



Acquisition of Stronghold
Investor Conference Call Presentation
July 21, 2017

Forward Looking Statement Disclaimer



This presentation (and oral statements regarding the subject matter of this presentation) includes forward-looking statements intended to qualify under the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include any statements reflecting Quanta's expectations, intentions, strategies, assumptions or beliefs about future events or performance or that do not solely relate to historical or current facts. Forward-looking statements involve certain risks, uncertainties and assumptions that are difficult to predict or beyond Quanta's control, and actual results may differ materially from those expected, implied or forecasted by our forward-looking statements due to inaccurate assumptions and known and unknown risk and uncertainties. For additional information concerning some of the risks, uncertainties and assumptions that could affect our forward-looking statements, please refer to Quanta’s Annual Report on Form 10-K for the year ended December 31, 2016 and its other documents filed with the Securities and Exchange Commission, as well as the risks, uncertainties and assumptions identified in this presentation. Investors and analysts should not place undue reliance on Quanta’s forward-looking statements, which are current only as of the date of this presentation. Quanta does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this presentation or otherwise, and Quanta expressly disclaims any written or oral statements made by any third party regarding the subject matter of this presentation.

Conference Call Hosts

Duke Austin – President & Chief Executive Officer

Derrick Jensen – Chief Financial Officer

Conference Call Agenda

- Stronghold Companies Overview
- Strategic Rationale
- Acquisition Financial Overview
- Industrial Services Industry Drivers
- Strategic Imperatives Alignment
- Summary
- Forward Looking Statement Disclaimer

Stronghold is a leading specialized services company providing high pressure and critical path solutions to the downstream and midstream energy markets

- A private company formed in 2002 that initially focused on providing catalyst handling services and has since grown organically and expanded its service offerings to include turnaround and other downstream services, tank storage and other midstream services
 - Specializes in high pressure and high reactor infrastructure services
- Headquartered in La Porte, Texas
- Industry leading safety record, employee and training focus with entrepreneurial culture
- Led by a strong, multigenerational, highly regarded management team with decades of industry experience
- Preferred employer with low turnover and high-quality workforce – averaging 2,800 employees
- Excellent reputation and strong relationships with a high-quality and diverse client base
- Strong historical organic growth

Strategic Rationale

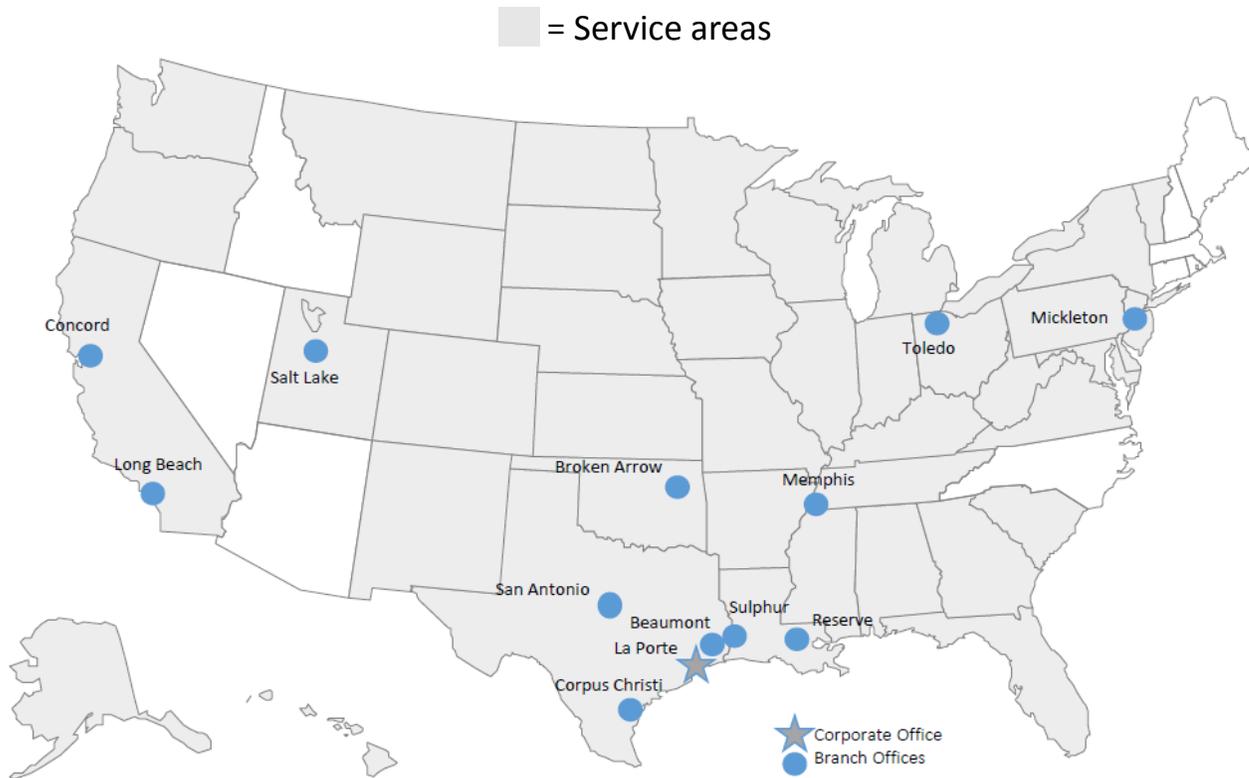


- Facilitates capture of a greater portion of energy industry spend and offers cross-selling opportunities
 - Opportunity to expand Stronghold’s services to Quanta customers and vice versa
 - Ability to provide turnkey high voltage power and turnaround services – the two most critical and time sensitive components of turnarounds
- Specialized Industrial Services market is a natural service line expansion for Quanta to meet our customers’ needs
- Stronghold gives Quanta a significant presence in downstream services and a strong platform for growth
 - Well respected, proven, successful and experienced management team
 - Strong cultural fit with Quanta (entrepreneurial, safety-focused, preferred employer, dedication to quality and customer service)
- Strong financial profile
 - Attractive historical growth and accretive margin profile, low capex requirements, solid cash flow and accretive to earnings
- Enhances recurring, base business revenue
- Shale oil, natural gas and natural gas liquids (NGLs) production driving refinery, petrochemical and storage infrastructure needs

Extensive Service Area And Customer Relationships

Significant Gulf Coast Presence - region with majority of U.S. refinery and petrochemical production and facilities

Stronghold Locations & Service Area



High Quality and Diverse Customer Base



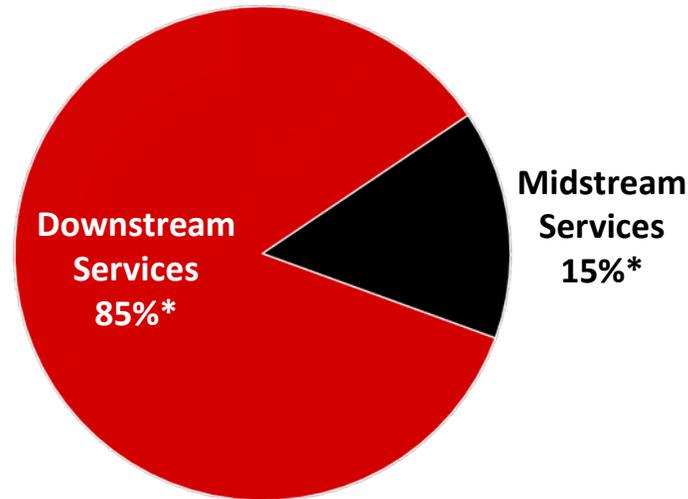
Stronghold Service Offerings



Stronghold is a leading specialized services company providing high pressure and critical path solutions to the downstream and midstream energy markets

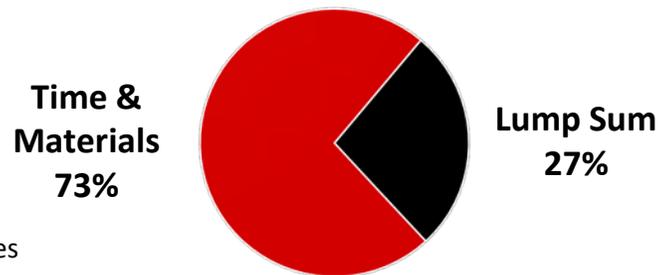
2016 Revenue = Approx. \$500 Million

- Leading turnkey catalyst maintenance service provider to refining and petrochemical industries
- Specialty mechanical planned and emergency turnaround services for refining and petrochemical industries
- Turnaround and facilities inspection services to the refining, petrochemical and midstream industries
- Instrumentation and electrical services for the refining, petrochemical and chemical industries

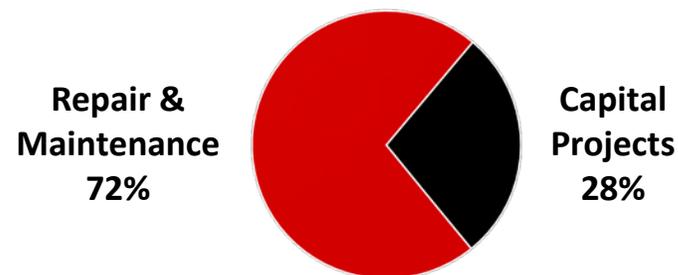


- Storage tank engineering, construction, repair, maintenance and fabrication
- Turnkey downstream industry piping maintenance and construction services
- Downstream and midstream infrastructure fabrication
- Upstream and midstream construction and maintenance services, including pipeline facilities and right of way services

2016 Revenue By Contract Type



2016 Revenue By Type of Work



*Stronghold management estimates

Complementary Service Offerings



	Midstream						Downstream					
	Mainline Pipe	Midstream Gathering	Facilities	Gas Distribution	Pipeline Integrity	Storage Facilities	Instrumentation & Electrical	Catalyst Maintenance	Turnaround Services	Piping & Civil	Inspection	Electric Power
	●	●	●	●	●	◐	◐	○	○	●	○	●
STRONGHOLD	○	○	◐	○	○	●	●	●	●	●	◐	○
Combined	●	●	●	●	●	●	●	●	●	●	◐	●

Stronghold’s services:

- Are complementary to Quanta’s existing services
- Expand Quanta’s existing Industrial Services capabilities
- Enhance recurring revenues

Stronghold Companies



Acquisition Financial Overview



Transaction Value

- Upfront consideration of \$450 million
 - Approximately \$360 million in cash and 2.7 million shares of PWR common stock valued at approximately \$90 million
 - Cumulative three-year EBITDA based cash and stock earnout with maximum additional consideration of \$100 million

Closing

- Acquisition closed on July 20, 2017

Financing

- Borrowings under credit facility and issuance of Quanta Services common stock

2016 Financials

- Revenues of approximately \$500 million with accretive operating margins to Oil and Gas Infrastructure services segment

Remainder of 2017 Estimated Financial Contribution

Amounts in Millions Except Per Share Data

Revenues	\$240 - \$260
Net Income	\$6.0 - \$7.5
GAAP Diluted EPS	\$0.02 - \$0.03
Adjusted Diluted EPS*	\$0.06 - \$0.07

*Adjusted to exclude, all net of tax, acquisition and integration costs (\$3-\$4 million), amortization expense (\$2-\$2.5 million) and non-cash stock-based compensation (\$0.5 million).

Industrial Services Industry Drivers



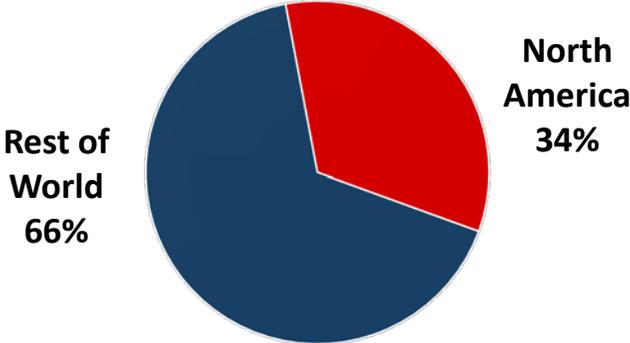
Strong growth outlook for end markets served by the industrial services industry is supported by multiple, attractive market dynamics

Crude Oil, Natural Gas and NGL Production	<ul style="list-style-type: none">• Domestic oil, natural gas and NGL production has increased significantly due to the shale revolution• Downstream and integrated operators in the U.S. benefit from their proximity to abundant supplies of oil and gas for feedstocks and fuel, creating opportunities to capitalize on the greater volume and throughput for domestic use and export• Long-term positive outlook for continued hydrocarbon production growth provides supportive environment for process industries over the medium and long term
Facility Utilization Rates and Capacity	<ul style="list-style-type: none">• Process facility utilization rates have remained near record highs in recent years driven by increased demand for refined products and domestic producers enjoying significant cost advantages over international competitors• Utilization rates have consistently exceeded 90% throughout the U.S. and particularly along the U.S. Gulf Coast corridor where utilization is higher• Refinery facilities are growing larger rather than new facilities being constructed - capacity expansion at existing plants preferred to new builds due to lower risk and capital requirements and better returns• Expectations for significant turnaround season in 2018, combined with recent maintenance deferrals by integrated operators to offset upstream losses, should require capacity increases to support both capital and maintenance activities at facilities
Industrial Facilities Infrastructure Spending	<ul style="list-style-type: none">• Substantial installed base of industrial facilities operating in a highly corrosive environment• Short term industrial facility utilization rates can fluctuate opportunistically in response to commodity prices, increasing wear• As plants age, critical process units' risk of failure increases significantly, requiring consistent and recurring maintenance• Lack of hydrocarbon storage capacity to accommodate increased production levels• Development of LNG export facilities expected to increase capital and operating investment

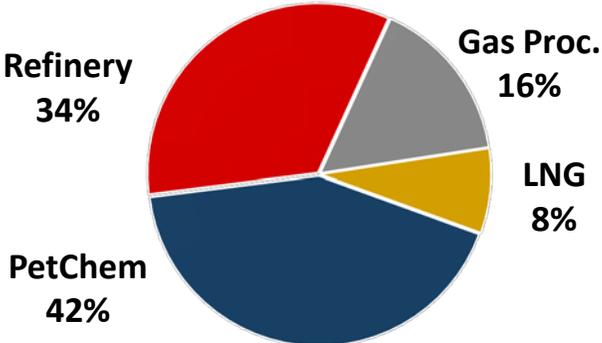
North America is the Largest Downstream Maintenance Market



Projected Global Downstream Maintenance Spending 2017 – 2021: ~ \$336 Billion



Projected North American Downstream Maintenance Spending 2017 – 2021: ~ \$113 Billion



U.S. Gulf Coast Region Is Largest Downstream Market in North America & Is Strategically Advantaged

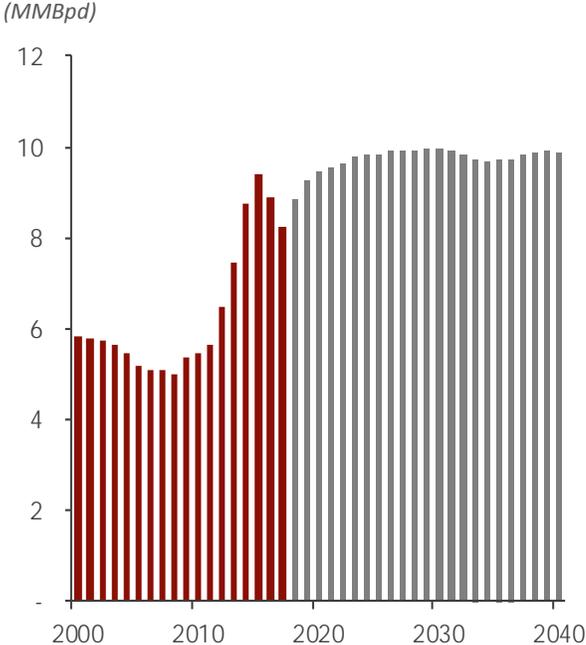
- Proximity to robust supply of shale and conventional hydrocarbon resources
- Long history as energy hub in North America
- Extensive existing energy and industrial infrastructure systems
- Land available for new site and existing facilities expansion
- Access to labor
- Seaports facilitating economic access to global markets
- Supportive business and permitting environment

Growing Shale Production & Attractive Input Prices



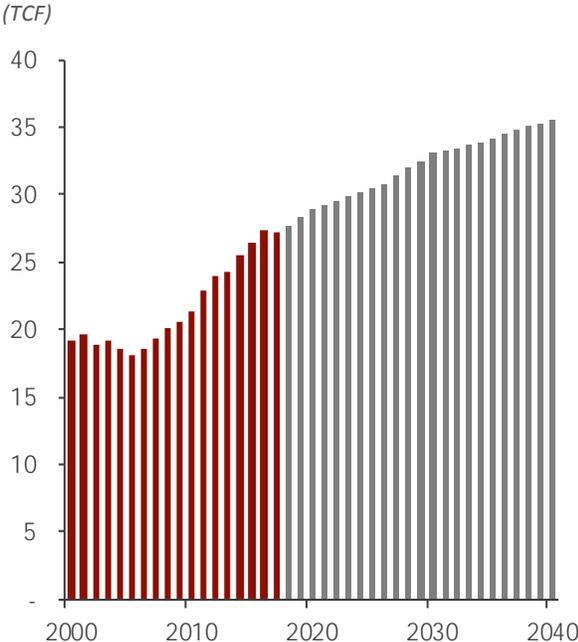
The abundant supply of domestic oil, natural gas and NGLs, coupled with cost and other advantages, is expected to drive continued investment in refining and petrochemical facilities

U.S. Crude Oil Production



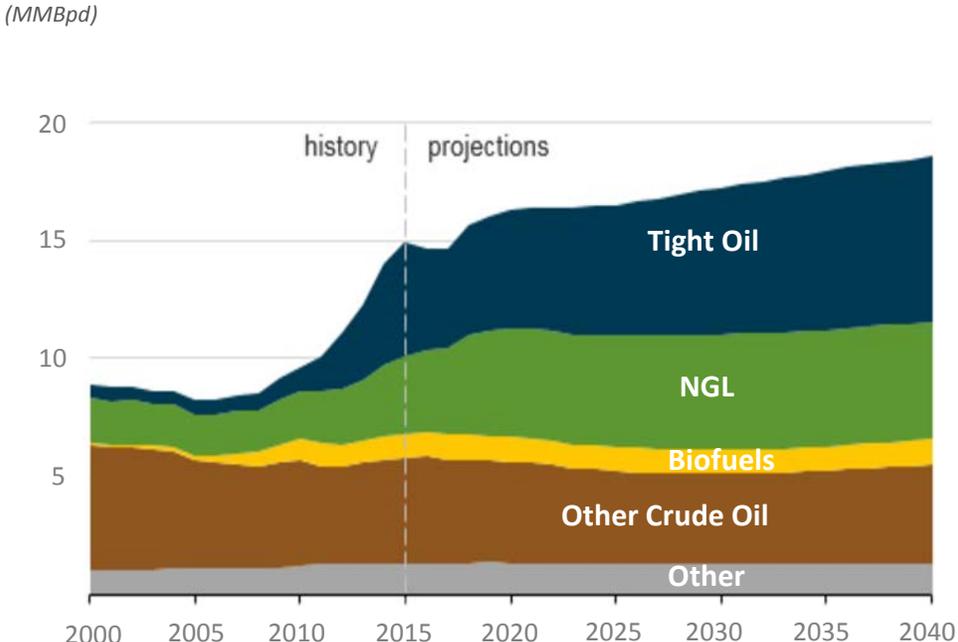
U.S. crude production increased 52% from 2010 to 2016 and is expected to increase roughly 7% by 2020

U.S. Dry Gas Production



U.S. dry gas production increased 28% from 2010 to 2016 and is expected to increase over 10% by 2020

U.S. NGLs & Other Liquids Production



U.S. NGLs and other liquids production has increased significantly and is expected to grow

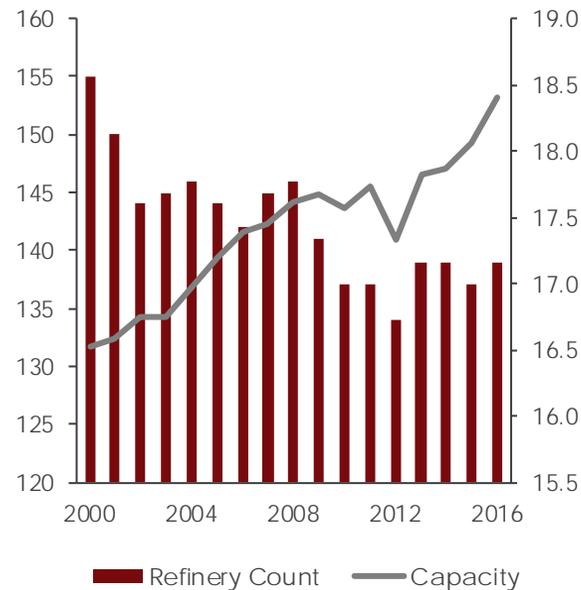
Refinery Services Drivers

Positive outlook for the refining sector driven by expanding capacity, increasing utilization rates, aging infrastructure and a structural cost advantage

KEY INDUSTRY TAILWINDS

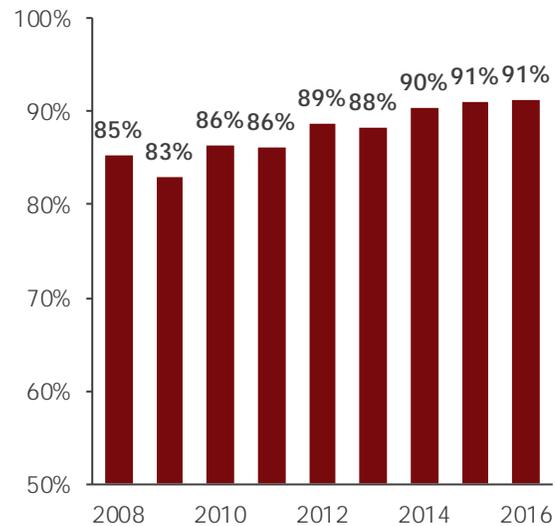
U.S. REFINERY COUNT & CAPACITY

(Capacity in MMBpd)



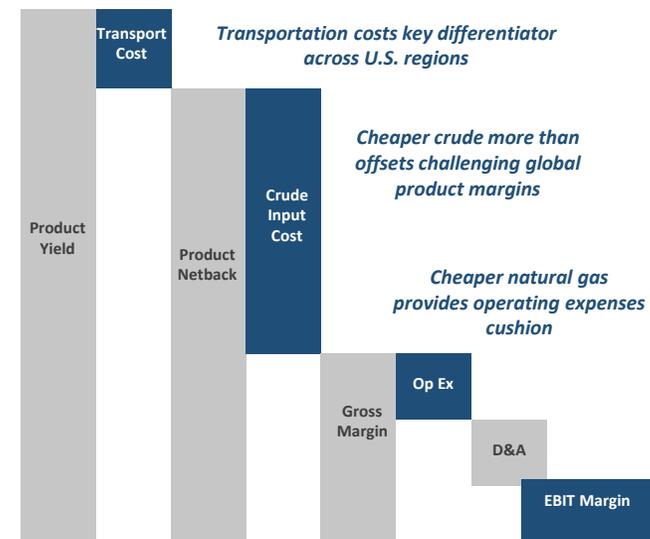
Operable facilities have decreased over 10% as capacity has increased over 10%

U.S. AVERAGE REFINERY UTILIZATION



Increasing utilization rates are expected to require significant, sustained maintenance investments

U.S. REFINERY MARGIN ADVANTAGE



Domestic refiners have sustainably higher margins than international competitors

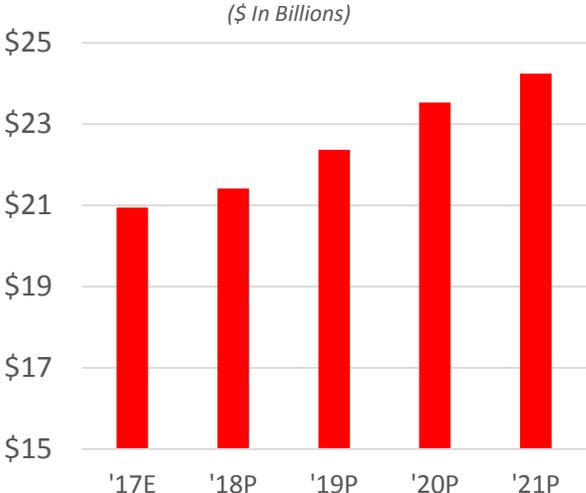
Consistent and Growing Spending in Key End Markets



The abundant supply of domestic hydrocarbons, structural competitive advantages, high utilization rates and other factors are expected to drive continued investment

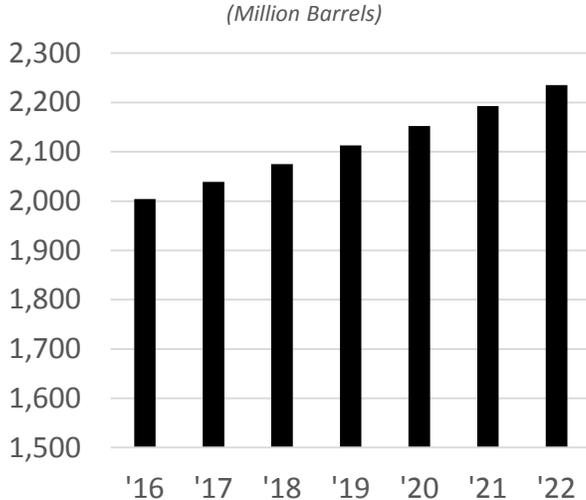
- Substantial installed base of industrial facilities operating in a highly corrosive environment
- Short term industrial facility utilization rates can fluctuate opportunistically in response to commodity prices, increasing wear
- As plants age, critical process units' risk of failure increases significantly, requiring consistent and recurring maintenance investment
- Deferrals and other factors yield expectations for significant turnaround season over coming years – reversion to mean activity levels
- Expect growing storage tank capacity to accommodate increased production levels and increased maintenance spending

Projected U.S. Downstream Maintenance Spending



Source: Douglas-Westwood

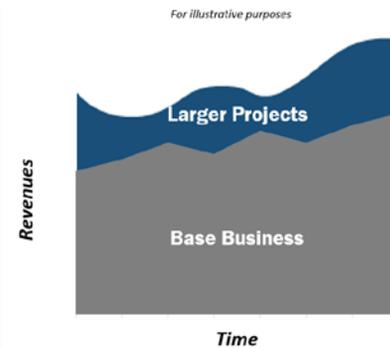
Projected Oil & Refined Products Storage Tank Capacity



Source: McKinsey

Stronghold Strategic Imperatives Alignment

- **Focus On Safety Excellence** – Stronghold’s world class safety performance is a major differentiator
- **Maintain High Performance Culture** – Stronghold’s culture drives job performance, safety excellence, a commitment to training, “A” level client service, a loyal workforce and superior results for clients
- **Strengthen and Grow Our Core** – Stronghold gives Quanta a strong position in a complementary, growing market, expands our offerings to and market share potential with customers to capture a greater portion of energy industry spend
- **Continue to Innovate** – We strive to stay several years ahead of industry trends and believe demand for downstream services will increase in coming years
- **Deliver Profitable Growth** – Stronghold grows our recurring revenues and has an attractive profitability and return profile



Summary



- Stronghold aligns with Quanta's strategic imperatives for long-term growth
- Specialized Industrial Services market is a natural service line expansion for Quanta to meet our customers' needs
- We believe downstream end market drivers and growth opportunities are attractive and should create growing demand for Stronghold's services
- Stronghold's downstream services complement Quanta's strong midstream services capabilities and allow us to capture more capital spend of the energy industry
- Stronghold enhances Quanta's recurring revenues
- Attractive transaction and financial characteristics



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- Our plans and strategies
- Projected revenues, net income, earnings per share, margins, cash flows, capital expenditures and other projections of operating or financial results, including the estimated accretive earnings per share and amortization expense attributable to Stronghold;
- Estimated transaction and integration costs associated with the acquisition of Stronghold;
- Expectations regarding our business or financial outlook;
- Expectations regarding the growth, trends or opportunities in particular markets, including the industrial and refinery services market, the midstream and downstream energy services markets and the oil and refined products storage market;
- Future capital allocation initiatives and the strategic use of our balance sheet;
- The development of oil, natural gas and natural gas liquids resources and the level of oil, natural gas and natural gas liquids production and prices and the resulting impact on our business or the demand for our services;
- The potential benefits and synergies expected from the acquisition of Stronghold;
- Our ability to successfully identify, negotiate and complete additional acquisitions;
- The business plans or financial condition of our customers;
- The current economic and regulatory conditions and trends in the industries we serve; and
- Other statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts.

Although our 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 forward-looking statements are not guarantees of future performance and involve or rely on a number of risks, uncertainties, and assumptions that are difficult to predict or beyond our control. These forward-looking statements reflect our beliefs and assumptions based on information available to our management 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 wrong. Forward-looking statements can be affected by inaccurate assumptions and by known or unknown risks and uncertainties, including the following:

- Market conditions;
- The effects of industry, economic or political conditions outside our control;
- The ability to achieve the expected benefits from the acquisition of Stronghold, including the failure of the acquisition to be accretive to our earnings or the failure of Stronghold to produce anticipated financial or operational results;
- The inability to successfully integrate and realize synergies from the acquisition of Stronghold;
- The potential adverse impact resulting from uncertainty surrounding an acquisition, including the ability to retain key personnel from the acquired business and the potential increase in risks already existing in our operations;
- Our growth outpacing our decentralized management and infrastructure;
- Unexpected costs or unexpected liabilities that may arise from the acquisition of Stronghold;
- Adverse economic and financial conditions;
- Trends and growth opportunities in relevant markets;
- The successful negotiation, execution, performance and completion of anticipated, pending and existing contracts;

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- Loss of customers with whom we or Stronghold have long-standing or significant relationships;
- Our ability to generate internal growth;
- Competition in our business, including our ability to effectively compete for new projects and market share;
- The effect of natural gas, natural gas liquids and oil prices on our operations and growth opportunities and on our customers' capital programs and the resulting impact on demand for our services;
- The future development of natural resources;
- The failure of existing or potential legislative actions to result in increased demand for our services;
- Estimates and assumptions in determining our financial results;
- Our ability to successfully identify, complete, integrate and realize synergies from any future acquisitions;
- The adverse impact of impairments of goodwill, receivables, property, equipment and other intangible assets or investments;
- The ability to access sufficient funding to finance desired growth and operations; and
- The other risks and uncertainties as are described elsewhere herein and in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC and as may be detailed from time to time in our other public filings with the 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 presentation. 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. 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 presentation or otherwise, and we expressly disclaim any written or oral statements made by any third party regarding the subject matter of this presentation.