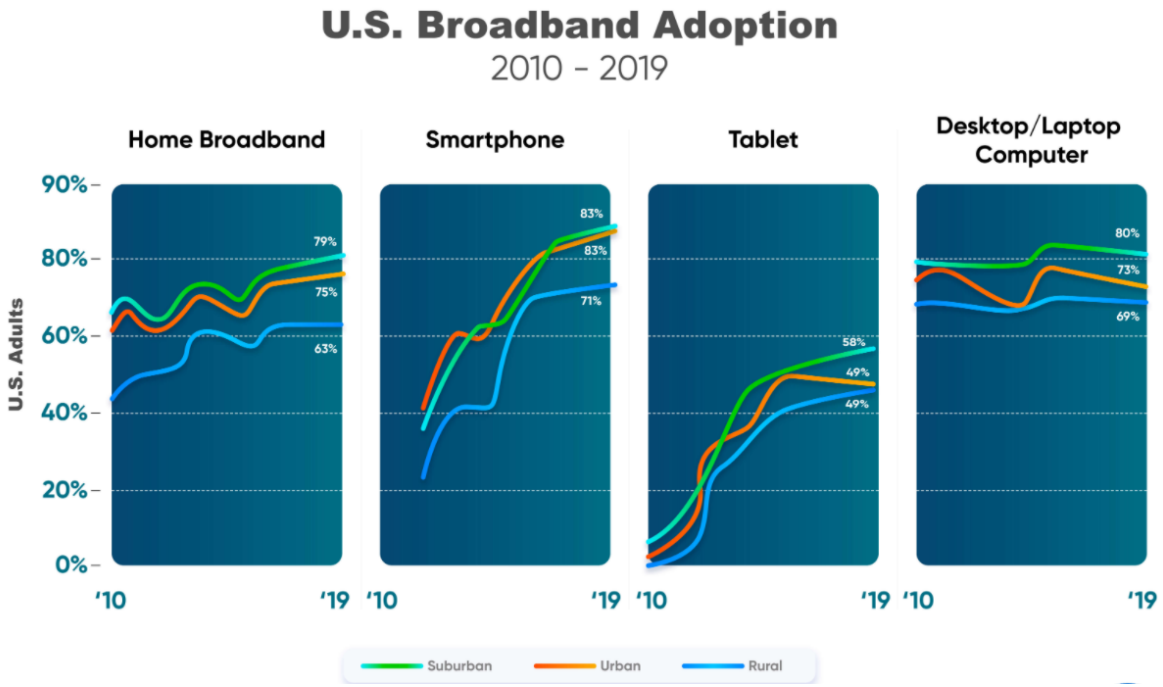
LUMA Energy, LLC (LUMA), 50% owned by Quanta and 50% owned by ATCO, was selected in June 2020 for this historic opportunity – the transformation and modernization of the Puerto Rico electric transmission and distribution (T&D) system, in order to provide significant benefits to the people of Puerto Rico 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 making good progress towards satisfying the necessary steps to facilitate the full transition of PREPA's T&D operations to LUMA in mid-2021
- Site preparation has begun for a new line worker training campus in Puerto Rico, which will be operated by Northwest Lineman College
  - First pre-apprentice class in Puerto Rico scheduled for Spring 2021 with 32 Puerto Rican students
  - Quanta and ATCO have sponsored several Puerto Rican lineman to attend pre-apprenticeship program at Quanta's Northwest Lineman College
- U.S. federal government recently announced the allocation of $12.8 billion to Puerto Rico, primarily to rebuild the island's electric power grid

TRANSFORMATIVE OPPORTUNITY FOR THE PEOPLE OF PUERTO RICO AND QUANTA

Communications Infrastructure Services *(within Electric Power Segment)*

- Performed extremely well in 3Q
  - Strong double digit revenue growth
  - Double-digit operating income margin
  - Total backlog of $975 million – a record
- Recent acquisition of Utah-based specialty contractor serving mountain west region
  - Short- and long-haul fiber optic cable and utilities installation, engineering and design of small- and large-scale projects
  - Enhances Quanta's capabilities in the region
- Work, educate and entertainment from home, which has increased due to COVID-19, continues to drive increased investment in core fiber networks
  - Expect 5G deployments to accelerate in 2021
- Federal Communications Commission established the Rural Digital Opportunity Fund with +$20 billion available to bring high-speed fixed broadband service to underserved rural homes and small businesses



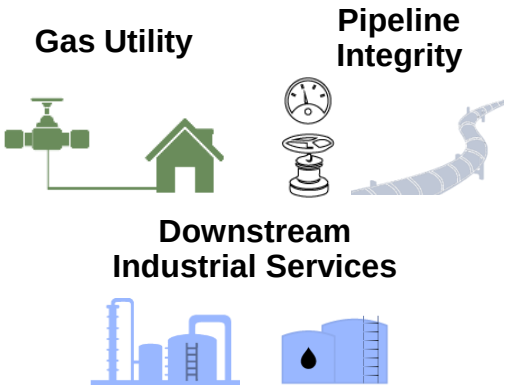
Source: Emerging Tech Brew, reproduced from Pew Research Center

QUANTA WELL POSITIONED FOR THESE LARGE OPPORTUNITIES

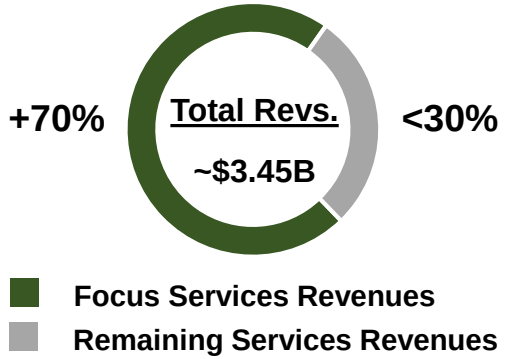
Pipeline and Industrial Infrastructure Services

- Gas utility services operations gradually returning to pre-COVID-19 activity levels
  - Multi-decade modernization programs to replace aging gas utility infrastructure
- Demand for pipeline integrity services is solid
  - Regulations and asset owners' efforts to extend the life of existing pipeline infrastructure driving spending
- Industrial services has most challenged end market
  - Global pandemic significantly impacting our customers due to reduced demand for refined products
  - Performing well in current environment but do not anticipate return to normalcy until 2H21
  - World class management team leading operations, with opportunity to strengthen competitive positioning and emerge stronger as conditions improve
- Although a smaller portion of the segment, solid execution on larger pipeline projects positively contributed to segment results

Focus Services



2020E Pipeline & Industrial Segment Revenues



SOLID 3Q20 RESULTS IN UNPRECEDENTED OPERATING CONDITIONS

Increasing 2020 Outlook and Positive Multi-Year Outlook

- Increasing Quanta's full-year 2020 outlook
  - Strong third quarter results
  - Healthy end market drivers
  - Contribution of recently announced acquisitions
- Currently expect growth in consolidated revenues, net income, adjusted EBITDA and earnings per share in 2021
- Perhaps more importantly, believe Quanta has a long runway for generating repeatable and sustainable earnings
- Have executed well on our strategy, which is designed to mitigate risks through diversification and a strong financial profile
- Believe Quanta's diversity, unique operating model and entrepreneurial mindset form the foundation that will allow us to continue to generate long-term value for all our stakeholders

SOUND STRATEGY, RESILIENT BUSINESS MODEL AND STRONG FINANCIAL PROFILE

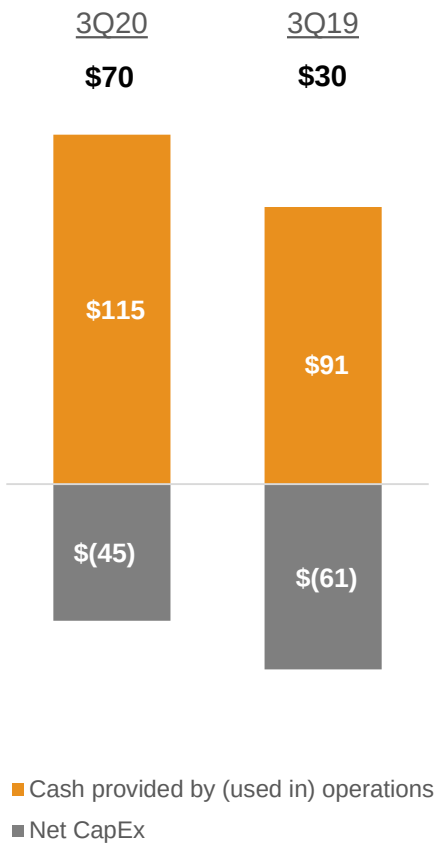
3Q 2020 Segment Results versus 3Q 2019

($MMs)	Revenues	Op Inc % Change (bps)	Commentary
Electric Power ex Latin America	**$2,107** *Up 14%*	**13.5%** *Up 390*	+ Revenue growth due to increased contributions from large projects, ~40% increase in communications revenues versus 3Q19, and a $65MM increase in incremental revenues from acquisitions + Increased margins due to higher utilization associated with a record amount of emergency restoration services revenues in response to storm damage along the Gulf Coast and solid execution on remaining base business
Latin America	**NM**	**NM**	- Orderly exit is proceeding - $15MM losses primarily related to early termination and close out costs associated with projects in the region and disruptions caused by the COVID-19 pandemic - Losses in Latin America receive no tax benefit
Pipeline & Industrial	**$913** *Down 38%*	**8.4%** *Down 60*	- Reduced revenues from our industrial operations due to the negative impact of COVID-19 on the demand for refined products and from a reduction in contributions from larger pipeline projects - Lower margins due to reduced revenues from larger pipeline projects and our industrial operations, but a solid performance despite COVID-19 related headwinds and the continued challenges across the segment
Corporate & Non-Allocated	**N/A**	**(3.4%)** *Up 50*	+ $4MM increase compared to 3Q19 primarily due to a $13MM increase in non-cash stock-based compensation expense, a $4MM increase in intangible asset amortization, and a $3MM incremental increase in the fair value of deferred compensation liabilities (for which an approximately equivalent offsetting change is recorded below operating income in Other Income (Expense), net), offset by $6MM decline in acquisition and integration costs, $4MM associated with the change in fair value of contingent consideration liabilities, and $6MM of other cost reductions associated with the current operating environment

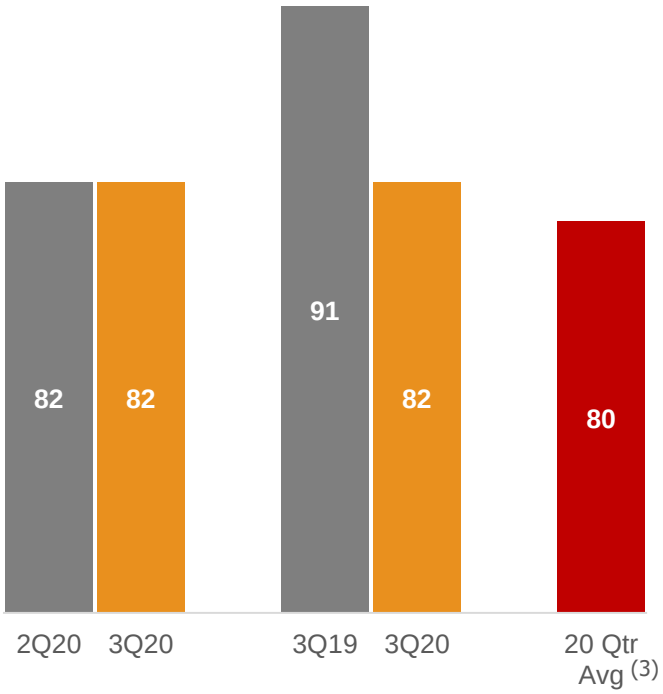
SOLID MARGINS ACROSS BOTH OPERATING SEGMENTS

Free Cash Flow & DSO

Free Cash Flow [1] ($MMs)



Days Sales Outstanding [2] (DSO)



3rd Quarter Recap

Free Cash Flow driven by:

- Increased earnings compared to 3Q19
- Deferred payment of $41MM of payroll taxes as permitted under the CARES Act and related state actions

DSO of 82 was:

- 9 days lower than 3Q19 due to lower levels of retainage compared to 3Q19 and billing process changes for certain customers that pressured DSO throughout 2019

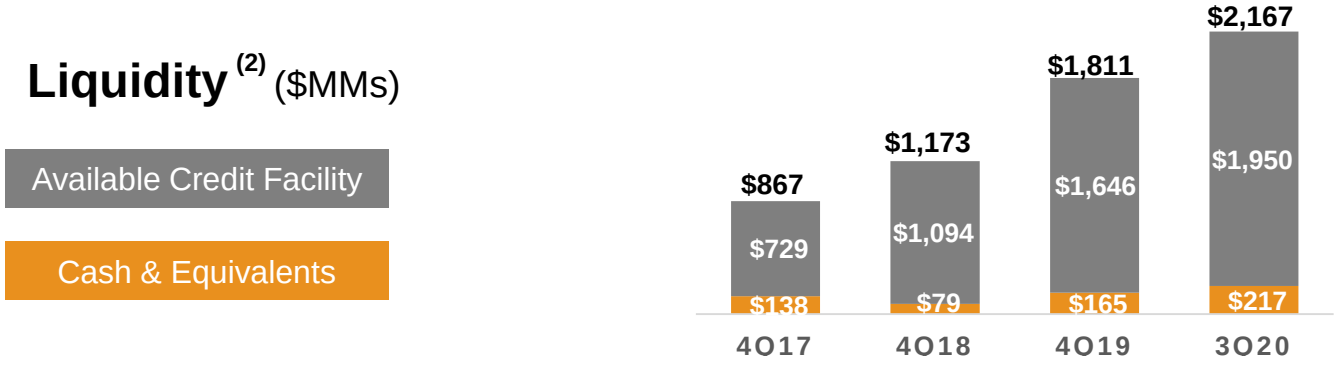
STRONG THIRD QUARTER CASH GENERATION

(1) 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
(2) Refer to the appendix for the definition of Days Sales Outstanding
(3) 20 quarter average from October 1, 2015 through September 30, 2020

Balance Sheet & Liquidity

($MMs)	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	Sep 30, 2020
Cash	**138**	**79**	**165**	**217**
Debt				
Credit Facility	668	479	105	195
Term Loans	-	593	1,241	-
Senior Notes	-	-	-	1,000
Other	4	34	21	17
Total Debt	**672**	**1,106**	**1,367**	**1,212**
Operating Lease Liabilities	-	-	289	273
Total Debt including Operating Lease Liabilities	**672**	**1,106**	**1,656**	**1,485**
Net Debt / EBITDA Ratio [1]	**1.4x**	**1.6x**	**1.6x**	**1.3x**

Liquidity [2] ($MMs)



Liquidity Highlights

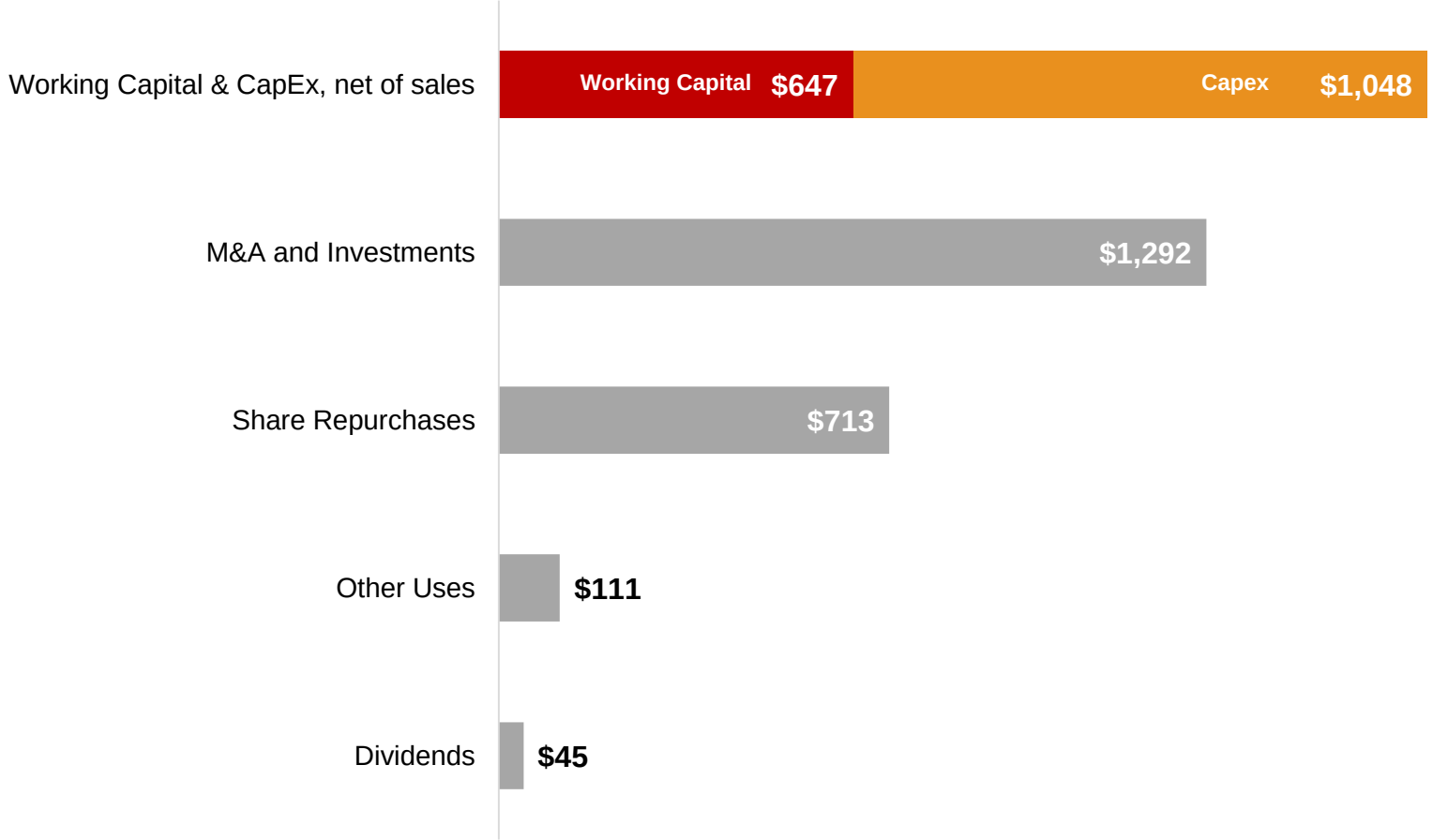
- Completed offering of $1B aggregate principal amount of 2.9% senior notes due in 2030; received net proceeds of $987MM which, together with cash on hand, was used to prepay, in full, $1.2B of term loans outstanding under our credit agreement
- Amended our credit agreement for our senior credit facility, increasing revolving commitments from $2.1B to $2.5B and extending the maturity date from 2022 to 2025
- Received investment grade credit rating
- Bank-defined leverage ratio of approximately 1.3x
- Ample liquidity and balance sheet strength to navigate operational uncertainties due to COVID-19 dynamics

CONSERVATIVE LEVERAGE & AMPLE LIQUIDITY FOR STRATEGIC INITIATIVES

(1) The Net Debt to EBITDA Ratio is calculated as defined in our credit agreement for our senior credit facility, which includes letters of credit issued under the facility
(2) Liquidity includes cash and cash equivalents and availability under our senior credit facility, which is reduced by letters of credit issued under the facility

Capital Allocation Priorities

Capital Deployment – 1Q16 through 3Q20 ($MMs)



Capital Allocation

- Working capital and capex required to support the organic growth of the business remain our first priorities and have been the largest use of capital from 1Q16 to 3Q20
- Acquisitions and strategic investments totaled approximately $1.3B from 1Q16 to 3Q20, led by the acquisitions of Stronghold in 2017 and Hallen Construction in 2019, which strategically bolstered our base business capabilities in the Pipeline & Industrial segment
- Our recent bond offering and amended credit facility have given us more flexibility to meet the future capital needs required to support our growth expectations

MAINTAINING BALANCED APPROACH TO CAPITAL ALLOCATION

Electric Power Segment Guidance *(excluding LATAM[1])*

	2019	Δ	2020 GUIDANCE RANGE 2020 Initial Guidance	Δ	1Q20 Guidance	Δ	2Q20 Guidance	Δ	3Q20 Guidance
Revenues	**$7.1B**	+ *Continued base electric growth* + *U.S. telecom growth* + *Larger projects increase* - *Fire hardening normalizes*	**$7.6B - $7.8B**	- *Reduced levels of electric infrastructure services provided to industrial customers due to COVID-19 both impacting facility access and refined product demand, causing customer budget pullbacks* - *Permitting delays due to local government office closures*	**$7.5B - $7.7B**	= *Revenues in line with 1Q20 expectations*	**$7.5B - $7.7B**	+ *Increase due to contributions from M&A and improved visibility*	**$7.7B - $7.8B**
Op Inc %	**9.6%**	+ *Canada improvement with larger projects commencing* + *Telecom improvement* + *Continued U.S. execution* - *Fire hardening normalizes*	**9.5%- 10.0%**		**9.4% - 9.7%**	+ *Solid execution in 1H20 followed by opportunity for double-digit margins in 3Q and 4Q* + *Incremental $10M contribution from LUMA*	**~10%**	+ *Solid execution and record storm revenues through YTD 2020 with continued opportunity for double-digit margins in 4Q*	**~11%**

IMPROVED ELECTRIC POWER REVENUE & MARGIN EXPECTATIONS

(1) We have concluded to pursue an orderly exit of our Latin American (LATAM) operations. As such, the information on this slide excludes the LATAM operations to provide visibility into the performance of our ongoing operations. The Electric Power segment as reported includes the results of operations from our LATAM operations. Refer to the appendix for a reconciliation of the Electric Power Segment as reported to the Electric Power Segment excluding LATAM.

Pipeline & Industrial Segment Guidance

			2020 GUIDANCE RANGE						
	2019 (1)	∆	2020 Initial Guidance	∆	1Q20 Guidance	∆	2Q20 Guidance	∆	Current Guidance
Revenues	$5.0B	+ Full year of Hallen + Continued base business growth - ~$700MM larger project reduction	$4.6B - $4.8B	- Reduced levels of gas distribution services due to regional COVID-19 stay-at-home orders - Reduced levels of industrial turnaround and maintenance services due to COVID-19 both impacting facility access and refined product demand, causing customer budget pullbacks - Energy environment causing reduced levels of smaller capital projects for industrial and pipeline related infrastructure	~$4B	- Further deferral of customer spend on smaller capital projects and gas distribution activities due to current operating environment - Reduced levels of larger pipeline project revenues as project delays push revenues into 2021 + Stabilizing margins for remainder of 2020 after positive second quarter results	$3.5B - $3.7B	- Further reduced levels of customer spend on smaller capital projects and project delays push revenues into 2021	$3.4B - $3.5B
Op Inc %	6.9%	+ Continued base business improvement + Accretive Hallen margins + Further elimination of oil influenced assets - Larger project reduction	6.8%- 7.2%		Likely < 5%		4.75% - 5.25%	= Maintaining full year margin expectations	~5%

COVID-19 DISRUPTING BASE BUSINESS ACTIVITIES ACROSS THE SEGMENT

(1) The Pipeline & Industrial segment as reported includes asset impairment charges in 2019. Refer to the appendix for a reconciliation of the Pipeline & Industrial Segment as reported to the Pipeline & Industrial Segment excluding asset impairments.

2020 Guidance Summary

($MMs except per share data)	LOW	MID POINT	HIGH
Revenues	$11,100	$11,200	$11,300
Adj. EBITDA [1]	$986	$998	$1,010
Free Cash Flow [2]	$600	$700	$800
Net Income	$378	$387	$395
Diluted EPS (GAAP)	$2.61	$2.67	$2.72
Adjusted Diluted EPS [3]	$3.52	$3.58	$3.64

Net Income and Adjusted EBITDA guidance includes an estimated $55MM - $60MM of operating losses associated with our orderly exit of Latin America, an impact to both Diluted EPS (GAAP) and Adjusted Diluted EPS between $0.38 and $0.41.

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

Closing Remarks

- Continue to deliver solid results driven by the resilient nature of the largest portions of our revenue, which represent a repeatable, sustainable foundation for the future
- Full-year expectations include Adjusted EBITDA of approximately $1B at the midpoint, which we believe is set to expand in 2021 and beyond
- Fortified our balance sheet with a bond offering and expanded credit facility; investment grade credit rating further validates the strength of our business and positive multi-year outlook.
- Remain focused on successful execution of our five key objectives
  - Focus on and grow our base business
  - Improve margins
  - Create growth platforms through service line expansion in the utility, communications and industrial industries, and adjacent industries where craft skilled labor is critical to providing cost-certain solutions
  - Be the industry leader in safety and training by investing in craft skilled labor
  - Deploy capital in a disciplined and value-creating manner
- Continue to have a positive multi-year outlook and believe Quanta has opportunity to generate meaningful stockholder value
- Recognize and thank our world-class employees for their hard work and dedication

RESILIENT BUSINESS MODEL, STRONG FINANCIAL PROFILE AND POSITIVE MULTI-YEAR OUTLOOK

Appendix

- Definitions
- Reconciliation Tables
- Forward Looking Statement Disclaimers

Definitions

- **Days sales outstanding** is calculated by using the sum of current accounts receivable, net of allowance (which includes retainage and unbilled balances), plus contract assets, less contract liabilities and divided by average revenues per day during the quarter.
- **Free cash flow** is defined as net cash provided by operating activities less net capital expenditures. Net capital expenditures is defined as capital expenditures less proceeds from sale of property and equipment and from insurance settlements related to property and equipment.
- **EBITDA** is defined as earnings before interest, taxes, depreciation, amortization and equity in (earnings) losses of non-integral unconsolidated affiliates.
- **Adjusted EBITDA** is defined as EBITDA adjusted for certain other items as described below:
  - **Non-cash stock-based compensation expense** may vary due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted;
  - **Acquisition and integration costs** vary period to period depending on the level of Quanta's acquisition activity;
  - **Change in fair value of contingent consideration liabilities** varies from period to period depending on the performance in post-acquisition periods of certain acquired businesses

Definitions

- **Adjusted Earnings per Share** is defined as diluted earnings per share adjusted for the after-tax impact of certain other items as described below:
  - **Non-cash stock-based compensation expense** may vary due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted;
  - **Amortization of intangible assets** is impacted by Quanta's acquisition activity, and therefore can vary from period to period;
  - **Acquisition and integration costs** vary period to period depending on the level of Quanta's 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;
  - **Impairments of non-integral unconsolidated affiliates** vary period to period depending on various market factors outside Quanta's influence or control
- **Net working capital** is defined as (1) total current assets less cash and cash equivalents, less current assets of discontinued operations, less (2) total current liabilities less current maturities of long-term debt and short-term debt, less current portion of operating lease liabilities, less current liabilities of discontinued operations.

Reconciliation of EBITDA and Adjusted EBITDA

($000s)	2020	ESTIMATED RANGE FY 2020		
	3Q	Low	Mid	High
Net income attributable to common stock (GAAP as reported)	$ 162,913	$ 377,600	$ 386,050	$ 394,500
Interest expense, net	10,969	43,000	43,000	43,000
Provision for income taxes	70,477	164,000	167,500	171,000
Amortization of intangible assets	19,687	76,300	76,300	76,300
Equity in (earnings) losses of non-integral unconsolidated affiliates	(140)	8,400	8,400	8,400
Income taxes and depreciation included in equity in earnings of integral unconsolidated affiliates	1,275	3,000	3,000	3,000
Depreciation expense	56,244	221,900	221,900	221,900
EBITDA	321,425	894,200	906,150	918,100
Non-cash stock-based compensation	21,431	78,300	78,300	78,300
Acquisition and integration costs	10,352	12,900	12,900	12,900
Change in fair value of contingent consideration liabilities	78	700	700	700
Adjusted EBITDA	$ 353,286	$ 986,100	$ 998,050	$ 1,010,000

Reconciliation of Adjusted Diluted Earnings per Share

($000s, except per share information)	2020	ESTIMATED RANGE FY 2020		
	3Q	Low	Mid	High
Reconciliation of adjusted net income attributable to common stock:				
Net income attributable to common stock (GAAP as reported)	$ 162,913	$ 377,600	$ 386,050	$ 394,500
Adjustments:				
Non-cash stock-based compensation	21,431	78,300	78,300	78,300
Amortization of intangible assets	19,687	76,300	76,300	76,300
Acquisition and integration costs	10,352	12,900	12,900	12,900
Change in fair value of contingent consideration liabilities	78	700	700	700
Impairments of non-integral unconsolidated affiliates	-	8,700	8,700	8,700
Write-off of deferred financing costs	2,492	2,500	2,500	2,500
Income tax impact of adjustments	(14,169)	(46,800)	(46,800)	(46,800)
Adjusted net income attributable to common stock	$ 202,784	$ 510,200	$ 518,650	$ 527,100
Weighted average shares:				
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	144,363	144,900	144,900	144,900
Earnings per share attributable to common stock:				
Diluted earnings per share attributable to common stock (GAAP as reported)	$ 1.13	$ 2.61	$ 2.66	$ 2.72
Adjusted diluted earnings per share attributable to common stock	$ 1.40	$ 3.52	$ 3.58	$ 3.64

Reconciliation of Free Cash Flow

($000s)	2019	2020	ESTIMATED RANGE FY 2020		
	3Q	3Q	Low	Mid	High
Net cash provided by operating activities (GAAP as reported)	$ 91,167	$ 114,859	$ 850,000	$ 950,000	$ 1,050,000
Less: Net capital expenditures:					
Capital expenditures	(66,244)	(50,780)	(250,000)	(250,000)	(250,000)
Proceeds from sale of property and equipment	5,344	5,917	-	-	-
Net capital expenditures	(60,900)	(44,863)	(250,000)	(250,000)	(250,000)
Free Cash Flow	$ 30,267	$ 69,996	$ 600,000	$ 700,000	$ 800,000

Reconciliation of Electric Power Segment excluding Latin America

($000s)	2019	2020	2020 GUIDANCE RANGE							
			Initial Guidance		1Q Guidance		2Q Guidance		Current Guidance	
	FY	3Q	Low	High	Low	High	Low	High	Low	High
Revenues:										
Electric Power Infrastructure Services	$ 7,121,837	$ 2,107,621	$ 7,620,000	$ 7,840,000	$ 7,520,000	$ 7,740,000	$ 7,520,000	$ 7,730,000	$ 7,710,000	$ 7,815,000
Less: Latin America	63,226	471	20,000	40,000	20,000	40,000	20,000	30,000	10,000	15,000
Electric Power excluding Latin America	$ 7,058,611	$ 2,107,150	$ 7,600,000	$ 7,800,000	$ 7,500,000	$ 7,700,000	$ 7,500,000	$ 7,700,000	$ 7,700,000	$ 7,800,000
Operating income (loss):										
Electric Power Infrastructure Services	$ 591,177	$ 268,376	$ 702,000	$ 766,000	$ 675,000	$ 721,900	$ 697,500	$ 741,600	$ 786,500	$ 802,300
Less: Latin America	(85,749)	(15,396)	(20,000)	(15,000)	(30,000)	(25,000)	(45,000)	(40,000)	(60,000)	(55,000)
Electric Power excluding Latin America	$ 676,926	$ 283,772	$ 722,000	$ 781,000	$ 705,000	$ 746,900	$ 742,500	$ 781,600	$ 846,500	$ 857,300
Operating margin:										
Electric Power Infrastructure Services	8.3%	12.7%	9.2%	9.8%	9.0%	9.3%	9.3%	9.6%	10.2%	10.3%
Less: Latin America	(135.6%)	NM	(100.0%)	(37.5%)	(150.0%)	(62.5%)	(225.0%)	(133.3%)	(600.0%)	(366.7%)
Electric Power excluding Latin America	9.6%	13.5%	9.5%	10.0%	9.4%	9.7%	9.9%	10.2%	11.0%	11.0%

Reconciliation of Pipeline & Industrial Segment excluding Asset Impairments [1]

($000s)	2019	2020	2020 GUIDANCE RANGE							
			Initial Guidance		1Q Guidance		2Q Guidance		Current Guidance	
	FY	3Q	Low	High	Low	High	Low	High	Low	High
Revenues	$ 4,990,316	$ 912,540	$ 4,600,000	$ 4,800,000	$ 3,900,000	$ 4,100,000	$ 3,500,000	$ 3,700,000	$ 3,400,000	$ 3,500,000
Operating income	$ 332,011	$ 76,220	$ 313,000	$ 346,000	$ 175,500	$ 205,000	$ 166,300	$ 194,300	$ 161,500	$ 175,000
Plus: Asset impairments [1]	10,196	-	-	-	-	-	-	-	-	-
Operating income excluding impairments	$ 342,207	$ 76,220	$ 313,000	$ 346,000	$ 175,500	$ 205,000	$ 166,300	$ 194,300	$ 161,500	$ 175,000
Operating margin	6.7%	8.4%	6.8%	7.2%	4.5%	5.0%	4.8%	5.3%	4.8%	5.0%
Plus: Asset impairments [1]	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating margin excluding impairments	6.9%	8.4%	6.8%	7.2%	4.5%	5.0%	4.8%	5.3%	4.8%	5.0%

(1) Represents asset impairment charges excluding goodwill impairment, as goodwill impairments are included within Corporate and Non-Allocated costs

Cautionary Statement About Forward-Looking Statements

This presentation (and oral statements regarding the subject matter of this presentation) contains forward-looking statements intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to the following:

- Projected revenues, net income, earnings per share, EBITDA, margins, cash flows, liquidity, weighted average shares outstanding, capital expenditures, tax rates and other operating or financial results;
- Expectations regarding Quanta's business or financial outlook;
- Expectations regarding the COVID-19 pandemic, including the potential impact of the COVID-19 pandemic and of governmental responses to the pandemic on Quanta's business, operations, supply chain, personnel, financial condition, results of operations, cash flows and liquidity;
- Quanta's plans, strategies and opportunities, including the plans, timing, effects and other matters relating to the COVID-19 pandemic and the exit of its Latin American operations;
- Potential benefits from, and future financial and operational performance of, acquired businesses and investments, including Quanta's investment in LUMA;
- The expected outcome of pending and threatened legal proceedings;
- Beliefs and assumptions about the collectability of receivables;
- The business plans or financial condition of Quanta’s customers, including with respect to the COVID-19 pandemic;
- The potential impact of the recent decrease in commodity prices and volatility in commodity production volumes on Quanta’s business, financial condition, results of operations and cash flows and demand for Quanta’s services;
- Expectations regarding opportunities, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries;
- Projected or expected realization of remaining performance obligations and backlog;
- 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 and opportunities with respect to future projects, including renewable projects and larger electric transmission and pipeline projects;
- The impact of existing or potential legislation or regulation;
- Potential opportunities that may be indicated by bidding activity or discussions with customers;
- Possible recovery of pending or contemplated insurance claims, change orders and affirmative claims asserted against customers or third parties; and
- Other statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts.

Cautionary Statement About Forward-Looking Statements

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

- Market conditions;
- The effects of industry, economic, financial or political conditions outside of the control of Quanta, including the outcome of the U.S. presidential election and resulting economic, energy and environmental policies and weakness in capital markets or the ongoing and potential impact to financial markets and worldwide economic activity resulting from the COVID-19 pandemic and related governmental actions;
- Quarterly variations in operating results, liquidity, financial condition, cash flows, capital requirements, reinvestment opportunities or other financial results, including the ongoing and potential impact to Quanta's business, operations and supply chain of the COVID-19 pandemic and related governmental actions;
- The severity, magnitude and duration of the COVID-19 pandemic, including impacts of the pandemic and of business and governmental responses to the pandemic (e.g., shelter-in-place and other mobility restrictions, business closures) on Quanta's operations, personnel and supply chain and on commercial activity and demand across Quanta's and its customers' businesses;
- Quanta's inability to predict the extent to which the COVID-19 pandemic and related impacts will adversely impact its business, financial performance, results of operations, financial position, the prices of its securities and the achievement of its strategic objectives, including with respect to governmental restrictions on its ability to operate, workforce availability, regulatory and permitting delays, and future demand for energy and the resulting impact on demand for Quanta's services;
- Trends and growth opportunities in relevant markets, including Quanta's ability to obtain future project awards;
- The time and costs required to exit Quanta's Latin American operations, as well as the business and political climate in Latin America;
- Delays, deferrals, reductions in scope or cancellations of anticipated, pending or existing projects as a result of, among other things, the COVID-19 pandemic, weather, regulatory or permitting issues (including the court ruling vacating the U.S. Army Corps of Engineers' Nationwide Permit 12), environmental processes, project performance issues, claimed force majeure events, protests or other political activity, reductions or eliminations in governmental funding, legal challenges 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;
- 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;
- 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 Quanta's brand or reputation as a result of cyber-security or data privacy breaches, environmental and occupational health and safety matters, corporate scandal, failure to successfully perform a high-profile project, involvement in a catastrophic event (e.g., fire, explosion) or other negative incident;
- Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third-party contractors, and the impact of the COVID-19 pandemic on these service providers;
- The ability to attract and the potential shortage of skilled labor;
- The ability to retain key personnel and qualified employees and the impact of the COVID-19 pandemic on the availability and performance of Quanta's workforce and key personnel;
- Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts;
- 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 (including the ongoing COVID-19 pandemic), hurricanes, tropical storms and floods;
- Quanta's ability to generate internal growth;
- Competition in Quanta's business, including the ability to effectively compete for new projects and market share;

Cautionary Statement About Forward-Looking Statements

- The failure of existing or potential legislative actions and initiatives to result in increased demand for our services;
- The future development of natural resources;
- Fluctuations of prices of certain materials used in Quanta's or its customers' businesses, including as a result of the imposition of tariffs, governmental regulations affecting the sourcing of certain materials and equipment, or changes in U.S. trade relationships with other countries;
- Cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms;
- Loss of customers with whom Quanta has long-standing or significant relationships;
- The potential that participation in joint ventures or similar structures exposes Quanta to liability and/or harm to its reputation for acts or omissions by partners;
- Quanta's inability or failure to comply with the terms of its contracts, which may result in additional costs, unexcused delays, warranty claims, failure to meet performance guarantees, damages or contract terminations;
- The inability or refusal of customers or third-party contractors to pay for services, including as a result of the COVID-19 pandemic or the recent decrease in commodity prices;
- Budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, which may result in project delays or cancellations;
- 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 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 and other factors affecting financing and investing activities;
- The ability to obtain bonds, letters of credit and other project security;
- The ability to meet certain regulatory requirements applicable to Quanta and its subsidiaries;
- Rapid technological and other structural changes that could reduce the demand for Quanta's services;
- Risks related to the implementation of new information technology systems;
- New or changed tax laws, treaties or regulations;
- Increased costs associated with regulatory changes, including labor costs or healthcare costs;
- Significant fluctuations in foreign currency exchange rates;
- Other risks and uncertainties detailed in Quanta's most recently filed Annual Report on Form 10-K, Quanta's recently filed Quarterly Reports on Form 10-Q and any other documents that Quanta files with the Securities and Exchange Commission (SEC).

For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through Quanta's website at www.quantaservices.com 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 presentation.

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