February 20, 2025

Fourth Quarter and Full-Year 2024 Operational and Financial Commentary

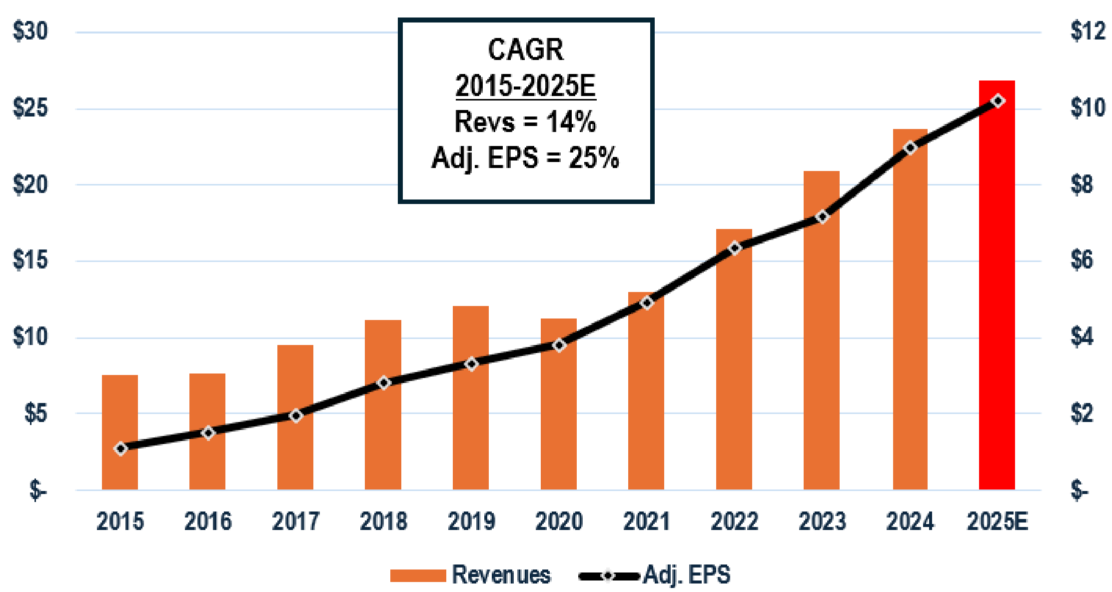
This document is a supplement to our press release reporting fourth quarter and full-year 2024 results for Quanta Services, Inc. (Quanta, we, us or our). Our earnings release was previously distributed by Cision and can also be found in the Investor Relations section of our website at quantaservices.com, along with other related supplemental materials. Please see the Cautionary Statement About Forward-Looking Statements and Information, as well as further information and reconciliations with respect to non-GAAP financial measures, in the Appendix of this document.

Summary

Quanta delivered another year of double-digit growth in revenues and adjusted earnings per share as compared to 2023, and record free cash flow. As we close out another successful year, we reflect on Quanta's performance since we strategically refocused around base business services and positioned the company to be a leading infrastructure solutions provider supporting North America's energy needs. Our ability to deliver consistent, profitable growth over this ten-year period is a testament to the strength of our portfolio approach - a diversified, solutions-based strategy that enables us to adapt to evolving industry dynamics while delivering mission-critical infrastructure. Our strategic initiatives are enhancing our service lines and capabilities while also expanding our customer base and as a result, enlarging our total addressable market opportunity for both organic growth and strategic capital deployment. Quanta has produced record revenues seven of the last eight years, seven consecutive years of record adjusted EBITDA and eight consecutive years of record adjusted diluted earnings per share. These results were made possible by our dedicated employees, which now total over 60,000, and our industry leading operational and financial platform.

Quanta Services Revenues and Adjusted EPS

(Revenues in Billions (L), Adjusted EPS (R))



Moving forward, Quanta continues to be well positioned to be the leading solution provider for long-term expected infrastructure investment driven by electrification and load growth, the energy transition, technology advancements, and grid resilience and security initiatives. We believe our operational portfolio is a strategic advantage that helps us manage risks and shift resources across service lines and geographies, as well as allocate resources to pursue a broad set of opportunities that are economically attractive and create operating efficiencies, improved returns and consistent financial results.

4Q24 and Full-Year 2024 Financial Highlights

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Revenues	$ 6,553,422	$ 5,783,948	$ 23,672,795	$ 20,882,206
Operating income	$ 452,723	$ 322,514	$ 1,346,468	$ 1,127,976
Net income attributable to common stock	$ 305,120	$ 210,908	$ 904,824	$ 744,689
Diluted earnings per share (EPS)	$ 2.03	$ 1.42	$ 6.03	$ 5.00
Adjusted diluted EPS*	$ 2.94	$ 2.04	$ 8.97	$ 7.16
Adjusted EBITDA*	$ 737,803	$ 550,221	$ 2,331,126	$ 1,947,183
Net cash flow provided by operating activities	$ 712,015	$ 1,003,538	$ 2,081,196	$ 1,575,952
Free Cash Flow*	$ 575,443	$ 915,496	$ 1,554,761	$ 1,210,496

*Refer to the Appendix for a definition of this non-GAAP financial measure and a reconciliation of this measure to its most directly comparable GAAP measure, as defined below.

Quanta's fourth quarter produced double-digit growth in revenues, adjusted EBITDA and adjusted earnings per share compared to the fourth quarter of 2023, free cash flow of $575.4 million and a number of other financial records, including total backlog of $34.5 billion, which was highlighted by record twelve-month and total backlog for our Renewable Energy Infrastructure Solutions segment. Of note, fourth quarter GAAP and adjusted earnings per share included a $0.10 and $0.23 benefit, respectively, in connection with payments received pursuant to an arbitration award related to a large telecommunications project in Peru that was terminated in 2019. We believe our consistent, profitable growth and solid cash flow reflects the power of our portfolio, sound execution, strong demand for our services and an expanding total addressable market, as we continue to advance our collaborative, solutions-based relationships with our customers and enhance our capabilities and service lines.

Select Full-Year 2024 Accomplishments

2024 was a successful year for Quanta, with strategic, operational and financial accomplishments throughout. We believe 2024 also continued the progression of the expected multi-decade infrastructure investment cycle, and we look forward with excitement at our multi-year strategic goals. Our innovative approach to our infrastructure solutions and portfolio of services, coupled with our passion for working collaboratively with our clients to support their success, positions us to be a critical partner in enabling load growth, electrification and the modernization of infrastructure for years to come.

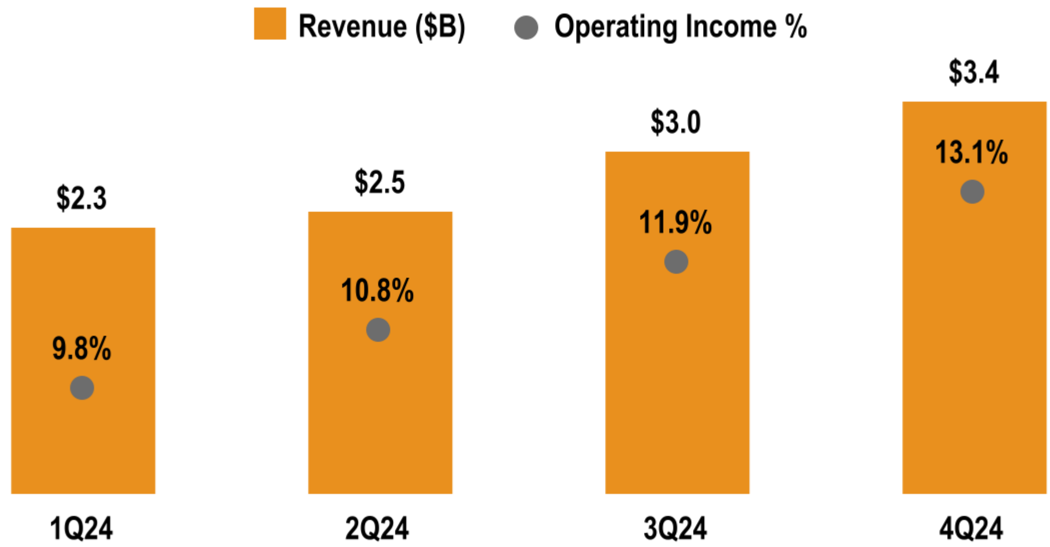
Here are some of our accomplishments in 2024:

- Our Electric Power Infrastructure Solutions segment and our Renewable Energy Infrastructure Solutions segment both generated record revenues and double-digit growth, with Renewable Energy Infrastructure Solutions growing more than 27% as compared to 2023, and both segments achieved record backlog during 2024, which is a testament to the quality of our customer base and the demand for our industry-leading solutions;
- We made significant construction progress on the SunZia Wind and Transmission projects, which together represent the largest clean energy infrastructure project in United States history. We believe this project validates the power of our combined high-voltage transmission and renewable generation solutions and demonstrates the value of our collaborative approach to providing comprehensive energy transition infrastructure solutions;

- We generated record levels of cash flow from operations and free cash flow and achieved another year of improved return on invested capital;
- We completed the acquisition of Cupertino Electric, Inc. (CEI), a premier electrical infrastructure solutions provider to the technology, renewable energy and infrastructure and commercial industries. Founded in 1954 and headquartered in San Jose, California, CEI provides integrated turnkey solutions, including engineering, procurement, project management, construction and modularization services, to a high-quality and diverse customer base across the United States. CEI brings a highly synergistic low-voltage electrical workforce and a complementary customer base that provides Quanta with another large and growing addressable market to which we can deliver our comprehensive infrastructure solutions;
- We continued to deploy capital into value-creating opportunities. In addition to CEI, Quanta acquired seven businesses located in the United States, each of which is expected to enhance our services, primarily to our electric power customers and strengthen our competitive position in the marketplace;
- We successfully advanced our strategic supply chain initiatives, both organically and through the acquisitions of Safety Test and Equipment Company, Sherman + Reilly, Inc. and Niagara Transformer, and made strategic investments in TS Conductor and Hybar LLC. We believe these domestic acquisitions and investments broaden our solutions and provide opportunities to reduce costs and enhance certainty of critical materials in our supply chain;
- Our front-end solutions based approach continues to improve our ability to capture more of the programmatic and capital spend of our customers;
- We provided significant resources in response to several severe weather events to support our utility customers' efforts to quickly and safely restore power to impacted consumers and businesses, which resulted in record emergency restoration services revenue. This includes the deployment of nearly 5,000 line workers and front-end support services staff from twenty different Quanta operating companies to support restoration efforts in the southeastern United States in response to Hurricane Helene and approximately 2,500 line workers and front-end support services staff from seventeen different Quanta operating companies to support restoration efforts in Texas in response to Hurricane Beryl; and
- We amended our credit facility and issued $1.25 billion in aggregate principal amount of senior notes, which were used to support capital deployment, including our acquisition of CEI. We paid off our $500 million 0.95% senior notes due October 2024, using cash and cash equivalents on hand and strong free cash flow generation.

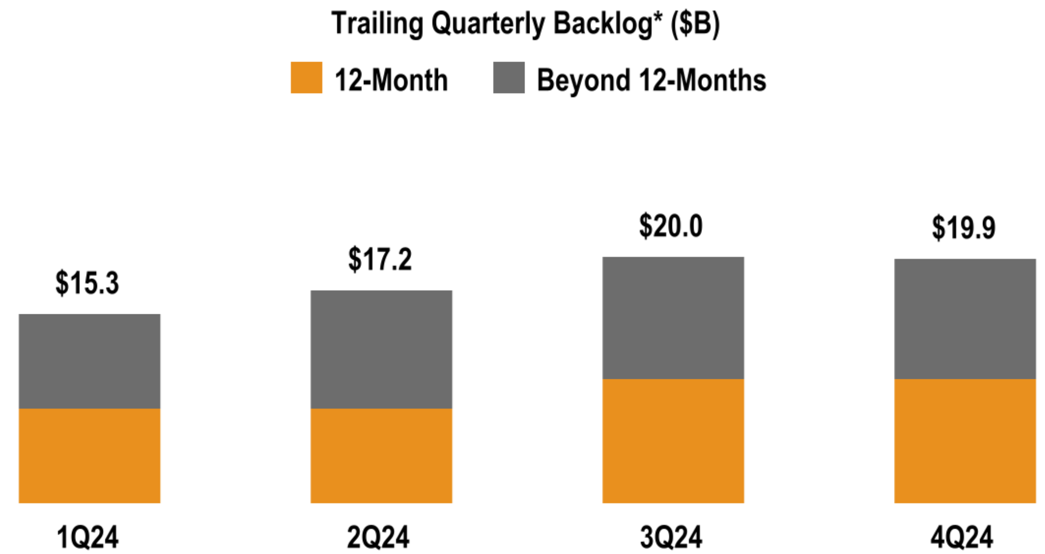
4Q24 Financial Results and Commentary

Electric Power Infrastructure Solutions Segment *(Electric Power)*



*** Operating Income Margins are calculated by dividing operating income by revenues**

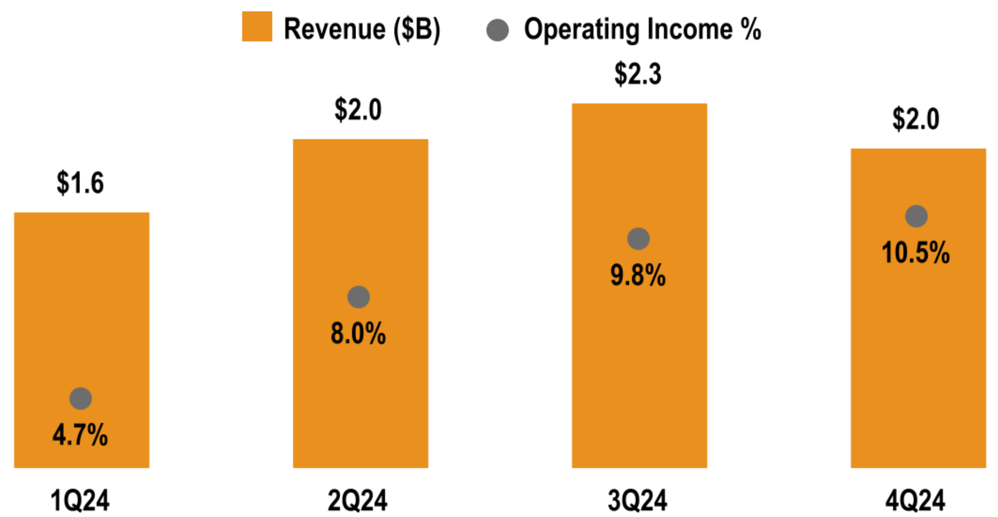
Our Electric Power segment operations performed well, with revenues of $3.4 billion in the fourth quarter and $11.2 billion in the full year of 2024. Segment operating income margin for the fourth quarter was 13.1%. The strong operating income performance was primarily driven by base business activity from utility grid modernization, grid security and system hardening initiatives, as well as sound execution and effective resource management across our electric power and communications operations. Emergency restoration revenues of approximately $250 million contributed to margin performance for the quarter. Also contributing to quarterly segment results was approximately $30 million of revenues and $21 million of operating income in connection with payments received pursuant to an arbitration award related to a large telecommunications project in Peru that was terminated during 2019. The operating income contribution includes the reimbursement of certain cost of services and is net of $18.5 million of foreign currency translation losses in connection with Quanta's substantial liquidation from Latin American operations. Additionally, businesses acquired over the past 12 months contributed approximately $645 million of revenues in the fourth quarter of 2024.



*Refer to the Appendix for a definition and reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure

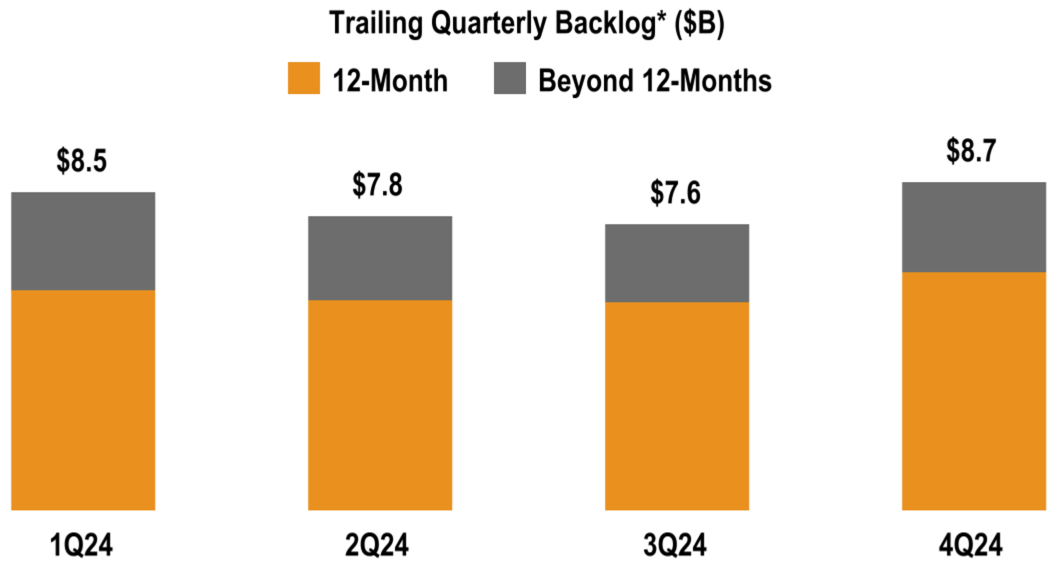
Demand for our electric power infrastructure solutions remains strong, as evidenced by backlog of $19.9 billion at year-end 2024. Utilities across the United States are experiencing and forecasting meaningful increases in power demand for the first time in many years and are pursuing various grid modernization initiatives. Accordingly, we continue to invest in resources to support the anticipated volumes associated with multi year utility programs and projects, and believe our investments in safety and training uniquely position us to attract and retain the workforce necessary to meet these demands.

Renewable Energy Infrastructure Solutions Segment *(Renewable Energy)*



*** Operating Income Margins are calculated by dividing operating income by revenues**

Our Renewable Energy segment revenues were $2.0 billion in the fourth quarter of 2024 and $7.8 billion for the full-year of 2024, led by renewable generation project activity, including solar, wind and battery storage projects, as well as related high-voltage electric transmission and substation services. Segment operating income margin in the fourth quarter continued to sequentially improve to 10.5%. Results in the fourth quarter were impacted by a shift of expected revenues from an acquisition and associated operating income out of the Renewable Energy segment and into the Electric Power segment, as well as the normal variability on timing of awards. Full-year 2024 segment operating income margins improved to 8.5%. Additionally, businesses acquired over the past 12 months contributed approximately $165 million of revenues in the fourth quarter of 2024.

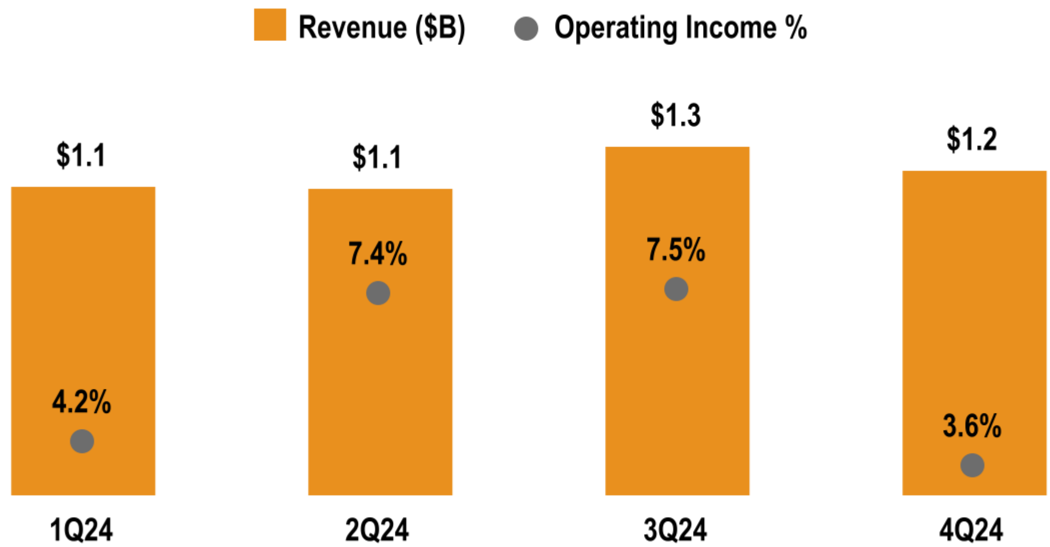


*Refer to the Appendix for a definition and reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure

Renewable Energy segment total backlog reached $8.7 billion as of year-end 2024, a significant sequential increase representing a record for the segment. This result was primarily driven by various renewable generation projects, as well as transmission and substation projects. We believe this rapid backlog growth reflects our strong client partnerships, our collaborative, solutions-based approach and our ability to scale our resources and safely execute our work.

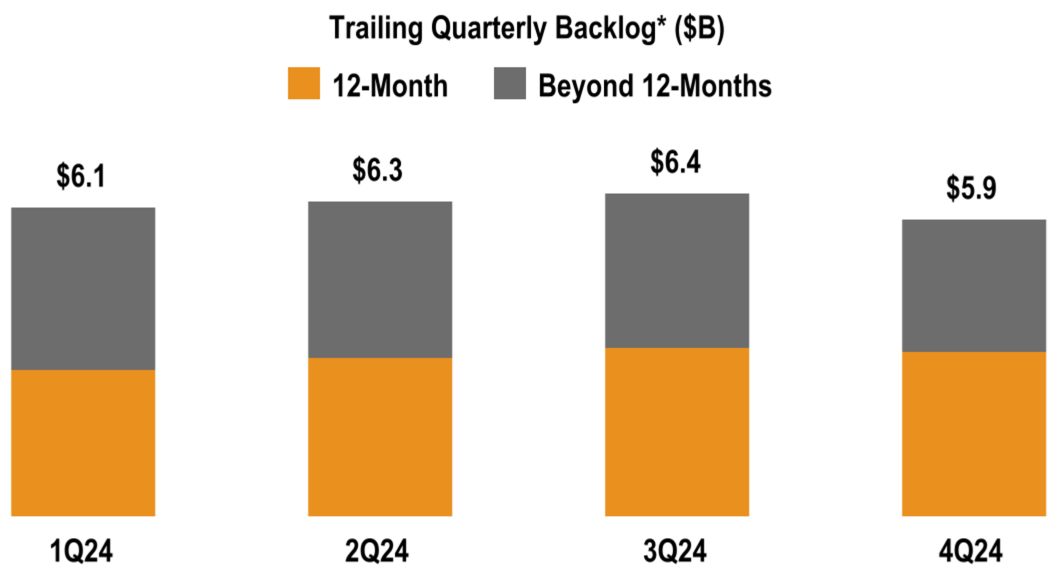
Opportunities around all forms of generation and the associated transmission and substation infrastructure remain robust. We continue to engage with customers on their multi year project portfolios and there is a pipeline of opportunities that we expect will translate into future awards. We continue to invest in resources to position Quanta for the anticipated multi year growth of large-scale infrastructure projects as load growth accelerates, which we believe presents the opportunity for record levels of revenues in future years.

Underground Utility & Infrastructure Solutions Segment *(Underground and Infrastructure)*



*** Operating Income Margins are calculated by dividing operating income by revenues**

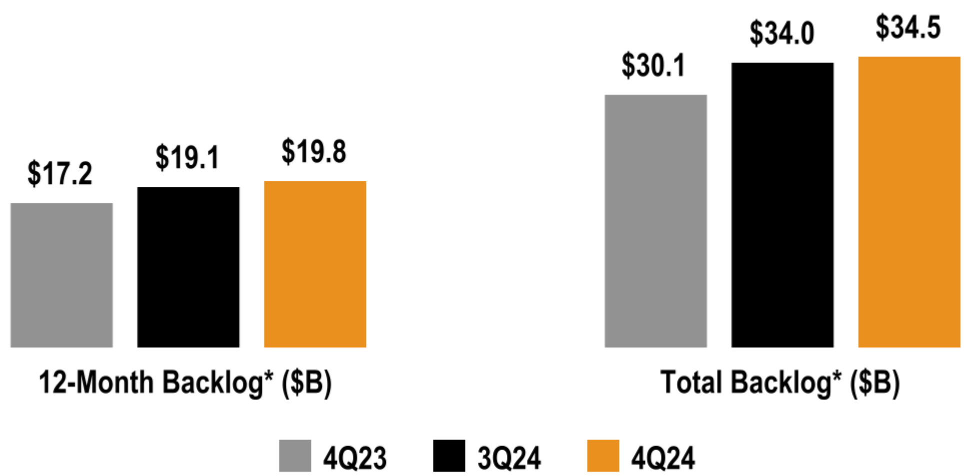
Underground and Infrastructure segment revenues were $1.2 billion in the fourth quarter of 2024 and $4.7 billion for the full year of 2024. Segment operating income margin of 3.6% in the fourth quarter exhibited normal seasonality and was impacted by additional pressure in our industrial operations due to a shift in the mix of work. Businesses acquired over the past twelve months contributed approximately $45 million in revenues in the fourth quarter of 2024.



*Refer to the Appendix for a definition and reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure

Total backlog for the Underground and Infrastructure segment was $5.9 billion, which was lower than the fourth quarter of 2023 due to backlog burn on multi year MSAs and the normal variability on timing of awards. While we continue to expect segment backlog to fluctuate due to these factors, the market for our industrial solutions and gas utility and pipeline integrity services remains solid given the recurring critical-path maintenance requirements and regulated spend dedicated to modernizing systems, reducing methane emissions, ensuring environmental compliance and improving safety and reliability. We remain confident in the low to mid-single digit multi-year growth opportunity for the segment's base business activities.

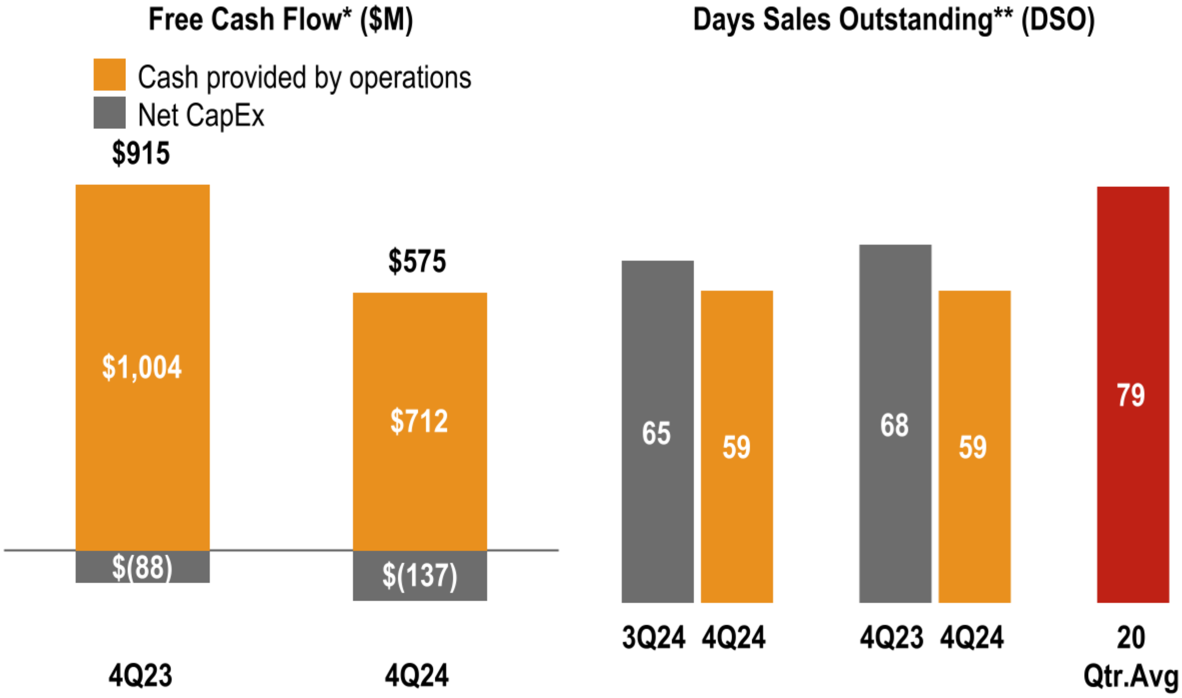
Consolidated Backlog



*Refer to the Appendix for a definition and reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure

At December 31, 2024, total backlog was a record $34.5 billion, reflecting the strength of our end markets and demand for our portfolio of solutions. Our twelve month backlog was $19.8 billion, also a record, and supports the near-term momentum we expect with our customers and their growing capital programs. We believe there is opportunity to achieve record backlog again in 2025 and in future years based on the pipeline of activity we are actively pursuing as we plan with our customers to provide complete solutions for their multi-year programs and projects.

Free Cash Flow & Days Sales Outstanding



*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
**Refer to the Appendix for the definition of Days Sales Outstanding

Cash flow in the fourth quarter of 2024 was strong, with net cash provided by operating activities of $712 million and free cash flow of $575 million, resulting in record free cash flow for the year of $1.6 billion, $50 million greater than the previous high end of our expectations. Free cash flow was driven by improved collections during the fourth quarter, payments received pursuant to an arbitration award related to a large telecommunications project in Peru that was terminated in 2019 and the deferral of certain tax payments into 2025. As previously discussed, our Renewable Energy segment typically has a favorable working capital profile, which benefits our cash flow when volumes increase. DSO measured 59 days in the fourth quarter of 2024, driven by the previously mentioned improved collections and certain contractual payments received prior to year end.

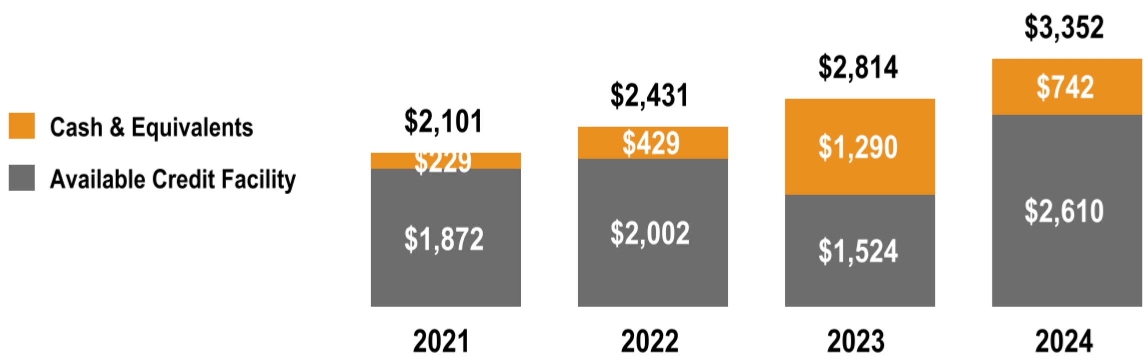
Balance Sheet & Liquidity

As of December 31, 2024, we had total liquidity of approximately $3.4 billion and a debt-to-EBITDA ratio of 1.7 as calculated under our senior credit agreement. We measure capital deployment opportunities against return opportunities presented through stock repurchases, and we believe there is an active pipeline of strategic opportunities that have the ability to drive significant stockholder value. Subsequent to year end, we acquired a U.S. business that provides civil solutions to U.S. infrastructure owners and an Australian business that provides engineering and manufactured solutions to critical infrastructure markets in Australia for aggregate upfront consideration of approximately $562 million of cash and stock.

($M)	December 31, 2021	2022	2023	2024
Cash and Cash Equivalents	**229**	**429**	**1,290**	**742**
Debt				
Credit Facility (Revolver)	450	37	136	23
Commercial Paper	—	373	706	—
Term Loans	750	750	731	713
Senior Notes	2,500	2,500	2,500	3,250
Other	54	70	126	176
Total Debt	**3,754**	**3,730**	**4,199**	**4,162**
Operating Lease Liabilities	249	246	265	317
Total Debt including Operating Lease Liabilities	**4,003**	**3,976**	**4,464**	**4,479**
Net Debt / EBITDA Ratio*	**2.3x**	**2.1x**	**1.8x**	**1.7x**

***Net Debt to EBITDA Ratio, as calculated under the credit agreement for our senior credit facility.**

Liquidity* ($M)



*Refer to the Appendix for a definition and reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure

New Segment Presentation

Beginning with the three months ending March 31, 2025, we will report our results under two reportable segments: (1) Electric Infrastructure Solutions and (2) Underground Utility and Infrastructure Solutions. The following discussion of our 2025 guidance in this document will be consistent with the new reportable segment structure. In conjunction with this change, certain prior period amounts were recast to conform to this new segment reporting structure, which can be found at the end of this document and the Investor Relations section of our website and in Exhibit 99.2 to Quanta's Current Report on Form 8-K dated February 20, 2025.

The new Electric Infrastructure Solutions (Electric) segment combines the previous Electric Power Infrastructure Solutions and Renewable Energy Infrastructure Solutions segments. This new segment reporting reflects how Quanta's business is managed and how resources are allocated, and management believes this new presentation better reflects the positioning of Quanta's strategies and operations portfolio to provide comprehensive solutions to address the electric power, renewable energy, technology and communications industries, which have industry dynamics and customer needs that are increasingly converging.

The new Electric Infrastructure Solutions segment will reflect infrastructure services such as engineering, design and other front-end services; electric transmission, distribution, substation and emergency restoration; utility-scale solar, wind and battery storage; inside electrical and modularization; supply chain and procurement solutions, including power transformer manufacturing capabilities; and wireline and wireless communications services. The Underground Utility and Infrastructure Solutions segment will be unchanged with respect to the services included.

Full-Year 2025 Guidance

The investment community is encouraged to review Quanta's Outlook Expectations Summary, which can be found on the Investor Relations section of our website at http://investors.quantaservices.com in the News & Events and Financial Info sections. This document provides a detailed discussion of Quanta's 2025 financial expectations and commentary that we believe is useful to the investment community.

The growth opportunities across our end markets are extensive, and we believe the drivers of demand for our infrastructure solutions are long-term in duration and create opportunity for multi year earnings visibility. As load growth, electrification and the energy transition progress, infrastructure requirements have become more urgent and complex. We believe our breadth of solutions and the complementary capabilities of our operations portfolio are becoming even more valuable to our customers. Further, we believe our ongoing investment in and commitment to workforce training and safety positively impacts our performance and enables us to meet our customers speed to market and schedule certainty goals, which we believe is a competitive advantage across our end markets.

We believe our 2025 guidance demonstrates the strength and sustainability of our portfolio and the continued execution against our long-term strategy. Our expectations are for another year of meaningful growth across our major financial metrics, and we believe there is an opportunity to achieve new record levels of backlog in 2025.

	2025 Estimated Range		
($M except per share data)	Low	Mid	High
Revenues	$26,600	$26,850	$27,100
Adj. EBITDA*	$2,665	$2,733	$2,801
Free Cash Flow*	$1,200	$1,450	$1,700
Net Income	$1,036	$1,081	$1,127
Diluted EPS (GAAP)	$6.85	$7.15	$7.45
Adjusted Diluted EPS*	$9.90	$10.20	$10.50

*Refer to the Appendix for a definition and reconciliation of this non-GAAP financial measure to its most directly comparable GAAP measure

While segment designations help investors better understand the work we are performing, we will continue to emphasize the power of our aggregate portfolio of solutions and the cash flow, earnings and returns they generate. The following commentary details our expectations for our reportable operating segments for 2025. We have included segment specific seasonality and other details around our 2025 expectations in the Outlook Expectations Summary, which can be found on the Investor Relations section of our website.

Electric Infrastructure Solutions Segment Guidance (Electric)

	Actuals (Recast**)		2025 Estimated Range		
	2023	2024	Low	Mid	High
Revenues ($M)	$15,867	$19,012	$21,600	$21,750	$21,900
Revenue Growth	*24.8%*	*19.8%*	*13.6%*	*14.4%*	*15.2%*
OI Margin*	9.4%	10.3%	10.0%	10.25%	10.5%

* Operating income margins are calculated by dividing operating income by revenues
** See the tables to follow for recast information for the years ended December 31, 2023 and 2024.

We expect Electric segment revenues to be between $21.6 and $21.9 billion for the full year of 2025, an increase of approximately 14% compared to 2024. Our full-year 2025 expectations include approximately $300 million of emergency restoration services revenues, a significant reduction compared to the record level of $650 million realized in 2024. Overall, the midpoint of our guidance for the Electric segment reflects organic revenue growth of 7% compared to 2024, which consists of upper-single digit organic growth from our generation solutions and mid-single digit growth from our high and low voltage infrastructure solutions. We see growth opportunities across the segment and remain disciplined on the work we take, in an effort to ensure we are maximizing profitability. Accordingly, we expect full-year 2025 operating income margin for the Electric segment to be approximately 10.25%, comparable to 2024, even with reduced contributions from emergency restoration services and the favorable impact of the previously mentioned arbitration award in the fourth quarter of 2024. Additionally, our guidance includes contributions of between $52 and $55 million of earnings from our integral unconsolidated affiliates.

Underground and Infrastructure Solutions Segment Guidance (Underground and Infrastructure)

	Actuals		2025 Estimated Range		
	2023	2024	Low	Mid	High
Revenues ($M)	$5,015	$4,660	$5,000	$5,100	$5,200
Revenue Growth	*15.2%*	*(7.1)%*	*7.3%*	*9.4%*	*11.6%*
OI Margin	7.5%	5.7%	7.3%	7.4%	7.5%

*Operating income margins are calculated by dividing operating income by revenues

We expect Underground and Infrastructure segment revenues to be between $5.00 and $5.20 billion in 2025, representing a 9% increase at the midpoint as compared to 2024. This growth is primarily attributable to mid- to upper-single digit base business revenue growth as compared to 2024, driven by recurring critical-path maintenance requirements and regulated spend dedicated to modernize systems, reduce methane emissions, ensure environmental compliance and improve safety and reliability. This growth, coupled with the contributions from acquisitions made in the beginning of 2025, are expected to more than offset the decline in revenues attributable to larger pipeline projects (~$800 million revenue contribution in 2024, compared to ~$500 million revenue contribution in our 2025 guidance).

We expect full-year 2025 operating income margins for the segment to be between 7.3% and 7.5%, which is in line with the long-term range presented at our April 2022 investor day.

Free Cash Flow and Interest Expense

After generating $1.6 billion of free cash flow in 2024, we expect free cash flow for full-year 2025 to be between $1.2 billion and $1.7 billion. The free cash flow forecast for 2025 represents a reduction at the midpoint compared to 2024, which is due to an expected increase in forecasted revenues that typically require higher levels of working capital. Of note, our range of expectations contemplates the collection of the remaining balance associated with the large Canadian renewable transmission project discussed in prior calls.

Including the year-to-date 2025 capital deployed on acquisitions, we expect interest expense to be between $175 million and $181 million for full-year 2025.

Positive Multi-Year Outlook

We believe electrification and increased load growth will require significant capital investment, and we believe Quanta is in the early stages of a multi-decade infrastructure build. Our ability to deliver consistent, profitable growth is a testament to the strength of our portfolio approach - a diversified, solutions-based strategy that enables us to adapt to evolving industry dynamics while delivering mission-critical infrastructure. Our strategic initiatives are enhancing our service lines and capabilities while also expanding our customer base and, as a result, enlarging our total addressable market opportunity for both organic growth and strategic capital deployment. The convergence of the utility, renewable energy and technology industries is gaining pace and our strategic acquisitions, including CEI, enhances Quanta's presence at the nexus of this convergence. We believe the strength of our end markets, our execution capabilities and our proven ability to strategically deploy capital will allow us to continue delivering solid returns and generate significant long-term stockholder value.

We appreciate your ongoing interest in Quanta Services.

Duke Austin
President and Chief Executive Officer

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This commentary (and oral statements regarding the subject matter of this commentary) includes forward-looking statements intended to qualify under the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include any statements reflecting Quanta's expectations, intentions, strategies, assumptions, plans or beliefs about future events or performance or that do not solely relate to historical or current facts. Forward-looking statements involve certain risks, uncertainties and assumptions that are difficult to predict or beyond Quanta's control, and actual results may differ materially from those expected, implied or forecasted by our forward-looking statements due to inaccurate assumptions and known and unknown risk and uncertainties. For additional information concerning some of the risks, uncertainties, assumptions and other factors that could affect our forward-looking statements, please refer to Quanta's Annual Report on Form 10-K for the years ended December 31, 2023 and December 31, 2024 (when filed), Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024, June 30, 2024 and September 30, 2024 and other documents filed with the Securities and Exchange Commission, which are available on our website (www.quantaservices.com), as well as the risks, uncertainties and assumptions identified in this commentary. Investors and analysts should not place undue reliance on Quanta's forward-looking statements, which are current only as of the date of this commentary. 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 commentary or otherwise, and Quanta expressly disclaims any written or oral statements made by any third party regarding the subject matter of this commentary.

Additionally, any financial projections in this commentary are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond Quanta's control. While such projections 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. The assumptions and estimates underlying such projected results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projections. The inclusion of financial information or projections in this commentary should not be regarded as an indication that Quanta considered or consider the information or projections to be a reliable prediction of future events.

Certain information may be provided in this commentary 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 commentary 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.

Appendix

Backlog is defined as remaining 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. Remaining performance obligations are defined as management's estimate of consolidated revenues that are expected to be realized from the remaining portion of firm orders under 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 be realized 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.

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 and complexity 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 such affiliates, the operations of which are not operationally integral to Quanta;
- **Gains and losses on sales of investments and businesses** vary 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 from period to period depending on, among other things, the performance in post-acquisition periods of certain acquired businesses and the effect of present value accretion on fair value calculations.

Adjusted Earnings per Share (EPS) 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 and complexity of Quanta's acquisition activity;
- **Change in fair value of contingent consideration liabilities** varies from period to period depending on, among other things, 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;
- **Gains and losses on sales of investments and businesses** 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.

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.

Return on invested capital (ROIC) is defined as net operating profit divided by average invested capital.

Total liquidity is defined as Quanta's cash and cash equivalents and availability under Quanta's 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.

Reconciliation of Adjusted Net Income Attributable to Common Stock and Adjusted Diluted Earnings Per Share Attributable to Common Stock

($000s, except per share amounts)	2023		2024		FY 2025 GUIDANCE RANGE		
	4Q	FY	4Q	FY	Low	Mid	High
Reconciliation of adjusted net income attributable to common stock:							
Net income attributable to common stock (GAAP as reported)	$ 210,908	$ 744,689	$ 305,120	$ 904,824	$ 1,035,700	$ 1,081,100	$ 1,126,500
Acquisition and integration costs	16,499	42,837	4,533	29,994	7,100	7,100	7,100
Change in fair value of contingent consideration liabilities	5,765	6,568	4,200	7,064	—	—	—
Equity in earnings of non-integral unconsolidated affiliates	(144)	(1,263)	(1,236)	(2,649)	—	—	—
(Gain on sale of investment) loss on disposition of business, net	—	(1,496)	—	4,370	—	—	—
Foreign currency translation losses	—	—	18,531	18,531	—	—	—
Non-cash stock-based compensation	32,104	126,762	39,711	150,526	172,500	172,500	172,500
Amortization of intangible assets	75,225	289,014	115,812	382,959	440,800	440,800	440,800
Amortization included in equity in earnings of integral unconsolidated affiliates	1,465	6,191	668	4,270	3,700	3,700	3,700
Income tax impact of adjustments	(33,441)	(143,376)	(41,905)	(147,104)	(162,100)	(162,100)	(162,100)
Impact of income tax contingency releases	(5,003)	(5,003)	(3,278)	(6,343)	—	—	—
Adjusted net income attributable to common stock	$ 303,378	$ 1,064,923	$ 442,156	$ 1,346,442	$ 1,497,700	$ 1,543,100	$ 1,588,500
Reconciliation of adjusted diluted earnings per share:							
Diluted earnings per share attributable to common stock (GAAP as reported)	$ 1.42	$ 5.00	$ 2.03	$ 6.03	$ 6.85	$ 7.15	$ 7.45
Acquisition and integration costs	0.11	0.29	0.03	0.20	0.05	0.05	0.05
Asset impairment charges	—	—	—	—	—	—	—
Change in fair value of contingent consideration liabilities	0.04	0.04	0.03	0.05	—	—	—
Equity in earnings of non-integral unconsolidated affiliates	—	(0.01)	(0.01)	(0.02)	—	—	—
Loss on disposition of business (gain on sale of investment), net	—	(0.01)	—	0.03	—	—	—
Foreign currency translation losses	—	—	0.12	0.12	—	—	—
Non-cash stock-based compensation	0.22	0.85	0.26	1.00	1.14	1.14	1.14
Amortization of intangible assets	0.51	1.94	0.77	2.55	2.91	2.91	2.91
Amortization included in equity in earnings of integral unconsolidated affiliates	0.01	0.04	—	0.03	0.02	0.02	0.02
Income tax impact of adjustments	(0.24)	(0.95)	(0.27)	(0.98)	(1.07)	(1.07)	(1.07)
Impact of income tax contingency releases	(0.03)	(0.03)	(0.02)	(0.04)	—	—	—
Adjusted diluted earnings per share	$ 2.04	$ 7.16	$ 2.94	$ 8.97	$ 9.90	$ 10.20	$ 10.50
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	148,906	148,823	150,618	150,056	151,300	151,300	151,300

Reconciliation of Adjusted Net Income Attributable to Common Stock and Adjusted Diluted Earnings Per Share Attributable to Common Stock Continued

($000s, except per share amounts)	2019 FY	2020 FY	2021 FY	2022 FY
Reconciliation of adjusted net income attributable to common stock:				
Net income attributable to common stock (GAAP as reported)	$ 402,044	$ 445,596	$ 485,956	$ 491,189
Acquisition and integration costs	24,767	19,809	47,368	47,431
Asset impairment charges	13,892	8,282	5,743	14,457
Change in fair value of contingent consideration liabilities	13,404	719	6,734	4,422
Equity in earnings of non-integral unconsolidated affiliates	—	—	(2,121)	(20,333)
Write-off of deferred financing costs	—	2,492	4,426	—
Impairments of non-integral unconsolidated affiliates	—	8,679	—	—
Severance and restructuring charges	—	6,808	—	—
Gain on sale of equity investment	(12,973)	—	—	—
Income tax benefits associated with sale of equity investment	(7,756)	—	—	—
Bargain purchase gain	(3,138)	—	—	—
Unrealized loss from mark-to-market adjustment on investment	—	—	—	91,500
Loss on disposition of business (gain on sale of investment), net	—	—	—	(22,222)
Impact of release of valuation allowance	—	(45,148)	—	—
Impact of change in Canadian provincial statutory tax rate	(2,532)	—	—	—
Impact of favorable settlement, net of reduction of related indemnification asset	(911)	—	—	—
Non-cash stock-based compensation	52,013	91,641	88,259	105,600
Amortization of intangible assets	62,091	76,704	165,366	353,973
Amortization included in equity in earnings of integral unconsolidated affiliates	—	—	473	1,894
Income tax impact of adjustments	(42,778)	(53,001)	(82,045)	(125,578)
Impact of income tax contingency releases	(6,136)	(8,174)	(6,731)	(4,197)
Adjusted net income attributable to common stock	$ 491,987	$ 554,407	$ 713,428	$ 938,136
Reconciliation of adjusted diluted earnings per share:	FY	FY	FY	FY
Diluted earnings per share attributable to common stock (GAAP as reported)	$ 2.73	$ 3.07	$ 3.34	$ 3.32
Acquisition and integration costs	0.17	0.14	0.33	0.32
Asset impairment charges	0.09	0.06	0.04	0.10
Change in fair value of contingent consideration liabilities	0.09	—	0.05	0.03
Equity in earnings of non-integral unconsolidated affiliates	—	—	(0.01)	(0.14)
Write-off of deferred financing costs	—	0.02	0.03	—
Impairments of non-integral unconsolidated affiliates	—	0.06	—	—
Severance and restructuring charges	—	0.05	—	—
Gain on sale of equity investment	(0.09)	—	—	—
Income tax benefits associated with sale of equity investment	(0.05)	—	—	—
Bargain purchase gain	(0.02)	—	—	—
Unrealized loss from mark-to-market adjustment on investment	—	—	—	0.62
Loss on disposition of business (gain on sale of investment), net	—	—	—	(0.15)
Impact of release of valuation allowance	—	(0.31)	—	—
Impact of change in Canadian provincial statutory tax rate	(0.02)	—	—	—
Impact of favorable settlement, net of reduction of related indemnification asset	(0.01)	—	—	—
Non-cash stock-based compensation	0.35	0.63	0.61	0.71
Amortization of intangible assets	0.42	0.53	1.14	2.39
Amortization included in equity in earnings of integral unconsolidated affiliates	—	—	—	0.01
Income tax impact of adjustments	(0.29)	(0.37)	(0.57)	(0.84)
Impact of income tax contingency releases	(0.04)	(0.06)	(0.05)	(0.03)
Adjusted diluted earnings per share	$ 3.33	$ 3.82	$ 4.91	$ 6.34
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	147,534	145,247	145,373	147,992

Reconciliation of Adjusted Net Income Attributable to Common Stock and Adjusted Diluted Earnings Per Share Attributable to Common Stock Continued

($000s, except per share amounts)	2015 FY	2016 FY	2017 FY	2018 FY
Reconciliation of adjusted net income attributable to common stock:				
Net income attributable to common stock (GAAP as reported)	$ 120,286	$ 198,725	$ 314,978	$ 293,346
Acquisition and integration costs	7,966	3,053	10,579	17,233
Asset impairment charges	58,451	7,964	59,950	52,658
Change in fair value of contingent consideration liabilities	—	—	(5,171)	(11,248)
Severance and restructuring charges	—	6,352	—	1,326
Impact of the Tax Cuts and Job Act of 2017	—	—	(70,129)	33,067
Income tax impact primarily related to entity restructuring and recapitalization efforts	—	—	(18,224)	1,842
Non-cash stock-based compensation	36,939	41,134	46,448	52,484
Amortization of intangible assets	34,848	31,685	32,205	43,994
Income tax impact of adjustments	(42,003)	(30,165)	(53,074)	(43,868)
Impact of Alberta tax law change	4,982	—	—	—
Impact of tax benefit from realization of previously unrecognized deferred tax asset	(4,228)	—	—	—
Impact of income tax contingency releases	—	(20,488)	(7,223)	(8,049)
Adjusted net income attributable to common stock	$ 217,241	$ 238,260	$ 310,339	$ 432,785

Reconciliation of adjusted diluted earnings per share:	FY	FY	FY	FY
Diluted earnings per share attributable to common stock (GAAP as reported)	$ 0.62	$ 1.26	$ 2.00	$ 1.90
Acquisition and integration costs	0.04	0.02	0.07	0.11
Asset impairment charges	0.30	0.05	0.38	0.34
Change in fair value of contingent consideration liabilities	—	—	(0.03)	(0.07)
Severance and restructuring charges	—	0.04	—	0.01
Impact of the Tax Cuts and Job Act of 2017	—	—	(0.45)	0.21
Income tax impact primarily related to entity restructuring and recapitalization efforts	—	—	(0.12)	0.01
Non-cash stock-based compensation	0.19	0.26	0.30	0.34
Amortization of intangible assets	0.18	0.20	0.20	0.29
Income tax impact of adjustments	(0.23)	(0.19)	(0.33)	(0.28)
Impact of Alberta tax law change	0.03	—	—	—
Impact of tax benefit from realization of previously unrecognized deferred tax asset	(0.02)	—	—	—
Impact of income tax contingency releases	—	(0.13)	(0.05)	(0.05)
Adjusted diluted earnings per share	$ 1.11	$ 1.51	$ 1.97	$ 2.81
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	195,120	157,288	157,155	154,226

Reconciliation of Adjusted EBITDA

($000s)	2023		2024		FY 2025 GUIDANCE RANGE		
	4Q	FY	4Q	FY	Low	Mid	High
Net income attributable to common stock (GAAP as reported)	$ 210,908	$ 744,689	$ 305,120	$ 904,824	$ 1,035,700	$ 1,081,100	$ 1,126,500
Interest expense, net	43,627	176,083	42,757	170,283	175,000	178,000	181,000
Provision for income taxes	75,799	219,267	106,031	284,747	392,300	411,800	431,300
Depreciation expense	85,040	324,786	96,838	359,363	413,900	413,900	413,900
Amortization of intangible assets	75,225	289,014	115,812	382,959	440,800	440,800	440,800
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	5,398	19,936	5,506	21,114	27,400	27,400	27,400
EBITDA	495,997	1,773,775	672,064	2,123,290	2,485,100	2,553,000	2,620,900
Non-cash stock-based compensation	32,104	126,762	39,711	150,526	172,500	172,500	172,500
Acquisition and integration costs	16,499	42,837	4,533	29,994	7,100	7,100	7,100
Equity in earnings of non-integral unconsolidated affiliates	(144)	(1,263)	(1,236)	(2,649)	—	—	—
Loss on disposition of business (gain on sale of investment), net	—	(1,496)	—	4,370	—	—	—
Foreign currency translation losses	—	—	18,531	18,531	—	—	—
Change in fair value of contingent consideration liabilities	5,765	6,568	4,200	7,064	—	—	—
Adjusted EBITDA	$ 550,221	$ 1,947,183	$ 737,803	$ 2,331,126	$ 2,664,700	$ 2,732,600	$ 2,800,500

Reconciliation of Free Cash Flow

($000s)	2023		2024		FY 2025 GUIDANCE RANGE		
	4Q	FY	4Q	FY	Low	Mid	High
Net cash provided by operating activities	$ 1,003,538	$ 1,575,952	$ 712,015	$ 2,081,196	$ 1,700,000	$ 1,975,000	$ 2,250,000
Less: Net capital expenditures:							
Capital expenditures	(109,406)	(434,803)	(146,985)	(604,078)			
Cash proceeds from sale of property and equipment and related insurance settlements	21,364	69,347	10,413	77,643			
Net capital expenditures	(88,042)	(365,456)	(136,572)	(526,435)	(500,000)	(525,000)	(550,000)
Free Cash Flow	$ 915,496	$ 1,210,496	$ 575,443	$ 1,554,761	$ 1,200,000	$ 1,450,000	$ 1,700,000

Reconciliation of Backlog

($000s)	December 31, 2023		March 31, 2024		June 30, 2024		September 30, 2024		December 31, 2024	
	12 Month	Total	12 Month	Total	12 Month	Total	12 Month	Total	12 Month	Total
Electric Power Infrastructure Solutions										
Remaining performance obligations	$ 2,762,608	$ 4,505,830	$ 3,027,780	$ 5,571,970	$ 2,910,917	$ 5,381,411	$ 4,276,630	$ 7,081,450	$ 4,250,978	$ 7,320,481
Estimated orders under MSAs and short- term, non-fixed price contracts	5,597,732	10,995,198	4,805,249	9,769,937	4,935,743	11,787,339	5,935,083	12,868,759	5,907,359	12,583,574
Backlog	$ 8,360,340	$ 15,501,028	$ 7,833,029	$ 15,341,907	$ 7,846,660	$ 17,168,750	$ 10,211,713	$ 19,950,209	$ 10,158,337	$ 19,904,055
Renewable Energy Infrastructure Solutions										
Remaining performance obligations	$ 5,512,159	$ 8,005,368	$ 5,673,672	$ 8,137,113	$ 5,344,490	$ 7,551,651	$ 5,230,590	$ 7,138,365	$ 6,046,432	$ 8,333,547
Estimated orders under MSAs and short- term, non-fixed price contracts	118,770	119,634	187,440	315,601	270,039	283,936	301,359	432,580	291,244	390,205
Backlog	$ 5,630,929	$ 8,125,002	$ 5,861,112	$ 8,452,714	$ 5,614,529	$ 7,835,587	$ 5,531,949	$ 7,570,945	$ 6,337,676	$ 8,723,752
Underground Utility & Infrastructure Solutions										
Remaining performance obligations	$ 1,017,227	$ 1,383,057	$ 912,482	$ 1,173,586	$ 1,195,150	$ 1,436,069	$ 1,161,919	$ 1,389,715	$ 953,983	$ 1,104,609
Estimated orders under MSAs and short- term, non-fixed price contracts	2,222,451	5,099,332	2,029,477	4,929,704	1,962,185	4,870,392	2,220,595	5,053,421	2,321,941	4,806,408
Backlog	$ 3,239,678	$ 6,482,389	$ 2,941,959	$ 6,103,290	$ 3,157,335	$ 6,306,461	$ 3,382,514	$ 6,443,136	$ 3,275,924	$ 5,911,017
Total										
Remaining performance obligations	$ 9,291,994	$ 13,894,255	$ 9,613,934	$ 14,882,669	$ 9,450,557	$ 14,369,131	$ 10,669,139	$ 15,609,530	$ 11,251,393	$ 16,758,637
Estimated orders under MSAs and short- term, non-fixed price contracts	7,938,953	16,214,164	7,022,166	15,015,242	7,167,967	16,941,667	8,457,037	18,354,760	8,520,544	17,780,187
Backlog	$ 17,230,947	$ 30,108,419	$ 16,636,100	$ 29,897,911	$ 16,618,524	$ 31,310,798	$ 19,126,176	$ 33,964,290	$ 19,771,937	$ 34,538,824

Supplemental Segment Data Recast for New Segments

As mentioned above, beginning in the three months ending March 31, 2025, Quanta's Chief Executive Officer reevaluated how he assesses performance and allocates resources, which resulted in a change in the reporting of management's internal financial information. As a result, Quanta will begin reporting the results of its two operating segments, which will also be its two reportable segments: (1) Electric Infrastructure Solutions and (2) Underground Utility and Infrastructure Solutions. The Electric Infrastructure Solutions segment will consist of the historical Electric Power and Renewable Energy segments. As a result, Quanta is providing an unaudited presentation of its recast segment data for the quarterly and year-to-date periods indicated in the tables below. Operating margins are calculated by dividing operating income by revenues. This unaudited recast information is also available on Quanta's website at www.quantaservices.com in the "Investors" section and in Exhibit 99.2 to Quanta's Current Report on Form 8-K dated February 20, 2025.

	Twelve Months Ended December 31,	
	2023	2024
Revenues:		
Electric Infrastructure Solutions	$15,867,198	$19,012,379
Underground and Utility Infrastructure Solutions	5,015,008	4,660,416
Consolidated revenues	$20,882,206	$23,672,795
Operating income (loss):		
Electric Infrastructure Solutions	$1,490,558	$1,958,692
Underground and Utility Infrastructure Solutions	377,977	265,030
Corporate and Non-Allocated Costs	(740,559)	(877,254)
Consolidated operating income	$1,127,976	$1,346,468
Operating margin:		
Electric Infrastructure Solutions	9.4 %	10.3 %
Underground and Utility Infrastructure Solutions	7.5 %	5.7 %
Corporate and Non-Allocated Costs	(3.5)%	(3.7)%
Consolidated operating margin	5.4 %	5.7 %

Cautionary Statement About Forward-Looking Statements and Information

This commentary (and oral statements regarding the subject matter of this commentary) 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, margins, cash flows, liquidity, weighted average shares outstanding, capital expenditures, interest rates and tax rates, as well as other projections of operating results and GAAP and non-GAAP financial results, including EBITDA, adjusted EBITDA and backlog; expectations regarding Quanta's business or financial outlook; expectations regarding opportunities, technological developments, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries; expectations regarding Quanta's plans and strategies, including with respect to our supply chain and expanded or new services offerings; the business plans or financial condition of Quanta’s customers; the potential benefits from, and future financial and operational performance of, acquired businesses and investments; the expected value of contracts or intended contracts with customers, as well as the expected timing, scope, services, term or results of any awarded or expected projects; possible recovery of pending or contemplated insurance claims, change orders and claims asserted against customers or third parties, as well as the collectability of receivables; the development of and opportunities with respect to future projects, including renewable energy projects, electrical grid modernization, upgrade and hardening projects, larger transmission and pipeline projects and data center projects; expectations regarding the future availability and price of materials and equipment necessary for the performance of Quanta's business; the expected impact of global and domestic economic or political conditions on Quanta's business, financial condition, results of operations, cash flows, liquidity and demand for our services, including inflation, interest rates, tariffs and recessionary economic conditions and commodity prices and production volumes; the expected impact of changes or potential changes to climate and the physical and transition risks associated with climate change; 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 debt; the expected impact of existing or potential legislation or regulation; potential opportunities that may be indicated by bidding activity or similar discussions with customers; the future demand for, availability of and costs related to labor resources in the industries Quanta serves; the expected recognition and realization of Quanta’s remaining performance obligations and backlog; expectations regarding the outcome of pending or threatened legal proceedings, as well as the collection of amounts awarded in legal proceedings; and expectations regarding Quanta's ability to maintain its current credit ratings; 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. 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. Forward-looking statements can be affected by inaccurate assumptions and by known or unknown risks and uncertainties including, among others, market, industry, economic, financial or political conditions that are outside of the control of Quanta, including economic, energy, infrastructure and environmental policies and plans that are adopted or proposed by the U.S. federal and state governments or other governments in territories or countries in which Quanta operates; inflation, interest rates, recessionary economic conditions, deterioration of global or specific trade relationships and geopolitical conflicts and political 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; delays, deferrals, reductions in scope or cancellations of anticipated, pending or existing projects as a result of, among other things, supply chain or production 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 production volumes, which have been and may continue to be affected by inflationary pressure, on Quanta's operations and growth opportunities and on customers' 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 certain of our product solutions, as well as 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 obligations, reimbursement obligations associated with letters of credit or bonds, multiemployer pension plans or other claims or actions asserted against Quanta, including amounts not covered by, or in excess of the coverage under, third-party insurance; 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, increases in amounts or retention amounts 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 cybersecurity breaches, environmental and occupational health and safety matters, corporate scandal, failure to successfully perform or negative publicity regarding a high-profile or large-scale infrastructure 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; Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third-parties, and the impact of, among other things, inflationary pressure, regulatory, supply chain and logistical challenges on these third parties; estimates and assumptions relating to financial results, remaining performance obligations and backlog; Quanta's inability to attract, the potential shortage of and increased costs with respect to skilled employees, as well as Quanta's inability to retain or attract key personnel and qualified employees; Quanta's dependence on fixed price contracts and the potential to incur losses with respect to these contracts; cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms; 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; 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 climate change; Quanta's ability to generate internal growth; competition in Quanta’s business, including the ability to effectively compete for new projects and market share, as well as technological advancements and market developments that could reduce demand for Quanta's services; the failure of existing or potential legislative actions and initiatives to result in increased demand for Quanta’s services or 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; 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 or production disruptions, governmental regulations on sourcing, the imposition of tariffs, duties, taxes or other assessments, and other changes in U.S. trade relationships with foreign countries; 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 or harm to its reputation as a result of acts or omissions by partners; the inability or refusal of customers or third-party contractors to pay for services, which could result in the 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; risks associated with operating in international markets and U.S. territories, including instability of governments, significant currency exchange fluctuations, and compliance with unfamiliar legal and labor systems and cultural practices, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws, and complex U.S. and foreign tax regulations and international treaties; 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 acquisitions and investments, 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; the impact of the unionized portion of Quanta's workforce on its operations; 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 trading 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 ability to obtain bonds, letters of credit and other project security; risks related to the implementation of new information technology systems; new or changed tax laws, treaties or regulations or the inability to realize deferred tax assets; and other risks and uncertainties detailed in Quanta’s Annual Report on Form 10-K for the years ended December 31, 2023 and December 31, 2024 (when filed), Quanta's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2024, June 30, 2024, and September 30, 2024 and any other documents that Quanta files with the SEC. For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta’s documents filed with the SEC that are available through Quanta’s website at www.quantaservices.com or through the SEC’s Electronic Data Gathering and Analysis Retrieval System (EDGAR) at www.sec.gov. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. Investors 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 commentary.