



## Quanta Services Reports 2017 First Quarter Results

**Record First Quarter Revenues of \$2.18 billion**

**Diluted EPS Attributable to Common Stock of \$0.31**

**Non-GAAP Adjusted Diluted EPS Attributable to Common Stock of \$0.39**

**Certain Items Negatively Impacted Quarter by \$0.03**

HOUSTON, May 4, 2017 /[PRNewswire](#)/ -- Quanta Services, Inc. (NYSE: PWR) today announced results for the three months ended March 31, 2017. Revenues in the first quarter of 2017 were \$2.18 billion, compared to revenues of \$1.71 billion in the first quarter of 2016, and net income attributable to common stock was \$48.3 million, or \$0.31 per diluted share, compared to net income attributable to common stock of \$20.5 million, or \$0.13 per diluted share, in the first quarter of 2016. Adjusted diluted earnings per share attributable to common stock (a non-GAAP measure) was \$0.39 for the first quarter of 2017 compared to \$0.23 for the first quarter of 2016. As described further below, certain items negatively impacted diluted and adjusted diluted earnings per share attributable to common stock for the first quarter of 2017 by \$0.03 per share.

"Our first quarter results were in line with our expectations and put us on track to achieve our full year outlook. We continue to believe we are entering a renewed multiyear up-cycle across our operations. Our end markets are strengthening and we believe there is opportunity for our

markets are strengthening and we believe there is opportunity for our backlog to achieve record levels over the coming quarters," said Duke Austin, president and chief executive officer of Quanta Services. "Quanta's differentiation in the marketplace continues to increase as we strengthen our core business and extend our solutions offerings through new service lines and geographic enhancement. With our core management team in place, we are actively expanding our communications infrastructure services operations in the United States, which complement our existing Canadian and Latin American operations. Our expansion in the U.S. has been well received by current and potential customers, and we are close to executing several agreements with major service providers."

Negatively impacting the first quarter of 2017 were attorneys' fees and related expenses of approximately \$4.2 million (\$2.7 million net of tax), or \$0.02 per diluted share attributable to common stock, associated with the Dycom Industries litigation described below. Also negatively impacting the quarter was a \$1.9 million charge to expense (\$1.2 million net of tax), or \$0.01 per diluted share attributable to common stock, associated with the planned sale of a construction barge.

## RECENT HIGHLIGHTS

- **Established Strategic Capital Partnership** - In February 2017, Quanta closed on First Infrastructure Capital (FIC), a partnership between Quanta and select infrastructure investors. FIC provides \$750 million of capital available to invest in infrastructure projects in markets served by Quanta, with the potential for additional capital from existing FIC partners. This partnership is part of our broader strategy of partnering with customers and providing fully integrated, differentiated infrastructure solutions by leveraging Quanta's operational excellence, strong execution capabilities and project finance expertise.
- **Expanding U.S. Communications Infrastructure Services** - In March 2017, Quanta announced the resolution of litigation initiated by Dycom Industries (Dycom) related to the non-compete agreement entered into in connection with Quanta's disposition of certain communications construction operations to Dycom in December 2012. As a result, Quanta is unencumbered in its efforts to expand its communications infrastructure services in the United States.

Quanta completed five acquisitions during 2016. Therefore, Quanta's results for the three months ended March 31, 2017 included these acquisitions and are compared to the pre-acquisition historical results for the three months ended March 31, 2016.

## OUTLOOK

The long-term outlook for Quanta's business is positive. However, weather, regulatory, permitting, project timing, execution challenges and other factors have impacted the company's historical results, and may

impact Quanta's future financial results. Therefore, Quanta's financial outlook for revenues, margins and earnings reflects management's effort to properly align these uncertainties with the backlog that the company is executing on and the opportunities that are expected to materialize during 2017. The following forward-looking statements are based on current expectations, and actual results may differ materially.

Quanta is increasing its full year 2017 revenue expectation to range between \$8.1 billion and \$8.6 billion. Quanta continues to expect diluted earnings per share attributable to common stock to be \$1.52 to \$1.77 and now expects adjusted diluted earnings per share attributable to common stock (a non-GAAP measure) for the full year 2017 to be \$1.82 to \$2.07. See the attached table for a reconciliation of estimated adjusted diluted earnings per share attributable to common stock to estimated GAAP diluted earnings per share attributable to common stock for the full year 2017.

## **NON-GAAP FINANCIAL MEASURES**

The non-GAAP measures in this press release and on Quanta's website are provided to enable investors, analysts and management to evaluate Quanta's performance excluding the effects of certain items that management believes impact the comparability of operating results between reporting periods. In addition, management believes these measures are useful in comparing Quanta's operating results with those of its competitors. These measures should be used in addition to, and not in lieu of, results prepared in conformity with GAAP. Reconciliations of other non-GAAP to GAAP measures not included in the tables attached to this press release can be found on the company's website at [www.quantaservices.com](http://www.quantaservices.com) in the "[Investors & Media](#)" section.

## **CONFERENCE CALL INFORMATION**

Quanta Services has scheduled a conference call for May 4, 2017 at 9:00 a.m. Eastern Time. To participate in the call, dial 1-201-689-8345 or 1-877-407-8291 at least 10 minutes before the conference call begins and ask for the Quanta Services First Quarter 2017 Earnings Conference Call. Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting the company's website at [www.quantaservices.com](http://www.quantaservices.com). To listen to the call live on the Internet, please visit the Quanta Services website at least 15 minutes early to register and download and install any necessary audio software. For those who cannot listen live, shortly following the call a digital recording will be available on the company's website and a telephonic replay will be available through May 12, 2017 by dialing 1-877-660-6853 and referencing the conference ID 13660411. For more information, please contact Kip Rupp, Vice President - Investor Relations at Quanta Services, by calling 713-341-7260 or emailing [investors@quantaservices.com](mailto:investors@quantaservices.com).

## **ABOUT QUANTA SERVICES**

Quanta Services is a leading specialized contracting services company, delivering infrastructure solutions for the electric power, oil and gas and communications industries. Quanta's comprehensive services include designing, installing, repairing and maintaining energy and communications infrastructure. With operations throughout the United States, Canada, Latin America, Australia and select other international markets, Quanta has the manpower, resources and expertise to safely complete projects that are local, regional, national or international in scope. For more information, visit [www.quantaservices.com](http://www.quantaservices.com).

## **FOLLOW QUANTA SERVICES IR ON SOCIAL MEDIA AND GET THE QUANTA SERVICES IR APP**

Investors and others should note that while we announce material financial information and make other public disclosures of information regarding Quanta through SEC filings, press releases and public conference calls, we also utilize social media to communicate this information. It is possible that the information we post on social media could be deemed material. Accordingly, we encourage investors, the media and others interested in our company to follow Quanta, and review the information we post, on the social media channels listed on our website in the "[Investors & Media](#)" section.

Additionally, the Quanta investor relations (IR) app for iPhone, iPad and Android mobile devices is available for free at [Apple's App Store](#) for the iPhone and iPad and at [Google Play](#) for Android mobile devices. The Quanta IR app allows users to navigate the company's investor relations materials, including the latest press releases, SEC filings, presentations, videos, audio cast conference calls and stock price information. Sharing functionality via email, Twitter and Facebook is available, as well as the ability for investors to be notified when new information is posted.

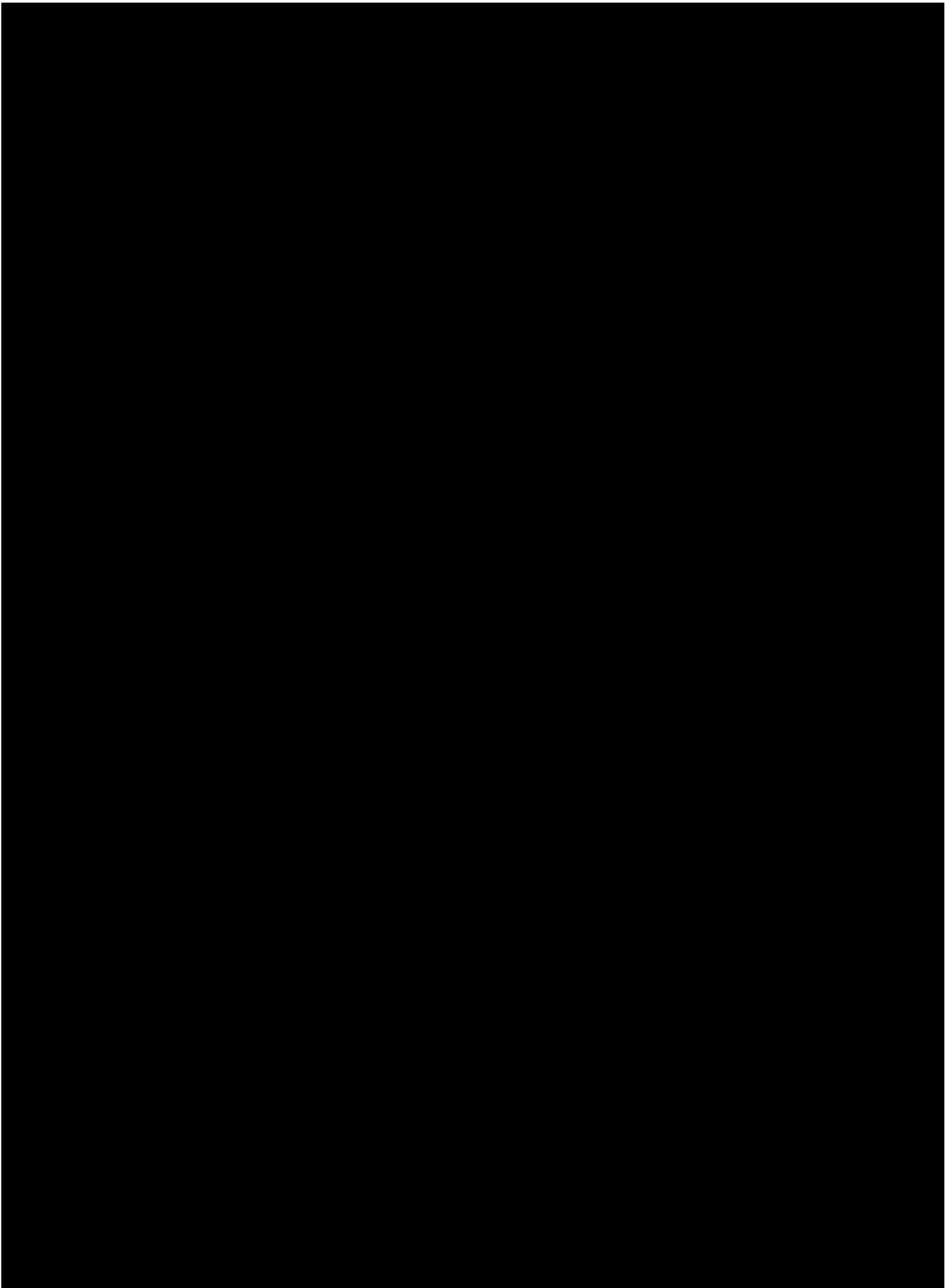
### **Forward-Looking Statements**

This press release (and oral statements regarding the subject matter of this press release, including those made on the conference call and webcast announced herein) contains forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to projected revenues, net income, earnings per share attributable to common stock, weighted average shares outstanding, margins, capital expenditures, tax rates and other operating or financial results; expectations regarding Quanta's business or financial outlook, growth or opportunities in particular markets; backlog; future capital allocation initiatives; the ability to deliver increased value and return capital to stockholders; the strategic use of Quanta's balance sheet; the expected value of contracts or intended contracts with customers; the scope, services, term and results of any projects awarded or expected to be awarded for services to be provided by Quanta; the anticipated

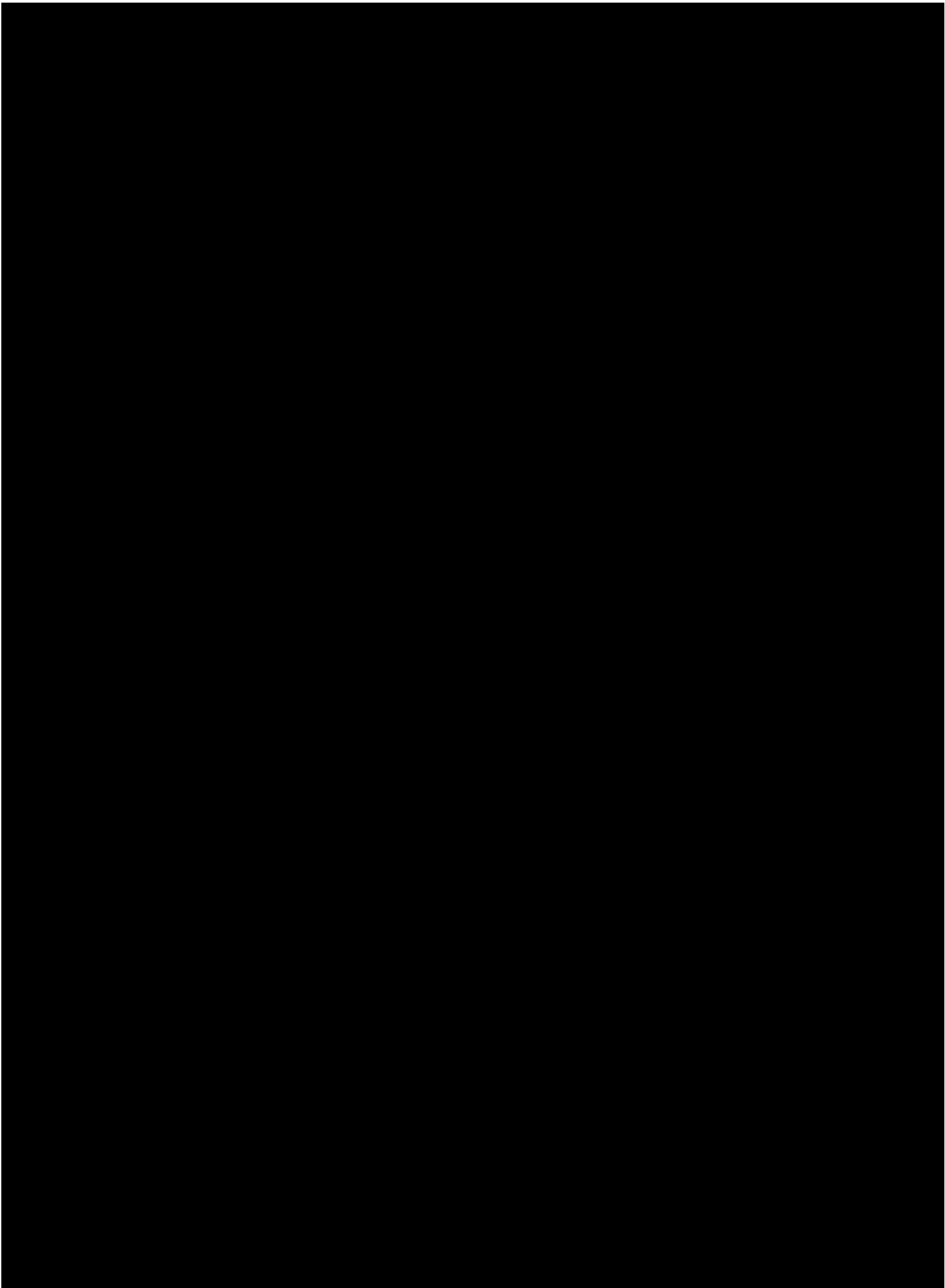
awarded for services to be provided by Quanta; the anticipated commencement and completion dates for any projects awarded; the development of larger electric transmission and oil and natural gas pipeline projects and the level of oil, natural gas and natural gas liquids prices and their impact on Quanta's business or the demand for Quanta's services; the impact of existing or potential energy legislation; potential opportunities that may be indicated by bidding activity or discussions with customers; the potential benefits from acquisitions or investments; the expected outcome of pending and threatened litigation; beliefs and assumptions about the collectability of receivables; the business plans or financial condition of Quanta's customers; Quanta's plans and strategies; the current economic and regulatory conditions and trends in the industries Quanta serves; and possible recovery on pending or contemplated change orders or affirmative claims against customers or third parties, as well as statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts. Although Quanta's management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements can be affected by inaccurate assumptions and by known and unknown risks and uncertainties that are difficult to predict or beyond Quanta's control, including, among others, market conditions; the effects of industry, economic or political conditions outside of the control of Quanta; quarterly variations in operating results; adverse economic and financial conditions, including weakness in capital markets; trends and growth opportunities in relevant markets; delays, reductions in scope or cancellations of anticipated, pending or existing projects, including as a result of weather, regulatory or permitting issues, environmental processes, project performance issues, claimed force majeure events, or customers' capital constraints; the successful negotiation, execution, performance and completion of anticipated, pending and existing contracts, including the ability to obtain awards of projects on which Quanta bids or is otherwise discussing with customers; the ability to attract skilled labor and retain key personnel and qualified employees; potential shortage of available skilled employees; dependence on fixed price contracts and the potential to incur losses with respect to these contracts; estimates relating to the use of percentage-of-completion accounting; adverse impacts from weather; the ability to generate internal growth; competition in Quanta's business, including the ability to effectively compete for new projects and market share; the failure of existing or potential legislative actions to result in increased demand for Quanta's services; liabilities associated with multiemployer pension plans, including underfunding of liabilities and termination or withdrawal liabilities, and the possibility of further increases in the liability associated with Quanta's withdrawal from a multiemployer pension plan; liabilities for claims that are self-insured or not insured; unexpected costs or liabilities that may arise from lawsuits or indemnity claims asserted against Quanta; the outcome of pending or threatened litigation; risks relating to the potential unavailability or cancellation of

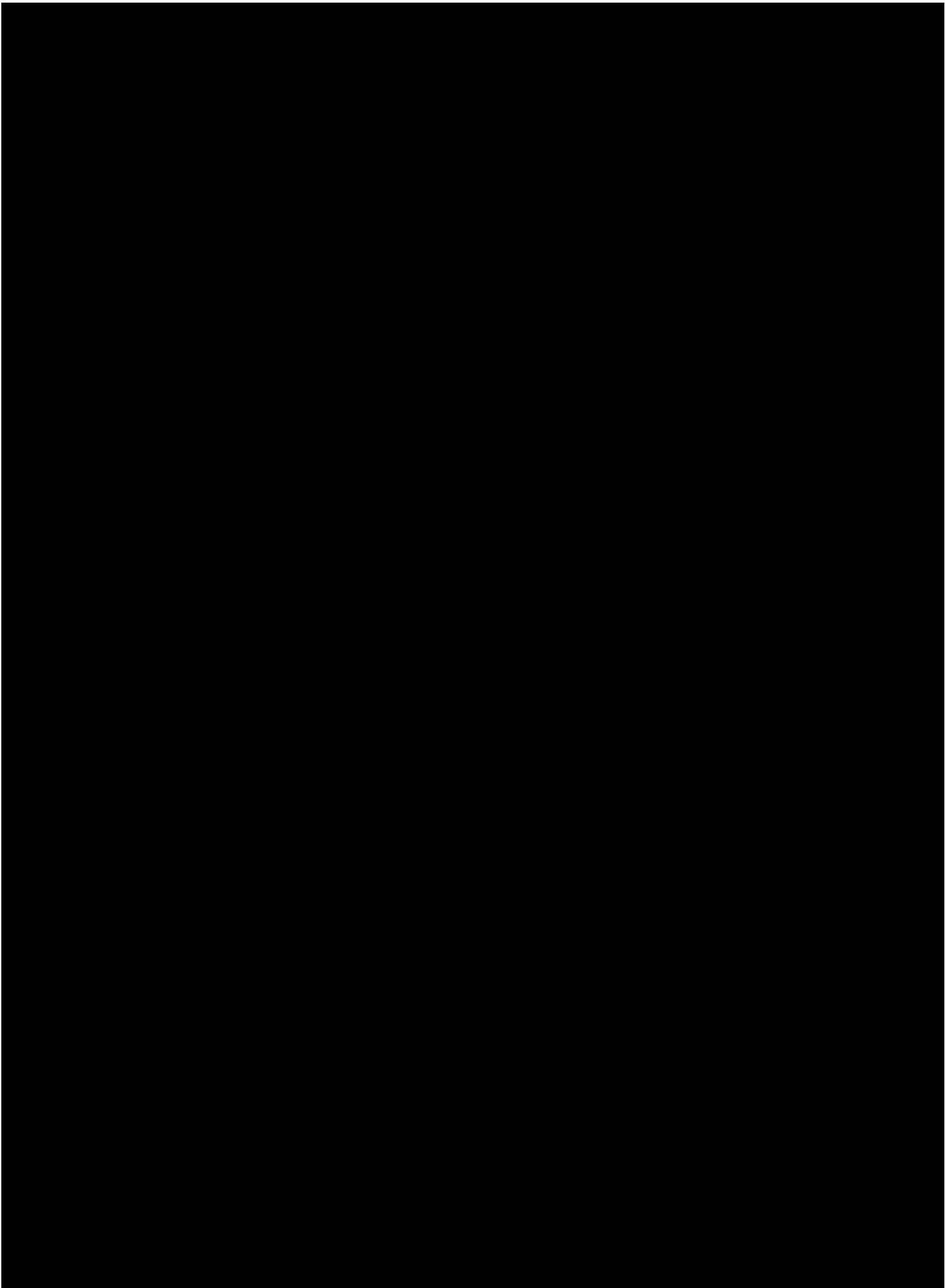
third party insurance, the exclusion of coverage for certain losses, and potential increases in premiums for coverage deemed beneficial to Quanta; cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms; loss of customers with whom Quanta has long-standing or significant relationships; the potential that participation in joint ventures or similar structures exposes Quanta to liability and/or harm to its reputation for acts or omissions by partners; Quanta's inability or failure to comply with the terms of its contracts, which may result in additional costs, unexcused delays, warranty claims, failure to meet performance guarantees, damages or contract terminations; the effect of natural gas, natural gas liquids and oil prices on Quanta's operations and growth opportunities and on Quanta's customers' capital programs and the resulting impact on demand for Quanta's services; the future development of natural resources; the inability or refusal of customers to pay for services, including failure to collect outstanding receivables; the failure to recover on payment claims against project owners or third party contractors or to obtain adequate compensation for customer-requested change orders; the failure of Quanta's customers to comply with regulatory requirements applicable to their projects, which may result in project delays and cancellations; budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, which may result in project delays or cancellations; estimates and assumptions in determining financial results and backlog; the ability to realize backlog; risks associated with operating in international markets, including instability of foreign governments, currency fluctuations, tax and investment strategies, as well as compliance with foreign legal systems and cultural practices, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws; the ability to successfully identify, complete, integrate and realize synergies from acquisitions; the potential adverse impact resulting from uncertainty surrounding investments and acquisitions, including the ability to retain key personnel from an acquired business and the potential increase in risks already existing in Quanta's operations; the adverse impact of impairments of goodwill, receivables, property and equipment and other intangible assets or investments; growth outpacing Quanta's decentralized management and infrastructure; requirements relating to governmental regulation and changes thereto; inability to enforce Quanta's intellectual property rights or the obsolescence of such rights; risks related to the implementation of an information technology solution; the impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts; potential liabilities relating to occupational health and safety matters; Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third party contractors; the cost of borrowing, availability of credit and cash, fluctuations in the price and volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations and other factors affecting financing and investing activities; fluctuations of prices of certain materials used in our business; the ability to access sufficient funding to finance desired growth and

operations; the ability to obtain performance bonds; potential exposure to environmental liabilities; the ability to continue to meet certain regulatory requirements applicable to us and our subsidiaries; rapid technological and structural changes that could reduce the demand for Quanta's services; the impact of new or changed tax laws, treaties or regulations; the impact of increased healthcare costs arising from healthcare reform legislation and other legislative action; the impact of regulatory changes on labor costs; the impact of significant fluctuations in foreign currency exchange rates; and other risks and uncertainties detailed in Quanta's Annual Report on Form 10-K for the year ended Dec. 31, 2016 and any other documents that Quanta files with the Securities and Exchange Commission (SEC). For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through the company's website at [www.quantaservices.com](http://www.quantaservices.com) or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at [www.sec.gov](http://www.sec.gov). Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which are current only as of this date. Quanta does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Quanta further expressly disclaims any written or oral statements made by any third party regarding the subject matter of this press release.



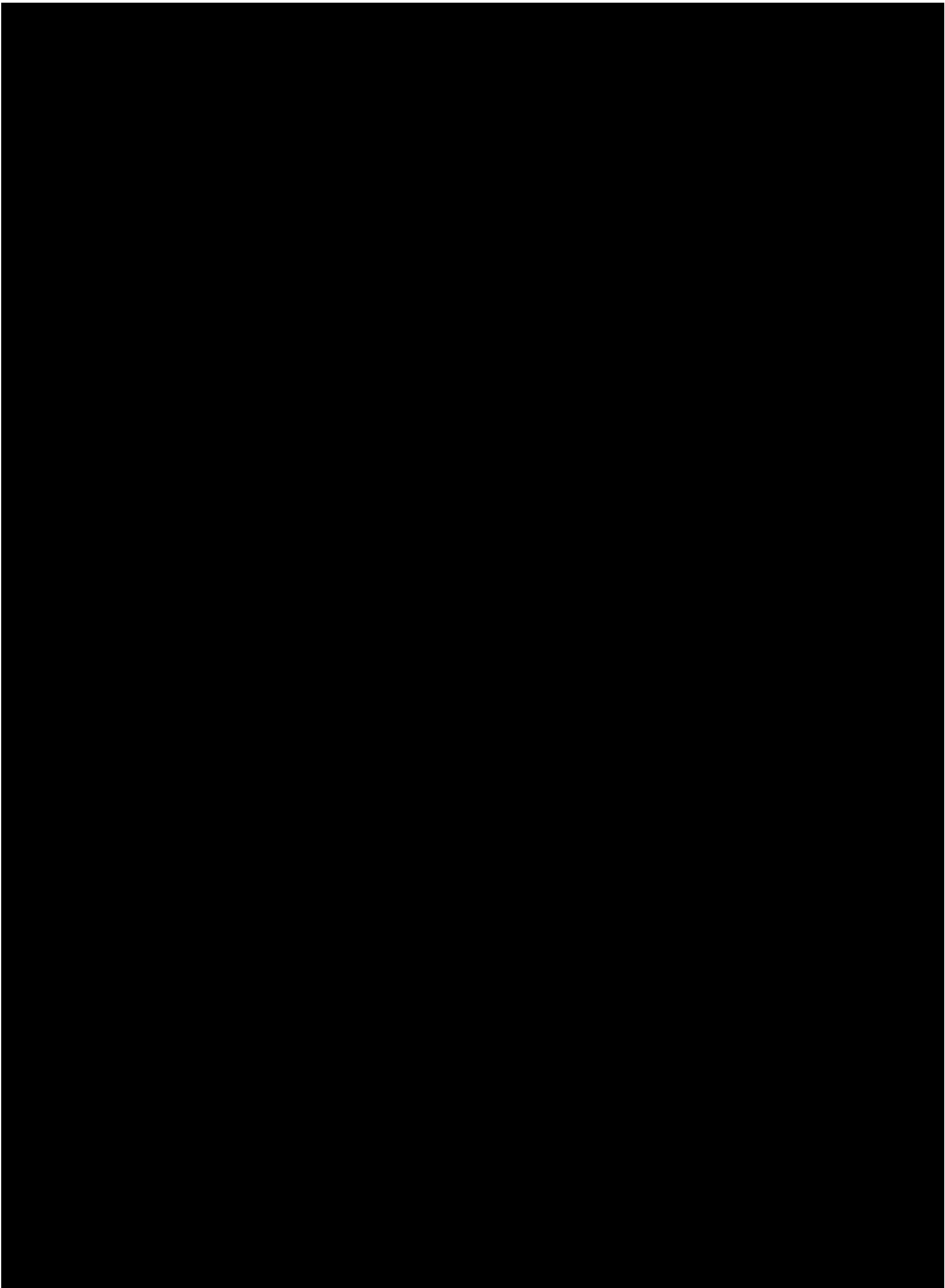


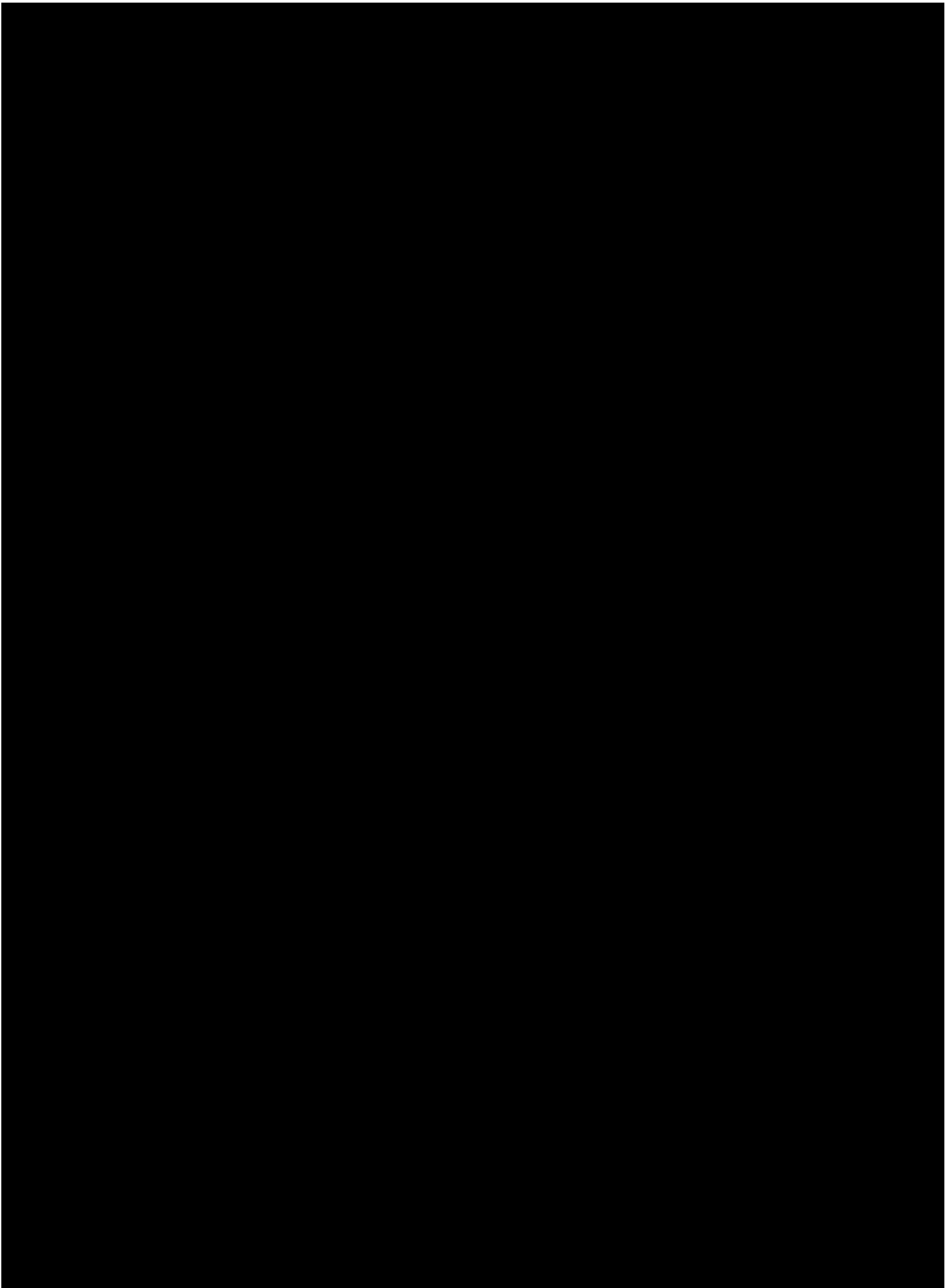




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