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DELTA REPORT

10-Q

PWR - QUANTA SERVICES, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	3145
CHANGES	361
DELETIONS	1369
ADDITIONS	1415

REFINITIV

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024.

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number: 001-13831

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Quanta Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**74-2851603**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

2727 North Loop West
Houston, Texas 77008
(Address of principal executive offices, including zip code)

(713) 629-7600
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00001 par value	PWR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of October 27, 2023 April 29, 2024, the number of outstanding shares of Common Stock of the registrant was 145,284,890. 146,388,455.

QUANTA SERVICES, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

Cautionary Statement About Forward-Looking Statements and Information

This Quarterly Report on Form 10-Q (Quarterly Report) of Quanta Services, Inc. (together with its subsidiaries, Quanta, we, us or our) includes forward-looking statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as “anticipate,” “estimate,” “project,” “forecast,” “may,” "will," "should," "could," "expect," "believe," "plan," "intend" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- 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 (as defined herein) and non-GAAP financial results, including EBITDA (as defined herein), adjusted EBITDA (as defined herein) and backlog;
- Expectations regarding our business or financial outlook;
- Expectations regarding opportunities, technological developments, competitive positioning, future economic and regulatory conditions and other trends in particular markets or industries, including with respect to our increased operations in the renewable energy market and the transition to a reduced-carbon economy; industries;
- Expectations regarding our plans and strategies; strategies, including with respect to our supply chain solutions and expanded or new services offerings;
- The business plans or financial condition of our customers, including with respect to the transition to a reduced-carbon economy;
- The potential benefits from, and future financial and operational performance of, acquired businesses and our investments;
- Beliefs and assumptions about the collectability of receivables;
- 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; parties, as well as the collectability of receivables;
- The development of and opportunities with respect to future projects, including renewable energy projects and other projects designed to support the transition to a reduced-carbon economy, electrical grid modernization projects, upgrade and hardening projects and larger transmission and pipeline projects;
- Expectations regarding the future availability and price of materials and equipment necessary for the performance of our business, as well as our ability to implement strategies designed to manage the availability or price of such materials and equipment; business;
- The expected impact of global and domestic economic or political conditions on our business, financial condition, results of operations, cash flows, liquidity and demand for our services, including inflation, interest rates, recessionary economic conditions and commodity prices and production volumes;
- The expected impact of changes and potential changes in climate and the physical and transition risks associated with climate change and the transition to a reduced-carbon economy;
- Future capital allocation initiatives, including the amount and timing of, and strategies with respect to, any future acquisitions, investments, cash dividends, repurchases of our 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 we serve;
- The expected recognition and realization of our remaining performance obligations or backlog;
- Expectations regarding the outcome of pending or threatened legal proceedings, as well as the collection of amounts awarded in legal proceedings; and
- Expectations with respect to our ability to reduce our debt and maintain our current credit ratings.

These forward-looking statements are not guarantees of future performance; rather they involve or rely on a number of risks, uncertainties, and assumptions that are difficult to predict or are beyond our control and reflect management's beliefs and assumptions based on information available at the time the statements are made. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecasted by our forward-looking statements and that any or all of our forward-looking statements may turn out to be inaccurate or incorrect. These statements can be affected by inaccurate assumptions and by known or unknown risks and uncertainties, including the following:

- Market, industry, economic, financial or political conditions that are outside of our control, 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 we operate, inflation, interest rates,

  recessionary economic conditions, deterioration of global or specific trade relationships, and geopolitical conflicts and political unrest;

- Quarterly variations in our operating and financial results, liquidity, financial condition, cash flows, capital requirements, and reinvestment opportunities;
- Trends and growth opportunities in relevant markets, including our 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, right of way acquisition, environmental processes, project performance issues, claimed force majeure events, protests or other political activity, legal challenges, inflationary pressure, reductions or eliminations in governmental funding or customer capital constraints;
- The effect of commodity prices and commodity production volumes, which have been and may continue to be affected by inflationary pressure, on our operations and growth opportunities and on our customers' capital programs and demand for our 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 the services we provide and certain of our product solutions, as well as the conditions in which we operate, and can be due to failure of infrastructure on which we have 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 us, including amounts that are not covered by, or are in excess of the coverage under, our 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 us, or the unavailability of coverage deemed beneficial to us at reasonable and competitive rates (e.g., coverage for wildfire events);
- Damage to our brands or reputation, as well as potential costs, liabilities, fines or penalties, arising as a result of cyber-security cybersecurity breaches, environmental and occupational health and safety matters, corporate scandal, failure to successfully perform or negative publicity regarding a high-profile project, involvement in a catastrophic event (e.g., fire, explosion) or other negative incidents;
- Disruptions in, or failure to adequately protect, our information technology systems;
- Our dependence on suppliers, subcontractors, equipment manufacturers and other third parties and the impact of, among other things, inflationary pressure and regulatory, supply chain and logistical challenges on these third parties;
- Estimates and assumptions related to our financial results, remaining performance obligations and backlog;
- Our inability to attract, the potential shortage of, and increased costs with respect to skilled employees, as well as our ability to retain and attract key personnel and qualified employees;
- Our dependence on fixed price contracts and the potential that we incur losses with respect to these contracts;
- Cancellation provisions within our contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms;
- Our inability or failure to comply with the terms of our 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, as well as the impact of climate change;
- Our ability to generate internal growth;
- Competition in our business, including our ability to effectively compete for new projects and market share, as well as technological advancements and market developments that could reduce demand for our services;
- The failure of existing or potential legislative actions and initiatives to result in increased demand for our 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;
- The unavailability of, or increased prices for, materials, equipment and consumables (such as fuel) used in our and our 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 or deterioration of relationships with customers with whom that we have long-standing or significant relationships; relationships with;

- The potential that our participation in joint ventures or similar structures exposes us to liability or harm to our reputation as a result of acts or omissions by our partners;
- The inability or refusal of our customers or third-party contractors to pay for services, which could result in our inability to collect our outstanding receivables, failure to recover amounts billed to, or avoidance of certain payments received from, customers in bankruptcy or failure to recover on change orders or contract claims;
- 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;
- Our 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 our operations, poor performance or decline in value of acquired businesses or investments and unexpected costs or liabilities that may arise from acquisitions or investments;
- The adverse impact of impairments of goodwill, other intangible assets, receivables, long-lived assets or investments;
- Difficulties arising from managing our decentralized management structure; business as it expands and becomes more complex;
- The impact of the unionized portion of our workforce on our operations;
- An inability to access sufficient funding to finance desired growth and operations, including our ability to access capital markets on favorable terms, as well as fluctuations in the price and trading volume of our common stock, debt covenant compliance, interest rate fluctuations, a downgrade in our credit ratings and other factors affecting our financing and investing activities;
- Our 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
- The other risks and uncertainties described elsewhere herein, including in Item 1A. *Risk Factors* of in Part I of our Annual Report on Form 10-K for the year ended December 31, 2022 (2022 December 31, 2023 (2023 Annual Report), and as may be detailed from time to time in our other public filings with the U.S. Securities and Exchange Commission (SEC).

All of our forward-looking statements, whether written or oral, are expressly qualified by these cautionary statements and any other cautionary statements that may accompany such forward-looking statements or that are otherwise included in this report. Although forward-looking statements reflect our good faith beliefs at the time they are made, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. In addition, we do not undertake and expressly disclaim any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this report or otherwise.

PART I - FINANCIAL INFORMATION

Item 1. *Financial Statements.*

QUANTA SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share information)
(Unaudited)

	September 30, 2023	December 31, 2022

		March 31, 2024		March 31, 2024	December 31, 2023
ASSETS	**ASSETS**				
Current Assets:					
Current Assets:					
Current Assets:	Current Assets:				
Cash and cash equivalents	Cash and cash equivalents	$ 305,355	$ 428,505		
Accounts receivable, net	Accounts receivable, net	4,332,499	3,674,525		
Contract assets	Contract assets	1,584,623	1,080,206		
Inventories	Inventories	163,879	103,265		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	349,011	249,569		
Total current assets	Total current assets	6,735,367	5,536,070		
Total current assets					
Total current assets					
Property and equipment, net	Property and equipment, net	2,290,327	2,030,464		
Operating lease right-of-use assets	Operating lease right-of-use assets	249,592	229,691		
Other assets, net	Other assets, net	650,586	622,736		
Other intangible assets, net	Other intangible assets, net	1,362,078	1,458,631		
Goodwill	Goodwill	3,900,499	3,586,745		
Total assets	Total assets	$ 15,188,449	$13,464,337		
Total assets					
Total assets					
LIABILITIES AND EQUITY	**LIABILITIES AND EQUITY**				
Current Liabilities:					
Current Liabilities:					
Current Liabilities:	Current Liabilities:				
Current maturities of long-term debt	Current maturities of long-term debt	$ 44,570	$ 37,495		
Current portion of operating lease liabilities	Current portion of operating lease liabilities	77,648	74,052		

Accounts payable and accrued expenses	Accounts payable and accrued expenses	2,969,093	2,153,129
Contract liabilities	Contract liabilities	1,100,928	1,141,518
Total current liabilities	Total current liabilities	4,192,239	3,406,194
Total current liabilities			
Total current liabilities			
Long-term debt, net of current maturities	Long-term debt, net of current maturities	3,937,348	3,692,432
Operating lease liabilities, net of current portion	Operating lease liabilities, net of current portion	188,137	171,512
Deferred income taxes	Deferred income taxes	264,378	227,861
Insurance and other non-current liabilities	Insurance and other non-current liabilities	610,496	567,519
Total liabilities	Total liabilities	9,192,598	8,065,518
Total liabilities			
Total liabilities			
Commitments and Contingencies	Commitments and Contingencies		Commitments and Contingencies
Equity:	Equity:		Equity:
Common stock, $0.00001 par value, 600,000,000 shares authorized, 173,670,350 and 170,638,525 shares issued, and 145,268,038 and 142,930,598 shares outstanding		2	2

Common stock, $0.00001 par value, 600,000,000 shares authorized, 175,144,784 and 173,949,011 shares issued, and 146,384,210 and 145,508,549 shares outstanding			
Additional paid-in capital	Additional paid-in capital	2,944,208	2,718,988
Retained earnings	Retained earnings	4,660,570	4,163,212
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(317,655)	(310,677)
Treasury stock, 28,402,312 and 27,707,927 common shares		(1,299,814)	(1,188,061)
Treasury stock, 28,760,574 and 28,440,462 common shares			
Total stockholders' equity	Total stockholders' equity	5,987,311	5,383,464
Non-controlling interests	Non-controlling interests	8,540	15,355
Total equity	Total equity	5,995,851	5,398,819
Total liabilities and equity	Total liabilities and equity	$ 15,188,449	$13,464,337

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share information)
(Unaudited)

	Three Months Ended	Nine Months Ended
	September 30,	**September 30,**

		Three Months Ended March 31,				Three Months Ended March 31,	
		2023	2022	2023	2022	2024	2023
Revenues	Revenues	$5,620,822	$4,459,757	$15,098,258	$12,657,285		
Cost of services	Cost of services	4,773,498	3,770,927	12,953,640	10,795,694		
Gross profit	Gross profit	847,324	688,830	2,144,618	1,861,591		
Equity in earnings of integral unconsolidated affiliates	Equity in earnings of integral unconsolidated affiliates	11,707	10,633	30,697	44,350		
Selling, general and administrative expenses	Selling, general and administrative expenses	(386,538)	(347,449)	(1,155,261)	(995,581)		
Amortization of intangible assets	Amortization of intangible assets	(71,361)	(67,147)	(213,789)	(290,843)		
Asset impairment charges		—	—	—	(2,800)		
Change in fair value of contingent consideration liabilities							
Change in fair value of contingent consideration liabilities							
Change in fair value of contingent consideration liabilities	Change in fair value of contingent consideration liabilities	(803)	1,924	(803)	(4,054)		
Operating income	Operating income	400,329	286,791	805,462	612,663		
Interest and other financing expenses	Interest and other financing expenses	(47,531)	(33,566)	(137,413)	(86,933)		
Interest income	Interest income	1,993	436	4,957	727		
Other (expense) income, net		(3,744)	(24,455)	7,541	(68,255)		
Other income, net							
Income before income taxes	Income before income taxes	351,047	229,206	680,547	458,202		

Provision for income taxes		77,522	72,890	143,468	120,698
Provision for (benefit from) income taxes					
Net income					
Net income					
Net income	Net income	273,525	156,316	537,079	337,504
Less: Net income attributable to non-controlling interests	Less: Net income attributable to non-controlling interests	689	360	3,298	8,887
Net income attributable to common stock	Net income attributable to common stock	$ 272,836	$ 155,956	$ 533,781	$ 328,617
Earnings per share attributable to common stock:	Earnings per share attributable to common stock:				
Earnings per share attributable to common stock:					
Earnings per share attributable to common stock:					
Basic					
Basic					
Basic	Basic	$ 1.88	$ 1.09	$ 3.68	$ 2.29
Diluted	Diluted	$ 1.83	$ 1.06	$ 3.59	$ 2.22
Shares used in computing earnings per share:	Shares used in computing earnings per share:				
Shares used in computing earnings per share:					
Shares used in computing earnings per share:					
Weighted average basic shares outstanding					
Weighted average basic shares outstanding					
Weighted average basic shares outstanding	Weighted average basic shares outstanding	145,455	143,353	145,118	143,581

Weighted average diluted shares outstanding	Weighted average diluted shares outstanding	148,792	147,678	148,749	148,096

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	**2022**	**2023**	**2022**		
		Three Months Ended March 31,				**Three Months Ended March 31,**	
		2024				**2024**	**2023**
Net income	Net income	$ 273,525	$156,316	$537,079	$337,504		
Other comprehensive income (loss), net of taxes:							
Foreign currency translation adjustment gain (loss)		(31,995)	(79,841)	(7,769)	(97,400)		
Other income (loss)		—	(27)	791	(88)		
Other comprehensive income (loss), net of taxes		(31,995)	(79,868)	(6,978)	(97,488)		
Other comprehensive (loss) income, net of taxes:							
Foreign currency translation adjustment (loss) income							
Foreign currency translation adjustment (loss) income							
Foreign currency translation adjustment (loss) income							
Other income							
Other comprehensive (loss) income, net of taxes							
Comprehensive income	Comprehensive income	241,530	76,448	530,101	240,016		

Less: Comprehensive income attributable to non-controlling interests	Less: Comprehensive income attributable to non-controlling interests	689	360	3,298	8,887
Comprehensive income attributable to common stock	Comprehensive income attributable to common stock	$ 240,841	$ 76,088	$526,803	$231,129

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

		Nine Months Ended September 30,			
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 31,			March 31,
		2023	**2022**	**2024**	**2023**
Cash Flows from Operating Activities:	Cash Flows from Operating Activities:				
Net income					
Net income					
Net income	Net income	$ 537,079	$ 337,504		
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	Depreciation	239,746	218,420		
Depreciation					
Depreciation					
Amortization of intangible assets	Amortization of intangible assets	213,789	290,843		
Equity in earnings of unconsolidated affiliates, net of distributions		24,579	(28,732)		

Loss from mark-to-market adjustment on investment	—	76,509
Deferred income tax expense	14,302	39,610
Distributions, net of equity in earnings of unconsolidated affiliates		
Distributions, net of equity in earnings of unconsolidated affiliates		
Distributions, net of equity in earnings of unconsolidated affiliates		
Deferred income tax benefit		
Deferred income tax benefit		
Deferred income tax benefit		
Non-cash stock-based compensation Non-cash stock-based compensation	94,658	77,730
Other non-cash adjustments, net Other non-cash adjustments, net	(10,620)	(343)
Changes in assets and liabilities, net of non-cash transactions: Changes in assets and liabilities, net of non-cash transactions:		
Accounts and notes receivable		
Accounts and notes receivable		
Accounts and notes receivable Accounts and notes receivable	(666,786)	(316,253)
Contract assets Contract assets	(508,457)	(369,958)
Prepaid expenses and other current assets Prepaid expenses and other current assets	(104,956)	(73,899)
Accounts payable and accrued expenses and other non-current liabilities Accounts payable and accrued expenses and other non-current liabilities	776,496	287,890

Contract liabilities	Contract liabilities	(38,764)	27,278
Other assets and liabilities, net	Other assets and liabilities, net	1,348	(19,416)
Net cash provided by operating activities	Net cash provided by operating activities	572,414	547,183
Cash Flows from Investing Activities:	Cash Flows from Investing Activities:		
Capital expenditures	Capital expenditures	(325,397)	(337,469)
Capital expenditures			
Capital expenditures			
Proceeds from sale of and insurance settlements related to property and equipment	Proceeds from sale of and insurance settlements related to property and equipment	47,983	43,603
Cash paid for acquisitions, net of cash, cash equivalents and restricted cash acquired	Cash paid for acquisitions, net of cash, cash equivalents and restricted cash acquired	(472,643)	(177,766)
Investments in unconsolidated affiliates and other		(6,505)	(20,622)
Cash paid for acquisitions, net of cash, cash equivalents and restricted cash acquired			
Cash paid for acquisitions, net of cash, cash equivalents and restricted cash acquired			
Proceeds from the sale or settlement of certain investments	Proceeds from the sale or settlement of certain investments	42,277	16,905
Other, net	Other, net	(8,039)	(397)

Net cash used in investing activities	Net cash used in investing activities	(722,324)	(475,746)
Cash Flows from Financing Activities:	Cash Flows from Financing Activities:		
Borrowings under credit facility and commercial paper program	Borrowings under credit facility and commercial paper program	14,339,958	5,412,107
Borrowings under credit facility and commercial paper program			
Borrowings under credit facility and commercial paper program			
Payments under credit facility and commercial paper program	Payments under credit facility and commercial paper program	(14,136,313)	(5,239,330)
Payments related to tax withholding for share-based compensation	Payments related to tax withholding for share-based compensation	(113,409)	(78,639)
Payments of dividends	Payments of dividends	(36,059)	(30,998)
Repurchase of common stock		—	(115,115)
Other, net	Other, net	(23,126)	(31,747)
Net cash provided by (used in) financing activities		31,051	(83,722)
Other, net			
Other, net			
Net cash (used in) provided by financing activities			
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(4,466)	(1,264)

Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash

Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash

Net decrease in cash, cash equivalents and restricted cash

Net decrease in cash, cash equivalents and restricted cash

Net decrease in cash, cash equivalents and restricted cash	Net decrease in cash, cash equivalents and restricted cash	(123,325)	(13,549)
Cash, cash equivalents and restricted cash, beginning of period	Cash, cash equivalents and restricted cash, beginning of period	433,214	231,887
Cash, cash equivalents and restricted cash, end of period	Cash, cash equivalents and restricted cash, end of period	$ 309,889	$ 218,338

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount							
Balance, December 31, 2023	145,508,549	$ 2	$3,002,652	$4,858,066	$ (282,945)	$(1,305,534)	$6,272,241	$ 11,114	$6,283,355
Other comprehensive loss	—	—	—	—	(30,740)	—	(30,740)	—	(30,740)
Acquisitions	250,539	—	51,768	—	—	—	51,768	—	51,768
Stock-based compensation activity	625,122	—	35,822	—	—	(77,351)	(41,529)	—	(41,529)
Dividends declared ($0.09 per share)	—	—	—	(13,477)	—	—	(13,477)	—	(13,477)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(8,199)	(8,199)
Net income	—	—	—	118,360	—	—	118,360	7,731	126,091
Balance, March 31, 2024	146,384,210	$ 2	$3,090,242	$4,962,949	$ (313,685)	$(1,382,885)	$6,356,623	$ 10,646	$6,367,269

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Total Stockholders’	Non-Controlling	Total
	Shares	Amount	Capital	Earnings	Income (Loss)	Stock	Equity	Interests	Equity
Balance, December 31, 2022	142,930,598	$ 2	$2,718,988	$4,163,212	$ (310,677)	$(1,188,061)	$5,383,464	$ 15,355	$5,398,819
Other comprehensive income	—	—	—	—	1,100	—	1,100	—	1,100
Acquisitions	1,018,946	—	123,503	—	—	—	123,503	—	123,503
Stock-based compensation activity	1,210,615	—	26,650	—	—	(104,247)	(77,597)	—	(77,597)
Dividends declared ($0.08 per share)	—	—	—	(12,100)	—	—	(12,100)	—	(12,100)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(8,741)	(8,741)
Net income	—	—	—	95,046	—	—	95,046	1,924	96,970
Balance, March 31, 2023	145,160,159	$ 2	$2,869,141	$4,246,158	$ (309,577)	$(1,292,308)	$5,513,416	$ 8,538	$5,521,954
Other comprehensive income	—	—	—	—	23,917	—	23,917	—	23,917
Stock-based compensation activity	36,299	—	34,487	—	—	(4,893)	29,594	—	29,594
Dividends declared ($0.08 per share)	—	—	—	(11,893)	—	—	(11,893)	—	(11,893)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(1,177)	(1,177)
Net income	—	—	—	165,899	—	—	165,899	685	166,584
Balance, June 30, 2023	145,196,458	$ 2	$2,903,628	$4,400,164	$ (285,660)	$(1,297,201)	$5,720,933	$ 8,046	$5,728,979
Other comprehensive loss	—	—	—	—	(31,995)	—	(31,995)	—	(31,995)
Acquisitions	43,462	—	8,018	—	—	—	8,018	—	8,018
Stock-based compensation activity	28,118	—	32,562	—	—	(2,613)	29,949	—	29,949
Dividends declared ($0.08 per share)	—	—	—	(12,430)	—	—	(12,430)	—	(12,430)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(195)	(195)
Net income	—	—	—	272,836	—	—	272,836	689	273,525
Balance, September 30, 2023	145,268,038	$ 2	$2,944,208	$4,660,570	$ (317,655)	$(1,299,814)	$5,987,311	$ 8,540	$5,995,851

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Total Stockholders'	Non-Controlling	Total
	Shares	Amount	Capital	Earnings	Income (Loss)	Stock	Equity	Interests	Equity
Balance, December 31, 2021	142,633,934	$ 2	$2,615,410	$3,714,843	$ (237,689)	$ (980,265)	$5,112,301	$ 4,620	$5,116,921
Other comprehensive income	—	—	—	—	13,275	—	13,275	—	13,275
Stock-based compensation activity	1,216,468	—	21,830	—	—	(73,643)	(51,813)	—	(51,813)
Common stock repurchases	(84,798)	—	—	—	—	(10,426)	(10,426)	—	(10,426)
Dividends declared ($0.07 per share)	—	—	—	(10,459)	—	—	(10,459)	—	(10,459)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(538)	(538)
Net income	—	—	—	84,641	—	—	84,641	387	85,028
Balance, March 31, 2022	143,765,604	$ 2	$2,637,240	$3,789,025	$ (224,414)	$(1,064,334)	$5,137,519	$ 4,469	$5,141,988
Other comprehensive loss	—	—	—	—	(30,895)	—	(30,895)	—	(30,895)
Stock-based compensation activity	46,105	—	28,046	—	—	(504)	27,542	—	27,542
Common stock repurchases	(731,381)	—	—	—	—	(84,884)	(84,884)	—	(84,884)
Dividends declared ($0.07 per share)	—	—	—	(10,283)	—	—	(10,283)	—	(10,283)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(80)	(80)
Other	—	—	—	—	—	—	—	227	227
Net income	—	—	—	88,020	—	—	88,020	8,140	96,160
Balance, June 30, 2022	143,080,328	$ 2	$2,665,286	$3,866,762	$ (255,309)	$(1,149,722)	$5,127,019	$ 12,756	$5,139,775
Other comprehensive loss	—	—	—	—	(79,868)	—	(79,868)	—	(79,868)
Stock-based compensation activity	41,278	—	26,624	—	—	(2,323)	24,301	—	24,301
Common stock repurchases	(158,499)	—	—	—	—	(21,033)	(21,033)	—	(21,033)
Dividends declared ($0.07 per share)	—	—	—	(10,322)	—	—	(10,322)	—	(10,322)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(7,601)	(7,601)
Net income	—	—	—	155,956	—	—	155,956	360	156,316
Balance, September 30, 2022	142,963,107	$ 2	$2,691,910	$4,012,396	$ (335,177)	$(1,173,078)	$5,196,053	$ 5,515	$5,201,568

	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Total Stockholders'	Non-Controlling	Total
	Shares	Amount	Capital	Earnings	Income (Loss)	Stock	Equity	Interests	Equity
Balance, December 31, 2022	142,930,598	$ 2	$2,718,988	$4,163,212	$ (310,677)	$(1,188,061)	$5,383,464	$ 15,355	$5,398,819

Other comprehensive income	—	—	—	—	1,100	—	1,100	—	1,100
Acquisitions	1,018,946	—	123,503	—	—	—	123,503	—	123,503
Stock-based compensation activity	1,210,615	—	26,650	—	—	(104,247)	(77,597)	—	(77,597)
Dividends declared ($0.08 per share)	—	—	—	(12,100)	—	—	(12,100)	—	(12,100)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(8,741)	(8,741)
Net income	—	—	—	95,046	—	—	95,046	1,924	96,970
Balance, March 31, 2023	145,160,159	$ 2	$2,869,141	$4,246,158	$ (309,577)	$(1,292,308)	$5,513,416	$ 8,538	$5,521,954

The accompanying notes are an integral part of these condensed consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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1. BUSINESS AND ORGANIZATION, BASIS OF PRESENTATION AND ACCOUNTING POLICIES:

Quanta Services, Inc. (together with its subsidiaries, Quanta) is a leading provider of comprehensive infrastructure solutions for the electric and gas utility, renewable energy, communications, pipeline and energy industries in the United States, Canada, Australia and select other international markets. We provide engineering, procurement, construction, upgrade and repair and maintenance services for infrastructure within each of these industries, including electric power transmission and distribution networks; substation facilities; wind and solar generation and transmission and battery storage facilities; communications and cable multi-system operator networks; gas utility systems; pipeline transmission systems and facilities; and downstream industrial facilities.

These unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information. Certain information and footnote disclosures, normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States (GAAP), have been condensed or omitted pursuant to those rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto of Quanta's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Quanta believes that the disclosures made are adequate to make the information presented not misleading. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the financial position, results of operations, comprehensive income and cash flows with respect to the interim condensed consolidated financial statements have been included.

The results of Quanta have historically been subject to seasonal fluctuations. The results of operations, and comprehensive income and operating cash flows for the interim periods are not necessarily indicative of the results for the entire fiscal year. The results of Quanta have historically been subject to significant seasonal fluctuations.

2. NEW ACCOUNTING PRONOUNCEMENTS:

Recently Adopted Guidance

In October 2021, the Financial Accounting Standards Board (FASB) issued an update that requires recognition and measurement of contract assets and contract liabilities acquired in a business combination in accordance with FASB ASC 606 (Revenue from Contracts with Customers). At the acquisition date, an acquirer should account for the related contract revenue in accordance with FASB ASC 606. This update is effective for interim and annual periods beginning after December 15, 2022, with amendments generally applied prospectively. Quanta adopted this update effective January 1, 2023, and it did not have a material impact on Quanta's consolidated financial statements.

New Accounting Pronouncement Not Yet Adopted

In June 2022, the FASB issued an update that clarifies the guidance in FASB ASC 820 (Fair Value Measurement) for equity securities subject to contractual sale restrictions. The update prohibits entities from taking into account contractual restrictions on the sale of equity securities when estimating fair value and introduces required disclosures for such transactions. This update is effective for interim and annual periods beginning after December 15, 2023. Early adoption is permitted. This guidance will increase the fair market value of the consideration paid in equity securities in a business combination, and therefore it may increase the amount allocated to goodwill. Quanta will adopt adopted this update by effective January 1, 2024, and it is did not expected to have a material impact on Quanta's consolidated financial statements.

New Accounting Pronouncements and Disclosure Rules Not Yet Adopted

In March 2024, the U.S. Securities and Exchange Commission (SEC) issued its final climate disclosure rule (the Final Rule) that requires public entities to disclose certain material climate-related information in annual reports and registration statements, including disclosure of material impacts as a result of severe weather events and other natural conditions and material Scope 1 and Scope 2 greenhouse gas emissions. Disclosures will be required prospectively, with information for prior periods required only to the extent the information was disclosed in a prior SEC filing. Certain requirements of the Final Rule are effective for fiscal years beginning on or after January 1, 2025, with phase-in periods for additional requirements. However, on April 4, 2024, the SEC issued a stay pending judicial review of the Final Rule in U.S. federal court. Quanta is currently assessing the effect of the Final Rule.

In December 2023, the FASB issued an update that expands disclosures for tax rate reconciliation tables, primarily by requiring disaggregation of income taxes paid by jurisdiction, as well as greater disaggregation within the rate reconciliation. This update is effective for fiscal years beginning after December 15, 2024 and interim periods within fiscal years beginning after December 15, 2025. Early adoption and retrospective application are permitted. Quanta is currently assessing the effect of this update.

In November 2023, the FASB issued an update that, among other things, requires public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss, provide an amount for other segment items by reportable segment and provide all segment disclosures required on an annual basis in interim periods. Additionally, the update requires entities to disclose the title and position of the CODM and an explanation of how the CODM uses the reported measures(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. This update is effective for fiscal years beginning after

December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted, and retrospective application is required. Quanta is currently assessing the effect of this update.

3. REVENUE RECOGNITION AND RELATED BALANCE SHEET ACCOUNTS:

Contracts

Certain of Quanta's services are generally provided pursuant to master service agreements (MSAs), repair and maintenance contracts and fixed price and non-fixed price construction contracts. These contracts are classified into three categories: unit-price contracts, cost-plus contracts and fixed price contracts.

QUANTA SERVICES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

The following tables present Quanta's revenue disaggregated by contract type and by geographic location, as determined by the job location (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			

Three Months Ended March 31,

Three Months Ended March 31,

2024

2024

2024

By contract type:

By contract type:

By contract type:								
Fixed price contracts	$ 2,718,921	48.4 %	$ 1,875,855	42.1 %	6,950,697	46.0 %	$ 5,370,646	42.4 %

Fixed price contracts

Fixed price contracts

Unit-price contracts

Unit-price contracts

Unit-price contracts	1,803,764	32.1	1,597,640	35.8	4,998,787	33.1	$ 4,407,147	34.8
Cost-plus contracts	1,098,137	19.5	986,262	22.1	3,148,774	20.9	2,879,492	22.8

Cost-plus contracts

Cost-plus contracts

Total revenues	$ 5,620,822	100.0 %	$ 4,459,757	100.0 %	$ 15,098,258	100.0 %	$ 12,657,285	100.0 %

Total revenues

Total revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

Three Months Ended March 31,

Three Months Ended March 31,

Three Months Ended March 31,

2024

2024

2024

By primary geographic location:

By primary geographic location:

By primary geographic location:

United States	$ 4,816,825	85.8 %	$ 3,760,019	84.3 %	$ 12,766,092	84.6 %	$ 10,751,325	84.9 %
Canada	574,536	10.2	512,803	11.5	1,640,154	10.9	1,503,174	11.9

Canada

Canada

Australia

Australia									
Australia	Australia	148,499	2.6	130,851	2.9	459,901	3.0	275,421	2.2
Others	Others	80,962	1.4	56,084	1.3	232,111	1.5	127,365	1.0
Others									
Others									
Total revenues	Total revenues	$ 5,620,822	100.0 %	$ 4,459,757	100.0 %	$ 15,098,258	100.0 %	$ 12,657,285	100.0 %
Total revenues									
Total revenues									

Under fixed-price contracts, as well as unit-price contracts with more than an insignificant amount of partially completed units, revenue is recognized as performance obligations are satisfied over time, with the percentage of completion generally measured as the percentage of costs incurred to total estimated costs for such performance obligation. Approximately 58.3% 57.5% and 52.4% 50.1% of Quanta's revenues recognized during the three months ended September 30, 2023 March 31, 2024 and 2022 were associated with this revenue recognition method, and 58.3% and 51.5% of Quanta's revenues recognized during the nine months ended September 30, 2023 and 2022 2023 were associated with this revenue recognition method.

Performance Obligations

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the aggregate transaction price allocated to unsatisfied or partially satisfied performance obligations was approximately $13.56 billion $14.88 billion and $8.80 billion $13.89 billion, with 70.4% 64.6% and 72.1% 66.9% expected to be recognized in the subsequent twelve months. These amounts represent management's estimates of the 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 had not yet begun as of such dates. 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 and claims to the extent management believes additional contract revenues will be earned and are deemed probable of collection. Excluded from remaining performance obligations are potential orders under MSAs and expected revenues under certain non-fixed price contracts expected to be completed within one year. contracts.

Contract Estimates and Changes in Estimates

Actual revenues and project costs can vary, sometimes substantially, from previous estimates due to changes in a variety of factors, including unforeseen or changed circumstances not included in Quanta's cost estimates or covered by its contracts. Some of the factors that can result in positive changes in estimates on projects include successful execution through project

QUANTA SERVICES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

risks, reduction of estimated project costs or increases of estimated revenues. Some of the factors that can result in negative changes in estimates include concealed or unknown site conditions; changes to or disputes with customers regarding the scope of services; changes in estimates related to the length of time to complete a performance obligation; changes or delays with respect to permitting and regulatory requirements and materials; changes in the cost of equipment, commodities, materials or skilled labor; unanticipated costs or claims due to delays or failure to perform by customers or third parties; customer failure to provide, or supply chain and logistical challenges related to, required materials or equipment; errors in engineering, specifications or designs; project modifications; adverse weather conditions, natural disasters, and other emergencies; and performance and quality issues causing delay (including payment of liquidated damages) or requiring rework or replacement. Any changes in estimates could result in changes to profitability or losses associated with the related performance obligations.

QUANTA SERVICES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

Additionally, changes in cost estimates on certain contracts may result in the issuance of change orders, which can be approved or unapproved by the customer, or the assertion of contract claims. Quanta recognizes amounts associated with change orders and claims as revenue if it is probable that the contract price will be adjusted and the amount of any such adjustment can be reasonably estimated.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Quanta had recognized revenues of $799.5 million $774.8 million and $549.3 million $778.9 million related to unapproved change orders and claims included as contract price adjustments primarily in "Contract assets" in the accompanying consolidated balance sheets. These change orders and claims were in the process of being negotiated in the normal course of business and represent management's estimates of additional contract revenues that have been earned and are probable of collection.

The largest component of the revenues recognized related to unapproved change orders and claims as of September 30, 2023 March 31, 2024 and of the increase relative to December 31, 2022 December 31, 2023 is associated with a large renewable transmission project in Canada. During 2021 and 2022, decreased productivity and additional costs arose from delays, administrative requirements and labor issues due to the COVID-19 pandemic, including incremental governmental requirements and worksite restrictions. During the nine months ended September 30, 2023, 2023, additional costs arose from residual impacts associated with the aforementioned items, as well as work resequencing and acceleration, access delays, and logistical challenges along with and other issues outside of Quanta's control. As of March 31, 2024, the project was substantially completed.

Changes in estimates can result in the recognition of revenue in a current period for performance obligations that were satisfied or partially satisfied in prior periods or the reversal of previously recognized revenue if the currently estimated revenue is less than the previous estimate. The impact of a change in contract estimate is measured as the difference between the revenue or gross profit recognized in the prior period as compared to the revenue or gross profit which would have been recognized had the revised estimate been used as the basis of recognition in the prior period. Changes in estimates can also result in contract losses, which are recognized in full when they are determined to be probable and can be reasonably estimated.

Revenues were positively impacted by 0.7% and 1.7% 0.1% during each of the three months ended September 30, 2023 March 31, 2024 and 2022 2023 as a result of changes in estimates associated with performance obligations on fixed price contracts partially satisfied prior to June 30, 2023 December 31, 2023 and 2022. Revenues were positively impacted by 0.3% and 0.9% during the nine months ended September 30, 2023 and 2022 as a result of changes in estimates associated with performance obligations on fixed price contracts partially satisfied prior to December 31, 2022 and 2021.

Operating results for the three and nine months ended September 30, 2023 March 31, 2024 were impacted by less than 5% of gross profit as a result of aggregate changes in contract estimates related to projects that were in progress as of June 30, 2023 December 31, 2023. There were no material changes However, gross profit was negatively impacted by $21.9 million as a result of decreased productivity associated with a large solar facility project in estimates on any individual project. the United States.

Operating results for the three months ended September 30, 2022 March 31, 2023 were favorably impacted by $70.6 million, or 10.2%, less than 5% of gross profit as a result of aggregate changes in contract estimates related to projects that were in progress as of June 30, 2022 December 31, 2022. The overall favorable impact resulted from net positive There were no material changes in estimates across a large number of projects, primarily as a result of favorable performance and successful mitigation of risks and contingencies as the projects progressed to completion.

Operating results for the nine months ended September 30, 2022 were favorably impacted by $108.1 million, or 5.8% of gross profit as a result of aggregate changes in contract estimates related to projects that were in progress at December 31, 2021. The overall favorable impact resulted from net positive changes in estimates across a large number of projects, primarily as a result of favorable performance and successful mitigation of risks and contingencies as the projects progressed to completion. Partially offsetting the aggregate net favorable impact to gross profit was a negative change in estimate of $21.8 million for the nine months ended September 30, 2022, associated with the large renewable transmission project in Canada discussed above. on any individual project.

Contract Assets and Liabilities

Contract assets and liabilities consisted of the following (in thousands):

	September 30, 2023	December 31, 2022

			March 31, 2024		March 31, 2024	December 31, 2023
Contract assets	Contract assets	$	1,584,623	$1,080,206		
Contract liabilities	Contract liabilities	$	1,100,928	$1,141,518		

Contract assets and liabilities fluctuate period to period based on various factors, including, among others, changes in the number and size of projects in progress at period end; variability in billing and payment terms, such as up-front or advance billings, interim or milestone billings, or deferred billings; and recognized unapproved change orders and contract claims. The increase decrease in contract assets from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 was primarily due to additional unapproved change the completion of certain large

orders projects and claims related the corresponding billing of amounts previously recorded as contract assets, while the decrease in contract liabilities was primarily due to the higher production on a large renewable transmission project in Canada described above, and the associated recognition of revenue on amounts that were previously recorded as well as progress on other projects on which the timing of billings lagged behind the completion of work. contract liabilities.

During the nine three months ended September 30, 2023, March 31, 2024 and 2023, Quanta recognized revenue of approximately $991.3 million $952.6 million and $641.1 million related to contract liabilities outstanding as of the end of the each respective prior year.

Accounts Receivable, Allowance for Credit Losses and Concentrations of Credit Risk

Quanta determines its allowance for credit losses based on an estimate of expected credit losses for financial instruments, primarily accounts receivable and contract assets. The assessment of the allowance for credit losses involves certain judgments and estimates. Management estimates the allowance balance using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. Expected credit losses are estimated by evaluating trends in with respect to Quanta's historical write-off experience and applying historical loss ratios to pools of financial assets with similar risk characteristics. Quanta has determined that it has two risk pools for the purpose of calculating its historical credit loss experience.

Quanta's historical loss ratio and its determination of its risk pools, which are used to calculate expected credit losses, may be adjusted for changes in customer credit concentrations within its portfolio of financial assets, its changes in customers' ability to pay, and other considerations, such as economic and market changes, changes to regulatory or technological environments affecting customers and the consistency between current and forecasted economic conditions and the historical economic conditions used to derive historical loss ratios. At the end of each quarter, management reassesses these and other relevant factors, including the impact of uncertainty and challenges in the overall economy and in Quanta's industries and markets, which currently include (e.g., inflationary pressure, supply chain and other logistical challenges and increased interest rates. rates).

Additional allowance for credit losses is established for financial asset balances with specific customers where collectability has been determined to be improbable based on customer specific facts and circumstances. Quanta considers accounts receivable delinquent after 30 days but, absent certain specific considerations, generally does not consider such amounts delinquent in its credit loss analysis unless the accounts receivable are at least 120 days outstanding. In addition, management monitors the credit quality of its receivables by, among other things, obtaining credit ratings for significant customers, assessing economic and market conditions and evaluating material changes to a customer's business, cash flows and financial condition. Should anticipated recoveries relating to receivables fail to materialize, including anticipated recoveries relating to bankruptcies or other workout situations, Quanta could experience reduced cash flows and losses in excess of current allowances provided.

Accounts receivable are written-off against the allowance for credit losses if they are deemed uncollectible.

Activity in Quanta's allowance for credit losses consisted of the following (in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		March 31,			
		March 31,			
		March 31,			
Balance at beginning of period					
Balance at beginning of period					
Balance at beginning of period	Balance at beginning of period	$ 13,908	$ 49,707	$ 15,644	$ 49,749
Increase in provision for credit losses	Increase in provision for credit losses	181	2,343	5,428	2,048
Increase in provision for credit losses					
Increase in provision for credit losses					
Write-offs charged against the allowance net of recoveries of amounts previously written off					
Write-offs charged against the allowance net of recoveries of amounts previously written off					
Write-offs charged against the allowance net of recoveries of amounts previously written off	Write-offs charged against the allowance net of recoveries of amounts previously written off	(146)	(33,030)	(7,129)	(32,777)
Balance at end of period	Balance at end of period	$ 13,943	$ 19,020	$ 13,943	$ 19,020
Balance at end of period					
Balance at end of period					

The above activity relates to the largest risk pool Quanta utilizes for assessing credit loss. The second risk pool represents approximately 12% of Quanta's consolidated financial instruments as of March 31, 2024 and did not have any allowance for credit loss or experience any credit loss during the periods presented. Quanta's customers generally have high credit ratings. In addition, the customers in the second risk pool typically pre-approve invoices and often receive project financing.

Provision for credit losses is included in "Selling, general and administrative expenses" in the consolidated statements of operations. During the three months ended September 30, 2022, Quanta determined that $31.7 million of receivables that were fully reserved in previous periods were uncollectible, and as such wrote-off the receivables against their related allowances. The receivables were from Limetree Bay Refining, LLC

(Limetree Refining), which filed for bankruptcy in July 2021, and an affiliate, customers within Quanta's Underground Utility and Infrastructure Solutions segment. Provisions for such receivables were recognized during 2021.

Quanta is subject to concentrations of credit risk related primarily to its receivable position with customers, which includes amounts related to billed and unbilled accounts receivable and contract assets for services Quanta has performed for customers. Quanta grants credit under normal payment terms, generally without collateral. One As of March 31, 2024 and December 31, 2023, one customer within the Renewable Energy Infrastructure Solutions segment associated with the large renewable transmission project in Canada described above represented 14% and 13% 10% of Quanta's consolidated receivable position, as of September 30, 2023 and December 31, 2022. No customer represented 10% or more of Quanta's consolidated revenues for the three or nine months ended September 30, 2023 or 2022.

which includes amounts related to contracts assets. No customer represented 10% or more of Quanta's consolidated revenues for the three months ended March 31, 2024 or 2023.

Certain contracts allow customers to withhold a small percentage of billings pursuant to retainage provisions, and such amounts are generally due upon completion of the contract and acceptance of the project by the customer. Based on Quanta's experience in recent years, the majority of these retainage balances are expected to be collected within one year. Retainage balances with expected settlement dates within one year of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were $544.8 million $624.2 million and $397.6 million $610.0 million, which are included in "Accounts receivable." Retainage balances with expected settlement dates beyond one year were $173.4 million $88.4 million and $136.2 million $78.7 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and are included in "Other assets, net."

Quanta recognizes unbilled receivables for non-fixed price contracts within "Accounts receivable" in certain circumstances, such as when revenues have been earned and recorded but the amount cannot be billed under the terms of the contract until a later date or when amounts arise from routine lags in billing. These balances do not include revenues recognized for work performed under fixed-price contracts and unit-price contracts with more than an insignificant amount of partially completed units, as these amounts are recorded as "Contract assets." As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, unbilled receivables included in "Accounts receivable" were $957.9 million $794.3 million and $823.9 million $743.6 million. The increase in unbilled receivables was primarily due to significant increases in work and certain delays in billing related to certain large customers. Quanta also recognizes unearned revenues for non-fixed price contracts when cash is received prior to recognizing revenues for the related performance obligation. Unearned revenues, which are included in "Accounts payable and accrued expenses," were $57.1 million $66.7 million and $59.6 million $58.6 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

4. SEGMENT INFORMATION:

Quanta reports its results under three reportable segments described below:

- *Electric Power Infrastructure Solutions (Electric Power)*. Quanta's Electric Power segment provides comprehensive services for infrastructure solutions to customers in the electric power and communications markets.
- *Renewable Energy Infrastructure Solutions (Renewable Energy).* Quanta's Renewable Energy segment provides comprehensive infrastructure solutions to customers that are involved in the renewable energy industry.
- *Underground Utility and Infrastructure Solutions (Underground and Infrastructure).* Quanta's Underground and Infrastructure segment provides comprehensive infrastructure solutions to customers involved in the transportation, distribution, storage, development and processing of natural gas, oil and other products.

Corporate and Non-allocated Costs include corporate facility costs; non-allocated corporate salaries, benefits and incentive compensation; acquisition and integration costs; non-cash stock-based compensation; amortization related to intangible assets; asset impairment related to goodwill and intangible assets; and change in fair value of contingent consideration liabilities.

Quanta's segment results are derived from the types of services provided across its operating companies in each of its end user markets. Quanta's entrepreneurial business model allows multiple operating companies to serve the same or similar customers and to provide a range of services across end user markets. Reportable segment information, including revenues and operating income by type of work, is gathered from each operating company. Classification of operating company revenues by type of work for segment reporting purposes can require judgment on the part of management.

In addition, integrated operations and common administrative support for Quanta’s operating companies require that allocations be made to determine segment profitability, including allocations of certain corporate shared and indirect operating costs as well as general and administrative costs.

The following table sets forth segment revenues and segment operating income (loss) and operating margins for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. Operating margin is calculated by dividing operating income (loss) by revenues. The following table

revenues. The following table shows dollars in thousands:

		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended March 31,							
		Three Months Ended September 30,				Nine Months Ended September 30,			
		2023		2022		2023		2022	
Revenues:	**Revenues:**								
Revenues:									
Revenues:									
Electric Power									
Electric Power									
Electric Power	Electric Power	$ 2,489,547	44.3 %	$ 2,282,332	51.2 %	$ 7,240,838	48.0 %	$ 6,620,459	52.3 %
Renewable Energy	Renewable Energy	1,746,636	31.1	978,779	21.9	4,144,304	27.4	2,778,647	22.0
Renewable Energy									
Renewable Energy									
Underground and Infrastructure									
Underground and Infrastructure									
Underground and Infrastructure	Underground and Infrastructure	1,384,639	24.6	1,198,646	26.9	3,713,116	24.6	3,258,179	25.7
Consolidated revenues	Consolidated revenues	$ 5,620,822	100.0 %	$ 4,459,757	100.0 %	$ 15,098,258	100.0 %	$ 12,657,285	100.0 %
Consolidated revenues									
Consolidated revenues									
Operating income (loss):									
Operating income (loss):									
Operating income (loss):	**Operating income (loss)**:								
Electric Power(1)	Electric Power(1)	$ 296,176	11.9 %	$ 255,457	11.2 %	$ 755,342	10.4 %	$ 691,026	10.4 %

Electric Power (1)									
Electric Power (1)									
Renewable Energy									
Renewable Energy									
Renewable Energy	Renewable Energy	151,389	8.7 %	88,885	9.1 %	297,532	7.2 %	240,514	8.7 %
Underground and Infrastructure	Underground and Infrastructure	123,764	8.9 %	101,351	8.5 %	292,544	7.9 %	239,469	7.3 %
Underground and Infrastructure									
Underground and Infrastructure									
Corporate and Non-Allocated Costs (2)	Corporate and Non-Allocated Costs (2)	(171,000)	(3.0) %	(158,902)	(3.6) %	(539,956)	(3.6) %	(558,346)	(4.4) %
Corporate and Non-Allocated Costs (2)									
Corporate and Non-Allocated Costs (2)									
Consolidated operating income									
Consolidated operating income									
Consolidated operating income	Consolidated operating income	$ 400,329	7.1 %	$ 286,791	6.4 %	$ 805,462	5.3 %	$ 612,663	4.8 %

(1) Includes equity in earnings of integral unconsolidated affiliates of $11.7 million $12.3 million and $10.6 million $9.6 million for the three months ended September 30, 2023 March 31, 2024 and 2022 and $30.7 million and $44.4 million for the nine months ended September 30, 2023 and 2022, 2023, primarily related to Quanta's equity interest in LUMA Energy, LLC (LUMA).

(2) Includes amortization expense of $71.4 million $77.5 million and $67.1 million $72.4 million and non-cash stock-based compensation of $32.5 million $35.3 million and $26.6 million $27.5 million for the three months ended September 30, 2023 March 31, 2024 and 2022. Includes amortization expense of $213.8 million and $290.8 million and non-cash stock-based compensation of $94.6 million and $77.7 million for the nine months ended September 30, 2023 and 2022. 2023.

Depreciation Expense

Separate measures of Quanta's assets and cash flows by reportable segment, including capital expenditures, are not produced or utilized by management to evaluate segment performance. Certain of Quanta's fixed assets are used on an interchangeable basis across its reportable segments. The following table sets forth depreciation expense by segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. The table shows dollars in thousands:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended			
	Three Months Ended			
	Three Months Ended			
	March 31,			
	March 31,			
	March 31,			

		2024			
		2024			
		2024			
Depreciation:					
Depreciation:					
Depreciation:	**Depreciation:**				
Electric Power	Electric Power	$ 38,228	$ 35,896	$ 121,670	$ 109,456
Electric Power					
Electric Power					
Renewable Energy					
Renewable Energy					
Renewable Energy	Renewable Energy	15,812	11,214	37,351	29,625
Underground and Infrastructure	Underground and Infrastructure	23,940	20,311	63,575	61,916
Underground and Infrastructure					
Underground and Infrastructure					
Corporate and Non-Allocated Costs					
Corporate and Non-Allocated Costs					
Corporate and Non-Allocated Costs	Corporate and Non-Allocated Costs	3,508	6,086	17,150	17,423
Consolidated depreciation	Consolidated depreciation	$ 81,488	$ 73,507	$ 239,746	$ 218,420
Consolidated depreciation					
Consolidated depreciation					

5. ACQUISITIONS:

The results of operations of acquired businesses have been included in Quanta's consolidated financial statements since their respective acquisition dates.

In April 2024, Quanta acquired a business located in the United States that manufactures transmission and distribution equipment for the electric utility industry. The aggregate consideration paid or payable for this transaction was approximately $72 million, consisting of a combination of cash and shares of Quanta common stock. The final amount of consideration also remains subject to certain post-closing adjustments, including with respect to net working capital.

During the nine three months ended September 30, 2023 March 31, 2024, Quanta acquired four three businesses located in the United States, including: a business that provides specialty environmental solutions to industrial and petrochemical companies (primarily included in the Underground and Infrastructure segment); a business that specializes in testing, manufacturing and distributing safety equipment and supplies (primarily included in the Electric Power and Renewable Energy segments); and a business that specializes in electrical infrastructure services for substations, data centers and governmental entities (primarily included in the Electric Power segment). The consideration for the businesses acquired during the three months ended March 31, 2024 consisted of approximately $382.9 million paid or payable in cash on the acquisition dates and 250,539 shares of Quanta common stock, which had a fair value of $51.8 million as of the acquisition dates. The final amount of consideration for these acquisitions remains subject to certain post-closing adjustments, including with respect to net working capital.

During the year ended December 31, 2023, Quanta acquired five businesses located in the United States, including: a business that provides services related to high-voltage transmission lines, overhead and underground distribution, emergency restoration and industrial and commercial wiring and lighting (primarily included in the Electric Power segment); a business that procures parts, assembles kits for sale, manages logistics and installs solar tracking equipment for utility and development customers (primarily included in the Renewable Energy segment); a business that provides concrete construction

services (primarily included in the Electric Power and Renewable Energy segments); and a business specializing in power studies, maintenance testing and commissioning primarily for utility and commercial customers (included in the Electric Power segment) and a business that manufactures power transformers for the electric utility, renewable energy, municipal power and industrial markets (included in the Electric Power and Renewable Energy segments). The consideration for these transactions consisted of approximately $484.1 million $785.7 million paid or payable in cash (subject to certain adjustments) and 1,062,408 1,238,576 shares of Quanta common stock, which had a fair value of $131.5 million $158.9 million as of the dates of the acquisitions.

In July 2022, Quanta acquired a business located in the United States that provides construction contracting services to utilities, specializing in trenching and underground pipeline and electrical conduit installation, primarily included in the Electric Power segment.

Additionally, the former owners of certain acquired businesses are eligible to receive potential payments of contingent consideration to the extent the acquired businesses achieve certain financial performance targets over specified post-acquisition periods.

Purchase Price Allocation

Quanta is finalizing its purchase price allocations related to certain businesses acquired in 2023, subsequent to March 31, 2023, and further adjustments to the purchase price allocations may occur, with possible updates primarily related to intangible asset values, property and equipment values, certain contingent liabilities, tax estimates, and the finalization of closing working capital adjustments. The aggregate consideration paid or payable for businesses acquired between September 30, 2022 March 31, 2023 and September 30, 2023 March 31, 2024 was allocated to acquired assets and assumed liabilities, which resulted in an allocation of $189.8 million $194.2 million to net tangible assets, $115.5 million $207.8 million to identifiable intangible assets and $317.2 million $403.4 million to goodwill.

The following table summarizes the estimated fair value of total consideration transferred or estimated to be transferred and the fair value of assets acquired and liabilities assumed as of their respective acquisition dates as of September 30, 2023 March 31, 2024 for acquisitions completed in the nine months ended September 30, 2023 (in thousands):

	Nine Months Ended September 30, 2023
Consideration:	
Cash paid or payable	$ 484,103
Value of Quanta common stock issued	131,521
Contingent consideration	6,850
Fair value of total consideration transferred or estimated to be transferred	$ 622,474
Cash and cash equivalents	$ 14,924
Accounts receivable	51,289
Contract assets	195
Inventories	56,960
Prepaid expenses and other current assets	4,417
Property and equipment	147,012
Operating lease assets	16,264
Other assets	4,553
Identifiable intangible assets	115,515
Accounts payable and accrued liabilities	(64,923)
Contract liabilities	(3,071)
Operating lease liabilities, current	(3,080)
Deferred tax liabilities, net	(20,556)
Operating lease liabilities, non-current	(13,790)
Other long-term liabilities	(398)
Total identifiable net assets	305,311
Goodwill	317,163
Fair value of net assets acquired	$ 622,474

acquisitions completed in the three months ended March 31, 2024 (in thousands):

		Three Months Ended March 31, 2024
Consideration:		
Cash paid or payable	$	382,929
Value of Quanta common stock issued		51,768
Contingent consideration		14,463
Fair value of total consideration transferred or estimated to be transferred	$	449,160
Cash and cash equivalents	$	8,453
Accounts receivable		50,845
Contract assets		162
Inventories		14,127
Prepaid expenses and other current assets		12,176
Property and equipment		92,676
Operating lease right-of-use assets		15,532
Other assets		456
Identifiable intangible assets		122,301
Current maturities of long-term debt		(4,431)
Current portion of operating lease liabilities		(4,134)
Accounts payable and accrued liabilities		(51,325)
Contract liabilities		(390)
Long-term debt, net of current maturities		(4,436)
Operating lease liabilities, net of current portion		(11,398)
Deferred income taxes		(42,363)
Total identifiable net assets		198,251
Goodwill		250,909
Fair value of net assets acquired	$	449,160

As of September 30, 2023 March 31, 2024, approximately $261.3 million $10.6 million of goodwill is expected to be deductible for income tax purposes related to acquisitions completed in the nine three months ended September 30, 2023 March 31, 2024.

The following table summarizes the estimated fair values of identifiable intangible assets for the acquisitions completed in the nine three months ended September 30, 2023 March 31, 2024 as of the acquisition dates and the related weighted average amortization periods by type (in thousands, except for weighted average amortization periods, which are in years).

	Nine Months Ended September 30, 2023	
	Estimated Fair Value	Weighted Average Amortization Period in Years
	Three Months Ended	
	Three Months Ended	
	Three Months Ended	
	March 31, 2024	
	March 31, 2024	

			March 31, 2024	
			Estimated Fair Value	
			Estimated Fair Value	
			Estimated Fair Value	
Customer relationships				
Customer relationships				
Customer relationships	Customer relationships	$	83,180	4.6
Backlog	Backlog		11,564	0.8
Backlog				
Backlog				
Trade names	Trade names		13,797	15.0
Trade names				
Trade names				
Non-compete agreements				
Non-compete agreements				
Non-compete agreements	Non-compete agreements		6,974	5.0
Total intangible assets subject to amortization	Total intangible assets subject to amortization	$	115,515	5.5
Total intangible assets subject to amortization				
Total intangible assets subject to amortization				

The significant estimates used by management in determining the fair values of customer relationship intangible assets include future revenues, discount rates and customer attrition rates. The following table includes the discount rates and

customer attrition rates used to determine the fair value of customer relationship intangible assets for businesses acquired during the nine three months ended September 30, 2023 March 31, 2024 as of the respective acquisition dates:

	Nine Three Months Ended	
	September 30, 2023 March 31, 2024	
	Range	Weighted Average
Discount rates	15% to 19% 22%	17% 15%
Customer attrition rates	10% to 30% 23%	18% 12%

Contingent Consideration

As described above, certain business acquisitions have contingent consideration liabilities associated with the transactions. The aggregate fair value of these outstanding contingent consideration liabilities was $172.0 million and their classification $157.1 million as of March 31, 2024 and December 31, 2023, and such amounts are included in “Insurance and other non-current liabilities.”

Quanta's aggregate contingent consideration liabilities can change due to additional business acquisitions, settlement of outstanding liabilities, accretion in present value, changes in estimated fair value, the performance of acquired businesses in post-acquisition periods, and in certain cases, management discretion. These changes are reflected in "Change in fair value of contingent consideration liabilities" in the accompanying consolidated balance sheets is as follows (in thousands):

	September 30, 2023	December 31, 2022
Accounts payable and accrued expenses	$ —	$ 5,000
Insurance and other non-current liabilities	151,156	143,517
Total contingent consideration liabilities	$ 151,156	$ 148,517

statements of operations.

The fair value determinations of for contingent consideration liabilities incorporate significant inputs not observable in the market, including revenue forecasts, operating margins, discount rates and the probability of acquired businesses achieving certain performance targets during designated post-acquisition periods. The final amount of certain contingent consideration payments could also be subject to Quanta management discretion. Accordingly, the level of inputs used for these fair value measurements is Level 3.

All of Quanta's outstanding contingent consideration liabilities are subject to a maximum payment amount, and the aggregate maximum payment amount of these liabilities totaled $336.6 million $352.6 million as of September 30, 2023 March 31, 2024. During the nine three months ended September 30, 2023 and 2022, March 31, 2023, Quanta settled certain contingent consideration liabilities with cash payments of $5.0 million and $1.6 million $5.0 million.

Pro Forma Results of Operations

The following unaudited supplemental pro forma results of operations for Quanta, which incorporate the acquisitions completed in the nine three months ended September 30, 2023 March 31, 2024 and the year ended December 31, 2022 December 31, 2023, have been provided for illustrative purposes only and may not be indicative of the actual results that would have been achieved by the combined companies for the periods presented or that may be achieved by the combined companies in the future (in thousands).

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 31,			
		March 31,			
		March 31,			
		2024			
		2024			
		2024			
Revenues	Revenues	$ 5,624,274	$ 4,585,187	$ 15,112,066	$ 13,045,546
Revenues					
Revenues					

Net income attributable to common stock	Net income attributable to common stock	$	272,772	$	155,177	$	533,540	$	328,147
Net income attributable to common stock									
Net income attributable to common stock									

The pro forma combined results of operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were prepared by adjusting the historical results of Quanta to include the historical results of the businesses acquired in 2023 2024 as if such acquisitions had occurred January 1, 2022 January 1, 2023. The pro forma combined results of operations for the three and nine months ended September 30, 2022 March 31, 2023 were prepared by further adjusting the historical results of Quanta to include the historical results of the business acquired in 2022 2023 as if such acquisition had occurred January 1, 2021 January 1, 2022. These pro forma combined historical results were adjusted for the following: a reduction of interest and other financing expenses as a result of the repayment of outstanding indebtedness of the acquired businesses; an increase in interest and other financing expenses as a result of the cash consideration paid; an increase in amortization expense due to the intangible assets recorded; elimination of inter-company sales; and changes in depreciation expense to adjust acquired property and equipment to the acquisition date fair value and to conform with Quanta's accounting policies. The pro forma combined results of operations do not include any adjustments to eliminate the impact of acquisition-related costs incurred by Quanta or any cost savings or other synergies that resulted or may result from the acquisitions.

Impact on Consolidated Results of Operations Related to Acquisitions

Revenues of $117.4 million and income before income taxes of $3.5 million, which includes $7.3 million of amortization expense and $1.8 million of acquisition-related costs, related to the acquisitions completed in 2023 are included Included in Quanta's condensed consolidated results of operations for the three months ended September 30, 2023. Revenues March 31, 2024 were revenues of $354.0 million $67.7 million and income a loss before income taxes of $0.3 million, $9.1 million, which includes $22.3 million included $4.8 million of amortization expense and $19.6 million of acquisition-related costs, related to the acquisitions completed in 2023 are included in Quanta's condensed consolidated results of operations for the nine months ended September 30, 2023. Revenues of $5.1 million and income before income taxes of $0.2 million, which includes $0.7 million of amortization expense and $0.6 million of acquisition-related costs, related to the acquisition completed in 2022 are included in Quanta's condensed consolidated results of operations for the three and nine months ended September 30, 2022.

Acquisition Subsequent to Quarter-End

In October 2023, Quanta acquired a business located in the United States. The business is a manufacturer of power transformers for the investor-owned electric utility, renewable energy, municipal power and industrial markets. The aggregate consideration paid or payable for this transaction was approximately $300 million, consisting of a combination of cash and shares of Quanta common stock. The final amount of consideration also remains subject to certain post-closing adjustments, including with respect to net working capital.

and $5.9 million of acquisition-related costs, related to the acquisitions completed in 2024. Included in Quanta's condensed consolidated results of operations for the three months ended March 31, 2023 were revenues of $93.5 million and a loss before income taxes of $16.1 million, which included $8.6 million of amortization expense and $17.8 million of acquisition-related costs, related to the acquisitions completed in 2023.

6. INVESTMENTS IN AFFILIATES AND OTHER ENTITIES:

Equity Investments

The following table presents Quanta's equity investments by type (in thousands):

	September 30, 2023	December 31, 2022

		March 31, 2024		March 31, 2024	December 31, 2023
Equity method investments - integral unconsolidated affiliates	Equity method investments - integral unconsolidated affiliates	$ 94,927	$101,251		
Equity method investments - non-integral unconsolidated affiliates	Equity method investments - non-integral unconsolidated affiliates	28,482	55,833		
Marketable equity securities (1)		—	—		
Non-marketable equity securities	Non-marketable equity securities	53,246	54,134		
Total equity investments	Total equity investments	$ 176,655	$211,218		

(1) As of December 31, 2022, the fair value of Quanta's investment in equity securities of Starry Group Holdings, Inc. (Starry) was zero, which was accounted for as an investment in marketable securities and included a loss of $91.5 million. Equity Method Investments

During the three months ended September 30, 2023 March 31, 2024, Quanta sold a plan non-integral equity method investment and recognized a $12.2 million gain, $4.9 million of reorganization which was attributable to non-controlling interests. Also during the three months ended March 31, 2024, Quanta received $34.9 million in Starry's bankruptcy proceeding pursuant cash related to Chapter 11 the sale of the U.S. Bankruptcy Code, as amended, went into effect and, as a result, the equity securities this investment, $4.9 million of Starry held by Quanta were cancelled.

Equity Method Investments which was distributed to non-controlling interests.

During the three months ended December 31, 2022, Quanta entered into an agreement to sell one of its a non-integral equity method investments. investment. The transaction was subject to certain customary closing conditions that were satisfied in early 2023. As a result, a $25.9 million gain was recognized in the fourth quarter of 2022, $10.4 million of which was attributable to non-controlling interests. During the nine months year ended September 30, 2023 December 31, 2023, Quanta received $58.5 million in cash of $58.5 million related to the sale of this investment, $9.8 million of which was distributed to non-controlling interests.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Quanta had receivables of $79.6 million $81.4 million and $96.9 $96.4 million from its integral unconsolidated affiliates and payables of $31.0 $22.4 million and $9.3 $24.5 million to its integral unconsolidated affiliates. Quanta recognizes recognized revenues of $59.0 million and $48.3 million during the three months ended March 31, 2024 and 2023 from services provided to its integral unconsolidated affiliates, primarily for related to services provided to LUMA at cost. Quanta recognized revenues from such services to its integral affiliates of $54.4 million and $38.2 million during the three months ended September 30, 2023 and 2022 and $152.9 million and $89.7 million during the nine months ended September 30, 2023 and 2022. In addition, during the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, Quanta recognized costs of sales of $72.4 million $88.9 million and $38.8 million $12.0 million for services provided to Quanta by other integral affiliates. During the nine months ended September 30, 2023 and 2022, Quanta recognized costs of sales of $107.3 million and $111.1 million for services provided by other integral unconsolidated affiliates.

Total equity in earnings from integral unconsolidated affiliates was $11.7 million $12.3 million and $10.6 million $9.6 million for the three months ended September 30, 2023 March 31, 2024 and 2022, and $30.7 million and $44.4 million for the nine months ended September 30, 2023 and 2022. 2023. Total equity in earnings from non-integral unconsolidated affiliates was a loss of $1.0 million and earnings of $2.9 million $3.6 million and $1.6 million for the three months ended September 30, 2023 March 31, 2024 and 2022 2023. As of March 31, 2024, Quanta had $45.2 million of undistributed earnings related to unconsolidated affiliates.

The difference between Quanta's carrying value and the underlying equity in the net assets of its equity investments is assigned to the assets and liabilities of the investment, giving rise to a basis difference, which was $29.9 million and $31.4 million as of March 31, 2024 and

December 31, 2023. The amortization of the basis difference included in “Equity in earnings of $1.1 million and $17.9 million for the nine months ended September 30, 2023 and 2022 and was included in “Other income (expense), net” integral unconsolidated affiliates” in the accompanying condensed consolidated statements of income. As of September 30, 2023, Quanta had $16.8 million of undistributed earnings related to unconsolidated affiliates. operations was $1.5 million and $1.8 million for the three months ended March 31, 2024 and 2023.

7. PER SHARE INFORMATION:

The amounts used to compute basic and diluted earnings per share attributable to common stock consisted of the following (in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 31,			
		March 31,			
		March 31,			
		2024			
		2024			
		2024			
Amounts attributable to common stock:	**Amounts attributable to common stock:**				
Amounts attributable to common stock:					
Amounts attributable to common stock:					
Net income attributable to common stock					
Net income attributable to common stock					
Net income attributable to common stock	Net income attributable to common stock	$ 272,836	$ 155,956	$ 533,781	$ 328,617
Weighted average shares:	**Weighted average shares:**				
Weighted average shares:					
Weighted average shares:					

Weighted average shares outstanding for basic earnings per share attributable to common stock					
Weighted average shares outstanding for basic earnings per share attributable to common stock					
Weighted average shares outstanding for basic earnings per share attributable to common stock	Weighted average shares outstanding for basic earnings per share attributable to common stock	145,455	143,353	145,118	143,581
Effect of dilutive unvested non-participating stock-based awards	Effect of dilutive unvested non-participating stock-based awards	3,337	4,325	3,631	4,515
Effect of dilutive unvested non-participating stock-based awards					
Effect of dilutive unvested non-participating stock-based awards					
Weighted average shares outstanding for diluted earnings per share attributable to common stock	Weighted average shares outstanding for diluted earnings per share attributable to common stock	148,792	147,678	148,749	148,096
Weighted average shares outstanding for diluted earnings per share attributable to common stock					
Weighted average shares outstanding for diluted earnings per share attributable to common stock					

8. DEBT OBLIGATIONS:

Quanta’s long-term debt obligations consisted of the following (in thousands):

	September 30, 2023	December 31, 2022

		March 31, 2024		March 31, 2024	December 31, 2023
0.950% Senior Notes due October 2024	0.950% Senior Notes due October 2024	$ 500,000	$ 500,000		
2.900% Senior Notes due October 2030	2.900% Senior Notes due October 2030	1,000,000	1,000,000		
2.350% Senior Notes due January 2032	2.350% Senior Notes due January 2032	500,000	500,000		
3.050% Senior Notes due October 2041	3.050% Senior Notes due October 2041	500,000	500,000		
Borrowings under senior credit facility (including Term Loan)	Borrowings under senior credit facility (including Term Loan)	965,764	786,910		
Borrowings under commercial paper program	Borrowings under commercial paper program	396,800	373,000		
Lease financing transactions					
Other long-term debt	Other long-term debt	112,745	92,907		
Finance leases	Finance leases	30,089	3,542		
Unamortized discount and financing costs	Unamortized discount and financing costs	(23,480)	(26,432)		
Total long-term debt obligations	Total long-term debt obligations	3,981,918	3,729,927		
Less — Current maturities of long-term debt	Less — Current maturities of long-term debt	44,570	37,495		

Total long-term debt obligations, net of current maturities	Total long-term debt obligations, net of current maturities	$ 3,937,348	$3,692,432

Senior Notes

The interest amounts due on Quanta's senior notes on each payment date are set forth below (dollars in thousands):

Title of the Notes	Interest Amount	Payment Dates	Commencement Date
0.950% Senior Notes due October 2024	$ 2,375	April 1 and October 1	April 1, 2022
2.900% Senior Notes due October 2030	$ 14,500	April 1 and October 1	April 1, 2021
2.350% Senior Notes due January 2032	$ 5,875	January 15 and July 15	July 15, 2022
3.050% Senior Notes due October 2041	$ 7,625	April 1 and October 1	April 1, 2022

The fair value of Quanta's senior notes was $1.98 $2.13 billion as of September 30, 2023 March 31, 2024, compared to a carrying value of $2.48 billion net of unamortized bond discount, underwriting discounts and deferred financing costs of $21.3 million $19.7 million. The fair value of the senior notes is based on the quoted market prices for the same issue, and the senior notes are categorized as Level 1 liabilities.

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Senior Credit Facility

The credit agreement for Quanta's senior credit facility (as amended, the credit agreement) provides for a $750.0 million

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term loan facility and aggregate revolving commitments of $2.64 billion, with a maturity date of October 8, 2026. Borrowings under the senior credit facility and the applicable interest rates were as follows (dollars in thousands):

		Nine Months Ended September 30,			
		2023	2022		
		Three Months Ended			
		Three Months Ended			
		Three Months Ended			
		March 31,		March 31,	
		2024		2024	2023
Maximum amount outstanding	Maximum amount outstanding	$ 1,004,677	$1,684,783		

Average daily amount outstanding	Average daily amount outstanding	$ 928,318	$1,391,130					
Weighted-average interest rate	Weighted-average interest rate	6.39 %	2.60 %	Weighted-average interest rate	6.80	%	5.99	%

As of September 30, 2023 March 31, 2024, Quanta was in compliance with all of the financial covenants under the credit agreement.

Term Loan. As of September 30, 2023 March 31, 2024, Quanta had $735.9 million $726.6 million outstanding under its term loan facility. The carrying amount of the term loan under Quanta's senior credit facility approximates fair value due to its variable interest rate.

Revolving Loans. As of September 30, 2023 March 31, 2024, Quanta had $229.8 million $127.8 million of outstanding revolving loans under the senior credit facility, all of which were denominated in Canadian dollars. The carrying amounts of the revolving borrowings under Quanta's senior credit facility approximate fair value, as all revolving borrowings have a variable interest rate.

As of September 30, 2023 March 31, 2024, Quanta also had $311.1 million $251.2 million of letters of credit issued under the senior credit facility, of which $223.8 million $94.6 million were denominated in U.S. dollars and $87.3 million $156.6 million were denominated in currencies other than the U.S. dollar, primarily Australian and Canadian dollars. Additionally, available commitments for revolving loans under the senior credit facility must be maintained in order to provide credit support for notes issued under Quanta's commercial paper program, and therefore such notes effectively reduce the available borrowing capacity under the senior credit facility.

As of September 30, 2023 March 31, 2024, $1.70 billion $2.05 billion remained available under the senior credit facility for new revolving loans, letters of credit and support of the commercial paper program.

Deferred Financing Costs. As of September 30, 2023 and December 31, 2022, capitalized deferred financing costs, net of accumulated amortization, related to Quanta's revolving loans under its senior credit facility and commercial paper program were $6.7 million and $8.3 million and are included in "Other assets, net" in the accompanying condensed consolidated balance sheets. Amortization of discount and deferred financing costs for all debt instruments is included in interest and other financing expenses and was $1.5 million and $2.0 million for the three months ended September 30, 2023 and 2022, and $4.4 million and $4.9 million for the nine months ended September 30, 2023 and 2022.

Commercial Paper Program

As of March 31, 2024, Quanta had $396.8 million $208.4 million of outstanding unsecured notes under its unsecured commercial paper program, as of September 30, 2023, with a weighted average interest rate of 5.87% and a weighted average maturity of 24 days as of such date. 5.75%. The carrying amounts of the notes issued under Quanta's commercial paper program approximate fair value. value, and all notes currently have a short maturity.

Borrowings under the commercial paper program and the applicable interest rates were as follows (dollars in thousands):

		Nine Months Ended September 30,			
		2023	2022 (1)		
		Three Months Ended Three Months Ended Three Months Ended			
		March 31,		March 31,	
		2024		2024	2023
Maximum amount outstanding	Maximum amount outstanding	$ 841,400	$426,250		

Average daily amount outstanding (1)		$ 624,476	$211,438					
Average daily amount outstanding								
Weighted-average interest rate	Weighted-average interest rate	5.79 %	3.46 %	Weighted-average interest rate	5.80	%	5.38	%

(1) *The amounts in this column represent activity from August 23, 2022, the date Quanta's commercial paper program commenced, through September 30, 2022.* ***Additional Letters of Credit***

Effective October 6, 2023 As of March 31, 2024, Quanta increased the maximum aggregate amount had $488.7 million of letters of credit issued outside of its existing unsecured commercial paper program to $1.50 billion of notes outstanding at any time. Prior to the increase, the maximum aggregate amount of the program was $1.00 billion. senior credit facility, which were denominated in U.S. dollars.

Additional Letters of Credit

As of September 30, 2023 Quanta had $226.2 million of surety-backed letters of credit issued outside of its senior credit facility, which were denominated in U.S. dollars.

9. LEASES:

Quanta primarily leases land, buildings, vehicles, construction equipment and office equipment. The components of lease costs in the accompanying condensed consolidated statements of operations are as follows (in thousands):

			Three Months Ended							
			Three Months Ended							
			Three Months Ended							
			Three Months Ended September 30,				**Nine Months Ended September 30,**			
Lease cost	**Lease cost**	**Classification**	**2023**		**2022**		**2023**		**2022**	
Lease cost										
Lease cost										
Finance lease cost:										
Finance lease cost:										
Finance lease cost:	Finance lease cost:									
Amortization of lease assets	Amortization of lease assets	Depreciation (1)	$	1,168	$	301	$	3,181	$	1,177
Amortization of lease assets										
Amortization of lease assets										

Interest on lease liabilities	Interest on lease liabilities	Interest and other financing expenses	674	27	1,181	82
Interest on lease liabilities						
Interest on lease liabilities						
Lease financing transactions: (2)						
Lease financing transactions: (2)						
Lease financing transactions: (2)						
Depreciation						
Depreciation						
Depreciation						
Interest						
Interest						
Interest						
Operating lease cost	Operating lease cost	Cost of services and Selling, general and administrative expenses	23,379	21,957	69,742	71,082
Short-term and variable lease cost (2)		Cost of services and Selling, general and administrative expenses	302,134	250,460	790,080	693,847
Operating lease cost						
Operating lease cost						
Short-term and variable lease cost (3)						
Short-term and variable lease cost (3)						
Short-term and variable lease cost (3)						
Total lease cost	Total lease cost		$ 327,355	$ 272,745	$ 864,184	$ 766,188
Total lease cost						
Total lease cost						

(1) Depreciation is included within “Cost of services” and “Selling, general and administrative expenses” in the accompanying condensed consolidated statements of operations.

(2) Certain of Quanta’s equipment rental agreements contain purchase options pursuant to which the purchase price is offset by a portion of the rental payments. When these purchase options are exercised by a third-party lessor on behalf of Quanta, the transaction is deemed to be a financing transaction for accounting purposes, which results in the recognition of an asset equal to the purchase price and a corresponding liability.

(3) Short-term lease cost includes both leases and rentals with initial terms of one year or less. Variable lease cost is insignificant.

Related party lease expense was $4.5 million $4.7 million and $4.6 million $3.9 million for the three months ended September 30, 2023 March 31, 2024 and 2022 and $12.3 million and $12.0 million for the nine months ended September 30, 2023 and 2022. 2023.

Future minimum lease payments for operating leases and finance leases and lease financing transactions were as follows (in thousands):

		As of September 30, 2023				As of March 31, 2024		
		Operating Leases	Finance Leases	Lease Financing Transactions	Total	Operating Leases	Finance Leases	Total
Remainder of 2023		$ 23,541	$ 770	$ 4,940	$ 29,251			
2024		82,431	6,902	18,710	108,043			
Remainder of 2024								
2025	2025	65,559	6,542	16,986	89,087			
2026	2026	48,661	6,298	17,530	72,489			
2027	2027	32,482	5,768	14,679	52,929			
2028								
Thereafter	Thereafter	38,454	5,414	32,492	76,360			
Total future minimum payments related to operating leases, finance leases and lease financing transactions		291,128	31,694	105,337	428,159			
Total future minimum payments related to operating leases and finance leases								
Less imputed interest	Less imputed interest	(25,343)	(1,605)	—	(26,948)			
Total	Total	$265,785	$30,089	$ 105,337	$401,211			

Future minimum lease payments for short-term leases were $20.3 million $26.5 million as of September 30, 2023 March 31, 2024. As of March 31, 2024, Quanta also had minimum lease payments related to operating lease obligations of $17.5 million for leases that had not yet commenced as of such date, are expected to commence in 2024 and have lease terms of one to ten years. Additionally, as described above, certain of Quanta's equipment rental agreements contain purchase options pursuant to which the purchase price is offset by a portion of the rental payments. The future payments related to these lease financing transactions totaled $95.2 million and comprise principal and interest payments.

The weighted average remaining lease terms (other than for short-term leases) and discount rates were as follows:

	As of September 30, 2023 March 31, 2024
Weighted average remaining lease term (in years):	
Operating leases	4.34 4.27
Finance leases	5.70 4.96
Weighted average discount rate:	
Operating leases	4.1 4.5 %
Finance leases	5.2 6.3 %

Quanta has also guaranteed the residual value under certain of its equipment operating leases and real estate finance leases, agreeing to pay any difference between the residual value and the fair market value of the underlying asset at the date of lease termination. Historically, the fair value of the assets at the time of lease termination generally has approximated or exceeded the residual value guarantees, and therefore such guarantees are not expected to result in significant payments.

10. INCOME TAXES:

Quanta's effective tax rates for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were 22.1% a provision of 14.3% and 31.8%. Quanta's effective tax rates for the nine months ended September 30, 2023 and 2022 were 21.1% and 26.3% a benefit of 3.7%. The tax rates for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were favorably impacted by the recognition of $34.0 $21.6 million and $22.7 $32.0 million of benefits that resulted from equity incentive awards vesting at a higher fair market value than their grant date fair value. The effective tax rates for the three and nine months ended September 30, 2022 were unfavorably impacted by the valuation allowance on the losses on Starry, while the tax rates for the three and nine months ended September 30, 2023 include a benefit associated with the losses on Starry, as described further below. Additionally, the tax rates for the three and nine months ended September 30, 2023 reflect higher non-deductible per diem expenses related to the expiration, as of December 31, 2022, of a temporary provision that allowed the full deduction of certain meal and entertainment costs.

Quanta regularly evaluates valuation allowances established for deferred tax assets for which future realization is uncertain, including in connection with changes in tax laws. The estimation of required valuation allowances includes estimates of future taxable income. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Quanta considers projected future taxable income and tax planning strategies in making this assessment. If actual future taxable income differs from these estimates, Quanta may not realize deferred tax assets to the extent estimated. During the three and nine months ended September 30, 2022, Quanta recognized $26.5 million and $76.5 million of unrealized losses on its investment in Starry and recorded a valuation allowance against such unrealized losses. During the three months ended March 31, 2023, Starry filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code, as amended. On August 31, 2023, the equity securities held by Quanta were cancelled pursuant to an approved plan of reorganization in such bankruptcy proceeding. As a result, Quanta's cumulative $91.5 million loss on its investment in Starry was realized during the three months ended September 30, 2023. This realized loss can be utilized to offset gains from tax years 2020 through 2023, and can be carried forward to offset future capital gains realized in tax years 2024 through 2028. Quanta has identified sufficient sources of capital loss carry backs and forecasted capital gain income in these periods such that the full $22.7 million valuation allowance on the Starry capital loss was released during the three months ended September 30, 2023.

As of September 30, 2023 March 31, 2024, the total amount of unrecognized tax benefits relating to uncertain tax positions was $49.3 million $47.4 million, a net increase of $7.7 million $2.3 million from December 31, 2022 December 31, 2023, which primarily resulted from a $7.7 million increase related to positions expected to be taken in 2023. 2024. Quanta's consolidated federal income tax returns for tax years 2017, 2018, and 2020 through 2022 remain open to examination by the IRS, as the applicable statute of limitations periods have not yet expired. Additionally, various state and foreign tax returns filed by Quanta and certain subsidiaries for multiple periods remain under examination by various U.S. state and foreign tax authorities. Quanta does not consider any U.S. state in which it does business to be a major tax jurisdiction. Quanta believes it is reasonably possible that within the next 12 months unrecognized tax benefits may decrease by up to $11.9 million $8.9 million as a result of settlement of these examinations or as a result of the expiration of certain statute of limitations periods.

11. EQUITY:

Stock Repurchases

On May 23, 2023, Quanta's Board of Directors approved a new stock repurchase program that authorizes Quanta to purchase, from time to time through June 30, 2026, up to $500 million of its outstanding common stock. The new stock repurchase program became effective on July 1, 2023 As of March 31, 2024, upon expiration of Quanta's previous stock $499.7 million remained available under this repurchase program.

Quanta repurchased the following shares of common stock in the open market under its stock repurchase program (in thousands):

Quarter ended:	**Shares**		**Amount**
September 30, 2023	—	$	—
June 30, 2023	—	$	—
March 31, 2023	—		—
December 31, 2022	87	$	11,403
September 30, 2022	158	$	21,033
June 30, 2022	731	$	84,884
March 31, 2022	85	$	10,426

Quanta's policy is to record a stock repurchase as of the trade date of the transaction; however, the payment of cash related to the repurchase is made on the settlement date of the transaction. During the three and nine months ended September 30, 2023, Quanta did not make any cash payments related to stock repurchases. During the three and nine months ended September 30, 2022, cash payments related to stock repurchases were $20.8 million and $115.1 million. Repurchases may be implemented through open market repurchases or privately negotiated transactions, at management's discretion, based on market and business conditions, applicable contractual and legal requirements, including restrictions under Quanta's senior credit facility, and other factors. Quanta is not obligated to acquire any specific amount of common stock, and the repurchase program may be modified or terminated by Quanta's Board of Directors at any time at its sole discretion and without notice.

Dividends

Quanta declared and paid the following cash dividends and cash dividend equivalents during 2022 and the first nine months of 2023 (in thousands, except per share amounts):

Declaration Date	**Record Date**	**Payment Date**		**Dividend Per Share**		**Dividends Declared**
August 30, 2023	October 2, 2023	October 13, 2023	$	0.08	$	12,430
May 23, 2023	July 3, 2023	July 14, 2023	$	0.08	$	11,893
March 29, 2023	April 10, 2023	April 18, 2023	$	0.08	$	12,100
December 13, 2022	January 3, 2023	January 13, 2023	$	0.08	$	11,756
August 31, 2022	October 3, 2022	October 14, 2022	$	0.07	$	10,322
May 27, 2022	July 1, 2022	July 15, 2022	$	0.07	$	10,283
March 30, 2022	April 11, 2022	April 18, 2022	$	0.07	$	10,459

Dividends

Quanta declared and paid the following cash dividends and cash dividend equivalents during 2023 and the first three months of 2024 (in thousands, except per share amounts):

Declaration Date	Record Date	Payment Date	Dividend Per Share	Dividends Declared
March 28, 2024	April 9, 2024	April 17, 2024	$ 0.09	$ 13,477
December 5, 2023	January 2, 2024	January 12, 2024	$ 0.09	$ 13,412
August 30, 2023	October 2, 2023	October 13, 2023	$ 0.08	$ 12,430
May 23, 2023	July 3, 2023	July 14, 2023	$ 0.08	$ 11,893
March 29, 2023	April 10, 2023	April 18, 2023	$ 0.08	$ 12,100

12. STOCK-BASED COMPENSATION:

Restricted Stock Units (RSUs) to be Settled in Common Stock

A summary of the activity for RSUs to be settled in common stock for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 is as follows (RSUs in thousands):

		2023 RSUs	2023 Weighted Average Grant Date Fair Value (Per Unit)	2022 RSUs	2022 Weighted Average Grant Date Fair Value (Per Unit)		2024 RSUs		2024 Weighted Average Grant Date Fair Value (Per Unit)	2023 RSUs		2023 Weighted Average Grant Date Fair Value (Per Unit)
Unvested at January 1	Unvested at January 1	3,263	$78.74	3,880	$61.64	Unvested at January 1	2,548	$104.76	$104.76	3,263	$78.74	$78.74
Granted	Granted	667	$161.42	817	$111.20	Granted	561	$236.82	$236.82	626	$158.82	$158.82
Vested	Vested	(1,199)	$66.14	(1,257)	$48.48	Vested	(635)	$111.81	$111.81	(1,120)	$65.50	$65.50
Forfeited	Forfeited	(119)	$114.47	(116)	$78.72	Forfeited	(20)	$144.76	$144.76	(75)	$107.63	$107.63
Unvested at September 30		2,612	$104.39	3,324	$78.39							
Unvested at March 31						Unvested at March 31	2,454		$132.93	2,694		$102.59

The approximate fair value of RSUs that vested during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 was $194.6 million $152.5 million and $143.7 million $176.1 million.

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, Quanta recognized $70.5 million $25.7 million and $62.1 million $22.6 million of non-cash stock compensation expense related to RSUs to be settled in common stock. As of September 30, 2023 March 31, 2024, there was $167.2 million $239.3 million of total unrecognized compensation expense related to unvested RSUs to be settled in common stock granted to both employees and non-employees. This cost is expected to be recognized over a weighted average period of 3.31 3.19 years.

Performance Stock Units (PSUs) to be Settled in Common Stock

A summary of the activity for PSUs to be settled in common stock for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 is as follows (PSUs in thousands):

	2023 PSUs	2023 Weighted Average Grant Date Fair Value (Per Unit)	2022 PSUs	2022 Weighted Average Grant Date Fair Value (Per Unit)
Unvested at January 1	733	$65.39	931	$47.27
Granted	177	$174.50	153	$119.74
Vested	(413)	$35.12	(334)	$40.15
Forfeited	(6)	$101.66	(17)	$58.79
Unvested at September 30	491	$129.70	733	$65.39

	2024 PSUs		2024 Weighted Average Grant Date Fair Value (Per Unit)	2023 PSUs		2023 Weighted Average Grant Date Fair Value (Per Unit)
Unvested at January 1	491	$129.70	$129.70	733	$65.39	$65.39
Granted	109	$257.29	$257.29	177	$174.50	$174.50
Vested	(175)	$96.45	$96.45	(413)	$35.12	$35.12
Unvested at March 31						
Unvested at March 31						
Unvested at March 31	425		$176.03	497		$129.38

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The Monte Carlo simulation valuation methodology applied the following key inputs:

	2023	2022

Valuation date price based on March 9, 2023 and March 2, 2022 closing stock prices of Quanta common stock	$160.55	$110.24
Historical volatility	35 %	39 %
Risk-free interest rate	4.62 %	1.64 %
Term in years	2.81	2.83

	2024	2023
Valuation date price based on March 4, 2024 and March 9, 2023 closing stock prices of Quanta common stock	$243.34	$160.55
Expected volatility	33 %	35 %
Risk-free interest rate	4.43 %	4.62 %
Term in years	2.83	2.81

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, Quanta recognized $24.2 million $9.6 million and $15.6 million $4.9 million of non-cash stock compensation expense related to PSUs to be settled in common stock. As of September 30, 2023 March 31, 2024, there was an estimated $36.4 million $55.9 million of total unrecognized compensation expense related to unearned and unvested PSUs. This amount is based on forecasted attainment of performance metrics and estimated forfeitures of unearned and unvested PSUs. The compensation expense related to outstanding PSUs can vary from period to period based on changes in forecasted achievement of established performance goals and the total number of shares of common stock that Quanta anticipates will be issued upon vesting of such PSUs. This cost is expected to be recognized over a weighted average period of 1.82 2.16 years.

During each of the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, 0.3 million and 0.7 million shares of common stock were issued in connection with earned and vested PSUs. The approximate fair values of PSUs earned and vested during the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were $115.5 million $75.4 million and $72.4 million.

RSUs to be Settled in Cash

During the nine months ended September 30, 2023 and 2022, compensation expense related to RSUs to be settled in cash was $11.9 million and $11.6 million. RSUs that are anticipated to be settled in cash are not included in the calculation of weighted average shares outstanding for earnings per share, and the estimated earned value of such RSUs is calculated at the end of each reporting period based on the market value of Quanta's common stock and is classified as a liability. Quanta paid $18.0 million and $14.5 million to settle liabilities related to cash-settled RSUs in the nine months ended September 30, 2023 and 2022. Accrued liabilities for the estimated earned value of outstanding RSUs to be settled in cash were $4.7 million and $11.0 million as of September 30, 2023 and December 31, 2022. $115.5 million, respectively.

13. EMPLOYEE BENEFIT PLANS:

Deferred Compensation Plans

Quanta maintains non-qualified deferred compensation plans under which eligible directors and key employees may defer their receipt of certain cash compensation and/or the settlement of certain stock-based awards. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the liability related to deferred cash compensation under these plans, including amounts contributed by Quanta, was $80.1 million $101.8 million and $67.4 million $88.9 million, the majority of which was included in "Insurance and other non-current liabilities" in the accompanying condensed consolidated balance sheets. Additionally, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the settlement and issuance of 206,736 176,305 and 252,026 174,079 shares of common stock underlying certain stock-based awards had been deferred under these plans, and such issuances are scheduled to occur in future periods.

To provide for future obligations related to deferred cash compensation under these plans, Quanta has invested in corporate-owned life insurance (COLI) policies covering certain participants in the deferred compensation plans, the underlying investments of which are intended to be aligned with the investment alternatives elected by plan participants. The COLI assets are recorded at their cash surrender value, which is considered their fair market value, and as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the fair market values were $74.6 million $95.7 million and $64.0 million $83.4 million and were included in "Other assets, net" in the accompanying condensed consolidated balance sheets. The level of inputs for these fair value measurements is Level 2.

Changes in the fair market value of Quanta's COLI assets and deferred compensation liabilities largely offset and are recorded in the accompanying statements of operations as follows (in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,	
Classification	**Change in fair market value of**	**2023**	**2022**	**2023**	**2022**
(Loss) gain included in Selling, general and administrative expenses	Deferred compensation liabilities	$ 2,262	$ 3,069	$ (5,646)	$ 17,106
Other income (expense), net	COLI assets	$ (3,106)	$ (3,402)	$ 3,774	$ (17,706)

		Three Months Ended March 31,	
Classification	**Change in fair market value of**	**2024**	**2023**
Loss included in Selling, general and administrative expenses	Deferred compensation liabilities	$ (6,513)	$ (4,076)
Other income, net	COLI assets	$ 6,049	$ 3,146

14. COMMITMENTS AND CONTINGENCIES:

Legal Proceedings

Quanta is from time to time party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, property damage, breach of contract, negligence or gross negligence, environmental liabilities, wage and hour and other employment-related

damages, punitive damages, consequential damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to all such lawsuits, claims and proceedings, Quanta records a reserve when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. In addition, Quanta discloses matters for which management believes a material loss is at least reasonably possible.

The assessment of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. In all instances, management has assessed the matter based

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on current information and made a judgment concerning its potential outcome, giving due consideration to the nature of the claim, the amount and nature of damages sought and the probability of success and taking into account, among other things, negotiations with claimants, discovery, settlements and payments, judicial rulings, arbitration and mediation decisions, advice of internal and external legal counsel, and other information and events pertaining to a particular matter. Costs incurred for litigation are expensed as incurred. Except as otherwise stated below, none of these proceedings are expected to have a material adverse effect on Quanta’s consolidated financial position, results of operations or cash flows. However, management’s judgment may prove materially inaccurate, and such judgment is made subject to the known uncertainties of litigation.

Peru Project Dispute

In 2015, Redes Andinas de Comunicaciones S.R.L. (Redes), a majority-owned subsidiary of Quanta, entered into two separate contracts with an agency of the Peruvian Ministry of Transportation and Communications (MTC), currently Programa Nacional de Telecomunicaciones (PRONATEL), as successor to Fondo de Inversion en Telecomunicaciones (FITEL), pursuant to which Redes would design, construct and operate certain telecommunication networks in rural regions of Peru. The aggregate consideration provided for in the contracts was approximately $248 million, consisting of approximately $151 million to be paid during the construction period and approximately $97 million to be paid during a 10-year post-construction operation and maintenance period. At the beginning of the project, FITEL made advance payments totaling approximately $87 million to Redes, which were secured by two on-demand advance payment bonds posted by Redes to guarantee proper use of the payments in the execution of the project. Redes also provided two on-demand performance bonds in the aggregate amount of $25 million to secure performance of its obligations under the contracts.

During the construction phase, the project experienced numerous challenges and delays, primarily related to issues which Quanta believes were outside of the control of and not attributable to Redes, including, among others, weather-related issues, local opposition to the project, permitting delays, the inability to acquire clear title to certain required parcels of land and other delays which Quanta believes were attributable to FITEL/PRONATEL. In response to various of these challenges and delays, Redes requested and received multiple extensions to certain contractual deadlines and relief from related liquidated damages. However, in April 2019, PRONATEL provided notice to Redes claiming that Redes was in default under the contracts due to the delays and that PRONATEL would terminate the contracts if the alleged defaults were not cured. Redes responded by claiming that it was not in default, as the delays were due to events not attributable to Redes, and therefore PRONATEL was not entitled to terminate the contracts. PRONATEL subsequently terminated the contracts for alleged cause prior to completion of Redes’ scope of work, exercised the on-demand performance bonds and advance payment bonds against Redes, and indicated its intention to claim damages, including liquidated damages under the contracts. As of the date of the contract terminations, Redes had incurred costs of approximately $157 million related to the design and construction of the project and had received approximately $100 million of payments (inclusive of the approximately $87 million advance payments).

In May 2019, Redes filed for arbitration before the Court of International Arbitration of the International Chamber of Commerce (ICC) against PRONATEL and the MTC. In the arbitration, Redes claimed that PRONATEL: breached and wrongfully terminated the contracts; wrongfully executed the advance payment bonds and the performance bonds; and was not entitled to the alleged amount of liquidated damages, and sought compensation for various damages arising from PRONATEL's actions in the initially claimed amount of approximately $190 million. In August 2022, Redes received the decision of the arbitration tribunal, which unanimously found in favor of Redes in connection with its claims and ordered, among other things, (i) repayment of the amounts collected by PRONATEL under the advance payment bonds and the performance bonds; (ii) payment of amounts owed for work completed by Redes under the contracts; (iii) payment of lost income in connection with Redes' future operation and maintenance of the networks; and (iv) payment of other related costs and damages to Redes as a result of the breach and improper termination of the contracts (including costs related to the execution of the bonds, costs related to the transfer of the networks and legal and expert fees). Accordingly, the arbitration tribunal awarded Redes approximately $177 million. In addition, per the terms of the arbitration decision, interest will accrue on the amount owed up to the date of payment.

The decision of the arbitration tribunal is final, with limited grounds on which PRONATEL and the MTC may seek to annul the decision in Peruvian courts. In December 2022, Redes filed an enforcement proceeding with respect to each project contract to secure recovery of the arbitration award, and PRONATEL and the MTC filed an annulment proceeding with respect

to each project contract. The enforcement and annulment proceedings are pending within were filed with different commercial courts in Lima, Peru. In April 2023 and August 2023, Redes received favorable rulings in each of the annulment proceedings rejecting the grounds for annulment; however, PRONATEL and the MTC are pursuing, and are expected to continue to pursue, certain remaining legal challenges to such rulings. Final decisions with respect to the enforcement proceedings are expected later in 2023 or in 2024. Additionally, in December 2022, following the favorable arbitration ruling, Quanta received $100.5 million pursuant to coverage under an insurance policy for the improper collection by PRONATEL and the MTC of the advance

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payment and performance bonds, and in January 2023 Quanta received $6.7 million pursuant to coverage under an insurance policy for nonpayment by PRONATEL and the MTC of amounts owed for work completed by Redes. Quanta is continuing to pursue collection of the ICC arbitration award and any amount collected would result in repayment of an equal amount to the insurers up to the amount received from the insurers.

Quanta also reserves the right to seek full compensation for the loss of its investment under applicable legal regimes, including investment treaties and customary international law, as well as to seek resolution through direct discussions with PRONATEL or the MTC. In connection with these rights, in May 2020 Quanta's Dutch subsidiary delivered to the Peruvian government an official notice of dispute arising from the termination of the contracts and related acts by PRONATEL (which are attributable to Peru) under the Agreement on the Encouragement and Reciprocal Protection of Investments between the Kingdom of the Netherlands and the Republic of Peru (Investment Treaty). The Investment Treaty protects Quanta's subsidiary's indirect ownership stake in Redes and the project, and provides for rights and remedies distinct from the ICC arbitration. In December 2020, Quanta's Dutch subsidiary filed a request for the institution of an arbitration proceeding against Peru with the International Centre for Settlement of Investment Disputes (ICSID) related to Peru's breach of the Investment Treaty, which was registered by ICSID in January 2021. In the ICSID arbitration, Quanta's Dutch subsidiary claims, without limitation, that Peru: (i) treated the subsidiary's investment in Redes and the project unfairly and inequitably; and (ii) effectively expropriated the subsidiary's investment in Redes and the project. In addition, Quanta's Dutch subsidiary is seeking full compensation for all damages arising from Peru's actions, including but not limited to (i) the fair market value of the investment and/or lost profits; (ii) attorneys' fees and arbitration costs; (iii) other related costs and damages and (iv) pre- and post-award interest. The ICSID arbitration hearing on the merits occurred in the second quarter of 2023 and a decision is currently expected in the first second half of 2024.

Quanta believes Redes is entitled to all amounts awarded by the ICC arbitration tribunal, and that its Dutch subsidiary is entitled to other amounts associated with the pending ICSID arbitration proceeding. Quanta and Redes intend to vigorously pursue recovery of the amounts awarded by the ICC arbitration tribunal and take additional legal actions deemed necessary to enforce the ICC arbitration decision. However, due to the inherent uncertainty involved with, among other things, the challenges to the annulment decisions, enforcement and related proceedings, the ultimate timing and conclusion with respect to collection of the amount amounts of the ICC arbitration award remains unknown.

As a result of the contract terminations and the inherent uncertainty involved in arbitration proceedings and recovery of amounts owed, during the three months ended June 30, 2019, Quanta recorded a charge to earnings of $79.2 million, which included a reduction of previously recognized earnings on the project, a reserve against a portion of the project costs incurred through the project termination date, an accrual for a portion of the alleged liquidated damages, and the estimated costs to complete the project turnover and close out the project. Quanta also initially recorded a contract receivable of approximately $120 million related to the project during the three months ended June 30, 2019, which includes the amounts collected by PRONATEL through exercise of the advance payment bonds and performance bonds. As of September 30, 2023 March 31, 2024, the total amount of the receivable was not changed and is included in “Other assets, net” in the accompanying condensed consolidated balance sheet. Additionally, with respect to the amounts received pursuant to coverage under the insurance policies described above, $107.2 million is included in “Insurance and other non-current liabilities” in the accompanying condensed consolidated balance sheet as of September 30, 2023 March 31, 2024.

After considering, as discussed above, that the ultimate timing and conclusion with respect to collection of the full amount amounts associated with the ICC arbitration award remains unknown, Quanta has not recognized a gain in the current period. To the extent amounts in excess of the current receivable are determined to be realizable, a gain would be recorded in the period such determination is made. However, if Quanta is ultimately not successful with respect to collection of the ICC arbitration award through annulment or otherwise, or with respect to its claims in the pending ICSID arbitration proceeding, this matter could result in an additional significant loss that could have a material adverse effect on Quanta’s consolidated results of operations and cash flows.

Lorenzo Benton v. Telecom Network Specialists, Inc., et al.

In June 2006, plaintiff Lorenzo Benton filed a class action complaint in the Superior Court of California, County of Los Angeles, alleging various wage and hour violations against Telecom Network Specialists (TNS), a former subsidiary of Quanta. Quanta retained liability associated with this matter pursuant to the terms of Quanta’s sale of TNS in December 2012. Benton represents a class of workers that includes all persons who worked on certain TNS projects, including individuals that TNS retained through numerous staffing agencies. The plaintiff class in this matter is seeking damages for unpaid wages, penalties associated with the failure to provide meal and rest periods and overtime wages, interest and attorneys’ fees. In January 2017, the trial court granted a summary judgment motion filed by the plaintiff class and found that TNS was a joint employer of the class members and that it failed to provide adequate meal and rest breaks and failed to pay overtime wages. During 2019 and

2020, the parties filed additional summary judgment and other motions, and a bench trial on liability and damages was held. Liability and damages for TNS were initially determined by the trial court to be approximately $9.5 million. Separately, in 2022, the court issued a ruling awarding attorneys’ fees and costs to plaintiffs in the amount of approximately $17.3 million. TNS appealed the trial court’s rulings, and in October 2023, the California Court of Appeal issued an opinion overruling significant portions of the trial court’s summary judgment rulings and remanding the case to the trial court for further proceedings. Specifically, the appellate court vacated the trial court’s summary judgment ruling as to meal and rest periods, which comprises the majority of the damages awarded, and affirmed the trial court’s ruling with respect to overtime wages. Quanta believes the decision by the appellate court also requires the attorneys’ fees and costs claimed by plaintiffs to be reevaluated in accordance with the final disposition of the matter. The appellate court decision remains subject to further appeal by either party, and the plaintiffs have filed a petition for rehearing with the appellate court on a number of issues. Additionally, Quanta intends to continue to contest its liability and the damage calculations asserted by the plaintiff class to the trial court on remand.

Additionally, in November 2007, TNS filed cross complaints for indemnity and breach of contract against the staffing agencies, which employed many of the individuals in question. In December 2012, the trial court heard cross-motions for summary judgment filed by TNS and the staffing agencies pertaining to TNS’s demand for indemnity. The court denied TNS’s motion and granted the motions filed by the staffing agencies; however, the California Appellate Court reversed the trial court’s decision in part and instructed the trial court to reconsider its ruling. In February 2017, the court denied a new motion for summary judgment filed by the staffing companies and has since stated that the staffing companies would be liable to TNS for any damages owed to the class members that the staffing companies employed. However, Quanta currently believes that, due to solvency issues, any contribution from the staffing companies may not be substantial.

The final amount of liability and attorneys’ fees payable in connection with this matter remains the subject of pending litigation and will ultimately depend on various factors, including the outcome of further proceedings by the trial court with respect to liability, damages, attorneys’ fees and expenses, and interest, as well as the solvency of the staffing agencies. Quanta has not incurred, and does not believe, at this time, that it is probable this matter will result in a material loss and the range of reasonably possible loss is not currently estimable due to the uncertainties associated with, among other things, such further proceedings.

Hallen Acquisition Assumed Liability

In August 2019, in connection with the acquisition of The Hallen Construction Co., Inc. (Hallen), Quanta assumed certain contingent liabilities associated with a March 2014 natural gas-fed explosion and fire in the Manhattan borough of New York City, New York. The incident resulted in, among other things, loss of life, personal injury and the destruction of two buildings and other property damage. After investigation, the National Transportation Safety Board determined that the probable cause of the incident was the failure of certain natural gas infrastructure installed by Consolidated Edison, Inc. (Con Ed) and the failure of certain sewer infrastructure maintained by the City of New York. Pursuant to a contract with Con Ed, Hallen had performed certain work related to such natural gas infrastructure and agreed to indemnify Con Ed for certain claims, liabilities and costs associated with its work. Numerous lawsuits are pending in New York state courts related to the incident, which generally name Con Ed, the City of New York and Hallen as defendants. These lawsuits are at various stages and generally seek unspecified damages and, in some cases, punitive damages, for wrongful death, personal injury, property damage and business interruption.

As of September 30, 2023, Quanta had not recorded an accrual related to this matter. While Quanta believes Hallen's liabilities associated with this matter will not exceed the amount of available insurance coverage under applicable insurance policies and contractual remedies negotiated by Quanta with the former owners of Hallen, the ultimate amount of liability remains subject to uncertainties associated with pending litigation, including, among other things, the likelihood and potential amount of damages that could be asserted or awarded. To the extent this matter results in a loss that is in excess of, or not covered by, such insurance policies or contractual remedies, it could have a material adverse effect on Quanta's consolidated financial condition, results of operations and cash flows.

Silverado Wildfire Matter

During 2022 and 2023, two of Quanta's subsidiaries received tenders of defense and demands for preservation of evidence from Southern California Edison Company (SCE) related to lawsuits filed from April 2021 through October 2023 March 2024 against SCE and T-Mobile USA, Inc. (T-Mobile) in the Superior Court of California, County of Orange. The lawsuits generally

assert property damage and related claims on behalf of certain individuals and subrogation claims on behalf of insurers relating to damages caused by a wildfire that began in October 2020 in Orange County, California (the Silverado Fire) and that is purported to have damaged approximately 13,000 acres. The lawsuits allege the Silverado Fire originated from utility poles in the area, generally claiming that each defendant failed to adequately maintain, inspect, repair or replace its overhead facilities,

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equipment and utility poles and remove vegetation in the vicinity; that the utility poles were overloaded with equipment from shared usage; and that SCE failed to de-energize its facilities during red flag warnings for a Santa Ana wind event. The lawsuits allege the Silverado Fire started when SCE and T-Mobile equipment contacted each other and note the Orange County Fire Department is investigating whether a T-Mobile lashing wire contacted an SCE overhead primary conductor in high winds. T-Mobile has filed cross-complaints against SCE alleging, among other things, that the ignition site of the Silverado Fire encompassed two utility poles replaced by SCE or a third party engaged by SCE, and that certain equipment, including T-Mobile's lashing wire, was not sufficiently re-secured after the utility pole replacements. One of Quanta's subsidiaries performed planning and other services related to the two utility poles, and another Quanta subsidiary replaced the utility poles and reattached the electrical and telecommunication equipment to the new utility poles in March 2019, approximately 19 months before the Silverado Fire. Pursuant to the general terms of a master services agreement and a master consulting services agreement between the Quanta subsidiaries and SCE, the subsidiaries agreed to defend and indemnify SCE against certain claims arising with respect to performance or nonperformance under the agreements. The SCE tender letters seek contractual indemnification and defense from Quanta's subsidiaries for the claims asserted against SCE in the lawsuits and the T-Mobile cross-complaints.

Quanta's subsidiaries intend to vigorously defend against the lawsuits, the T-Mobile cross-complaints and any other claims asserted in connection with the Silverado Fire. Quanta will continue to review additional information in connection with this matter as litigation and resolution efforts progress, and any such information may potentially allow Quanta to determine an estimate of potential loss, if any. As of September 30, 2023 March 31, 2024, Quanta had not recorded an accrual with respect to this matter, and Quanta is currently unable to reasonably estimate a range of reasonably possible loss, if any, because there are a number of unknown facts and legal considerations that may impact the amount of any potential liability. Quanta also believes that to the extent its subsidiaries are determined to be liable for any damages resulting from this matter, its insurance would be applied to any such liabilities over its deductible amount and its insurance coverage would be adequate to cover such potential liabilities. However, the ultimate amount of any potential liability and insurance coverage in connection with this matter remains subject to uncertainties associated with pending and potential future litigation.

Insurance

Quanta is insured for, among other things, employer's liability, workers' compensation, auto liability, aviation and general liability claims. Quanta manages and maintains a portion of its casualty risk indirectly through its wholly-owned captive insurance company, which insures all claims up to the amount of the applicable deductible of its third-party insurance programs, as well as with respect to certain other amounts.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the gross amount accrued for employer's liability, workers' compensation, auto liability, general liability, and group health claims totaled $332.5 million $371.0 million and $319.6 million $351.7 million, of which $216.5 million $237.0 million and $209.8 million $229.2 million are included in "Insurance and other non-current liabilities," and the remainder is included in "Accounts payables and accrued expenses." Related insurance recoveries/receivables as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were $5.2 million $5.5 million and $5.8 million $4.9 million, of which $0.3 million $0.9 million and $0.3 million are included in "Prepaid expenses and other current assets" and $4.9 million $4.6 million and $5.5 million $4.6 million are included in "Other assets, net."

Bonds and Parent Guarantees

As of September 30, 2023 March 31, 2024, the total amount of the outstanding performance bonds was estimated to be approximately $7.0 billion $8.1 billion. Quanta's estimated maximum exposure related to the value of the performance bonds outstanding is lowered on each bonded project as the cost to complete is reduced, and each commitment under a performance bond generally extinguishes concurrently with the expiration of its related contractual obligation. The estimated cost to complete these bonded projects was approximately $2.7 billion as of September 30, 2023.

Capital Commitments and Other Committed Expenditures

As of September 30, 2023 March 31, 2024, Quanta had $65.3 million $64.2 million of outstanding capital commitments associated with investments in unconsolidated affiliates, the majority of which relates to a limited partnership interest in a fund that targets investments in certain portfolio companies that operate businesses related to the transition to a reduced-carbon economy.

As of March 31, 2024, Quanta had $133.7 million of unfilled production orders with primarily related to its fleet of vehicles, which have expected delivery dates during the remainder of 2023 and $53.6 million of production orders with expected delivery dates in 2024, for capital commitments primarily related to the expansion of its equipment fleet. The majority of this amount relates to the expansion of Quanta's equipment fleet in order to accommodate manufacturer lead times on certain types of vehicles. Although Quanta has committed to purchase these vehicles at the time of their delivery, Quanta anticipates

that the majority of these orders will be assigned to third party leasing companies and made available under certain master equipment lease agreements, thereby releasing Quanta from its capital commitments.

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15. DETAIL OF CERTAIN ACCOUNTS:

Cash and Cash Equivalents

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, cash equivalents were $140.8 million $161.1 million and $260.1 million $610.8 million and consisted primarily of money market investments, and money market mutual funds. Quanta's cash equivalents are categorized as Level 1 assets, as all values are based on unadjusted quoted prices for identical assets in an active market. Cash funds and cash equivalents in foreign bank accounts are primarily held in Canada and Australia. short-term deposits.

Cash and cash equivalents held by joint ventures, which are either consolidated or proportionately consolidated, are available to support joint venture operations, but Quanta cannot utilize those assets to support its other operations. Quanta generally has no right to cash and cash equivalents held by a joint venture other than participating in distributions, to the extent made, and in the event of dissolution. Cash and cash equivalents held by Quanta's wholly-owned captive insurance company are generally not available for use in support of its other operations. Amounts related to cash and cash equivalents held by consolidated or proportionately consolidated joint ventures and the captive insurance company, which are included in Quanta's total cash and cash equivalents balances, were as follows (in thousands):

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Cash and cash equivalents held by domestic joint ventures	Cash and cash equivalents held by domestic joint ventures	$ 34,684	$ 14,291		
Cash and cash equivalents held by foreign joint ventures	Cash and cash equivalents held by foreign joint ventures	8,188	6,277		
Total cash and cash equivalents held by joint ventures	Total cash and cash equivalents held by joint ventures	42,872	20,568		
Cash and cash equivalents held by captive insurance company	Cash and cash equivalents held by captive insurance company	21,758	35,085		
Cash and cash equivalents not held by joint ventures or captive insurance company	Cash and cash equivalents not held by joint ventures or captive insurance company	240,725	372,852		

Total cash and cash equivalents	Total cash and cash equivalents	$305,355	$428,505

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following (in thousands):

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Accounts payable, trade	Accounts payable, trade	$1,990,788	$1,302,086		
Accrued compensation and related expenses	Accrued compensation and related expenses	582,136	469,048		
Other accrued expenses	Other accrued expenses	396,169	381,995		
Accounts payable and accrued expenses	Accounts payable and accrued expenses	$2,969,093	$2,153,129		

Other accrued expenses primarily include accrued insurance liabilities, income and franchise taxes payable and deferred revenues.

Property and Equipment

Accumulated depreciation related to property and equipment was $1.78$1.85 billion and $1.65 billion$1.82 billion as of September 30, 2023March 31, 2024 and December 31, 2022December 31, 2023. In addition, Quanta held property and equipment, net of $254.7 million$223.2 million and $298.0 million$245.7 million in foreign countries, primarily Canada, as of September 30, 2023March 31, 2024 and December 31, 2022December 31, 2023.

Other Intangible Assets

Accumulated amortization related to other intangible assets was $1.24$1.37 billion and $1.02$1.31 billion as of September 30, 2023March 31, 2024 and December 31, 2022December 31, 2023.

16. SUPPLEMENTAL CASH FLOW INFORMATION:

Reconciliations of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of such amounts shown in the statements of cash flows are as follows (in thousands):

	September 30,	
	2023	2022
	March 31,	March 31,
	2024	2024	2023

Cash and cash equivalents	Cash and cash equivalents	$ 305,355	$215,395
Restricted cash included in “Prepaid expenses and other current assets” (1)	Restricted cash included in “Prepaid expenses and other current assets” (1)	3,393	1,993
Restricted cash included in “Other assets, net” (1)	Restricted cash included in “Other assets, net” (1)	1,141	950
Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	$ 309,889	$218,338

		December 31,			December 31,
		2022	2021		
		December 31,			
		2023		2023	2022
Cash and cash equivalents	Cash and cash equivalents	$ 428,505	$229,097		
Restricted cash included in “Prepaid expenses and other current assets” (1)	Restricted cash included in “Prepaid expenses and other current assets” (1)	3,759	1,836		
Restricted cash included in “Other assets, net” (1)	Restricted cash included in “Other assets, net” (1)	950	954		

Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	$ 433,214	$231,887

(1) Restricted cash includes any cash that is legally restricted as to withdrawal or usage.

Supplemental cash flow information related to leases is as follows (in thousands):

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows used by operating leases					
Operating cash flows used by operating leases					
Operating cash flows used by operating leases	Operating cash flows used by operating leases	$(71,504)	$(72,256)		
Operating cash flows used by finance leases	Operating cash flows used by finance leases	$ (1,181)	$ (82)		
Financing cash flows used by finance leases	Financing cash flows used by finance leases	$ (1,680)	$ (1,076)		

Lease assets obtained in exchange for lease liabilities:	Lease assets obtained in exchange for lease liabilities:		
Operating leases	Operating leases	$ 81,101	$ 54,779
Operating leases			
Operating leases			
Finance leases	Finance leases	$ 27,801	$ 1,865
Lease financing transaction assets obtained in exchange for lease financing transaction liabilities	Lease financing transaction assets obtained in exchange for lease financing transaction liabilities	$ 27,584	$ 29,602

Additional supplemental cash flow information is as follows (in thousands):

		Nine Months Ended September 30,	
		2023	2022
		Three Months Ended	
		Three Months Ended	
		Three Months Ended	
		March 31,	March 31,
		2024	2024
			2023
Cash (paid) received during the period for:	Cash (paid) received during the period for:		
Interest paid			
Interest paid			
Interest paid	Interest paid	$ (113,440)	$(61,815)
Income taxes paid	Income taxes paid	$ (171,210)	$(74,825)

Income tax refunds	Income tax refunds	$	5,244	$	5,966

Accrued capital expenditures were $21.3 million $33.6 million and $25.4 million $20.5 million as of September 30, 2023 March 31, 2024 and 2022. 2023. The impact of these items has been excluded from Quanta's capital expenditures in the accompanying condensed consolidated statements of cash flows due to their non-cash nature.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

General

The following discussion and analysis of the financial condition and results of operations of Quanta Services, Inc. (together with its subsidiaries, Quanta, we, us or our) should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and with our 2022 2023 Annual Report, which was filed with the SEC on February 23, 2023 February 22, 2024 and is available on the SEC's website at www.sec.gov and on our website at www.quantaservices.com. The discussion below contains forward-looking statements that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to inaccurate assumptions and known or unknown risks and uncertainties, including those identified in *Cautionary Statement About Forward-Looking Statements and Information* above, in Item 1A. *Risk Factors* of Part II of this Quarterly Report and in Item 1A. *Risk Factors* of Part I of our 2022 2023 Annual Report.

Overview

Our third first quarter 2023 2024 results reflect increased demand for our services, as consolidated revenue and operating income increased in all of our segments as compared to the third first quarter of 2022. 2023, primarily due to increased revenues and operating income for our Renewable Energy Infrastructure Solutions (Renewable Energy) segment.

With respect to our Electric Power Infrastructure Solutions (Electric Power) segment, utilities are continuing to invest significant capital in their electric power delivery systems through multi-year grid modernization and reliability programs, as well as system upgrades and hardening programs in response to recurring severe weather events. We have also experienced high demand for new and expanded transmission, substation and distribution infrastructure needed to reliably transport power.

With respect to our Renewable Energy Infrastructure Solutions (Renewable Energy) segment, the transition to a reduced-carbon economy is continuing to drive demand for renewable generation and related infrastructure (e.g., high-voltage electric transmission and substation infrastructure), as well as interconnection services necessary to connect and transmit renewable-generated electricity to existing electric power delivery systems. Our acquisition of Blattner Holding Company and its operating subsidiaries (collectively, Blattner) in the fourth quarter of 2021, has had a significant incremental impact on our ability to perform these services. Despite these positive longer-term trends, certain of our customers experienced supply chain challenges during 2022 and into 2023, the first half timing of 2023 certain projects within this segment were negatively impacted by supply chain challenges that resulted in delays and shortages of, and increased costs for, materials necessary for certain projects, particularly sourcing restrictions related to solar panels necessary for the utility scale utility-scale solar industry. Based on indications within this market industry and delays in availability of power transformers impacting the electric power and renewable energy industries. While certain challenges associated with solar panel sourcing improved during the third quarter of 2023, we expect the could experience and continue to monitor other potential supply chain challenges and sourcing restrictions related to that could impact the availability and/or cost of renewable infrastructure project components, including solar panels to improve throughout the remainder of the year. generation components, in future periods.

With respect to our Underground Utility and Infrastructure Solutions (Underground and Infrastructure) segment, during 2022 and through the third first quarter of 2023 2024 we experienced continued to experience strong demand for our services focused on utility spending, in particular our gas distribution services to natural gas utilities that are implementing modernization programs, and our downstream industrial services, as these customers continued to move forward with certain maintenance and capital spending that was deferred during the course of the COVID-19 pandemic. previously deferred. Additionally, during the first nine months of 2023 we generated increased although revenues associated with large pipeline projects in Canada. Canada increased in 2022 and 2023, as compared to prior years, we anticipate that revenues associated with these projects will continue to fluctuate.

During the nine three months ended September 30, 2023 March 31, 2024, increased revenues and operating income contributed to $572.4 million $238.0 million of net cash provided by operating activities. As activities, a 520% increase compared to the three months ended March 31, 2023, which allowed us to execute our business plan, including the strategic acquisition of September 30, 2023 certain businesses, for which we utilized $384.1 million of cash, net of cash acquired, and the payment of $13.7 million in dividends associated with our common stock. Additionally, as of March 31, 2024, available commitments under our senior credit facility, combined with our cash and cash equivalents, totaled $2.01 billion $2.58 billion.

We expect the strong demand for our services will continue. Our remaining performance obligations and backlog were $13.56 billion $14.88 billion and $30.10 billion $29.90 billion as of September 30, 2023 March 31, 2024, representing increases an increase of 54.1% 7.1%, and 24.9% a decrease of 0.7% relative to December 31, 2022 December 31, 2023. For a reconciliation of backlog to remaining performance obligations, the most comparable financial measure prepared in conformity with generally accepted accounting principles in the United States (GAAP), see *Non-GAAP Financial Measures* below.

Significant Factors Impacting Results

Our revenues, profit, margins and other results of operations can be influenced by a variety of factors in any given period, including those described in Item 1. *Business* and Item 1A. *Risk Factors* of Part I of in our 2022 2023 Annual Report, and those factors

have caused fluctuations in our results in the past and are expected to cause fluctuations in our results in the future. Additional information with respect to certain of those factors is provided below.

Seasonality. Typically, our revenues are lowest in the first quarter of the year because cold, snowy or wet conditions can create challenging working environments that are more costly for our customers or cause delays on projects. In addition, infrastructure projects often do not begin in a meaningful way until our customers finalize their capital budgets, which typically occurs during the first quarter. Second quarter revenues are typically higher than those in the first quarter, as some projects begin, but continued cold and wet weather can often impact productivity. Third quarter revenues are typically the highest of the year, as a greater number of projects are underway and operating conditions, including weather, are normally more accommodating. Generally, revenues during the fourth quarter are lower than the third quarter but higher than the second quarter, as many projects are completed and customers often seek to spend their capital budgets before year end. However, the holiday season and inclement weather can sometimes cause delays during the fourth quarter, reducing revenues and increasing costs. These seasonal impacts are typical for our U.S. operations, but seasonality for our international operations may differ. For example, revenues for certain projects in Canada are typically higher in the first quarter because projects are often accelerated in order to complete work while the ground is frozen and prior to the break up, or seasonal thaw, as productivity is adversely affected by wet ground conditions during warmer months.

Weather, natural disasters and emergencies. The results of our business in a given period can be impacted by adverse weather conditions, severe weather events, natural disasters or other emergencies, which include, among other things, heavy or prolonged snowfall or rainfall, hurricanes, tropical storms, tornadoes, floods, blizzards, extreme temperatures, wildfires, post-wildfire floods and debris flows, pandemics and earthquakes. Climate change has the potential to increase the frequency and extremity of severe weather events. These conditions and events can negatively impact our financial results due to, among other things, the termination, deferral or delay of projects, reduced productivity and exposure to significant liabilities due to failure of electrical power or other infrastructure on which we have performed services. However, severe weather events can also increase our emergency restoration services, which typically yield higher margins due in part to higher equipment utilization and absorption of fixed costs.

Demand for services. We perform the majority of our services under existing contracts, including MSAs and similar agreements pursuant to which our customers are not committed to specific volumes of our services. Therefore our volume of business can be positively or negatively affected by fluctuations in the amount of work our customers assign us in a given period, which may vary by geographic region. Examples of items that may cause demand for our services to fluctuate materially from quarter to quarter include: the financial condition of our customers, their capital spending and their access to and cost of capital; acceleration of any projects or programs by customers (e.g., modernization or hardening programs); economic and political conditions on a regional, national or global scale, including availability of renewable energy tax credits; interest rates; governmental regulations affecting the sourcing and costs of materials and equipment; other changes in U.S. and global trade relationships; and project deferrals and cancellations.

Revenue mix and impact on margins. The mix of revenues based on the types of services we provide in a given period will impact margins, as certain industries and services provide higher-margin opportunities. Our larger or more complex projects typically include, among others, transmission projects with higher voltage capacities; pipeline projects with larger-diameter throughput capacities; large-scale renewable generation projects; and projects with increased engineering, design or construction complexities, more difficult terrain or geographical requirements, or longer distance requirements. These projects typically yield opportunities for higher margins than our recurring services under MSAs described above, as we assume a greater degree of performance risk and there is greater utilization of our resources for longer construction timeframes. However, larger projects are subject to additional risk of regulatory delay and cyclicality. Project schedules also fluctuate, particularly in connection with larger, more complex or longer-term projects, which can affect the amount of work performed in a given period. Furthermore, smaller or less complex projects typically have a greater number of companies competing for them, and competitors at times may more aggressively pursue available work. A greater percentage of smaller scale or less complex work also could negatively impact margins due to the inefficiency of transitioning between a greater number of smaller projects versus continuous production on fewer larger projects. As a result, at times we may choose to maintain a portion of our workforce and equipment in an underutilized capacity to ensure we are strategically positioned to deliver on larger projects when they move forward.

Project variability and performance. Margins for a single project may fluctuate period to period due to changes in the volume or type of work performed, the pricing structure under the project contract or job productivity. Additionally, our productivity and performance on a project can vary period to period based on a number of factors, including unexpected project difficulties or site conditions (including in connection with difficult geographic characteristics); project location, including locations with challenging operating conditions; whether the work is on an open or encumbered right of way; inclement weather or severe weather events; environmental restrictions or regulatory delays; protests, public activism, other political activity or legal challenges related to a project; and the performance of third parties. Moreover, we currently generate a significant portion of our revenues under fixed price contracts, and fixed price contracts are more common in connection with our larger and more

complex projects that typically involve greater performance risk. Under these contracts, we assume risks related to project estimates and execution, and project revenues can vary, sometimes substantially, from our original projections due to a variety of factors,

including the additional complexity, timing uncertainty or extended bidding, regulatory and permitting processes associated with these projects. These variations can result in a reduction in expected profit, the incurrence of losses on a project or the issuance of change orders and/or assertion of contract claims against customers. See *Revenue Recognition - Contract Estimates and Changes in Estimates* in Note 3 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

Subcontract work and provision of materials. Work that is subcontracted to other service providers generally yields lower margins, and therefore an increase in subcontract work in a given period can decrease operating margins. In recent years, we have subcontracted approximately 20% of our work to other service providers. Our customers are usually responsible Additionally, under certain contracts, including contracts for supplying the materials for their projects. However, under some contracts engineering, procurement and construction services, we agree to procure all or part of the required materials. Margins While we attempt to structure our agreements with customers and suppliers to account for the impact of increased materials procurement requirements or fluctuations in the cost of materials we procure, our margins may be lower on projects where we furnish a significant amount of materials, as our markup on materials is generally lower than our markup on labor costs, and in a given period an increase in the percentage of work with greater materials procurement requirements may decrease our overall margins, including in some cases our assuming price risk. Furthermore, fluctuations in the price or availability of materials, equipment and consumables that we or our customers utilize could impact costs to complete projects.

Results of Operations

Consolidated Results

Three months ended September 30, 2023 compared to the three months ended September 30, 2022

The following table sets forth selected statements of operations data, such data as a percentage of revenues for the periods indicated, as well as the dollar and percentage change from the prior period (dollars in thousands). The results of acquired businesses have been included in the following results of operations since their respective acquisition dates.

		Three Months Ended September 30,				Change	
		2023		2022		$	%
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		2024					
		2024					
		2024					
Revenues							
Revenues							
Revenues	Revenues	$ 5,620,822	100.0 %	$ 4,459,757	100.0 %	$ 1,161,065	26.0 %
Cost of services	Cost of services	4,773,498	84.9	3,770,927	84.6	1,002,571	26.6 %
Cost of services							
Cost of services							
Gross profit							
Gross profit							
Gross profit	Gross profit	847,324	15.1	688,830	15.4	158,494	23.0 %
Equity in earnings of integral unconsolidated affiliates	Equity in earnings of integral unconsolidated affiliates	11,707	0.2	10,633	0.2	1,074	10.1 %
Equity in earnings of integral unconsolidated affiliates							
Equity in earnings of integral unconsolidated affiliates							
Selling, general and administrative expenses	Selling, general and administrative expenses	(386,538)	(6.9)	(347,449)	(7.8)	(39,089)	11.3 %
Selling, general and administrative expenses							

Selling, general and administrative expenses								
Amortization of intangible assets								
Amortization of intangible assets								
Amortization of intangible assets	Amortization of intangible assets	(71,361)	(1.3)	(67,147)	(1.4)	(4,214)	6.3	%
Change in fair value of contingent consideration liabilities	Change in fair value of contingent consideration liabilities	(803)	—	1,924	—	(2,727)		*
Change in fair value of contingent consideration liabilities								
Change in fair value of contingent consideration liabilities								
Operating income								
Operating income								
Operating income	Operating income	400,329	7.1	286,791	6.4	113,538	39.6	%
Interest and other financing expenses	Interest and other financing expenses	(47,531)	(0.8)	(33,566)	(0.8)	(13,965)	41.6	%
Interest and other financing expenses								
Interest and other financing expenses								
Interest income	Interest income	1,993	—	436	—	1,557	357.1	%
Other (expense) income, net		(3,744)	(0.1)	(24,455)	(0.5)	20,711	(84.7)	%
Interest income								
Interest income								
Other income, net								
Other income, net								
Other income, net								
Income before income taxes	Income before income taxes	351,047	6.2	229,206	5.1	121,841	53.2	%
Provision for income taxes		77,522	1.3	72,890	1.6	4,632	6.4	%
Income before income taxes								
Income before income taxes								
Provision for (benefit from) income taxes								
Provision for (benefit from) income taxes								
Provision for (benefit from) income taxes								

Net income						
Net income						
Net income	Net income	273,525	4.9	156,316	3.5	117,209	75.0 %
Less: Net income attributable to non-controlling interests	Less: Net income attributable to non-controlling interests	689	—	360	—	329	91.4 %
Less: Net income attributable to non-controlling interests							
Less: Net income attributable to non-controlling interests							
Net income attributable to common stock	Net income attributable to common stock	$ 272,836	4.9 %	$ 155,956	3.5 %	$ 116,880	74.9 %
Net income attributable to common stock							
Net income attributable to common stock							

* The percentage change is not meaningful.

Revenues. Revenues increased due to a $767.9 million $575.9 million increase in revenues from our Renewable Energy segment a $207.2 million increase in revenues from our Electric Power segment and a $186.0 million $36.2 million increase in revenues from our Underground and Infrastructure segment, offset by a $9.1 million decrease in revenues from our Electric Power segment. See *Segment Results* below for additional information and discussion related to segment revenues.

Cost of services. Costs of services primarily includes wages, benefits, subcontractor costs, materials, equipment, and other direct and indirect costs, including related depreciation. The increase in cost of services generally correlates to the increase in revenues.

Selling, general and administrative expenses. The increase was partially primarily attributable to an aggregate $22.8 million a $19.0 million increase in the following items related to business growth: compensation expense, largely associated with increased salaries recently acquired businesses and stock compensation expense due primarily to an increase in employees; bonus expense due to increased profitability; and travel and related expenses. Also contributing to a loss of $10.7 million on the increase disposal of a non-core business. Partially offsetting these increases was a $5.9 million increase $10.3 million decrease in legal acquisition and other consulting services. integration costs.

Amortization of intangible assets. The increase was primarily related to incremental amortization expense associated with recent acquisitions.

Operating income. Operating income was positively impacted by a $62.5 million $39.2 million increase in operating income for our Renewable Energy segment and a $40.7 million $12.9 million increase in operating income for our Electric Power segment, and partially offset by a $22.4 million increase $14.7 million decrease in operating income for our Underground and Infrastructure segment. Partially offsetting these increases was segment and a $12.1 million $7.9 million increase in corporate and non-allocated costs, which includes amortization expense. Results for each of our business segments and our corporate and non-allocated costs are discussed in the *Segment Results* section below.

Interest and other financing expenses. The increase decrease primarily resulted from the impact of higher interest rates on our outstanding an approximate 20% reduction in average variable rate debt during the three months ended September 30, 2023 outstanding as compared to the three months ended September 30, 2022 March 31, 2023, partially offset by an approximate 80 basis point increase in interest rates for our outstanding variable rate debt as compared to the three months ended March 31, 2023.

Other (expense) income, net. The net other expense for the three months ended September 30, 2022 included a $26.5 million loss that increase primarily resulted from a $12.2 million gain on the remeasurement sale of the fair value of our an investment in Starry Group Holdings, Inc. (Starry) a non-integral unconsolidated affiliate, of which $4.9 million was attributable to a non-controlling interest (as described below).

Provision for (benefit from) income taxes. The effective tax rates for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 were 22.1% a provision of 14.3% and 31.8% a benefit of 3.7%. The effective tax rate for the three months ended September 30, 2022 March 31, 2024 was unfavorably impacted by the unrealized loss recognition of a $21.6 million tax benefit resulting from non-cash stock-based compensation awards vesting at higher fair market value than their grant date fair value, as compared to the recognition of a $32.0 million tax benefit for the three months ended March 31, 2023.

Net income attributable to non-controlling interests. The increase in net income attributable to non-controlling interests is primarily related to the $4.9 million gain on our the sale of the investment in Starry described above, for which a valuation allowance was non-integral equity unconsolidated affiliate recorded during the three months ended September 30, 2022. The tax rate for the three months ended September 30, 2023 was favorably impacted by the realization of the loss on our investment in Starry, and the corresponding release of the $22.7 million valuation allowance recorded during the year ended December 31, 2022 March 31, 2024, as further described in Note 10 6 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report. Additionally, the tax rate for the three months ended September 30, 2023 reflects higher non-deductible per diem expenses related to the expiration, as of December 31, 2022, of a temporary provision that allowed for the full deduction of certain meal and entertainment costs. Report.

Comprehensive income. See Statements of Comprehensive Income in Item 1. *Financial Statements* of Part I of this Quarterly Report. Comprehensive income increased decreased by $165.1 million $2.7 million in the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily due to a $117.2 million $31.0 million decrease related to foreign currency translation adjustments, which was partially offset by a $29.1 million increase in net income and a $47.8 million decrease in foreign currency translation losses. income. The predominant functional currencies for our operations outside the U.S. are Canadian and Australian dollars. The foreign Foreign currency translation losses for both the three months ended September 30, 2023 and 2022 primarily resulted from strengthening of the U.S. dollar against the Canadian dollar.

EBITDA and adjusted EBITDA. See *Non-GAAP Financial Measures* below for a reconciliation of EBITDA and adjusted EBITDA to net income attributable to common stock, the most comparable GAAP financial measure. EBITDA increased 36.5%, or $148.2 million, to $554.0 million as compared to $405.8 million loss for the three months ended September 30, 2022, and adjusted EBITDA increased 26.8%, or $125.1 million, to $592.5 million as compared to $467.4 million for the three months ended September 30, 2022.

Nine months ended September 30, 2023 compared to the nine months ended September 30, 2022

The following table sets forth selected statements of operations data, such data as a percentage of revenues for the periods

indicated, as well as the dollar and percentage change from the prior period (dollars in thousands):

	Nine Months Ended September 30,				Change	
	2023		2022		$	%
Revenues	$ 15,098,258	100.0 %	$ 12,657,285	100.0 %	$ 2,440,973	19.3 %
Cost of services (including related depreciation)	12,953,640	85.8	10,795,694	85.3	2,157,946	20.0 %
Gross profit	2,144,618	14.2	1,861,591	14.7	283,027	15.2 %

Equity in earnings of integral unconsolidated affiliates	30,697	0.2	44,350	0.4	(13,653)	(30.8)%
Selling, general and administrative expenses	(1,155,261)	(7.7)	(995,581)	(7.9)	(159,680)	16.0 %
Amortization of intangible assets	(213,789)	(1.4)	(290,843)	(2.4)	77,054	(26.5)%
Asset impairment charges	—	—	(2,800)	—	2,800	(100.0)%
Change in fair value of contingent consideration liabilities	(803)	—	(4,054)	—	3,251	(80.2)%
Operating income	805,462	5.3	612,663	4.8	192,799	31.5 %
Interest and other financing expenses	(137,413)	(0.9)	(86,933)	(0.7)	(50,480)	58.1 %
Interest income	4,957	—	727	—	4,230	581.8 %
Other income (expense), net	7,541	0.1	(68,255)	(0.5)	75,796	*
Income before income taxes	680,547	4.5	458,202	3.6	222,345	48.5 %
Provision for income taxes	143,468	0.9	120,698	0.9	22,770	18.9 %
Net income	537,079	3.6	337,504	2.7	199,575	59.1 %
Less: Net income attributable to non-controlling interests	3,298	0.1	8,887	0.1	(5,589)	(62.9)%
Net income attributable to common stock	$ 533,781	3.5 %	$ 328,617	2.6 %	$ 205,164	62.4 %

* The percentage change is not meaningful.

Revenues. Revenues increased due to a $1.37 billion increase in revenues from our Renewable Energy segment, a $620.4 million increase in revenues from our Electric Power segment and a $454.9 million increase in revenues from our Underground and Infrastructure segment. See *Segment Results* below for additional information and discussion related to segment revenues.

Cost of services. Costs of services primarily includes wages, benefits, subcontractor costs, materials, equipment, and other direct and indirect costs, including related depreciation. The increase in cost of services generally correlates to the increase in revenues.

Equity in earnings of integral unconsolidated affiliates. The decrease in equity in earnings was primarily driven by the timing of completion of projects associated with certain of our integral affiliates, as well as the reimbursement of certain large, previously spent costs to LUMA by the owner of the transmission and distribution system during the nine months ended September 30, 2022.

Selling, general and administrative expenses. The increase was partially attributable to an aggregate $74.0 million increase in the following items to support business growth: compensation expense, largely associated with increased salaries and stock compensation expense due primarily to an increase in employees; bonus expense due to increased profitability; and travel and related expenses. Also contributing to the increase was a $22.7 million increase in expense related to deferred compensation liabilities. The fair market value changes in deferred compensation liabilities were largely offset by changes in the fair value of COLI assets associated with the deferred compensation plan, which are included in “Other (expense) income, net” as discussed below. Additional items contributing to the increase were a $17.3 million increase in legal and other consulting services expense; an $8.3 million increase in depreciation expense primarily related to our new corporate headquarters; a $7.3 million increase in acquisition and integration costs; and a $6.7 million increase in information technology expenses.

Amortization of intangible assets. The decrease was primarily due to an $88.8 million reduction of amortization of intangible assets associated with backlog for Blattner, which was fully amortized by the third quarter of 2022.

Operating income. Operating income was positively impacted by a $64.3 million increase in operating income for our Electric Power segment, a $57.0 million increase in operating income for our Renewable Energy segment, a $53.1 million increase in operating income for our Underground and Infrastructure segment and a $18.4 million decrease in corporate and non-allocated costs, which includes amortization expense. Results for each of our business segments and corporate and non-allocated costs are discussed in *Segment Results* below.

Interest and other financing expenses. The increase March 31, 2024 primarily resulted from the impact of higher interest rates on our outstanding variable rate debt during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022.

Other income (expense), net. The net other expense for the nine months ended September 30, 2022 includes a loss of $76.5 million that resulted from the remeasurement of the fair value of our investment in Starry. The remaining increase in other income for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 resulted primarily from a $21.5 million favorable change in the mark-to-market valuation adjustment of the COLI assets associated with our deferred compensation plan, partially offset by a $16.8 million decrease in equity in earnings of non-integral affiliates.

Provision for income taxes. The effective tax rates for the nine months ended September 30, 2023 and 2022 were 21.1% and 26.3%. The tax rate for the nine months ended September 30, 2023 was favorably impacted by the recognition of a $34.0 million benefit that resulted from equity incentive awards vesting at a higher fair market value than their grant date fair market value, as compared to the recognition of $22.7 million associated with this tax benefit for the nine months ended September 30, 2022. The tax rate for the nine months ended September 30, 2022 was unfavorably impacted by the unrealized loss on our investment in Starry described above, for which a valuation allowance was recorded. The tax rate for the nine months ended September 30, 2023 was favorably impacted by the realization of the loss on our investment in Starry, and the corresponding release of the $22.7 million valuation allowance as further described in Note 10 of the Notes to Condensed Consolidated Financial Statements in Item 1. Financial Statements of Part I of this Quarterly Report. Additionally, the tax rate for the nine months September 30, 2023 reflects higher non-deductible per diem expenses related to the expiration, as of December 31, 2022, of a temporary provision that that allowed for the full deduction of certain meal and entertainment costs.

Comprehensive income. See Statements of Comprehensive Income in Item 1. *Financial Statements* of Part I of this Quarterly Report. Comprehensive income increased by $290.1 million in the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily due to a $199.6 million increase in net income and an $89.6 million decrease in foreign currency translation losses. The predominant functional currencies for our operations outside the U.S. are Canadian and Australian dollars. The foreign currency translation losses for both the nine months ended September 30, 2023 and 2022 primarily resulted from strengthening of the U.S. dollar against the Canadian and Australian dollars.

EBITDA and adjusted EBITDA. See *Non-GAAP Financial Measures* below for a reconciliation of EBITDA and adjusted EBITDA to net income attributable to common stock, the most comparable GAAP financial measure. EBITDA increased 21.0%, or $222.0 million, to $1.28 billion as compared to $1.06 billion for the nine months ended September 30, 2022, and adjusted EBITDA increased 13.1%, or $161.9 million, to $1.40 billion as compared to $1.24 billion for the nine months ended September 30, 2022.

Segment Results

We report our results under three reportable segments: Electric Power, Renewable Energy and Underground and Infrastructure. Reportable segment information, including revenues and operating income by type of work, is gathered from each of our operating companies. Classification of our operating company revenues by type of work for segment reporting purposes can at times require judgment on the part of management. Our operating companies may perform joint projects for customers in multiple industries, deliver multiple types of services under a single customer contract or provide service offerings to various industries. For example, we perform joint trenching projects to install distribution lines for electric power and natural gas customers. Integrated operations and common administrative support for operating companies require that certain allocations be made to determine segment profitability, including allocations of corporate shared and indirect operating costs, as well as general and administrative costs. Certain corporate costs are not allocated, including corporate facility costs; non-allocated corporate salaries, benefits and incentive compensation; acquisition and integration costs; non-cash stock-based compensation; amortization related to intangible assets; asset impairments related to goodwill and intangible assets; and change in fair value of contingent consideration liabilities.

Three months ended September 30, 2023 compared to the three months ended September 30, 2022

The following table sets forth segment revenues, segment operating income (loss) and operating margins for the periods indicated. Operating margin is calculated by dividing operating income (loss) by revenues. The following table also includes indicated, as well as the dollar and percentage change from the prior period (dollars in thousands):

	Three Months Ended September 30,				Change	
	2023		2022		$	%
Revenues:						
Electric Power Infrastructure Solutions	$ 2,489,547	44.3 %	$ 2,282,332	51.2 %	$ 207,215	9.1 %
Renewable Energy Infrastructure Solutions	1,746,636	31.1	978,779	21.9	767,857	78.5 %
Underground Utility and Infrastructure Solutions	1,384,639	24.6	1,198,646	26.9	185,993	15.5 %
Consolidated revenues	$ 5,620,822	100.0 %	$ 4,459,757	100.0 %	$ 1,161,065	26.0 %
Operating income (loss):						
Electric Power Infrastructure Solutions	$ 296,176	11.9 %	$ 255,457	11.2 %	$ 40,719	15.9 %
Renewable Energy Infrastructure Solutions	151,389	8.7 %	88,885	9.1 %	62,504	70.3 %
Underground Utility and Infrastructure Solutions	123,764	8.9 %	101,351	8.5 %	22,413	22.1 %
Corporate and Non-Allocated Costs	(171,000)	(3.0)%	(158,902)	(3.6)%	(12,098)	7.6 %
Consolidated operating income	$ 400,329	7.1 %	$ 286,791	6.4 %	$ 113,538	39.6 %

	Three Months Ended March 31,				Change	
	2024		2023		$	%
Revenues:						
Electric Power	$ 2,326,960	46.2 %	$ 2,336,037	52.7 %	$ (9,077)	(0.4)%
Renewable Energy	1,584,164	31.5	1,008,300	22.8	575,864	57.1 %
Underground and Infrastructure	1,120,695	22.3	1,084,489	24.5	36,206	3.3 %
Consolidated revenues	$ 5,031,819	100.0 %	$ 4,428,826	100.0 %	$ 602,993	13.6 %
Operating income (loss):						
Electric Power	$ 228,025	9.8 %	$ 215,149	9.2 %	$ 12,876	6.0 %
Renewable Energy	74,846	4.7 %	35,656	3.5 %	39,190	109.9 %
Underground and Infrastructure	46,888	4.2 %	61,573	5.7 %	(14,685)	(23.8)%
Corporate and Non-Allocated Costs	(194,405)	(3.9)%	(186,518)	(4.2)%	(7,887)	4.2 %
Consolidated operating income	$ 155,354	3.1 %	$ 125,860	2.8 %	$ 29,494	23.4 %

Electric Power Infrastructure Solutions Segment Results

Revenues. The increase decrease in revenues for the three months ended September 30, 2023 March 31, 2024 was primarily due to increased spending softness in the distribution market, partially offset by our utility customers and approximately $55 million in revenues attributable to acquired businesses.

Operating Income. Operating income and operating margin increased for the three months ended September 30, 2023 primarily due to the increase in revenues and improved operating margin associated with telecommunication projects.

Renewable Energy Infrastructure Solutions Segment Results

Revenues. The increase in revenues for the three months ended September 30, 2023 was primarily due to increased demand and improved supply chain dynamics associated with components for renewable generation projects, as well as approximately $65 million in revenues attributable to acquired businesses.

Operating Income. The increase in operating income and operating margin for the three months ended March 31, 2024 was primarily due to the increase in revenues during the three months ended September 30, 2023. The decrease in operating margin during the three months ended September 30, 2023 was primarily attributable to variability in overall project timing and increased unabsorbed costs favorable impact of margins related to higher levels telecommunication projects and the overall mix of fixed costs for revenues, partially offset by decreased utilization of resources required to support the expected future increase in project activity. Canada.

Underground Utility and Infrastructure Solutions Renewable Energy Segment Results

Revenues. The increase in revenues for the three months ended September 30, 2023 March 31, 2024 was primarily due to higher increased demand from our gas utility for generation and transmission services customers. for renewable generation projects.

Operating Income. Operating income increased for the three months ended September 30, 2023 primarily due to the The increase in revenues. Operating operating income and operating margin increased for the three months ended September 30, 2023 primarily was partly due to the increase in revenues during the three months ended March 31, 2024. Additionally, operating income and operating margin during the three months ended March 31, 2023 were negatively impacted by access delays, logistical challenges and other issues outside of our control that increased costs associated with a large renewable energy project in Canada. Operating margin for the three months ended March 31, 2024 was negatively impacted by decreased operating income margins on various solar projects in the United States that were the result of decreased productivity.

Underground and Infrastructure Segment Results

Revenues. The increase in revenues for the three months ended March 31, 2024 was primarily due to approximately $60 million in revenues attributable to an acquired business, as well as increased revenues associated with large pipeline projects in the United States, which were partially offset by lower revenues from large pipeline projects in Canada.

Operating Income. The decrease in operating income and operating margin for the three months ended March 31, 2024 was primarily due to a loss of $10.7 million related to the disposition of a non-core business and decreased revenues in Canada, which contributed to higher lower levels of fixed cost absorption, partially offset by the impact of a favorable project close out in the three months ended September 30, 2022. absorption.

Corporate and Non-Allocated Costs

The increase in corporate and non-allocated costs during the three months ended September 30, 2023 included a $4.2 million increase in amortization expense and March 31, 2024 was primarily due to an aggregate increase of $17.1 million largely comprised of an increase $13.1 million in costs primarily related to compensation expense, which was primarily related attributable to non-cash stock compensation expense and salaries in support of business growth; consulting fees; and change growth. Also contributing to the increase in fair value expense was a $5.1 million increase in amortization of contingent consideration liabilities. This increase was intangible assets. These increases were partially offset by a $9.2 million $10.3 million decrease in acquisition and integration costs.

Nine months ended September 30, 2023 compared to the nine months ended September 30, 2022

The following table sets forth segment revenues, segment operating income (loss) and operating margins for the periods indicated, as well as the dollar and percentage change from the prior period (dollars in thousands):

	Nine Months Ended September 30,				Change	
	2023		2022		$	%
Revenues:						
Electric Power Infrastructure Solutions	$ 7,240,838	48.0 %	$ 6,620,459	52.3 %	$ 620,379	9.4 %
Renewable Energy Infrastructure Solutions	4,144,304	27.4	2,778,647	22.0	1,365,657	49.1 %
Underground Utility and Infrastructure Solutions	3,713,116	24.6	3,258,179	25.7	454,937	14.0 %
Consolidated revenues	$ 15,098,258	100.0 %	$ 12,657,285	100.0 %	$ 2,440,973	19.3 %

Operating income (loss):									
Electric Power Infrastructure Solutions	$	755,342	10.4 %	$	691,026	10.4 %	$	64,316	9.3 %
Renewable Energy Infrastructure Solutions		297,532	7.2 %		240,514	8.7 %		57,018	23.7 %
Underground Utility and Infrastructure Solutions		292,544	7.9 %		239,469	7.3 %		53,075	22.2 %
Corporate and Non-Allocated Costs		(539,956)	(3.6)%		(558,346)	(4.4)%		18,390	(3.3)%
Consolidated operating income	$	805,462	5.3 %	$	612,663	4.8 %	$	192,799	31.5 %

Electric Power Infrastructure Solutions Segment Results

Revenues. The increase in revenues for the nine months ended September 30, 2023 was primarily due to increased spending by our utility customers and approximately $200 million in revenues attributable to acquired businesses.

Operating Income. Operating income increased for the nine months ended September 30, 2023 primarily due to the increase in revenues and improved margin associated with telecommunication projects, offset by $13.7 million of lower equity in earnings from our integral unconsolidated affiliates as discussed above, as well as lower utilization of resources in Canada.

Renewable Energy Infrastructure Solutions Segment Results

Revenues. The increase in revenues for the nine months ended September 30, 2023 was primarily due to increased demand and improved supply chain dynamics associated with certain components for renewable generation projects, as well as approximately $175 million in revenues attributable to acquired businesses. These increases were partially offset by approximately $35 million as a result of unfavorable foreign currency exchange rates.

Operating Income. The increase in operating income was primarily due to the increase in revenues during the nine months ended September 30, 2023. Operating margin during the nine months ended September 30, 2023 was negatively impacted by normal variability in overall project timing and increased unabsorbed costs related to higher levels of fixed costs for resources required to support a portion of the increase in project activity experienced in the third quarter of 2023. Additionally, operating income and margin for the nine months ended September 30, 2022 benefited from the favorable acceleration of a transmission project by the customer.

Underground Utility and Infrastructure Solutions Segment Results

Revenues. The increase in revenues for the nine months ended September 30, 2023 was primarily due to higher demand from our gas utility services customers, and to a lesser extent, increased revenues associated with large pipeline projects. These increases were partially offset by approximately $55 million as a result of unfavorable foreign currency exchange rates.

Operating Income. Operating income and operating margin increased for the nine months ended September 30, 2023 primarily due to the increase in revenues, which contributed to higher levels of fixed cost absorption, partially offset by the impact of a favorable project close out in the nine months ended September 30, 2022.

Corporate and Non-Allocated Costs

The decrease in corporate and non-allocated costs during the nine months ended September 30, 2023 was primarily due to a $77.1 million decrease in intangible asset amortization, largely associated with the acquisition of Blattner, which was fully amortized by the third quarter of 2022; and a $16.4 million decrease in acquisition and integration costs. These decreases were partially offset by a $22.8 million increase in expense related to deferred compensation liabilities and an additional aggregate

increase of $52.3 million in costs primarily related to compensation expense, primarily related to non-cash stock compensation expense and salaries in support of business growth; and consulting fees.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

EBITDA and adjusted EBITDA, financial measures not recognized under GAAP, when used in connection with net income attributable to common stock, are intended to provide useful information to investors and analysts as they evaluate our performance. EBITDA is defined as earnings before interest and other financing expenses, taxes, depreciation and amortization, and adjusted EBITDA is defined as EBITDA adjusted for certain other items as described below. These measures should not be considered as an alternative to net income attributable to common stock or other financial measures of performance that are derived in accordance with GAAP. Management believes that the exclusion of these items from net income attributable to common stock enables us and our investors to more effectively evaluate our operations period over period and to identify operating trends that might not be apparent due to, among other reasons, the variable nature of these items period over period. In addition, management believes these measures may be useful for investors in comparing our operating results with other companies that may be viewed as our peers.

As to certain of the items below, (i) 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; (ii) acquisition and integration costs vary from period to period depending on the level and complexity of our acquisition activity; (iii) 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 us; (iv) mark-to-market adjustments on investments vary from period to period based on fluctuations in the market price of such company's common stock; (v) gains and losses on the sale of investments and businesses vary from period to period depending on activity; (vi) asset impairment charges vary from period to period depending on economic and other factors; and (vii) (v) change in fair value of contingent consideration liabilities varies from period to period depending on the performance in post-acquisition periods of certain acquired businesses and the effect of present value accretion on fair value calculations. Because EBITDA and adjusted EBITDA, as defined, exclude some, but not all, items that affect net income attributable to common stock, such measures may not be comparable to similarly titled measures of other companies. The most comparable GAAP financial measure, net income

attributable to common stock, and information reconciling the GAAP and non-GAAP financial measures, are included below. The following table shows dollars in thousands:

		Three Months Ended Three Months Ended Three Months Ended March 31, March 31, March 31,			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Net income attributable to common stock (GAAP as reported)	**Net income attributable to common stock (GAAP as reported)**	$ 272,836	$ 155,956	$ 533,781	$ 328,617
Net income attributable to common stock (GAAP as reported)					
Net income attributable to common stock (GAAP as reported)					
Interest and other financing expenses					

Interest and other financing expenses					
Interest and other financing expenses	Interest and other financing expenses	47,531	33,566	137,413	86,933
Interest income	Interest income	(1,993)	(436)	(4,957)	(727)
Provision for income taxes		77,522	72,890	143,468	120,698
Interest income					
Interest income					
Provision for (benefit from) income taxes					
Provision for (benefit from) income taxes					
Provision for (benefit from) income taxes					
Depreciation expense					
Depreciation expense					
Depreciation expense	Depreciation expense	81,488	73,507	239,746	218,420
Amortization of intangible assets	Amortization of intangible assets	71,361	67,147	213,789	290,843
Amortization of intangible assets					
Amortization of intangible assets					
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates					
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates					
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	5,256	3,165	14,538	11,005
EBITDA	**EBITDA**	554,001	405,795	1,277,778	1,055,789
EBITDA					
EBITDA					
Non-cash stock-based compensation	Non-cash stock-based compensation	32,600	26,648	94,658	77,730
Acquisition and integration costs (1)		4,166	13,401	26,338	42,723

Equity in losses (earnings) of non-integral unconsolidated affiliates	966	(2,944)	(1,119)	(17,893)
Loss from mark-to-market adjustment on investment (2)	—	26,462	—	76,509
Gains on sales of investments (3)	—	—	(1,496)	(6,696)
Asset impairment charges	—	—	—	2,800
Non-cash stock-based compensation				
Non-cash stock-based compensation				
Acquisition and integration costs				
Acquisition and integration costs				
Acquisition and integration costs				
Equity in earnings of non-integral unconsolidated affiliates				
Equity in earnings of non-integral unconsolidated affiliates				
Equity in earnings of non-integral unconsolidated affiliates				
Loss on disposition of business (gain on sale of investment), net (a)				
Loss on disposition of business (gain on sale of investment), net (a)				
Loss on disposition of business (gain on sale of investment), net (a)				
Change in fair value of contingent consideration liabilities				
Change in fair value of contingent consideration liabilities				
Change in fair value of contingent consideration liabilities / Change in fair value of contingent consideration liabilities	803	(1,924)	803	4,054
Adjusted EBITDA / **Adjusted EBITDA**	$ 592,536	$ 467,438	$ 1,396,962	$ 1,235,016
Adjusted EBITDA				
Adjusted EBITDA				

(1) The amounts for the three and nine months ended September 30, 2022 include $11.0 million and $34.0 million of expenses that are associated with change of control payments as a result of the acquisition of Blattner.

(2) The amounts for the three and nine months ended September 30, 2022 are losses from decreases in fair value of our investment in Starry.

(3) (a) The amount for the nine three months ended September 30, 2022 March 31, 2024 is a loss of $10.7 million on the disposition of a non-core business, partially offset by a gain of $7.3 million as a result of the sale of a non-marketable non-integral equity security interest equity in a technology company. method investment.

Remaining Performance Obligations and Backlog

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service. Our remaining performance obligations represent 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, which includes 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 and claims to the extent management believes they will be earned and are probable of collection.

We have also historically disclosed our backlog, a measure commonly used in our industry but not recognized under GAAP. We believe this measure enables management to more effectively forecast our future capital needs and results and better identify future operating trends that may not otherwise be apparent. We believe this measure is also useful for investors in forecasting our future results and comparing us to our competitors. Our remaining performance obligations are a component of backlog, which also includes estimated orders under MSAs, including estimated renewals, and certain non-fixed price contracts expected to be completed within one year. contracts. Our methodology for determining backlog may not be comparable to the methodologies used by other companies.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, MSAs accounted for 44% 42% and 52% 45% of our estimated 12-month backlog and 55% 52% and 65% 55% of our total backlog. Generally, our customers are not contractually committed to specific volumes of services under our MSAs, and most of our contracts can be terminated on short notice even if we are not in default. We determine the estimated backlog for these MSAs using recurring historical trends, factoring in seasonal demand and projected customer needs based upon ongoing communications. In addition, many of our MSAs are subject to renewal, and these potential renewals are considered in determining estimated backlog. As a result, estimates for remaining performance obligations and backlog are subject to change based on, among other things, project accelerations; project cancellations or

delays, including but not limited to those caused by commercial issues, regulatory requirements, natural disasters, emergencies and adverse weather conditions; and final acceptance of change orders by customers. These factors can cause revenues to be realized in periods and at levels that are different than originally projected.

The following table reconciles total remaining performance obligations to our backlog (a non-GAAP financial measure) by reportable segment along with estimates of amounts expected to be realized within 12 months (in thousands):

		September 30, 2023		December 31, 2022	
		12 Month	Total	12 Month	Total
Electric Power Infrastructure Solutions					
		March 31, 2024			
		March 31, 2024			
		March 31, 2024			
		12 Month			
		12 Month			
		12 Month			
Electric Power					
Electric Power					
Electric Power					
Remaining performance obligations					
Remaining performance obligations					
Remaining performance obligations	Remaining performance obligations	$ 2,693,352	$ 4,383,055	$ 2,124,820	$ 3,033,472

Estimated orders under MSAs and short-term, non-fixed price contracts	Estimated orders under MSAs and short-term, non-fixed price contracts		5,302,341		11,036,307		5,415,427		10,049,435
Estimated orders under MSAs and short-term, non-fixed price contracts									
Estimated orders under MSAs and short-term, non-fixed price contracts									
Backlog									
Backlog									
Backlog	Backlog	$	7,995,693	$	15,419,362	$	7,540,247	$	13,082,907
Renewable Energy Infrastructure Solutions									
Renewable Energy									
Renewable Energy									
Renewable Energy									
Remaining performance obligations									
Remaining performance obligations									
Remaining performance obligations	Remaining performance obligations	$	5,712,436	$	7,713,988	$	3,183,568	$	4,638,115
Estimated orders under MSAs and short-term, non-fixed price contracts	Estimated orders under MSAs and short-term, non-fixed price contracts		112,534		201,851		57,555		84,094
Estimated orders under MSAs and short-term, non-fixed price contracts									
Estimated orders under MSAs and short-term, non-fixed price contracts									
Backlog									
Backlog									
Backlog	Backlog	$	5,824,970	$	7,915,839	$	3,241,123	$	4,722,209
Underground Utility and Infrastructure Solutions									
Underground and Infrastructure									
Underground and Infrastructure									
Underground and Infrastructure									
Remaining performance obligations									
Remaining performance obligations									
Remaining performance obligations	Remaining performance obligations	$	1,143,729	$	1,464,623	$	1,038,543	$	1,129,837

Estimated orders under MSAs and short-term, non-fixed price contracts	Estimated orders under MSAs and short-term, non-fixed price contracts	2,054,024	5,295,722	1,973,982	5,158,814
Estimated orders under MSAs and short-term, non-fixed price contracts					
Estimated orders under MSAs and short-term, non-fixed price contracts					
Backlog					
Backlog					
Backlog	Backlog	$ 3,197,753	$ 6,760,345	$ 3,012,525	$ 6,288,651
Total	Total				
Total					
Total					
Remaining performance obligations					
Remaining performance obligations					
Remaining performance obligations	Remaining performance obligations	$ 9,549,517	$ 13,561,666	$ 6,346,931	$ 8,801,424
Estimated orders under MSAs and short-term, non-fixed price contracts	Estimated orders under MSAs and short-term, non-fixed price contracts	7,468,899	16,533,880	7,446,964	15,292,343
Estimated orders under MSAs and short-term, non-fixed price contracts					
Estimated orders under MSAs and short-term, non-fixed price contracts					
Backlog	Backlog	$ 17,018,416	$ 30,095,546	$ 13,793,895	$ 24,093,767
Backlog					
Backlog					

The increases increase in remaining performance obligations and backlog from December 31, 2022 December 31, 2023 to September 30, 2023 were March 31, 2024 was primarily attributable to multiple new project awards. awards, while the decrease in backlog from December 31, 2023 to March 31, 2024 was primarily attributable to completed work on existing MSAs across the Electric Power and Underground and Infrastructure segments.

Liquidity and Capital Resources

Overview

We plan to fund our working capital, capital expenditures, debt service, dividends and other cash requirements with our current available liquidity and cash from operations, which could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control. Management monitors financial markets and national and global economic conditions for factors that may affect our liquidity and capital resources.

Our capital deployment priorities that require the use of cash include: (i) working capital to fund ongoing operating needs, (ii) capital expenditures to meet anticipated demand for our services, (iii) acquisitions and investments to facilitate the long-term growth and sustainability of our business, and (iv) return of capital to stockholders, including through the payment of dividends and repurchases of our outstanding common stock. We intend to fund these requirements primarily with cash flow from operating activities, as well as debt financing as needed.

Cash Requirements and Capital Allocation

During the nine three months ended September 30, 2023 March 31, 2024, there were no material changes outside the ordinary course of business in the specified contractual obligations or changes to our capital allocation priorities as set forth in Item 7. *Management's Discussion and Analysis of Financial Condition* and *Results of Operations* in Part II of the 2022 2023 Annual Report. We anticipate that our future cash flows from operating activities, cash and cash equivalents on hand, existing borrowing

capacity under our senior credit facility and commercial paper program and ability to access capital markets for additional capital will provide sufficient funds to enable us to meet our cash requirements for the next twelve months and over the longer term.

In October 2023, we completed the acquisition of a business in which a portion of the consideration consisted of approximately $275 million in cash funded with a combination of cash on hand and borrowings from our commercial paper program. For additional information refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

Significant Sources of Cash

Cash flow from operating activities is primarily influenced by demand for our services and operating margins but is also influenced by the timing of working capital needs associated with the various types of services that we provide. Our working capital needs may increase when we commence large volumes of work under circumstances where project costs are required to be paid before the associated receivables are billed and collected. Additionally, operating cash flows may be negatively impacted as a result of unpaid and delayed change orders and claims. Changes in project timing due to delays or accelerations and other economic, regulatory, market and political factors that may affect customer spending could also impact cash flow from operating activities. Further information with respect to our cash flow from operating activities is set forth below and in Note 16 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

Our available commitments under our senior credit facility and cash and cash equivalents as of September 30, 2023 March 31, 2024 were as follows (in thousands):

	September 30, 2023 March 31, 2024
Total capacity available for revolving loans, credit support for commercial paper program and letters of credit	$ 2,640,000
Less:	
Borrowings of revolving loans	229,826 127,801
Commercial paper program notes outstanding(1)	396,800 208,350
Letters of credit outstanding	311,127 251,179
Available commitments for revolving loans, credit support for commercial paper program and letters of credit	1,702,247 2,052,670
Plus:	
Cash and cash equivalents (2)	305,355 531,056
Total available commitments under senior credit facility and cash and cash equivalents	$ 2,007,602 2,583,726

(1) Amount represents unsecured notes issued under our commercial paper program. program, which has a Effective October 6, 2023, we increased the maximum aggregate amount of our existing unsecured commercial paper program to $1.50 billion of notes outstanding at any time. Prior to the increase, the maximum aggregate amount of the program was $1.00 billion. Available commitments for revolving loans under our senior credit facility must be maintained to provide credit support for notes issued under our commercial paper program, and therefore such notes effectively reduce the available borrowing capacity under our senior credit facility.

(2) Further information with respect to our cash and cash equivalents is set forth below and in Note 15 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report. This

amount includes $138.0 million $216.6 million in jurisdictions outside of the U.S., principally in Canada and Australia. There are currently no legal or economic restrictions that would materially impede our ability to repatriate such cash.

We consider our investment policies related to cash and cash equivalents to be conservative, as we maintain a diverse portfolio of what we believe to be high-quality cash and cash equivalent investments with short-term maturities. Additionally, subject to the conditions specified in the credit agreement for our senior credit facility, we have the option to increase the capacity of our senior credit facility, in the form of an increase in the revolving commitments, term loans or a combination thereof, from time to time, upon receipt of additional commitments from new or existing lenders by up to an additional (i) $400.0 million plus (ii) additional amounts so long as the Incremental Leverage Ratio Requirement (as defined in the credit agreement) is satisfied at the time of such increase. The Incremental Leverage Ratio Requirement requires, among other things, after giving pro forma effect to such increase and the use of proceeds therefrom, compliance with the credit agreement's financial covenants as of the most recent fiscal quarter end for which financial statements were required to be delivered. Further information with respect to our debt obligations is set forth in Note 8 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

We may also seek to access the capital markets from time to time to raise additional capital, increase liquidity as necessary, refinance or extend the term of our existing indebtedness, fund acquisitions or otherwise fund our capital needs. While our financial strategy and consistent performance have allowed us to maintain investment grade ratings, our ability to access capital markets in the future depends on a number of factors, including our financial performance and financial position, our credit ratings, industry conditions, general economic conditions, our backlog, capital expenditure commitments, market conditions and market perceptions of us and our industry.

Sources and Uses of Cash, Cash Equivalents and Restricted Cash During the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

In summary, our cash flows for each period were as follows (in thousands):

		Nine Months Ended September 30,		Three Months Ended March 31,	
		2023	2022	2024	2023
Net cash provided by operating activities	Net cash provided by operating activities	$ 572,414	$ 547,183		

Net cash used in investing activities	Net cash used in investing activities	$	(722,324)	$	(475,746)
Net cash provided by (used in) financing activities		$	31,051	$	(83,722)
Net cash (used in) provided by financing activities					

Operating Activities

Net cash provided by operating activities of $572.4 million $238.0 million and $547.2 million $38.4 million in the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 primarily reflected earnings adjusted for non-cash items and cash provided and used by the main components of working capital: "Accounts and notes receivable," "Contract assets," "Prepaid expenses and other current assets," "Accounts payable and accrued expenses," and "Contract liabilities." The net Net cash provided by operating activities during the nine months ended September 30, 2023 and 2022 March 31, 2023 was negatively impacted by incremental working capital requirements and the timing of the associated billings related to the large renewable transmission project in Canada as discussed further discussed in Note 3 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

As discussed above, cash flow provided by operating activities is primarily influenced by demand for our services and operating margins but is also influenced by working capital needs. Our working capital needs may increase when we commence large volumes of work under circumstances where project costs, primarily labor, equipment and subcontractors, are required to be paid before the associated receivables are billed and collected and when we incur costs for work that is the subject of unpaid change orders and claims. Accordingly, changes within working capital in accounts receivable, contract assets and contract liabilities are normally related and are typically affected on a collective basis by changes in revenue due to the timing and volume of work performed and variability in the timing of customer billings and payments, as well as change orders and claims. Additionally, working capital needs are generally higher during the summer and fall due to increased demand for our services when favorable weather conditions exist in many of our operating regions. Conversely, working capital assets are typically converted to cash during the winter. These seasonal trends can be offset by changes in project timing due to delays or accelerations and other economic factors that may affect customer spending, including market conditions or the impact of certain unforeseen events (e.g., regulatory and other actions that impact the supply chain for certain materials).

Days sales outstanding (DSO) represents the average number of days it takes revenues to be converted into cash, which management believes is an important metric for assessing liquidity. A decrease in DSO has a favorable impact on cash flow from operating activities, while an increase in DSO has a negative impact on cash flow from operating activities. DSO 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. DSO as of September 30, 2023 March 31, 2024 was 79 71 days, which was lower than DSO of 81 77 days as of September 30, 2022 March 31, 2023 and lower than our five-year historical average DSO of 82 83 days. This decrease in DSO as compared to September 30, 2022 March 31, 2023 was partially due to an increase in contract liabilities related to favorable billing terms on certain large projects as well as and increased revenues. revenues in the three months ended March 31, 2024. Although the decrease in DSO had a positive impact on cash flow from operating activities, increased unapproved change orders included in contract assets from the aforementioned large renewable transmission project in Canada continue continued to have a negative negatively impact on DSO and cash flow from operating activities. activities as of and for the three months ended March 31, 2024. Also negatively impacting cash flow from operating activities was our prepayment of amounts to suppliers for certain project materials that require a long lead time. time during the three months ended March 31, 2024 and 2023 and payments of a significant amount of accounts payable balances on certain large renewable projects during the three months ended March 31, 2024 that were outstanding as of December 31, 2023.

Investing Activities

Net cash used in investing activities in the nine three months ended September 30, 2023 March 31, 2024 included $472.6 million $384.1 million related to acquisitions and $325.4 million $83.1 million of capital expenditures. Partially offsetting these items were $48.0 million $28.7 million of proceeds from the disposition of a non-core business, $26.6 million of proceeds from the sale of a non-integral equity investment and $26.4 million of proceeds from the sale of, and insurance settlements related to, property and equipment and $42.3 million of proceeds from the sale of non-integral equity investments. equipment.

Net cash used in investing activities in the nine three months ended September 30, 2022 March 31, 2023 included $337.5 million of capital expenditures, $177.8 million $452.3 million related to acquisitions and $20.6 million $80.3 million of capital expenditures. Partially offsetting these items were $39.1 million of cash used for received from the sale of investments partially offset by $43.6 million and $10.8 million of proceeds from the sale of, and insurance settlements related to, property and equipment and $16.9 million of cash received from investments, which primarily related to proceeds received from the sale of a non-controlling ownership interest in a technology company. equipment.

Our industry is capital intensive, and we expect substantial capital expenditures and commitments for equipment purchases and equipment lease and rental arrangements to be needed for the foreseeable future in order to meet anticipated demand for our services. In addition, we expect to continue to pursue strategic acquisitions and investments, although we cannot predict the timing or amount of the cash needed for these initiatives. We also have various other capital commitments that are detailed primarily in Note 14 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

Financing Activities

Net cash used in financing activities in the three months ended March 31, 2024 included $504.5 million of net repayments under our senior credit facility and commercial paper program, $75.7 million of payments to satisfy tax withholding obligations associated with stock-based compensation and the payment of $13.7 million of dividends.

Net cash provided by financing activities in the nine three months ended September 30, 2023 March 31, 2023 included $203.6 million $380.6 million of net borrowings under our senior credit facility and commercial paper program, partially offset by $113.4 million $108.7 million of cash payments to satisfy tax withholding obligations associated with stock-based compensation and $36.1 million of cash payments for dividends.

Net cash used in financing activities in the nine months ended September 30, 2022 included $115.1 million of cash payments for common stock repurchases, $78.6 million of cash payments to satisfy tax withholding obligations associated with stock-based compensation; $31.0 million the payment of cash payments for $12.8 million of dividends; $15.6 million of net repayments of short-term debt and $8.0 million $8.7 million of net distributions to non-controlling interests. These items were partially offset by $172.8 million of net borrowings under our senior credit facility and commercial paper program.

We expect to continue to utilize cash for similar financing activities in the future, including repayments of our outstanding debt, payment of cash dividends and repurchases of our common stock and/or debt securities.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. Certain information and footnote disclosures, normally included in annual financial statements prepared in accordance with GAAP, have been condensed or omitted pursuant to those rules and regulations. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist as of the date the condensed consolidated financial statements are published and the reported amounts of revenues and expenses recognized during the periods presented. We review all significant estimates affecting our condensed consolidated financial statements on a recurring basis and record the effect of any necessary adjustments prior to their publication. Judgments and estimates are based on our beliefs and assumptions derived from information available at the time such judgments and estimates are made. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of financial statements. There can be no assurance that actual results will not differ from those estimates. Management has reviewed its development and selection of critical accounting estimates with the audit committee of our Board of Directors. Our accounting policies are primarily described in Note Notes 2 and 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of the 2022 2023 Annual Report and should be read in

conjunction with the accounting policies identified that we believe affect our more significant judgments and estimates detailed in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* of Part II of our 2022 2023 Annual Report. Report, which we believe affect our more significant estimates.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk.*

There were no material changes to our quantitative and qualitative disclosures about market risk during the nine three months ended September 30, 2023 March 31, 2024. Our primary exposure to market risk relates to unfavorable changes in interest rates and currency exchange rates. Refer to the information on financial market risk related to changes in interest rates and foreign currency exchange rates in Item 7A. *Quantitative and Qualitative Disclosures About Market Risk* of Part II of our 2022 2023 Annual Report.

Item 4. *Controls and Procedures.*

Attached as exhibits to this Quarterly Report on Form 10-Q are certifications of Quanta's Chief Executive Officer and Chief Financial Officer that are required in accordance with Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the Exchange Act). This Item 4. section includes information concerning the controls and controls evaluation referred to in the certifications, and it should be read in conjunction with the certifications for a more complete understanding of the topics presented.

Evaluation of Disclosure Controls and Procedures

Our management has established and maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. The disclosure controls and procedures are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b), as such disclosure controls and procedures are defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based on this evaluation, these officers have concluded that, as of September 30, 2023 March 31, 2024, our disclosure controls and procedures were effective to provide reasonable assurance of achieving their objectives.

Evaluation of Internal Control over Financial Reporting

We acquired four three businesses during the nine three months ended September 30, 2023 March 31, 2024. We are in the process of integrating these acquired businesses into our overall internal control over financial reporting process.

Except as noted above, there has been no change in our internal control over financial reporting that occurred during the quarter ended September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Design and Operation of Control Systems

Our management, including the Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple errors or mistakes. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II — OTHER INFORMATION

Item 1. *Legal Proceedings.*

We are from time to time party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, negligence or gross negligence and/or property damage, environmental liabilities, wage and hour claims and other employment-related damages, punitive damages, consequential damages, civil penalties or other losses, or injunctive or declaratory relief, as well as interest and attorneys' fees associated with such claims. With respect to all such lawsuits, claims and proceedings, we record a reserve when we believe it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. In addition, we disclose matters for which management believes a material loss is at least reasonably possible. See Note 14 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report, which is incorporated by reference in this Item 1, for additional information regarding litigation, claims and other legal proceedings.

Environmental Matters

Item 103 of Regulation S-K requires disclosure of certain environmental matters in which a governmental authority is a party to the proceedings and when such proceedings involve the potential for monetary sanctions that management reasonably believes will exceed a specified threshold. Pursuant to the SEC regulations, we use a threshold of $1.0 million for such proceedings.

Item 1A. *Risk Factors.*

Our business is subject to a variety of risks and uncertainties that are difficult to predict and many of which are outside of our control. For a detailed discussion of the risks that affect our business, refer to Item 1A. *Risk Factors* of Part I of our 2022 2023 Annual Report. As of the date of this filing, there have been no material changes to the risk factors previously described in our 2022 2023 Annual Report. The matters specifically identified are not the only risks and uncertainties facing our company, and risks and uncertainties not known to us or not specifically identified also may impair our business operations. If any of these risks and uncertainties occur, our business, financial condition, results of operations and cash flows could be negatively affected, which could negatively impact the value of an investment in our company.

Item 2. *Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities.*

Unregistered Sales of Equity Securities

On August 30, 2023 During the three months ended March 31, 2024, on January 19, 2024, February 6, 2024 and March 1, 2024, we completed an acquisition acquisitions in which a portion of the consideration consisted of the unregistered issuance of shares of our common stock. The aggregate consideration paid at closing in this acquisition for these acquisitions included 43,462 250,539 shares of our common stock, valued at $8.0 million $51.8 million as of the acquisition date. dates.

The shares of common stock issued in this transaction these transactions were issued in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as the shares were issued to the owners of the businesses acquired in privately negotiated transactions not involving any public offering or solicitation.

For additional information about this acquisition, these acquisitions, see Note 5 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

Issuer Purchases of Equity Securities During the Third First Quarter of 2023 2024

The following table contains information about our purchases of equity securities during the three months ended September 30, 2023 March 31, 2024.

Period	Total Number of Shares Purchased (1) (2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be
Period	**Total Number of Shares Purchased (1)(2)**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)**	**Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Programs (1)**
July January 1 - 31, 2023 2024				
Open Market Stock Repurchases (1)	—	$ —	—	$500,000,000 499,650,097
Tax Withholding Obligations (2)	1,290 3,550	$193.50 205.49	—	
August February 1 - 31, 2023 29, 2024				
Open Market Stock Repurchases (1)	—	$ —	—	$500,000,000 499,650,097
Tax Withholding Obligations (2)	9,972 6,436	$204.65 196.58	—	
September March 1 - 30, 2023 31, 2024				

Open Market Stock Repurchases (1)	—	$ —	—	$500,000,000 499,650,097
Tax Withholding Obligations (2)	1,185 310,126	$210.23 241.35	—	
Total	12,447 320,112		—	$500,000,000 499,650,097

(1) On May 24, 2023, we issued a press release announcing that our Board of Directors approved a stock repurchase program effective July 1, 2023 that authorizes us to purchase, from time to time through June 30, 2026, up to $500 million of our outstanding common stock. The program became effective on July 1, 2023, upon expiration of our prior stock repurchase program. Repurchases can be made in open market and privately negotiated transactions, at our discretion, based on market and business conditions, applicable contractual and legal requirements and other factors. The program does not obligate us to acquire any specific amount of common stock and may be modified or terminated by our Board of Directors at any time at its sole discretion and without notice.

(2) Includes shares purchased withheld from employees to satisfy tax withholding obligations in connection with the vesting of restricted stock unit and performance stock unit awards or the settlement of previously vested but deferred restricted stock unit and performance stock unit awards.

Item 3. *Defaults Upon Senior Securities.*

None.

Item 4. *Mine Safety Disclosures.*

Not applicable.

Item 5. *Other Information.*

Insider Trading Arrangements

During the three months ended September 30, 2023 On March 1, 2024, no director or officer Derrick A. Jensen, Executive Vice President of Quanta, adopted or terminated a “Rule Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as each (as such term is defined in Item 408(a) 408 of Regulation S-K. S-K), with an effective date of March 31, 2024 and an expiration date of December 27, 2024. Mr. Jensen’s plan provides for the potential sale of up to 30,000 shares of Quanta common stock and is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act.

On March 27, 2024, the Rule 10b5-1 trading arrangement previously adopted by Donald C. Wayne, Executive Vice President and General Counsel of Quanta, terminated upon execution of all orders. Mr. Wayne’s plan provided for the sale of up to 17,750 shares of Quanta common stock through April 30, 2024.

Item 6. ***Exhibits.***

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Quanta Services, Inc. (previously filed as Exhibit 3.1 to Quanta's Quanta's Form 8-K filed March 26, 2019 and incorporated herein by reference)
3.2	Bylaws of Quanta Services, Inc., as amended and restated January 13, 2023 (previously filed as Exhibit 3.1 to Quanta's Form 8-K filed January 19, 2023 and incorporated herein by reference)
10.1 ^	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Earl C. (Duke) Austin, Jr. (previously filed as Exhibit 10.1 to Quanta's Form 8-K filed August 3, 2023 and incorporated here by reference)
10.2 *^ ^	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Gerald A. Ducey, Jr.
10.2 ^	Jayshree Desai (previously Quanta Services, Inc. Term Sheet for 2024 Annual Incentive Plan – Corporate Employees, Quanta Services, Inc. Term Sheet for 2024 Senior Leadership Long-Term Incentive Plan and Quanta Services, Inc. Term Sheet for 2024 Discretionary Plan – All Employees (previously filed as Exhibit 10.210.1 to Quanta's Form 8-K filed August 3, 2023 March 8, 2024 and incorporated here herein by reference)
10.3 ^	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and James Redgie Probst (previously filed as Exhibit 10.3 to Quanta's Form 8-K filed August 3, 2023 and incorporated here by reference)
10.4 ^	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Derrick A. Jensen (previously filed as Exhibit 10.4 to Quanta's Form 8-K filed August 3, 2023 and incorporated here by reference)
10.5 *^	Form of RSU Award Agreement for awards to employees/consultants pursuant to the 2019 Omnibus Equity Incentive Plan (adopted August 2023)
10.6 *^	Form of RSU Award Agreement for awards to non-employee directors pursuant to the 2019 Omnibus Equity Incentive Plan (adopted August 2023)
10.7 *^	Form of PSU Award Agreement for awards to employees/consultants pursuant to the 2019 Omnibus Equity

employees/consultants pursuant to the 2019 Omnibus Equity Incentive Plan (adopted August 2023)

31.1	*	Certification by Chief Executive Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	*	Certification by Chief Financial Officer pursuant to Rule 13a -14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	*	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	*	The following financial statements from Quanta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Equity and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and with detailed tags
104	*	The cover page from Quanta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL (included as Exhibit 101)

* Filed or furnished herewith

^ Management contracts or compensatory plans or arrangements

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant, Quanta Services, Inc., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

QUANTA SERVICES, INC.

By: /s/ PAUL M. NOBEL

Paul M. Nobel

Senior Vice President and Chief A

Officer

(Principal Accounting Offic

Dated: November 2, 2023 May 2, 2024

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Exhibit 10.5

10.1

FORM OF

RSU AWARD AGREEMENT

Stock Settling RSU Award to Employee/Consultant

Pursuant to the 2019 Omnibus Equity Incentive Plan

Participant:

Address:

Number of RSUs:

Date of Grant:

Vesting of RSUs:	Vesting Date	Vested %
		33⅓%
		33⅓%
		33⅓%
	Total	100%

Execution Version

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered into between Quanta Services, Inc., a Delaware corporation (the "Company"), hereby grants to Participant, pursuant to the provisions of the Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan, as amended from time to time in accordance with its terms (the "and Gerald A. Ducey, Jr. ("Plan Employee"), an award (this "Award") dated as of the number of restricted stock units August 1, 2023 (the "RSUs Effective Date") set forth.

I. RECITALS

As of the Effective Date, the Employer Group (as defined below) is engaged primarily in the business of providing infrastructure solutions for customers in the utility, energy, renewable energy, telecommunications and pipeline industries. As such, the Employer Group has developed and continues to develop and use certain trade secrets and other Proprietary and Confidential Information, as hereinafter defined. The Employer Group has spent a substantial amount of time, effort and money, and will continue to do so in the future, to develop or acquire such Proprietary and Confidential Information and promote and increase its goodwill. Employer (as defined below) and Employee acknowledge and agree that Proprietary and Confidential Information is an asset of particular and immeasurable value to the Employer Group.

Pursuant to this Agreement, Employee shall be employed by Employer in a confidential and fiduciary relationship and such Proprietary and Confidential Information will necessarily be provided to, communicated to, or acquired by Employee by virtue of Employee's employment with Employer.

Based upon the above, Employer desires to retain the services of Employee on its own behalf, as well as on the Company's electronic stock plan administration platform grant summary report for Participant (the "Grant Summary Report"), effective as behalf of the "Date of Grant" set forth on the Grant Summary Report (the "Date of Grant"), upon its subsidiaries and affiliated companies and, in so doing, protect its Proprietary and Confidential Information subject to the terms and conditions set forth in this RSU Award Agreement (this " herein.

II. **Agreement**") and in the Plan, which are incorporated herein by reference. Unless otherwise defined in this Agreement, capitalized terms used in this Agreement shall have the meanings assigned to them in the Plan. DEFINITIONS

1. EFFECT OF THE PLAN. The RSUs awarded to Participant are subject to all of the provisions of the Plan and For purposes of this Agreement, together the following terms will have their respective meanings set forth below:

A. "Affiliate" means (1) any person or entity that directly or indirectly controls, is controlled by or is under common control with all rules and determinations from time the Company and/or (2) to time issued the extent provided by the Committee, any person or entity in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

B. "Board" shall mean the Board pursuant to of Directors of the Plan. The Company hereby reserves the right to amend, modify, restate, supplement or terminate the Plan without the consent of Participant, so long as such amendment, modification, restatement or supplement shall not materially reduce the rights and benefits available to Participant hereunder, and this Award shall be subject, without further action by the Company or Participant, to such amendment, modification, restatement or supplement unless provided otherwise therein. Company.

2. C. GRANT "<u>. This Agreement Business</u>" shall evidence Participant's rights with respect to mean (1) the award business of RSUs. Participant agrees that providing infrastructure solutions for customers in the RSUs shall be subject to all of utility, energy, renewable energy, telecommunications and pipeline industries or (2) such other business as the terms and conditions set forth Employer Group is actually engaged in this Agreement and the Plan, including, but not limited to, the forfeiture conditions set forth in Section 4 of this Agreement and the satisfaction of the Required Withholding as set forth in Section 10(a) of this Agreement.

3. <u>VESTING SCHEDULE; SERVICE REQUIREMENT</u>. Except as provided otherwise in Section 4 of this Agreement, a portion of the RSUs shall vest during Participant's or has taken material steps

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to engage in during Employee's employment and is continuing to engage in as of the date on which enforcement of Section VI.B.5(a) is sought.

continued service with D. "<u>Change in Control</u>" shall be deemed to occur upon:

1. Any sale, lease, exchange or other transfer (in one or a series of related transactions) of all or substantially all of the assets of the Company to a non-Affiliate;

2. Any "person" as such term is used in Section 13(d) and Section 14(d) of the Securities Exchange Act of 1934, as amended (the "<u>Exchange Act</u>") ("<u>Person</u>") is or becomes, directly or indirectly, the "beneficial owner" as defined in Rule 13d-3 under the Exchange Act of securities of the Company that represent more than 50% of the combined voting power of the Company's then outstanding voting securities (the **"**<u>Outstanding Company Voting Securities</u>"); <u>provided</u>, <u>however</u>, that, for purposes of this Section II.D, the following acquisitions shall not constitute a Change in Control: (a) any

acquisition directly from the Company, (b) any acquisition by the Company, (c) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or an any Affiliate, ("(d) any acquisition involving beneficial ownership of less than a majority of the then-outstanding common stock of the Company (the **Continuous Service** "Outstanding Company Common Shares") or the Outstanding Company Voting Securities that is determined by the Board, based on each "Vesting Date" set forth on Participant's Grant Summary Report (each, review of public disclosure by the acquiring Person with respect to its passive investment intent, not to have a "purpose or effect of changing or influencing the control of the Company; Vesting Date provided") as follows: , however, that for purposes of this clause (d), any such acquisition in connection with (i) an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents or (ii) any "Business Combination" (as defined below) shall be presumed to be for the purpose or with the effect of changing or influencing the control of the Company;

(a) 3. thirty-three and one-third percent (33 1/3% During any period of two (2) consecutive years, the individuals who at the beginning of such period constituted the Board together with any individuals subsequently elected to the Board whose nomination by the stockholders of the Company was approved by a vote of the then incumbent Board (i.e. those members of the Board who either have been directors from the beginning of such two-year period or whose election or nomination for election was previously approved by the Board as provided in this Section II.D.3) cease for any reason to constitute a majority of the Board; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an incumbent director;

4. The Company has consummated a merger, amalgamation or consolidation (a **"**Business Combination") of the RSUs will vest on the first Vesting Date;

(b) an additional thirty-three and one-third percent (33 1/3%) Company with any other corporation, unless, following such Business Combination, all or substantially all of the RSUs will vest on individuals and entities that were the second Vesting Date; and

(c) the remaining thirty-three and one-third percent (33 1/3%) beneficial owners of the RSUs will vest on Outstanding Company Common Shares and the third Vesting Date.

If an installment Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the vesting would result in then-outstanding shares of common stock (or, for a fractional vested RSU, such installment will be rounded to non-corporate entity, equivalent securities) and the next higher or lower RSU, except that the final installment will be for the balance combined voting power of the RSUs.

4. CONDITIONS OF FORFEITURE. then-outstanding

(a) Subject

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voting securities entitled to Section 15(g) vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the Plan, upon any termination entity resulting from such Business Combination (including, without limitation, an entity that, as a result of Participant's Continuous Service (the "such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries); or

5. Termination Date The stockholders of the Company approve a complete liquidation of the Company.") for any or

Notwithstanding the foregoing, no reason (other than due Change in Control shall be deemed to a Qualifying Termination occur with respect to an Equity Award (as defined below)) (i) that is subject to Section 409A of the Code and (ii) the timing of payment of which may accelerate on a Change in Control, unless such event constitutes a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5).

E. "Committee" shall mean the Compensation Committee, as constituted from time to time, of the Board, or if no such committee shall be in existence at any relevant time, the term "Committee" shall mean the Board.

F. "Company-Related Inventions and Developments" shall mean all Inventions and Developments that: (1) relate at the time of conception or development to the actual business of the Employer Group or to its actual research and development or to business or research and development that is the subject of active planning at the time; (2) result from or relate to any work performed for Employer, whether or not during normal business hours; (3) are developed on Employer's time; or (4) are developed through the use of the Employer Group's Proprietary and Confidential Information, equipment, software, or other facilities and resources.

G. "Employer" shall mean the Company, any successor entity or any other affiliated entity that is deemed to be the employer of Employee.

H. "Employer Group" shall mean the Company and its parent, predecessors, designees, successors, and past, present and future operating companies, divisions, subsidiaries and/or affiliates.

I. "Inventions and Developments" shall mean any and all inventions, developments, creative works and useful ideas of any description whatsoever, whether or not patentable. Inventions and Developments include, by way of example and without limitation, discoveries and improvements that consist of or relate to any form of Proprietary and Confidential Information.

J. "make" or "made," when used in relation to Inventions and Developments, shall include any one or any combination of: (1) conception; (2) reduction to practice; or (3) development; and is without regard to whether Employee is a sole or joint inventor.

K. "Proprietary and Confidential Information" means any and all non-public information or data in any form or medium, tangible or intangible, which has commercial value and which the Employer Group possesses or to which the Employer Group has rights.

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Proprietary and Confidential Information includes, by way of example and without limitation, information concerning the Employer Group's specific manner of doing business, including, but not limited to, Participant's voluntary resignation, a termination the processes, methods or techniques utilized by the Company with Cause or, other than Employer Group, the Employer Group's customers, marketing strategies and plans, sales strategies, pricing information, pricing lists, margin information, markup information, customer buying habits, projects, practices and needs, operational procedures, employee lists, prospective employees, training information and practices, sources of supply and material specifications, the Employer Group's computer programs, system documentation, special hardware, related software development, and the Employer Group's business models, manuals, formulations, equipment, compositions, configurations, know-how, ideas, improvements and inventions. Proprietary and Confidential Information also includes information developed by Employee during the twenty-four month period following a Change course of Employee's employment with Employer or otherwise relating to Company-Related Inventions and Developments, as hereinafter defined, as well as other information to which Employee may be given access to in Control, a termination by connection with Employee's employment.

L. "Territory" shall mean, collectively, (i) the Company without Cause, before all of United States, Canada and Australia and (ii) such other countries in which the RSUs become vested, all unvested RSUs Employer Group is actually engaged in the Business or has taken material steps to engage in the Business during Employee's employment and in which the Employer Group is continuing to engage as of the Termination Date shall, without further action date on which enforcement of any kind Section VI.B.5(a) or Section VI.B.5(b) is sought.

III. EMPLOYMENT AND TERM OF EMPLOYMENT

A. Position and Duties. Employee is hereby employed by Employer as President – Strategic Operations of the Company or Participant, in such other position with similar responsibilities, duties and authority as such position of Employer on the Effective Date. Employee shall have the responsibilities, duties and authority commensurate with Employee's position and as may be forfeited. Unvested RSUs that are forfeited shall be deemed prescribed from time to be immediately cancelled without any payment time by the Company Board or action by Participant. Following the Company's Chief Executive Officer, in its or their discretion, in a manner consistent with such forfeiture, Participant shall have no further rights with respect to such forfeited RSUs. position.

(b) 1. Notwithstanding anything Employee shall faithfully adhere to, execute and fulfill the duties and responsibilities of Employee's position and as may be prescribed from time to time by the Board or the Company's Chief Executive Officer.

2. Employee agrees to devote reasonable attention and time to the contrary business and affairs of Employer and, to the extent necessary, to discharge the responsibilities assigned to Employee hereunder, to use Employee's reasonable best efforts to perform faithfully and efficiently such responsibilities.

3. Employee shall not, during the term of Employee's employment with Employer, be engaged in any other business activity pursued for gain, profit or other pecuniary advantage if such activity interferes with Employee's duties and responsibilities to Employer. The foregoing limitations shall not be construed as prohibiting Employee from serving on corporate, civic or charitable boards or committees, delivering lectures or fulfilling speaking engagements, teaching at educational institutions, or making personal investments, so long as

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such activities do not significantly interfere with the performance of Employee's responsibilities to Employer as set forth in this Agreement.

4. In the performance of Employee's duties, Employee shall use Employee's reasonable best efforts to adhere to the legal requirements codified in statutes, ordinances and governmental regulations applicable to Employer.

B. Term. The initial term of this Agreement shall begin on the unvested RSUs Effective Date and shall become vested on earlier continue for one (1) year, unless terminated sooner pursuant to the provisions of (i) the death of Participant during Participant's Continuous Service, (ii) the termination of Participant's Continuous Service by the Company or its Affiliate due to Participant's Disability or (iii) the termination of Participant's Continuous Service by the Company or its Affiliate without Cause upon or within twenty-four (24) months following the consummation of a Change in Control (each of (i), (ii) and (iii), a this Agreement (the "Qualifying Initial Term"). At the expiration of the Initial Term, unless terminated sooner pursuant to the provisions of this Agreement, and each annual anniversary thereafter, this Agreement will renew automatically for an additional one (1) year period (the "Renewal Term") unless either party notifies the other party in writing of the intention not to renew this Agreement (the "Renewal Termination Notice") not less than six (6) months prior to the expiration of the Initial Term or of any Renewal Term (the Initial Term and any Renewal Term are referred to collectively as the "Term").

The parties also agree that, unless Employee is advised otherwise in writing by Employer, the provisions and obligations of Sections V, VI, VII and VIII apply during and after the expiration of the Term and survive the termination of this Agreement and continue in force as provided in this Agreement during Employee's employment and after Employee's employment ends, if applicable.

(c) C. Termination. This Agreement and Employee's employment with Employer shall terminate or may be terminated, as applicable, as follows:

1. Termination upon Death. This Agreement (and all of Employee's and Employer's rights and obligations hereunder) and Employee's employment with Employer shall automatically terminate as of the date of Employee's death.

2. Termination upon Disability. If Employee becomes Disabled (as defined below), Employer may terminate this Agreement and Employee's employment with Employer by providing a Notice of Termination (as defined below) to Employee in accordance with Section III.D below. For purposes of this Agreement, "Disabled" or "Disability" means, as determined by the Committee, that Employee becomes eligible for benefits under the Employer Group's long-term disability insurance policy or, if no such policy is in effect, that Employee is unable to perform Employee's material duties to the Company by reason of physical or mental impairment that is expected to result in death or last twelve (12) consecutive months or more.

3. Termination for Cause. Employer may terminate this Agreement and Employee's employment with Employer for Cause by providing a Notice of Termination to Employee in accordance with Section III.D below. For purposes of this Agreement, "Cause" shall mean "Cause" (or any term of similar effect) as defined in Participant's employment or service agreement with the Company or its Affiliate or any applicable Company (or Affiliate) severance plan or arrangement covering Participant or to which Participant is a party if any such agreement, plan or arrangement exists and contains a definition of Cause or, if no such agreement, plan or arrangement exists or such agreement, plan or arrangement does not contain a definition of Cause (or term of similar effect), then "Cause" shall have the meaning set forth include:

a. Employee's gross negligence in the Plan.

5. TREATMENT UPON CHANGE IN CONTROL.

(a) Upon the consummation performance of, a Change in Control (and subject intentional nonperformance of, or inattention to Participant's Continuous Service until at least immediately prior to such consummation) in which the consideration payable to the Company's stockholders consists solely of cash, the RSUs (to the extent outstanding as of immediately prior to the consummation of such Change in Control) shall be cancelled Employee's material duties and converted into an amount in cash, without interest, equal to the product obtained by multiplying (i) the aggregate number of RSUs subject to this Award immediately prior to the consummation of the Change in Control and (ii) the per share consideration payable in the Change in Control in respect of Common Shares (the "CIC Consideration"), with the CIC responsibilities hereunder,

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Consideration, less applicable withholding taxes and deductions, to be paid to Participant on the same schedule as, and subject to such terms and conditions as apply to, payments of the Change in Control consideration to the Company's stockholders generally (but in no event later than five (5) years after the consummation of the Change in Control).

(b) Upon the consummation of a Change in Control (and subject to Participant's Continuous Service until at least immediately prior to such consummation) in which the consideration payable to the Company's stockholders consists solely of non-cash consideration (including, for example, a Change in Control in which the consideration consists solely of equity of the buyer or successor entity (or an Affiliate thereof)), the RSUs (to the extent outstanding as of immediately prior to the consummation of such Change in Control) shall be cancelled and converted into an amount, without interest, equal to the CIC Consideration. The portion of the CIC Consideration that is payable in respect of the RSUs that are vested as of immediately prior to the Change in Control (after taking into account any vesting that occurs in connection with the Change in Control, if any), less applicable withholding taxes and deductions, shall be paid to Participant on the same schedule as, and subject to such terms and conditions as apply to, payments of such Change in Control consideration to the Company's stockholders generally (but in no event later than five (5) years after the consummation of the Change in Control). The portion of the CIC Consideration that is payable in respect of the RSUs that are unvested as of immediately prior to the Change in Control (after taking into account any vesting that occurs in connection with the Change in Control, if any) (the "Unvested Consideration") shall (i) be earned on the date(s) on which the underlying RSUs would otherwise have vested in accordance with the vesting terms of this Agreement as in effect immediately prior to the consummation of the Change in Control (the "Vesting

Schedule”), subject to satisfaction of all applicable vesting conditions on or prior to such date(s), and (ii) be paid to Participant (less applicable withholding taxes and deductions) on or within thirty (30) days following the later of (x) the applicable date that such underlying RSUs would have become vested in accordance with the Vesting Schedule or (y) with respect to any Unvested Consideration that constitutes Contingent Consideration (as defined below), the date such amounts are payable to the Company's stockholders generally (but in no event later than five (5) years after the consummation of the Change in Control); provided, that, notwithstanding the foregoing, with respect to any Unvested Consideration payable in respect of underlying RSUs that immediately prior to the consummation of the Change in Control constitute “deferred compensation” subject to Section 409A, payment of the Unvested Consideration shall be made on the date(s) on which the underlying RSUs would otherwise be paid to the extent required to comply with Section 409A of the Code. For purposes hereof, “Contingent Consideration” means that portion (if any) of the consideration payable in the Change in Control in respect of Common Shares that is received by the Company's stockholders more than thirty (30) days after the Closing, including any post-closing purchase price adjustment, earn-out, holdback, escrow, or other form of deferred consideration.

6. SETTLEMENT AND DELIVERY OF COMMON SHARES. Except as set forth in Sections 5(a) and 5(b) above, settlement of RSUs shall be made on the applicable date on which such RSUs vest, or, if later, the payment date under the terms of any deferral arrangement as may be established between the Company and Participant (in each case subject to an administrative processing window of up to fifteen (15) days thereafter). Except as set forth in Sections 5(a) and 5(b) above, settlement will be made by issuance of Common Shares. Notwithstanding the foregoing, the Company shall not be obligated to issue any Common Shares if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Shares is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the issuance of Common Shares to comply with any such law, rule, regulation or agreement.

7. NON-TRANSFERABILITY. Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise encumber or dispose of any of the RSUs, or any right or interest therein, or any right to the CIC Consideration (as applicable) by operation of law or otherwise. RSUs are (and, as applicable, Participant's right to the CIC Consideration is) personal to Participant and are non-assignable and non-transferable other than by will or by the laws of descent and distribution in the event of death of Participant. Any transfer in violation of this Section 7 shall be void and of no force or effect.

8. DIVIDEND AND VOTING RIGHTS. Participant shall have no rights to dividends or other rights of a stockholder with respect to the RSUs unless and until such time as the Award has been settled by the issuance of Common Shares to Participant. Participant shall have the right to receive a cash dividend equivalent payment with respect to the RSUs for cash dividends payable to holders of Common Shares as of a record date designated by the Company that is within the period beginning on the Date of Grant and ending on the date the Common Shares or cash, as applicable, are issued to Participant in settlement of the RSUs (or, if earlier, the date on which a Change in Control is consummated), which dividend equivalent payment shall be payable to Participant at the same time as, and only to the same extent that, the RSUs vest and are settled in accordance with Section 6. In the event of forfeiture of RSUs, Participant shall have no further rights with respect to such RSUs or any dividend equivalents accrued with respect to such forfeited RSUs.

9. CAPITAL ADJUSTMENTS AND CORPORATE EVENTS. If, from time to time during the term of this Agreement, there is any capital adjustment affecting the outstanding Common Shares as a class without the Company's receipt of consideration, the unvested RSUs shall be adjusted in accordance with the provisions of Section 12(a) of the Plan.

10. TAX MATTERS.

(a) The Company's obligation to deliver Common Shares to Participant upon the settlement of such RSUs or the Company's obligation to make, or cause one of its Affiliates to make, any payment to Participant of the CIC Consideration (as applicable) shall be subject to the satisfaction of any and all applicable federal, state and local income and/or employment tax withholding requirements (the "Required Withholding"). At the time of issuance of Common Shares upon vesting or settlement of RSUs, the Company shall withhold from the Common Shares that otherwise would have been delivered to Participant an appropriate number of Common Shares necessary to satisfy Participant's Required Withholding, and deliver the remaining Common Shares to Participant or, with respect to the CIC Consideration, the Company shall (or shall cause its Affiliate to) withhold from the payment of the CIC Consideration the amount necessary to satisfy Participant's Required Withholding and make payment of the remaining amount to Participant. The distribution of Common Shares described in Section 6 will be net of such Common Shares that are withheld to satisfy applicable taxes pursuant to this Section 10. In lieu of withholding Common Shares or netting the Required Withholding against the CIC Consideration otherwise due to Participant (as applicable), the Committee may, in its discretion, authorize the satisfaction of tax withholding by a cash payment to the Company or its Affiliate, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The obligations of the Company under this Award will be conditioned on such satisfaction of the Required Withholding.

(b) Participant acknowledges that the tax consequences associated with this Award are complex and that the Company has urged Participant to review with Participant's own tax advisors the federal, state, and local tax consequences of this Award. Participant is relying solely on such advisors and not on any statements or representations of the Company, its Affiliates or any of their agents. Participant understands that Participant (and not the Company or its

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Affiliates) shall be responsible for Participant's own tax liability that may arise as a result of the Award.

11. ENTIRE AGREEMENT; GOVERNING LAW. The Plan and this Agreement constitute the entire agreement of the Company and Participant (collectively, the "Parties") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof. If there is any inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern. Nothing in the Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. THE PLAN AND THIS AGREEMENT ARE TO BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE-OF-LAW RULE THAT

WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE INTERNAL LAWS OF THE STATE OF DELAWARE TO THE RIGHTS AND DUTIES OF THE PARTIES. Should any provision of the Plan or this Agreement relating to the subject matter hereof be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. INTERPRETIVE MATTERS. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term “include” or “including” does not denote or imply any limitation. The captions and headings used in this Agreement are inserted for convenience and shall not be deemed a part of this Award or this Agreement for construction or interpretation.

13. DISPUTE RESOLUTION. The provisions of this Section 13 shall be the exclusive means of resolving disputes of the Parties (including any other persons claiming any rights or having any obligations through the Company or Participant) arising out of or relating to the Plan and this Agreement. The Parties shall attempt in good faith to resolve any disputes arising out of or relating to the Plan and this Agreement by negotiation between individuals who have authority to settle the controversy. Negotiations shall be commenced by either Party by a written statement of the Party’s position and the name and title of the individual who will represent the Party. Within thirty (30) days of the written notification, the Parties shall meet at a mutually acceptable time and place, and thereafter as often as both parties reasonably deem necessary, to resolve the dispute. If the dispute has not been resolved by negotiation within ninety (90) days of the written notification of the dispute, either Party may file suit and each Party agrees that any suit, action, or proceeding arising out of or relating to the Plan or this Agreement shall be brought in the United States District Court for the Southern District of Texas, Houston Division (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Texas state court in Harris County, Texas) and that the Parties shall submit to the jurisdiction of such court. The Parties irrevocably waive, to the fullest extent permitted by law, any objection a Party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 13 shall for any reason be held invalid or unenforceable, it is the specific intent of the Parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

14. RESTRICTIVE COVENANTS. In consideration for the grant of this Award, Participant hereby agrees to abide by the restrictive covenants

set forth in Section 14 of the Plan.

15. AMENDMENT; WAIVER. This Agreement may be amended or modified only by means of a written document or documents signed by the Company and Participant. Any provision for the benefit of the Company contained in this Agreement may be waived, either generally or in any particular instance, by the Board or by the Committee. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach on a future occasion.

16. NOTICE. Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, and addressed as applicable, if to the Company, at its corporate headquarters address, Attention: Stock Plan Administration, and if to Participant, at its address on file with the Company's stock plan administration service provider.

17. CLAWBACK. Participant acknowledges and agrees that any portion of this Award may be subject to clawback as deemed appropriate by the Board pursuant to the Plan or any clawback policy of the Company. Participant hereby acknowledges and agrees in writing to the foregoing as a condition to receipt of this Award.

18. SECTION 409A. The award of RSUs is intended to be (i) exempt from Section 409A of the Code including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and construed accordingly.Notwithstanding anything herein to the contrary, if Participant is a "specified employee" as such term is defined in Section 409A of the Code, any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A of the Code on account of separation from service (other than by reason of death) to Participant shall not be payable before the earlier of (i) the date that is 6 months after the date of Participant's separation from service, or (ii) the date that otherwise complies with the requirements of Section 409A of the Code.

To the extent required to comply with Section 409A of the Code, any amounts that would otherwise be payable hereunder upon an event described in Section 2(f) of the Plan as nonqualified deferred compensation within the meaning of Section 409A of the Code, such event shall not constitute a "Change in Control" under this Agreement unless and until such event constitutes a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code. The Company makes no commitment or guarantee to Participant that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

19. ACKNOWLEDGMENTS. PARTICIPANT ACKNOWLEDGES AND AGREES THAT (A) THE SHARES SUBJECT TO THIS RSU AWARD SHALL VEST AND THE FORFEITURE RESTRICTIONS SHALL LAPSE, IF AT ALL, ONLY DURING THE PERIOD OF PARTICIPANT'S CONTINUOUS SERVICE OR AS OTHERWISE PROVIDED IN THIS AGREEMENT, AND (B) NOTHING IN THIS AGREEMENT OR THE PLAN SHALL CONFER UPON PARTICIPANT ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF PARTICIPANT'S CONTINUOUS SERVICE. Participant acknowledges receipt of an electronic copy of this Agreement and the Plan and represents that he or she is familiar with the terms hereof and thereof. Participant has reviewed this Agreement and the Plan, has had an opportunity to obtain the advice of tax and legal counsel prior to accepting the Award and becoming bound by this Agreement, and understands all provisions of this Agreement and the Plan. Participant agrees that all disputes arising out of or relating to this Agreement and the Plan shall be resolved in accordance with Section 13 of this Agreement.

QUANTA SERVICES, INC.

By:/s/ Earl C. (Duke) Austin, Jr.
Earl C. (Duke) Austin, Jr.
President and Chief Executive Officer

Participant acknowledges receipt of an electronic copy of the Plan and the Award Agreement, represents that he or she has reviewed and is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions of the Plan and the Award Agreement, agreeing to be bound thereby.

ACCEPTED:

Dated:Signed:
[Participant Name]

Participant acknowledges receipt of an electronic copy of the Plan and the Award Agreement, represents that he or she has reviewed and is familiar with the terms and provisions thereof, and hereby rejects the Award.

REJECTED:

Dated:Signed:
[Participant Name]

Exhibit 10.6

FORM OF
RSU AWARD AGREEMENT

Award to Non-Employee Director
Pursuant to the 2019 Omnibus Equity Incentive Plan
(Settled in Stock Unless Cash Settlement Elected)

Participant:
Address:

Number of RSUs:
Date of Grant:

Vesting of RSUs:	Vesting Date	Vested %
		100%

Quanta Services, Inc., a Delaware corporation (the "Company"), hereby grants to Participant, pursuant to the provisions of the Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan, as amended from time to time in accordance with its terms (the "Plan"), an award (this "Award") of the number of restricted stock units (the "RSUs") set forth on the Company's electronic stock plan administration platform grant summary report for Participant (the "Grant Summary Report"), effective as of the "Date of Grant" set forth on the Grant Summary Report (the "Date of Grant"), upon and subject to the terms and conditions set forth in this RSU Award Agreement (this "Agreement") and in the Plan, which are incorporated herein by reference. Unless otherwise defined in this Agreement, capitalized terms used in this Agreement shall have the meanings assigned to them in the Plan.

1. EFFECT OF THE PLAN. The RSUs awarded to Participant are subject to all of the provisions of the Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee and by the Board pursuant to the Plan. The Company hereby reserves the right to amend, modify, restate, supplement or terminate the Plan without the consent of Participant, so long as such amendment, modification, restatement or supplement shall not materially reduce the rights and benefits available to Participant hereunder, and this Award shall be subject, without further action by the Company or Participant, to such amendment, modification, restatement or supplement unless provided otherwise therein.

2. GRANT. This Agreement shall evidence Participant's rights with respect to the award of RSUs. Participant agrees that the RSUs shall be subject to all of the terms and conditions set forth in this Agreement and the Plan, including, but not limited to, the forfeiture conditions set forth in Section 4 of this Agreement.

3. VESTING SCHEDULE; SERVICE REQUIREMENT. Except as provided otherwise in Section 4 of this Agreement, one hundred percent (100%) of the RSUs shall vest, subject to Participant's continued service as a

member of the Board ("Board Service"), on the "Vesting Date" set forth on Participant's Grant Summary Report (the "Vesting Date").

4. CONDITIONS OF FORFEITURE.

(a) Subject to Section 15(g) any of the Plan, upon any termination of Participant's Board Service (the "Termination Date") which continue for any reason except as a result of (i) the death or Disability of Participant, (ii) Participant's not being nominated for or elected to a new term as a member of the Board (a "Director") or (iii) Participant's resignation at the request and for the convenience of the Board other than for "Cause" (as defined in Section 4(b) of this Agreement) before the RSUs become vested, all unvested RSUs as of the Termination Date shall, without further action of any kind by the Company or Participant, be forfeited. Unvested RSUs that are forfeited shall be deemed to be immediately cancelled without any payment by the Company or action by Participant. Following such forfeiture, Participant shall have no further rights with respect to such forfeited RSUs.

(b) Notwithstanding anything to the contrary in this Agreement, the unvested RSUs shall become vested (i) on the death of Participant during Participant's Board Service, (ii) on the termination of Participant's Board Service by the Company due to Participant's Disability, (iii) on the termination of Participant's Board Service as a result of not being nominated for or elected to a new term as a Director, or (iv) on Participant's resignation as a Director at the request and for the convenience of the Board other than for Cause. In addition, the unvested RSUs shall become vested upon the occurrence of a Change in Control during Participant's Board Service. For purposes of this Agreement, "Cause" for termination by the Board of Participant's Board Service shall mean (i) Participant's willful, material and irreparable breach of any agreement that governs the terms and conditions of his or her service to the Company; (ii) Participant's breach of any fiduciary or other material duty to the Company or its stockholders; (iii) Participant's gross negligence or gross incompetence in the performance or intentional nonperformance (continuing for ten fifteen (15) business days after receipt of written notice of such negligence) of any of Participant's material duties and responsibilities; (iv) Participant's need to cure the same;

b. Employee's willful dishonesty, fraud or material misconduct with respect to the business or affairs of Employer;

c. the Company material violation by Employee of any of Employer's policies or an Affiliate; (v) Participant's procedures, which violation is not cured by Employee within fifteen (15) business days after Employee has been given written notice thereof;

d. a conviction of, a plea of nolo contendere, a guilty plea, or confession by Employee to, an act of fraud, misappropriation or embezzlement or any crime punishable as a felony crime; or (vi) chronic alcohol abuse or illegal drug abuse by Participant. any other crime that involves moral turpitude;

5. e. SETTLEMENT AND DELIVERY Employee's use of illegal substances or habitual drunkenness; or

f. a material breach by Employee of this Agreement if Employee does not cure such breach within fifteen (15) business days after Employee has been given written notice thereof.

4. Termination for Good Reason. Settlement Employee may terminate this Agreement and Employee's employment with Employer for Good Reason. For purposes of RSUs this Agreement, "Good Reason" shall be made mean any one of the following events, without Employee's consent:

a. any diminution in Employee's then current Base Salary (as defined below) of ten percent (10%) or more (other than in connection with base salary reductions imposed on all or substantially all of the applicable date Company's similarly-situated employees);

b. any diminution in Employee's then current Target Bonus (as defined below) of ten percent (10%) or more (other than in connection with reductions in annual bonus opportunities imposed on all or substantially all of the Company's similarly-situated employees);

c. a material diminution in the benefits provided to Employee under Employer's health, welfare and 401(k) plans and programs in which Employee participates (excluding any changes to Employee's bonus and other incentive compensation) (other than in connection with reductions in such RSUs vest, benefits imposed on all or if later, substantially all of the payment date under Company's similarly-situated employees);

d. the terms assignment to Employee of any deferral arrangement duties inconsistent with Employee's position (including office, title and reporting requirements), authority, duties or responsibilities as may be established between the Company and Participant (in each case subject to an administrative processing window contemplated by Section III.A of up to fifteen (15) days thereafter). Settlement will be made this Agreement or any other action by issuance of Common Shares unless Participant makes a timely election pursuant to *Exhibit A* hereto and/or *Exhibit B* hereto, as applicable, to receive settlement Employer that results in a combination of cash diminution in such position, authority, duties or responsibilities (excluding for this purpose an isolated, insubstantial and Common Shares. Notwithstanding the foregoing, the Company shall inadvertent action not be obligated to issue any Common Shares if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Shares is listed or quoted. The Company shall taken in no event be obligated to take any affirmative action in order to cause the issuance of Common Shares to comply with any such law, rule, regulation or agreement.

6. NON-TRANSFERABILITY. Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise encumber or dispose of any of the RSUs, or any right or interest therein, by operation of law or otherwise; provided, however, that Participant may make a gratuitous transfer of RSUs to any Permitted Transferee in accordance with Section 15(b) of the Plan. Otherwise, RSUs are personal to Participant and are non-assignable and non-transferable other than by will or by the laws of descent and distribution in the event of death of Participant. Any transfer in violation of this Section 6 shall be void and of no force or effect. bad faith);

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7. e. DIVIDEND AND VOTING RIGHTS. Participant shall have no rights to dividends or other rights of a stockholder with respect to the RSUs unless and until such time as the Award has been settled by the issuance of Common Shares to Participant. Participant shall have the right to receive a cash dividend equivalent payment with respect to the RSUs for cash dividends payable to holders of Common Shares as of a record date designated failure by the Company or its successor (or a parent thereof) to grant to Employee, during the twenty-four (24) month period immediately following the consummation of a Change in Control, equity or equity-linked incentive compensation awards having an aggregate value (as

computed by an independent valuation expert selected by the Company (or its successor) and reasonably acceptable to Employee) that is within at least equal to ninety percent (90%) of the period beginning average value of the annual Equity Awards (as defined below) granted to Employee during the three (3) years immediately prior to the Change in Control (other than in connection with reductions in equity or equity-linked incentive compensation imposed on all or substantially all of the Date similarly-situated employees the Company or its successor, as applicable);

f. Employee's receipt from Employer of Grant a Renewal Termination Notice as provided in Section III.B;

g. in the event of a pending Change in Control, Employer and ending on Employee have not received written notice at least five (5) business days prior to the anticipated closing date of the RSUs are settled, which dividend equivalent payment shall be payable transaction giving rise to Participant at the Change in Control from the successor to all or a substantial portion of the Employer Group's business and/or assets that such successor is willing as of the closing to assume and agree to perform Employer's obligations under this Agreement in the same time as, manner and only to the same extent that the RSUs vest and are settled. In the event of forfeiture of RSUs, Participant shall have no further rights with respect Employer is hereby required to such RSUs or any dividend equivalents accrued with respect to such forfeited RSUs. perform;

8. h. CAPITAL ADJUSTMENTS AND CORPORATE EVENTS. If, any requirement that Employee relocate Employee's principal place of work to an office or location that is more than 35 miles from time to time during the term Principal Work Location specified in Section III.F of this Agreement there is any capital adjustment affecting the outstanding Common Shares as (other than a class without the Company's receipt relocation that results in a decrease in Employee's one-way commute from Employee's home to Employee's principal place of consideration, the unvested RSUs shall be adjusted in accordance with the provisions of Section 12(a) of the Plan. work; or

9. i. TAX MATTERS. Participant acknowledges that the tax consequences associated with this Award are complex and that the Company has urged Participant to review with Participant's own tax advisors the federal, state, and local tax consequences any material breach by Employer of this Award. Participant is relying solely on such advisors and not on any statements or representations of Agreement.

Notwithstanding the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of the Award.

10. ENTIRE AGREEMENT; GOVERNING LAW. The Plan and this Agreement constitute the entire agreement of the Company and Participant (collectively, the "Parties") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof. If there is any inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern. Nothing in the Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. THE PLAN AND THIS AGREEMENT ARE TO BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE-OF-LAW RULE THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE INTERNAL LAWS OF THE STATE OF DELAWARE TO THE RIGHTS AND DUTIES OF THE PARTIES. Should any provision of the Plan or this Agreement relating to the subject matter hereof be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. INTERPRETIVE MATTERS. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term "include" or "including" does not denote or imply any limitation. The captions and headings used in this Agreement are inserted for convenience and foregoing, Employee's resignation shall not be deemed constitute a part resignation for "Good Reason" unless, (i) upon the occurrence of this Award or this Agreement for construction or interpretation.

12. DISPUTE RESOLUTION. The provisions of this Section 12 an event described above, Employee shall be the exclusive means of resolving disputes of the Parties (including any other persons claiming any rights or having any obligations through the Company or Participant) arising out of or relating to the Plan and this Agreement. The Parties shall attempt in good faith to resolve any disputes arising out of or relating to the Plan and this Agreement by negotiation between individuals who have, authority to settle the controversy. Negotiations shall be commenced by either Party by a written statement of the Party's position and the name and title of the individual who will

represent the Party. Within thirty (30) days of the written notification, the Parties shall meet at a mutually acceptable time and place, and thereafter as often as both parties reasonably deem necessary, to resolve the dispute. If the dispute has not been resolved by negotiation within ninety (90) days of the written notification of the dispute, either Party may file suit and each Party agrees that any suit, action, or proceeding arising out of or relating to the Plan or this Agreement shall be brought in the United States District Court for the Southern District of Texas, Houston Division after such occurrence (or, should such court lack jurisdiction to hear such action, suit or proceeding, in a Texas state court in Harris County, Texas) and that the Parties shall submit to the jurisdiction if later, Employee first becoming aware of such court. The Parties irrevocably waive, occurrence), given written notice thereof to Employer specifying in reasonable detail the fullest extent permitted by law, any objection a Party may facts and circumstances of such event; (ii) Employer shall have failed to remedy or otherwise cure the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 12 shall for any reason be held invalid or unenforceable, it is the specific intent of the Parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

13. RESTRICTIVE COVENANTS. In consideration for the grant of this Award, Participant hereby agrees to abide by the restrictive covenants set forth in Section 14 of the Plan.

14. AMENDMENT; WAIVER. This Agreement may be amended or modified only by means of a written document or documents signed by the Company and Participant. Any provision for the benefit of the Company contained in this Agreement may be waived, either generally or in any particular instance, by the Board or by the Committee. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach on a future occasion.

15. NOTICE. Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, and addressed as applicable, if to the Company, at its corporate headquarters address, Attention: Stock Plan Administration, and if to Participant, at its address on file with the Company’s stock plan administration service provider.

16. SECTION 409A. The award of RSUs is intended to be (i) exempt from Section 409A of the Code including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and construed accordingly.To circumstances (to the extent required to comply with Section 409A of curable) within thirty (30) days following the Code, any amounts that would otherwise be payable hereunder upon an event described in Section 2(f) of the Plan as nonqualified deferred compensation within the meaning of Section 409A of the Code, such event shall not constitute a "Change in Control" under this Agreement unless and until such event constitutes a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code. The Company makes no commitment or guarantee to Participant that any federal or state tax treatment shall apply or be available to any person eligible for benefits under this Agreement.

17. ACKNOWLEDGMENTS. PARTICIPANT ACKNOWLEDGES AND AGREES THAT (A) THIS RSU AWARD SHALL VEST AND THE FORFEITURE RESTRICTIONS SHALL LAPSE, IF AT ALL, ONLY DURING THE PERIOD OF PARTICIPANT'S BOARD SERVICE OR AS OTHERWISE PROVIDED IN THIS AGREEMENT, AND (B) NOTHING IN THIS AGREEMENT OR THE PLAN SHALL CONFER UPON PARTICIPANT ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF

PARTICIPANT'S BOARD SERVICE. Participant acknowledges receipt of an electronic copy of this Agreement and the Plan and represents that he or she is familiar with the terms hereof and thereof. Participant has reviewed this Agreement and the Plan, has had an opportunity to obtain the advice of tax and legal counsel prior to accepting the Award and becoming bound by this Agreement, and understands all provisions of this Agreement and the Plan. Participant agrees that all disputes arising out of or relating to this Agreement and the Plan shall be resolved in accordance with Section 12 of this Agreement.

QUANTA SERVICES, INC.

By:/s/ Earl C. (Duke) Austin, Jr.
Earl C. (Duke) Austin, Jr.
President and Chief Executive Officer

Participant acknowledges receipt of an electronic copy of the Plan and the Award Agreement, represents that he or she has reviewed and is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions of the Plan and the Award Agreement, agreeing to be bound thereby.

ACCEPTED:

Dated:Signed:
[Participant Name]

Participant acknowledges receipt of an electronic copy of the Plan and the Award Agreement, represents that he or she has reviewed and is familiar with the terms and provisions thereof, and hereby rejects the Award.

REJECTED:

Dated:Signed:
[Participant Name]

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EXHIBIT A

ELECTION FORM FOR
SETTLEMENT OF RSUs IN CASH

(FOR PORTIONS OF AWARDS NOT SUBJECT TO A DEFERRAL ELECTION)

I. Identification of Award of RSUs and Vesting Date

Participant's Name (please print):

Date of Grant of Award:

Vesting Date:

For identification of the applicable Award, please enter the original Vesting Date of the Award even if you have elected to defer the time of settlement of a portion of the Award (a "Deferral Election").

II. Eligibility for Election

I am familiar with the Company's stock ownership guidelines. By submitting this Election Form, I certify that I am currently in compliance with the Company's stock ownership guidelines, and that immediately after settlement of a portion of the RSUs granted on the Date of Grant identified in Part I above in cash I will remain in compliance with the Company's stock ownership guidelines.

III. Election for Cash Settlement

As permitted pursuant to Section 5 of my Award Agreement with respect to RSUs granted on the Date of Grant identified in Part I above, I hereby elect to receive settlement of the following percentage Employer of such RSUs that are NOT subject notice and failed to a Deferral Election in reasonably compensate Employee for monetary losses or damages resulting therefrom; and (iii) the form effective date of cash:

____% (enter a percentage not greater than 50%)

I understand that the amount of cash payable with respect to my Award shall be equal to the product of (i) the number of RSUs to be settled in cash pursuant to the percentage election above (rounded to the nearest whole Common Share) and (ii) the Fair Market Value of a Common Share as of 12:01 A.M. Central Time on the applicable settlement date. I understand that the percentage of my Award not settled in cash will be settled in the form of Common Shares.

IV. Timing of Election

In order Employee's termination for this Election Form to be timely and effective, the completed and signed Election Form must be received by the stock plan administration department in the Company's office in Houston (1) during an "Open Window" pursuant to the Company's Insider Trading Policy that is (2) no earlier than ninety (90) days and Good Reason occurs no later than thirty (30) days (the " after the expiration of Employer's cure period.

5. Election Deadline Termination without Cause") prior . Employer may terminate this Agreement and Employee's employment without

Cause by providing written notice to Employee setting forth the Vesting effective Date identified of Termination.

6. Termination by Employee without Good Reason. Employee may voluntarily terminate Employee's employment and this Agreement without Good Reason by providing a Notice of Termination to Employer in Part I above. accordance with Section III.D below.

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V. D. Representations and Acknowledgements Notice of Termination

I understand that this Election Form applies only. Any termination by Employer for Cause or Disability or by Employee shall be communicated by a Notice of Termination provided to the RSUs granted on other party pursuant to the provisions of Section VIII.C of this Agreement. For purposes of this Agreement, "Notice of Termination" means a written notice that: (1) indicates the specific termination provision or provisions as set forth in this Agreement relied upon by either Employer or Employee; (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide the basis for termination under the provision or provisions of this Agreement relied upon by either Employer or Employee; and (3) if the Date of Grant identified Termination (as defined below) is other than the date of receipt of such Notice of Termination, specifies the Date of Termination. The failure by Employer or Employee to set forth in Part I above the Notice of Termination any fact or circumstance that contributes to a showing of Cause or Good Reason, respectively, shall not waive any right of such party or preclude such party from asserting such fact or circumstance in enforcing such party's or other party's obligations under this Agreement.

E. Date of Termination. For purposes of this Agreement, "Date of Termination" shall mean: (1) if Employee's employment is terminated by Employer for Cause or Disability, the date of receipt of the Notice of Termination or any later date specified therein or as required under this Agreement; (2) if Employee's employment is terminated by Employer other than for Cause or Disability, the date on which Employer notifies Employee of such termination or such other date as determined by Employer; (3) if Employee terminates Employee's employment for Good Reason, the date of receipt of the Notice of Termination within the period of time required under this Agreement; (4) if Employee's employment is terminated by reason of death, the date of the death of Employee; or (5) if Employee voluntarily terminates Employee's employment other than for Good Reason, the date proposed by Employee (provided that such date is at least thirty (30) days following Employee's delivery of the Notice of Termination) or such earlier date as determined by Employer after receiving Employee's Notice of Termination.

F. Place of Performance. During the Term, Employee shall perform Employee's duties and responsibilities under this Agreement at the Company's offices in Houston, Texas (the "Principal Work Location"), other than normal business travel consistent with Employee's duties, responsibilities and position.

IV. COMPENSATION AND BENEFITS

A. Annual Base Salary. During the Term, Employer agrees to compensate and pay Employee, or to cause Employee to be compensated and paid, an annual base salary (the "Base Salary") of $700,000, payable on a regular basis in accordance with Employer's standard payroll procedures but not less frequently than monthly. On at least an annual basis, the Board or a duly constituted committee thereof will review Employee's performance and may make increases to Employee's Base Salary if, in its sole discretion, any such increase is warranted.

B. Bonus. During the Term, Employee shall be eligible to participate in Employer's annual and long-term equity incentive bonus plans at a level commensurate with Employee's position, and Employee's annual cash incentive bonus ("Annual Bonus") shall be targeted at a specified percentage of the Base Salary, as determined from time to time by the Board or duly constituted committee thereof, for the applicable Company fiscal year (the "Target Bonus").

Employee may participate in other current and future incentive bonus plans as determined by the Board or a duly constituted committee thereof.

C. Incentive, Savings and Retirement Plans. During the Term, Employee shall be eligible to participate in all incentive, savings and retirement plans, practices, policies and programs generally applicable to other peer employees of Employer, consistent with the terms of the written plan documents and applicable written policies.

D. Health and Welfare Benefit Plans. During the Term, Employee and Employee's dependents shall be eligible to receive coverage under the welfare benefit plans, practices, policies and programs provided by Employer generally applicable to other peer employees of Employer, including, but not limited to, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs, consistent with the terms of the written plan documents and applicable written policies.

E. Reimbursement of Expenses. During the Term, Employer shall reimburse Employee or cause Employee to be promptly reimbursed for all reasonable and necessary expenses incurred by Employee in furtherance of the business and affairs of the Employer Group including, but not limited to, all travel expenses and living expenses while away from home on business or at the request of Employer or the Board. Such reimbursement shall be effected as soon as reasonably practicable after such expenditures are made, against presentation of signed, itemized expense reports in accordance with the travel and business expense reimbursement policies of Employer.

F. Obligations of Employer upon Termination. As set forth below, the following obligations are imposed upon Employer upon termination of this Agreement.

1. General. In the event that Employee's employment under this Agreement terminates during the Term for any reason, upon such termination, Employer shall pay to Employee (or Employee's estate) in a single lump sum payment, within thirty (30) days after the Date of Termination, or such earlier date as may be required by applicable law, the aggregate amount (in each case, if any) of (a) any earned but unpaid Base Salary through the Date of Termination, (b) to the extent required by applicable law, any accrued, unused vacation through the Date of Termination, and (c) unreimbursed business expenses incurred prior to the Date of Termination that are not subject to a Deferral Election.

I have received a copy of the Plan and agree to reimbursable in accordance with Section IV.E above. Vested benefits (if any) under any employee benefit plans shall be bound governed by the terms and conditions of the Plan, applicable plans. The payments and benefits described in this Section IV.F.1 are collectively referred to as the RSU Award Agreement "Accrued Obligations".

2. Termination due to Death. If Employee's employment is terminated due to Employee's death, (i) Employee (and Employee's estate) shall be entitled to the Accrued Obligations and my Election Form. I understand (ii) with respect to any equity awards covering shares of Employer common stock granted to Employee (collectively, "Equity Awards") that are outstanding as of the Company reserves Date of Termination, including Equity Awards that, as of the right Date of Termination, are subject to amend or terminate performance vesting conditions ("Performance Awards"), and notwithstanding anything to the Plan at any time and that my participation contrary in the Company's 2019 Omnibus Equity Incentive Plan does not mean that I will be eligible to participate in the Plan in future years.

I have had an opportunity to consult an independent tax and legal advisor and my Election Form has been based solely upon my own evaluation. I understand that my Election Form, if otherwise valid, will be effective when executed by me and timely received by the Company.

I UNDERSTAND THAT MY ELECTION IS IRREVOCABLE AND CANNOT BE CHANGED OR ALTERED IN ANY WAY AFTER THE ELECTION DEADLINE. or any successor plan thereto (in

PARTICIPANT

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Participant's Signature

Date Signed

For Company Use Only

Received By:

Date Received:

EXHIBIT B

ELECTION FORM FOR
SETTLEMENT OF RSUs IN CASH

(FOR PORTIONS OF AWARDS SUBJECT TO A DEFERRAL ELECTION)

I. Identification of Award of RSUs and Vesting Date

Participant's Name (please print):

Date of Grant of Award:

Vesting Date:

For identification of the applicable Award, please enter the original Vesting Date of the Award even though you have elected to defer the time of settlement of all or a portion of the Award (a "Deferral Election").

II. Eligibility for Election

I am familiar with the Company's stock ownership guidelines. By submitting this Election Form, I certify that I am currently in compliance with the Company's stock ownership guidelines, and that immediately after settlement of a portion of the RSUs granted on the Date of Grant identified in Part I above in cash I will remain in compliance with the Company's stock ownership guidelines.

III. Election for Cash Settlement

As permitted pursuant to Section 5 of my Award Agreement with respect to RSUs granted on the Date of Grant identified in Part I above, I hereby elect to receive settlement of the following percentage of such RSUs that ARE subject to a Deferral Election in the form of cash:

_____% (enter a percentage not greater than 50%)

I understand that the amount of cash payable with respect to my Award shall be equal to the product of (i) the number of RSUs to be settled in cash pursuant to the percentage election above (rounded to the nearest whole Common Share) and (ii) the Fair Market Value of a Common Share as of 12:01 A.M. Central Time on the applicable settlement date. I understand that the percentage of my Award not settled in cash will be settled in the form of Common Shares.

IV. Timing of Election

In order for this Election Form to be timely and effective, the completed and signed Election Form must be received by the stock plan administration department in the Company's office in Houston (1) during an "Open Window" pursuant to the Company's Insider Trading Policy that is (2) no earlier than ninety (90) days and no later than thirty (30) days (the "Election Deadline") prior to the scheduled settlement date of the Award pursuant to my Deferral Election.

V. Representations and Acknowledgements

I understand that this Election Form applies only to the RSUs granted on the Date of Grant identified in Part I above that are subject to a Deferral Election.

I have received a copy of the Plan and agree to be bound by the terms and conditions of the Plan, the RSU Award Agreement and my Election Form. I understand that the Company reserves the right to amend or terminate the Plan at any time and that my participation in the Plan does not mean that I will be eligible to participate in the Plan in future years.

I have had an opportunity to consult an independent tax and legal advisor and my Election Form has been based solely upon my own evaluation. I understand that my Election Form, if otherwise valid, will be effective when executed by me and timely received by the Company.

I UNDERSTAND THAT MY ELECTION IS IRREVOCABLE AND CANNOT BE CHANGED OR ALTERED IN ANY WAY AFTER THE ELECTION DEADLINE.

PARTICIPANT

Participant's Signature

Date Signed

For Company Use Only

Received By:

Date Received:

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Exhibit 10.7

FORM OF
PSU AWARD AGREEMENT

Performance Award to Employee/Consultant
Pursuant to the 2019 Omnibus Equity Incentive Plan

Participant:
Address:

"Target Number" of PSUs:
Date of Grant:

Three-Year Performance Period:	January 1, [20__] to December 31, [20__]

Quanta Services, Inc., a Delaware corporation (the "Company"), hereby grants to Participant, pursuant to the provisions of the Quanta Services, Inc. Senior Leadership Long-Term Incentive Plan, case, as amended from time to time, (the the "Long-Term Omnibus Plan") (or other applicable equity plan) or the award agreements evidencing such Equity Awards, each such Equity Award shall vest in full (to the extent then-unvested) upon such termination of employment; *provided*, a sub-plan of the Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan, as amended from time that any performance goals applicable to time any Performance Award shall be treated in accordance with its terms (the "Plan"), an the applicable award (this "Award") of agreement (or, if such award agreement does not specify such treatment, such performance stock units ("PSUs") equal to the "Target Number" indicated above and set forth goals will be deemed attained based on the Company's electronic stock plan administration platform grant summary report for Participant (the "Grant Summary Report"), effective as of the "Date of Grant" set forth on the Grant Summary Report (the "Date of Grant"), upon and subject to the terms and conditions set forth in this PSU Award Agreement (this "Agreement") and in the Plan and the Long-Term Plan, which are incorporated herein by reference. Unless otherwise defined in this Agreement, capitalized terms used in this Agreement shall have the meanings assigned to them in the Plan.

1. EFFECT OF THE PLAN. The PSUs awarded to Participant are subject to all of the provisions of the Plan, the Long-Term Plan and of this Agreement, together with all rules and determinations from time to time issued by the Committee and by the Board pursuant to the Plan. The Company hereby reserves the right to amend, modify, restate, supplement or terminate the Plan without the consent of Participant, so long as such amendment, modification, restatement or supplement shall not materially reduce the rights and benefits available to Participant hereunder, and this Award shall be subject, without further action by the Company or Participant, to such amendment, modification, restatement or supplement unless provided otherwise therein.

2. GRANT. This Agreement shall evidence Participant's rights with respect to the award of PSUs. Participant agrees that the PSUs shall be subject to all of the terms and conditions set forth in this Agreement, the Plan and the Long-Term Plan, including, but not limited to, the forfeiture conditions set forth in Section 5 of this Agreement and the satisfaction of the Required Withholding as set forth in Section 11(a) of this Agreement.

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3. DETERMINATION OF EARNED PSUs. The number of PSUs that shall be earned by Participant shall be based upon the achievement by the Company of the performance standards as reviewed and approved by the Committee and reflected in the resolutions of the Committee (the "Performance Goals") over the three-year performance period indicated above (the "Performance Period"). The determination by the Committee with respect to the actual achievement of the Performance Goals shall be made as

soon as administratively practicable following the Performance Period after all necessary Company information is available. The specific date on which such determination is formally made and approved by the Committee is referred to as the "Determination Date". After the Determination Date, the Company shall notify Participant of the number of PSUs, if any, that have become "Earned PSUs" and the corresponding number of shares of Common Stock to be issued to Participant in satisfaction of this award of PSUs, subject to withholding as described in Section 11 below. The number of PSUs which may become Earned PSUs will be between 0% and 200% of the Target Number of PSUs depending on whether and to what extent the Performance Goals were achieved by the Company.

4. VESTING; SERVICE REQUIREMENT. Subject to Participant's continued service with the Company or an Affiliate ("Continuous Service") until the Determination Date, the number of Earned PSUs determined pursuant to Section 3 shall vest on the Determination Date.

5. CONDITIONS OF FORFEITURE.

(a) Subject to Section 15(g) of the Plan, upon any termination of Participant's Continuous Service (the "Termination Date") for any or no reason (other than due to a Qualifying Termination (as defined below)), including but not limited to Participant's voluntary resignation, a termination by the Company with Cause or, other than during the twenty-four month period following a Change of Control, a termination without Cause, before the Determination Date, all PSUs as of the Termination Date shall, without further action of any kind by the Company or Participant, be forfeited. PSUs that are forfeited shall be deemed to be immediately cancelled without any payment by the Company or action by Participant. Following such forfeiture, Participant shall have no further rights with respect to such forfeited PSUs.

(b) Notwithstanding anything to the contrary in this Agreement, a number of PSUs shall become Earned PSUs on the earlier of (i) the date of the death of Participant during Participant's Continuous Service, (ii) the date of Participant's termination of Continuous Service by the Company or its Affiliate due to Participant's Disability or (iii) the occurrence of a Change in Control during Participant's Continuous Service. The number of PSUs that become Earned PSUs under this Section 5(b) shall be based on the achievement of the Performance Goals as of goals through the date of the Participant's death termination due to Disability or Change in Control, as applicable, and the forecasted achievement of such goals for the remainder of the performance period applicable to such Performance Period, all as determined in the discretion of the Committee. The PSUs that become Earned PSUs upon the date of Participant's death or termination Award).

3. Termination due to Disability. If Employee's employment is terminated due to Disability, pursuant (i) Employee shall be entitled to this

Section 5(b) shall vest on the date Accrued Obligations and (ii) with respect to any Equity Awards that are outstanding as of the Date of Termination, including any Performance Awards, and notwithstanding anything to the contrary in the Omnibus Plan (or other applicable equity plan) or the award agreements evidencing such death or termination due to Disability. The PSUs that become Earned PSUs upon the occurrence of a Change in Control pursuant to this Section 5(b) Equity Awards, each such Equity Award shall vest in full (to the extent then-unvested) upon the such termination of employment; *provided*, that any performance goals applicable to any Performance Award shall be treated in accordance with the applicable award agreement (or, if such award agreement does not specify such treatment, such performance goals will be deemed attained based on actual achievement of such goals through the date of the Participant's Continuous Service Disability and the forecasted achievement of such goals for the remainder of the performance period applicable to such Performance Award) (and, for the avoidance of doubt, Employee shall remain eligible to receive benefits under any short- or long-term disability plans and policies as may be maintained by the Company from time to time under which Employee is eligible to receive benefits as of the Date of Termination in accordance with the terms and conditions applicable to such plans and policies (if any)).

4. Termination for Cause. If Employee's employment is terminated by the Company for Cause, Employee shall only be entitled to the Accrued Obligations and shall not be entitled to any severance benefits under the terms of this Agreement.

5. Resignation by Employee without Good Reason. If Employee resigns Employee's employment without Good Reason, Employee shall only be entitled to the Accrued Obligations and shall not be entitled to any severance benefits under the terms of this Agreement.

6. Termination Without Cause or for Good Reason (no Change in Control). If Employee's employment is terminated by Employer without Cause or by Employee for Good Reason (in either case, prior to or more than twenty-four (24) months following a Change in Control), then, in addition to the Accrued Obligations, subject to and conditioned upon Employee's timely execution and non-revocation of the Release (as defined and more fully described in Section IV.I below), which becomes effective and irrevocable no later than sixty (60) days following the Date of Termination, and Employee's continued compliance with the terms of Section VI.B of this Agreement, Employee shall be entitled to the following severance benefits:

a. Employer shall pay to Employee an amount in cash equal to eighteen (18) months of Employee's then-current Base Salary, payable in a single lump sum payment within sixty (60) days after the Date of Termination (with the actual payment date determined by the Company in its discretion); *provided*, that if the aggregate period during which Employee is entitled to consider and/or within revoke the Release spans two (2) calendar years, such amount will be paid in the second such calendar year.

b. Employer shall pay to Employee an amount in cash equal to a pro-rated Annual Bonus for the fiscal year in which the Date of Termination occurs, determined by multiplying the actual Annual Bonus that Employee would have otherwise been eligible to receive in respect of such fiscal year (taking into account actual performance for such fiscal year) by a fraction, the numerator of which equals the number of days Employee was employed during such fiscal year through the Date of Termination and the denominator of which equals 365 (or 366 for a leap year), payable when annual bonuses are generally paid to the Company's employees for such fiscal year, but in no event later than March 15th of the following calendar year.

c. During the period commencing on the Date of Termination and ending on the earlier of (i) the eighteen (18)-month anniversary thereof or (ii) the date on which Employee becomes covered by a group health insurance program provided by a subsequent employer (the "COBRA Period"), subject to Employee's valid election to continue healthcare coverage under Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code"), Employer shall continue to provide Employee and Employee's eligible dependents with coverage under Employer's group health plans at the same levels and same cost to Employee that would have applied had Employee's employment not terminated based on Employee's elections in effect on the Date of Termination, *provided, however*, that if Employer is otherwise unable to continue to cover Employee under its group health plans without violating applicable law or Employer or Employee incurring penalties or being subject to taxes, then, in any such case, an amount equal to each remaining Employer subsidy shall thereafter be paid to Employee as currently taxable compensation in substantially equal monthly installments over the COBRA Period (or remaining portion thereof).

d. With respect to any Equity Awards that are outstanding as of the Date of Termination, including any Performance Awards, notwithstanding anything to the contrary in the Omnibus Plan (or other applicable equity plan) or the award agreements evidencing such Equity Awards, such Equity Awards shall vest or be forfeited, as applicable, as follows:

(i) If, as of the Date of Termination, Employee has provided services (whether as an employee, consultant or director) for less than three (3) years, any Equity Awards that are unvested as of the Date of Termination shall be automatically forfeited on the Date of Termination;

(ii) If, as of the Date of Termination, Employee has provided services (whether as an employee, consultant or director) to the Employer Group for at least three (3) years but less than five (5) years, then (x) the portion of each outstanding

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Equity Award that is not a Performance Award that would have otherwise vested during the twelve (12) month period following the Date of Termination shall vest upon the date on which the Release becomes effective and irrevocable and (y) each then-unvested Performance Award that would otherwise have vested during the twelve (12) month period following the Date of Termination shall remain outstanding and eligible to vest in accordance with its terms for a period of twelve (12) months following the Date of Termination;

(iii) If, as of the Date of Termination, Employee has provided services (whether as an employee, consultant or director) to the

Employer Group for at least five (5) years, but less than ten (10) years, then (x) the portion of each outstanding Equity Award that is not a Performance Award that would have otherwise vested during the twenty-four (24) month period following the Date of Termination shall vest upon the date on which the Release becomes effective and irrevocable and (y) each then-unvested Performance Award that would otherwise have vested during the twenty-four (24) month period following the Date of Termination shall remain outstanding and eligible to vest in accordance with its terms for a period of twenty-four (24) months following the consummation Date of Termination; and

(iv) If, as of the Date of Termination, Employee has provided services (whether as an employee, consultant or director) to the Employer Group for ten (10) or more years, then (x) each Equity Award that is not a Change Performance Award shall vest in Control. For clarity, full (to the PSUs that become Earned PSUs extent then-unvested) upon the occurrence of a Change in Control described in Section 6(b) below date on which the Release becomes effective and irrevocable and (y) each then-unvested Performance Award shall not vest upon the consummation of such Change in Control remain outstanding and (subject eligible to the preceding sentence) shall instead vest in accordance with Sections 6(a) and (b) below. its terms.

(c) For purposes In addition to, and not in lieu of, this Agreement:

the foregoing clauses (i) "Cause" shall mean "Cause" (or any term through (iv), in the event of similar effect) as defined in Participant's employment or service agreement with the Company or its Affiliate or any applicable Company (or Affiliate) severance plan or arrangement covering Participant or to which Participant is a party if any such agreement, plan or arrangement exists and contains a definition of termination without Cause or for Good Reason, if no such agreement, plan or arrangement exists or such agreement, plan or arrangement does not contain a definition the Date of Cause, then "Cause" shall have the meaning set forth in the Plan.

(ii) "Qualifying Termination" shall mean (i) the death of Participant during Participant's Continuous Service, (ii) the termination of Participant's Continuous Service by the Company or its Affiliate due to Participant's Disability or (iii) the termination of Participant's Continuous Service by the Company or its Affiliate without Cause upon or within twenty-four (24) months following the consummation of a Change in Control.

6. TREATMENT UPON CHANGE IN CONTROL.

(a) Upon Termination occurs more than 24-months after the consummation of a Change in Control, (and subject to Participant's Continuous Service until at least immediately prior to such consummation) in which the consideration payable to the Company's stockholders consists solely of cash, the PSUs (to the extent outstanding then all Equity Awards held by Employee as of immediately the Date of Termination that were granted prior to the consummation of such Change in Control (and, for the avoidance of doubt, any other rights or awards, including rights to receive cash payments, whether or not contingent, into which any such awards may have been converted or for which any such awards may have been substituted in the Change in Control) (collectively, the "Equity-Linked Rights") shall vest in full on the date on which the Release becomes effective and irrevocable (and, for the avoidance of doubt, such Equity-Linked Rights that are eligible for vesting acceleration shall remain outstanding and eligible to vest following

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the Date of Termination and through the date on which the Release becomes effective and irrevocable).

e. Employer shall provide to Employee outplacement services at the expense of Employer (not to exceed $20,000 in the aggregate) consistent with those services customarily provided by the Company to similarly situated executives until the earlier of (i) twelve (12) months immediately following the Date of Termination or (ii) the date on which Employee accepts an offer of full-time employment from a subsequent employer.

For clarity, in the event that Employee is entitled to receive severance benefits under Section IV.F.7., Employee will not be entitled to receive severance benefits under this Section IV.F.6.

7. Termination without Cause or for Good Reason Following Change in Control. If Employee's employment is terminated by Employer without Cause or by Employee for Good Reason, in either case within twenty-four (24) months following a Change in Control, then, in addition to the Accrued Obligations, subject to and conditioned upon Employee's timely execution and non-revocation of the Release (as more fully described in Section IV.I below), which becomes effective and irrevocable no later than sixty (60) days following the Date of Termination, and Employee's continued compliance with Section VI.B of this Agreement, Employee shall be cancelled and converted into entitled to the following severance benefits:

a. Employer shall pay to Employee an amount in cash without interest, equal to (i) thirty (30) months of Employee's then-current Base Salary plus (ii) an amount equal to two hundred fifty percent (250%) of Employee's Target Bonus for the product obtained fiscal year in which the Date of Termination occurs, plus (iii) a pro-rated Target Bonus for the fiscal year in which the Date of Termination occurs, determined by multiplying Employee's then-current Target Bonus by a fraction, the numerator of which equals the number of days Employee was employed during such fiscal year through the Date of Termination and the denominator of which equals 365 (or 366 for a leap year), payable in a single lump sum payment within sixty (60) days after the Date of Termination (with the actual payment date determined by the Company in its discretion); *provided*, that if the aggregate period during which Employee is entitled to consider and/or revoke the Release spans two (2) calendar years, such amount will be paid in the second such calendar year.

b. During the period commencing on the Date of Termination and ending on the earlier of (i) the aggregate number of Earned PSUs (determined in accordance with Section 5(b) hereof) thirty (30)-month anniversary thereof or (ii) the date on which Employee becomes covered by a group health insurance program provided by a subsequent employer (the "CIC COBRA Period"), subject to this Award immediately prior Employee's valid election to continue healthcare coverage under Section 4980B of the Code, Employer shall continue to provide Employee and Employee's eligible dependents with coverage under Employer's group health plans at the same levels and same cost to Employee that would have applied had Employee's employment not terminated based on Employee's elections in effect on the Date of Termination, *provided, however*, that if Employer is otherwise unable to continue to cover Employee under its group health plans without violating applicable law or Employer or Employee incurring penalties or being subject to taxes, then, in any such case, an amount equal to each remaining Employer

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subsidy shall thereafter be paid to Employee as currently taxable compensation in substantially equal monthly installments over the CIC COBRA Period (or remaining portion thereof).

c. Notwithstanding anything to the consummation contrary in the Omnibus Plan (or other applicable equity plan) or the award agreements evidencing such rights or awards, all Equity-Linked Rights and all equity awards granted to Employee following the closing of the Change in Control, in any case, held by Employee as of the Date of Termination shall vest in full on the date on which the Release becomes effective and irrevocable (and, for the avoidance of doubt, such Equity-Linked Rights and other equity awards that are eligible for vesting acceleration shall remain outstanding and eligible to vest following the Date of Termination and through the date on which the Release becomes effective and irrevocable).

d. Employer shall provide to Employee outplacement services at the expense of Employer (not to exceed $20,000 in the aggregate) consistent with those services customarily provided by the Company to similarly situated executives until the earlier of (i) twelve (12) months immediately following the Date of Termination or (ii) the per share consideration payable date on which Employee accepts an offer of full-time employment from a subsequent employer.

For clarity, in the Change event that Employee is entitled to receive severance benefits under this Section IV.F.7, Employee will not be entitled to receive severance benefits under Section IV.F.6.

G. Limitation on Payments. Anything in Control this Agreement to the contrary notwithstanding, in respect the event that it shall be determined (as hereinafter provided) that any payment or distribution by Employer Group to or for the benefit of Common Shares (the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, or pursuant to or by reason of any other agreement, policy, plan, program, or arrangement including, without limitation, any Equity Award or Equity-Linked Rights, or the lapse or termination of any restriction on, or the vesting or exercisability of, any of the foregoing (collectively, the "CIC Consideration Payments"), with would be subject, but for the CIC Consideration, less applicable withholding taxes and deductions, application of this Section IV.G to be paid to Participant on the same schedule as, and subject to such terms and conditions as apply to, payments excise tax imposed by Section 4999 of the Change Code, or any successor provision thereto (hereinafter the "Excise Tax"), by reason of being considered "contingent on a change in Control consideration ownership or effective control" of a member of the Employer Group, within the meaning of Section 280G(b)(2) of the Code, or any successor provision thereto, then:

1. if the After-Tax Payment Amount would be greater by reducing the amount of the Payments otherwise payable to Employee to the Company's stockholders generally minimum extent necessary (but in no event later less than five (5) years zero) so that, after the consummation such reduction, no portion of the Change in Control). Payments would be subject to the Excise Tax, then the Payments shall be so reduced; and

(b) 2. Upon if the consummation After-Tax Payment Amount would be greater without reducing the Payments, then there shall be no reduction in the Payments.

As used in this Section IV.G, "After-Tax Payment Amount" means (i) the aggregate amount of a Change in Control (and subject the Payments, less (ii) the amount of federal income taxes payable with respect to Participant's Continuous Service until the Payments calculated at least immediately prior to such consummation) the then-applicable federal income tax rate for each year in which the consideration payable to the Company's stockholders consists solely of non-cash consideration (including, for example, a Change in Control in which the consideration consists solely of equity of the buyer or successor entity (or an Affiliate thereof)), this Award (to the extent outstanding as of immediately prior to the consummation of such Change in Control) shall be cancelled and converted into an amount, without interest, equal to the CIC Consideration. The portion of the CIC Consideration that is payable in respect of the Earned PSUs that are vested as of immediately prior to the Change in Control (after taking into account any vesting that occurs in connection with the Change in Control, if any), less applicable withholding taxes and deductions, Payments shall be paid to Participant on Employee (based upon the same schedule as, and subject to such terms and conditions as apply to, payments of such Change in Control consideration to the Company's stockholders generally (but in no event later than five (5) years after the consummation of the Change in Control). The portion of the CIC Consideration that is payable in respect of the Earned PSUs (determined in accordance with Section 5(b) hereof) that are unvested as of immediately prior to the Change in Control (after taking into account any vesting that occurs in connection with the Change in Control, if any) (the "Unvested Consideration") shall (i) be earned on the date(s) on which such underlying Earned PSUs would otherwise have vested in accordance with the vesting terms of this Agreement as rate in effect immediately prior to for such year as set forth in the consummation of the Change in Control (the "Vesting Schedule"), subject to satisfaction of all applicable vesting conditions on or prior to such date(s), and (ii) be paid to Participant (less applicable withholding taxes and deductions) on or within thirty (30) days following the later of (x) the applicable date that such underlying Earned PSUs would have become vested in accordance with the Vesting Schedule or (y) with respect to any Unvested Consideration that constitutes Contingent Consideration (as

defined below) Code at the time of the Payments), less (iii) the date such amounts are payable amount of the Excise Tax, if any, imposed upon the Payments. For purposes of any reduction made under Section IV.G.1, the Payments that shall be reduced shall be those that provide Employee the best economic benefit, and to the Company's stockholders generally (but in no event later than five (5) years after the consummation extent any Payments are economically equivalent, each shall be reduced pro rata.

H. Compliance with Section 409A of the Change in Control); provided, that, notwithstanding Code. The payments to be made under this Agreement (including, without limitation, the severance payments and benefits under Section IV.F) are intended to be exempt from or compliant with Section 409A of the Code, and the provisions of this Agreement will be administered, interpreted and construed accordingly. Notwithstanding the foregoing, Employer makes no representation or warranty and shall have no liability to Employee or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code and do not satisfy an exemption from, or the applicable requirements of, Section 409A of the Code.

1. For all purposes of this Agreement, Employee shall be considered to have terminated employment with respect to any Unvested Consideration underlying such Earned PSUs that immediately prior Employer when Employee incurs a "separation from service" with the Employer Group within the meaning of Section 409A(a)(2)(A)(i) of the Code.

2. Notwithstanding anything herein to the consummation contrary, if the Company determines that severance payments due under this Agreement on account of the Change in Control termination of Employee's employment constitute "deferred compensation" subject to Section 409A payment of the Unvested Consideration shall be made on the date(s) on which the underlying Earned PSUs would otherwise be paid to the extent required to comply with Section 409A of the Code. For purposes hereof, "Contingent Consideration" means that portion (if any) of the consideration payable in the Change in Control in respect of Common Shares that is received by the Company's stockholders more than thirty (30) days after the Closing, including any post-closing purchase price adjustment, earn-out, holdback, escrow, or other form of deferred consideration.

7. SETTLEMENT AND DELIVERY OF COMMON SHARES. Except as set forth in Sections 6(a) and 6(b) above, settlement of Earned PSUs shall be made on the date on the later of (x) the date on which the PSUs become Earned PSUs, (y) the date on which such Earned PSUs vest, or, (z) the payment date under the terms of any deferral arrangement as may be established between the Company and Participant (in each case subject to an administrative processing window of up to fifteen (15) days thereafter). Except as set forth in Sections 6(a) and 6(b) above, settlement will be made by issuance of Common Shares. Notwithstanding the foregoing, the Company shall not be obligated to issue any Common Shares if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Shares is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the issuance of Common Shares to comply with any such law, rule, regulation or agreement.

8. NON-TRANSFERABILITY. Participant may not sell, transfer, pledge, exchange, hypothecate, or otherwise encumber or dispose of any of the PSUs, or any right or interest therein, or any right to the CIC

Consideration (as applicable) by operation of law or otherwise. PSUs are (and, as applicable, Participant's right to the CIC Consideration is) personal to Participant and non-assignable and non-transferable other than by will or by the laws of descent and distribution in the event of death of Participant. Any transfer in violation of this Section 8 shall be void and of no force or effect.

9. DIVIDEND AND VOTING RIGHTS. Participant shall have no rights to dividends or other rights of a stockholder with respect to the PSUs unless and until such time as the Award has been settled by the issuance of Common Shares to Participant. Participant shall have the right to receive a cash dividend equivalent payment with respect to the Earned PSUs for cash dividends payable to holders of Common Shares as of a record date designated by the Company that is within the period beginning on the Date of Grant and ending on the date the Common Shares are issued to Participant in settlement of Earned PSUs (or, if earlier, the date on which a Change in Control is consummated), which dividend equivalent payment shall be payable to Participant at the same time as, and only to the same extent that, Participant receives settlement of the Earned PSUs in accordance with Section 7. In the event of forfeiture of PSUs, Participant shall have no further rights with respect to such PSUs or any dividend equivalents accrued with respect to such forfeited PSUs.

10. CAPITAL ADJUSTMENTS AND CORPORATE EVENTS. If, from time to time during the term of this Agreement, there is any capital adjustment affecting the outstanding Common Shares as a class without the Company's receipt of consideration, the number of PSUs shall be adjusted in accordance with the provisions of Section 13(a) of the Plan.

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11. TAX MATTERS.

(a) The Company's obligation to deliver Common Shares to Participant upon the settlement of such PSUs or the Company's obligation to make, or cause one of its Affiliates to make, any payment to Participant of the CIC Consideration (as applicable) shall be subject to the satisfaction of any and all applicable federal, state and local income and/or employment tax withholding requirements (the "Required Withholding"). At the time of issuance of Common Shares upon settlement of PSUs, the Company shall withhold from the Common Shares that otherwise would have been delivered to Participant an appropriate number of Common Shares necessary to satisfy Participant's Required Withholding, and deliver the remaining Common Shares to Participant or, with respect to the CIC Consideration, the Company shall (or shall cause its Affiliate to) withhold from the payment of the CIC Consideration the amount necessary to satisfy Participant's Required Withholding and make payment of the remaining amount to Participant. The distribution of Common Shares described in Section 7 will be net of such Common Shares that are withheld to satisfy applicable taxes pursuant to this Section 11 or netting the Required Withholding against the CIC Consideration otherwise due to Participant (as applicable). In lieu of withholding Common Shares, the Committee may, in its discretion, authorize the satisfaction of tax withholding by a cash payment to the Company, by withholding an appropriate amount of cash from base pay, or by such other method as the Committee determines may be appropriate to satisfy all obligations for withholding of such taxes. The obligations of the Company under this Award will be conditioned on such satisfaction of the Required Withholding.

(b) Participant acknowledges that the tax consequences associated with this Award are complex and that the Company has urged Participant to review with Participant's own tax advisors the federal, state, and local tax consequences of this Award. Participant is relying solely on such advisors and not on any statements or representations of the Company, its Affiliates or any of their agents. Participant understands that Participant (and not the Company or its Affiliates) shall be responsible for Participant's own tax liability that may arise as a result of the Award.

12. ENTIRE AGREEMENT; GOVERNING LAW. The Plan, the Long-Term Plan and this Agreement constitute the entire agreement of the Company and Participant (collectively, the "Parties") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof. If there is any inconsistency among the provisions of this Agreement, of the Plan and of the Long-Term Plan, the provisions of the Plan shall govern. Nothing in the Plan, the Long-Term Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. THE PLAN, THE LONG-TERM PLAN AND THIS AGREEMENT ARE TO BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE-OF-LAW RULE THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE INTERNAL LAWS OF THE STATE OF DELAWARE TO THE RIGHTS AND DUTIES OF THE PARTIES. Should any provision of the Plan, the Long-Term Plan or this Agreement relating to the subject matter hereof be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed

by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

13. INTERPRETIVE MATTERS. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term “include” or “including” does not denote or imply any limitation. The captions and headings used in this Agreement are inserted

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for convenience and shall not be deemed a part of this Award or this Agreement for construction or interpretation.

14. DISPUTE RESOLUTION. The provisions of this Section 14 shall be the exclusive means of resolving disputes of the Parties (including any other persons claiming any rights or having any obligations through the Company or Participant) arising out of or relating to the Plan, the Long-Term Plan and this Agreement. The Parties shall attempt in good faith to resolve any disputes arising out of or relating to the Plan, the Long-Term Plan and this Agreement by negotiation between individuals who have authority to settle the controversy. Negotiations shall be commenced by either Party by a written statement of the Party’s position and the name and title of the individual who will represent the Party. Within thirty (30) days of the written notification, the Parties shall meet at a mutually acceptable time and place, and thereafter as often as both parties reasonably deem necessary, to resolve the dispute. If the dispute has not been resolved by negotiation within ninety (90) days of the written notification of the dispute, either Party may file suit and each Party agrees that any suit, action, or proceeding arising out of or relating to the Plan, the Long-Term Plan or this Agreement shall be brought in the United States District Court for the Southern District of Texas, Houston Division (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Texas state court in Harris County, Texas) and that the Parties shall submit to the jurisdiction of such court. The Parties irrevocably waive, to the fullest extent permitted by law, any objection a Party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 14 shall for any reason be held invalid or

unenforceable, it is the specific intent of the Parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. RESTRICTIVE COVENANTS. In consideration for the grant of this Award, Participant hereby agrees to abide by the restrictive covenants set forth in Section 14 of the Plan.

16. AMENDMENT; WAIVER. This Agreement may be amended or modified only by means of a written document or documents signed by the Company and Participant. Any provision for the benefit of the Company contained in this Agreement may be waived, either generally or in any particular instance, by the Board or by the Committee. A waiver on one occasion shall not be deemed to be a waiver of the same or any other breach on a future occasion.

17. NOTICE. Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, and addressed as applicable, if to the Company, at its corporate headquarters address, Attention: Stock Plan Administration, and if to Participant, at its address on file with the Company's stock plan administration service provider.

18. CLAWBACK. Participant acknowledges and agrees that any portion of this Award may be subject to clawback as deemed appropriate by the Board pursuant to the Plan or any clawback policy of the Company. Participant hereby acknowledges and agrees in writing to the foregoing as a condition to receipt of this Award.

19. SECTION 409A. The award of PSUs is intended to be (i) exempt from Section 409A of the Code, including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of this Agreement shall be administered, interpreted and

construed accordingly.Notwithstanding anything herein to the contrary, if Participant that Employee is a “specified employee” as such term is defined in Section 409A 409A(a)(2)(B)(i) of the Code any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within and 26 C.F.R. Section 1.409A-1(i), then such severance payments shall commence on the meaning of Section 409A first payroll date of the Code on account seventh month following the month in which Employee’s termination occurs (with the first such payment being a lump sum equal to the aggregate severance payments Employee would have received during the prior six-month period if no such delay had been imposed). For purposes of separation from service (other than this Agreement, whether Employee is a “specified employee” will be determined in accordance with the written procedures adopted by reason of death) to Participant the Board or a committee thereof which are incorporated by reference herein.

3. All reimbursements and in-kind benefits provided under this Agreement shall not be payable before the earlier of (i) the date that is 6 months after the date of Participant’s separation from service, made or (ii) the date that otherwise complies provided in accordance with the requirements of Section 409A of the Code. To Code and the regulations and guidance promulgated thereunder to the extent required to comply with that such reimbursements or in-kind benefits are not exempted from Section 409A of the Code, including where applicable, the requirement that (a) any amounts that would otherwise reimbursement is for expenses incurred during Employee’s lifetime (or during a shorter period of time specified in the Agreement); (b) the amount of expenses eligible for reimbursement during the calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (c) the reimbursement of an eligible expense will be payable hereunder upon an event described in Section 2(f) made on or before the last day of the Plan as nonqualified deferred compensation within calendar year following the meaning year in which the expense is incurred; and (d) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

I. Confidential Severance Agreement and Release. Receipt of Section 409A of the Code, such event shall not constitute a “Change in Control” any severance benefits under this Agreement pursuant to Section IV.F.6 or Section IV.F.7 is conditioned on Employee’s timely execution and delivery to Employer and non-revocation of an executed Confidential Severance Agreement and Release of All Claims (the “Release”). A form of

Release is attached as Schedule A hereto. Employee acknowledges that Employer retains the right to modify the required form of the Release as Employer deems necessary in order to effectuate a full and complete release of claims against the Employer Group and its affiliates, officers and directors.

V. COMPANY-RELATED INVENTIONS AND DEVELOPMENTS

A. Records of Inventions. Employee shall keep complete and current written records of Inventions and Developments made during the course of Employee's employment with Employer and promptly disclose all such Inventions and Developments in writing to Employer so that it may adequately determine its rights in such Inventions and Developments. Employee shall supplement any such disclosure to the extent Employer may reasonably request. If Employee has any doubt as to whether or not to disclose any Inventions and Developments, Employee shall disclose the same to Employer.

B. Ownership of Inventions. All Company-Related Inventions and Developments made by Employee during the term of Employee's employment with the Employer Group shall be the sole and exclusive property of the applicable member(s) of the Employer Group then-employing Employee. Employee shall assign, and does hereby assign, Employee's entire right, title and interest in such Company-Related Inventions and Developments to the applicable member(s) of the Employer Group. Employer's ownership and the foregoing assignment shall apply, without limitation, to all rights under the patent, copyright, and trade secret laws of any jurisdiction relating to Company-Related Inventions and Developments. If Employee asserts any property right in any Inventions and Developments made by Employee during the term of Employee's employment with the Employer Group, Employee shall promptly notify Employer of the same in writing.

C. Cooperation with Employer. At Employer's sole cost and expense, Employee shall assist and fully cooperate with Employer in obtaining and maintaining the fullest measure of legal protection which the Employer Group elects to obtain and maintain for Inventions and Developments in which the Employer Group has a property right. Employee shall execute any lawful document requested by Employer relating to obtaining and maintaining legal protection for any said Inventions and Developments including, but not limited to, executing applications, assignments, oaths, declarations and affidavits. At Employer's sole cost and expense, Employee shall make Employee available for interviews, depositions and testimony relating to any said Inventions and Developments. These obligations shall survive the termination of Employee's employment with Employer, provided that Employer shall compensate Employee at a reasonable rate after such termination for time actually spent by Employee at Employer's requests on such assistance. In the event Employer is unable for any reason whatsoever to secure Employee's signature to any document reasonably necessary or appropriate for any of the foregoing purposes including, but not limited to, renewals, extensions, continuations, divisions or continuations in part, in a timely manner, Employee irrevocably designates and appoints Employer and its duly authorized officers and agents as Employee's agents and attorneys-in-fact to act for Employee and on Employee's behalf, but only for purposes of executing and filing any

such document and doing all other lawfully permitted acts to accomplish the foregoing purposes with the same legal force and effect as if executed by Employee.

D. Pre-employment Inventions. Employee shall completely identify on Schedule B attached hereto, without disclosing any trade secret or other proprietary and confidential information, all Inventions and Developments made by Employee prior to Employee's employment with the Employer Group in which Employee has an ownership interest and which is not the subject matter of an issued patent or a printed publication at the time Employee executes this Agreement.

E. Disclosure of Inventions after Termination. Employee shall promptly and completely disclose in writing to Employer's law department all Company-Related Inventions and Developments made by Employee during the one (1) year immediately following Employee's termination of employment with the Employer Group, whether voluntarily or involuntarily, for the purposes of determining the Employer Group's rights in each such invention. It will be presumed that Company-Related Inventions and Developments conceived by Employee which are reduced to practice within one (1) year after termination of Employee's employment with the Employer Group, whether voluntary or involuntary, were conceived during the term of Employee's employment with the Employer Group unless Employee is able to establish a later conception date by clear and until such event constitutes a change convincing evidence.

VI. OBLIGATIONS RELATING TO PROPRIETARY AND CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

A. Obligations of Employer.

1. Proprietary and Confidential Information. Employer shall provide Employee, during Employee's employment, with valuable Proprietary and Confidential Information for the purpose of assisting Employee in the ownership performance of Employee's job requirements and responsibilities with Employer. In addition, Employer shall provide to Employee, during Employee's employment, with the equipment, materials and facilities necessary to assist Employee in the performance of Employee's job requirements and responsibilities with Employer.

2. Training. Employer shall provide Employee with any and all specialized training necessary to assist Employee in the performance of Employee's job requirements and responsibilities with Employer including, but not limited to, training relating to Employer's cost structures, Employer's methods of operation, Employer's products and marketing techniques, and Employer's business strategies, plans and models.

B. Obligations of Employee.

1. Nondisclosure of Proprietary and Confidential Information.

a. Both during Employee's employment with the Employer Group and after the termination of such employment, whether such termination is voluntary or effective control

involuntary, Employee shall keep in confidence and trust all Proprietary and Confidential Information, for so long as the Proprietary and Confidential Information remains confidential or a trade secret, as applicable. Both during Employee's employment with the Employer Group and after the termination of such employment, whether such termination is voluntary or involuntary, Employee shall not use or disclose Proprietary or Confidential Information without the written consent of Employer, except as may be necessary in the ordinary course of performing Employee's duties to Employer. Employee shall bear all costs, losses and damages resulting from a breach by Employee of this paragraph. Nothing herein shall prevent Employee from making statements to the extent required by applicable law to respond to an order or subpoena of a court of competent jurisdiction or in response to any subpoena issued by a state or federal governmental agency; provided that Employee will provide Employer with prompt notice of any such legal requirement so that Employer or its designee may seek a protective order or other appropriate remedy. Notice is not required where disclosure is required by any governmental agency that directs Employee to refrain from notifying the Employer or with regard to matters before the Securities and Exchange Commission.

b. Notwithstanding anything herein to the contrary, nothing contained in this Agreement shall prohibit Employee from (i) making communications related to unlawful acts in the workplace or otherwise protected by applicable law, such as harassment, discrimination, or any other conduct Employee has reason to believe is unlawful, (ii) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with, any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation, (iii) exercising any rights Employee may have under Section 7 of the Company U.S. National Labor Relations Act, if any, such as the right to engage in concerted activity, (iv) making disclosures with respect to sexual harassment or sexual assault allegations under federal, state, tribal or local law before the dispute arises and/or (v) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state, or local government regulator (including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice or the U.S. National Labor Relations Board) for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Employee's attorney or in the ownership of a substantial portion of the assets of the Company within the meaning of sealed complaint or other document filed in a lawsuit or other governmental proceeding. Pursuant to 18 U.S.C. Section 409A(a)(2)(A)(v) of the Code. The Company makes no commitment 1833(b), (x) Employee will not be held criminally or guarantee to Participant that civilly liable under any federal or state tax treatment trade secret law for the disclosure of a trade secret that is made: (I) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (II) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (y) if Employee files a lawsuit for retaliation by the Employer Group for reporting a suspected violation of law, Employee may disclose trade secrets to Employee's attorney and use trade secrets in the court proceeding, if Employee files any document containing trade secrets under seal, and does not disclose the trade secrets, except pursuant to court order.

2. Return of Proprietary and Confidential Information. All documents and tangible things (whether written or electronic) embodying or containing Proprietary and

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Confidential Information are the Employer Group's exclusive property. Employee shall apply be provided with or given access to such Proprietary and Confidential Information solely for performing Employee's duties of employment with Employer. Employee shall protect the confidentiality of their content and shall return all such Proprietary and Confidential Information, including all copies, facsimiles and specimens of them in any tangible or electronic forms in Employee's possession, custody or control to Employer before leaving the employment of Employer for any reason, whether voluntary or involuntary.

3. Confidential Information from Previous Employment. Employee shall not disclose or use during Employee's employment with the Employer Group any proprietary and confidential information which Employee has acquired as a result of any previous employment or under a contractual obligation of confidentiality before Employee's employment with Employer and, furthermore, Employee shall not bring to the premises of Employer any copies or other tangible embodiments of any such proprietary and confidential information. Employee represents that Employee is not subject to any existing obligations (whether written or oral) such as confidentiality agreements or covenants restricting future employment which Employee has entered into that might in any way restrict Employee's use or disclosure of information or engagement in any business or otherwise be violated by Employee's employment with Employer or the performance of Employee's duties for Employer. Employee agrees to indemnify and hold the Employer Group harmless from any and all claims or causes of action by any person or entity against Employer arising out of any alleged breach by Employee of any such

agreement or any other restrictions inconsistent with the foregoing representations. Notwithstanding the foregoing, Proprietary and Confidential Information obtained by Employee during the course of Employee's employment with the Employer Group prior to the Effective Date is excepted from this provision.

4. Conflict of Interest. Employee shall not engage in outside employment or other activities in the course of which Employee would use or might be tempted or induced to use Proprietary and Confidential Information in other than the Employer Group's own interest.

5. Agreement Not to Compete or Solicit. Employee agrees that in order to preserve the confidentiality of the Proprietary and Confidential Information, to prevent the theft or misuse of the Proprietary and Confidential Information, and to protect the Employer Group's customer relationships with its existing customers, Employee agrees that during the Covenant Period (as defined below), Employee shall not, without Employer's written consent, directly or indirectly, for Employee or on behalf of or in conjunction with any other person, persons, company, partnership, corporation or business venture of any nature (other than on behalf of the Employer Group):

a. Non-Competition. Engage in, or provide services (or, following Employee's termination of employment with the Employer Group, provide services that are substantially similar to those provided by Employee to the Employer Group prior to such termination), whether as an officer, director, shareholder, owner, partner, joint venturer, employee, independent contractor, consultant, advisor or sales representative, to any person or entity engaged in the Business in the Territory.

b. Non-Solicitation of Customers and Prospective Acquisitions. (i) Solicit or call upon any person or entity that Employee actually sold or delivered any services to, had direct contact with or formed a business relationship with during the preceding two (2) years for the purpose of soliciting or selling products or services in competition with the Employer Group in the Territory; or (ii) solicit or call upon any prospective acquisition candidate of the Employer Group or investment or investment opportunity of the Employer Group, on Employee's own behalf or on behalf of any other person, which candidate, investment or investment opportunity was, to Employee's actual knowledge after due inquiry, either called upon by any member of the Employer Group or for which any member of the Employer Group made an acquisition or investment analysis for the purpose of acquiring or investing in such entity, in any case, within the preceding two (2) years.

c. Non-Solicitation of Employees. Employ, hire, solicit, induce or identify for employment or attempt to employ, hire, solicit, induce or identify for employment, directly or indirectly, any employee(s) of a member of the Employer Group or any individual who was an employee of a member of the Employer Group within the preceding year to leave his or her employment and become an employee, consultant or representative of any other entity including, but not limited to, Employee's new employer, if any.

6. Publicly Traded Securities. The provisions of Section VI.B.5 of this Agreement shall not prevent Employee from acquiring or holding publicly traded stock or other public securities of a competing company, so long as Employee's ownership does not exceed two percent (2%) of the outstanding securities of such company.

7. Agreement to Inform Subsequent Employers and Report New Employer. During the Covenant Period, Employee agrees to inform each new employer, prior to accepting employment, of the existence of this Agreement and provide that employer with a copy of this Agreement. Employee also agrees to provide Employer with the identity of Employee's new employer(s) and a description of the services being provided by Employee in sufficient detail to allow Employer to reasonably determine whether such activities fall within the scope of activities prohibited by the provisions of this Agreement.

8. Reasonableness of Restrictions. Employee acknowledges that the restrictions set forth in Section VI.B of this Agreement are intended to protect the Employer Group's legitimate business interests and its Proprietary and Confidential Information and established relationships and goodwill. Employee acknowledges that the time, geographic and scope of activity limitations set forth herein are reasonable and necessary to protect the Employer Group's legitimate business interests. Employee and the Employer each expressly agree and stipulate that the covenants and agreements contained in Section VI.B are separate, severable and divisible, and if any portion or portions of the covenants and agreements contained in Section VI.B are declared invalid or unenforceable by any court of competent jurisdiction, the validity of the remaining covenants and agreements shall not be affected thereby. In addition, the enforceability of the covenants and agreements contained in Section VI.B shall not in any way be affected by any claim, action, cause of action, defense or right which Employee may have

against the Employer Group, it being the intention of the parties that Employer, on behalf of the Employer Group, has the right to enforce the covenants and agreements contained in Section VI.B, regardless of the existence of any such claim, action, cause of action, defense or right. In addition, if, at the time of enforcement of Section VI.B, a court holds that the duration, geographical area or scope of activity restrictions stated in Section VI.B are unreasonable under circumstances then existing or impose a greater restraint than is necessary to protect the goodwill and other business interests of the Employer Group, the parties agree that the maximum duration, scope or area reasonable under such circumstances will be substituted for the stated duration, scope or area and that the court will be allowed to revise the restrictions contained in Section VI.B to cover the maximum duration, scope and area permitted by law.

9. Ability to Obtain Other Employment. Employee acknowledges that (a) in the event of the termination of Employee's employment with the Employer Group (whether voluntary or involuntary), Employee's knowledge, experience and capabilities are such that Employee can obtain employment in business activities without violating the covenants and agreements contained in Section VI.B; and (b) the enforcement of a remedy hereunder including, but not limited to, injunctive relief, will not prevent Employee from earning a reasonable livelihood.

10. Remedies/Damages.

a. Injunctive Relief. Employee acknowledges that Employee's compliance with Section VI.B of this Agreement is necessary to protect the goodwill and other legitimate business interests of the Employer Group and that a breach of any or all of these provisions will give rise to irreparable and continuing injury to the Employer Group that is not adequately compensable in monetary damages or at law. Accordingly, Employee agrees that the Employer Group may obtain injunctive relief against the breach or threatened breach of any or all of these provisions, in addition to any other legal or equitable remedies which may be available to the Employer Group at law or in equity or under this Agreement. Because Employee further acknowledges that it would be difficult to measure any person eligible damages caused to the Employer Group that might result from any breach by Employee of any promises set forth in this Agreement, Employee agrees that the Employer Group shall be entitled to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Employer Group, as well as to be relieved of any obligation to provide further payment or benefits to Employee or Employee's dependents.

b. Other Remedies. If Employee violates and/or breaches this Agreement, the Employer Group shall be entitled to an accounting and repayment of all lost profits, compensation, commissions, remuneration or benefits that Employee directly or indirectly has realized or may realize as a result of any such violation or breach. The Employer Group shall also be entitled to recover for benefits all lost sales, profits, commissions, goodwill and customers caused by Employee's improper acts, in addition to and not in limitation of any injunctive relief or other rights or remedies that the Employer Group is or may be entitled to at law or in equity or under this Agreement.

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20. c. ACKNOWLEDGMENTS Costs. PARTICIPANT ACKNOWLEDGES AND AGREES THAT (A) THE SHARES SUBJECT TO THIS PSU AWARD SHALL BECOME EARNED PSUs AND THE FORFEITURE RESTRICTIONS SHALL LAPSE, IF AT ALL, ONLY DURING THE PERIOD OF PARTICIPANT'S CONTINUOUS SERVICE OR AS OTHERWISE PROVIDED IN THIS AGREEMENT, AND (B) NOTHING IN THIS AGREEMENT, THE PLAN OR THE LONG-TERM PLAN SHALL CONFER UPON PARTICIPANT ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF PARTICIPANT'S CONTINUOUS SERVICE. Participant Employee and Employer acknowledge that should it become necessary for either party to file suit to enforce the provisions contained herein, and any court of competent jurisdiction awards to the Employee any damages and/or an injunction due to the acts of the Employer, then the Employer shall pay all amounts and damages to which Employee may be entitled, including interest thereon and reimbursement for reasonable attorneys' fees and other costs incurred by Employee in connection with such action.

d. Extension of Limitations as to Time. Employee acknowledges receipt of an electronic copy and agrees that, in the event Employee breaches Employee's obligations set forth in Section VI.B of this Agreement, the Plan limitations as to time outlined in Section VI.B.5 shall be extended by the length of time during which Employee is in breach thereof.

11. Inevitable Disclosure. Employee acknowledges and agrees not to engage, without the Long-Term Plan and represents that he or she is familiar prior written consent of Employer, either during the period of Employee's employment with the terms hereof Employer Group or during the Covenant Period, in any activity or employment in the faithful performance of which it could be reasonably anticipated that Employee would use or disclose, or be expected or required to use or disclose, Proprietary and thereof. Participant has reviewed Confidential Information. Employee further acknowledges and agrees that in light of Employee's position with Employer and access to Proprietary and Confidential Information, it can be presumed that Employee will inevitably disclose such Proprietary and Confidential Information if Employee subsequently obtains similar or comparable employment with one of the competitors of the Employer Group.

The restrictions set forth in this Agreement, section will not apply to information that is generally known to the Plan and public or in the Long-Term Plan, has had trade, unless such knowledge results from an opportunity to obtain unauthorized disclosure by Employee, but this exception will not affect the advice application of tax and legal counsel prior to accepting the Award and becoming bound by this Agreement, and understands all any other provisions of this Agreement to such information in accordance with the Plan terms of such provision.

12. Covenant Period. For the purposes of this Section VI, the Covenant Period shall mean the period of Employee's employment with the Employer Group and ending on: (a) if Employee's employment is terminated by Employer without Cause or by Employee for Good Reason, in either case, prior to or more than twenty-four (24) months following a Change in Control, the Long-Term Plan. Participant eighteen (18)-month anniversary of the Date of Termination; (b) if Employee's employment is terminated by Employer without Cause or by Employee for Good Reason, in either case, within twenty-four (24) months following a Change in Control, the twenty-four (24)-month anniversary of the Date of Termination; and (c) if Employee's employment terminated for any reason not described in the foregoing clauses (a) and (b), the twelve (12)-month anniversary of the Date of Termination.

13. Non-Disparagement. Employee acknowledges and agrees that all disputes both during and after Employee's employment with the Employer Group, whether such termination of employment is voluntary or involuntary, Employee shall not disparage, denigrate or comment negatively

upon, either orally or in writing, the Employer Group or any of its officers, directors, employees or representatives, to or in the presence of any person or entity, (i) except to members of Employee’s immediate family or in confidence to Employee’s attorney(s), financial advisor(s) or accountant(s) for the purpose of seeking legal, financial or tax advice, or (ii) unless compelled

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to act by a valid subpoena or other legal mandate or otherwise required by law; provided, however, if Employee receives such a valid subpoena or legal mandate, Employee shall provide Employer with written notice of the same at least five (5) business days prior to the date on which Employee is required to make the disclosure. The Employer agrees to instruct the Employer’s executive officers and members of the Board (the “Employer Representatives”) not to, directly or indirectly, disparage, denigrate or comment negatively upon, either orally or in writing, Executive in any manner that is likely to be harmful to Employee’s business reputation, to or in the presence of any person or entity, (i) except to members of the Employer Representatives’ immediate families or in confidence to their attorney(s), financial advisor(s) or accountant(s) for the purpose of seeking legal, financial or tax advice, (ii) except statements made by the Employer Representative in the good faith performance of their duties to the Employer or (iii) unless compelled to act by a valid subpoena or other legal mandate or otherwise required by law.

VII. CHOICE OF LAW; ARBITRATION

A. Employer and Employee acknowledge and agree that this Agreement shall be interpreted, governed by and construed in accordance with the laws of the State of Texas, without regard to the conflict of laws principles or rules thereof.

B. Any controversy or dispute between Employer (including its officers, employees, directors, shareholders, agents, successors and assigns) and Employee that establishes a legal or equitable cause of action, whether based on contract, common law, or federal, state or local statute or regulation, arising out of, or relating to Employee’s employment or the termination thereof, shall be submitted to final and binding arbitration as the sole and exclusive remedy for such controversy or dispute. Notwithstanding the foregoing, this Agreement shall not require the parties hereto to arbitrate pursuant to this Agreement: (1) any claim under a Company benefit plan subject to the Employee Retirement Income Security Act, as amended; (2) any claim as to which applicable law not preempted by the Federal Arbitration Act prohibits resolution by binding arbitration hereof, (3) sexual harassment and sexual assault disputes arising under federal, state, local, or tribal law, unless the Plan Employee elects to arbitrate these claims; or (4) any controversy or dispute brought by the Company that arises under Section V or VI of this Agreement. It is the parties' intent that issues of arbitrability of any dispute shall be resolved decided by the arbitrator. This Article VII shall be interpreted to conform to any applicable law concerning the terms and enforcement of agreements to arbitrate employment disputes.

C. The arbitration shall take place before a single neutral arbitrator at the JAMS office in Houston, Texas. Such arbitrator shall be provided through JAMS by mutual agreement of the parties to the arbitration; *provided* that, absent such agreement, the arbitrator shall be selected in accordance with the rules of JAMS then in effect. The arbitrator shall permit reasonable discovery. The arbitration shall be conducted in accordance with the JAMS rules applicable to employment disputes in effect at the time of the arbitration (the current version of which is available here: www.jamsadr.com). The award or decision of the arbitrator shall be rendered in writing; shall be final and binding on the parties; and may be enforced by judgment or order of a court of competent jurisdiction.

D. Subject to Section 14 VII.F, each party shall pay one-half of the administrative and arbitrator fees for any arbitration pursuant to this Agreement. Each party shall be solely responsible for paying such party's own further costs for the arbitration, including his, her or its own attorneys' fees; *provided, however*, that if Employee is the prevailing party in the arbitration, Employer shall pay all amounts and damages to which Employee may be entitled, including interest thereon and reimbursement for reasonable attorneys' fees and other costs incurred by Employee in connection with such arbitration.

E. **Each of the parties hereto herby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or**

related to this Agreement or the matters contemplated hereby, provided, however, that the parties hereto agree that such waiver shall not be deemed to constitute a waiver of adjudication by a court having appropriate jurisdiction. Employee and Employer waive any constitutional or other right to bring claims covered by this Agreement other than in their individual capacities. Except as may be prohibited by law, this waiver includes the ability to assert claims as a plaintiff or class member in any purported class or representative proceeding.

F. Notwithstanding anything herein to the contrary, in the event Employee obtains a final decision in Employee's favor pursuant to this Section VII with respect to any dispute regarding Employer's failure to pay Employee on a timely basis the amounts to which Employee is entitled under this Agreement or as a result of any other breach of this Agreement by Employer, Employer shall pay all amounts and damages to which Employee may be entitled as a result of such breach, including interest thereon and all reasonable legal fees and expense and other costs incurred by Employee to enforce Employee's rights hereunder.

VIII. MISCELLANEOUS

A. Publicity Release. By executing this Agreement, Employee gives the Employer Group and its successors, assigns, licensees and any other designees the absolute right and permission, throughout the world: (1) to copyright (and to renew and extend any copyright), use, reuse, publish and republish photographic portraits and pictures, motion or still, of Employee, or in which Employee may be included, in whole or in part, or composite or distorted character in any form, taken during Employee's employment or service to the Employer Group whether heretofore taken or to be taken in the future, in conjunction with Employee's own or a fictitious name or title (which Employee now has or may have in the future), or reproductions thereof, in color or otherwise, made through any media at any place, for art, advertising, trade or any purpose relating to the Employer Group or the Business; and (2) to record, reproduce, amplify, simulate, "double" and/or "dub" Employee's voice during Employee's employment or service to the Employer Group and transmit the same by any mechanical or electronic means, for any purpose relating to the Employer Group or the Business. Employee further consents to the use of any printed matter giving Employee, or not giving Employee, a credit, in the sole discretion of any of the aforementioned parties to whom this authorization and release is given, in conjunction therewith. Employee waives any right Employee may have to inspect and/or approve the finished product or the advertising copy or printed matter that may be used in connection therewith, or the use to which it may be applied.

B. Withholding. The Employer Group may deduct and withhold from any amounts payable under this Agreement such federal, state, local, F.I.C.A., foreign or other taxes as shall be required to be withheld pursuant to any applicable law or regulation.

C. Notices. All notices, consents, requests, instructions, approvals and other communications provided for in this Agreement shall be in writing and shall be addressed as follows:

To Employer: Quanta Services, Inc.
2727 North Loop West
Houston, TX 77008
Attention: General Counsel

To Employee: Gerald A. Ducey, Jr.
c/o Quanta Services, Inc.
2727 North Loop West
Houston, TX 77008

Notice shall be deemed given and effective: (1) upon receipt, if delivered personally; (2) three (3) days after it has been deposited in the U.S. mail, addressed as required above, and sent via first class mail, registered or certified mail, return receipt requested, postage prepaid; or (3) the next business day after it has been sent via a recognized overnight courier. Employer and/or Employee may change the address for notice purposes by notifying the other party in writing of such change in accordance with this Section VIII.C.

D. Severability. If any provision of this Agreement is held to be invalid, inoperative or unenforceable for any reason, it shall be modified rather than voided, if possible, in order to achieve the intent of the parties hereto to the maximum extent possible. In any event, if any provision this Agreement is held to be invalid, inoperative or unenforceable for any reason, the other provisions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the provision or provisions held invalid or inoperative.

E. Survival of Certain Obligations. The obligations of the parties set forth in this Agreement that by their terms extend beyond or survive the termination of this Agreement, whether voluntarily or involuntarily, will not be affected or diminished in any way by the termination of this Agreement.

F. Headings. The headings contained in this Agreement are for purposes of reference and convenience only and are not intended in any way to describe, interpret, define or limit the extent or intent of this Agreement.

G. Entire Agreement. This Agreement supersedes any other agreements, written or oral, between Employer and Employee, and Employee has no oral representations, understandings or agreements with the Employer Group or any of its officers, directors or representatives covering the same subject matter as this Agreement. This written Agreement is

the final, complete and exclusive statement and expression of the agreement between Employer and Employee and of all terms of this Agreement. This Agreement governs all terms of Employee's employment with Employer and cannot be modified, varied, contradicted or supplemented by evidence of any prior or contemporaneous oral or written agreements. Employee and Employer represent and acknowledge that in executing this Agreement they do not rely upon and have not relied upon any representation or statement made by any of the parties or by any of the parties' agents, attorneys, employees, or representatives with regard to the subject matter, basis, or effect of this Agreement or otherwise, other than those specifically stated in this written Agreement.

H. Amendment/Waiver. Neither this Agreement nor any term hereof may be modified or amended except by written instrument signed by a duly authorized officer of Employer and Employee. No term of this Agreement may be waived other than by written instrument signed by the party waiving the benefit of such term. Any such waiver shall constitute a waiver only with respect to the specific matter described in such written instrument and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by Employer or Employee of a breach of or a default under any of the provisions of this Agreement, nor the failure by either Employer or Employee, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

I. Assignment; Third-Party Beneficiaries. This Agreement is personal to the parties and neither party may assign any rights or obligations under the same without the prior written consent of the other; *provided, however*, that in the event of a sale of Employer's business to a third party (whether by sale of all or a majority of the issued and outstanding equity securities of Employer, by a merger or reorganization, or by a sale of all or substantially all of Employer's assets), then this Agreement may be assigned by Employer to such third party purchaser without the prior written consent of Employee. In addition, Employee and Employer acknowledge and agree that the members of the Employer Group are intended to be third-party beneficiaries of this Agreement and shall have the right to rely on the covenants and agreements of Employee and Employer hereunder (including but not limited to those in Section VI hereof) and enforce the covenants and agreements herein (including but not limited to those in Section VI hereof) as if they were parties hereto.

J. Counterparts; Signatures. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Execution of a facsimile, PDF (or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or any other type of copy of an executed version of this Agreement will have the same force and effect as execution of an original and will be deemed an original and valid signature.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

EMPLOYER:

QUANTA SERVICES, INC.:

By: /s/ /s/ Earl C. (Duke) Austin, Jr.
Name: Earl C. (Duke) Austin, Jr.
Title: President and Chief Executive Officer

Participant acknowledges receipt

EMPLOYEE:

/s/ Gerald A. Ducey, Jr.
Gerald A. Ducey, Jr., Individually

[Signature Page to Employment Agreement]

SCHEDULE A

Form of an electronic copy Confidential Severance Agreement and Release of All Claims

CONFIDENTIAL SEVERANCE AGREEMENT AND RELEASE OF ALL CLAIMS

This Confidential Severance Agreement and Release of All Claims (this "Agreement") is made and entered into by and between Gerald A. Ducey, Jr. ("Employee") and Quanta Services, Inc. (the "Company").

The parties have reached certain mutual agreements and understandings with respect to the termination of Employee's employment with the Company, and desire to settle fully and finally any claims, disputes and obligations relating to Employee's employment with the Company and the termination thereof.

By signing this Agreement, the Company and Employee agree as follows:

1. **Termination of Employment.** Employee's employment with the Company will end on [ ] (the "Termination Date").

2. **Severance Benefits.**Subject to the terms of this Agreement,the Company will pay or provide to Employee the severance payments and benefits set forth in Section IV.F.[6 / 7] of the Plan, Employment Agreement (defined below) (collectively, the Long-Term Plan "Severance Benefits"). Employee acknowledges and agrees that the Award Agreement, represents Severance Benefits are being provided in consideration for Employee's execution and non-revocation of this Agreement.

3. **Tax Consequences.** Employee acknowledges and agrees that he the Company has made no representations to Employee regarding the tax consequences of any Severance Benefits received by Employee.

4. **Benefits Not Otherwise Entitled To.** Employee agrees that the Severance Benefits set forth in Paragraph 2, herein, are provided in addition to and otherwise exceed any payment, benefit or she other thing of value to which Employee might otherwise be legally entitled to receive from the Company.

5. **Acknowledgment of Full Payments.** Employee agrees that the Company has reviewed and is familiar with the terms and provisions thereof, and hereby accepts the Award subject to paid all of the terms wages, fees, commissions, expense reimbursements, vacation, sick pay, holiday pay and provisions all other employee benefits due and owing to Employee as a result of Employee's

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employment with the Plan, the Long-Term Plan Company, and the Award Agreement, agreeing that no other compensation or payments of any kind or nature is owed to be bound thereby. Employee, other than as provided in this Agreement.

ACCEPTED 6. : **Non-Disclosure of Agreement Terms.** Employee agrees to keep all terms of this Agreement, and all facts and claims leading up to this Agreement's negotiation and execution, absolutely confidential and shall not divulge or discuss them with anyone, except as required by law or to members of Employee's immediate family, Employee's attorney and accountant, if Employee assures that they will keep the terms strictly confidential. The Company agrees to instruct its officers and directors to keep all terms of this Agreement, and all facts and claims leading up to this Agreement's negotiation and execution, confidential and shall not divulge or discuss them with anyone, except as required by law or to members of their immediate family, the Company's other officers and directors, the Company's attorneys and accountants. This shall not prevent Employee or the Company from making disclosures that are protected by the National Labor Relations Act (or similar law) or making statements to the extent required by applicable law to respond to an order or subpoena of a court of competent jurisdiction or in response to any subpoena issued by a state or federal governmental agency, provided that Employee or Company, as applicable, will provide the Company or Employee, as applicable, with prompt notice of any such legal requirement so that the Company, Employee or their respective designees may seek a protective order or other appropriate remedy. Notice is not required where disclosure (A) is required or protected by applicable law, (B) is required by any governmental agency that directs Employee or the Company, as applicable, to refrain from notifying the Company or Employee, as applicable, or (C) relates to matters before the Securities and Exchange Commission. Nothing in this Paragraph 6 shall be construed to prohibit Employee or the Company from exercising Employee's or the Company's rights as specified in Paragraph 9(d). Notwithstanding anything to the contrary in this Agreement, nothing herein shall prohibit the Company from making statements or communications (including filings with the Securities and Exchange Commission) that legal counsel advises the Company are required or protected by applicable law or legal process.

Dated: 7. **Signed:** **Employee Release.**
[Participant Name]

Participant acknowledges receipt of an electronic copy In consideration of the Plan, Severance Benefits, the Long-Term Plan receipt and adequacy of which are hereby acknowledged by Employee, Employee, for Employee, Employee's heirs, executors, administrators, successors and assigns, hereby releases and discharges the Company, its parent companies, affiliates, associated companies, and subsidiaries, their respective associated companies and subsidiaries, all of their respective present and former officers, directors, supervisors, managers, employees, stockholders, agents, attorneys and representatives, and the Award Agreement, represents that he successors and assigns of such persons and entities (collectively, the "Released Parties"), from any and all claims, causes of action, suits, debts, controversies, judgments, decrees, damages, liabilities, covenants, contracts and agreements, whether known or she has reviewed and is familiar unknown, in law or equity, whether statutory or common law, whether federal, state, local or otherwise, including, but not limited to, any claims relating to, or arising out of any aspect of Employee's employment with the terms and provisions thereof, and hereby rejects Company, or the Award. termination of such employment, including without limitation:

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REJECTED (a) any and all claims arising under any federal, state, or local statute, including but not limited to, the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act (": ADEA"), as amended, Title VII of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Family Medical Leave Act of 1993, the Immigration Reform and Control Act of 1986, the Texas Labor Code, the Texas Commission on Human Rights Act, as amended;

(b) any and all claims arising under any other federal, state, or local labor law, civil rights law, or human rights law;

(c) any and all claims arising under common law, including, but not limited to, claims for defamation, libel, slander, false imprisonment, breach of contract, or tortious interference with business relations; and

(d) any and all claims for monetary recovery, including but not limited to, severance pay, back pay, front pay, liquidated, compensatory and punitive damages, attorneys' fees, disbursements and costs.

To the extent any claim is not releasable, Employee acknowledges that the Severance Benefits more than offset any monetary sums owing to Employee from any non-releasable claim. Nothing herein shall be construed to prohibit Employee from exercising Employee's rights as specified in Paragraph 9(c) or shall prevent Employee from enforcing the terms of this Agreement.

8. **Company Release**. In exchange for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company does hereby release and forever discharge Employee and Employee's heirs and assigns, or any of them (collectively, the "Employee Released Parties"), from any and all claims, causes of action, suits, debts, controversies, judgments, decrees, damages, liabilities, covenants, contracts and agreements, whether known or unknown, in law or equity, whether statutory or common law, whether federal, state, local or otherwise which the Company or any of its affiliates now has or may hereafter have against the Employee Released Parties, or any of them, in any case, arising out of, based upon, or related to [Employee's employment with the Company or any of its affiliates or the termination of such employment][1]. Notwithstanding anything to the contrary contained herein, the release in this Paragraph 8 shall not operate to release any claims which the Company or its affiliates may have with respect to (a) Employee's continuing obligations under the Covenants (as defined below); (b) Employee's breach of the Covenants and any other post-employment obligations under the Employment Agreement (as defined below); (c) Employee's intentional or willful misconduct, fraud or criminal behavior; and (d) any claims that cannot be waived as a matter of law. Nothing herein shall be construed to prohibit the Company from exercisin

[1] As applicable.

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g Company's rights as specified in Paragraph 9 or shall prevent the Company from enforcing the terms of this Agreement.

9. **No Claims.**

(a) The Company represents that the Company has not commenced or filed against Employee any action, charge, complaint or other proceeding regarding Employee's employment with the Company or the termination of such employment.

(b) Employee further represents that Employee has never commenced or filed and agrees not to commence, file, voluntarily aid or in any way prosecute or cause to be commenced or prosecuted against the Released Parties any action, charge, complaint or other proceeding, subject to the provisions of Paragraph 9(d).

(c) In the event Employee files any civil complaint or commences any litigation of any kind that is covered by the release in this Agreement, Employee shall immediately tender back all Severance Benefits previously received by Employee and pay all of the attorneys' fees, expenses and costs incurred by the Released Parties in connection with the complaint or action filed, provided that this sentence shall not apply to any claim by Employee that the waiver and release herein of any age discrimination claim was not knowing and voluntary under the ADEA. The Released Parties shall also have the right of set-off against any obligation to Employee under this Agreement. In addition to the remedies noted above, the Released Parties may pursue all other remedies available under law or equity to address Employee's breach of this Agreement.

(d) Nothing in this Agreement shall be construed to prohibit or restrict Employee's right to provide information to, or otherwise assist or participate in, any investigation or proceeding conducted by any administrative agency, including the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, local or administrative agency charged with enforcement of any law applicable to Employee's employment with the Company or the termination of that employment. Further, this Agreement does not limit Employee's right to file a charge or claim with any governmental agency in connection with any claim Employee believes Employee may have against any of the Released Parties. Notwithstanding the foregoing, Employee agrees to waive Employee's right to recover monetary damages or any personal relief (including, but not limited to, reinstatement, back pay, front pay, damages, and attorneys' fees) in connection with any such charge or complaint, as well as with regard to any charge, complaint or lawsuit filed by anyone else on Employee's behalf, provided this shall not apply to certain claims filed with the Securities and Exchange Commission or with regard to any other claim not releasable as a matter of law.

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Further, the tender back provision in Paragraph 9(c) above shall not apply to any administrative charges or filings referenced in this Paragraph 9(d). To the extent permissible by law, the Severance Benefits will be credited against any sums received by Employee pursuant to a claim not releasable as a matter of law.

(e) Any non-disclosure, non-disparagement, or waiver provision in this Agreement shall not prohibit or restrict Employee or any Released Party from initiating communication directly with, or responding to any inquiry from, or providing testimony before, any governmental agency, regarding the Released Parties, Employee, Employee's employment (or the termination thereof), this Agreement, or the underlying facts or circumstances.

9. **Non-Admission of Wrongdoing.** This Agreement shall not in any way be construed as an admission by any Released Party of any liability, or of any unlawful, discriminatory, or otherwise wrongful acts whatsoever against Employee or any other person.

Dated: 10. **Signed:** **Knowing and Voluntary Waiver.** Notwithstanding any other provisions of this Agreement to the contrary:

[Participant Name]

(a) Employee agrees that this Agreement constitutes a knowing and voluntary waiver of all rights or claims Employee may have against the Released Parties.

(b) Employee has the right to, and the Company hereby advises Employee to, consult with an attorney prior to executing this Agreement. Employee acknowledges that the Company has given Employee a reasonable period of time of at least 21 days in which to consider this Agreement before executing this Agreement. If Employee executes this Agreement at any time prior to the end of the 21-day period that the Company gave Employee in which to consider this Agreement, such early execution was a knowing and voluntary waiver of Employee's right to consider this Agreement for 21 days. Employee has a period of seven days following Employee's execution of this Agreement to revoke this Agreement by providing a letter to [ ], or in [ ]'s absence to [ ]'s office, stating Employee's intent to revoke this Agreement. The Agreement shall become effective on the eighth day after Employee executes this Agreement, unless Employee revokes it prior to such date.

(c) Employee's acceptance of the Severance Benefits shall constitute an admission by Employee that Employee did not revoke this Agreement during the revocation period of seven days, and shall further constitute an admission by Employee that this Agreement has become effective and enforceable.

11. **<u>Job Reference.</u>** Pursuant to Company policy, the Company will respond to inquiries from other employers and outside entities regarding Employee. Responses to such inquiries will only confirm the accuracy of factual data concerning dates of employment,

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salary, and position(s) held. The Company will not discuss the reasons for Employee's termination or its evaluation of Employee's performance.

12.**<u>Return of Company Property; Confidentiality Obligations; Restrictive Covenants</u>.** Employee acknowledges and agrees that on or before [Date], Employee shall return or shall have returned all Company Property and Confidential Information (each as defined in the employment agreement by and between Employee and the Company, effective as of June 1, 2023 (the "<u>Employment Agreement</u>")) and otherwise complied with Employee's obligations under Section VI.B.2 of the Employment Agreement. In addition, Employee acknowledges and agrees that Employee is bound by certain confidentiality, non-solicitation, non-competition, non-disparagement and other restrictive covenants set forth in Section VI.B of the Employment Agreement (collectively, the "<u>Covenants</u>"), which Covenants survived termination of Employee's employment with the Company and remain in full force and effect in accordance with their respective terms, and Employee hereby reaffirms the Covenants.

14. **Cooperation.** In consideration of the Severance Benefits, Employee agrees to assist and fully cooperate with the Company in connection with any legal or investigative matters, if so requested by the Company.

15. **Arbitration**.

(a) Any controversy or dispute between the Company (including its officers, employees, directors, shareholders, agents, successors and assigns) and Employee that establishes a legal or equitable cause of action, whether based on contract, common law, or federal, state or local statute or regulation, arising out of, or relating to Employee's employment or the termination thereof, shall be submitted to final and binding arbitration as the sole and exclusive remedy for such controversy or dispute. Notwithstanding the foregoing, this Agreement shall not require the parties hereto to arbitrate pursuant to this Agreement: (1) any claims under a Company benefit plan subject to the Employee Retirement Income Security Act, as amended; (2) any claim as to which applicable law not preempted by the Federal Arbitration Act prohibits resolution by binding arbitration hereof, (3) sexual harassment and sexual assault disputes arising under federal, state, local, or tribal law, unless the Employee elects to arbitrate these claims; or (4) any controversy or dispute brought by the Company that arises under Section V or VI of the Employment Agreement. It is the parties' intent that issues of arbitrability of any dispute shall be decided by the arbitrator. This Section 15 shall be interpreted to conform to any applicable law concerning the terms and enforcement of agreements to arbitrate employment disputes.

(b) The arbitration shall take place before a single neutral arbitrator at the JAMS office in Houston, Texas. Such arbitrator shall be provided through JAMS by mutual agreement of the parties to the arbitration; provided that, absent such agreement, the arbitrator shall be selected in accordance with the rules of JAMS

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then in effect. The arbitrator shall permit reasonable discovery. The arbitration shall be conducted in accordance with the JAMS rules applicable to employment disputes in effect at the time of the arbitration (the current version of which is available here: www.jamsadr.com). The award or decision of the arbitrator shall be rendered in writing; shall be final and binding on the parties; and may be enforced by judgment or order of a court of competent jurisdiction.

(c) Subject to Section 15(e), each party shall pay one-half of the administrative and arbitrator fees for any arbitration pursuant to this Agreement. Each party shall be solely responsible for paying such party's own further costs for the arbitration, including his, her or its own attorneys' fees; provided, however, that if Employee is the prevailing party in the arbitration, the Company shall pay all amounts and damages to which Employee may be entitled, including interest thereon and reimbursement for reasonable attorneys' fees and other costs incurred by Employee in connection with such arbitration.

(d) **Each of the parties hereto herby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the matters contemplated hereby, provided, however, that the parties hereto agree that such waiver shall not be deemed to constitute a waiver of adjudication by a court having appropriate jurisdiction. Employee and the Company waive any constitutional or other right to bring claims covered by this Agreement other than in their individual capacities. Except as may be prohibited by law, this waiver includes the ability to assert claims as a plaintiff or class member in any purported class or representative proceeding.**

(e) Notwithstanding anything herein to the contrary, in the event Employee obtains a final decision in Employee's favor pursuant to this Section 15 with respect to any dispute regarding the Company's failure to pay Employee on a timely basis the amounts to which Employee is entitled under this Agreement or as a result of any other breach of this Agreement by the Company, the Company shall pay all amounts and damages to which Employee may be entitled as a result of such breach, including interest thereon and all reasonable legal fees and expense and other costs incurred by Employee to enforce Employee's rights hereunder.

16. **Entire Agreement/Severability/Modification.** This Agreement sets forth the entire agreement between Employee and the Company and, other than the Employment Agreement, fully supersedes and replaces any and all prior agreements or understandings, written or oral, between the Company and Employee pertaining to Employee's employment or the subject matter of this Agreement; provided, however, that Sections Section V, VI, VII and VIII of the Employment Agreement survived Employee's termination of employment and remain in full force and effect in accordance with its terms. Should any provision of this Agreement be found to be overbroad, or declared or determined by a court to be illegal or invalid, the court shall have the power to modify

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this Agreement so that it conforms with prevailing law and the validity of the remaining parts, terms or provisions shall not be affected thereby. Employee represents that in executing this Agreement, Employee does not rely on any statement or fact not set forth herein. This Agreement may not be modified except by a writing signed by both parties hereto.

17. **Governing Law; Miscellaneous.** This Agreement will be governed by, and construed and interpreted in accordance with, the laws of the State of Texas applicable to contracts to be performed exclusively therein without regard to the choice of law provisions thereof. Any action to enforce this Agreement or address any dispute hereunder shall be commenced in a court of competent jurisdiction within the State of Texas, and the parties to this Agreement unconditionally waive trial by jury. This Agreement will not be construed against any party on the ground that it was the drafter of the Agreement or any particular provision. All captions and headings herein contained are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. Employee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by the Released Parties in enforcing the terms of this Agreement upon any breach by Employee hereunder.

18. **Acknowledgment.** Employee expressly acknowledges and agrees that Employee has carefully read this Agreement; that Employee fully understands the terms, conditions and significance of this Agreement; that the Company has advised Employee of Employee's right to, and that Employee should, consult with an attorney concerning this Agreement; that Employee had a period of at least 21 days to review this Agreement with an attorney before executing it; that Employee has a period of seven days following execution of the Agreement to revoke this Agreement; and that Employee has executed this Agreement voluntarily, knowingly and with such advice of an attorney as Employee has deemed appropriate.

COMPANY:

Dated: QUANTA SERVICES, INC.

By: ____________________________

Name: ____________________________

Title: ____________________________

EMPLOYEE:

Dated:

Gerald A. Ducey, Jr.

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SCHEDULE B

Pre-Employment Inventions

[None]

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Exhibit 31.1

I, Earl C. Austin, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quanta Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 2, 2023 May 2, 2024	By: /s/ EARL C. AUSTIN, JR.
	Earl C. Austin, Jr.
	President and Chief Executive Officer
	(Principal Executive Officer)

Exhibit 31.2

I, Jayshree S. Desai, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quanta Services, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 2, 2023 May 2, 2024

By: /s/ JAYSHREE S. DESAI

Jayshree S. Desai

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned officers of Quanta Services, Inc. (the "Company") hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to such officer's knowledge that:

(1) the accompanying quarterly report on Form 10-Q for the period ending September 30, 2023 March 31, 2024 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 2, 2023 May 2, 2024

/s/ EARL C. AUSTIN, JR.

Earl C. Austin, Jr.

President and Chief Executive Officer

Dated: November 2, 2023 May 2, 2024

/s/ JAYSHREE S. DESAI

Jayshree S. Desai

Chief Financial Officer

DISCLAIMER

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