UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
August 2, 2018

QUANTA SERVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-13831 **(Commission File No.)**	**74-2851603** **(IRS Employer Identification No.)**

2800 Post Oak Boulevard, Suite 2600
Houston, Texas 77056
(Address of principal executive offices, including ZIP code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 **Results of Operations and Financial Condition.**

On August 2, 2018, Quanta Services, Inc. issued a press release announcing its results for the fiscal quarter ended June 30, 2018. A copy of the press release is furnished herewith as Exhibit 99.1.

The information furnished in this Current Report on Form8-K, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Exhibit
99.1	Press Release of Quanta Services, Inc. dated August 2, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: August 2, 2018	QUANTA SERVICES, INC.
	By: /s/ Jerry K. Lemon
	Name: Jerry K. Lemon
	Title: Chief Accounting Officer

Exhibit 99.1

PRESS RELEASE

FOR IMMEDIATE RELEASE
18-11

Contacts:	Derrick Jensen, CFO Kip Rupp, CFA - Investors Quanta Services, Inc. 713-629-7600	Media - Lynn Hancock Ward 713-818-6719

QUANTA SERVICES REPORTS 2018 SECOND QUARTER RESULTS

Record Second Quarter Revenues and Twelve Month Backlog in Electric Power, Oil and Gas and Consolidated
Record Second Quarter GAAP Diluted and Non-GAAP Adjusted Diluted EPS
Attributable to Common Stock of $0.48 and $0.59, Respectively
Reaffirms Full-Year 2018 EPS Guidance With Improved Second Half of Year Visibility

HOUSTON – August 2, 2018 - Quanta Services, Inc. (NYSE: PWR) today announced results for the three and six months ended June 30, 2018. Revenues in the second quarter of 2018 were $2.66 billion, compared to revenues of $2.20 billion in the second quarter of 2017, and net income attributable to common stock was $74.4 million, or $0.48 per diluted share in the second quarter of 2018, compared to net income attributable to common stock of $63.8 million, or $0.41 per diluted share, in the second quarter of 2017. Adjusted diluted earnings per share attributable to common stock (a non-GAAP measure) was $0.59 for the second quarter of 2018 compared to $0.50 for the second quarter of 2017.

"We are off to a solid first half start and remain on track to achieve our full-year earnings per share expectations. Importantly, the second half of this year is strengthening as our base business activity seasonally increases and our larger pipeline projects are ramping in construction activity," said Duke Austin, President and Chief Executive Officer of Quanta Services. "Demand for craft skilled labor is high, and our investments in safety and training have made Quanta a preferred employer in our industry. We ended the second quarter with more than 37,000 employees and are on pace to generate record man hours this year. Quanta's competitive position in the marketplace and our ability to serve the expanding needs of our customers has never been better. Our end markets are strong, we see opportunity to achieve record backlog again this year and we believe we are well positioned for growth over the next several years."

Certain items impacted the second quarter of 2018 and were reflected as adjustments in Quanta's adjusted diluted earnings per share attributable to common stock calculation. Favorably impacting second quarter 2018 results was a change in fair value of contingent consideration liabilities of $6.3 million ($6.6 million net of tax), or $0.04 per diluted share, partially offset by certain charges of $6.7 million ($5.2 million net of tax), or $0.03 per diluted share, that are described below in the notes to the table reconciling adjusted diluted earnings per share attributable to common stock to GAAP diluted earnings per share attributable to common stock. Such charges included acquisition and integration costs, severance and restructuring costs and an asset impairment charge.

RECENT HIGHLIGHTS

- **Secured Three Mainline Spreads of Line 3 Replacement Project -** In June 2018, Quanta was selected by Enbridge Pipelines Inc. for three spreads of phase two of the Canadian section of the Line 3 Replacement Program. Quanta's scope of work includes the construction and installation of approximately 236 miles (380 kilometers) of new 36-inch diameter crude oil mainline pipe, which will begin in White City, Saskatchewan and continue to Brandon, Manitoba. Quanta's construction on the project is expected to begin in August 2018 and is anticipated to achieve substantial completion in the first half of 2019. This project is included in remaining performance obligations and backlog at June 30, 2018.
- **Selected for Site C Transmission Line -** In June 2018, Quanta was selected by BC Hydro for the Site C Transmission Line project in northeast British Columbia. Quanta's scope of work on the project includes the construction and installation of two new 500 kilovolt transmission lines along 75 kilometers of existing right-of-way between the Site C hydroelectric dam project and the Peace Canyon generating station.Pre-construction activities have commenced and the project is expected to reach substantial completion in the second quarter of 2022. This project is included in remaining performance obligations and backlog at June 30, 2018.
- **Repurchased Stock -** During June and July of 2018, Quanta repurchased $30.0 million of its outstanding common stock through open market purchases, acquiring 0.9 million shares. With these repurchases, Quanta has acquired 5.9 million shares of its common stock for $203.9 million in 2018. In the aggregate, Quanta has acquired 7.2 million shares of its common stock for $253.9 million under its current $300 million stock repurchase program. Quanta has approximately $46.1 million remaining of its repurchase authorization.

RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

Revenues in the first six months of 2018 were $5.07 billion, compared to revenues of $4.38 billion in the first six months of 2017, and net income attributable to common stock was $112.0 million in the first six months of 2018, or $0.72 per diluted share, compared to net income attributable to common stock of $112.1 million, or $0.72 per diluted share, in the first six months of 2017. Adjusted diluted earnings per share attributable to common stock (a non-GAAP measure) was $0.98 for the first six months of 2018 compared to $0.90 for the first six months of 2017.

Quanta completed two acquisitions during the first six months of 2018 and three acquisitions during the full-year 2017. Therefore, Quanta's results for the three and six months ended June 30, 2018 include the results of the acquired businesses from the acquisition dates and are compared to the historical results for the three and six months ended June 30, 2017. For further information on the items that impacted comparability in 2018 and 2017, see the footnotes to the Supplemental Segment Data table and the non-GAAP reconciliations of adjusted EBITDA and adjusted diluted earnings per share attributable to common stock below.

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OUTLOOK

The long-term outlook for Quanta's business is positive. However, weather, regulatory, permitting, project timing, execution challenges and other factors have impacted the company's historical results, and may impact Quanta's future financial results. Therefore, Quanta's financial outlook for revenues, margins and earnings reflects management's effort to properly align these uncertainties with the backlog the company is executing on and the opportunities expected to materialize during 2018. The following forward-looking statements are based on current expectations, and actual results may differ materially.

Prior to the company's conference call, management will post a summary of updated 2018 guidance expectations with additional commentary in the "Investors & Media" section of Quanta's website at http://investors.quantaservices.com. Quanta reaffirms its full-year 2018 earnings per share guidance. Quanta now expects revenues to range between $10.35 billion and $10.75 billion, net income attributable to common stock to range between $320.0 million and $382.0 million, and diluted earnings per share attributable to common stock to remain between $2.07 and $2.47. Quanta expects adjusted diluted earnings per share attributable to common stock (a non-GAAP measure) to remain between $2.55 and $2.95, EBITDA (a non-GAAP measure) to now be between $763.3 million and $864.8 million, and adjusted EBITDA (a non-GAAP measure) to now be between $824.7 million and $926.2 million. See the tables below for reconciliations of estimated adjusted diluted earnings per share attributable to common stock to estimated GAAP diluted earnings per share attributable to common stock for the full-year 2018 and estimated EBITDA and estimated adjusted EBITDA to estimated GAAP net income attributable to common stock for the full-year 2018.

NON-GAAP FINANCIAL MEASURES

The non-GAAP measures in this press release are provided to enable investors, analysts and management to evaluate Quanta's performance excluding the effects of certain items that management believes impact the comparability of operating results between reporting periods. In addition, management believes these measures are useful in comparing Quanta's operating results with those of its competitors. These measures should be used in addition to, and not in lieu of, results prepared in conformity with GAAP.

CONFERENCE CALL INFORMATION

Quanta Services has scheduled a conference call for 9:00 a.m. Eastern Time on August 2, 2018, which will also be broadcast live over the Internet. To participate in the call, dial 1-201-689-8345 or 1-877-407-8291 at least 10 minutes before the conference call begins and ask for the Quanta Services Second Quarter Earnings Conference Call or visit the Investors and Media section of the Quanta Services website at http://investors.quantaservices.com to access the Internet broadcast. Please allow at least 15 minutes to register and download and install any necessary audio software. For those who cannot participate live, shortly following the call a digital recording will be available on the company's website and a telephonic replay will be available through August 9, 2018 by dialing 1-877-660-6853 and referencing the conference ID 13681685. For more information, please contact Kip Rupp, Vice President - Investor Relations at Quanta Services, at 713-341-7260 or investors@quantaservices.com.

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ABOUT QUANTA SERVICES

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

FOLLOW QUANTA IR ON SOCIAL MEDIA

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

Forward-Looking Statements

This press release (and oral statements regarding the subject matter of this press release, including those made on the conference call and webcast announced herein) contains forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to projected revenues, net income, earnings per share, EBITDA, weighted average shares outstanding, margins, capital expenditures, tax rates and other operating or financial results; expectations regarding Quanta's business or financial outlook; growth, trends or opportunities in particular markets; performance obligations and backlog; the potential benefits from acquisitions or investments; the expected financial and operational performance of acquired businesses; the future demand for and availability of labor resources in the industries Quanta serves; future capital allocation initiatives, including the amount, timing and strategies with respect to any future stock repurchases; the ability to deliver increased value and return capital to stockholders; the strategic use of Quanta's balance sheet; the expected value of contracts or intended contracts with customers; the scope, services, term and results of any projects awarded or expected to be awarded for services to be provided by Quanta; the anticipated commencement and completion dates for any projects awarded; the development of larger electric transmission and oil and natural gas pipeline projects and the level of oil, natural gas and natural gas liquids prices and their impact on Quanta's business or the demand for Quanta's services; the impact of existing or potential legislation or regulation, including the Tax Cuts and Jobs Act of 2017; potential opportunities that may be indicated by bidding activity or discussions with customers; the expected outcome of pending and threatened litigation; beliefs and assumptions about the collectability of receivables; the business plans or financial condition of Quanta's customers; possible recovery on pending or contemplated change orders or affirmative claims against customers or third parties; Quanta's plans and strategies; and the current economic and regulatory conditions and trends in the industries Quanta serves; as well as statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts. Although Quanta's management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements can be affected by inaccurate assumptions and by known and unknown risks and uncertainties that are difficult to predict or beyond Quanta's control, including, among others, market conditions; the effects of industry, economic, financial or political conditions outside of the control of Quanta, including weakness in capital markets; quarterly variations in operating results; trends and growth opportunities in relevant markets; delays, reductions in scope or cancellations of anticipated, pending or existing projects, including as a result of weather, regulatory or permitting issues, environmental processes, project performance issues, claimed force majeure events, protests or other political activity, legal challenges or customers' capital constraints; the successful negotiation, execution, performance and completion of anticipated, pending and existing contracts, including the ability to obtain future project awards; Quanta's dependence on suppliers, subcontractors, equipment manufacturers and other third party contractors; the ability to attract and the potential shortage of skilled labor; the ability to retain key personnel and qualified employees; dependence on fixed price contracts and the potential to incur losses with respect to these contracts; estimates relating to the use of percentage-of-completion accounting; adverse weather; the ability to generate internal growth; competition in Quanta's business, including the ability to effectively compete for new projects and market share; the effect of natural gas, natural gas liquids and oil prices on Quanta's operations and growth opportunities and on customer capital programs and demand for Quanta's services; the future development of natural resources; the failure of existing or potential legislative actions to result in demand for Quanta's services; unexpected costs or liabilities that may arise from pending or threatened litigation, indemnity obligations or other claims asserted against Quanta including liabilities associated with multiemployer pension plans; liabilities for claims that are not covered by third-party insurance; the outcome of pending or threatened litigation; risks relating to the potential unavailability or cancellation of third-party insurance, the exclusion of coverage for certain losses, and potential increases in premiums for coverage deemed beneficial to Quanta; cancellation provisions within contracts and the risk that contracts expire and are not renewed or are replaced on less favorable terms; loss of customers with whom Quanta has long-standing or significant relationships; the potential that participation in joint ventures or similar structures exposes Quanta to liability and/or harm to its reputation for acts or omissions by partners; Quanta's inability or failure to comply with the terms of its contracts, which may result in additional costs, unexcused delays, warranty claims, failure to meet performance guarantees, damages or contract terminations; the inability or refusal of customers to pay for services, including failure to collect outstanding receivables; the failure to recover on payment claims against project owners or third party contractors or to obtain adequate compensation for customer-requested change orders; the failure of Quanta's customers to comply with regulatory requirements applicable to their projects, which may result in project delays and cancellations; budgetary or other constraints that may reduce or eliminate tax incentives or government funding for projects, which may result in project delays or cancellations; estimates and assumptions in determining financial results, performance obligations and backlog; the ability to successfully complete performance obligations or realize backlog; risks associated with operating in international markets, including instability of foreign governments, currency fluctuations, tax and investment strategies, as well as compliance with foreign legal systems and cultural practices, the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery and anti-corruption laws; the ability to successfully identify, complete, integrate and realize synergies from acquisitions; the potential adverse impact resulting from uncertainty surrounding investments and acquisitions, including the ability to retain key personnel from acquired businesses, the potential increase in risks already existing in Quanta's operations and poor performance or decline in value of Quanta's investment in infrastructure assets; the adverse impact of impairments of goodwill, receivables, property and equipment and other intangible assets or investments; growth outpacing Quanta's decentralized management and infrastructure; requirements relating to governmental regulation and changes thereto; inability to enforce Quanta's intellectual property rights or the obsolescence of such rights; risks related to the implementation of new information technology solutions; the impact of a unionized workforce on operations, including labor stoppages or interruptions due to strikes or lockouts; potential liabilities and other adverse effects arising from occupational health and safety matters; the cost of borrowing, availability of cash and credit, fluctuations in the price and volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations and other factors affecting financing and investing activities; fluctuations of prices of certain materials used in Quanta's business, including any increase in prices as a result of the imposition of tariffs on such materials; the ability to access sufficient funding to finance desired growth and operations; the ability to obtain performance bonds; potential exposure to environmental liabilities; the ability to continue to meet certain regulatory requirements applicable to Quanta and its subsidiaries; rapid technological and other structural changes that could reduce the demand for Quanta's services; new or changed tax laws, treaties or regulations; increased healthcare costs arising from healthcare reform legislation and other governmental action; regulatory changes that result in increased labor costs; significant fluctuations in foreign currency exchange rates; and other risks and uncertainties detailed in Quanta's Annual Report on Form 10-K for the year ended Dec. 31, 2017, Form10-Q for the quarter ended Mar. 31, 2018 and any other documents that Quanta files with the Securities and Exchange Commission (SEC). For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through the company's website at www.quantaservices.com or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at www.sec.gov. Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements, which are current only as of this date. Quanta does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Quanta further expressly disclaims any written or oral statements made by any third party regarding the subject matter of this press release.

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Quanta Services, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2018 and 2017
(In thousands, except per share information)
(Unaudited)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenues	$2,656,348	$2,200,374	$5,073,924	$4,378,544
Cost of services (including depreciation)	2,322,977	1,898,209	4,439,505	3,810,191
Gross profit	333,371	302,165	634,419	568,353
Selling, general and administrative expenses	206,104	185,880	421,526	370,432
Amortization of intangible assets	10,507	6,494	20,912	13,056
Change in fair value of contingent consideration liabilities	(6,279)	—	(6,279)	—
Operating income	123,039	109,791	198,260	184,865
Interest expense	(9,178)	(4,271)	(15,956)	(8,236)
Interest income	660	164	806	451
Other income (expense), net	(10,426)	(1,079)	(22,401)	(1,443)
Income before income taxes	104,095	104,605	160,709	175,637
Provision for income taxes	29,389	40,245	47,392	62,837
Net income	74,706	64,360	113,317	112,800
Less: Net income attributable to non-controlling interests	341	523	1,338	696
Net income attributable to common stock	$ 74,365	$ 63,837	$ 111,979	$ 112,104
Earnings per share attributable to common stock:				
Basic	$ 0.49	$ 0.41	$ 0.72	$ 0.72
Diluted	$ 0.48	$ 0.41	$ 0.72	$ 0.72
Shares used in computing earnings per share:				
Weighted average basic shares outstanding	153,325	155,090	154,906	154,859
Weighted average diluted shares outstanding	154,595	156,165	156,112	155,745

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Quanta Services, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 120,357	$ 138,285
Accounts receivable, net	2,108,317	1,985,077
Contract assets	551,505	497,292
Inventories	85,859	80,890
Prepaid expenses and other current assets	208,798	168,363
Total current assets	3,074,836	2,869,907
PROPERTY AND EQUIPMENT, net	1,325,128	1,288,602
OTHER ASSETS, net	230,934	189,866
OTHER INTANGIBLE ASSETS, net	261,820	263,179
GOODWILL	1,897,664	1,868,600
Total assets	$6,790,382	$ 6,480,154
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt and short-term debt	$ 15,499	$ 1,220
Accounts payable and accrued expenses	1,178,983	1,057,460
Contract liabilities	496,083	433,387
Total current liabilities	1,690,565	1,492,067
LONG-TERM DEBT AND NOTES PAYABLE, net of current maturities	840,742	670,721
DEFERRED INCOME TAXES AND OTHER NON-CURRENT LIABILITIES	565,610	521,737
Total liabilities	3,096,917	2,684,525
TOTAL STOCKHOLDERS’ EQUITY	3,690,660	3,791,571
NON-CONTROLLING INTERESTS	2,805	4,058
TOTAL EQUITY	3,693,465	3,795,629
Total liabilities and equity	$6,790,382	$ 6,480,154

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Quanta Services, Inc. and Subsidiaries
Supplemental Segment Data
For the Three and Six Months Ended June 30, 2018 and 2017
(In thousands, except percentages)
(Unaudited)

Segment Results

Quanta reports its results under two reportable segments: (1) Electric Power Infrastructure Services and (2) Oil and Gas Infrastructure Services, as set forth below.

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018		2017		2018		2017	
Revenues:								
Electric Power Infrastructure Services	$1,570,173	59.1%	$1,300,729	59.1%	$3,138,680	61.9%	$2,520,231	57.6%
Oil and Gas Infrastructure Services	1,086,175	40.9	899,645	40.9	1,935,244	38.1	1,858,313	42.4
Consolidated revenues	$2,656,348	100.0%	$2,200,374	100.0%	$5,073,924	100.0%	$4,378,544	100.0%
Operating income (loss):								
Electric Power Infrastructure Services	$ 146,011	9.3%	$ 113,043	8.7%	$ 286,906	9.1%	$ 212,715	8.4%
Oil and Gas Infrastructure Services (a)	43,829	4.0	67,751	7.5	53,886	2.8	106,568	5.7
Corporate and Non-Allocated Costs (b)	(66,801)	N/A	(71,003)	N/A	(142,532)	N/A	(134,418)	N/A
Consolidated operating income	$ 123,039	4.6%	$ 109,791	5.0%	$ 198,260	3.9%	$ 184,865	4.2%

(a) Included in operating income for the Oil and Gas Infrastructure Services segment for the three and six months ended June 30, 2018 was the impact of a $3.3 million charge to expense associated with the planned exchange of a construction barge for an industrial property and $1.3 million in severance and restructuring costs related to the closure of certain operations. Included in the six months ended June 30, 2017 was a $1.9 million charge to expense associated with the planned sale of the construction barge that was not consummated.

(b) Included in the three and six months ended June 30, 2018 were $2.1 million and $9.3 million of acquisition and integration costs. Also included in the three and six months ended June 30, 2018 was the favorable impact of a $6.3 million change in fair value of contingent consideration liabilities. Included in the three and six months ended June 30, 2017 were $4.7 million of acquisition and integration costs and a $2.4 million charitable contribution made in connection with the formation and funding of a non-profit line school. Additionally, included in the six months ended June 30, 2017 were attorneys' fees and related expenses of approximately $4.2 million associated with certain litigation that was resolved in the first quarter of 2017.

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Quanta Services, Inc. and Subsidiaries
Supplemental Data
For the Three and Six Months Ended June 30, 2018 and 2017
(In millions)
(Unaudited)

Performance Obligations and Backlog (a non-GAAP measure)

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service. Quanta's remaining performance obligations represent management's estimate of consolidated revenues that are expected to be realized from the remaining portion of firm orders for fixed price contracts not yet completed or for which work has not yet begun. For purposes of calculating remaining performance obligations, Quanta includes all estimated revenues attributable to consolidated joint ventures and variable interest entities, revenues from funded and unfunded portions of government contracts to the extent they are reasonably expected to occur and revenues from change orders to the extent management believes additional contract revenues will be earned and are deemed probable of collection.

Quanta has also historically disclosed its backlog, and while backlog is not a defined term under United States generally accepted accounting principles (GAAP), it is a common measurement used in Quanta's industry. Quanta also believes this non-GAAP measure enables it to more effectively forecast its future results and better identify future operating trends that may not otherwise be apparent. Quanta's remaining performance obligations, as described above, are a component of Quanta's backlog calculation, which also includes estimated orders under master service agreements (MSAs), including estimated renewals, and non-fixed price contracts expected to be completed within one year. Quanta's methodology for determining backlog may not be comparable to the methodologies used by other companies.

The following table reconciles Quanta's total remaining performance obligations to its backlog by reportable segment (anon-GAAP measure) as of June 30, 2018, along with estimates of amounts expected to be realized within 12 months of June 30, 2018:

	June 30, 2018	
	12 Month	Total
Electric Power Infrastructure Services		
Remaining performance obligations	$2,434.2	$ 3,335.4
Estimated orders under MSAs and short-term, non-fixed price contracts	1,823.6	3,799.1
Backlog	4,257.8	7,134.5
Oil and Gas Infrastructure Services		
Remaining performance obligations	2,017.6	2,240.2
Estimated orders under MSAs and short-term, non-fixed price contracts	1,162.1	2,117.7
Backlog	3,179.7	4,357.9
Total		
Remaining performance obligations	4,451.8	5,575.6
Estimated orders under MSAs and short-term, non-fixed price contracts	2,985.7	5,916.8
Backlog	$7,437.5	$11,492.4

The following table presents Quanta's backlog by reportable segment as of June 30, 2018, December 31, 2017 and June 30, 2017, along with an estimate of the backlog amounts expected to be realized within 12 months of each balance sheet date:

	Backlog (a non-GAAP measure) as of					
	June 30, 2018		December 31, 2017		June 30, 2017	
	12 Month	Total	12 Month	Total	12 Month	Total
Electric Power Infrastructure Services	$4,257.8	$ 7,134.5	$4,032.4	$ 7,359.2	$3,631.1	$6,759.9
Oil and Gas Infrastructure Services	3,179.7	4,357.9	2,413.8	3,818.5	1,709.0	2,422.9
Total	$7,437.5	$11,492.4	$6,446.2	$11,177.7	$5,340.1	$9,182.8

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Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Adjusted Diluted Earnings Per Share
Attributable to Common Stock
For the Three and Six Months Ended
June 30, 2018 and 2017
(In thousands, except per share information)
(Unaudited)

The non-GAAP measure of adjusted diluted earnings per share attributable to common stock, when used in connection with diluted earnings per share attributable to common stock, is intended to provide useful information to investors and analysts as they evaluate Quanta's performance. Management believes that the exclusion of certain items from net income attributable to common stock enables it to more effectively evaluate Quanta's operations period over period and better identify operating trends that may not otherwise be apparent. As to certain of the items below, (i) amortization of intangible assets is impacted by Quanta's acquisition activity, and therefore can vary from period to period; (ii) non-cash stock-based compensation expense may vary due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted; (iii) acquisition and integration costs vary period to period depending on the level of Quanta's ongoing acquisition activity, (iv) severance and restructuring costs and asset impairment charges can vary from period to period depending on economic and other factors; and (v) changes in fair value of contingent consideration liabilities vary from period to period depending on financial performance of certain acquired businesses. Because adjusted diluted earnings per share attributable to common stock, as defined, excludes some, but not all, items that affect net income attributable to common stock, adjusted diluted earnings per share attributable to common stock as presented in this press release 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.

See the table on the following page.

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Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Adjusted Diluted Earnings Per Share
Attributable to Common Stock
For the Three and Six Months Ended
June 30, 2018 and 2017
(In thousands, except per share information)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Reconciliation of adjusted net income attributable to Quanta Services, Inc.:				
Net income attributable to common stock (GAAP as reported)	$ 74,365	$ 63,837	$111,979	$112,104
Adjustments:				
Acquisition and integration costs	2,125	4,745	9,303	4,745
Severance and restructuring costs (a)	1,326	—	1,326	—
Asset impairment charges (b)	3,283	—	3,283	1,893
Change in fair value of contingent consideration liabilities	(6,279)	—	(6,279)	—
Income tax impact of adjustments (c)	(1,788)	(1,733)	(3,197)	(2,408)
Adjusted net income attributable to common stock before certainnon-cash adjustments	73,032	66,849	116,415	116,334
Non-cash stock-based compensation	13,485	11,557	28,172	23,423
Amortization of intangible assets	10,507	6,494	20,912	13,056
Income tax impact of non-cash adjustments (c)	(6,272)	(6,603)	(12,830)	(13,347)
Adjusted net income attributable to common stock	$ 90,752	$ 78,297	$152,669	$139,466
Weighted average shares:				
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	154,595	156,165	156,112	155,745
Earnings per share attributable to common stock:				
Diluted earnings per share attributable to common stock (d)	$ 0.48	$ 0.41	$ 0.72	$ 0.72
Adjusted diluted earnings per share attributable to common stock (d)	$ 0.59	$ 0.50	$ 0.98	$ 0.90

See notes on the following page.

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Quanta Services, Inc. and Subsidiaries
Notes to Reconciliation of
Non-GAAP Financial Measures
Adjusted Diluted Earnings Per Share
Attributable to Common Stock
For the Three and Six Months Ended
June 30, 2018 and 2017
(Unaudited)

(a) The amount for the three and six months ended June 30, 2018 reflects the elimination of severance and restructuring costs related to the closure of certain operations within Quanta's Oil and Gas Infrastructure Services segment.

(b) The amount for the three and six months ended June 30, 2018 reflects the elimination of a charge associated with the planned exchange of a construction barge for an industrial property. The amount for the six months ended June 30, 2017 reflects the elimination of a previous charge associated with a planned sale of the construction barge that was not consummated. Although this charge was disclosed in connection with the 2017 second quarter results, it was not reflected as an adjustment to GAAP reported results. It is now reflected as an adjustment to be comparable to the current period presentation. These charges relate to Quanta's Oil and Gas Infrastructure Services segment.

(c) The income tax impact of adjustments that are subject to tax is determined using the incremental statutory tax rates of the jurisdictions to which each adjustment relates for the respective periods.

(d) Both diluted and adjusted diluted earnings per share attributable to common stock for the three and six months ended June 30, 2017 were impacted by a $2.4 million charitable contribution made in connection with the formation and funding of a non-profit line school. Additionally, both diluted and adjusted diluted earnings per share attributable to common stock for the six months ended June 30, 2017 were impacted by attorneys' fees and related expenses of approximately $4.2 million ($2.7 million net of tax), or $0.02 per share, associated with certain litigation that was resolved in the first quarter of 2017.

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Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
EBITA, EBITDA and Adjusted EBITDA
For the Three and Six Months Ended June 30, 2018 and 2017
(In thousands)
(Unaudited)

The following table presents the non-GAAP financial measures of EBITA, EBITDA and Adjusted EBITDA for the three and six months ended June 30, 2018 and 2017, which, when used in connection with net income attributable to common stock, is intended to provide useful information to investors and analysts as they evaluate Quanta's performance. EBITA is defined as earnings before interest, taxes, amortization and equity in (earnings) losses of unconsolidated affiliates. EBITDA is defined as earnings before interest, taxes, depreciation, amortization and equity in (earnings) losses of unconsolidated affiliates, and Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, equity in (earnings) losses of unconsolidated affiliates and certain other items as described below. These measures should not be considered as an alternative to net income attributable to common stock or other 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 it to more effectively evaluate Quanta's operations period over period and to identify operating trends that might not be apparent when including the excluded items. As to certain of the items below, (i) amortization of intangible assets is impacted by Quanta's acquisition activity, and therefore can vary from period to period; (ii) equity in (earnings) losses of unconsolidated affiliates can vary from period to period depending on the activity and financial performance of unconsolidated affiliates, including deferral of a portion of the earnings on a large construction contract performed by Quanta for an affiliate in which Quanta has an equity interest; (iii) non-cash stock-based compensation expense may vary due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted; (iv) acquisition and integration costs vary period to period depending on the level of Quanta's ongoing acquisition activity; (v) severance and restructuring costs and asset impairment charges can vary from period to period depending on economic and other factors; and (vi) changes in fair value of contingent consideration liabilities vary from period to period depending on financial performance of certain acquired businesses. Because EBITA, 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income attributable to common stock (GAAP as reported)	$ 74,365	$ 63,837	$111,979	$112,104
Interest expense	9,178	4,271	15,956	8,236
Interest income	(660)	(164)	(806)	(451)
Provision for income taxes	29,389	40,245	47,392	62,837
Amortization of intangible assets	10,507	6,494	20,912	13,056
Equity in (earnings) losses of unconsolidated affiliates	11,798	2,148	25,141	2,751
EBITA	134,577	116,831	220,574	198,533
Depreciation expense	50,034	44,650	98,753	87,343
EBITDA	184,611	161,481	319,327	285,876
Non-cash stock-based compensation	13,485	11,557	28,172	23,423
Acquisition and integration costs	2,125	4,745	9,303	4,745
Severance and restructuring costs (a)	1,326	—	1,326	—
Asset impairment charges (b)	3,283	—	3,283	1,893
Change in fair value of contingent consideration liabilities	(6,279)	—	(6,279)	—
Adjusted EBITDA	$198,551	$177,783	$355,132	$315,937

See notes on the following page.

Quanta Services, Inc. and Subsidiaries
Notes to Reconciliation of
Non-GAAP Financial Measures
EBITA, EBITDA and Adjusted EBITDA
For the Three and Six Months Ended June 30, 2018 and 2017
(Unaudited)

(a) The amount for the three and six months ended June 30, 2018 reflects the elimination of severance and restructuring costs primarily related to the closure of certain operations within Quanta's Oil and Gas Infrastructure Services segment.

(b) The amount for the three and six months ended June 30, 2018 reflects the elimination of a charge associated with the planned exchange of a construction barge for an industrial property. The amount for the six months ended June 30, 2017 reflects the elimination of a previous charge associated with a planned sale of the construction barge that was not consummated. Although this charge was disclosed in connection with the 2017 second quarter results, it was not reflected as an adjustment to EBITDA. It is now reflected as an adjustment to be comparable to the current period presentation. These charges relate to Quanta's Oil and Gas Infrastructure Services segment.

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Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Free (Negative Free) Cash Flow
and Other Non-GAAP Definitions
For the Three and Six Months Ended June 30, 2018 and 2017
(In thousands)
(Unaudited)

Free (Negative Free) Cash Flow (a non-GAAP measure):

The non-GAAP measure of free (negative free) cash flow, when used in connection with net cash provided by (used in) operating activities, is intended to provide useful information to investors and analysts as they evaluate Quanta's ability to generate the cash required to maintain and potentially expand its business. Free (negative free) cash flow is defined as net cash provided by (used in) operating activities less net capital expenditures. Net capital expenditures is defined as capital expenditures less proceeds from sale of property and equipment and proceeds from insurance settlements related to property and equipment. Management believes that free (negative free) cash flow provides useful information to Quanta's investors because free (negative free) cash flow is viewed by management as an important indicator of how much cash is provided or used by routine business operations, including the impact of net capital expenditures. Management uses free (negative free) cash flow for capital allocation purposes as it is viewed as a measure of cash available to pay debt, acquire businesses, repurchase common stock and transact other investing and financing activities. The most comparable GAAP financial measure, net cash provided by (used in) operating activities, and information reconciling the GAAP and non-GAAP financial measures, are included below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$156,520	$ 4,834	$ 182,513	$ 1,129
Less: Net capital expenditures:				
Capital expenditures	(81,784)	(58,257)	(148,591)	(105,281)
Proceeds from sale of property and equipment	7,224	7,543	12,993	12,344
Proceeds from insurance settlements related to property and equipment	365	—	365	597
Net capital expenditures	(74,195)	(50,714)	(135,233)	(92,340)
Free (Negative Free) Cash Flow	$ 82,325	$(45,880)	$ 47,280	$ (91,211)

Other Non-GAAP Definitions:

Definition of Days Sales Outstanding:

Days Sales Outstanding 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.

Definition of Total Liquidity:

Total liquidity includes Quanta's cash and cash equivalents and availability under Quanta's senior secured revolving credit facility.

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Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Estimated Adjusted Diluted Earnings Per Share
Attributable to Common Stock
For the Full Year 2018
(In thousands, except per share information)
(Unaudited)

The non-GAAP measure of adjusted diluted earnings per share attributable to common stock, when used in connection with diluted earnings per share attributable to common stock, is intended to provide useful information to investors and analysts as they evaluate Quanta's performance. Management believes that the exclusion of certain items from net income attributable to common stock enables it to more effectively evaluate Quanta's operations period over period and better identify operating trends that may not otherwise be apparent. As to certain of the items below, (i) amortization of intangible assets is impacted by Quanta's acquisition activity, and therefore can vary from period to period; (ii) non-cash stock-based compensation expense may vary due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted; (iii) acquisition and integration costs vary period to period depending on the level of Quanta's ongoing acquisition activity; (iv) severance and restructuring costs and asset impairment charges can vary from period to period depending on economic and other factors; and (v) changes in fair value of contingent consideration liabilities vary from period to period depending on financial performance of certain acquired businesses. Because adjusted diluted earnings per share attributable to common stock, as defined, excludes some, but not all, items that affect net income attributable to common stock, adjusted diluted earnings per share attributable to common stock as presented in this press release 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.

	Estimated Range Full Year Ending December 31, 2018	
Reconciliation of estimated adjusted net income attributable to common stock:		
Net income attributable to common stock (as defined by GAAP)	$320,000	$382,000
Acquisition and integration costs	9,800	9,800
Severance and restructuring costs (a)	1,300	1,300
Asset impairment charges (b)	3,300	3,300
Change in fair value of contingent consideration liabilities	(6,300)	(6,300)
Income tax impact of adjustments (c)	(3,300)	(3,300)
Adjusted net income attributable to common stock before certainnon-cash adjustments	324,800	386,800
Non-cash stock-based compensation	53,300	53,300
Amortization of intangible assets	41,800	41,800
Income tax impact of non-cash adjustments (c)	(24,200)	(24,200)
Estimated adjusted net income attributable to common stock	$395,700	$457,700
Estimated weighted average shares:		
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	154,900	154,900
Estimated diluted earnings per share attributable to common stock and estimated adjusted diluted earnings per share attributable to common stock:		
Estimated diluted earnings per share attributable to common stock	$ 2.07	$ 2.47
Estimated adjusted diluted earnings per share attributable to common stock	$ 2.55	$ 2.95

See notes on the following page.

Quanta Services, Inc. and Subsidiaries
Notes to Reconciliation of
Non-GAAP Financial Measures
Estimated Adjusted Diluted Earnings Per Share
Attributable to Common Stock
For the Full Year 2018
(Unaudited)

(a) The amount reflects the elimination of severance and restructuring costs related to the closure of certain operations within Quanta's Oil and Gas Infrastructure Services segment.

(b) The amount reflects the elimination of a charge related to the planned exchange of a construction barge for an industrial property within Quanta's Oil and Gas Infrastructure Services segment.

(c) The income tax impact of adjustments that are subject to tax is determined using the incremental statutory tax rates of the jurisdictions to which each adjustment relates for the respective periods.

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Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
Estimated EBITA, EBITDA and Adjusted EBITDA
For the Full Year 2018
(In thousands)
(Unaudited)

The following table presents the non-GAAP financial measures of estimated EBITA, EBITDA and Adjusted EBITDA, which, when used in connection with estimated net income attributable to common stock, is intended to provide useful information to investors and analysts as they evaluate Quanta's performance. EBITA is defined as earnings before interest, taxes, amortization and equity in (earnings) losses of unconsolidated affiliates. EBITDA is defined as earnings before interest, taxes, depreciation, amortization and equity in (earnings) losses of unconsolidated affiliates, and Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, equity in (earnings) losses of unconsolidated affiliates and certain other items as described below. These measures should not be considered as an alternative to net income attributable to common stock or other 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 it to more effectively evaluate Quanta's operations period over period and to identify operating trends that might not be apparent when including the excluded items. As to certain of the items below, (i) amortization of intangible assets is impacted by Quanta's acquisition activity, and therefore can vary from period to period; (ii) equity in (earnings) losses of unconsolidated affiliates can vary from period to period depending on the activity and financial performance of unconsolidated affiliates, including deferral of a portion of the earnings on a large construction contract performed by Quanta for an affiliate in which Quanta has an equity interest; (iii) non-cash stock-based compensation expense may vary due to acquisition activity, changes in the estimated fair value of performance-based awards, forfeiture rates, accelerated vesting and amounts granted; (iv) acquisition and integration costs vary period to period depending on the level of Quanta's ongoing acquisition activity; (v) severance and restructuring costs and asset impairment charges can vary from period to period depending on economic and other factors; and (vi) changes in fair value of contingent consideration liabilities vary from period to period depending on financial performance of certain acquired businesses. Because EBITA, 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.

	Estimated Range Full Year Ending December 31, 2018	
Net income attributable to common stock (as defined by GAAP)	$320,000	$382,000
Interest expense	34,000	34,000
Interest income	(1,000)	(1,000)
Provision for income taxes	131,600	161,100
Amortization of intangible assets	41,800	41,800
Equity in (earnings) losses of unconsolidated affiliates	35,000	45,000
EBITA	$561,400	$662,900
Depreciation expense	201,900	201,900
EBITDA	$763,300	$864,800
Non-cash stock-based compensation	53,300	53,300
Acquisition and integration costs	9,800	9,800
Severance and restructuring costs (a)	1,300	1,300
Asset impairment charges (b)	3,300	3,300
Change in fair value of contingent consideration liabilities	(6,300)	(6,300)
Adjusted EBITDA	$824,700	$926,200

(a) The amount reflects the elimination of severance and restructuring costs primarily related to the closure of certain operations within Quanta's Oil and Gas Infrastructure Services segment.

(b) The amount reflects the elimination of a charge related to the planned exchange of a construction barge for an industrial property within Quanta's Oil and Gas Infrastructure Services segment.

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