September 9, 2019

Quanta Services Announces Strategic Acquisitions

Acquired a Leading and Sizeable Gas Utility Contractor Serving Key U.S. Northeast Markets

Acquired Two Specialty Utility Foundation Contractors Serving the Southeast

Enhances Opportunities for Capture of Programmatic Utility Spend

Attractive Growth Opportunities and Expected to be Accretive to Margins, Cash Flow and Returns

Expected to Accelerate Path to Achieving Medium-Term Target Pipeline and Industrial Segment Margins

Estimated Adjusted EPS Accretion of at Least $0.20 in 2020 Without Synergies

HOUSTON, Sept. 9, 2019 /PRNewswire/ -- Quanta Services, Inc. (NYSE: PWR) announced today that it has completed the acquisition of The Hallen Construction Co., Inc. (Hallen), a leading and sizeable gas utility contractor serving key strategic markets in the northeast United States. Founded in 1927 and headquartered in Plainview, New York, Hallen has strong customer relationships with leading utilities in its markets, primarily providing gas distribution and transmission services and, to a lesser extent, underground electric distribution and transmission services. Over the past several years, Hallen has achieved solid organic revenue and profit growth by leveraging its operational excellence and working collaboratively with its customers. Additionally, Quanta recently completed the acquisition of two specialty utility foundation and pole-setting contractors serving the southeast United States. The aggregate consideration paid for these companies was approximately $330 million, consisting of approximately $328 million in cash, subject to working capital adjustments, and approximately $2 million in stock.

"We are pleased to announce these acquisitions, as each company provides Quanta with an exceptional management team that enhances our ability to collaborate with our customers on their multi-year programmatic spending plans, and are additive to our more than $7.5 billion of estimated 2019 utility revenues. As a result, we believe these acquisitions provide a repeatable and sustainable earnings profile that is complementary to our business and consistent with our strategy," said Duke Austin, President and Chief Executive Officer of Quanta Services. "Hallen represents a sizeable expansion into key northeast markets characterized by aged infrastructure and mandatory multi-decade modernization programs that are in their early stages, which we believe improves our long-term visibility and provides attractive multi-year growth opportunities and accretive returns for our stockholders. We welcome the employees of these companies to the Quanta family."

Consistent with Quanta's Strategic Plan, Compelling Financial Contributions and Strong Cultural Fit

- **Multi-Decade Gas and Electric Utility Infrastructure Programs –**Supported by regulation, many utilities in the northeast United States are in the early stages of multi-decade gas system modernization programs, including the replacement and maintenance of their gas distribution systems, which we believe represent large and sustainable opportunities for our infrastructure services. Hallen also provides a leading utility services platform in the northeast, upon which Quanta can further expand its electric infrastructure services offering.
- **Expected Margins Accretive to Both the Pipeline and Industrial and Electric Power Segments –** Based on the companies' average historical margins over the last five-years, the acquired businesses are expected to be accretive to segment margins going forward. Quanta believes the acquisition of Hallen, coupled with Quanta's existing margin enhancement initiatives, should accelerate the company's progress toward achieving its medium-term target operating income margins of upper single digits for the Pipeline and Industrial Infrastructure Services segment.
- **Expected to be Accretive to Adjusted EPS Without Synergies –**Quanta expects slight GAAP EPS dilution for the remainder of 2019 due to increased amortization, interest expense and transaction costs. However, Quanta estimates that these acquisitions will contribute approximately $175 million of revenue in 2019 and be accretive to 2019 adjusted EPS expectations by approximately $0.06. For 2020, Quanta estimates the acquired businesses will contribute revenues of $525 - $575 million, modest GAAP EPS accretion due to amortization expense, and adjusted EPS accretion of at least $0.20. Additionally, these acquisitions are expected to be accretive to Quanta's future cash flow generation and return on invested capital. These expectations do not include any cost or growth synergies, although Quanta believes opportunities exist in the near and medium term. Final GAAP expectations are not available on a forward-looking basis because the purchase price accounting for these acquisitions has not been finalized, specifically the valuation and amortization periods

of identifiable intangible assets.

- **Enhances Ability to Capture Programmatic Utility Spending and Base Business –** These companies enhance Quanta's ability to benefit from our utility customers' multi-year programmatic spending plans. Additionally, all revenues of the acquired companies are considered base business. Hallen, in particular, is expected to have a favorable contribution to the Pipeline and Industrial Infrastructure Services segment's mix of base business revenues.
- **Resilient to Economic Softness –** Nearly all of the acquired companies' aggregate revenues are derived from regulated utility spending, which we believe further increases the resiliency of Quanta's business to potential future economic uncertainty.
- **Strong Cultural Fit –** Two of the acquired companies are family run, multi-generational businesses with decades-long customer relationships. Like Quanta, these companies have shown a commitment to their employees through comprehensive training and safety programs and providing a work environment that fosters prosperity and growth.

About Quanta Services

Quanta Services is a leading specialized contracting services company, delivering comprehensive infrastructure solutions for the electric power, energy and communications industries, including design, installation, repair and maintenance. 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.

Forward Looking Statements

This press release (and any oral statements regarding the subject matter of this press release) 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, earnings per share, margins, cash flows, return on invested capital and other operating or financial results; expectations regarding Quanta's business or financial outlook, plans and strategies; growth, trends or opportunities in particular markets, including the gas distribution and transmission market and the underground electric distribution and transmission services market; the estimated transaction and integration costs associated with the acquisitions; the potential benefits and synergies expected from the acquisitions; the expected financial and operational performance of acquired businesses; the ability to deliver increased value or return capital to stockholders; the business plans or financial condition of customers, including regulated utility customers; 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 a variety of risks and uncertainties that are difficult to predict or beyond our control, including, among others, market conditions; the effects of industry, economic, financial or political conditions outside of the control of Quanta; the ability to achieve the expected benefits from the acquisitions, including the failure of the acquisitions to be accretive to Quanta's earnings or the failure of the acquired businesses to produce anticipated financial or operational results; the ability to successfully identify,

integrate and realize synergies from the acquired businesses; loss of customers with whom acquired businesses or Quanta has long-standing or significant relationships; estimates and assumptions in determining financial results, remaining performance obligations and backlog; the ability to successfully complete remaining performance obligations or realize backlog; risks associated with operating in certain markets, including densely populated urban areas; cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms; the potential adverse impact resulting from uncertainty surrounding investments and acquisitions, including the ability to retain key personnel from acquired businesses and the potential increase in risks already existing in Quanta's operations; unexpected costs or liabilities that may arise from the acquisition of the acquired businesses; growth outpacing Quanta's decentralized management and infrastructure; the impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts; trends and growth opportunities in relevant markets; quarterly variations in operating results, liquidity, financial condition, capital requirements, reinvestment opportunities or other financial results; delays, reductions in scope or cancellations of anticipated, pending or existing projects, including as a result of customer capital constraints; the successful negotiation, execution, performance and completion of anticipated, pending and existing contracts, including the ability to obtain future project awards; the ability to retain key personnel and qualified employees of the acquired businesses; competition in Quanta's or the acquired companies' business, including the ability to effectively compete for new projects and market share; the effect of commodity prices on operations and growth opportunities and on customer capital programs and demand for the acquired businesses' services; unexpected costs or liabilities that may arise from pending or threatened legal proceedings, indemnity obligations or other claims or actions asserted against the acquired businesses or Quanta, including liabilities for claims, fines or penalties that are not covered by, or in excess of, third-party insurance; liabilities associated with multiemployer pension plans, including underfunding of liabilities and termination or withdrawal liabilities; the cost of borrowing, availability of cash and credit, fluctuations in the price and volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations and other factors affecting financing and investing activities; the ability to access sufficient funding to finance desired growth and operations; and other risks and uncertainties detailed in Quanta's Annual Report on Form 10-K for the year ended Dec. 31, 2018, Quanta's Quarterly Reports on Form 10-Q for the quarters ended Mar. 31, 2019 and Jun. 30, 2019 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 or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at www.sec.gov. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which are current only as of this date. Quanta does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Quanta further expressly disclaims any written or oral statements made by any third party regarding the subject matter of this press release.

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