

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 March 31, 2025.

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



**Quanta Services, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**74-2851603**

(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 April 28, 2025, the number of outstanding shares of Common Stock of the registrant was 148,198,715.

**QUANTA SERVICES, INC. AND SUBSIDIARIES**

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## 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;
- Expectations regarding our plans and strategies, including with respect to our supply chain solutions and expanded or new services offerings;
- The business plans or financial condition of our customers;
- The potential benefits from, and future financial and operational performance of, acquired businesses and our investments;
- The expected value of contracts or intended contracts with customers, as well as the expected timing, scope, services, term or results of any awarded or expected projects;
- Possible recovery of pending or contemplated insurance claims, change orders and claims asserted against customers or third parties, as well as the collectability of receivables;
- The development of and opportunities with respect to future projects, including renewable energy projects, electrical grid modernization projects, upgrade and hardening projects, larger transmission and pipeline projects and data center projects;
- Expectations regarding the future availability and price of materials and equipment necessary for the performance of our 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, tariffs, 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;
- 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 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 and deductibles 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 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;
- 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 that we have long-standing or significant 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 any impairments of goodwill, other intangible assets, receivables, long-lived assets or investments;
- Difficulties managing our 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, and in Item 1A. *Risk Factors* in Part I of our Annual Report on Form 10-K for the year ended December 31, 2024 (2024 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)

	March 31, 2025	December 31, 2024
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 520,561	\$ 741,960
Accounts receivable, net	5,289,723	5,170,935
Contract assets	1,259,040	1,208,619
Inventories	263,086	260,181
Prepaid expenses and other current assets	497,343	469,338
Total current assets	7,829,753	7,851,033
Property and equipment, net	2,800,051	2,700,277
Operating lease right-of-use assets	296,797	299,895
Other assets, net	689,196	655,709
Other intangible assets, net	1,958,538	1,860,537
Goodwill	5,560,211	5,316,443
Total assets	\$ 19,134,546	\$ 18,683,894
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt	\$ 73,716	\$ 62,680
Current portion of operating lease liabilities	92,827	94,162
Accounts payable and accrued expenses	3,667,510	3,722,343
Contract liabilities	2,151,553	2,149,328
Total current liabilities	5,985,606	6,028,513
Long-term debt, net of current maturities	4,360,007	4,099,756
Operating lease liabilities, net of current portion	221,203	222,359
Deferred income taxes	375,223	353,268
Insurance and other non-current liabilities	720,135	650,281
Total liabilities	11,662,174	11,354,177
Commitments and Contingencies		
Equity:		
Common stock, \$0.00001 par value, 600,000,000 shares authorized, 178,051,919 and 176,718,480 shares issued, and 148,263,499 and 147,678,512 shares outstanding	2	2
Additional paid-in capital	3,644,226	3,444,108
Retained earnings	5,836,455	5,707,286
Accumulated other comprehensive loss	(372,486)	(372,708)
Treasury stock, 29,788,420 and 29,039,968 common shares	(1,651,537)	(1,460,957)
Total stockholders' equity	7,456,660	7,317,731
Non-controlling interests	15,712	11,986
Total equity	7,472,372	7,329,717
Total liabilities and equity	\$ 19,134,546	\$ 18,683,894

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 March 31,	
	2025	2024
Revenues	\$ 6,233,334	\$ 5,031,819
Cost of services	5,399,297	4,408,325
Gross profit	834,037	623,494
Equity in earnings of integral unconsolidated affiliates	12,929	12,334
Selling, general and administrative expenses	(493,966)	(402,340)
Amortization of intangible assets	(109,562)	(77,511)
Change in fair value of contingent consideration liabilities	(4,357)	(623)
Operating income	239,081	155,354
Interest and other financing expenses	(54,312)	(41,072)
Interest income	3,841	8,023
Other income, net	239	24,882
Income before income taxes	188,849	147,187
Provision for income taxes	39,880	21,096
Net income	148,969	126,091
Less: Net income attributable to non-controlling interests	4,711	7,731
Net income attributable to common stock	\$ 144,258	\$ 118,360
Earnings per share attributable to common stock:		
Basic	\$ 0.97	\$ 0.81
Diluted	\$ 0.96	\$ 0.79
Shares used in computing earnings per share:		
Weighted average basic shares outstanding	148,274	145,936
Weighted average diluted shares outstanding	150,964	149,350

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 March 31,	
	2025	2024
Net income	\$ 148,969	\$ 126,091
Other comprehensive income (loss), net of taxes:		
Foreign currency translation adjustment loss	(405)	(30,740)
Other comprehensive income	627	—
Other comprehensive income (loss), net of taxes	222	(30,740)
Comprehensive income	149,191	95,351
Less: Comprehensive income attributable to non-controlling interests	4,711	7,731
Comprehensive income attributable to common stock	<u>\$ 144,480</u>	<u>\$ 87,620</u>

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)

	Three Months Ended March 31,	
	2025	2024
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 148,969	\$ 126,091
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	98,114	88,895
Amortization of intangible assets	109,562	77,511
Equity in earnings of unconsolidated affiliates, net of distributions	(1,495)	4,264
Deferred income tax expense (benefit)	6,887	(4,765)
Non-cash stock-based compensation	38,151	35,331
Other non-cash adjustments, net	5,893	(7,970)
Changes in assets and liabilities, net of non-cash transactions:		
Accounts, notes and retainage receivable	(36,265)	321,914
Contract assets	(48,383)	119,324
Inventories	(2,768)	(34,989)
Prepaid expenses and other current assets	(13,774)	(46,977)
Accounts payable and accrued expenses, insurance and other non-current liabilities	(54,486)	(349,872)
Contract liabilities	6,068	(89,702)
Other assets and liabilities, net	(13,275)	(1,100)
Net cash provided by operating activities	243,198	237,955
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(132,762)	(83,139)
Proceeds from sale of and insurance settlements related to property and equipment	7,316	26,418
Cash paid for acquisitions, net of cash, cash equivalents and restricted cash acquired	(394,263)	(384,071)
Proceeds from the sale or settlement of certain investments	—	26,571
Other, net	(912)	27,613
Net cash used in investing activities	(520,621)	(386,608)
<b>Cash Flows from Financing Activities:</b>		
Borrowings under credit facility and commercial paper program	5,488,217	2,763,700
Payments under credit facility and commercial paper program	(5,216,815)	(3,268,156)
Payments related to tax withholding for stock-based compensation	(71,584)	(75,710)
Payments of dividends	(15,464)	(13,745)
Repurchase of common stock	(118,568)	—
Other, net	(13,432)	(9,133)
Net cash provided by (used in) financing activities	52,354	(603,044)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	2,291	(9,963)
Net decrease in cash, cash equivalents and restricted cash	(222,778)	(761,660)
Cash, cash equivalents and restricted cash, beginning of period	746,010	1,295,041
Cash, cash equivalents and restricted cash, end of period	\$ 523,232	\$ 533,381

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 Outstanding	Amount							
Balance at December 31, 2024	147,678,512	\$ 2	\$ 3,444,108	\$ 5,707,286	\$ (372,708)	\$ (1,460,957)	\$ 7,317,731	\$ 11,986	\$ 7,329,717
Other comprehensive income	—	—	—	—	222	—	222	—	222
Acquisitions	515,822	—	161,554	—	—	—	161,554	—	161,554
Stock-based compensation activity	540,552	—	38,564	—	—	(72,012)	(33,448)	—	(33,448)
Common stock repurchases	(471,387)	—	—	—	—	(118,568)	(118,568)	—	(118,568)
Dividends declared (\$0.10 per share)	—	—	—	(15,089)	—	—	(15,089)	—	(15,089)
Distributions to non-controlling interests	—	—	—	—	—	—	—	(985)	(985)
Net income	—	—	—	144,258	—	—	144,258	4,711	148,969
Balance at March 31, 2025	<u>148,263,499</u>	<u>\$ 2</u>	<u>\$ 3,644,226</u>	<u>\$ 5,836,455</u>	<u>\$ (372,486)</u>	<u>\$ (1,651,537)</u>	<u>\$ 7,456,660</u>	<u>\$ 15,712</u>	<u>\$ 7,472,372</u>

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity	Non- Controlling Interests	Total Equity
	Shares Outstanding	Amount							
Balance at 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 at March 31, 2024	<u>146,384,210</u>	<u>\$ 2</u>	<u>\$ 3,090,242</u>	<u>\$ 4,962,949</u>	<u>\$ (313,685)</u>	<u>\$ (1,382,885)</u>	<u>\$ 6,356,623</u>	<u>\$ 10,646</u>	<u>\$ 6,367,269</u>

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

**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, technology, 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; electrical systems for data center, commercial and industrial 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, 2024. 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, comprehensive income and operating cash flows for the interim periods are not necessarily indicative of the results for the entire fiscal year.

**2. NEW ACCOUNTING PRONOUNCEMENTS:**

*New Accounting Pronouncements and Disclosure Rules Not Yet Adopted*

In November 2024, the FASB issued an update that requires incremental disclosures about specific expense categories. Entities are required to disclose in the notes to financial statements the amounts of purchases of inventory, employee compensation, depreciation, intangible asset amortization and selling expense included in each relevant expense caption of the statements of operations. The standard also requires disclosure of the amount, and a qualitative description of, other items remaining in relevant expense captions that are not separately disaggregated. This update is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption and both prospective and retrospective application are permitted. Quanta is currently assessing the effect of this update.

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.

**3. REVENUE RECOGNITION AND RELATED BALANCE SHEET ACCOUNTS:**

*Contracts*

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. Contracts are combined if they are entered into at or near the same time as one another and negotiated as a group, in contemplation of one another, for a related commercial purpose. When applicable, the transaction price is allocated to performance obligations on the basis of relative standalone selling prices that is generally determined using an expected profit margin on anticipated costs related to the performance obligation. Quanta's 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 March 31,			
	2025		2024	
By contract type:				
Fixed price contracts	\$	3,755,326	60.2 %	\$ 2,672,315 53.1 %
Unit-price contracts		1,455,486	23.4	1,427,507 28.4
Cost-plus contracts		1,022,522	16.4	931,997 18.5
Total revenues	\$	6,233,334	100.0 %	\$ 5,031,819 100.0 %
	Three Months Ended March 31,			
	2025		2024	
By primary geographic location:				
United States	\$	5,788,053	92.9 %	\$ 4,569,716 90.8 %
Canada		210,246	3.4	229,427 4.6
Australia		171,087	2.7	146,029 2.9
Others		63,948	1.0	86,647 1.7
Total revenues	\$	6,233,334	100.0 %	\$ 5,031,819 100.0 %

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 63.4% and 57.5% of Quanta's revenues recognized during the three months ended March 31, 2025 and 2024 were associated with this revenue recognition method.

***Performance Obligations***

As of March 31, 2025 and December 31, 2024, the aggregate transaction price allocated to unsatisfied or partially satisfied performance obligations was approximately \$17.65 billion and \$16.76 billion, with 67.4% and 67.1% 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 and, to a lesser extent, from certain unit-price contracts with more than an insignificant amount of partially completed units. 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.

***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 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.

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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 March 31, 2025 and December 31, 2024, Quanta had recognized revenues of \$722.6 million and \$733.6 million related to unapproved change orders and claims included as contract price adjustments primarily in “Contract assets” in the accompanying condensed 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 March 31, 2025 and December 31, 2024 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 2023, additional costs arose from residual impacts associated with the aforementioned items, as well as work resequencing and acceleration, access delays, and logistical challenges 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 0.2% and 0.1% during the three months ended March 31, 2025 and 2024 as a result of changes in estimates associated with performance obligations on fixed price contracts partially satisfied prior to December 31, 2024 and 2023. The net impacts resulted from net changes in estimates across a large number of projects, primarily as a result of favorable or unfavorable performance and changes on estimates related to mitigation of risks and contingencies as the projects progressed to completion. These changes were made in the ordinary course of business and there were no changes that resulted in material amounts that should have been recognized in a prior period.

***Contract Assets and Liabilities***

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

	March 31, 2025	December 31, 2024
Contract assets	\$ 1,259,040	\$ 1,208,619
Contract liabilities	\$ 2,151,553	\$ 2,149,328

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.

During the three months ended March 31, 2025 and 2024, Quanta recognized revenue of approximately \$1.30 billion and \$952.6 million related to contract liabilities outstanding as of the end of 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 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 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, 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

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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, (e.g., inflationary pressure, supply chain and other logistical challenges and increased interest 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 March 31,	
	2025	2024
Balance at beginning of period	\$ 15,185	\$ 13,962
Increase in provision for credit losses	948	271
Write-offs charged against the allowance net of recoveries of amounts previously written off	(582)	(278)
Balance at end of period	\$ 15,551	\$ 13,955

The above activity relates to the largest risk pool Quanta utilizes for assessing credit loss. The second risk pool represents approximately 10% of Quanta's consolidated financial instruments as of March 31, 2025 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 condensed consolidated statements of operations.

Quanta is subject to concentrations of credit risk related primarily to its receivable position for services Quanta has performed for customers. Quanta grants credit under normal payment terms, generally without collateral. No customer represented 10% or more of Quanta's consolidated revenues for the three months ended March 31, 2025 or 2024, and no customer represented 10% or more of Quanta's consolidated receivable position as of March 31, 2025 or December 31, 2024.

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 March 31, 2025 and December 31, 2024 were \$729.2 million and \$666.5 million, which are included in "Accounts receivable." Retainage balances with expected settlement dates beyond one year were \$154.8 million and \$143.6 million as of March 31, 2025 and December 31, 2024 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 March 31, 2025 and December 31, 2024, unbilled receivables included in "Accounts receivable" were \$946.2 million and \$859.9 million. 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 \$82.9 million and \$97.9 million as of March 31, 2025 and December 31, 2024.

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**4. SEGMENT INFORMATION:**

Quanta's operations are managed by senior executives who report to its Chief Executive Officer, the chief operating decision maker. The Chief Executive Officer uses operating income for each of Quanta's reportable segments and considers forecast to actual variances to assess performance and when making decisions about allocating capital, craft skill labor and other resources.

During the three months ending March 31, 2025, Quanta's Chief Executive Officer reevaluated how performance of the business is assessed and how resources are allocated, which resulted in a change in the reporting of management's internal financial information. As a result, beginning with the three months ended March 31, 2025, Quanta began reporting the results of its two operating segments, which are also its two reportable segments: (1) Electric Infrastructure Solutions (Electric) and (2) Underground Utility and Infrastructure Solutions (Underground and Infrastructure). The Electric segment consists of the historical Electric Power Infrastructure Solutions and the Renewable Energy Infrastructure Solutions segments. In conjunction with this change, certain prior period amounts have been recast to conform to this new segment reporting structure.

*Electric.* Quanta's Electric segment provides comprehensive services for the electric power, renewable energy, technology and communications markets. Services include, but are not limited to, the design, procurement, new construction, upgrade and repair and maintenance services for electric power transmission and distribution infrastructure, both overhead and underground, and substation facilities, along with other engineering and technical services, including services that support the implementation of upgrades by utilities to modernize and harden the electric power grid in order to ensure its safety and enhance reliability, to interconnect and transmit electricity from renewable energy generation and battery storage facilities and to accommodate increased residential and commercial use of electric vehicles. In addition, this segment provides engineering, procurement, new construction, repowering and repair and maintenance services for renewable generation facilities, such as utility-scale wind, solar and hydropower generation facilities and battery storage facilities, as well as emergency restoration services, including the repair of infrastructure damaged by fire and inclement weather and the installation of "smart grid" technologies on electric power networks. This segment also provides comprehensive design and construction solutions to wireline and wireless communications companies; electrical systems for technology, commercial and industrial facilities and other load centers, commercial and industrial facilities; and cable multi-system operators and other customers within the communications industry, as well as other related services. Additionally, this segment manufactures power transformers and components for the electric utility, renewable energy, municipal power and industrial markets.

*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. Services include, but are not limited to design, engineering, procurement, new construction, upgrade and repair and maintenance services for natural gas systems for gas utility customers; pipeline construction, protection, integrity testing, rehabilitation and replacement services; and civil solutions. Additionally, Quanta serves the midstream and downstream industrial energy markets through catalyst replacement services, high-pressure and critical-path turnaround services, instrumentation and electrical services, piping, fabrication and storage tank services.

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.

Segment operating expenses (excluding depreciation expense) primarily includes cost of services, such as wages and benefits; subcontractor costs; materials; certain equipment rental and maintenance costs, and other direct and indirect project costs, as well as allocated segment selling, general and administrative expenses. 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.

Separate measures of Quanta's assets and cash flows by reportable segment, including capital expenditures, are not produced or utilized by the Chief Executive Officer to evaluate segment performance since certain of Quanta's fixed assets are used on an interchangeable basis across its reportable segments. As such, for reporting purposes, total depreciation expense is determined quarterly by allocating depreciation expense at each legal entity to Quanta's reportable segments based on the ratio of each legal entity's revenue contribution to each of Quanta's segments.

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.



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The following table shows segment financial information in thousands of dollars for the periods presented. All revenues are from external customers. Segment operating margin is calculated by dividing operating income by revenues.

<b>Three Months Ended March 31, 2025</b>			
	<b>Electric</b>	<b>Underground and Infrastructure <sup>(1)</sup></b>	<b>Total</b>
Revenues	\$ 4,944,391	\$ 1,288,943	\$ 6,233,334
Segment operating expense (excluding segment depreciation expense)	4,482,845	1,186,007	5,668,852
Segment depreciation expense	66,311	26,069	92,380
Segment operating expenses	4,549,156	1,212,076	5,761,232
Equity in earnings on integral unconsolidated affiliates	12,929	—	12,929
Segment operating income	<u>\$ 408,164</u>	<u>\$ 76,867</u>	<u>\$ 485,031</u>
Segment operating margin	8.3 %	6.0 %	
Corporate and non-allocated costs <sup>(2)</sup>			(245,950)
Total consolidated operating income			<u>\$ 239,081</u>

<b>Three Months Ended March 31, 2024</b>			
	<b>Electric</b>	<b>Underground and Infrastructure <sup>(3)</sup></b>	<b>Total</b>
Revenues	\$ 3,911,124	\$ 1,120,695	\$ 5,031,819
Segment operating expense (excluding segment depreciation expense)	3,562,345	1,048,821	4,611,166
Segment depreciation expense	58,242	24,986	83,228
Segment operating expenses	3,620,587	1,073,807	4,694,394
Equity in earnings on integral unconsolidated affiliates	12,334	—	12,334
Segment operating income	<u>\$ 302,871</u>	<u>\$ 46,888</u>	<u>\$ 349,759</u>
Segment operating margin	7.7 %	4.2 %	
Corporate and non-allocated costs <sup>(2)</sup>			(194,405)
Total consolidated operating income			<u>\$ 155,354</u>

<sup>(1)</sup> Included in operating expenses (excluding segment depreciation expense) for the Underground and Infrastructure segment during the three months ended March 31, 2025 was \$4.2 million that, pursuant to an acquisition purchase agreement, was withheld from the sellers' proceeds, to be paid to certain employees upon satisfaction of post-closing service obligations.

<sup>(2)</sup> Corporate and non-allocated costs included amortization expense of \$109.6 million and \$77.5 million and non-cash stock-based compensation of \$38.2 million and \$35.3 million for the three months ended March 31, 2025 and 2024.

<sup>(3)</sup> Included in operating expenses (excluding segment depreciation expense) for the Underground and Infrastructure segment during the three months ended March 31, 2024 was a loss of \$10.7 million related to the disposition of a non-core business.

## 5. ACQUISITIONS:

During the three months ended March 31, 2025, Quanta acquired a business located in the United States that specializes in civil solutions, including site clearing, earthwork, soil stabilization and infrastructure development (which will be primarily included in the Underground and Infrastructure segment) and a business located in Australia that specializes in electrical engineering and the design and manufacturing of industrial technology solutions (which will be included in both the Electric and Underground and Infrastructure segments). The consideration for these transactions consisted of approximately \$389.4 million paid or payable in cash on the dates of the acquisitions and 515,822 shares of Quanta common stock, which had a fair value of \$161.6 million as of the respective acquisition dates. The final amount of consideration for these acquisitions remains subject to certain post-closing adjustments, including with respect to net working capital, tax estimates and other contractually agreed-upon adjustments to consideration. Additionally, pursuant to the terms of the agreements, the former owners of these businesses are eligible to receive potential payments of contingent consideration of up to approximately \$109.4 million to the extent the acquired businesses achieve certain financial and operating performance targets over a three-year period. As of the

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dates of the respective acquisitions, the fair value of the contingent consideration liabilities related to certain of these acquisitions was \$38.3 million.

On July 17, 2024, Quanta completed the acquisition of Cupertino Electric, Inc. (CEI), which provides electrical infrastructure solutions, including engineering, procurement, project management, construction and modularization services, to the technology, renewable energy and infrastructure and commercial industries. CEI is located in the United States, and its results have been included in the Electric segment since the acquisition date. The aggregate consideration for the acquisition was approximately \$2.04 billion, which included approximately \$1.65 billion paid in cash, including payment for cash held by CEI as of the acquisition date, and 882,926 shares of Quanta common stock, which had a fair value of \$216.3 million as of the acquisition date. The cash consideration paid by Quanta, net of cash received from CEI, was \$1.24 billion. Additionally, the former equity holders and award holders of CEI are eligible for a potential contingent consideration payment of up to \$200.0 million based on achievement of certain financial performance targets during the three-year post-acquisition period beginning in January 2025. To the extent payable, Quanta, at its sole discretion, can pay up to 10% of any such contingent consideration amount in Quanta common stock. As of the acquisition date, the fair value of the contingent consideration liability was \$164.0 million.

During the year ended December 31, 2024, Quanta also acquired seven additional businesses located in the United States, including: a business that provides specialty environmental solutions to utility, 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 segment); a business that specializes in electrical infrastructure services for substations, data centers and governmental entities (primarily included in the Electric segment); a business that manufactures transmission and distribution equipment for the electric utility industry (primarily included in the Electric segment); a business that provides services and equipment related to aerial telecommunications infrastructure and networks (primarily included in the Electric segment); a business that provides services related to fiber optic networks (primarily included in the Electric segment); and a business that specializes in designing, manufacturing, and distributing liquid-filled power transformers primarily for electrical companies and utilities (primarily included in the Electric segment). The consideration for these businesses consisted of approximately \$540.9 million paid or payable in cash and 334,472 shares of Quanta common stock, which had a fair value of \$74.8 million as of the acquisition dates. The final amount of consideration for certain of these acquisitions remains subject to certain post-closing adjustments, including with respect to net working capital. As of the dates of the respective acquisitions, the fair value of the contingent consideration liabilities related to certain of these acquisitions was \$24.3 million.

The results of operations of acquired businesses have been included in Quanta's consolidated financial statements since their respective acquisition dates. 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 subsequent to March 31, 2024, 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 and other contractually agreed-upon adjustments to consideration. The aggregate consideration paid or payable for businesses acquired between March 31, 2024 and March 31, 2025 was allocated to acquired assets and assumed liabilities, which resulted in an allocation of \$576.1 million to net tangible assets, \$935.6 million to identifiable intangible assets and \$1.29 billion 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 March 31, 2025 for

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acquisitions completed in the three months ended March 31, 2025 (in thousands):

	<b>March 31, 2025</b>
Consideration:	
Cash paid or payable	\$ 389,373
Value of Quanta common stock issued	161,554
Contingent consideration	38,342
Fair value of total consideration transferred or estimated to be transferred	<u>\$ 589,269</u>
Cash and cash equivalents	\$ 13,165
Accounts receivable	96,844
Contract assets	2,120
Prepaid expenses and other current assets	6,746
Property and equipment	70,069
Other assets	1,584
Other intangible assets	207,389
Accounts payable and accrued expenses	(43,867)
Contract liabilities	(6,451)
Other non-current liabilities	(997)
Deferred income taxes	(1,162)
Total identifiable net assets	<u>345,440</u>
Goodwill	<u>243,829</u>
Fair value of net assets acquired	<u>\$ 589,269</u>

Goodwill represents the amount by which the purchase price for an acquired business exceeds the net fair value of the assets acquired and liabilities assumed. The acquisitions completed during the three months ended March 31, 2025 contributed to the recognition of goodwill by strategically expanding Quanta's U.S. underground utility and infrastructure solutions business and its Australian underground utility and infrastructure and electric infrastructure solutions businesses. As of March 31, 2025, approximately \$226.4 million of goodwill is expected to be deductible for income tax purposes related to acquisitions completed in the three months ended March 31, 2025.

Quanta's intangible assets subject to amortization include customer relationships, backlog, trade names, non-compete agreements, and patented rights and other. The following table summarizes the estimated fair values of identifiable intangible assets for the acquisitions completed in the three months ended March 31, 2025 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).

	<b>Three Months Ended March 31, 2025</b>	
	<b>Estimated Fair Value</b>	<b>Weighted Average Amortization Period in Years</b>
Customer relationships	\$ 180,999	6.0
Backlog	6,885	1.5
Trade names	19,226	15.0
Non-compete agreements	279	5.0
Total intangible assets subject to amortization	<u>\$ 207,389</u>	<u>6.7</u>

The level of inputs used for these identifiable intangible asset fair value measurements is Level 3.

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

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rates and customer attrition rates used to determine the fair value of customer relationships intangible assets for businesses acquired during the three months ended March 31, 2025 as of the respective acquisition dates:

	Three Months Ended March 31, 2025	
	Range	Weighted Average
Discount rates	18% to 20%	20%
Customer attrition rates	15% to 30%	15%

***Contingent Consideration***

As described above, certain business acquisitions have contingent consideration liabilities associated with the transactions. The aggregate fair value of outstanding contingent consideration liabilities for acquisitions completed prior to March 31, 2025 and their classification in the accompanying condensed consolidated balance sheets is as follows (in thousands):

	March 31, 2025	December 31, 2024
Accounts payable and accrued expenses	\$ 151,255	\$ 152,030
Insurance and other non-current liabilities	236,336	192,954
Total contingent consideration liabilities	<u>\$ 387,591</u>	<u>\$ 344,984</u>

The estimated fair values of these contingent consideration liabilities are measured on a recurring basis using a probability-weighted discounted cash flow method, which considers significant inputs not observable in the market and are Level 3 inputs.

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, the incremental impact on Quanta's performance attributable to an acquired business and in certain cases, management discretion. These changes are reflected in "Change in fair value of contingent consideration liabilities" in the accompanying condensed consolidated statements of operations.

All of Quanta's outstanding contingent consideration liabilities are subject to a maximum payment amount, and the aggregate maximum payment amount of these liabilities for acquisitions completed prior to March 31, 2025 totaled \$689.6 million as of March 31, 2025. During the three months ended March 31, 2025 and 2024, Quanta made no cash payments to settle contingent consideration liabilities.

***Pro Forma Results of Operations***

The following unaudited supplemental pro forma results of operations for Quanta, which incorporate the acquisitions completed in the three months ended March 31, 2025 and the year ended December 31, 2024, 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 March 31,	
	2025	2024
Revenues	\$ 6,234,238	\$ 5,676,986
Net income attributable to common stock	\$ 144,245	\$ 107,871

The pro forma combined results of operations for the three months ended March 31, 2025 and 2024 were prepared by adjusting the historical results of Quanta to include the historical results of the businesses acquired in 2025 as if such acquisitions had occurred January 1, 2024. The pro forma combined results of operations for the three months ended March 31, 2024 were prepared by further adjusting the historical results of Quanta to include the historical results of the business acquired in 2024 as if such acquisition had occurred January 1, 2023. 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 debt incurred by Quanta for the purpose of financing the acquisition of CEI and cash consideration paid for all acquired businesses; an increase in amortization

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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 acquired businesses or any cost savings or other synergies that resulted or may result from the acquisitions.

***Impact on Consolidated Results of Operations Related to Acquisitions***

Included in Quanta's condensed consolidated results of operations for the three months ended March 31, 2025 were revenues of \$96.9 million and income before income taxes of \$3.5 million, which included \$7.9 million of amortization expense related to the acquisitions completed in the three months ended March 31, 2025. Included in Quanta's condensed consolidated results of operations for the three months ended March 31, 2024 were revenues of \$67.7 million and a loss before income taxes of \$3.2 million, which included \$4.8 million of amortization expense related to the acquisitions completed in 2024.

**6. INVESTMENTS IN AFFILIATES AND OTHER ENTITIES:**

***Equity Investments***

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

	March 31, 2025	December 31, 2024
Equity method investments - integral unconsolidated affiliates	\$ 102,991	\$ 101,460
Equity method investments - non-integral unconsolidated affiliates	78,101	77,617
Non-marketable equity securities	66,122	62,539
Total equity investments	<u>\$ 247,214</u>	<u>\$ 241,616</u>

***Equity Method Investments***

During the three months ended March 31, 2024, Quanta sold a non-integral equity method investment and recognized a \$12.2 million gain, \$4.9 million of which was attributable to non-controlling interests. Also during the three months ended March 31, 2024, Quanta received \$34.9 million in cash related to the sale of this investment, \$4.9 million of which was distributed to non-controlling interests.

As of March 31, 2025 and December 31, 2024, Quanta had receivables of \$138.0 million and \$133.3 million from its integral unconsolidated affiliates and payables of \$26.1 million and \$15.4 million to its integral unconsolidated affiliates. Quanta recognized revenues of \$51.1 million and \$59.0 million during the three months ended March 31, 2025 and 2024 from services provided to its integral unconsolidated affiliates, primarily related to services provided to LUMA Energy, LLC at cost. In addition, during the three months ended March 31, 2025 and 2024, Quanta recognized costs of services of \$94.9 million and \$88.9 million for services provided to Quanta by other integral unconsolidated affiliates.

Total equity in earnings from integral unconsolidated affiliates was \$12.9 million and \$12.3 million for the three months ended March 31, 2025 and 2024. Total equity in earnings from non-integral unconsolidated affiliates was \$0.1 million and \$3.6 million for the three months ended March 31, 2025 and 2024. As of March 31, 2025, Quanta had \$56.1 million of undistributed earnings from 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 \$43.8 million and \$44.5 million as of March 31, 2025 and December 31, 2024. The amortization of the basis difference is primarily included in "Equity in earnings of integral unconsolidated affiliates" in the accompanying condensed consolidated statements of operations was \$0.7 million and \$1.5 million for the three months ended March 31, 2025 and 2024.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**  
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**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 March 31,	
	2025	2024
<b>Amounts attributable to common stock:</b>		
Net income attributable to common stock	\$ 144,258	\$ 118,360
<b>Weighted average shares:</b>		
Weighted average shares outstanding for basic earnings per share attributable to common stock	148,274	145,936
Effect of dilutive unvested non-participating stock-based awards	2,690	3,414
Weighted average shares outstanding for diluted earnings per share attributable to common stock	150,964	149,350

**8. DEBT OBLIGATIONS:**

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

	March 31, 2025	December 31, 2024
4.75% Senior Notes due August 2027	\$ 600,000	\$ 600,000
2.90% Senior Notes due October 2030	1,000,000	1,000,000
2.35% Senior Notes due January 2032	500,000	500,000
5.25% Senior Notes due August 2034	650,000	650,000
3.05% Senior Notes due October 2041	500,000	500,000
Borrowings under senior credit facility (including Term Loan)	703,125	735,445
Borrowings under commercial paper program	304,000	—
Lease financing transactions	156,747	155,549
Other long-term debt	3,697	4,939
Finance leases	46,428	47,993
Unamortized discount and financing costs	(30,274)	(31,490)
Total long-term debt obligations	4,433,723	4,162,436
Less — Current maturities of long-term debt	73,716	62,680
Total long-term debt obligations, net of current maturities	\$ 4,360,007	\$ 4,099,756

**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
4.75% Senior Notes due August 2027	\$ 14,250	February 9 and August 9	February 9, 2025
2.90% Senior Notes due October 2030	\$ 14,500	April 1 and October 1	April 1, 2021
2.35% Senior Notes due January 2032	\$ 5,875	January 15 and July 15	July 15, 2022
5.25% Senior Notes due August 2034	\$ 17,063	February 9 and August 9	February 9, 2025
3.05% Senior Notes due October 2041	\$ 7,625	April 1 and October 1	April 1, 2022

The fair value of Quanta's senior notes was \$2.92 billion as of March 31, 2025, compared to a carrying value of \$3.22 billion net of unamortized bond discount, underwriting discounts and deferred financing costs of \$29.5 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**

As of March 31, 2025, the credit agreement for Quanta's senior credit facility provided for a \$750.0 million term loan facility with a maturity date of October 8, 2026 and aggregate revolving commitments of \$2.80 billion, with a maturity date of July 31, 2029. Borrowings under the senior credit facility and the applicable interest rates were as follows (dollars in thousands):

	Three Months Ended March 31,	
	2025	2024
Maximum amount outstanding	\$ 741,565	\$ 867,204
Average daily amount outstanding	\$ 720,535	\$ 841,295
Weighted-average interest rate	5.73 %	6.80 %

As of March 31, 2025, Quanta was in compliance with all of the financial covenants under the credit agreement.

*Term Loan.* As of March 31, 2025, Quanta had \$703.1 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 March 31, 2025, Quanta had no outstanding revolving loans under the senior credit facility.

*Letters of Credit.* As of March 31, 2025, Quanta had \$106.5 million of letters of credit issued under the senior credit facility, of which \$79.8 million were denominated in U.S. dollars and \$26.7 million were denominated primarily in 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 March 31, 2025, \$2.39 billion remained available under the senior credit facility for new revolving loans, letters of credit and support of the commercial paper program.

**Commercial Paper Program**

As of March 31, 2025, Quanta had \$304.0 million of outstanding unsecured notes under its commercial paper program, with a weighted average interest rate of 4.80%. The carrying amounts of the notes issued under Quanta's commercial paper program approximate fair 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):

	Three Months Ended March 31,	
	2025	2024
Maximum amount outstanding	\$ 564,429	\$ 705,900
Average daily amount outstanding	\$ 174,142	\$ 216,075
Weighted-average interest rate	4.72 %	5.80 %

**Additional Letters of Credit**

As of March 31, 2025, Quanta had \$615.3 million of letters of credit issued outside of its senior credit facility, which were denominated in U.S. dollars.

**9. INCOME TAXES:**

Quanta's effective tax rates for the three months ended March 31, 2025 and 2024 were 21.1% and 14.3%. The higher effective tax rate for the three months ended March 31, 2025 was primarily due to a lower tax benefit from equity incentive awards. This benefit impacted the effective tax rate for the three months ended March 31, 2025 by \$13.6 million, compared to \$21.6 million for the three months ended March 31, 2024.

Quanta regularly evaluates valuation allowances established for deferred tax assets (DTAs) for which future realization is uncertain, including in connection with changes in tax laws. The estimation of required valuation allowances includes estimates

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of future taxable income. The ultimate realization of DTAs is dependent upon the generation of future taxable income in the jurisdiction of the DTAs 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 DTAs to the extent estimated.

As of March 31, 2025, the total amount of unrecognized tax benefits relating to uncertain tax positions was \$77.7 million, a net increase of \$3.6 million from December 31, 2024, which resulted from positions expected to be taken in 2025. Quanta's consolidated federal income tax returns for tax years 2017, 2018, and 2021 through 2023 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 \$13.4 million as a result of settlement of these examinations or as a result of the expiration of certain statute of limitations periods.

**10. EQUITY:**

***Stock Repurchases***

On May 23, 2023, Quanta's Board of Directors approved a 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. During the three months ended March 31, 2025, Quanta repurchased 471,387 shares of its common stock in the open market under its stock repurchase program for \$118.6 million. As of March 31, 2025, \$381.1 million remained available under this repurchase program.

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 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 the following cash dividends and cash dividend equivalents during 2024 and the first three months of 2025 (in thousands, except per share amounts):

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Dividend Per Share</b>		<b>Dividends Declared</b>	
March 21, 2025	April 3, 2025	April 11, 2025	\$	0.10	\$	15,089
November 20, 2024	January 2, 2025	January 13, 2025	\$	0.10	\$	15,074
August 28, 2024	October 1, 2024	October 11, 2024	\$	0.09	\$	13,532
May 23, 2024	July 1, 2024	July 12, 2024	\$	0.09	\$	13,521
March 28, 2024	April 9, 2024	April 17, 2024	\$	0.09	\$	13,477



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**11. 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 three months ended March 31, 2025 and 2024 is as follows (RSUs in thousands):

	2025		2024	
	RSUs	Weighted Average Grant Date Fair Value (Per Unit)	RSUs	Weighted Average Grant Date Fair Value (Per Unit)
Unvested at January 1	2,024	\$173.32	2,548	\$104.76
Granted	403	\$260.80	561	\$236.82
Vested	(502)	\$163.20	(635)	\$111.81
Forfeited	(29)	\$142.64	(20)	\$144.76
Unvested at March 31	1,896	\$195.02	2,454	\$132.93

The approximate fair value of RSUs that vested during the three months ended March 31, 2025 and 2024 was \$126.5 million and \$152.5 million.

During the three months ended March 31, 2025 and 2024, Quanta recognized \$32.0 million and \$25.7 million of non-cash stock compensation expense related to RSUs to be settled in common stock. As of March 31, 2025, there was \$273.8 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 2.85 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 three months ended March 31, 2025 and 2024 is as follows (PSUs in thousands):

	2025		2024	
	PSUs	Weighted Average Grant Date Fair Value (Per Unit)	PSUs	Weighted Average Grant Date Fair Value (Per Unit)
Unvested at January 1	425	\$177.69	491	\$129.70
Granted	92	\$259.17	109	\$257.29
Vested	(165)	\$123.88	(175)	\$96.45
Unvested at March 31	352	\$224.11	425	\$176.03

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

	2025	2024
Valuation date price based on February 27, 2025 and March 4, 2024 closing stock prices of Quanta common stock	\$259.26	\$243.34
Expected volatility <sup>(1)</sup>	34 %	33 %
Risk-free interest rate	4.05 %	4.43 %
Term in years	2.84	2.83

<sup>(1)</sup> The expected volatility inputs for Quanta are based on historical volatility, which is based on Quanta's dividend-adjusted closing prices over a period equivalent to the performance period.

During the three months ended March 31, 2025 and 2024, Quanta recognized \$6.2 million and \$9.6 million of non-cash stock compensation expense related to PSUs to be settled in common stock.

As of March 31, 2025, there was an estimated \$52.7 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

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Quanta anticipates will be issued upon vesting of such PSUs. This cost is expected to be recognized over a weighted average period of 2.05 years.

During each of the three months ended March 31, 2025 and 2024, 0.3 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 three months ended March 31, 2025 and 2024 were \$83.9 million and \$75.4 million.

**12. 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 March 31, 2025 and December 31, 2024, the liability related to deferred cash compensation under these plans, including amounts contributed by Quanta, was \$112.9 million and \$110.2 million, the majority of which was included in “Insurance and other non-current liabilities” in the accompanying condensed consolidated balance sheets. Additionally, as of March 31, 2025 and December 31, 2024, the settlement and issuance of 151,908 and 154,991 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 March 31, 2025 and December 31, 2024, the fair market values were \$104.8 million and \$102.7 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):

Classification	Change in fair market value of	Three Months Ended March 31,	
		2025	2024
Gain (loss) included in Selling, general and administrative expenses	Deferred compensation liabilities	\$ 1,622	\$ (6,513)
Other (expense) income, net	COLI assets	\$ (2,160)	\$ 6,049

**13. 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, as well as interest and attorneys’ fees associated with such claims. 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 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.

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*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 March 2025 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, 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 March 31, 2025, 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 risk through retentions and/or high deductibles, as well as, both directly and indirectly, through its wholly-owned captive insurance company. The captive insurance company reimburses all claims up to the amount of the applicable deductible of any third-party insurance programs, as well as certain additional exposure related to the general and auto liability programs, which together, in certain circumstances, can be up to \$50.0 million per occurrence, and as of May 1, 2025, can be up to \$70.0 million per occurrence. As a supplement to its high-deductible primary insurance and captive programs, Quanta maintains insurance with excess insurance carriers for potential losses that exceed the amount of Quanta's deductible and captive insurance obligations. Quanta renews its insurance policies on an annual basis, and therefore deductibles, captive insurance and/or reinsurance amounts, and levels of insurance coverage, may change in future periods. In addition, insurers may cancel Quanta's coverage or determine to exclude certain items from coverage, or Quanta may elect not to obtain certain types or levels of insurance based on the potential benefits considered relative to the cost of such insurance or increase the amounts subject to self-insurance, deductibles or retention.

As of March 31, 2025 and December 31, 2024, the gross amount accrued for employer's liability, workers' compensation, auto liability, general liability, and group health claims totaled \$436.1 million and \$400.2 million, of which \$285.6 million and \$263.3 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 March 31, 2025 and December 31, 2024 were \$4.5 million and \$4.9 million, of which \$0.2 million and \$0.8 million are included in "Prepaid expenses and other current assets" and \$4.3 million and \$4.1 million are included in "Other assets, net." Losses under these insurance programs are accrued based upon Quanta's estimate of the ultimate liability for claims reported and an estimate of claims incurred but not reported, with assistance from third-party actuaries. These insurance liabilities are difficult to assess and estimate due to

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unknown factors, including the severity of an injury, the extent of damage, the determination of Quanta's liability in proportion to other parties, the number of incidents not reported and the overall claims environment. The accruals are based upon known facts and historical trends, and management believes such accruals are adequate.

**Bonds**

As of March 31, 2025, the total amount of the outstanding performance bonds was estimated to be approximately \$9.9 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.

**14. DETAIL OF CERTAIN ACCOUNTS:**

***Cash and Cash Equivalents***

As of March 31, 2025 and December 31, 2024, cash equivalents were \$281.5 million and \$347.5 million and consisted primarily of money market investments, money market mutual funds and 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):

	March 31, 2025	December 31, 2024
Cash and cash equivalents held by domestic joint ventures	\$ 88,436	\$ 71,646
Cash and cash equivalents held by foreign joint ventures	9,070	10,088
Total cash and cash equivalents held by joint ventures	97,506	81,734
Cash and cash equivalents held by captive insurance company	19,532	19,445
Cash and cash equivalents not held by joint ventures or captive insurance company	403,523	640,781
Total cash and cash equivalents	\$ 520,561	\$ 741,960

***Other Intangible Assets***

Quanta's identifiable intangible assets were as follows (in thousands):

	March 31, 2025	December 31, 2024
Customer relationships	\$ 2,586,666	\$ 2,405,606
Backlog	449,359	442,459
Trade names	588,551	569,307
Non-compete agreements	61,865	61,589
Patented rights, developed technology, process certifications and other	35,317	35,317
Curriculum	15,819	15,618
Other intangible assets subject to amortization	3,737,577	3,529,896
Accumulated amortization	(1,782,039)	(1,672,359)
Other intangible assets subject to amortization, net	1,955,538	1,857,537
Engineering license	3,000	3,000
Other intangible assets, net	\$ 1,958,538	\$ 1,860,537

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**Property and Equipment**

Accumulated depreciation related to property and equipment was \$2.03 billion and \$1.96 billion as of March 31, 2025 and December 31, 2024. In addition, Quanta held property and equipment, net of \$180.4 million and \$177.9 million in foreign countries, primarily Canada, as of March 31, 2025 and December 31, 2024.

**Accounts Payable and Accrued Expenses**

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

	March 31, 2025	December 31, 2024
Accounts payable, trade	\$ 2,190,031	\$ 2,096,125
Accrued compensation and related expenses	569,572	651,893
Other accrued expenses	907,907	974,325
Accounts payable and accrued expenses	<u>\$ 3,667,510</u>	<u>\$ 3,722,343</u>

As of March 31, 2025 and December 31, 2024, other accrued expenses primarily include the current portion of accrued insurance liabilities as further described in Note 13, income and franchise taxes payable, unearned revenues and contingent consideration as further described in Note 5.

**15. SUPPLEMENTAL CASH FLOW INFORMATION:**

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

	March 31,	
	2025	2024
Cash and cash equivalents	\$ 520,561	\$ 531,056
Restricted cash included in "Prepaid expenses and other current assets"	1,307	1,097
Restricted cash included in "Other assets, net"	1,364	1,228
Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	<u>\$ 523,232</u>	<u>\$ 533,381</u>

  

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 741,960	\$ 1,290,248
Restricted cash included in "Prepaid expenses and other current assets"	2,686	3,652
Restricted cash included in "Other assets, net"	1,364	1,141
Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	<u>\$ 746,010</u>	<u>\$ 1,295,041</u>

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

	Three Months Ended March 31,	
	2025	2024
Cash (paid) received during the period for:		
Interest paid	\$ (57,993)	\$ (29,006)
Income taxes paid <sup>(1)</sup>	\$ (123,520)	\$ (22,240)
Income tax refunds	\$ 3,397	\$ 790

<sup>(1)</sup> Income taxes paid during the three months ended March 31, 2025, include \$7.1 million for the purchase of transferable tax credits from third parties.

Accrued capital expenditures were \$25.9 million and \$33.6 million as of March 31, 2025 and 2024. 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 2024 Annual Report, which was filed with the SEC on February 20, 2025 and is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at [www.quantaservices.com](http://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* in Part I of our 2024 Annual Report.

During the three months ending March 31, 2025, our Chief Executive Officer reevaluated how performance of the business is assessed and how resources are allocated, which resulted in a change in the reporting of management's internal financial information. As a result, beginning with the three months ended March 31, 2025, we began reporting the results of our two operating segments, which are also our two reportable segments: (1) Electric Infrastructure Solutions (Electric) and (2) Underground Utility and Infrastructure Solutions (Underground and Infrastructure). The Electric segment consists of the historical Electric Power Infrastructure Solutions and the Renewable Energy Infrastructure Solutions segments. In conjunction with this change, certain prior period amounts have been recast to conform to this new segment reporting structure.

### Overview

Our first quarter 2025 results reflect increased demand for our services, as consolidated revenues and operating income increased as compared to the first quarter of 2024, due to increased revenues and operating income for both our Electric and Underground and Infrastructure segments.

With respect to our Electric 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. In particular, we continue to experience strong demand from our utility customers, which we believe is driven by increasing demand for electricity associated with, among other things, data centers and other technology-related dynamics, domestic manufacturing reshoring initiatives and overall electrification trends. Our acquisition of Cupertino Electric Inc. (CEI) during 2024 also resulted in increased services for our critical path electrical design and installation solutions from the technology and data center industry, as well as our utility scale solar and battery storage solutions. The cost-effectiveness of solar, wind energy and battery storage, combined with a meaningful increase in current and forecasted electricity demand is continuing to drive demand for renewable generation and related infrastructure (e.g., high-voltage electric transmission and substation infrastructure and battery storage), as well as interconnection services necessary to connect and transmit renewable-generated electricity to existing electric power delivery systems. Despite these positive longer-term trends, in the past, supply chain challenges, policy and regulatory uncertainty and other factors have resulted in project delays and increased project costs and could negatively impact future periods.

With respect to our Underground and Infrastructure segment, we continue to believe the market for our industrial solutions and gas utility and pipeline integrity services remains solid given the recurring critical-path maintenance requirements and regulated spend dedicated to modernizing systems, reducing methane emissions, ensuring environmental compliance and improving safety and reliability. However, revenues associated with large pipeline projects have fluctuated in recent years, and we anticipate that revenues associated with these projects will continue to fluctuate.

During the three months ended March 31, 2025, increased revenues and operating income contributed to \$243.2 million of net cash provided by operating activities, a 2% increase compared to the three months ended March 31, 2024, which, along with borrowings under our commercial paper program, allowed us to execute our business plan, including the strategic acquisitions of certain businesses, for which we utilized \$394.3 million of cash, net of cash acquired, repurchases of \$118.6 million of common stock, and payments of \$15.5 million in dividends associated with our common stock. Additionally, as of March 31, 2025, available commitments under our senior credit facility, combined with our cash and cash equivalents, totaled \$2.91 billion.

We expect the strong demand for our services will continue. Our remaining performance obligations and backlog were \$17.65 billion and \$35.25 billion as of March 31, 2025, representing increases of 5.3% and 2.1% relative to December 31, 2024. 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 in our 2024 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 and fourth 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. During the fourth quarter projects are often 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 (e.g., tariffs, taxes); 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; complex data center 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 cyclicalities. 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 *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. Additionally, under certain contracts, including contracts for engineering, procurement and construction services, we agree to procure all or part of the required materials. 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

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).

	Three Months Ended March 31,				Change				
	2025		2024		\$	%			
Revenues	\$	6,233,334	100.0 %	\$	5,031,819	100.0 %	\$	1,201,515	23.9 %
Cost of services		5,399,297	86.6		4,408,325	87.6		990,972	22.5 %
Gross profit		834,037	13.4		623,494	12.4		210,543	33.8 %
Equity in earnings of integral unconsolidated affiliates		12,929	0.2		12,334	0.2		595	4.8 %
Selling, general and administrative expenses		(493,966)	(7.9)		(402,340)	(8.0)		(91,626)	22.8 %
Amortization of intangible assets		(109,562)	(1.8)		(77,511)	(1.5)		(32,051)	41.4 %
Change in fair value of contingent consideration liabilities		(4,357)	(0.1)		(623)	—		(3,734)	599.4 %
Operating income		239,081	3.8		155,354	3.1		83,727	53.9 %
Interest and other financing expenses		(54,312)	(0.9)		(41,072)	(0.8)		(13,240)	32.2 %
Interest income		3,841	0.1		8,023	0.2		(4,182)	(52.1)%
Other income, net		239	—		24,882	0.4		(24,643)	(99.0)%
Income before income taxes		188,849	3.0		147,187	2.9		41,662	28.3 %
Provision for income taxes		39,880	0.6		21,096	0.4		18,784	89.0 %
Net income		148,969	2.4		126,091	2.5		22,878	18.1 %
Less: Net income attributable to non-controlling interests		4,711	(0.1)		7,731	(0.1)		(3,020)	(39.1)%
Net income attributable to common stock	\$	144,258	2.3 %	\$	118,360	2.4 %	\$	25,898	21.9 %

*Revenues.* Revenues increased due to a \$1.03 billion increase in revenues from our Electric segment and a \$168.2 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.

*Selling, general and administrative expenses.* The increase was primarily attributable to a \$53.4 million increase related to recently acquired businesses and a \$35.1 million increase in compensation expense, largely associated with increased salaries and incentive compensation expense due primarily to an increase in the number of employees to support business growth and increased levels of profitability.

*Amortization of intangible assets.* The increase was related to incremental amortization expense associated with recent acquisitions, primarily the acquisition of CEI.

*Operating income.* Operating income was positively impacted by a \$105.3 million increase in operating income for our Electric segment and a \$30.0 million increase in operating income for our Underground and Infrastructure segment, partially offset by a \$51.5 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 *Segment Results* below.

*Interest and other financing expenses.* The majority of the increase resulted from higher levels of principal on fixed rate debt balances as compared to the three months ended March 31, 2024.

*Other income, net.* The other income for the three months ended March 31, 2024 was primarily related to a \$12.2 million gain on the sale of an investment in a non-integral unconsolidated affiliate, of which \$4.9 million was attributable to a non-controlling interest.

*Provision for income taxes.* The effective income tax rates for the three months ended March 31, 2025 and 2024 were 21.1% and 14.3%. The higher effective tax rate for the three months ended March 31, 2025 was primarily due to a lower tax benefit from equity incentive awards. This benefit impacted the effective tax rate for the period ending March 31, 2025 by \$13.6 million, compared to \$21.6 million in the three months ended March 31, 2024.

*Comprehensive income attributable to common stock.* See Statements of Comprehensive Income in Item 1. *Financial Statements* of Part I of this Quarterly Report. Comprehensive income attributable to common stock increased by \$56.9 million in the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily due to a \$30.3 million increase related to foreign currency translation adjustments and a \$22.9 million increase in net income. The predominant functional currencies for our operations outside the U.S. are Canadian and Australian dollars. Foreign currency translation adjustment loss for the three months ended March 31, 2024 primarily resulted from the strengthening of the U.S. dollar against both the Canadian and Australian dollars as of March 31, 2024 when compared to December 31, 2023.

## ***Segment Results***

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. 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.

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), with certain of our segment

results of operations recast to conform to our current segment reporting structure as described above:

	Three Months Ended March 31,				Change				
	2025		2024		\$	%			
<b>Revenues:</b>									
Electric	\$	4,944,391	79.3 %	\$	3,911,124	77.7 %	\$	1,033,267	26.4 %
Underground and Infrastructure		1,288,943	20.7		1,120,695	22.3		168,248	15.0 %
Consolidated revenues	\$	6,233,334	100.0 %	\$	5,031,819	100.0 %	\$	1,201,515	23.9 %
<b>Operating income (loss):</b>									
Electric	\$	408,164	8.3 %	\$	302,871	7.7 %	\$	105,293	34.8 %
Underground and Infrastructure		76,867	6.0 %		46,888	4.2 %		29,979	63.9 %
Corporate and Non-Allocated Costs		(245,950)	(3.9)%		(194,405)	(3.9)%		(51,545)	26.5 %
Consolidated operating income	\$	239,081	3.8 %	\$	155,354	3.1 %	\$	83,727	53.9 %

### *Electric Segment Results*

*Revenues.* The increase in revenues for the three months ended March 31, 2025 was primarily due to approximately \$790 million in revenues attributable to acquired businesses and increased demand for our services.

*Operating Income.* The increase in operating income for the three months ended March 31, 2025 was primarily due to the increase in revenues. The increase in operating margin for the three months ended March 31, 2025 was primarily due to the increase in revenues and improved execution in power generation, partially offset by lower operating margins associated with telecommunication projects. 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, 2025 was primarily due to approximately \$95 million in revenues attributable to an acquired business and increased demand for our industrial solutions.

*Operating Income.* The increase in operating income and operating margin for the three months ended March 31, 2025 was primarily due to increased revenues, which contributed to higher levels of fixed cost absorption, as well as the overall mix of work performed in the period. Operating income for the three months ended March 31, 2025 was negatively impacted by \$4.2 million that, pursuant to an acquisition purchase agreement, was withheld from the sellers' proceeds, to be paid to certain employees upon satisfaction of post-closing service obligations. Operating margin for the three months ended March 31, 2024 was negatively impacted by a loss of \$10.7 million related to the disposition of a non-core business.

### *Corporate and Non-Allocated Costs*

The increase in corporate and non-allocated costs during the three months ended March 31, 2025 was primarily due to a \$32.1 million increase in intangible asset amortization expense associated with recent acquisitions, including CEI, and a \$9.3 million increase in compensation expense, which was primarily attributable to increased incentive compensation expense, salaries and non-cash stock compensation expense in support of business growth and associated with acquisitions.

## **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) gains and losses on the sale of investments and businesses vary from period to period depending on activity; and (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 March 31,	
	2025	2024
<b>Net income attributable to common stock (GAAP as reported)</b>	<b>\$ 144,258</b>	<b>\$ 118,360</b>
Interest and other financing expenses	54,312	41,072
Interest income	(3,841)	(8,023)
Provision for income taxes	39,880	21,096
Depreciation expense	98,114	88,895
Amortization of intangible assets	109,562	77,511
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	5,400	3,000
<b>EBITDA</b>	<b>447,685</b>	<b>341,911</b>
Non-cash stock-based compensation	38,151	35,331
Acquisition and integration costs <sup>(1)</sup>	13,775	9,551
Equity in earnings of non-integral unconsolidated affiliates	(82)	(3,582)
Loss on disposition of business, net <sup>(2)</sup>	—	3,420
Change in fair value of contingent consideration liabilities	4,357	623
<b>Adjusted EBITDA</b>	<b>\$ 503,886</b>	<b>\$ 387,254</b>

<sup>(1)</sup> The amount for the three months ended March 31, 2025 includes \$4.2 million that, pursuant to an acquisition purchase agreement, was withheld from the sellers' proceeds, to be paid to certain employees upon satisfaction of post-closing service obligations.

<sup>(2)</sup> The amount for the three months ended 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-integral equity 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. Our methodology for determining backlog may not be comparable to the methodologies used by other companies.

As of March 31, 2025 and December 31, 2024, MSAs accounted for 38% and 38% of our estimated 12-month backlog and 50% and 48% 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):

	March 31, 2025		December 31, 2024	
	12 Month	Total	12 Month	Total
<b>Electric</b>				
Remaining performance obligations	\$ 10,866,398	\$ 16,488,853	\$ 10,297,410	\$ 15,654,028
Estimated orders under MSAs and short-term, non-fixed price contracts	5,507,795	13,208,260	6,198,603	12,973,779
Backlog	\$ 16,374,193	\$ 29,697,113	\$ 16,496,013	\$ 28,627,807
<b>Underground and Infrastructure</b>				
Remaining performance obligations	\$ 1,031,637	\$ 1,160,996	\$ 953,983	\$ 1,104,609
Estimated orders under MSAs and short-term, non-fixed price contracts	2,014,429	4,393,411	2,321,941	4,806,408
Backlog	\$ 3,046,066	\$ 5,554,407	\$ 3,275,924	\$ 5,911,017
<b>Total</b>				
Remaining performance obligations	\$ 11,898,035	\$ 17,649,849	\$ 11,251,393	\$ 16,758,637
Estimated orders under MSAs and short-term, non-fixed price contracts	7,522,224	17,601,671	8,520,544	17,780,187
Backlog	\$ 19,420,259	\$ 35,251,520	\$ 19,771,937	\$ 34,538,824

The increases in both remaining performance obligations and backlog from December 31, 2024 to March 31, 2025 were partially due to the impact of acquisitions that occurred in the three months ended March 31, 2025 as well as new project awards with existing customers.

## 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.

### Cash Requirements and Capital Allocation

During the three months ended March 31, 2025, 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 2024 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.

During the three months ended March 31, 2025, we completed the acquisition of two businesses in which a portion of the consideration, net of cash acquired, consisted of \$394.3 million in cash paid on the respective acquisition dates, funded with a combination of cash and cash equivalents and borrowings from our commercial paper program. For additional information regarding our recent acquisitions, refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report.

During the year ended December 31, 2024, we completed the acquisition of eight businesses in which a portion of the consideration, net of cash acquired, consisted of \$1.75 billion in cash funded partially with a combination of cash and cash equivalents, borrowings from our commercial paper program and certain other financing transactions as described in Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of the 2024 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.

#### ***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. 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). 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 15 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 March 31, 2025 were as follows (in thousands):

	<b>March 31, 2025</b>
Total capacity available for revolving loans, credit support for commercial paper program and letters of credit	\$ 2,800,000
Less:	
Commercial paper program notes outstanding <sup>(1)</sup>	304,000
Letters of credit outstanding	106,460
Available commitments for revolving loans, credit support for commercial paper notes and letters of credit	2,389,540
Plus:	
Cash and cash equivalents <sup>(2)</sup>	520,561
Total	\$ 2,910,101

<sup>(1)</sup> Amount represents unsecured notes issued under our commercial paper program, which has a maximum aggregate amount of \$1.50 billion of notes outstanding at any time. 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.

<sup>(2)</sup> Further information with respect to our cash and cash equivalents is set forth below and in Note 14 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report. This amount includes \$283.1 million in jurisdictions outside of the U.S., principally in 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 seek to access the capital markets from time to time to raise additional capital, increase liquidity as we deem 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 Three Months Ended March 31, 2025 and 2024***

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

	Three Months Ended March 31,	
	2025	2024
Net cash provided by operating activities	\$ 243,198	\$ 237,955
Net cash used in investing activities	\$ (520,621)	\$ (386,608)
Net cash provided by (used in) financing activities	\$ 52,354	\$ (603,044)

#### ***Operating Activities***

Net cash provided by operating activities of \$243.2 million and \$238.0 million in the three months ended March 31, 2025 and 2024 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," "Accounts payable and accrued expenses," and "Contract liabilities."

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 March 31, 2025 was 63 days, which was lower than DSO of 71 days as of March 31, 2024 and lower than our five-year historical average DSO of 77 days. This decrease in DSO as compared to March 31, 2024 was partially due to favorable billing terms on certain large projects. Negatively impacting DSO and cash flow from operating activities for both the three months ended March 31, 2025 and 2024 were unapproved change orders and claims included in contract assets from the large renewable transmission project in Canada further described in Note 3 of the Notes to Condensed Consolidated Financial Statements in Item 1. *Financial Statements* of Part I of this Quarterly Report. Net cash provided by operating activities for the three months ended March 31, 2025 was also impacted by payment of approximately \$109.1 million related to the deferral of 2024 quarterly federal income tax pursuant to federal disaster relief. Net cash provided by operating activities for the three months ended March 31, 2024 was impacted by our prepayment of amounts to suppliers for certain project materials that require a long lead time and payments of a significant amount of accounts payable balances on certain large renewable projects that were outstanding as of December 31, 2023.

#### ***Investing Activities***

Net cash used in investing activities in the three months ended March 31, 2025 included \$394.3 million related to acquisitions and \$132.8 million of capital expenditures.

Net cash used in investing activities in the three months ended March 31, 2024 included \$384.1 million related to acquisitions and \$83.1 million of capital expenditures. Partially offsetting these items were \$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.

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 in *Cash Requirements and Capital Allocation* above and in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources* of Part I of our 2024 Annual Report.

#### *Financing Activities*

Net cash provided by financing activities in the three months ended March 31, 2025 was primarily due to borrowings under our commercial paper program. Net cash provided by financing activities in the three months ended March 31, 2025 was partially offset by \$118.6 million of repurchases of common stock, \$71.6 million of payments to satisfy tax withholding obligations associated with stock-based compensation and the payment of \$15.5 million of dividends.

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.

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 Notes 2 and 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of the 2024 Annual Report and should be read in conjunction with the accounting policies identified in Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* of Part II of our 2024 Annual 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 three months ended March 31, 2025. 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 2024 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 March 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance of achieving their objectives.

## **Evaluation of Internal Control over Financial Reporting**

We acquired two businesses during the three months ended March 31, 2025. 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 March 31, 2025 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, property damage, breach of contract, negligence or gross negligence, 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 13 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 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 2024 Annual Report. As of the date of this filing, there have been no material changes to the risk factors previously described in our 2024 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 and Use of Proceeds.****Unregistered Sales of Equity Securities**

We completed acquisitions on January 10, 2025 and February 14, 2025, and a portion of the consideration consisted of the unregistered issuance of shares of our common stock. The aggregate consideration for these acquisitions included 515,822 shares of our common stock, valued at \$161.6 million as of the respective acquisition dates. For additional information about 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.

The shares of common stock issued in 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 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 First Quarter of 2025**

The following table contains information about our purchases of equity securities during the three months ended March 31, 2025.

Period	Total Number of Shares Purchased <sup>(1)(2)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Programs <sup>(1)</sup>
January 1 - 31, 2025				
Open Market Stock Repurchases <sup>(1)</sup>	—	\$ —	—	\$ 499,650,097
Tax Withholding <sup>(2)</sup>	1,122	\$ 317.71	—	
February 1 - 28, 2025				
Open Market Stock Repurchases <sup>(1)</sup>	159,559	\$ 261.34	159,559	\$ 457,951,541
Tax Withholding <sup>(2)</sup>	108,689	\$ 269.55	—	
March 1 - 31, 2025				
Open Market Stock Repurchases <sup>(1)</sup>	311,828	\$ 246.51	311,828	\$ 381,082,012
Tax Withholding <sup>(2)</sup>	167,254	\$ 251.00	—	
As of March 31, 2025	<u>748,452</u>		<u>471,387</u>	\$ 381,082,012

- (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. 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 withheld from employees to satisfy tax withholding obligations in connection with the vesting of restricted stock unit or 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**

On March 6, 2025, the Rule 10b5-1 trading arrangement previously adopted on November 25, 2024 by Donald C. Wayne, Executive Vice President and General Counsel of Quanta, terminated upon expiration of all orders. Mr. Wayne's plan provided for the sale of up to 19,307 shares of Quanta common stock.

**Item 6. Exhibits.**

Exhibit No.	Description
3.1	<a href="#"><u>Restated Certificate of Incorporation of Quanta Services, Inc. (previously filed as Exhibit 3.2 to Quanta's Form 8-K filed May 31, 2024 and incorporated herein by reference)</u></a>
3.2	<a href="#"><u>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)</u></a>
10.1 ^	<a href="#"><u>Quanta Services, Inc. Term Sheet for 2025 Annual Incentive Plan – Corporate Employees, Quanta Services, Inc. Term Sheet for 2025 Senior Leadership Long-Term Incentive Plan and Quanta Services, Inc. Term Sheet for 2025 Discretionary Plan – All Employees (previously filed as Exhibit 10.1 to Quanta's Form 8-K filed March 5, 2025 and incorporated herein by reference)</u></a>
10.2 *^	<a href="#"><u>Employment Agreement, dated May 24, 2024, by and between Quanta Services, Inc. and Karl W. Studer</u></a>
31.1 *	<a href="#"><u>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)</u></a>
31.2 *	<a href="#"><u>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)</u></a>
32.1 *	<a href="#"><u>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)</u></a>
101 *	The following financial statements from Quanta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, 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 March 31, 2025, 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

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Paul M. Nobel  
Senior Vice President and Chief Accounting Officer  
(Principal Accounting Officer)

Dated: May 1, 2025

## **AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement (this “Agreement”) is entered into between Quanta Services, Inc., a Delaware corporation (the “Company”), and Karl W. Studer (“Employee”), dated as of May 24, 2024 (the “Effective Date”).

### **I. RECITALS**

A member of the Employer Group (as defined below) and Employee previously entered into that certain Employment Agreement, effective as of August 1, 2023 (the “Prior Agreement”).

The Company and Employee desire to amend and restate the Prior Agreement in its entirety on the terms and conditions set forth in this Agreement, effective as of the Effective Date.

As of the Effective Date, the Employer Group 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 behalf of its subsidiaries and affiliated companies and, in so doing, protect its Proprietary and Confidential Information subject to the terms and conditions set forth herein.

### **II. DEFINITIONS**

A. For purposes of this Agreement, 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 the Company and/or (2) to 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 of Directors of the Company.

C. “Business” shall mean (1) the business of providing infrastructure solutions for customers in the utility, energy, renewable energy, telecommunications and pipeline industries or (2) such other business as the Employer Group is actually engaged in or has taken material steps 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.

D. “Change in Control” 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 “Exchange Act”) (“Person”) 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 “Outstanding Company Voting Securities”); provided, however, 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 any Affiliate, (d) any acquisition involving beneficial ownership of less than a majority of the then-outstanding common stock of the Company (the “Outstanding Company Common Shares”) or the Outstanding Company Voting Securities that is determined by the Board, based on 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; provided, 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;

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 Company with any other corporation, unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Shares and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding

voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of 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. The stockholders of the Company approve a complete liquidation of the Company.

Notwithstanding the foregoing, no Change in Control shall be deemed to 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. 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, the processes, methods or techniques utilized by the 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 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 connection with Employee's employment.

L. "Territory" shall mean, collectively, (i) the United States, Canada and Australia and (ii) such other countries in which the 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 date on which enforcement of 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 – Electric Power of the Company or 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 prescribed from time to time by the Board or the Company's Chief Executive Officer, in its or their discretion, in a manner consistent with such position.

1. 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 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 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 Effective Date and shall continue for one (1) year, unless terminated sooner pursuant to the provisions of this Agreement (the "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. 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 include:

a. Employee's gross negligence in the performance of, intentional nonperformance of, or inattention to Employee's material duties and responsibilities hereunder, any of which continue for fifteen (15) business days after receipt of written notice of 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 material violation by Employee of any of Employer's policies or 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 or any other crime that involves moral turpitude;

e. 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. Employee may terminate this Agreement and Employee's employment with Employer for Good Reason. For purposes of this Agreement, "Good Reason" shall 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 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 benefits imposed on all or substantially all of the Company's similarly-situated employees);
- d. the assignment to Employee of any duties inconsistent with Employee's position (including office, title and reporting requirements), authority, duties or responsibilities as contemplated by Section III.A of this Agreement or any other action by Employer that results in a diminution in such position, authority, duties or responsibilities (excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith);
- e. the 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 at least equal to ninety percent (90%) of the 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 similarly-situated employees the Company or its successor, as applicable);
- f. Employee's receipt from Employer of a Renewal Termination Notice as provided in Section III.B;
- g. in the event of a pending Change in Control, Employer and Employee have not received written notice at least five (5) business days prior to the anticipated closing date of the transaction giving rise to 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 manner and to the same extent that Employer is hereby required to perform;
- h. any requirement that Employee relocate Employee's principal place of work to an office or location that is more than 35 miles from the Principal Work Locations specified in Section III.F of this Agreement (other than a relocation that results in a decrease in Employee's one-way commute from Employee's home to Employee's principal place of work and other than a relocation in connection with the employment of Employee in a different role as contemplated by Section III.F of this Agreement); or
- i. any material breach by Employer of this Agreement.

j. Notwithstanding the foregoing, Employee's resignation shall not constitute a resignation for "Good Reason" unless, (i) upon the occurrence of an event described above, Employee shall have, within ninety (90) days after such occurrence (or, if later, Employee first becoming aware of such occurrence), given written notice thereof to Employer specifying in reasonable detail the facts and circumstances of such event; (ii) Employer shall have failed to remedy or otherwise cure the circumstances (to the extent curable) within thirty (30) days following the receipt by Employer of such notice and failed to reasonably compensate Employee for monetary losses or damages resulting therefrom; and (iii) the effective date of Employee's termination for Good Reason occurs no later than thirty (30) days after the expiration of Employer's cure period.

5. Termination without Cause. Employer may terminate this Agreement and Employee's employment without Cause by providing written notice to Employee setting forth the effective Date 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 accordance with Section III.D below.

D. Notice of Termination. Any termination by Employer for Cause or Disability or by Employee shall be communicated by a Notice of Termination provided to the 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 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 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. Other than normal business travel consistent with Employee's duties, responsibilities and position, for so long as Employee is serving in the role of President – Electric Power, Employee shall carry out Employee's duties and responsibilities under this Agreement in the greater metropolitan areas of Heber City, Utah; Houston, Texas; or Rupert, Idaho (each, a "Principal Work Location"); it being understood that employment of Employee in a different role may require relocation..

#### 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 \$800,000, 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 reimbursable in accordance with Section IV.E above. Vested benefits (if any) under any employee benefit plans shall be governed by the terms and conditions of the applicable plans. The payments and benefits described in this Section IV.F.1 are collectively referred to as the “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 (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 Date of Termination, including Equity Awards that, as of the Date of Termination, are subject to performance vesting conditions ("Performance Awards"), and notwithstanding anything to the contrary in the Company's 2019 Omnibus Equity Incentive Plan or any successor plan thereto (in any case, as amended from time to time, the "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*, 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 death and the forecasted achievement of such goals for the remainder of the performance period applicable to such Performance Award).

3. Termination due to Disability. If Employee's employment is terminated due to Disability, (i) Employee shall be entitled to the 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 Equity Awards, each such Equity Award shall vest in full (to the extent then-unvested) upon 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 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 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 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 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 Performance Award shall vest in full (to the extent then-unvested) upon the date on which the Release becomes effective and irrevocable and (y) each then-unvested Performance Award shall remain outstanding and eligible to vest in accordance with its terms.

In addition to, and not in lieu of, the foregoing clauses (i) through (iv), in the event of a termination without Cause or for Good Reason, if the Date of Termination occurs more than 24-months after the consummation of a Change in Control, then all Equity Awards held by Employee as of 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 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.

f. 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 Employer 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 entitled to the following severance benefits:

a. Employer shall pay to Employee an amount in cash 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 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 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 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 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 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 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 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 this Agreement to the contrary notwithstanding, in the event that it shall be determined (as hereinafter provided) that any

payment or distribution by Employer Group to or for the benefit of 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 “Payments”), would be subject, but for the application of this Section IV.G to the excise tax imposed by Section 4999 of the Code, or any successor provision thereto (hereinafter the “Excise Tax”), by reason of being considered “contingent on a change in 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 minimum extent necessary (but in no event less than zero) so that, after such reduction, no portion of the Payments would be subject to the Excise Tax, then the Payments shall be so reduced; and
2. if the 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 the Payments, less (ii) the amount of federal income taxes payable with respect to the Payments calculated at the then-applicable federal income tax rate for each year in which the Payments shall be paid to Employee (based upon the rate in effect for such year as set forth in the Code at the time of the Payments), less (iii) the 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 extent any Payments are economically equivalent, each shall be reduced pro rata.

H. Compliance with Section 409A of the 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 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 contrary, if the Company determines that severance payments due under this Agreement on account of termination of Employee’s employment constitute “deferred compensation” subject to Section 409A of the Code, and that Employee is a “specified employee” as defined in Section 409A(a)(2)(B)(i) of the Code and 26 C.F.R. Section 1.409A-1(i), then such severance payments shall commence on the first payroll date of the 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 this Agreement, whether Employee is a “specified employee” will be determined in accordance with the written procedures adopted by the Board or a committee thereof which are incorporated by reference herein.

3. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code and the regulations and guidance promulgated thereunder to the extent that such reimbursements or in-kind benefits are not exempted from Section 409A of the Code, including where applicable, the requirement that (a) any 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 made on or before the last day of the calendar year following the 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 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 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 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 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 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 a sealed complaint or other document filed in a lawsuit or other governmental proceeding. Pursuant to 18 U.S.C. Section 1833(b), (x) Employee will not be held criminally or civilly liable under any federal or state 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 Confidential Information are the Employer Group's exclusive property. Employee shall 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 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 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.

c. Costs. 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 and agrees that, in the event Employee breaches Employee's obligations set forth in Section VI.B of this Agreement, the 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 prior written consent of Employer, either during the period of Employee's employment with the 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 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 section will not apply to information that is generally known to the public or in the trade, unless such knowledge results from an unauthorized disclosure by Employee, but this exception will not affect the application of any other provisions of this Agreement to such information in accordance with the 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 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 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 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 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 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](http://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 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 hereby 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:     Karl W. Studer  
                          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, including, but not limited to, the Prior Agreement, 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](http://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/ Earl C. Austin Jr.

Name: Earl C. Austin, Jr.

Title: President and Chief Executive Officer

**EMPLOYEE:**

/s/ Karl W. Studer

Karl W. Studer, Individually

[Signature Page to Employment Agreement]

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## SCHEDULE A

### Form of Confidential Severance Agreement and Release of All Claims

<b>CONFIDENTIAL SEVERANCE AGREEMENT AND RELEASE OF ALL CLAIMS</b>
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This Confidential Severance Agreement and Release of All Claims (this “Agreement”) is made and entered into by and between Karl W. Studer (“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 Employment Agreement (defined below) (collectively, the “Severance Benefits”). Employee acknowledges and agrees that the 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 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 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 paid all of the wages, fees, commissions, expense reimbursements, vacation, sick pay, holiday pay and all other employee benefits due and owing to Employee as a result of Employee’s

employment with the Company, and that no other compensation or payments of any kind or nature is owed to Employee, other than as provided in this Agreement.

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.
7. **Employee Release.** In consideration of the Severance Benefits, the 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 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 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 Company, or the termination of such employment, including without limitation:

- (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]<sup>1</sup>. 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 exercising

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<sup>1</sup> As applicable.



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.

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.
10. **Knowing and Voluntary Waiver.** Notwithstanding any other provisions of this Agreement to the contrary:
- (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. **Job Reference.** 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,

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

12. **Return of Company Property; Confidentiality Obligations; Restrictive Covenants.** 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 "**Employment Agreement**")) 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 "**Covenants**"), 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

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](http://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 hereby 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

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: \_\_\_\_\_  
Karl W. Studer

**SCHEDULE B**

Pre-Employment Inventions

[None]

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: May 1, 2025

By: /s/ EARL C. AUSTIN, JR.  
Earl C. Austin, Jr.  
President and Chief Executive Officer  
(Principal Executive Officer)

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: May 1, 2025

By: /s/ JAYSHREE S. DESAI  
Jayshree S. Desai  
Chief Financial Officer  
(Principal Financial Officer)



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 March 31, 2025 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: May 1, 2025

/s/ EARL C. AUSTIN, JR.

Earl C. Austin, Jr.

President and Chief Executive Officer

Dated: May 1, 2025

/s/ JAYSHREE S. DESAI

Jayshree S. Desai

Chief Financial Officer