QUANTA

2025 ANNUAL REPORT

2025 NOTABLE AWARDS

6

ON THE 2025 Healthiest Workplaces In America List

51

ON *TIME'S* America's Growth Leaders List

184

ON THE 2025 Fortune 500 list

#1

ON THE 2025 ENR Top 600 Specialty Contractors List

62%

DECREASE IN "Stuff That Kills You" (STKY) incidents since 2019

69.5K

EMPLOYEES at year end

51

LIVES SAVED to date with our ~23,000 Automated External Defibrillator (AED) units deployed to job sites

14GW

RENEWABLE ENERGY CAPACITY installed

110

ON FORBES 2026 America's Best Companies List

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MESSAGE TO STOCKHOLDERS

DEAR STOCKHOLDERS

Quanta delivered another year of double-digit growth in revenues and adjusted earnings per share, along with record free cash flow and backlog. Quanta has produced record revenues eight of the last nine years, with a 14% compound annual growth rate (CAGR) since 2015. We have also delivered eight consecutive years of record adjusted EBITDA and nine consecutive years of record adjusted diluted earnings per share, representing a 25% CAGR since 2015. These results were made possible by our more than 69,000 dedicated employees — the largest craft-skilled workforce in the country — and our industry-leading operational and financial platform.

The accelerating demand for power and infrastructure solutions is reshaping the industry, and Quanta is uniquely positioned at the center of this transformation. Our diversified, solutions-based portfolio strategy enables us to adapt to evolving industry dynamics, deploy resources where they create the most value and deliver mission-critical infrastructure with speed and certainty. We are attracting industry-leading operational talent, executing strategic initiatives that expand our programmatic customer relationships, and reinforcing our leadership position as a provider of essential infrastructure solutions.

2025 Accomplishments

We accomplished a great deal in 2025, and our past success positions us well for the future.

- Our Electric Infrastructure Solutions segment and our Underground Utility and Infrastructure Solutions segment both generated record revenues and double-digit growth, with the Electric segment growing more than 20% as compared to 2024.
- We ended the year with record consolidated backlog of $44.0 billion and record twelve-month backlog of $25.9 billion, providing meaningful near-term visibility and supporting continued momentum with our customers and their growing capital programs.
- We generated record levels of cash flow from operations and free cash flow and achieved another year of double-digit return on invested capital.
- We completed the acquisition of Dynamic Systems, a premier turnkey mechanical, plumbing and process infrastructure solutions provider, which meaningfully expands our capabilities in load center facility construction.
- We completed the acquisitions of Tri-City Group, Inc. — a premier inside electrical services company with strong custom fabrication capabilities — and Wilson Construction Company, a company that specializes in electric distribution and transmission services to investor-owned utilities throughout the western United States. Together, these acquisitions expand our craft-skilled platform to deliver critical-path solutions for load center facilities and electric utility programs.
- Quanta was selected by NiSource, Inc. for the design, procurement and construction of generation and infrastructure resources capable of producing approximately 3 gigawatts of

ANOTHER YEAR OF PROFITABLE GROWTH

20% **Increase in 2025 revenues compared to 2024**

20% **Increase in 2025 adjusted EPS compared to 2024**

power for a large data center campus in Indiana. This project highlights the strength of our total solutions platform — spanning power generation, battery energy storage, transmission, substation and underground infrastructure — and builds on our relationship with NiSource and deep roots in Indiana.

- We acquired a minority interest in Bell Lumber and Pole Company, the largest private producer of round wooden poles and other mass timber products, enhancing our ability to offer critical-path supply chain solutions to utility, telecom and construction customers.
- We continued to deploy capital into other value-creating opportunities, including the acquisition of five additional businesses, and we continued to advance our vertical supply chain strategy with a planned investment of approximately $500 to $700 million over the next several years to build out production for 345 kilovolt to 765 kilovolt power transformers and breakers.

Our Customers Require Certainty

The convergence of the utility, power generation and large load industries is accelerating, and our investments over many years in craft labor, training and complementary capabilities reinforce our self-perform capabilities that provide certainty and differentiate Quanta as a solutions provider.

Our total workforce grew by approximately 11,100 employees in 2025 — through both organic growth and strategic acquisitions — reaching approximately 69,500 at year-end. The versatility of this workforce enables us to adapt to infrastructure demands that are growing in scale and complexity while consistently delivering execution certainty and profitable growth.

Strong Financial Profile

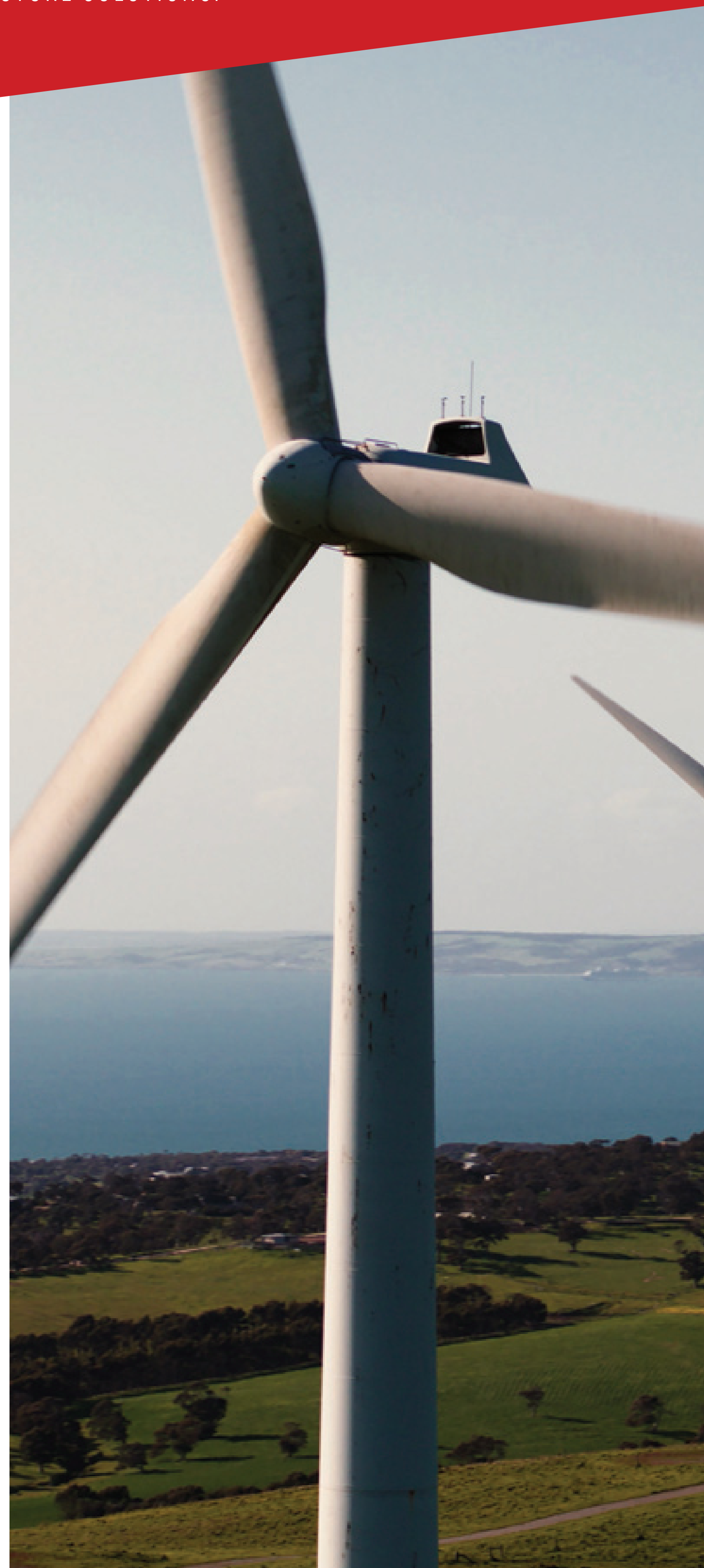
As of December 31, 2025, Quanta had total liquidity of approximately $2.9 billion and a favorable leverage ratio, and for the full year of 2025, we generated record cash flow from operations of $2.2 billion and record free cash flow of $1.7 billion. This strong financial position provides us with the flexibility to support organic growth, allocate capital to attractive opportunities that enhance our strategic position and create long-term value for our stakeholders.

"CONSISTENT WITH THE PAST DECADE, OUR STRATEGY IS DESIGNED TO DRIVE DURABLE, LONG-DURATION COMPOUNDING GROWTH, IMPROVING RETURNS ON CAPITAL AND RELIABLE EXECUTION."

EARL C. "DUKE" AUSTIN, JR.
President and Chief Executive Officer

WE ARE ATTRACTING INDUSTRY-LEADING OPERATIONAL TALENT, EXECUTING STRATEGIC INITIATIVES THAT EXPAND OUR PROGRAMMATIC CUSTOMER RELATIONSHIPS AND REINFORCING OUR LEADERSHIP POSITION AS A PROVIDER OF ESSENTIAL INFRASTRUCTURE SOLUTIONS."

EARL C. "DUKE" AUSTIN, JR.
President and Chief Executive Officer



Successfully Executing Our Strategy

We believe the accelerating convergence of the utility, power generation and large load industries, combined with rising load growth, will require substantial, sustained investment across all of the markets Quanta serves. We believe Quanta is in the early stages of a multi-decade infrastructure build, and we enter 2026 with record backlog of $44.0 billion and a strengthening multi-year outlook across our key end markets.

Consistent with the past decade, our strategy is designed to drive durable, long-duration compounding growth, improving returns on capital and reliable execution. Our portfolio approach allows us to meet evolving industry needs, manage risk and shift resources across service lines and geographies to reliably execute the mission-critical infrastructure programs that are powering the future. We remain confident in our ability to generate attractive compounding returns and deliver long-term stakeholder value.

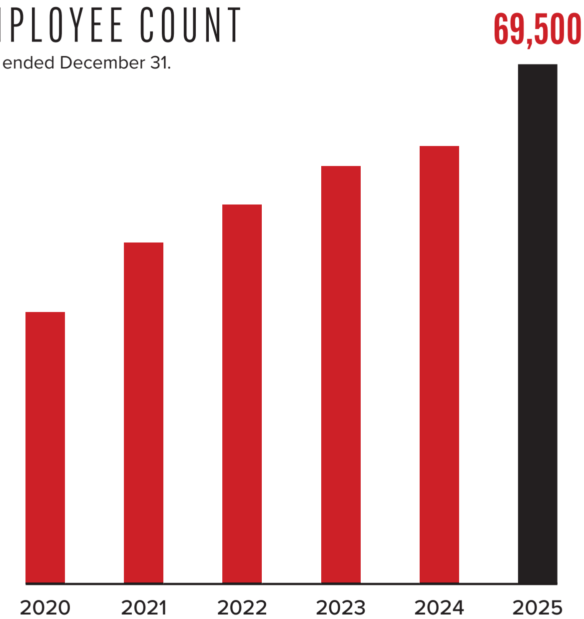
I want to thank and recognize our family of Quanta employees, whose hard work, commitment to safety and absolute performance mindset delivered another year of outstanding results. We have built a platform that positions us well to capitalize on the most significant infrastructure investment cycle in generations, and we appreciate the ongoing support and confidence of our stockholders.

EARL C. "DUKE" AUSTIN, JR.
President and Chief Executive Officer

2025 AT A GLANCE

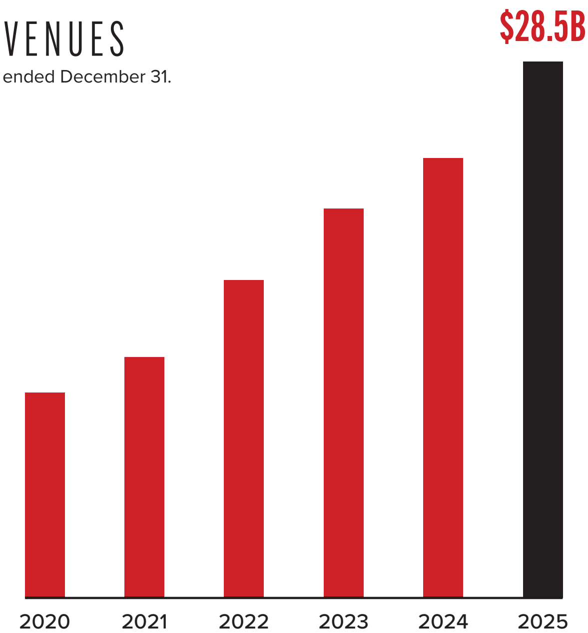
EMPLOYEE COUNT

Year ended December 31.



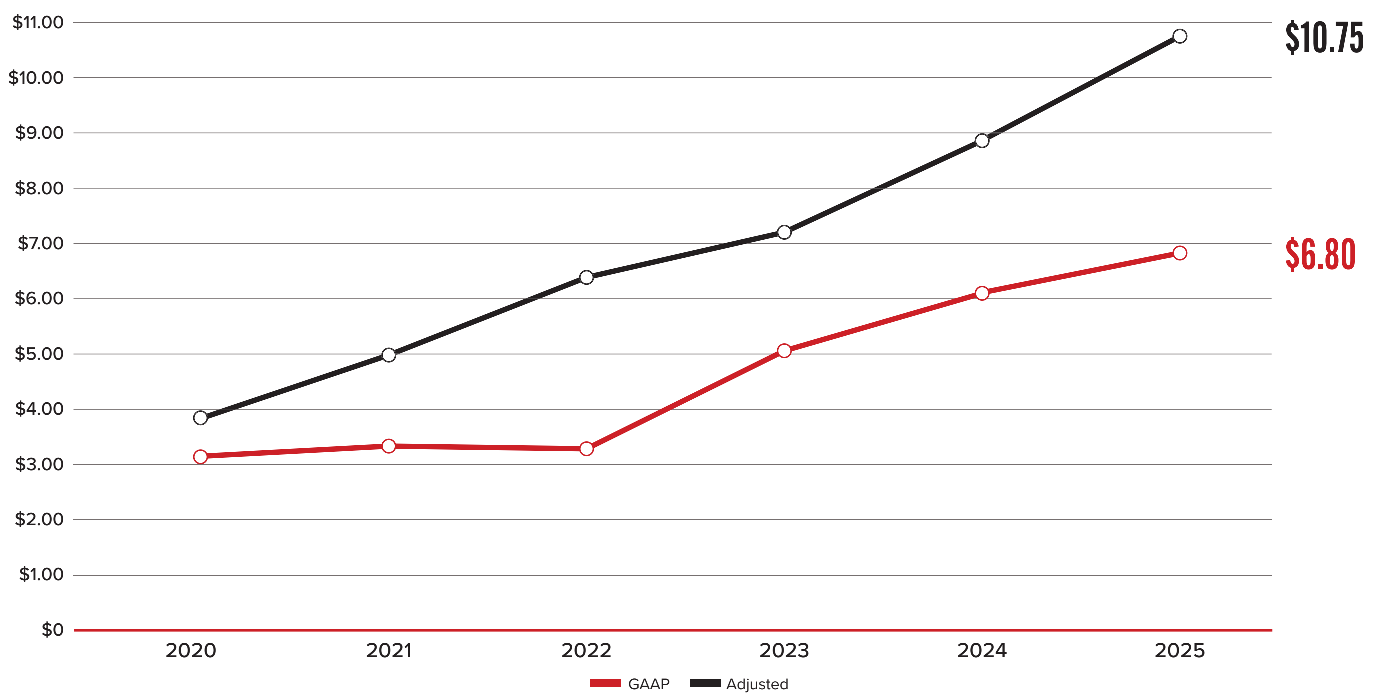
REVENUES

Year ended December 31.



GAAP AND ADJUSTED DILUTED EARNINGS PER SHARE (1)

Year ended December 31.



(1) A reconciliation of adjusted diluted earnings per share to diluted earnings per share attributable to common stock is set forth in the attached reconciliation tables.

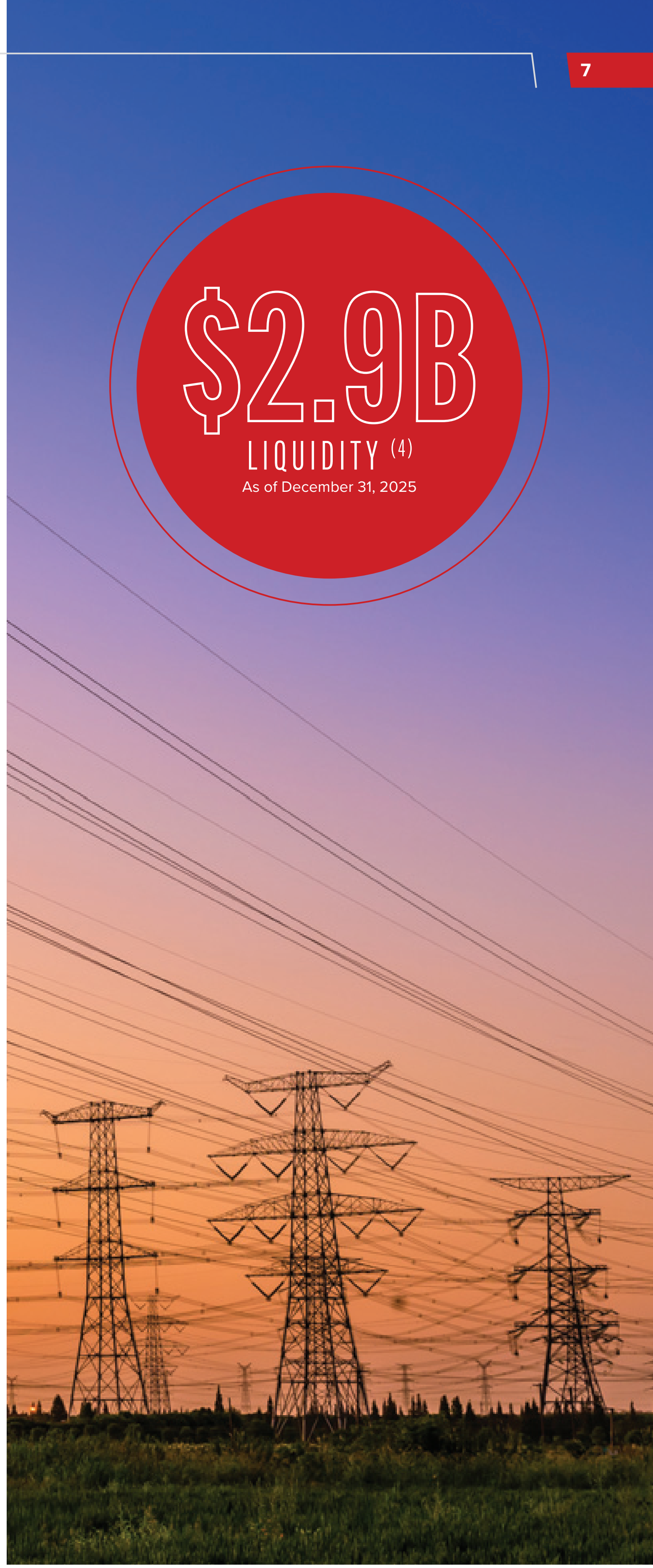
PROFITABLE GROWTH

Five-Year CAGR as of December 31, 2025.

21% Revenues

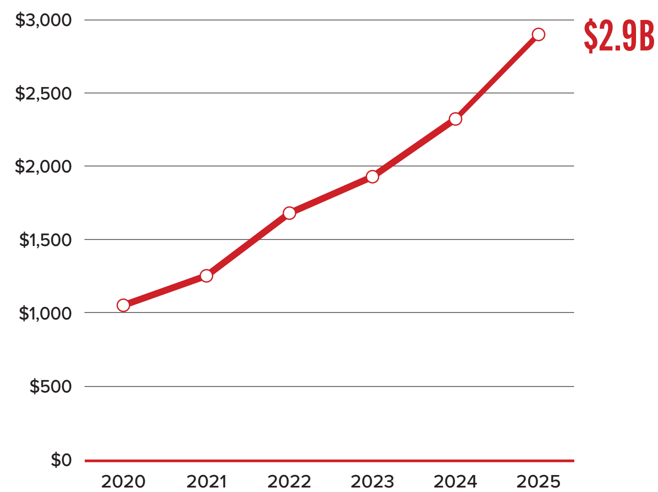
22% Adjusted EBITDA[1]

23% Adjusted EPS[2]



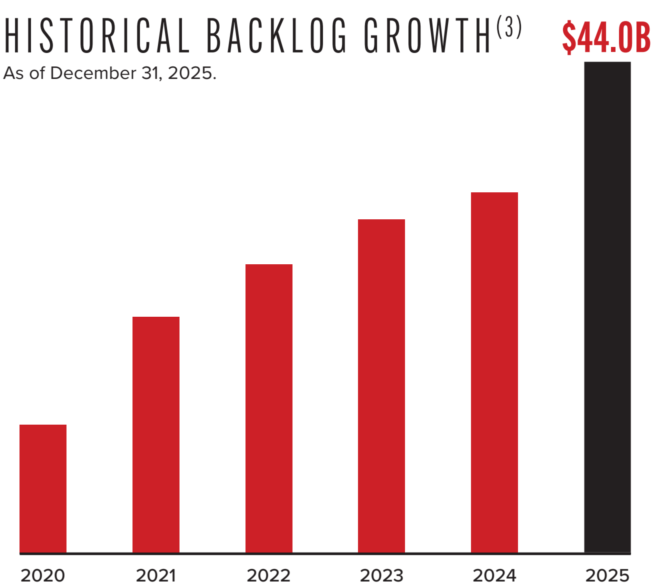
ADJUSTED EBITDA[1]

(in millions) Year ended December 31.



HISTORICAL BACKLOG GROWTH[3]

As of December 31, 2025.



(1) A reconciliation of adjusted EBITDA to net income attributable to common stock is set forth in the attached reconciliation tables.

(2) A reconciliation of adjusted diluted earnings per share to diluted earnings per share attributable to common stock is set forth in the attached reconciliation tables.

(3) A reconciliation of backlog to remaining performance obligations is set forth in the attached reconciliation tables.

(4) Liquidity includes cash and cash equivalents and availability under Quanta's senior credit facility.

FINANCIAL TABLES

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO COMMON STOCK

(in millions, except per share information) For the Years Ended December 31 (unaudited).

	2020	2021	2022	2023	2024	2025
NET INCOME ATTRIBUTABLE TO COMMON STOCK (GAAP AS REPORTED)	**$446**	**$486**	**$491**	**$745**	**$905**	**$1,028**
Acquisition and integration costs	20	47	47	43	30	94
Asset impairment charges	8	6	14	-	-	-
Increase in fair value of contingent consideration liabilities	1	7	4	6	7	31
Equity in (earnings) losses of non-integral unconsolidated affiliates	-	(2)	(20)	(1)	(3)	9
Loss from mark-to-market adjustment on investment	-	-	92	-	-	-
(Gain) loss on sale of investments and business	-	-	(22)	(1)	4	-
Foreign currency translation losses	-	-	-	-	19	-
Other	17	4	-	-	-	-
Income tax impact of adjustments	(9)	(16)	(5)	(34)	(7)	(32)
Impact of release of valuation allowance	(45)	-	-	-	-	-
Impact of income tax contingency releases	(8)	(7)	(4)	(5)	(6)	(14)
ADJUSTED NET INCOME ATTRIBUTABLE TO COMMON STOCK BEFORE CERTAIN NON-CASH ADJUSTMENTS [(a)]	**430**	**525**	**597**	**753**	**949**	**1,116**
Non-cash stock based compensation	91	88	106	127	151	182
Amortization of intangible assets	77	165	354	289	383	499
Amortization included in equity in earnings of integral unconsolidated affiliates	-	1	1	6	4	8
Income tax impact of non-cash adjustments	(44)	(66)	(120)	(110)	(141)	(179)
ADJUSTED NET INCOME ATTRIBUTABLE TO COMMON STOCK FOR ADJUSTED DILUTED EARNINGS PER SHARE [(a)]	**$554**	**$713**	**$938**	**$1,065**	**$1,346**	**$1,626**
DILUTED EARNINGS PER SHARE	**$3.07**	**$3.34**	**$3.32**	**$5.00**	**$6.03**	**$6.80**
Acquisition and integration costs	0.14	0.32	0.32	0.29	0.20	0.62
Asset impairment charges	0.06	0.04	0.10	-	-	-
Increase in fair value of contingent consideration liabilities	0.01	0.05	0.03	0.04	0.05	0.21

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

continued from previous page

	2020	2021	2022	2023	2024	2025
Equity in (earnings) losses of non-integral unconsolidated affiliates	-	(0.01)	(0.14)	(0.01)	(0.02)	0.06
Loss from mark-to-market adjustment on investment	-	-	0.62	-	-	-
(Gain) loss on sale of investments and business	-	-	(0.15)	(0.01)	0.03	-
Foreign currency translation losses	-	-	-	-	0.12	-
Other	0.12	0.03	-	-	-	-
Income tax impact of adjustments	(0.06)	(0.11)	(0.04)	(0.22)	(0.05)	(0.22)
Impact of release of valuation allowance	(0.32)	-	-	-	-	-
Impact of income tax contingency releases	(0.06)	(0.05)	(0.03)	(0.03)	(0.04)	(0.09)
ADJUSTED NET INCOME ATTRIBUTABLE TO COMMON STOCK BEFORE CERTAIN NON-CASH ADJUSTMENTS [(a)]	**2.96**	**3.61**	**4.03**	**5.06**	**6.32**	**7.38**
Non-cash stock based compensation	0.63	0.61	0.71	0.85	1.00	1.20
Amortization of intangible assets	0.53	1.14	2.39	1.94	2.55	3.30
Amortization included in equity in earnings of integral unconsolidated affiliates	-	0.01	0.01	0.04	0.03	0.05
Income tax impact of non-cash adjustments	(0.30)	(0.46)	(0.80)	(0.73)	(0.93)	(1.18)
ADJUSTED DILUTED EARNINGS PER SHARE [(a)]	**$ 3.82**	**$ 4.91**	**$ 6.34**	**$ 7.16**	**$ 8.97**	**$ 10.75**

WEIGHTED AVERAGE SHARES

	2020	2021	2022	2023	2024	2025
Weighted average shares outstanding for diluted and adjusted diluted earnings per share	**145**	**145**	**148**	**149**	**150**	**151**

(a) The calculation of Adjusted Net Income and Adjusted Diluted EPS in 2021 has been recast to conform to the presentation of such figures for the year ended December 31, 2022. No recast was made for periods prior to 2021.

These reconciliations are 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 and diluted earnings per share attributable to common stock enables Quanta and its investors to more effectively evaluate Quanta's operations period over period and better identify operating trends that may not otherwise 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 Quanta's operating results with other companies that may be viewed as our peers. However, these non-GAAP measures should not be considered as alternatives to net income attributable to common stock and diluted earnings per share attributable to common stock or other measures of performance that are derived in accordance with GAAP.

EBITDA AND ADJUSTED EBITDA

(in millions, except percentages) For the Years Ended December 31 (unaudited).

	2020	2021	2022	2023	2024	2025
NET INCOME ATTRIBUTABLE TO COMMON STOCK (GAAP AS REPORTED)	**$446**	**$486**	**$491**	**$745**	**$905**	**$1,028**
Interest and other financing expenses	45	69	124	187	203	261
Interest income	(2)	(3)	(2)	(11)	(32)	(16)
Provision for income taxes	119	131	192	219	285	348
Depreciation expense	225	256	291	325	359	412
Amortization of intangible assets	77	165	354	289	383	499
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	3	9	14	20	20	28
EBITDA	**$913**	**$1,113**	**$1,464**	**$1,774**	**$2,123**	**$2,560**
Non-cash stock-based compensation	92	88	106	127	151	182
Acquisition and integration costs	20	47	47	43	30	94
Equity in (earnings) losses of non-integral unconsolidated affiliates	10	(2)	(20)	(1)	(3)	9
Loss from mark-to-market adjustment on investment	-	-	92	-	-	-
(Gain) loss on sale of investments and business	-	-	(22)	(2)	4	-
Asset impairment charges	8	6	14	-	-	-
Increase in fair value of contingent consideration liabilities	1	7	4	7	7	31
Severance and restructuring charges	6	-	-	-	-	-
Foreign currency translation losses	-	-	-	-	19	-
ADJUSTED EBITDA	**$1,050**	**$1,259**	**$1,685**	**$1,948**	**$2,331**	**$2,876**
Consolidated Revenues	$11,203	$12,980	$17,074	$20,882	$23,673	$28,480
Adjusted EBITDA margin	9.4%	9.7%	9.9%	9.3%	9.8%	10.1%

These reconciliations are intended to provide useful information to investors and analysts as they evaluate Quanta's 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 above. 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 Quanta and its investors to more effectively evaluate Quanta's 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 Quanta's operating results with other companies that may be viewed as its peers.

REMAINING PERFORMANCE OBLIGATIONS AND BACKLOG

(in millions) As of December 31 (unaudited).

	2023		2024		2025	
ELECTRIC INFRASTRUCTURE SOLUTIONS[a]	**12 Month**	**Total**	**12 Month**	**Total**	**12 Month**	**Total**
Remaining performance obligations	$8,275	$12,511	$10,297	$15,654	$14,189	$21,638
Estimated orders under MSAs and short-term, non-fixed price contracts	5,716	11,115	6,199	12,974	7,755	14,529
Backlog	**$13,991**	**$23,626**	**$16,496**	**$28,628**	**$21,944**	**$36,167**
UNDERGROUND UTILITY AND INFRASTRUCTURE SOLUTIONS						
Remaining performance obligations	$1,017	$1,383	$954	$1,105	$1,518	$2,125
Estimated orders under MSAs and short-term, non-fixed price contracts	2,223	5,099	2,322	4,806	2,404	5,684
Backlog	**$3,240**	**$6,482**	**$3,276**	**$5,911**	**$3,922**	**$7,809**
TOTAL						
Remaining performance obligations	$9,292	$13,894	$11,251	$16,759	$15,707	$23,763
Estimated orders under MSAs and short-term, non-fixed price contracts	7,939	16,214	8,521	17,780	10,159	20,213
Backlog	**$17,231**	**$30,108**	**$19,772**	**$34,539**	**$25,866**	**$43,976**

(a) As described in our most recent Form 10-K and 10-Q filings, beginning during the quarter ended March 31, 2025, Quanta began reporting the results of its two operating segments, which are also its two reportable segments. The Electric Infrastructure Solutions segment consists of the historical Electric Power Infrastructure Solutions and 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.

Quanta believes the non-GAAP measure of backlog enables management to more effectively forecast its future capital needs and results and better identify future operating trends that may not otherwise be apparent. Quanta believes this measure is also useful for investors in forecasting Quanta's future results and comparing Quanta to its competitors.

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

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-13831

Quanta Services, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**74-2851603**
(State or other jurisdiction of incorporation or organization)	*(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)

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the Common Stock of the registrant held by non-affiliates of the registrant, based on the last sale price of the Common Stock reported by the New York Stock Exchange on such date, was $55.8 billion.

As of February 16, 2026, the number of outstanding shares of Common Stock of the registrant was 149,619,428.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

QUANTA SERVICES, INC.
ANNUAL REPORT ON FORM 10-K
For the Year Ended December 31, 2025
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Cautionary Statement About Forward-Looking Statements and Information

This Annual Report on Form 10-K (Annual 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, including our equity interest in LUMA (as defined herein);
- 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 projects involving renewable energy and other power generation, electrical grid modernization, upgrade and hardening; data centers and other technology infrastructure; advanced manufacturing facilities; and larger transmission and pipeline infrastructure;
- 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 changes in climate;
- 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; 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 risks and uncertainties described elsewhere herein, including in Item 1A. *Risk Factors* in Part I of this 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

ITEM 1. *Business*

OVERVIEW

Quanta Services, Inc. (together with its subsidiaries, “Quanta,” “we,” “us” or “our”) is a leading provider of comprehensive infrastructure solutions for the electric and gas utility, power generation, large load center, manufacturing, communications, pipeline and energy industries in the United States, Canada, Australia and select other international markets. We provide design, 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, solar and gas power generation and transmission and battery storage facilities; low voltage electrical, mechanical, plumbing and process infrastructure for large load centers, such as data center, advanced manufacturing, healthcare, pharmaceutical and industrial facilities; communications and cable multi-system operator networks; gas utility systems; pipeline transmission systems and facilities; and downstream industrial facilities. Our operations are decentralized and labor-intensive, and we rely on craft skilled labor personnel and experienced operators to successfully manage our day-to-day business. We also have an experienced management team, both at the executive and regional levels and within our subsidiaries, which we refer to as operating companies. We operate a fleet of owned and leased trucks and trailers, support vehicles and specialty construction equipment, as well as various proprietary technologies that enhance our service offerings. We have a large and diverse customer base, including many of the leading companies in the utility, renewable energy, hyperscaler, technology, communications, industrial and energy delivery markets.

The performance of our business generally depends on our ability to obtain contracts with customers and to effectively deliver the services provided under those contracts. Our services are typically provided pursuant to master service agreements (MSAs), repair and maintenance contracts and fixed price and non-fixed price construction and engineering contracts. We offer comprehensive and diverse solutions on a broad geographic scale and have a solid base of long-standing customer relationships in each of the industries we serve. We believe our reputation for safety leadership, responsiveness and performance, geographic reach, comprehensive service offerings and financial strength have resulted in strong relationships with numerous customers, and we endeavor to develop and maintain strategic alliances and preferred service provider status with our customers.

We believe that our business strategies, along with our safety culture and financial resources, differentiate us from our competition and position us to benefit from future programmatic and capital spending by our customers. Our strategies include delivering and continuing to expand our portfolio of infrastructure solutions to existing and potential customers, developing our technological and training capabilities, remaining committed to the safety of our employees, and maintaining an entrepreneurial culture throughout our organization. We believe executing on these strategies places us in the position to be a solutions provider to our customers and capitalize on opportunities and trends in the industries we serve and expand our operations to select new markets.

SEGMENTS

During the three months ended 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.

Our 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.

We operate primarily in the United States; however, we derived approximately 7.0%, 8.7% and 14.2% of our revenues from foreign operations, primarily in Canada and Australia, during the years ended December 31, 2025, 2024 and 2023.

Electric

Services

Our Electric segment provides comprehensive services primarily for the electric power grid, power generation and large load center markets. We believe our collaborative, customer-focused, and solutions-based approach, combined with our significant capabilities and scale, differentiate us in the marketplace. Services performed generally include:

- 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 power generation and battery storage facilities and to accommodate increased residential and commercial use of electric vehicles;
- engineering, procurement, new construction (EPC), repowering and repair and maintenance services for renewable generation facilities, such as utility-scale wind, solar and hydropower generation facilities and battery storage facilities;
- emergency restoration services, including the repair of infrastructure damaged by fires and inclement weather;
- energized installation, maintenance and upgrade of electric power infrastructure utilizing our bare hand and hot stick methods and our robotic arm techniques;
- installation of "smart grid" technologies on electric power networks;
- design and installation of electrical systems for large load centers, such as data center, advanced manufacturing and industrial facilities;
- design and construction services to wireline and wireless communications companies, cable multi-system operators, technology companies and other customers within the communications industry;
- design, installation, maintenance and repair services related to commercial and industrial wiring; and
- aviation services primarily for the utility industry, including transportation of line workers, pole and tower setting, and wire stringing, as well as certain emergency aerial firefighting services.

This segment also includes (i) the majority of the financial results of our advanced training facility and our postsecondary educational institution, which specializes in pre-apprenticeship training, apprenticeship training and specialized utility task training for electric workers, as well as training for the gas distribution and communications industries; (ii) our portion of earnings of our unconsolidated integral affiliates, which includes, among others, our 50% equity interest in LUMA Energy, LLC (LUMA), a joint venture that was selected to operate, maintain, and modernize the approximately 18,000-mile electric transmission and distribution system in Puerto Rico; as well as our investment in a company that specializes in harvesting, treating and manufacturing wood utility poles and laminated wood products for utility and telecommunication companies; and (iii) financial results associated with our power transformer, circuit breaker and other manufacturing operations.

Business Environment

With respect to our electric infrastructure service offerings, utility and other customers are continuing to invest significant capital in their infrastructure systems and programs. Our utility customers continue to face increased demand for electricity, including as a result of electrification trends and increased demand for data center and other technology infrastructure and advanced manufacturing facilities. To accommodate this growth, we expect continued demand for new or expanded transmission, substation and distribution infrastructure to reliably transport power to meet demand driven by electrification, data centers and manufacturing reshoring, as well as the modification and reengineering of existing infrastructure with increasing penetration of renewable generation and battery storage and the increased investment in new gas-powered generation. Furthermore, in order to reliably and efficiently deliver power and in preparation for emerging technologies, utility customers are also integrating smart grid technologies into distribution systems to improve grid management and create efficiencies, and a number of utility customers continue to implement system upgrades and hardening programs in response to recurring severe weather events, including, among other things, initiatives to underground critical infrastructure. For example, utilities throughout the United States are executing storm hardening programs to make their systems more resilient to hurricanes and other severe weather events, and there are significant system resiliency initiatives underway in California and other regions in the United States that are designed to prevent and manage the impact of wildfires.

In addition, utility and other customers are increasing their investment in various forms of power generation in response to load growth expectations, which have accelerated based on demand for electricity driven by data centers, manufacturing and reshoring, industrialization, electrification and power grid expansion. Due to increased adoption and technological advancements and efficiencies, renewable generation has some of the lowest levelized costs of energy in the marketplace. When coupled with consumer and corporate preferences for clean energy and emissions-reduction initiatives, demand for renewable generation, energy storage, and related infrastructure has increased and is expected to result in sizable, long-term investments. Utility and other customers are also increasing their investments in other forms of base load power generation, such as combined cycle gas generation and gas peaker generation plants.

The development of power generation infrastructure can often necessitate the development and construction of related infrastructure, including high-voltage electric transmission and substation infrastructure, that is necessary to enhance grid resiliency and interconnect and transmit electricity from new generation facilities into the existing electric power grid. In addition, the investment of capital into the build out of data centers by technology customers in order to, among other things, expand cloud-based services and develop artificial intelligence (AI) training and inference, increases demand for our solutions offerings. In particular, we believe Quanta is well positioned to provide turnkey infrastructure solutions for these facilities, such as critical-path low-voltage electrical infrastructure solutions inside data centers (e.g., advanced manufactured and modular solutions); high-voltage substation, transformer and transmission interconnection infrastructure to connect the facilities to the power grid; and generation infrastructure necessary to power the facilities. These overall market dynamics support demand for our capabilities and our solutions-based approach for our high-quality customers.

With respect to our communications service offerings, which are focused on the North American market, consumer and commercial demand for communication and data-intensive, high-bandwidth wireline and wireless services and applications are driving significant investment in infrastructure and the deployment of new technologies. In particular, we believe there are opportunities to provide fiber and other services in and around data centers, and to interconnect data centers. Communications providers are utilizing fifth generation wireless (5G) infrastructure to support fixed wireless access, which is driving additional fiber capacity requirements for consumer and commercial applications. Additionally, legislative and regulatory initiatives, including the Broadband Equity Access and Deployment (BEAD) Program, have dedicated billions of dollars of funding to support broadband service to underserved markets.

Underground and Infrastructure

Services

Our 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, as well as customers that own and operate large load centers. Services performed generally include:

- design, engineering, procurement, new construction, upgrade and repair and maintenance services for natural gas systems for gas utility customers;
- pipeline protection, integrity testing, rehabilitation and replacement services;
- catalyst replacement services, high-pressure and critical-path turnaround services, instrumentation and electrical services, piping, fabrication and storage tank services for the midstream and downstream industrial energy markets, as well as specialty cleaning and environmental solutions for the industrial energy and petrochemical markets;
- engineering and construction services for pipeline systems, storage systems and compressor and pump stations and the fabrication of pipeline support systems and related structures and facilities;
- trenching, directional boring and mechanized welding services related to the services described above;
- civil solutions, including site clearing, earthwork, soil stabilization and infrastructure development;
- turnkey mechanical, plumbing and process infrastructure solutions for large load centers in the technology, semiconductor, healthcare and other industries; and
- engineering, construction and maintenance services for energy transition and carbon-reduction related projects, such as alternative fuel facilities, carbon capture systems and hydrogen facilities.

Business Environment

With respect to gas utility services, pipeline integrity and transmission services and downstream industrial services, we believe these are specialty services and industries that are driven by regulated utility spending; regulation, replacement and rehabilitation of aging infrastructure; and safety and environmental initiatives. We believe this provides a greater level of business sustainability and predictability and helps to offset the cyclicality of larger pipeline projects described below. Natural gas utilities have implemented multi-decade modernization programs to replace aging cast iron, bare steel and plastic system infrastructure with modern materials for safety, reliability and environmental purposes, and regulatory measures have increased the frequency and stringency of pipeline integrity testing requirements that require our customers to test, inspect, repair, maintain and replace pipeline infrastructure to ensure that it operates in a safe, reliable and environmentally conscious manner.

Further, permitting challenges associated with construction of new pipelines can make existing pipeline infrastructure more valuable, motivating owners to extend the useful life of existing pipeline assets through integrity initiatives. Additionally, with respect to our downstream industrial services, including our high-pressure and critical-path turnaround services, as well as our capabilities with respect to instrumentation and electrical services, piping, fabrication and storage tanks services, and other industrial services, we are focused on processing facilities located along the U.S. Gulf Coast region, which we believe should have certain long-term strategic advantages due to their proximity to competitively priced and abundant hydrocarbon resources.

Our revenues related to larger pipeline services have fluctuated in recent years. For example, revenues associated with larger U.S. pipeline projects have declined significantly as the pipeline and related infrastructure development necessary to support U.S. shale formations has largely been completed in the near term and as a result of a more challenging permitting and regulatory environment. Revenues associated with large pipeline projects have decreased in recent years, as compared to prior years, and we anticipate that revenues associated with these projects will continue to fluctuate. Despite these fluctuations and cyclicality, we continue to selectively pursue larger pipeline project opportunities to the extent they satisfy our margin and risk profiles. Additionally, the significant increase in demand for electric power is resulting in an increase in planning for new natural gas generation facilities, as well as delays in the retirement of existing facilities, which could in turn increase the demand for additional pipeline, related infrastructure and integrity services.

Through recent acquisitions we have expanded our capabilities and solutions related to turnkey mechanical, plumbing and process infrastructure solutions, which we believe position us to meet strong demand for these services by data center, manufacturing, semiconductor and other large load facilities and provide opportunities in other core end markets. We have also expanded our capabilities and solutions related to civil solutions through recent acquisitions, which allows us to meet strong demand for these services.

We also believe that customers in this segment are implementing strategies to reduce carbon emissions produced from their operations, which are providing incremental opportunities for our services and could include building or repurposing pipeline infrastructure, including the development of infrastructure for blending hydrogen into natural gas flow and carbon capture projects. To the extent these technologies gain wider adoption, we believe our customer relationships and capabilities position us well to capitalize on future opportunities. Furthermore, the favorable characteristics of natural gas could also position North America as a leading competitor in the global LNG export market, which could provide additional opportunities for our pipeline service offerings.

GENERAL

Recent Acquisitions

On July 25, 2025, we completed the acquisition of Dynamic Systems (DSI), LLC (Dynamic Systems), which provides turnkey mechanical, plumbing and process infrastructure solutions to a diversified customer base that includes technology, semiconductor, healthcare and other load center markets. Dynamic Systems is located in the United States, and its results have been included primarily in the Underground and Infrastructure segment. During the year ended December 31, 2025, we also acquired seven additional businesses, including two businesses located in the United States that specialize in civil solutions, including site clearing, earthwork, soil stabilization and infrastructure development (which have been included in the Underground and Infrastructure segment), a business located in Australia that specializes in electrical engineering and the design and manufacturing of industrial technology solutions (which has been included in both the Electric and Underground and Infrastructure segments), a business located in the United States that specializes in utility construction and related support services (which has primarily been included in the Electric segment), a business located in the United States that specializes in the design, construction and repair of overhead and underground transmission and distribution infrastructure, civil construction services related to substations, as well as helicopter services for electric utility infrastructure (which has primarily been included in the Electric segment), a business located in the United States that specializes in electrical solutions including low voltage technology, testing, engineering, integration, renewable energy and electric prefabrication solutions (which has primarily been included in the Electric segment) and a business located in the United States that provides helicopter services (which has primarily been included in the Electric segment and was accounted for as an asset acquisition).

On July 17, 2024, we 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. During the year ended December 31, 2024, we 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).

During the year ended December 31, 2023, we acquired five businesses located in the United States that are primarily included in the Electric segment including: a business that provides services related to high-voltage transmission lines, overhead and underground distribution, emergency restoration and industrial and commercial wiring and lighting; a business that procures parts, assembles kits for sale, manages logistics and installs solar tracking equipment for utility and development customers; a business that provides concrete construction services; a business specializing in power studies, maintenance testing and commissioning primarily for utility and commercial customers and a business that manufactures power transformers for the electric utility, renewable energy, municipal power and industrial markets.

The results of operations of acquired businesses have been included in our consolidated financial statements since their respective acquisition dates. These acquisitions are further described in Note 6 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

We believe potential acquisition and investment opportunities exist in our industries and adjacent industries. We believe our business model, strong customer relationships and employee-centric culture are attractive to potential acquisition targets. While the attractiveness of certain acquisition targets may be diminished in the short term by increased interest rates, regulatory conditions and market volatility, we continue to evaluate opportunities that are expected to, among other things, broaden our customer base, expand our geographic area of operations and grow and diversify our portfolio of products and services.

Customer Relationships

We have a large and diverse customer base, including many of the leading companies in the industries we serve, and we have developed strong strategic alliances with numerous customers and strive to develop and maintain our status as a preferred solutions provider to our customers. For the year ended December 31, 2025, our largest customer accounted for 8% of our consolidated revenues and our ten largest customers accounted for 30% of our consolidated revenues. Representative customers include:

- American Electric Power Company, Inc.
- CenterPoint Energy, Inc.
- Comcast Corporation
- Duke Energy Corporation
- Engie IR Holdings LLC
- Entergy Corporation
- Exelon Corporation
- FirstEnergy Corp.
- Hydro One Incorporated
- Iberdrola Group
- Idaho Power Company
- Invenergy LLC
- Lower Colorado River Authority
- National Grid plc
- NextEra Energy, Inc.
- NiSource, Inc.
- Pattern Energy
- PG&E Corporation
- Puget Sound Energy, Inc.
- RWE AG
- Santos Limited
- Sempra Energy
- The Southern Company
- The Williams Companies, Inc.
- Turner Construction Company
- Xcel Energy Inc.

Our customers include utility, power developer, technology, communications, and energy delivery companies, as well as governmental entities. We have estimated revenues by customer type as a percentage of total revenues below. Such estimates are based on management judgment and assumptions and are provided to show perceived trends in our customer types and should be considered directional in nature.

	Year Ended December 31,		
	2025	2024	2023
Utility and Power	70 %	74 %	75 %
Energy and Other	17	17	19
Technology, Manufacturing and Communications	13	9	6
Total revenues	100 %	100 %	100 %

The customer types set forth in the table above are described in further detail as follows:

- Utility and Power - Customers that are electric and gas utility companies, as well as power developers;
- Energy and Other - Customers that own refineries or petrochemical plants and customers that own and/or operate pipelines for the delivery of hydrocarbons, and other non-utility and power customers and non-technology, manufacturing and communications customers to which we provide solutions; and
- Technology, Manufacturing and Communications - Customers that own and/or operate assets supporting delivery of data, communications and digital services (such as hyperscaler, data center colocation) and customers who own or operate commercial or industrial manufacturing facilities, as well as telecommunication customers.

We believe utility, power developer, technology, communications, and energy delivery company customers provide us with growth opportunities due to their programmatic and long-term capital programs and/or the longer-term trends and transitions associated with these industries. We are a preferred service provider for many of our customers, which generally means we have met minimum standards for a specific category of service, maintained a high level of performance and agreed to certain payment terms and negotiated rates. We strive to maintain our preferred status as we believe it provides us an advantage in the award of future work for the applicable customer. Furthermore, many of our strategic relationships with customers take the form of strategic alliance or long-term maintenance agreements, which typically extend for an initial term and may include renewal options to extend the initial term. Strategic alliance agreements also generally state an intention to work together over a period of time and/or on specific types of projects, and many provide us with preferential bidding procedures. We have also developed manufacturing capabilities designed to provide us with the capability to produce certain critical project components, including power transformers, that are needed for our customers' projects.

Although we have an integrated marketing and business development strategy, management at each of our operating companies is primarily responsible for developing and maintaining successful long-term relationships with customers. Our operating company management teams build upon existing customer relationships to secure additional projects and increase revenues. Many of these customer relationships are long-standing and are maintained through a partnering approach with centralized account management, which includes project evaluation and consulting, quality performance, performance measurement and direct customer contact. Additionally, operating company management focuses on pursuing growth opportunities with prospective customers. We also encourage operating company management to cross-sell services of our other operating companies to their customers and coordinate with our other operating companies to pursue projects, especially those that are larger and more complex. We believe our ability to provide services that cover a broad spectrum of our customers' needs and requirements is a significant differentiator. Our corporate-level business development and regional management groups support these activities by promoting and marketing our services for existing and prospective large accounts, as well as projects that are capable of utilizing services from multiple operating companies.

Competition and Market Demand

The industries and geographic markets in which we operate are highly competitive, and several of our competitors are large companies that have significant financial, technical and marketing resources. In addition, there are relatively few barriers to entry into some of the industries in which we operate and, as a result, organizations that have adequate financial resources and access to technical expertise may become a competitor. Furthermore, companies that we engage as subcontractors, including pursuant to certain regulatory and customer requirements, may develop the expertise necessary to compete with us with respect to the award of prime contracts from our customers.

A significant portion of our revenues is currently derived from unit price or fixed price agreements, and price is often an important factor in the award of such agreements. Accordingly, we could be underbid by our competitors. However, customers often consider other factors in choosing a service provider, including technical expertise and experience, breadth of solutions offerings, safety ratings, financial and operational resources, geographic presence, industry reputation and dependability, which we expect to benefit larger service providers such as us. In addition, competition may lessen as industry resources, such as labor supplies, approach capacity. There can be no assurance, however, that our competitors will not develop the expertise, experience and resources to provide services that are superior in both price and quality to our services, or that we will be able to maintain or enhance our competitive position. The in-house service organizations of certain of our existing or prospective customers, primarily our utility customers, employ personnel who perform some of the same types of services we provide. Although these companies currently outsource a significant portion of these services, there can be no assurance that they will continue to do so in the future or that they will not acquire additional in-house capabilities.

For further information regarding the effects of competition on our business and trends in market demand affecting our business, see *Risks Related to Operating Our Business* and *Risks Related to Our Industries* in Item 1A. *Risk Factors* in Part I of this Annual Report and *Results of Operations* in Item 7. *Management's Discussion and Analysis of Financial Condition* in Part II of this Annual Report.

Material Resources

Equipment

We depend on the availability of a wide range of equipment to perform our services. We operate a fleet of owned and leased trucks and trailers, as well as support vehicles and specialty construction equipment, such as bucket trucks, digger derricks, sidebooms, dozers, backhoes, excavators, trenchers, generators, boring machines, cranes, robotic arms, wire pullers and tensioners. We also own a large fleet of aircraft, primarily helicopters, that are utilized in connection with our solution offerings. As of December 31, 2025, the total size of our owned and leased fleet was approximately 80,000 units. A number of factors that we may not be able to predict or control could result in increased costs for, or delays in delivery of, this equipment, including supply chain and other logistical challenges, as well as global trade relationships and other general market and political conditions that could impact production, delivery or pricing of such equipment (e.g., inflation, interest rates, recessionary economic conditions). Additionally, our ability to efficiently allocate equipment, including our vehicle fleet and helicopters, across our operating companies may impact our ability to perform services and the profitability of our operations. As such, we have invested, and continue to invest, significant resources and management attention to the utilization of our equipment.

Project Materials

We and our customers depend on the availability of certain materials for construction, upgrade, repair and maintenance of their infrastructure, including, among other things, steel, copper, aluminum, and components for electrical projects (e.g., power transformers, circuit breakers, wire) and power generation projects (e.g., solar panels, wind turbine blades, batteries). While our customers are typically responsible for supplying most or all of the materials required for the services we perform on their projects, pursuant to certain of our contracts, including contacts for our comprehensive EPC services, we are required to procure all or part of the materials needed for a project. As we continue to expand our EPC services, customers are increasingly requesting that we be responsible for procuring materials, and this trend is expected to continue to increase.

Additionally, we have invested in domestic manufacturing capabilities for certain critical transmission and power generation components, including high- and low-voltage power transformers, and we have made strategic investments in other core utility infrastructure equipment, including utility poles. We believe continuing to develop these capabilities and make these investments can help alleviate certain of our customers' supply chain constraints and improve and control project timelines, as well as potentially reduce exposure to changes in global trade relationships around such components.

For further information regarding certain risks associated with sources and availability of project materials and components, see *Regulation* below and *Risks Related to Operating Our Business* in Item 1A. *Risk Factors* in Part I of this Annual Report.

Seasonality and Cyclicality

Typically, our revenues and results of operations can be subject to seasonal and other variations. These variations are influenced by, among other things, weather, customer spending patterns, bidding seasons, receipt of required regulatory approvals, permits and rights of way, project timing and schedules, and holidays. Our revenues are generally 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 quarter 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.

Regulation

Compliance with numerous regulations has a material effect on our operations. Our operations are subject to various federal, state, local and international laws and regulations, including:

- licensing, permitting and inspection requirements applicable to contractors and engineers;
- regulations relating to worker safety (e.g., Occupational Safety and Health Administration regulations) and environmental protection;
- permitting and inspection requirements applicable to construction projects;
- wage and hour regulations (e.g., Fair Labor Standards Act) and regulations associated with our collective bargaining agreements and unionized workforce;
- regulations relating to sourcing and transportation of equipment and materials, including licensing and permitting requirements;
- regulations regarding engagement of suppliers and subcontractors that meet diversity-ownership or disadvantaged-business requirements;
- regulations relating to aviation activities;
- building and electrical codes;
- applicable U.S. and non-U.S. anti-corruption regulations;
- immigration regulations applicable to U.S. and cross-border employment; and
- special bidding, procurement, cybersecurity and other requirements on government projects, as well as obtaining and maintaining security clearance required for certain government projects.

We believe that we are in compliance with all material licensing and regulatory requirements that are necessary to conduct our operations. Our failure to comply with applicable regulations could result in substantial fines or revocation of certain of our operating licenses, as well as give rise to termination or cancellation rights under our contracts or disqualify us from future bidding opportunities. We are also subject to numerous federal, state, local and international environmental laws and regulations governing our operations, including the handling, transportation and disposal of non-hazardous and hazardous substances and wastes, as well as emissions and other discharges into the environment, including discharges to air, surface water, groundwater and soil. We also are subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, liability can be imposed for cleanup of previously owned or operated properties or currently owned properties at which hazardous substances or wastes were discharged or disposed of by a former owner or operator, regardless of whether we directly caused the contamination or violated any law at the time of discharge or disposal. The presence of contamination from such substances or wastes could also interfere with ongoing operations or adversely affect our ability to sell or lease the property or use it as collateral for financing. In addition, we could be held liable for significant penalties and damages under certain environmental laws and regulations or be subject to revocation of certain licenses or permits, which could materially and adversely affect our business, results of operations and cash flows. Our contracts with customers may also impose liability on us for environmental issues that arise through the performance of our services. As a result, from time to time, we incur, and expect to continue to incur, costs and obligations to remain in compliance with applicable environmental laws and regulations, to correct environmental noncompliance matters and for remediation at or relating to certain of our properties. We believe that we are in substantial compliance with our environmental obligations and that any such obligations will not have a material adverse effect on our business or financial performance.

The overall regulatory environment also creates both challenges and opportunities for our business. In recent years, certain of our projects and certain customer spending in our industries have been negatively impacted by regulatory and permitting delays, as well as private legal challenges related to regulatory requirements, particularly with respect to large transmission and pipeline projects. Any tariffs, duties, taxes, assessments, or other limitations on the availability or sourcing of materials or components for our customers' projects can also increase costs for customers and create variability of project timing. For example, regulatory, legislative or executive action with respect to regional and global trade relationships have impacted, and may impact in the future, the supply chain for certain components required for our customers' projects (e.g., solar panels). For further information regarding the effects of regulation on our business, see *Risks Related to Operating Our Business* and *Risks Related Regulation and Compliance* in Item 1A. *Risk Factors* in Part I of this Annual Report.

Conversely, we believe that there are also several existing, pending or proposed legislative or regulatory actions that may alleviate certain regulatory and permitting issues and positively impact long-term demand, particularly in connection with electric power infrastructure and power generation spending. For example, regulatory changes affecting siting and right-of-way processes could potentially accelerate construction for transmission projects, and state and federal reliability standards are creating incentives for both electrical and pipeline system investment and maintenance.

Human Capital Resources

We believe our employees are our most important resources, and we focus significant attention and resources on attracting, developing and retaining talented and experienced individuals. We believe our industry-leading training and safety programs are a strength and competitive differentiator with not only our current and potential operating company employees, but with our customers, which have high safety standards and are increasing the amount of their outsourced infrastructure services. Our operations are decentralized and labor-intensive, and we rely on craft skilled labor personnel and experienced operators to successfully manage our day-to-day business, as well as corporate management and professional personnel to coordinate and help execute our business strategies, allocate capital and coordinate equipment usage, and facilitate certain centralized administrative services.

Employee Profile

As of December 31, 2025, we had approximately 69,500 employees, consisting of approximately 13,800 salaried employees, including, among others, executive officers, professional and administrative staff, project managers and engineers, job superintendents and field personnel, and approximately 55,700 hourly employees, the number of which fluctuates depending upon the number and size of the projects that are ongoing and planned at any particular time. Additionally, approximately 36% of our employees as of December 31, 2025 were covered by collective bargaining agreements, which require the payment of specified wages, the observance of certain workplace rules and the payment of certain amounts to multiemployer pension plans and employee benefit trusts. These collective bargaining agreements have varying terms and expiration dates, and the majority contain provisions that prohibit work stoppages or strikes, even during specified negotiation periods relating to agreement renewals, and provide for binding arbitration dispute resolution in the event of prolonged disagreement. As of December 31, 2025, we had approximately 64,400 U.S. employees and approximately 5,100 non-U.S. employees, with the majority of our non-U.S. employees based in Canada.

Employee Health and Safety

Performance of our services requires the use of heavy equipment and exposure to inherently hazardous conditions. In response to these inherent hazards and as part of our commitment to the safety of our operating company employees, customers and third parties, our corporate and operating company management personnel have established safety programs, policies and procedures and ongoing training requirements for our employees and have also developed and implemented critical safety equipment and innovations. For example, on our project sites we have implemented emergency response plans, personal voltage detectors, first aid training and automated external defibrillators, which have helped save the lives of our employees and bystanders. We have also continued to invest significant resources in our safety programs and training facilities, including the Quanta Advanced Training Center, located in Texas, and our safety monitoring tools, including fleet management software. Our operating companies also develop and share best practices for safety policies and practices, and we have an established program for onboarding newly acquired companies and working with them to augment their existing safety practices as necessary. We are also subject to, and must comply with, extensive regulations relating to worker health and safety, including the regulations of the Occupational Safety and Health Administration.

Employee Recruiting, Development and Training

Our success depends on our ability to attract, develop and retain highly qualified employees, including craft skilled labor, project management, engineers, architects, designers, management and professional and administrative employees.

Craft Skilled Labor. We continue to address the longer-term need for additional labor resources in our markets, as our customers continue to seek additional specialized labor resources to address an aging utility workforce and longer-term labor availability issues, increasing pressure to reduce costs and improve reliability, and increasing duration and complexity of their capital programs. We believe these trends will continue, possibly to such a degree that demand for labor resources will outpace supply. Furthermore, the increased demand for our services based on favorable dynamics in certain of our industries can create shortages of qualified labor. In order to take advantage of available opportunities and successfully implement our long-term strategy, we must be able to employ, train and retain the necessary skilled personnel. As a result, we are taking proactive steps to develop our workforce, including through strategic relationships with universities, the military and unions and the expansion and development of our training facilities and postsecondary educational institution. For example, we own and operate Northwest Lineman College, a postsecondary educational institution that provides training programs for the electric power infrastructure, communications and underground utility and infrastructure industries and specializes in pre-apprenticeship training, apprenticeship training and specialized utility task training for electric workers. We also continue to invest in our education and training capabilities at the Quanta Advanced Training Center and other dedicated training facilities, which provide programs for, among other things, beginning linemen, energized electric power services, telecommunications services, renewable (solar) construction, industrial services, wireman introduction, lead and cable splicing, directional drilling, gas distribution services and pipeline integrity training. These training facilities allow us to provide classroom and on-the-job training programs and allow us to train employees in a controlled environment on a large variety of industry common structures.

As an example of our strategic relationships with unions, our operating companies performing more sophisticated and technical jobs utilize, when applicable, training programs provided by the International Brotherhood of Electrical Workers/ National Electrical Contractors Associations (IBEW/NECA) Apprenticeship Program, training programs sponsored by the four trade unions administered by the Pipe Line Contractors Association (PLCA), apprenticeship training programs sponsored by the Canadian Union of Skilled Workers (CUSW) or our equivalent programs. Certain of our operating companies have also established apprenticeship training programs approved by the U.S. Department of Labor that prescribe equivalent training requirements for employees who are not otherwise subject to the requirements of the IBEW/NECA Apprenticeship Program. In addition, the Laborers International Union of North America, the International Brotherhood of Teamsters, the United Association of Plumbers and Pipefitters and the International Union of Operating Engineers have training programs specifically designed for developing and improving the skills of their members who work in the pipeline construction industry. Our operating companies also share best practices for training and educational programs. Although we believe these and other initiatives will help address workforce needs, meeting our customers' demand for labor resources could prove challenging. For additional information on the risks associated with labor resources in our industries, see *Risks Related to Operating Our Business* in Item 1A. *Risk Factors* in Part I of this Annual Report.

Management and Professional Personnel. Due to our decentralized operating structure, significant decision-making authority resides with management at our operating companies, and our corporate management and professional and administrative personnel are relied upon to allocate capital and communicate, coordinate and help execute our business strategies. We are focused on our ability to attract and retain qualified employees for these important positions, as we rely on them to successfully manage our decentralized operations and grow and expand our business. We have also implemented enterprise-wide talent development and succession planning programs designed to identify and develop future and/or replacement candidates for key positions. For example, we have developed and administer a succession program with respect to our executive officers and other senior leadership personnel, which is reviewed and/or overseen by our Board of Directors (Board).

Compensation and Benefits

Our compensation programs are generally designed to align employee compensation with market practices and our performance, as well as provide the proper incentives to attract, retain and motivate employees. With respect to our executive officers, operating company management, other senior leadership and corporate employees, compensation programs consist of both fixed and variable components. The fixed portion is generally set based on consideration of various market factors, with variable compensation designed to reward employees based on company financial and operational performance. We also grant stock-based compensation broadly throughout our organization, including to management and key operations personnel at the majority of our operating companies, which we believe is a key component of our compensation programs that helps to align incentives throughout our decentralized organization. We also enter into employment agreements with our executive officers and certain other key personnel.

We provide additional benefits to our employees. For example, we provide health, welfare and benefit plans for most employees who are not covered by collective bargaining agreements, and we maintain a 401(k) plan pursuant to which eligible U.S. employees who are not provided retirement benefits through a collective bargaining agreement may make contributions through payroll deductions and to which we make certain matching contributions.

Ethics and Compliance

All of our employees are subject to Quanta's Code of Conduct, which addresses compliance with applicable laws and Quanta's policies concerning, among other things, general business ethics, competition, anti-corruption and bribery, environmental protection, conflicts of interest, harassment and discrimination, data security and privacy, and insider trading. Quanta's Code of Conduct also informs employees and third parties (such as suppliers, subcontractors and members of the public) about the resources and confidential reporting mechanisms available to detect, prevent and report unethical and illegal conduct, and our Chief Compliance Officer communicates directly with our Board about actual and alleged violations of the law or the Code of Conduct. Training with respect to Quanta's Code of Conduct and other policies and procedures is conducted as part of our comprehensive ethics and compliance training program.

Climate Change-Related Impacts

Our management considers climate-related risks and opportunities as part of its overall long-term strategic planning and enterprise risk management process, which are overseen by our Board. While the overall impact on our operations continues to evolve, various aspects of climate change, as well as market and societal concerns about the future impact of climate change, have resulted and are expected to continue to result in operational opportunities and challenges. These opportunities and challenges can arise from the physical risks associated with changes in climate, as well as technological advances, market developments and additional regulatory and compliance costs.

Changes in climate have caused, and are expected to continue to cause, among other things, changes to meteorological and hydrological patterns that in turn have impacted the frequency and intensity of wildfires, hurricanes, floods, droughts, winter storms and other storms and severe weather-related events and natural disasters. Our operating results can be significantly influenced by the climates in which we operate and severe weather events, and these changes have and could continue to significantly impact our future operating results. A greater amount of rainfall, snow, ice or other less accommodating weather conditions, including extreme heat, as well as an increase in severe weather events and natural disasters, reduces our productivity and causes delays and cancellations of our ongoing projects. However, an increase in certain of these events, such as hurricanes, tropical storms, wildfires, blizzards and ice storms, also creates opportunities for us to perform a greater amount of emergency restoration services and, as described above, can increase customer spending on modernization, grid hardening and other infrastructure improvements (e.g., fire hardening programs and storm hardening programs). The timing and impact of these events is difficult to predict and can vary from period to period, and our emergency restoration services attributable to these events can fluctuate significantly in any given year. Additionally, changes in climate could result in more accommodating weather patterns for greater periods of time in certain areas, which may enable us to increase our productivity in those areas.

Physical risks associated with changes in climate have also increased certain hazards associated with certain of our operations, which in turn has increased the potential for liability and increased the costs associated with such operations. For example, severe drought and high wind speeds have significantly increased the risk of wildfires throughout our operating locations, which in turn has exposed us and other contractors to increased risk of liability, particularly as these events can be started by electrical power and other infrastructure on which we have performed services. Given the potentially significant liabilities associated with these events, to the extent we are deemed liable or are otherwise responsible for damages or other amounts associated with a wildfire event, it could have a material adverse impact on our business. Furthermore, these climate conditions have also resulted in increased costs for wildfire-related third-party insurance and reduced the amount of insurance carriers are willing to make available to us under such policies.

Changes in climate have in the past, and may in the future, impact the markets in which we operate. For example, certain services within our Underground and Infrastructure segment, including large pipeline infrastructure services, have experienced periodic challenges as a result of concerns regarding the impact of fossil fuels or refined products on the environment. However, such concerns have recently lessened as a result of the overall increase in demand for electricity, which has in turn increased demand for our services and solutions associated with all forms of power generation, including legacy energy resources such as natural gas. Furthermore, in recent years, many utility customers have increased their renewable power generation portfolios (e.g., solar, wind, battery storage) in part as a result of concerns associated with changes in climate, which has in turn increased demand for our services associated with renewable power generation and related electric power infrastructure.

Lastly, new legislation or regulation related to climate change could increase our costs. Most significantly, we maintain a large fleet of vehicles and a significant amount of construction machinery, and the costs associated with them could significantly increase as a result of regulations related to greenhouse gas emissions from such sources or regulations that result in an increase in fuel prices. Additionally, we may be subject to new rules relating to the disclosure of a range of climate-related risks. While certain of these rules are currently subject to litigation and the timing of implementation and finalization of such rules is uncertain, we are continuing to assess these rules and regulations and at this time we cannot predict the costs of implementation or any potential adverse impacts resulting from the rules. To the extent these rules are implemented, we or our customers could incur increased costs related to the assessment and disclosure of climate-related risks. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon intensive sectors, which could further impact our customers and demand for our services.

For additional information regarding the risks and opportunities described above, see *Risks Related to Operating Our Business* in Item 1A. *Risk Factors* in Part I of this Annual Report.

Risk Management and Insurance

We are insured for, among other things, employer's liability, workers' compensation, auto liability, aviation and general liability claims. We manage and maintain a portion of our risk through retentions and/or high deductibles, as well as, both directly and indirectly through our 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 $70.0 million per occurrence. As a supplement to our high-deductible primary insurance and captive programs, we maintain insurance with excess insurance carriers for potential losses that exceed the amount of our deductible and captive insurance obligations. We renew our 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. For additional information regarding our insurance and the risks associated with insurance coverage, see Note 16 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* and *Risks Related to Operating Our Business* in Item 1A. *Risk Factors* in Part I of this Annual Report.

Website Access and Other Information

Our website address is *www.quantaservices.com*. Interested parties may obtain free electronic copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to these reports in the *Investors / SEC Filings* section of our website or through the website of the SEC at *www.sec.gov*. These reports are available on our website as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. We will also make available to any stockholder, without charge, copies of our Annual Report on Form 10-K as filed with the SEC. For copies of this or any other Quanta publication, stockholders may submit a request in writing to Quanta Services, Inc., Attn: Corporate Secretary, 2727 North Loop West, Houston, Texas 77008, or by phone at (713) 629-7600.

Investors and others should note that we announce material financial information and make other public disclosures of information regarding Quanta through SEC filings, press releases, public conference calls, and our website. We also utilize social media to communicate this information, and 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 / Social Media* section.

This Annual Report, our website and our social media channels contain information provided by other sources that we believe is reliable. We cannot provide assurance that the information obtained from other sources is accurate or complete. No information on our website or our social media channels is incorporated by reference herein.

ITEM 1A. *Risk Factors*

Our business is subject to a variety of risks and uncertainties, including, but not limited to, the material risks and uncertainties described below. The matters described below are not the only risks and uncertainties facing our company, and risks and uncertainties not known to us or not described below also may impair our business operations. If any of the following risks actually occur, our business, financial condition, results of operations and cash flows can be negatively affected, the value of securities we have issued could be adversely affected, resulting in stockholders and purchasers losing part or all of their investment, and we may not be able to achieve our strategic initiatives or expectations. This Annual Report also includes statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 and should be read in conjunction with the section entitled *Cautionary Statement About Forward-Looking Statements and Information.*

Summary Risk Factors

The following is a summary of some of the material risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Operating Our Business

- Our operating results may vary significantly from quarter to quarter.
- A variety of issues could affect the timing or profitability of our projects, and could result in, among other things, project termination or payment of liquidated damages.
- Our business is subject to operational hazards (e.g., wildfires, explosions) that can result in significant liabilities, and we may not be insured against all potential liabilities.
- Insurance and claims expenses, as well as the unavailability or cancellation of third-party insurance coverage, could have a material adverse effect on us.
- Our business and operating results are subject to physical risks associated with changes in climate.
- Our business is labor-intensive, and we may be unable to attract and retain qualified employees or we may incur significant costs if we are unable to efficiently manage our workforce.
- A loss of business from certain significant customers could have a material effect on our business.
- Changes in estimates related to revenues and costs under customer contracts could result in a reduction or elimination of revenues or profits and the recognition of losses.
- We may fail to adequately recover on contract change orders or claims against customers.
- We are subject to lawsuits, claims and other legal proceedings, as well as project surety claims.
- We may be unsuccessful in generating internal growth.

- Many of our contracts may be canceled or suspended on short notice or may not be renewed or replaced.
- The nature of our business exposes us to warranty, engineering and other related claims.
- We can incur liabilities or suffer negative financial or reputational impacts due to health and safety matters.
- Disruptions or failure to adequately protect our information technology systems could materially affect our business and reputation.
- A deterioration of our reputation or brands could have an adverse impact on our business.
- Our financial results are based on estimates and assumptions that may differ from actual results.
- Our inability to successfully execute our acquisition strategy may adversely impact our growth.
- Our management structure could be inadequate to support our business as it expands and becomes more complex.
- The loss of, or our inability to attract or keep, key personnel could disrupt our business.
- Our investments, including our joint ventures, expose us to risks and may result in conflicts of interest.
- We are subject to credit and investment risk with respect to our customers and projects.
- Risks associated with operating in international markets and U.S. territories could harm our business and prospects.
- Our business is subject to the availability of suppliers, subcontractors and equipment manufacturers.
- A lack of availability or an increase in the price of fuel, materials or equipment could adversely affect our business or our customers.
- Scrutiny and expectations with respect to corporate sustainability practices may impose additional costs on us or expose us to reputational or other risks.

Risks Related to Our Industries

- Negative macroeconomic conditions and industry-specific economic and market conditions can adversely impact our business.
- Our revenues and profitability can be negatively impacted if customers encounter financial difficulties or disputes arise with our customers.
- Our business is highly competitive and competitive pressures could negatively impact our business.
- Technological advancements and other market conditions could negatively affect our business.

Risks Related to Regulation and Compliance

- Regulatory requirements applicable to our business and potential changes related to those requirements may adversely affect our business.
- Our unionized workforce and related obligations may adversely affect our operations.
- We could be adversely affected by failure to comply with laws applicable to our foreign activities.
- Our failure to comply with environmental laws and regulations could result in significant liabilities and costs.
- Certain specific regulatory requirements are applicable to us and certain of our subsidiaries, which could materially impact our business.
- Changes in tax laws could adversely affect our financial results.
- Opportunities for government contracts or projects could subject us to increased regulation and costs and may pose additional risks relating to funding and compliance.
- Immigration laws, including inability to verify employment and restrictions on movement, could adversely impact our business.

Risk Related to Financing Our Business

- We may not have access to sufficient funding to finance desired growth and operations.
- We have a significant amount of debt that can negatively impact our business.
- We may not have sufficient cash flow to service our debt.
- Our variable rate indebtedness subjects us to interest rate risk.
- We may be unable to compete for projects if we cannot obtain surety bonds, letters of credit or bank guarantees.
- A downgrade in our debt rating could restrict our ability to access capital markets.

Risks Related to Our Common Stock

- Our sale or issuance of additional common stock or other equity securities could be dilutive to each stockholder’s ownership interest or affect the market price of our common stock.
- There can be no assurance that we will declare or pay future dividends on our common stock.
- Certain provisions of our governing documents could make an acquisition of Quanta more difficult.

Risks Related to Operating Our Business

Our operating results may vary significantly from quarter to quarter.

Certain industries in which we operate can be cyclical and our business is subject to seasonality and other factors that can result in significantly different operating results from quarter to quarter, and therefore our results in any particular quarter may not be indicative of future results. Our quarterly results have been and may in the future be materially and/or adversely affected by, among other things:

- the timing and volume of work we perform and our performance with respect to ongoing projects and services, including as a result of fluctuations in the amount of work customers assign to us under our agreements (e.g., MSAs), delays and reductions in scope of projects, and project and agreement terminations, expirations or cancellations;
- increases in project costs that result from, among other things, natural disasters and emergencies, adverse weather conditions or events, legal challenges, permitting, regulatory or environmental processes, tariffs, or inaccurate project cost estimates;
- variations in the size, scope, costs and operating income margins of ongoing projects, as well as the mix of our customers, contracts and business;
- fluctuations in economic, political, financial, industry and market conditions on a regional, national or global basis, including as a result of, among other things, inflationary pressure that impacts our costs associated with labor, equipment and materials; increased interest rates; default or threat of default by the U.S. federal government with respect to its debt obligations; U.S. government shutdowns; natural disasters and other emergencies (e.g., wildfires, weather-related events, pandemics); deterioration of global or specific trade relationships; or geopolitical conflicts and political unrest;
- pricing pressures as a result of competition;
- changes in the budgetary spending patterns or strategic plans of customers or governmental entities;
- supply chain and other logistical difficulties, as well as sourcing restrictions on materials necessary for the services we provide;
- liabilities and costs incurred in our operations that are not covered by, or that are in excess of, our third-party insurance or indemnification rights, including significant liabilities that arise from the inherently hazardous conditions of our operations (e.g., explosions, fires) and the operations of our subcontractors, and which could be exacerbated by the geographies in which we operate;
- disputes with customers or delays and payment risk relating to billing and payment under our contracts and change orders, including as a result of customers that encounter financial difficulties, are insolvent or have filed for bankruptcy protection;
- the resolution of, or unexpected or increased costs associated with, pending or threatened legal proceedings, indemnity obligations, multiemployer pension plan obligations (e.g., withdrawal liability) or other claims;
- restructuring, severance and other costs associated with, among other things, winding down certain operations and exiting markets;
- estimates and assumptions in determining our financial results, remaining performance obligations and backlog, including the timing and significance of impairments of long-lived assets, equity or other investments, receivables, goodwill or other intangible assets;
- significant fluctuations in foreign currency rates;
- the recognition of tax impacts related to changes in tax laws or uncertain tax positions; and
- the timing and magnitude of costs we incur to support our operations or growth internally or through acquisitions.

A variety of issues could affect the timing or profitability of our projects, which may result in additional costs to us, reductions or delays in revenues, the payment of liquidated damages or project termination.

Our business is dependent in part upon projects that can be cyclical in nature and are subject to risks of delay or cancellation. The timing of or failure to obtain contracts, delays in awards of, start dates for or completion of projects and the cancellations of projects can result in significant periodic fluctuations in our business, financial condition, results of operations and cash flows. Many of our projects involve complex design, engineering, financing, permitting, right of way acquisition, procurement and construction phases that occur over extended time periods, sometimes several years, and we have encountered and may in the future encounter project delays, additional costs or project performance issues as a result of, among other things:

- inability to meet project schedule requirements or achieve guaranteed performance or quality standards for a project, which can result in increased costs, through rework, replacement or otherwise, or the payment of liquidated damages to the customer or contract termination;

- failure to accurately estimate project costs or accurately establish the scope of our services;
- failure to make judgments in accordance with applicable professional standards (e.g., engineering standards);
- unforeseen circumstances or project modifications not included in our cost estimates or covered by our contract for which we cannot obtain adequate compensation, including concealed or unknown environmental, geological or geographical site conditions or technical problems such as design or engineering issues;
- changes in laws or permitting and regulatory requirements during the course of our work;
- delays in the delivery or management of design or engineering information, equipment or materials;
- our or a customer's failure to manage a project, including the inability to timely obtain land, permits or rights of way or meet other permitting, regulatory or environmental requirements or conditions;
- changes to project or customer schedules;
- natural disasters or emergencies, including wildfires and earthquakes, as well as significant weather events (e.g., hurricanes, tropical storms, tornadoes, floods, droughts, blizzards and extreme temperatures) and adverse or unseasonable weather conditions (e.g., prolonged rainfall or snowfall, early thaw in Canada and the northern United States);
- difficult terrain and site conditions where delivery of materials and availability of labor are impacted or where there is exposure to harsh and hazardous conditions;
- protests and other public activism, legal challenges or other political activity or opposition to our operations or projects or those of our joint ventures;
- other factors such as terrorism, geopolitical conflicts, public health crises (e.g. pandemics) and delays attributable to U.S. government shutdowns or any related under-staffing of government departments or agencies;
- changes in the cost, availability, lead times or quality of equipment, commodities, materials, consumables or labor; and
- delay or failure to perform by suppliers, subcontractors or other third parties, or our failure to coordinate performance of such parties, as approximately 20% of our work is subcontracted to other service providers.

Many of these difficulties and delays are beyond our control and can negatively impact our ability to complete the project in accordance with the required delivery schedule or achieve our anticipated operating income margin on the project. Delays and additional costs associated with delays may be substantial and not recoverable from third parties, and in some cases, we may be required to compensate the customer for such delays, including in circumstances where we have guaranteed project completion or performance by a scheduled date and incur liquidated damages if we do not meet such schedule.

We also generate a significant portion of our revenues under fixed price contracts, including contracts for large projects and/or projects where we provide EPC services (e.g., large electric transmission and substation projects, power generation projects, data center facility projects). We have strategically expanded these service offerings in recent years, including with respect to power generation projects, and the size and scope of these projects continues to increase. The contracts for these projects often involve complex pricing, scope of services and other bid preparation components that require challenging estimates and assumptions on the part of our personnel, which increases the risk that costs incurred on such projects can vary, sometimes substantially, from our original estimates.

Performance difficulties can result in project delays, project cancellations and damage to our relationship with customers, as well as damage to our reputation, which can be exacerbated when the difficulties arise on a high-profile project. As a result, additional costs or penalties, a reduction in our productivity or efficiency or a project termination in any given period can have a material adverse effect on our business, financial condition, results of operations and cash flows and can also adversely affect our ability to secure new contracts.

Our business is subject to operational hazards, including, among others, wildfires and explosions, that can result in significant liabilities, and we may not be insured against all potential liabilities.

Due to the nature of our services and certain of our product solutions, as well as the conditions in which we and our customers operate, our business is subject to operational hazards and accidents that can result in significant liabilities. These operational hazards include, among other things, electricity, fires, explosions, leaks, collisions, mechanical failures, and damage from severe weather conditions and natural disasters. Furthermore, certain operational hazards have become more widespread in recent years due to changes in climate and other factors, and certain of our customers operate energy- and communications-related infrastructure assets in locations and environments that increase the likelihood and/or severity of these operational hazards.

In particular, locations throughout our primary operating regions, including but not limited to, the United States, Canada and Australia, have recently experienced and are increasingly impacted by wildfires, including locations that have not historically experienced wildfire events but that are becoming more susceptible to wildfire events due to changes in climate. Our customers operate electrical power, natural gas, communications and other infrastructure assets in these areas, which in turn has exposed us and other contractors to increased risk of liability in connection with our operations, as these wildfire events can be started by electrical power and other infrastructure on which we have performed services, including inspection, consulting, construction, upgrade, repair and maintenance and other services. For example, certain of our customers have been determined to be or are potentially responsible for certain catastrophic wildfire events in the western United States due to failure of their infrastructure, and certain of these wildfire events remain under investigation. From time to time, Quanta operating companies have received tenders of defense, demands for preservation of documents and indemnity and subpoenas during the course of investigations and reviews of wildfire events, which can often extend over a prolonged period of time, and additional claims or legal proceedings involving Quanta and its operating companies related to wildfire events may be brought in the future.

We also often perform services in locations that are densely populated and that have higher value property and assets, such as California and metropolitan areas, which can increase the impact of any of these hazards or other accidents. For example, one of our larger operating companies specializes in underground gas and electric distribution and transmission services and operates in metropolitan areas throughout the northeastern United States, including New York City, New York. Additionally, we operate a significant number of helicopters in the performance of our services, including the transportation of line workers, the setting of poles, the stringing of wires and wildfire control and prevention, among other activities, including in locations that have a higher risk of wildfires and in densely populated areas. Our operation of helicopters is subject to various risks, such as crashes, collisions, fires, adverse weather conditions or mechanical failures. We also perform site-work services and railroad construction services, as well as services on natural gas systems, pipelines, refineries, petrochemical plants and other infrastructure assets, and failure of or accidents with respect to work we perform on any of these types of assets could result in significant claims or liabilities. We also manufacture certain products, including power transformers and mobile energy storage systems, and a failure of one of our products could also lead to similar operational hazards (e.g., explosions or mechanical failures).

Events arising from operational hazards and accidents have resulted in significant liabilities to us in the past and may expose us to significant claims and liabilities in the future. These claims and liabilities can arise through indemnification obligations to customers, our negligence, negligence by our subcontractors or otherwise, and such claims and liabilities can arise even if our operations are not the cause of the harm. Our exposure to liability can also extend for years after we complete our services, and potential claims and liabilities arising from significant accidents and events can take years and significant legal costs to resolve.

Potential liabilities include, among other things, claims associated with personal injury, including severe injury or loss of life, and destruction of or significant damage to property and equipment (with respect to both our customers and other third parties), as well as harm to the environment, and other claims discussed above and can lead to suspension of operations, adverse effects to our safety record and reputation and/or material liabilities and legal costs. In addition, if any of these events or losses related thereto are alleged or found to be the result of our or our customer's activities or services, we could be subject to government enforcement actions, civil or criminal penalties, civil litigation and governmental actions, including investigations, citations, fines and suspension of operations. Insurance coverage may not be available to us or may be insufficient to cover the cost of any of these liabilities and legal costs, and our insurance costs may increase if we incur liabilities associated with operational hazards. If we are not fully insured or indemnified against such liabilities and legal costs or a counterparty fails to meet its indemnification obligations to us, it could materially and adversely affect our business, financial condition, results of operations and cash flows. Further, to the extent our reputation or safety record is adversely affected, demand for our services could decline or we may not be able to bid for certain work.

Insurance and claims expenses, as well as the unavailability or cancellation of third-party insurance coverage, could have a material adverse effect on us.

As part of our overall risk management strategy, we self-insure, or insure through our wholly-owned captive insurance company, a significant portion of our claims exposure, including all amounts up to the applicable deductible of our third-party insurance programs and certain additional amounts related to the general and auto liability programs. We are also responsible for our legal expenses relating to such claims, which can be significant both on an aggregate and individual claim basis. As a supplement to our self-insurance program, we maintain insurance with excess insurance carriers for potential losses, which exceed the amounts we self-insure or insure through our wholly-owned captive insurance company, arising out of our business and operations, and such insurance is subject to high deductibles. We renew our third-party insurance policies on an annual basis, and therefore deductibles and levels of coverage offered may change in future periods, and there is no assurance that any of our coverages will be renewed at their current levels or at all or that any future coverage will be available at reasonable and competitive rates. In connection with such renewals, we evaluate the level of insurance coverage and adjust insurance levels based on risk tolerance, risk volatility, and premium expense. Our insurance coverages may not be sufficient or effective under all circumstances or against all claims and liabilities asserted against us, and if we are not fully insured against such claims and liabilities, our business, financial condition. results of operations and cash flows could be materially and adversely affected. For example, due to the increased occurrence and future risk of wildfires, as described above, insurers have reduced coverage availability and increased the cost of insurance coverage for such events in recent years. As a result, Quanta's current level of insurance coverage for wildfire events may not be sufficient to cover potential losses in connection with these events. For more information see *Risk Management and Insurance* in Item 1. *Business* in Part I of this Annual Report

Further, there has been a wave of blockbuster, or so-called "nuclear" verdicts resulting from liabilities arising out of vehicle and other accidents in recent years. Given this current claims environment, the amount of coverage available from excess insurance carriers is decreasing, and the premiums for this excess coverage are increasing significantly. For the foregoing reasons, our insurance and claims expenses may increase, or we could increase our self-insured retention as policies are renewed or replaced. In addition, we may assume additional risk within our captive insurance company that we may or may not reinsure.

Although we reserve for anticipated losses and expenses and periodically evaluate and adjust our claims reserves to reflect our experience, estimating the number and severity of claims, as well as related costs to settle or resolve them, is inherently difficult and subject to a high degree of variability, and such costs could exceed our estimates. Accordingly, our actual losses associated with insured claims may differ materially from our estimates and materially and adversely affect our financial condition and results of operations in material amounts.

Our business and operating results are subject to physical risks associated with changes in climate.

Changes in climate have caused, and are expected to continue to cause, among other things, changes to meteorological and hydrological patterns, as well as impacts to the frequency and intensity of wildfires, hurricanes, floods, droughts, extreme heat, other storms and severe weather-related events and natural disasters. These changes have and may in the future impact our future operating results and may have a long-term impact on our business, results of operation, financial condition and cash flows. While we seek to mitigate these risks, we recognize that certain risks are inherent given how and where we conduct our operations. For example, catastrophic natural disasters can negatively impact projects we are working on, our facilities and other physical locations, portions of our equipment, or the locations and service regions of our customers. Accordingly, a natural disaster has the potential to disrupt our and our customers' businesses and may cause us to experience work stoppages, project delays, financial losses and additional costs to resume operations, including increased insurance costs or loss of coverage, legal liability and reputational losses, and we expect that increasing physical climate-related impacts may result in further changes to the cost or availability of insurance in the future.

Physical risks associated with changes in climate have also increased hazards associated with certain of our operations, which in turn has increased the potential for liability and increased the costs associated with such operations. For example, as discussed above, severe drought and high wind speeds have significantly increased the risk of wildfires throughout the areas where we operate, which in turn has exposed us and other contractors to increased risk of liability in connection with our operations in those locations, as these events can be started by electrical power and other infrastructure on which we have performed services. Given the potentially significant liabilities associated with these events, to the extent we are deemed liable for a wildfire event, it could have a material adverse impact on our business, financial condition, results of operations and cash flows. Furthermore, these climate conditions have also resulted in increased costs for wildfire-related third-party insurance and reduced the amount insurance carriers are willing to make available to us under such policies.

Our business is labor-intensive, and we may be unable to attract and retain qualified employees or we may incur significant costs in the event we are unable to efficiently manage our workforce or the cost of labor increases.

Our ability to efficiently manage our business and achieve our strategic initiatives is limited by our ability to employ, train and retain the necessary skilled personnel, which is subject to a number of risks. The demand for labor resources has continued to increase in response to the increasing duration and complexity of customer capital budgets, the commencement of new, large-scale infrastructure projects, increased demand for infrastructure improvements and reliability and increased pressure to reduce costs. The pool of skilled workers in certain of our industries has also been reduced, and may be further reduced, due primarily to an aging utility workforce and longer-term labor availability issues, including with respect to experienced program managers and qualified journeyman linemen available for our Electric segment and experienced supervisors and foremen for our Underground and Infrastructure segment. The cyclical nature of certain of the industries in which we operate can also create shortages of qualified labor during periods of high demand and production, and the amount of travel required for project management-level positions can impact the number of potential candidates that decide to enter our industries. A shortage in the supply of personnel creates competitive hiring markets that may result in increased labor expenses, and we have incurred, and expect to continue to incur, significant education and training expenses in order to recruit and train employees. The uncertainty of contract award timing and project delays can also present difficulties in managing our workforce size. Additionally, we may not be able to attract and retain the necessary skilled personnel for our expanding product and service offerings. Our inability to efficiently manage our workforce may require us to incur costs resulting from excess staff, reductions in staff, or redundancies that could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Additionally, the inflationary pressure in the United States and our other markets has increased our labor costs. Under certain of our contracts, labor costs are passed through to customers, and the portion of our workforce that is represented by labor unions typically operates under multi-year collective bargaining agreements that provide some visibility into future labor costs. However, the costs related to a significant amount of our workforce are subject to market conditions, and therefore inflationary pressure could increase our labor costs with respect to those employees. Increased labor costs can also impact our customers' decision-making with respect to viability or timing of certain projects, which could result in project delays or cancellations and in turn have a material adverse effect on our business, financial condition, results of operations or cash flows.

The loss of, or reduction in business from, certain significant customers could have a material adverse effect on our business.

A few customers have in the past and may in the future account for a significant portion of our revenues. For example, our ten largest customers accounted for 30% of our consolidated revenues for the year ended December 31, 2025. Although we have long-standing relationships with many of our significant customers, a significant customer may unilaterally reduce or discontinue business with us at any time or merge or be acquired by a company that decides to reduce or discontinue business with us. A significant customer may also encounter financial constraints, based on cost of capital or other reasons, file for bankruptcy protection or cease operations, any of which could also result in reduced or discontinued business with us. The loss of business from a significant customer could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Changes in estimates related to revenues and costs associated with our contracts with customers could result in a reduction or elimination of revenues, a reduction of profits or the recognition of losses.

For fixed price contracts and certain unit-price contracts, we recognize revenue as performance obligations are satisfied over time and earnings or losses recognized on individual contracts are based on estimates of contract revenues, costs and profitability, as discussed in further detail in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report. Changes in contract estimates are recognized on a cumulative catch-up basis in the period in which the revisions to the estimates are made, and contract losses are recognized in full when losses are determined to be probable and can be reasonably estimated. Variable consideration amounts, including performance incentives, early pay discounts and penalties, may also cause changes in contract estimates. In addition, we recognize amounts associated with change orders and/or claims as revenue when it is probable that the contract price will be adjusted and the amount of any such adjustment can be reasonably estimated. Actual amounts collected in connection with change orders and claims can differ from estimated amounts. Consequently, the timing for recognition of revenues and profit or loss and any subsequent changes in estimates is uncertain and could result in a reduction or an elimination of previously reported revenues or profits or the recognition of losses on the associated contract. Any such adjustments could be significant and could have a material adverse impact on our financial condition, results of operations and cash flows.

We may fail to adequately recover on contract change orders or claims brought by us against customers.

We have in the past brought, and may in the future bring, claims against our customers. For example, as of December 31, 2025, the amount recognized related to unapproved change orders and claims was $983.6 million, which is discussed further in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report. These types of claims occur due to, among other things, impacts to projects as a result of factors not within the control of Quanta, such as natural disasters, significant weather events and public health events (e.g., pandemics), delays caused by customers and third parties and changes in project scope, which can result in additional costs that may not be recovered until the claim is resolved. While we generally negotiate with the customer for additional compensation, we may be unable to obtain, through negotiation, arbitration, litigation or otherwise, adequate amounts to compensate us for the additional work or expenses incurred. Litigation, arbitration or government approval (if needed) with respect to these matters is generally lengthy and costly, involves significant uncertainty as to timing and amount of any resolution, and can adversely affect our relationship with existing or potential customers. Furthermore, we can be required to invest significant working capital to fund cost overruns while the resolution of a claim is pending. Failure to obtain adequate and prompt compensation for these matters can result in a reduction of revenues and gross profit recognized in prior periods or the recognition of a loss. Any such reduction or loss can be substantial and can have a material adverse effect on our business, financial condition, results of operations and cash flows.

During the ordinary course of our business, we are subject to lawsuits, claims and other legal proceedings, as well as bonding claims and related reimbursement requirements.

We have in the past been, and may in the future be, named as a defendant in lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. These actions seek, among other things, compensation for alleged personal injury (including claims for loss of life), workers' compensation, employment discrimination, sexual harassment, workplace misconduct, wage and hour claims and other employment-related damages, compensation for breach of contract, negligence or gross negligence or property damage, environmental liabilities, multiemployer pension plan withdrawal liabilities, punitive damages, consequential damages, and civil penalties or other losses or injunctive or declaratory relief, as well as interest and attorneys' fees associated with such claims. Furthermore, given the growth that we have experienced, we have become a more attractive target for lawsuits by various third parties.

In addition, we generally indemnify our customers for claims related to the services we provide and actions we take under our contracts, and, in some instances, we are allocated risk through our contract terms for actions by our customers, subcontractors or other third parties. Because our services in certain instances can be integral to the operation and performance of our customers' infrastructure, we have been and may become subject to lawsuits or claims for any failure of the systems that we work on or damages caused by accidents and events related to such systems, even if our services are not the cause of such failures and damages. We could also be subject to civil and criminal liabilities, which could be material. Insurance coverage may not be available or may be insufficient for these lawsuits, claims or legal proceedings. The outcome of any allegations, lawsuits, claims or legal proceedings, as well as any public reaction thereto, is inherently uncertain and could result in significant costs, damage to our brands or reputation and diversion of management's attention from our business. Payments of significant amounts, even if reserved, could materially and adversely affect our business, reputation, financial condition, results of operations and cash flows.

In addition, many customers, particularly in connection with new construction, require us to post performance and payment bonds. These bonds provide a guarantee that we will perform under the terms of a contract and pay our subcontractors and vendors. If we fail to perform, the customer may demand that the surety make payments or provide services under the bond, and we must reimburse the surety for any expenses or outlays it incurs. As of December 31, 2025, the total amount of our outstanding performance bonds was estimated to be approximately $14.9 billion. To the extent reimbursements are required, the amounts could be material and could adversely affect our consolidated business, financial condition, results of operations or cash flows.

We may be unsuccessful at generating internal growth, which could adversely affect our business.

Many of the factors affecting our ability to generate internal growth are beyond our control, and we cannot be certain that our strategies for achieving internal growth will be successful. Our ability to generate internal growth will be affected by, among other factors, our ability to profitably scale the services we currently offer; expand our overall service offerings and product solutions; attract new customers; increase the number of projects we perform for existing customers; hire and retain qualified employees; and expand geographically within our current markets, as well as our ability to address regulatory, environmental and permitting requirements and economic or market conditions that affect us or our customers. Our inability to successfully generate internal growth may adversely affect our financial condition, results of operations and cash flows.

Many of our contracts may be canceled or suspended on short notice or may not be renewed upon completion or expiration, and we may be unsuccessful in replacing our contracts, which could adversely affect our business.

Our customers have in the past and may in the future cancel, delay or reduce the number or size of projects available to us for a variety of reasons, including capital constraints or inability to meet regulatory requirements. Furthermore, many of our customers may cancel or suspend our contracts on short notice even if we are not in default under the contract. Certain of our customers assign work to us on a project-by-project basis under MSAs. Under these agreements, our customers generally have no obligation to assign a specific amount of work to us. Additionally, the in-house service organizations of our existing or prospective customers are capable of performing, or acquiring businesses that perform, the same types of services we provide, and these customers may also face pressure or be compelled by regulatory or other requirements to self-perform an increasing amount of the services we currently perform for them, thereby reducing the services they outsource to us in the future. Our financial condition, results of operations and cash flows can be negatively impacted if our customers cancel or suspend contracts having significant value, we fail to renew or replace a significant number of our existing contracts when they expire or are completed or the anticipated volume of work under an existing MSA is not assigned to us.

The nature of our business exposes us to potential liability for warranty, engineering and other related claims.

We typically provide contractual warranties for our services and materials, guaranteeing the work performed against, among other things, defects in workmanship, and we may agree to indemnify our customers for losses related to our services. The length of these warranty periods varies and can extend for several years, and certain projects can have longer warranty periods and include facility performance warranties that are broader than the warranties we generally provide. Warranties generally require us to re-perform the services and/or repair or replace the warranted item and any other facilities impacted thereby, at our sole expense, and we could also be responsible for other damages if we are not able to adequately satisfy our warranty obligations. In addition, we can be required under contractual arrangements with our customers to warrant any defects or failures in materials we provide. While we generally require materials suppliers to provide us warranties that are consistent with those we provide customers, if any of these suppliers default on their warranty obligations to us, we may incur costs to repair or replace the defective materials.

Furthermore, our business involves professional judgments regarding the planning, design, development, construction, operations and management of electric power, power generation, communications, underground utility, pipeline and other infrastructure. Because our projects are often technically complex, our failure to make judgments and recommendations in accordance with applicable professional standards, including engineering standards, could result in damages. A significantly adverse or catastrophic event at a project site or completed project resulting from the services we performed could result in significant professional or product liability, personal injury (including claims for loss of life) or property damage claims or other claims against us, as well as reputational harm. These liabilities could exceed our insurance limits or impact our ability to obtain third-party insurance in the future, and customers, subcontractors or suppliers who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay us. As a result, warranty, engineering and other related claims could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Additionally, certain of our operating companies manufacture products sold to customers and other third parties, and we can be exposed to product liability and warranty claims if such products result in, or are alleged to result in, bodily injury and/or property damage or our products actually or allegedly fail to perform as expected. Furthermore, certain of our products are designed to support critical infrastructure and any failure of such products could result in significant product liability and warranty claims, as well as damage to our reputation in the marketplace. Our product development, manufacturing and testing may be inadequate to detect all defects, errors, failures and quality issues, which could impact customer satisfaction or result in claims against us. As a result, we may have, and from time to time have had, to replace certain components and/or provide remediation in response to the discovery of defects in our products, and the occurrence of any defect, error, failure or quality issue could result in cancellation of orders, product returns, damage to our reputation, diversion of our resources, lawsuits or claims by our customers or other third parties and other losses to us or to any of our customers or third parties, which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

We can incur liabilities or suffer negative financial or reputational impacts relating to health and safety matters.

Our operations are inherently hazardous and subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. While we have invested, and will continue to invest, substantial resources in our occupational health and safety programs, our industry involves a high degree of operational risk, and there can be no assurance that we will avoid significant liability exposure. Although we have taken precautions designed to mitigate this risk, we have suffered serious accidents, including fatalities, and we anticipate that our operations may result in additional serious accidents in the future. As a result of these events, we could be subject to substantial penalties, revocation of operating licenses, criminal prosecution or civil litigation, including claims for bodily injury or loss of life, that could result in substantial costs and liabilities. In addition, if our safety record were to substantially deteriorate or we were to suffer substantial penalties or criminal prosecution for violation of health and safety regulations, our customers could cancel our contracts and elect to procure future services from other providers. Unsafe work sites also have the potential to increase employee turnover, increase the costs of projects for our clients, and raise our operating costs. Any of the foregoing could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Disruptions to our information technology systems or our failure to adequately protect critical data, sensitive information and technology systems could materially affect our business and reputation.

We rely on information technology systems to manage our operations and other business processes and to protect sensitive company information. We also collect and retain information about our customers, stockholders, vendors, employees, contractors, business partners and other parties, all of whom expect that we will adequately protect such information. We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our information technology systems and confidential information as well as the systems and information of key third parties and information technology vendors upon whom we rely. Certain of our vendors have experienced cyber-attacks that exploited vulnerabilities in their systems and have resulted in disruptions to their systems. While these events have not resulted in any known material impacts to our systems, we expect such attacks will continue in the future. Furthermore, the infrastructure systems and facilities on which we work are strategic targets that are at greater risk of cyber-attacks or acts of terrorism than other targets. Additionally, an intrusion into the information systems of a business we acquire may also ultimately compromise our systems. Our operations are decentralized with operating companies maintaining some of their own information systems, data and service providers, including some of their own security controls and processes. There can be no assurance that our cybersecurity risk management program and processes, including policies, controls and procedures, designed to apply to our operating companies will be fully implemented, complied with or effective in protecting all information systems and operations.

Our security measures and technology to protect our and our clients' confidential or proprietary company information may not be successful, and there can be no assurance that our efforts will prevent all threats to our systems and information. Moreover, we have acquired and continue to acquire companies with cybersecurity vulnerabilities and/or unsophisticated security measures, which exposes us to significant cybersecurity, operational, and financial risks until they are fully integrated into our information systems. Additionally, the increased use of remote working arrangements by employees, vendors, and other third parties has increased the exposure to possible attacks, thereby increasing the risk of a data security compromise.

We have experienced and addressed cyber-attacks, breaches and disruptions of our information systems, and systems of key third parties and information technology vendors that we rely upon, in the past, and we expect such events to continue to arise in the future. While to date we have not experienced any material impact as a result of these events, the ultimate impact of future and similar events remains unknown, and we expect additional vulnerabilities to arise. Cyber-attacks can result in compromises of our payment systems, monetary losses, inability to access or operate our systems (e.g., ransomware), delays in processing transactions or reporting financial results, the disclosure or misappropriation of confidential, personal or proprietary company information (including for the purpose of transacting in our stock), or the release of customer, stockholder, vendor or employee information. An attack could also cause material service disruptions to our internal systems or to our operating companies' systems, or in extreme circumstances, infiltration into, damage to or loss of control of our customers' energy infrastructure systems. Any such breach or disruption could subject us to material liabilities, cause damage to our reputation or customer relationships, or result in regulatory investigations or other actions by governmental authorities as well as litigation, which could have a material adverse impact on our business, financial condition, results of operations and cash flows. Furthermore, we may incur substantial costs related to the investigation and reporting of any such breach or disruption. Additionally, because the techniques used to obtain unauthorized access or sabotage information technology systems change frequently and are generally not identifiable until they are launched against a target, we are unable to anticipate all attacker techniques or to implement comprehensive preventative measures, particularly because threat actors are increasingly using tools, including artificial intelligence, that are designed to circumvent controls and evade detection. As a result, we may be required to expend significant resources to protect against the threat of system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches.

In addition, as a contractor supporting government agencies with respect to certain projects, including the Department of Defense (DoD), we must adhere to regulatory cyber compliance requirements outlined in the Federal Acquisition Regulations (FAR), the Defense Federal Acquisition Regulation Supplement (DFARS), and other federal mandates with respect to these projects. The DoD has also finalized the Cybersecurity Maturity Model Certification (CMMC) process and commenced in late 2025 the process of incorporating CMMC assessments in applicable procurements. Obligations that may be imposed on us under the CMMC may be different from or in addition to those otherwise required by applicable laws and regulations, which may cause additional expense for compliance. Failure to meet these various requirements, whether mandated by regulation or contract, could cause material harm to our business, financial condition and reputation.

Any deterioration in the quality or reputation of our brands, which can be exacerbated by the effect of social media or significant media coverage, could have an adverse impact on our business.

Our brands and our reputation are among our most important assets, and our ability to attract and retain customers depends on brand recognition and reputation. Such dependence makes our business susceptible to reputational damage and to competition from other companies. A variety of events could result in damage to our reputation or brands, some of which are outside of our control, including:

- acts or omissions that adversely affect our business such as a crime, scandal, cyber-related incident, litigation or other negative publicity;
- failure to successfully perform, or negative publicity related to, a high-profile project, including, among others, our joint venture in LUMA and large-scale infrastructure projects (i.e., electric transmission projects, renewable and other generation projects and data center and manufacturing facilities);
- actual or potential involvement in a catastrophic fire, explosion, aviation incident, mechanical failure of infrastructure or similar event; or
- actual or perceived responsibility for a serious accident or injury.

Increased media coverage and interest in energy transition matters and our industries, along with the intensification of media coverage generally, including through the considerable expansion in the use of social media, have increased the volume and speed at which negative publicity arising from these events can be generated and spread, and we may be unable to timely respond to, correct any inaccuracies in, or adequately address negative perceptions arising from such media coverage. In addition, negative publicity relating to certain projects may result in increased regulatory scrutiny, adverse rulings or regulatory actions. If the reputation or perceived quality of our brands decline or customers lose confidence in us, our business, financial condition, results of operations, or cash flows could be adversely affected.

Our financial results, financial condition and other financial and operational disclosures are based upon estimates and assumptions that may differ from actual results or future outcomes.

In preparing our consolidated financial statements and financial and operational disclosures, estimates and assumptions are used by management to report, among other things, assets, liabilities, revenues and expenses. These estimates and assumptions are necessary because certain information utilized is dependent on future events, cannot be calculated with a high degree of precision from available data or cannot be readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine, and we must exercise significant judgment, and as a result actual results and future outcomes can differ materially from the estimates and assumptions that we use and have a material adverse effect on our financial condition, results of operations and cash flows. For example, our remaining performance obligations and backlog are difficult to determine with certainty. Customers often have no obligation under our contracts to assign or release work to us, and many contracts may be terminated on short notice. Cancellation or reduction in scope of a contract can significantly reduce the revenues and profit we recognize. Consequently, our estimates of remaining performance obligations and backlog may not be accurate, and we may not be able to realize our estimated remaining performance obligations and backlog.

Our results of operations and financial condition can also be adversely affected by impairments to goodwill, other intangible assets, and long-lived assets, the value of which is dependent upon certain estimates and assumptions. We record goodwill when we acquire a business, which must be tested at least annually for impairment. We have recorded impairments in the past, and any future impairments could have a material adverse effect on our financial condition and results of operations for the period in which the impairment is recognized. See *Critical Accounting Estimates* in Item 7. *Management's Discussion and Analysis of Financial Condition* in Part II of this Annual Report for further information about our critical accounting estimates.

Our inability to successfully execute our acquisition strategy may have an adverse impact on our growth.

Our business strategy includes expanding our presence in the industries we serve and adjacent industries through strategic acquisitions of companies that complement or enhance our business. The number of acquisition targets that meet our criteria may be limited. We may also face competition for acquisition opportunities, and other potential acquirers may offer more favorable terms or have greater financial resources available for potential acquisitions. This competition may further limit our acquisition opportunities or raise the prices of acquisitions and make them less accretive, or possibly not accretive, to us. Furthermore, the increased antitrust scrutiny of and compliance requirements for potential acquisitions, including by the Federal Trade Commission (FTC) and Department of Justice under the Hart-Scott Rodino Act, the Sherman Act, the Clayton Act (each as amended) or other applicable laws, could negatively impact the cost and timing of or our ability to complete certain potential acquisitions. Failure to consummate future acquisitions could negatively affect our growth strategies.

Additionally, our past acquisitions have involved, and our future acquisitions may involve, significant cash expenditures and stock issuances, the incurrence or assumption of debt and other known and unknown liabilities and exposure to burdensome regulatory requirements. We may also discover previously unknown liabilities or, due to market conditions, be required pursuant to specific transaction terms to assume certain prior known liabilities associated with an acquired business, and we may have inadequate or no recourse under applicable indemnification provisions or representation and warranty insurance coverage (due to policy terms or lack of coverage at rates we believe are reasonable). Known liabilities may also change over time and become more severe than previously anticipated. As a result, past or future acquisitions may ultimately have a negative impact on our business, financial condition, results of operations and cash flows.

The success of our acquisition strategy also depends on our ability to successfully integrate the operations of the acquired businesses with our existing operations and realize the anticipated benefits from the acquired businesses, such as the expansion of our existing operations, expansion into new, complementary or adjacent business lines, elimination of redundant costs and capitalizing on cross-selling opportunities. Our ability to integrate and realize benefits can be negatively impacted by, among other things:

- failure of an acquired business to achieve the results we expect;
- diversion of our management's attention from operational and other matters or other potential disruptions to our existing business;
- difficulties incorporating the operations and personnel, or inability to retain key personnel, of an acquired business;
- the complexities and difficulties associated with managing our business as it grows and evolves;
- additional financial reporting and accounting challenges associated with an acquired business;

- unanticipated events or liabilities associated with the operations of an acquired business;
- loss of business due to customer overlap or other factors; and
- risks and liabilities arising from the prior operations of an acquired business, such as performance, operational, safety, cybersecurity, environmental, workforce or other compliance or tax issues, some of which we may not have discovered or accurately estimated during our due diligence and may not be covered by indemnification obligations or insurance.

We cannot be sure that we will be able to successfully complete the integration process without substantial costs, delays, disruptions or other operational or financial problems. Failure to successfully integrate acquired businesses could adversely impact our business, financial condition, results of operations and cash flows.

Additionally, we also generally require that key management and former principals of the businesses we acquire agree to non-compete covenants in the purchase agreement or, as applicable, employment agreements. Enforceability of these non-competition agreements varies by jurisdiction and typically is dependent upon specific facts and circumstances, making it difficult to predict their enforceability. Therefore, if a member of the key management of the business we acquire is terminated, we might be subject to increased competition if the restrictive covenants entered into by such person are not enforceable or have expired, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

Our management structure could be inadequate to support our business as it expands and becomes more complex.

We cannot be certain that our management structure will be adequate to support our business as it continues to expand and become more complex. Due to our continued growth, as well as the increasing complexity of our projects, operations and industries, we may encounter difficulties managing our business, including with respect to our and our operating companies' ability to coordinate and execute business strategies, plans and tactics. Furthermore, as our operations grow and increase in complexity, we may lack timely access to information that could impact the quality of decision-making by management or our ability to react to problems affecting key business matters. Future growth could also impose significant additional responsibilities on members of our senior management, and we cannot be certain that we will be able to recruit, integrate and retain new senior-level managers and executives. To the extent that we are unable to manage our growth effectively or are unable to attract and retain additional qualified management, we may not be able to continue to expand our operations or execute our business plan.

The loss of, or our inability to attract or keep, key personnel could disrupt our business.

We depend on the continued efforts of our executive officers, senior corporate management, regional leadership and management of our operating companies, which includes leadership and key personnel of the businesses we acquire. Although we typically enter into employment agreements with our executive officers and other key employees for initial terms of one year and subsequent renewal options, we cannot be certain that any individual will continue in such capacity for any particular period of time. We also depend on our ability to attract key operational and professional personnel as we grow our business and in order to establish and maintain an effective succession planning process. A shortage of these employees for various reasons, including intense competition for skilled employees, labor shortages, increased labor costs and the preference of some candidates to work remotely, could jeopardize our ability to successfully manage our decentralized operations or our ability to grow and expand our business. As a result, the loss of key personnel, as well as our inability to attract, develop and retain qualified employees that can succeed these key personnel, could negatively impact our ability to manage our business.

Our investments, including our joint ventures, expose us to risks and may result in conflicts of interest that could adversely impact our business or result in reputational harm.

We have entered into strategic relationships, joint ventures and other investment arrangements with various partners, including customers and infrastructure investors, through which we have invested in infrastructure assets and businesses, and we expect this activity to continue in the future. Certain of these investments are described further in Note 8 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report. These types of investments expose us to increased risks, including poor performance by the infrastructure projects or businesses in which we have invested due to, among other things, difficult market or economic conditions or slowdowns (which may occur across one or more industries, sectors or geographies), changes to the supply or demand and fluctuations in the price of commodities, or fluctuations in the market price of the equity securities we hold in a company. That negative performance could result in lower investment returns, a decline in value or total loss of our investments or the possible sale of our investments at values below our initial projections, including at a loss, all of which could adversely affect our business, financial condition, results of operations and cash flows. Furthermore, our investments are often illiquid, as they are typically investments in private companies and/or subject to contractual restrictions that impose restrictions or lock-up periods affecting our ability to sell our interest, and as a result, we may not be able to exit an investment that is performing poorly, declining in value or resulting in reputational harm. Quanta may also be exposed to reputational harm based on poor or incomplete performance of our investments or an investment fund in which we participate, or based on the actions or conduct of the entities in which we are invested or our partners in such investments, all of which may be outside of our control. Any such reputational harm could adversely affect our ability to secure certain future projects or participate in future investment opportunities. Further, our relationship with a customer or investor that partners with us in a poorly performing investment could become impaired, which may negatively impact our ability to continue providing services to that customer.

Conflicts of interest may also exist or arise as a result of the structure of our investment arrangements. For example, in these structures, Quanta can be the contractor for construction of a project as well as an equity investor in an entity that owns, manages or operates the project or possibly the manager of investments in the project. In those instances, conflicts of interest can exist for such things as contractor pricing and the handling of contractor change orders and other claims. While certain of these conflicts of interest are governed by applicable laws and regulations and we have also taken certain actions that we believe minimize or address anticipated conflicts of interest, including through internal management practices and the terms of agreements governing the investment arrangement, failure to properly manage such conflicts of interest, or even the appearance of a potential conflict of interest, can expose us to liability or harm our relationships with investment partners, which could impact our business, financial condition, results of operations and cash flows or cause reputational harm to Quanta.

Additionally, the purpose of our joint ventures is typically to combine skills and resources to allow for the bidding and performance of particular projects, and the success of these projects can be adversely affected by the performance of our joint venture partners, over whom we may have little or no control. Differences in opinions or views between us and our joint venture partners may result in delayed decision-making or failure to agree on material issues that may adversely affect the business and operations of our joint ventures. We and our joint venture partners are also generally jointly and severally liable for all liabilities and obligations of a joint venture. If a joint venture partner fails to perform or is unable to satisfy required capital contributions or other obligations, including liabilities stemming from claims or lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate share of a liability to make up for their shortfall. Further, if our partners experience cost overruns or project performance issues that we are unable to adequately address, the customer may terminate the project, which could result in legal liability to us, harm our reputation and reduce our profit or increase our loss on a project. As a result, the failure by a joint venture partner to successfully perform or comply with applicable laws, regulations or client requirements could negatively impact our business.

We extend credit to customers for purchases of our services and enter into other arrangements with certain of our customers, which subjects us to potential credit or investment risk.

We grant credit, generally without collateral, to our customers, which primarily include utilities, renewable energy developers, technology companies, communications providers, industrial companies and energy delivery companies located primarily in the United States, Canada and Australia. In certain circumstances, we also allow our customers to defer payment until certain project milestones have been met or until a project is substantially completed, and customers typically withhold some portion of amounts due to us as retainage until a project is complete. In addition, we have provided in the past and may provide in the future other forms of financing to our customers or make investments in our customers' projects. These payment arrangements subject us to potential credit risk related to changes in business and economic factors affecting our customers, and certain of our customers have experienced financial difficulties (including bankruptcy) in recent years, which has impacted our ability to collect amounts owed to us. If we are unable to collect amounts owed, or retain amounts paid to us, our cash flows are reduced, and we could experience losses. Business and economic factors resulting in financial difficulties (including bankruptcy) for our customers can also reduce the value of any financing or equity investment arrangements we have with our customers, thereby increasing the risk of loss in those circumstances. Losses experienced as a result of these credit and investment risks could materially and adversely affect our financial condition, results of operations and cash flows.

Risks associated with operating in international markets and U.S. territories could harm our business and prospects.

Our overall business, financial condition, results of operations and cash flows can be negatively impacted by our activities and operations outside the continental United States, including our international operations and operations in U.S. territories. Although these operations are presently conducted primarily in Canada and Australia, we also perform work in other foreign countries and U.S. territories. For the year ended December 31, 2025, we derived $2.00 billion, or 7.0%, of our consolidated revenues from foreign operations, the substantial majority of which was related to Canada and Australia. Changes in economic conditions, including those resulting from wars and other geopolitical conflicts, civil unrest, public health crises, pandemics, acts of terrorism, or volatility in global markets, may adversely affect demand for our services and our customers' ability to pay for our services. In addition, at times we are paid for work outside the United States in currencies other than the U.S. dollar. Such payments are subject to fluctuating foreign currency exchange rates and may exceed our local currency needs, and, in certain instances, those amounts may be subject to temporary blocking, taxes or tariffs, and we may experience difficulties if we attempt to convert such amounts to U.S. dollars. Furthermore, to the extent the volume of services we provide internationally increases, our financial condition, results of operations and cash flows could be further exposed to the effects of fluctuating exchange rates.

There are numerous other risks associated with operating in international markets and U.S. territories, including, but not limited to, changes in applicable regulatory requirements; political instability and interference; economic and social instability and civil unrest; unfamiliar legal systems or business and labor practices; changes in laws, rules or regulations or the interpretation or manner of enforcement of laws, rules and regulations; expropriation or nationalization of our assets and operations; and complex tax regulations and other laws and international treaties. For example, our joint venture LUMA is exposed to various of these risks operating in Puerto Rico.

Furthermore, we have incurred, and may incur in the future, significant costs or liabilities associated with an unsuccessful attempt to enter a new market and we have entered, and may in the future enter, a new market that ultimately proves to be unprofitable or has an otherwise adverse effect on our business. We may also incur significant costs and liabilities associated with winding down or exiting an existing market. These risks could restrict our ability to provide services to customers, operate our business in these locations profitably or fund our strategic objectives, which could negatively impact our overall business, financial condition, results of operations and cash flows.

Limitations on the availability of suppliers, subcontractors and equipment manufacturers that we depend on could adversely affect our business.

We rely on suppliers to obtain necessary materials and subcontractors to perform portions of our services, and our customers rely on suppliers for materials necessary for the construction, upgrade and repair and maintenance of their infrastructure. We also rely on equipment manufacturers to timely provide us with the equipment required to conduct our operations, including a significant number of specialty vehicles. Limitations on the availability of suppliers, subcontractors or equipment manufacturers could negatively impact our or our customers' operations, particularly in the event we rely on a single or small number of providers. The risk of a lack of available suppliers, subcontractors or equipment manufacturers can be heightened as a result of market, regulatory or economic conditions. For example, customers in certain U.S. states and Canada, in order to receive certain funding or for other reasons, may expect or compel us to engage a specified percentage of services from suppliers or subcontractors that meet diversity-ownership requirements, which can further limit our pool of available suppliers and subcontractors and limit our ability to secure contracts, maintain our services or grow in those areas. Availability of suppliers and manufacturers may also be limited by U.S. trade and other foreign policies that restrict business relationships with certain suppliers and manufacturers, including tariffs, duties, taxes, assessments or other limitations on the availability or sourcing of materials or components for our projects.

Additionally, successful completion of our contracts can depend on whether our subcontractors successfully fulfill their contractual obligations. If our subcontractors fail to perform their contractual obligations, fail to meet the expected completion dates or quality or safety standards or fail to comply with applicable laws, such shortcomings may subject us to claims or liabilities, including from customers and third parties, or we may be required to incur additional costs or provide additional services to mitigate such shortcomings. As a result, regulatory or other requirements that require us to outsource a percentage of services to subcontractors, whether they are businesses meeting diversity-ownership requirements or otherwise, also limit our ability to self-perform our services, thereby potentially increasing performance risk associated with our services. Furthermore, services subcontracted to other service providers generally yield lower margins, and therefore these regulatory requirements can impact our profitability and results of operations.

There are also increasing expectations in various jurisdictions that companies monitor the environmental and social performance of their value chain, including compliance with a variety of labor practices, as well as consider a wider range of potential environmental and social matters. Compliance can be costly, require us to establish or augment programs to diligence or monitor our suppliers, or potentially design supply chains to avoid certain regions altogether. Failure to comply with such regulations can result in fines, contractual penalties, reputational damage, denial of import for materials for our projects, or otherwise adversely impact our business.

A lack of availability or an increase in the price of fuel, materials or equipment necessary for our business or our customers' projects could adversely affect our business.

Pursuant to certain contracts, including fixed price and EPC contracts where we have assumed responsibility for procuring materials for a project, we may be exposed to availability issues and price increases for materials that are utilized in connection with our operations, including, among other things, copper, steel, aluminum, specialized project components (e.g., transformers, solar panels, breakers, turbines, batteries) and raw materials utilized for certain of our product solutions. In addition, the timing of our customers' ongoing projects, as well as their capital budgets and decision-making with respect to the timing of the future projects, can be negatively impacted by a lack of availability or an increase in prices of these materials. Prices and availability could be materially impacted by, among other things, supply chain and other logistical challenges (including inability of manufacturers to timely meet demand), global trade relationships (e.g., tariffs, duties, taxes, assessments, sourcing restrictions) and other general market and geopolitical conditions (e.g., inflation, market volatility, increased interest rates and geopolitical conflicts). The lack of availability of necessary materials could result in project delays, some of which could be attributable to us, and an increase in prices of materials could reduce our profitability on projects or negatively impact our customers, which could have an adverse effect on demand for our services or our business, financial condition, results of operations and cash flows. For example, in the past sourcing restrictions on critical components for our customers' projects (e.g., solar panels) have resulted in supply chain and logistical challenges, which negatively impacted certain of our services. We may continue to be impacted by sourcing restrictions, including, but not limited to, taxes, tariffs and duties, which may negatively impact project timing within certain of our markets in the future. Additionally, the availability of power transformers utilized in electric power projects has been negatively impacted by the inability of manufacturers to meet current market demand, which has increased, and is expected to continue to increase.

We also operate certain manufacturing facilities in the United States, and if such facilities experience a material interruption in operations it could cause delays in production and delivery of completed products to our customers or for use in connection with our services. Such delays may negatively impact our customers or the timing of their ongoing projects, which could have an adverse effect on demand for our services or our business, financial condition, results of operations and cash flows.

We are also exposed to increases in energy prices, particularly fuel prices for our large fleet of vehicles, which have fluctuated significantly since 2020 and could increase over the longer term due to market conditions or future regulatory, legislative and policy changes. Furthermore, some of our fixed price contracts do not allow us to adjust our prices and certain of our other contracts, such as some long-term MSAs, allow for price adjustments within a certain range that may be insufficient for us to recover the full amount associated with increased fuel costs. As a result, increases in fuel costs could reduce our profitability with respect to such projects. Our ability to utilize certain existing vehicles within our fleet may also be limited by new emissions or other regulations, and, due to lack of production or availability, we may not be able to procure a sufficient number of vehicles meeting any such regulations. To the extent we are unable to utilize a significant portion of our existing fleet, we may be unable to perform services, which could have an adverse effect on our future financial condition, results of operations and cash flows. The broader and longer-term implications of these challenges remain highly uncertain and variable and could negatively impact our overall business, financial condition, results of operations and cash flows.

Scrutiny and expectations from various stakeholders with respect to corporate sustainability practices may impose additional costs on us or expose us to reputational or other risks.

Certain investors, customers and other stakeholders have focused on sustainability practices of companies, including, among other things, practices with respect to human capital resources, emissions and environmental impact and political spending. Expectations and requirements of our investors, customers and other third parties evolve rapidly and are largely out of our control, and our initiatives and disclosures in response to such expectations and requirements may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain services, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations. While we have programs and initiatives in place related to our sustainability practices, investors may decide to reallocate capital or to not commit capital as a result of their assessment of our practices. In addition, our customers may require that we implement certain additional procedures or standards in order to continue to do business with us. A failure to comply with investor, customer and other stakeholder expectations and standards, which are evolving and can conflict, or if we are perceived not to have responded appropriately to their growing concerns around sustainability issues, regardless of whether there is a legal requirement to do so, could also cause reputational harm to our business and could have a material adverse effect on us. Moreover, while we may create and publish voluntary disclosures regarding sustainability matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and estimates and assumptions that may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many sustainability matters. Additionally, we may be subject to new rules that would require companies to provide significantly expanded climate-related disclosures.

Risks Related to Our Industries

Negative macroeconomic conditions and industry-specific economic and market conditions can adversely impact our business.

Stagnant or declining economic conditions, including a prolonged economic downturn or recession, as well as significant events that have an impact on financial or capital markets, can adversely impact the demand for our services and result in the delay, reduction or cancellation of certain projects. Macroeconomic conditions, including inflation, slow growth or recession, changes to fiscal and monetary policy, changes in global trade relationships, and tighter credit and higher interest rates could materially adversely affect demand for our services and the availability and cost of the materials and equipment that we need to deliver our services or our customers need for their projects. During periods of elevated economic uncertainty, our customers may reduce or eliminate their spending on the services we provide. In addition, volatility in the debt or equity markets, as well as prolonged higher interest rates, may negatively impact our customers' access to or willingness to raise capital and result in the reduction or elimination of spending on the services we provide. Our vendors, suppliers and subcontractors may also be, to varying degrees, adversely affected by these conditions. These conditions, which can develop rapidly, could adversely affect our revenues, results of operations, and liquidity.

A number of factors can also adversely affect the industries we serve, including, among other things, the economic impact of supply chain and other logistical issues, financing conditions, potential bankruptcies and global and U.S. trade relationships and other geopolitical conflicts and other events. A reduction in cash flow or the lack of availability of debt or equity financing for our customers on favorable terms could result in a reduction in our customers' spending for our services and also impact the ability of our customers to pay amounts owed to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Negative economic conditions in the electric power, energy or communications industries can also result in reduced spending by, or the loss of, one or more of our customers, including as a result of, among other things, consolidation, competition, capital constraints, concerns regarding the affordability of electricity to end consumers or a decrease in demand for electric power required by large load facilities.

Services within our Underground and Infrastructure segment are also exposed to risks associated with the oil and gas industry. These risks, which are not subject to our control, include the volatility of commodity prices and production volumes, the development of and consumer demand for alternative energy sources, and legislative and regulatory actions, as well as public opinion, regarding the impact of fossil fuels on the climate and environment. Specifically, lower prices or production volumes, or perceived risk thereof, can result in decreased or delayed spending by our customers, including with respect to larger pipeline and industrial projects. If our industries were adversely affected, our overall financial position, results of operations and cash flows could also be adversely affected or our stock price could be negatively impacted.

Our revenues and profitability can be negatively impacted if our customers encounter financial difficulties or file bankruptcy or disputes arise with our customers.

Our contracts often require us to satisfy or achieve certain milestones in order to receive payment, or in the case of cost-reimbursable contracts, provide support for billings in advance of payment. As a result, we can incur significant costs or perform significant amounts of work prior to receipt of payment. We face difficulties collecting payment and sometimes fail to receive payment for such costs in circumstances where our customers do not proceed to project completion, terminate or cancel a contract, default on their payment obligations, or dispute the adequacy of our billing support. We have in the past brought, and may in the future bring, claims against our customers related to the payment terms of our contracts, and any such claims may harm our relationships with our customers.

Slowing economic conditions in the industries we serve can also impair the financial condition of our customers and hinder their ability to pay us on a timely basis or at all. To the extent a customer files bankruptcy, payment of amounts owed can be delayed and certain payments we receive prior to the filing of the bankruptcy petition may be avoided and returned to the customer's bankruptcy estate. Furthermore, many of our customers for larger projects are project-specific entities that do not have significant assets other than their interests in the project and could be more likely to encounter financial difficulties relating to their businesses. We ultimately may be unable to collect amounts owed to us by customers experiencing financial difficulties or in bankruptcy, and accounts receivable from such customers may become uncollectible and ultimately have to be written off, which could have an adverse effect on our future financial condition, results of operations and cash flows.

Our business is highly competitive, and competitive pressures could negatively affect our business.

We cannot be certain that we will maintain or enhance our competitive position or maintain our current customer base. Our industries are served by numerous companies, from small, owner-operated private companies to large multi-national, public companies. Relatively few barriers prevent entry into some areas of our business, and as a result, any organization that has adequate financial resources and access to technical expertise may become one of our competitors. In addition, some of our competitors have significant financial, technical and marketing resources, and may have or develop expertise, experience and resources to provide services that are superior in both price and quality to our services. Certain of our competitors may also have lower overhead cost structures, and therefore may be able to provide services at lower rates than us.

We also subcontract approximately 20% of our services, including pursuant to customer and regulatory requirements, and certain of these subcontractors may develop into a competitor to us on prime contracts with our customers. Our subcontracting requirements have also increased in recent years, primarily as a result of these requirements, which not only increases the number of viable competitors but could also negatively impact our ability to self-perform projects.

Furthermore, a substantial portion of our revenues is directly or indirectly dependent upon obtaining new contracts, which is unpredictable and often involves complex and lengthy negotiations and bidding processes that are impacted by a wide variety of factors, including, among other things, price, governmental approvals, financing contingencies, commodity prices, environmental conditions, overall market and economic conditions, and a potential customer's perception of our ability to perform the work or the technological advantages held by our competitors. The competitive environment we operate in can also affect the timing of contract awards and the commencement or progress of work under awarded contracts. For example, based on rapidly changing competition and market dynamics, we have recently experienced, and may in the future experience, more competitive pricing for smaller scale projects. Additionally, changing competitive pressures present difficulties in matching workforce size with available contract awards. As a result of the factors described above, the competitive environment we operate in can have a material adverse effect on our business, financial condition, results of operations and cash flows.

Technological advancements and other market developments could negatively affect our business.

Technological advancements, market developments and other factors may increase our costs or alter our customers' existing operating models or the services they require, which could result in reduced demand for our services. For example, a transition to a decentralized electric power grid, which relies on more dispersed and smaller-scale sources, could reduce the need for large infrastructure projects and significant maintenance and rehabilitation programs, thereby reducing demand for, or profitability of, our services. Additionally, if traditional utilities are unable to meet the electricity demand of certain industries, such as technology or manufacturing companies, while maintaining affordability of electric power to end consumers, it could alter existing operating models and could result in a reduction in demand for our services. Our future success will depend, in part, on our ability to anticipate and adapt to these and other potential changes in a cost-effective manner and to offer services that meet customer demands and evolving industry standards. If we fail to do so or incur significant expenditures in adapting to such changes and technological advancements, our businesses, financial condition, results of operations and cash flows could be materially and adversely affected.

Furthermore, we view our portfolio of energized services tools and techniques, as well as our other process and design technologies, as competitive strengths, which we believe differentiate our service offerings. If our intellectual property rights or work processes become obsolete, through technological advancements or otherwise, we may not be able to differentiate our service offerings and some of our competitors may be able to offer more attractive services to our customers, which could materially and adversely affect our business, financial condition, results of operations and cash flows.

Risks Related to Regulation and Compliance

Regulatory requirements applicable to our industries and changes in current and potential legislative and regulatory initiatives may adversely affect demand for our services.

Because the vast majority of our revenue is derived from a few industries, the federal, state, provincial and local regulations affecting those industries, including, among other things, environmental, safety, and permitting requirements and materials sourcing and transportation requirements, have a material effect on our business. These regulations are complex and subject to change both in substance and interpretation and often regulations across various industries and jurisdictions can differ or conflict, all of which can negatively impact our or our customers' ability to efficiently operate. In recent years, customers in our industries have faced heightened regulatory requirements and increased regulatory enforcement, as well as private legal challenges related to regulatory requirements, which have resulted in delays, reductions in scope and cancellations of projects, in particular larger pipeline and transmission projects. Furthermore, certain regulatory requirements applicable to our customers are also required of us when we contract with such customers, and our inability to meet those requirements could also result in decreased demand for our services. Increased and changing regulatory requirements applicable to us and our customers have resulted in, among other things, project delays and decreased demand for our services in the past, and may do so in the future, which can adversely affect our business, financial condition, results of operations and cash flows.

For example, in the past, sourcing restrictions on critical components for our customers' projects have resulted in supply chain and logistical challenges, which negatively impacted certain of our services. We may be impacted in the future by sourcing restrictions, including, but not limited to, taxes, tariffs and duties, which may negatively impact project timing within certain of our markets in the future. Furthermore, with respect to our contracts under which we are responsible for procuring all or a portion of the materials needed for projects, including our EPC contracts, we are often required to comply with complex sourcing and transportation regulations, which can involve cross-border movement of such materials. Changes to, or our failure to comply with, these regulatory requirements can result in project delays and additional project costs, which may be substantial and not recoverable from third parties, and in some cases, we may be required to compensate the customer for such delays, including in circumstances where we have guaranteed project completion or performance by a scheduled date and incur liquidated damages if we do not meet such schedule. Additionally, our failure to comply with these regulatory requirements could result in criminal or civil fines, penalties, forfeitures or other sanctions.

Regulatory requirements focused on concerns about climate-change related issues, including any new or changed requirements concerning the reduction, production or consumption of fossil fuels, could negatively impact the hydrocarbon production volumes of our customers, which could in turn negatively impact demand for certain of our services.

With respect to certain services within our Electric segment, current and potential legislative or regulatory initiatives may not be implemented or extended or result in incremental increased demand for our services, including legislation or regulation that mandates percentages of power to be generated from renewable sources, requires utilities to meet reliability standards, provides for existing or new production tax credits for renewable energy developers, or encourages installation of new electric power transmission and renewable energy generation facilities. While these actions and initiatives have positively impacted demand for our services in the past, it is not certain whether they will continue to do so in the future.

Our unionized workforce and related obligations may adversely affect our operations.

As of December 31, 2025, approximately 36% of our employees were covered by collective bargaining agreements and the number of our employees covered by collective bargaining agreements could increase in the future for a variety of reasons, including acquisitions, unionization of a non-union operating company, project requirements (e.g., project labor agreements) and changes in law. The labor environment in recent years has also generally been more conducive to unionization attempts, and we have experienced an increase in unionization attempts at certain of our operating companies, some of which have been successful, and we expect such attempts to continue in the future. For a variety of reasons, our unionized workforce could adversely impact relationships with our customers and adversely affect our business, financial condition, results of operations and cash flows. Certain of our customers also require or prefer a non-union workforce, and they may reduce the amount of work assigned to us if our non-union labor crews become unionized. Additionally, although the majority of the collective bargaining agreements prohibit strikes and work stoppages, certain of our unionized employees have participated in strikes and work stoppages in the past and strikes or work stoppages could occur in the future. Our ability to complete future acquisitions also could be adversely affected because of our operating companies' union status, including because our union agreements may be incompatible with the union agreements of a business we want to acquire or because a business we want to acquire may not want to become affiliated with our operating companies that have employees covered by collective bargaining obligations.

Our collective bargaining agreements generally require us to participate with other companies in multiemployer pension plans. To the extent a plan is underfunded, we may be subject to substantial liabilities if we withdraw or are deemed to withdraw from the plan or the plan is terminated or experiences a mass withdrawal, and we have been involved in several litigation matters associated with withdrawal liabilities in the past. Further, special funding and operational rules are generally applicable to multiemployer plans that are classified as "endangered," "seriously endangered" or "critical" status based on multiple factors (including, for example, the plan's funded percentage, cash flow position and a projected minimum funding deficiency). Plans in these classifications must adopt remedial measures, which may require additional contributions from employers (e.g., a surcharge on benefit contributions) and/or modifications to retiree benefits. Certain plans to which we contribute or may contribute in the future have these funding statuses, and we may be obligated to contribute material amounts to these plans in the future, which could negatively impact our business, financial condition, results of operations and cash flows. For additional information on our contributions to, and the funding status of, these plans, see Note 15 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

We could be adversely affected by our failure to comply with the laws applicable to our foreign activities.

Applicable U.S. and non-U.S. anti-corruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act (FCPA), prohibit us from, among other things, corruptly making payments to non-U.S. officials for the purpose of obtaining or retaining business. We pursue certain opportunities in countries that experience government corruption, and in certain circumstances, compliance with these laws may conflict with local customs and practices. Our policies mandate compliance with all applicable anti-corruption laws and our procedures and practices are designed to ensure that our employees and intermediaries comply with these laws. However, there can be no assurance that such policies, procedures and practices will protect us from liability under the FCPA or other similar laws for actions or inadvertences by our employees or intermediaries. Liability for such actions or inadvertences could result in severe criminal or civil fines, penalties, forfeitures, disgorgements or other sanctions, which in turn could have a material adverse effect on our reputation, business, financial condition, results of operations, and cash flows. In addition, detecting, investigating and resolving actual or alleged violations can be expensive and consume significant time and attention of our senior management, in-country management, and other personnel.

Additionally, as we expand our EPC services and/or pursuant to other contracts where we have assumed responsibility to procure all or part of the materials needed for certain projects, we source more materials from outside the United States and are subject to non-U.S. laws associated with the procurement and transportation of such materials. The laws and regulations associated with such cross-border procurement activities are complex and our failure to comply with such laws or regulations may result in criminal or civil fines, penalties, sanctions or other liabilities, which could negatively impact our business, financial condition, results of operations, and cash flows.

Our failure to comply with environmental laws and regulations could result in significant liabilities and increased costs.

Our operations are subject to various environmental laws and regulations, including those dealing with the handling and disposal of waste products, PCBs, PFAS, fuel storage, batteries, water quality and air quality. These laws and regulations are complex and subject to change and in some cases, environmental laws also ascribe liability without respect to contribution to the contamination in question or the lawfulness of disposal at the time it occurred.

We perform work in many different types of underground environments. If the field location maps supplied to us are not accurate, or if objects are present in the soil that are not indicated on the field location maps, our underground work could strike objects in the soil, some of which may contain pollutants. These objects may also rupture, resulting in the discharge of pollutants. In such circumstances, we may be liable for fines and damages, and we may be unable to obtain reimbursement from any parties providing the incorrect information. We also perform work, including directional drilling, in and around environmentally sensitive areas such as rivers, lakes and wetlands. Due to the inconsistent nature of the terrain and water bodies, it is possible that such work may cause the release of subsurface materials that contain contaminants in excess of amounts permitted by law, potentially exposing us to remediation costs and fines.

Additionally, we own and lease numerous properties and facilities, including certain of which that contain above-and below-ground fuel storage tanks, which could leak and cause us to be responsible for remediation costs and fines, and certain of which that are or have been used for industrial purposes and may contain known or unknown environmental conditions that we are or may be responsible for maintaining, monitoring and/or remediating. The obligations, liabilities, fines and costs associated with these and other events and conditions can be material and could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Moreover, new or changed laws and regulations, changes in interpretation of laws and regulations or the stricter enforcement of existing laws and regulations, as well as the discovery of previously unknown contamination or leaks or the imposition of new clean-up requirements, could require us to incur significant costs or become the basis for new or increased liabilities. In certain instances, we have obtained indemnification and other rights from third parties (including predecessors or lessors) for such obligations and liabilities; however, these indemnities may not cover all of our costs and indemnitors may not pay amounts owed to us. Further, in connection with an acquisition, we cannot be certain that we identify all potential environmental liabilities relating to any acquired business when we are negotiating an indemnification right.

Certain regulatory requirements applicable to us and certain of our subsidiaries could materially impact our business.

We are subject to various specific regulatory regimes and requirements that could result in significant compliance costs and liabilities. As a public company, we are subject to various corporate governance and financial reporting requirements, including requirements for management to report on our internal controls over financial reporting and for our independent registered public accounting firm to express an opinion on the operating effectiveness of our internal control over financial reporting. Our internal control over financial reporting was effective as of December 31, 2025; however, there can be no assurance that our internal control over financial reporting will be determined to be effective in future years. Failure to maintain effective internal controls, including the identification and remediation of significant internal control deficiencies in acquired businesses (both prior acquisitions and future acquisitions), could result in a decrease in the market value of our publicly traded securities, a reduced ability to obtain debt and equity financing, a loss of customers, fines or penalties, and/or additional expenditures to meet the requirements or remedy any deficiencies.

Furthermore, our wholly-owned captive insurance company is a registered insurance company with the Texas Department of Insurance, and therefore is subject to various rules and regulations and required to meet certain capital requirements, which can result in additional use of our resources.

We also collect and retain information about our customers, stockholders, vendors and employees. Legislation and regulatory requirements, as well as contractual commitments, affect how we must store, use, transfer and process the confidential information of our customers, stockholders, vendors and employees. These laws, as well as other new or changing legislative, regulatory or contractual requirements concerning data privacy and protection, could require us to expend significant additional compliance costs, and any failure to comply with such requirements can result in significant liability or harm to our reputation.

Changes in tax laws or our tax estimates or positions could adversely affect our financial results.

We are subject to extensive tax liabilities imposed by multiple jurisdictions, including income taxes, indirect taxes (excise/duty, sales/use, gross receipts, and value-added taxes), payroll taxes, franchise taxes, withholding taxes, and ad valorem taxes. New tax laws, treaties and regulations and changes in existing tax laws, treaties and regulations are continuously being enacted or proposed, all of which can result in significant changes to the tax rate on our earnings and have a material impact on our earnings and cash flows from operations. Since future changes to tax legislation and regulations are unknown, we cannot predict the ultimate impact such changes may have on our business. In addition, significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities, and our tax estimates and tax positions could be materially affected by many factors, including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations and related interpretations, our global mix of earnings, our ability to realize deferred tax assets and changes in uncertain tax positions. A significant increase in our tax rate or change to our tax positions can have a material adverse effect on our profitability and liquidity.

Opportunities within the government arena could subject us to increased regulation and costs and may pose additional risks relating to future funding and compliance.

Most government contracts are awarded through a regulated competitive bidding process, which can often include more cumbersome compliance requirements and be more time consuming than the bidding process for non-governmental projects. This could require us to incur substantial costs, subject us to increased liability for our disclosures, and influence our business strategy in ways other than we might prefer. Additionally, involvement with government contracts could require a significant amount of costs to be incurred before any revenues are realized. We are also subject to numerous procurement rules and other public sector regulations when we contract with certain governmental agencies, any deemed violation of which could lead to fines or penalties or a loss of business. Government agencies routinely audit and investigate government contractors and may review a contractor's performance under its contracts, cost structure and compliance with applicable laws, regulations and standards. If a government agency determines that costs were improperly allocated to specific contracts, such costs will not be reimbursed or a refund of previously reimbursed costs may be required. If a government agency alleges or proves improper activity, civil and criminal penalties could be imposed and serious reputational harm could result. Many government contracts must be appropriated each year, and without re-appropriation we would not realize all of the potential revenues from any awarded contracts. Furthermore, certain of our federal government contracts require us to have security clearances, which can be difficult and time consuming to obtain. If our employees or our facilities are unable to obtain or retain the necessary security clearances, our clients could terminate or not renew existing contracts or award us new contracts. Additionally, U.S. government shutdowns or any related under-staffing of the government departments or agencies that interact with our business could result in program cancellations, disruptions and/or stop work orders, could limit the government's ability to effectively progress programs and make timely payments, and could limit our ability to perform on our existing U.S. government contracts and successfully compete for new work.

Immigration laws, including our inability to verify employment eligibility and restrictions on movement of our foreign employees, could adversely affect our business or reputation.

We employ a significant number of employees, and while we utilize processes to assist in verifying the employment eligibility of our employees so that we maintain compliance with applicable laws, it is possible some of our employees may be unauthorized workers. In addition, we utilize certain non-immigrant visas to allow us to temporarily transfer certain of our foreign employees to the United States, and we utilize foreign immigration laws to allow certain of our employees to temporarily transfer to foreign countries. The employment of unauthorized workers or failure to comply with the requirements of these non-immigrant visas could subject us to fines, penalties and other costs, as well as result in adverse publicity that negatively impacts our reputation and brand and may make it more difficult to hire and retain qualified employees. Immigration laws have also been an area of considerable political focus in recent years, and, from time-to-time, the U.S. government considers or implements changes to federal immigration laws, regulations or enforcement programs. Changes in immigration or work authorization laws may increase our obligations for compliance and oversight, which could subject us to additional costs and potential liability and make our hiring and employee transfer processes more cumbersome, or reduce the availability of potential employees.

Risks Related to Financing Our Business

We may not have access in the future to sufficient funding to finance desired growth and operations.

If we cannot secure future funds or financing on acceptable terms or generate sufficient cash flow, we may be unable to support our future operations or growth strategy. The timing of our funding needs and the size of our operations and strategic initiatives that require capital cannot be readily predicted and may be substantial. We also rely on financing companies to fund the leasing of certain of our equipment, and credit market conditions may restrict access to capital for the leasing of additional equipment. A lack of available capital to fund the leasing of equipment could negatively impact our future operations.

The credit agreement for our senior credit facility and the indenture for our senior notes contain certain restrictions, including financial covenants and other restrictions on our ability to borrow amounts under the credit agreement and limitations on our ability to incur additional debt or conduct certain types of preferred equity financings. Our ability to increase the current commitments under our senior credit facility is also dependent upon additional commitments from our lenders. Furthermore, if we seek additional debt or equity financings, we cannot be certain they will be available to us on acceptable terms or at all, as banks are often restrictive in their lending practices, and our ability to access capital markets for financing could be limited by, among other things, our existing capital structure, our credit ratings, the state of the economy, the health of our industries, and the liquidity of the capital markets. If we are unable to borrow under our senior credit facility or secure other financing or if our lenders become unable or unwilling to fund their commitments to us, we may not be able to access the capital needed to fund our growth and operations, which could have a material adverse impact on our business, financial condition, results of operations and cash flows. For additional information on the terms of our senior credit facility, senior notes and commercial paper facility, please read Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Additionally, the market price of our common stock has fluctuated significantly in the past, and may fluctuate significantly in the future, in response to various factors, including events beyond our control, which could impact our ability to utilize capital markets to obtain funds. A variety of events may cause the market price of our common stock to fluctuate significantly, including overall market conditions or volatility, actual or perceived negative financial results or other unfavorable information relating to us or our market peers.

We have a significant amount of debt, and our significant indebtedness could adversely affect our business, financial condition and results of operations and our ability to meet our payment obligations under our other debt.

We have a significant amount of debt and debt service requirements. As of December 31, 2025, we had approximately $5.23 billion of outstanding long-term debt, net of current maturities. We also had $2.42 billion of aggregate undrawn borrowing capacity under our senior credit facility and commercial paper program as of December 31, 2025. This level of debt could have significant consequences on our future operations, including:

- making it more difficult for us to meet our payment and other obligations under our outstanding debt;
- resulting in an event of default if we fail to comply with the financial and other restrictive covenants contained in our debt agreements, which event of default could result in all of our debt becoming immediately due and payable;
- reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions or strategic investments, dividends and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- subjecting us to the risk of increasing interest expense on variable rate indebtedness, including borrowings under our senior credit facility and commercial paper program;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to changes in our business, the industries in which we operate and the general economy;
- limiting our ability to pursue business opportunities that become available to us; and
- placing us at a competitive disadvantage compared to our competitors that have less debt or are less leveraged.

Any of the above-listed factors could have an adverse effect on our business, financial condition and results of operations and our ability to meet our payment obligations on our existing indebtedness.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our operations to pay our indebtedness.

Our ability to generate cash in order to make scheduled payments on the principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive, legislative, regulatory and other factors beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in our senior credit facility and our other financing and other agreements we may enter into in the future. Specifically, we will need to maintain certain financial ratios. Our business may not continue to generate sufficient cash flow from operations in the future and future borrowings may not be available to us under our senior credit facility and commercial paper facility or from other sources in an amount sufficient to service our indebtedness to make necessary capital expenditures or to fund our other liquidity needs. If we are unable to generate cash from our operations or through borrowings, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to make payments on our indebtedness or refinance our indebtedness will depend on factors including the state of the capital markets and our financial condition at such time, as well as the terms of our financing agreements. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Our variable rate indebtedness subjects us to interest rate risk.

Borrowings under our senior credit facility and commercial paper facility are at variable rates of interest and expose us to interest rate risk. Interest rates increased significantly during 2022 and 2023, and remained elevated in 2024 and most of 2025. As a result, our debt service obligations on the variable rate indebtedness have increased and may continue to increase even if the amount we borrow remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. See Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II and *Interest Rate Risk* in Item 7A. Q*uantitative and Qualitative Disclosures About Market Risk* of this Annual Report for further information about our debt subject to variable interest rates.

We may be unable to compete for projects if we are not able to obtain surety bonds, letters of credit or bank guarantees.

A portion of our business depends on our ability to provide surety bonds, letters of credit, bank guarantees or other financial assurances. Current or future market conditions, including losses incurred in the construction industry or as a result of large corporate bankruptcies, as well as changes in our sureties' assessment of our operating and financial risk, could cause our surety providers and lenders to decline to issue or renew, or substantially reduce the amount of, bid or performance bonds for our work and could increase our costs associated with collateral. These actions could be taken on short notice. If our surety providers or lenders were to limit or eliminate our access to bonding, letters of credit or guarantees, our alternatives would include seeking capacity from other sureties and lenders or finding more business that does not require bonds or that allows for other forms of collateral for project performance, such as cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all, which could affect our ability to bid for or work on future projects requiring financial assurances.

Under standard terms in the surety market, sureties issue or continue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or other reasons, we may be unable to compete for or work on certain projects that require bonding.

A downgrade in our debt rating could restrict our ability to access the capital markets.

The terms of our financings are, in part, dependent on the credit ratings assigned to our debt by independent credit rating agencies. We cannot provide assurance that our current credit rating will remain in effect for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency. Factors that may impact our credit rating include, among other things, our debt levels and liquidity, capital structure, financial performance, planned asset purchases or sales, near- and long-term growth opportunities, customer base and market position, geographic diversity, regulatory environment, project performance and risk profile. A downgrade in our credit rating, particularly to non-investment grade levels, would prevent us from issuing commercial paper under our current commercial paper program and result in the conversion of all our outstanding borrowings under our commercial paper facility to revolving borrowings under our senior credit facility, which are subject to a higher interest rate. Additionally, a downgrade in our credit rating could limit our ability to access the debt capital markets or refinance our existing debt or cause us to refinance or issue debt with less favorable terms and conditions. An increase in the level of our indebtedness and related interest costs may increase our vulnerability to adverse general economic and industry conditions and may affect our ability to obtain additional financing, as well as have a material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Related to Our Common Stock

Our sale or issuance of additional common stock or other equity-related securities could dilute each stockholder's ownership interest or adversely affect the market price of our common stock.

We often fund a significant portion of the consideration paid in connection with our acquisitions with the issuance of additional equity securities, including contingent consideration amounts payable if acquired businesses achieve certain performance objectives during specified post-acquisition periods. We also utilize stock-based compensation as a key component of our compensation program. We expect to issue additional equity securities in the future in connection with these and other practices. Our Restated Certificate of Incorporation provides that we may issue up to 600,000,000 shares of common stock, of which 149,577,564 shares were outstanding as of December 31, 2025. Any additional issuances of common stock would have the effect of diluting our earnings per share and our existing stockholders' individual ownership percentages and lead to volatility in the market price of our common stock. We cannot predict the effect that future issuances of our common stock or other equity-related securities would have on the market price of our common stock.

There can be no assurance that we will declare or pay future dividends on our common stock.

The declaration, amount and timing of future dividends are subject to capital availability and determinations by our Board that cash dividends are in the best interest of our stockholders and are in compliance with all respective laws and applicable agreements. Our ability to declare and pay dividends will depend upon, among other factors, our financial condition, results of operations, cash flows, current and anticipated expansion plans, requirements under Delaware law and other factors that our Board may deem relevant. A reduction in or elimination of our dividend payments could have a material negative effect on our stock price.

Certain provisions of our corporate governing documents could make an acquisition of our company more difficult.

The following provisions of our charter documents, as currently in effect, and Delaware law could discourage potential proposals to acquire us, delay or prevent a change in control of us or limit the price that investors may be willing to pay in the future for shares of our common stock:

- our certificate of incorporation permits our Board to issue "blank check" preferred stock and to adopt amendments to our bylaws;
- our bylaws contain restrictions regarding the right of stockholders to nominate directors and to submit proposals to be considered at stockholder meetings;
- our certificate of incorporation and bylaws restrict the right of stockholders to call a special meeting of stockholders and to act by written consent; and
- we are subject to provisions of Delaware law which restrict us from engaging in any of a broad range of business transactions with an "interested stockholder" for a period of three years following the date such stockholder became classified as an interested stockholder.

ITEM 1B. *Unresolved Staff Comments*

None.

ITEM 1C. *Cybersecurity*

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan and is integrated with our overall enterprise risk management program, sharing common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational and financial risk areas. While we may not meet any particular standard, specification or requirement of the Center for Internet Security Critical Security Controls, we utilize such controls as a guide to help us identify, assess and manage cybersecurity risks relevant to our business. Additionally, we are required by certain customers to maintain controls and processes pursuant to applicable cybersecurity regulations and frameworks.

Our cybersecurity risk management program includes, among other things:

- risk assessments designed to help identify material cybersecurity risks to our critical systems and information services;
- a team comprising information technology (IT) security, IT infrastructure, and IT compliance personnel principally responsible for directing (i) our cybersecurity risk assessment processes, (ii) our security processes and (iii) our response to cybersecurity incidents;
- the use of external cybersecurity service providers, where appropriate, to assist with development, testing and compliance in regards to our security controls and processes;
- cybersecurity awareness training of employees with access to our IT systems;
- a cybersecurity incident response plan and Security Operations Center to respond to cybersecurity incidents;
- a third-party risk management process for service providers based on our assessment of each provider's operational criticality, level of access to our IT systems and relative risk profile; and
- procurement of insurance coverage that is intended to address certain aspects of cybersecurity risks.

During the year ended December 31, 2025, we have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected our operations, business strategy, results of operations or financial condition. However, we will continue to face certain risks from ongoing cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations or financial condition. See *Disruptions to our information technology systems or our failure to adequately protect critical data, sensitive information and technology systems could materially affect our business or result in harm to our reputation* in Item 1A. *Risk Factors* in Part I of this Annual Report."

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and considers cybersecurity and IT risks as key strategic risks of Quanta. The Board, including through its Safety, Operations and Risk Committee, oversees management's implementation of our cybersecurity risk management program, receiving regular reports from management (including our Senior Vice President of Technology) on our cybersecurity risks, including briefings on our cyber risk management program and cybersecurity incidents, and reviewing cybersecurity topics impacting companies with management and external experts. The Safety, Operations and Risk Committee reports to the full Board regarding its activities, including those related to cybersecurity.

Our Senior Vice President of Technology reports to the Chief Financial Officer and leads our IT and cybersecurity functions and has primary responsibility for leading our overall cybersecurity risk management program, supervising both our internal cybersecurity personnel and our external cybersecurity service providers. Our cybersecurity function is responsible for assessing and managing our material risks from cybersecurity threats, as well as informing management about and monitoring the prevention, detection, mitigation, and remediation of cybersecurity risks and incidents through various means, which include briefings with internal security personnel, threat intelligence and other information obtained from governmental, public or private sources, including external cybersecurity service providers and alerts and reports produced by security tools deployed in the IT environment. Our Senior Vice President of Technology has significant global experience in managing and leading information systems and deploying cybersecurity technologies and holds a cybersecurity certification from a leading cybersecurity training and research institute.

ITEM 2. *Properties*

Facilities

We own and lease facilities throughout the United States, Canada, Australia and certain other foreign countries where we conduct business. These facilities are utilized for operations in all of our reportable segments and include offices, equipment yards, warehouses, storage, maintenance shops, manufacturing facilities and training and educational facilities, including the training and educational facilities located at the Quanta Advanced Training Center in La Grange, Texas, and the campuses of Northwest Lineman College, our postsecondary educational institution, which are located in California, Florida, Idaho and Texas. As of December 31, 2025, we owned 123 of our facilities and certain real property and leased the remainder. Included in the owned facilities is real property and associated office buildings and facilities located in Houston, Texas that we utilize as our corporate headquarters and real property and associated manufacturing facilities located in Canonsburg, Pennsylvania; Raeford, North Carolina; and Erie County, New York, associated with our businesses that specialize in manufacturing power transformers and related electrical components. We believe that our existing property and facilities are suitable and adequate for our current needs; however, we continue to evaluate real estate strategies to support our recent growth.

Equipment

We operate a fleet of owned and leased trucks and trailers, as well as support vehicles and specialty construction equipment, such as bucket trucks, digger derricks, sidebooms, dozers, backhoes, excavators, trenchers, generators, boring machines, cranes, robotic arms, wire pullers and tensioners. We also own a large fleet of aircraft, primarily helicopters, that are utilized in connection with our solution offerings. As of December 31, 2025, the total size of our owned and leased fleet was approximately 80,000 units. Most of our fleet is serviced by our own mechanics who work at various maintenance sites and facilities. We believe that our equipment is generally well maintained and is suitable and adequate for our present operations.

ITEM 3. *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 16 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report, which is incorporated by reference in this Item 3, 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 4. ***Mine Safety Disclosures***

Not applicable.

PART II

ITEM 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock is listed on the New York Stock Exchange under the symbol "PWR." On February 16, 2026, there were approximately 349 holders of record of our common stock. This number does not include stockholders for whom shares of our common stock are held in "nominee" or "street name." See Note 13 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for additional discussion of our equity securities.

Unregistered Sales of Securities

On November 14, 2025 and December 9, 2025, we completed three acquisitions in which a portion of the consideration for the acquisitions consisted of the unregistered issuance of shares of our common stock. The aggregate consideration paid at closing in these acquisitions included 413,823 shares of our common stock, valued at $187.0 million as of the respective acquisition dates.

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, (the Securities Act), as the shares were issued to the owners of the businesses acquired in a privately negotiated transaction not involving any public offering or solicitation.

For additional information about these acquisitions, see Note 6 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Issuer Purchases of Equity Securities During the Fourth Quarter of 2025

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

Period	Total Number of Shares Purchased (1) (2)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Programs (1)
October 1 - 31, 2025				
Open Market Stock Repurchases (1)	—	$ —	—	$ 365,095,093
Tax Withholding (2)	1,283	$ 420.34	—	
November 1 - 30, 2025				
Open Market Stock Repurchases (1)	—	$ —	—	$ 365,095,093
Tax Withholding (2)	21,018	$ 449.02	—	
December 1 - 31, 2025				
Open Market Stock Repurchases (1)	—	$ —	—	$ 365,095,093
Tax Withholding (2)	10,252	$ 459.66	—	
As of December 31, 2025	32,553		—	$ 365,095,093

(1) On May 24, 2023, we issued a press release announcing that our Board 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.

Dividends

We have declared a quarterly dividend during each quarter beginning in the fourth quarter of 2018, and we currently expect that comparable cash dividends will continue to be paid for the foreseeable future. The declaration, payment and amount of future cash dividends will be at the discretion of our Board after taking into account various factors, including our financial condition, results of operations, cash flows from operations, current and anticipated capital requirements and expansion plans, income tax laws then in effect and the requirements of Delaware law. In addition, as discussed in Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report, the credit agreement for our senior credit facility restricts the payment of cash dividends unless certain conditions are met.

Performance Graph

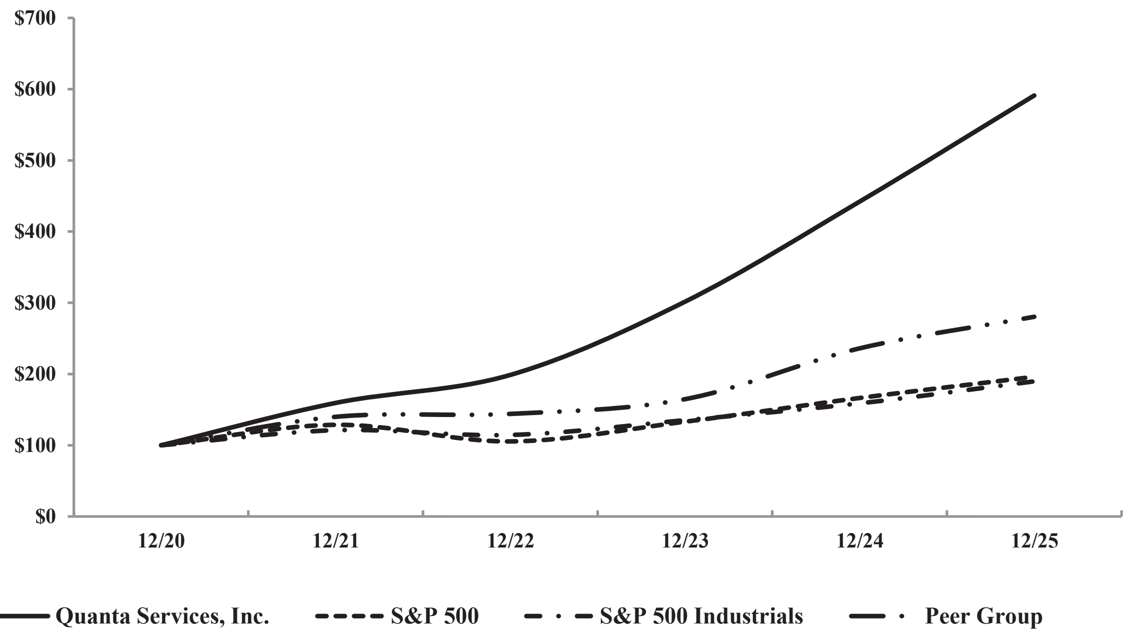
The following Performance Graph and related information shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act or Securities Exchange Act of 1934, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares, for the period from December 31, 2020 to December 31, 2025, the cumulative stockholder return on our common stock with the cumulative total return of the S&P 500 Index (the S&P 500), the S&P 500 Industrials Index (the S&P 500 Industrials) and a peer group selected by our management that includes public companies within our industries. The companies in the peer group were selected to represent a broad group of publicly held corporations with operations similar to ours, and includes AECOM, Dycom Industries, Inc., EMCOR Group Inc., Fluor Corporation, Jacobs Solutions Inc., KBR, Inc., MasTec, Inc., MYR Group Inc. and Primoris Services Corporation.

The graph below assumes an investment of $100 (with reinvestment of all dividends) in our common stock, the S&P 500, the S&P 500 Industrials and the peer group on December 31, 2020 and tracks their relative performance through December 31, 2025. The returns of each company in the peer group are weighted based on the market capitalization of that company at the beginning of the measurement period. The stock price performance reflected in the following graph is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Among Quanta Services, Inc., the S&P 500 Index, the S&P 500 Industrials Index, and a Peer Group



	December 31,					
	2020	2021	2022	2023	2024	2025
Quanta Services, Inc.	$ 100.00	$ 159.50	$ 198.79	$ 301.57	$ 442.11	$ 591.12
S&P 500	$ 100.00	$ 128.71	$ 105.40	$ 133.10	$ 166.40	$ 196.16
S&P 500 Industrials	$ 100.00	$ 121.12	$ 114.48	$ 135.24	$ 158.87	$ 189.72
Peer Group	$ 100.00	$ 139.96	$ 144.05	$ 164.72	$ 236.05	$ 280.39

ITEM 6. Reserved

ITEM 7. *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 consolidated financial statements and related notes in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report. 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 and in Item 1A. *Risk Factors* in Part I of this Annual Report.

The discussion summarizing the significant factors which affected the results of operations and financial condition for the year ended December 31, 2024, including the changes in results of operations between the years ended December 31, 2024 and 2023, can be found in Part II, Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* of our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 20, 2025.

During the three months ended 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 2025 results reflect increased demand for our services, as consolidated revenues and operating income increased as compared to 2024, with increased revenues and operating income in 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 demand 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. Our acquisition of Dynamic Systems (DSI), LLC (Dynamic Systems) during 2025 expanded our capabilities and solutions related to turnkey mechanical, plumbing and process infrastructure solutions. We see strong demand for these services by data center, manufacturing, semiconductor and other large load facilities and believe there are also opportunities to provide these services to other core end markets.

During 2025, increased revenues and operating income contributed to $2.23 billion of net cash provided by operating activities, which was an 7.1% increase compared to 2024. This cash provided by operating activities, along with borrowings under our credit facility and commercial paper program and issuance of senior notes described below, allowed us to execute our business plan, including the strategic acquisitions of certain businesses and investments in unconsolidated affiliates, for which we utilized $3.30 billion of cash; repurchases of $134.6 million of common stock, and payments of $60.4 million in dividends associated with our common stock. Additionally, as of December 31, 2025, available commitments under our senior credit facility, combined with our cash and cash equivalents, totaled $2.86 billion.

In August 2025, we issued $1.50 billion aggregate principal amount of senior notes and received net proceeds of $1.48 billion, net of the original issue discount, underwriting discounts and deferred financing costs, and used the proceeds to repay certain outstanding borrowings. Our debt financing arrangements are more fully described in Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

We expect the strong demand for our services will continue. Our remaining performance obligations and backlog were $23.76 billion and $43.98 billion as of December 31, 2025, representing increases of 41.8%, and 27.3% 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.

For additional information regarding our overall business environment, see *Overview* in Part I, Item 1. *Business* of this Annual Report.

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 of this 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. Some of our services are provided under 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 power 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 cyclicality. 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 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual 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 years indicated, as well as the dollar and percentage change from the prior year (dollars in thousands).

	Year Ended December 31,				Change	
	2025		2024		$	%
Revenues	$28,479,697	100.0 %	$23,672,795	100.0 %	$ 4,806,902	20.3 %
Cost of services	24,204,616	85.0	20,162,034	85.2	4,042,582	20.1 %
Gross profit	4,275,081	15.0	3,510,761	14.8	764,320	21.8 %
Equity in earnings of integral unconsolidated affiliates	55,635	0.2	50,484	0.2	5,151	10.2 %
Selling, general and administrative expenses	(2,189,209)	(7.7)	(1,824,754)	(7.7)	(364,455)	20.0 %
Amortization of intangible assets	(498,795)	(1.7)	(382,959)	(1.6)	(115,836)	30.2 %
Increase in fair value of contingent consideration liabilities	(31,203)	(0.1)	(7,064)	—	(24,139)	341.7 %
Operating income	1,611,509	5.7	1,346,468	5.7	265,041	19.7 %
Interest and other financing expenses	(261,445)	(1.0)	(202,687)	(0.9)	(58,758)	29.0 %
Interest income	15,702	0.1	32,404	0.1	(16,702)	(51.5)%
Other income, net	23,739	0.1	35,845	0.2	(12,106)	(33.8)%
Income before income taxes	1,389,505	4.9	1,212,030	5.1	177,475	14.6 %
Provision for income taxes	347,588	1.2	284,747	1.2	62,841	22.1 %
Net income	1,041,917	3.7	927,283	3.9	114,634	12.4 %
Less: Net income attributable to non-controlling interests	13,539	0.1	22,459	0.1	(8,920)	(39.7)%
Net income attributable to common stock	$ 1,028,378	3.6 %	$ 904,824	3.8 %	$ 123,554	13.7 %

Revenues. Revenues increased due to a $3.99 billion increase in revenues from our Electric segment and an $817.8 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 $202.5 million related to recently acquired businesses and a $64.1 million increase in acquisition and integration costs. Also contributing to the increase was a $30.8 million increase in compensation expense, largely associated with increased incentive compensation due to increased levels of profitability. Selling, general and administrative expenses for the year ended December 31, 2024 included $18.5 million of foreign currency translation losses in connection with our substantial liquidation from Latin American operations. The remaining increase primarily relates to growth of business.

Amortization of intangible assets. The increase was related to incremental amortization expense associated with acquisitions, primarily the acquisitions of Dynamic Systems and CEI.

Operating income. Operating income was positively impacted by a $401.6 million increase in operating income for our Electric segment and a $133.2 million increase in operating income for our Underground and Infrastructure segment, partially offset by a $269.8 million increase in corporate and non-allocated costs, which includes amortization expense. Results for each of our business segments and 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 year ended December 31, 2024. This increase resulted primarily from the issuance of $1.50 billion of aggregate principal amount of senior notes in August 2025 and $1.25 billion of aggregate principal amount of senior notes in August 2024, partially offset by the repayment of $500 million principal amount of senior notes in October 2024.

Provision for income taxes. The effective income tax rates for the years ended December 31, 2025 and 2024 were 25.0% and 23.5%. The higher effective tax rate for the year ended December 31, 2025 was primarily due to a $24.8 million lower U.S.

federal and state tax benefit from vesting of equity incentive awards. This increase in rate was partially offset by $12.0 million decrease in accruals for changes in uncertain tax positions compared to 2024. The components of our provision for income taxes are quantified in more detail in Note 12 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Comprehensive income. See Statements of Comprehensive Income in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report. Comprehensive income attributable to common stock increased by $278.8 million in 2025 as compared to 2024, primarily due to a $172.9 million increase in foreign currency translation adjustments and a $114.6 million increase in net income. Additionally, comprehensive income for the year ended December 31, 2024 included $18.5 million of foreign currency translation losses recognized to net income in connection with our substantial liquidation from Latin American operations. The predominant functional currencies for our operations outside the U.S. are Canadian and Australian dollars. Foreign currency translation adjustment gain in the year ended December 31, 2025 primarily resulted from the weakening of the U.S. dollar against both the Canadian and Australian dollars as of December 31, 2025 when compared to December 31, 2024.

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.

Year ended December 31, 2025 compared to the year ended December 31, 2024

The following table sets forth segment revenues, segment operating income, corporate and non-allocated costs 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:

	Year Ended December 31,				Change	
	2025		2024		$	%
Revenues:						
Electric	$23,001,468	80.8 %	$19,012,379	80.3 %	$ 3,989,089	21.0 %
Underground and Infrastructure	5,478,229	19.2	4,660,416	19.7	817,813	17.5 %
Consolidated revenues	$28,479,697	100.0 %	$23,672,795	100.0 %	$ 4,806,902	20.3 %
Operating income (loss):						
Electric	$ 2,360,262	10.3 %	$ 1,958,692	10.3 %	$ 401,570	20.5 %
Underground and Infrastructure	398,276	7.3 %	265,030	5.7 %	133,246	50.3 %
Corporate and Non-Allocated Costs	(1,147,029)	(4.0)%	(877,254)	(3.7)%	(269,775)	30.8 %
Consolidated operating income	$ 1,611,509	5.7 %	$ 1,346,468	5.7 %	$ 265,041	19.7 %

Electric Segment Results

Revenues. The increase in revenues for the year ended December 31, 2025 was primarily due to increased demand for our services, as well as approximately $1.87 billion in revenues attributable to acquired businesses.

Operating Income. The increase in operating income for the year ended December 31, 2025 was primarily due to the increase in revenues.

Underground and Infrastructure Segment Results

Revenues. The increase in revenues for the year ended December 31, 2025 was primarily due to approximately $925 million in revenues attributable to acquired businesses, partially offset by lower revenues from large pipeline projects in Canada.

Operating Income. The increase in operating income and operating margin for the year ended December 31, 2025 was primarily due to increased revenues, which contributed to higher levels of fixed cost absorption, as well as overall mix of work performed during the period including from the acquired businesses. Additionally, the operating margin for the year ended December 31, 2024 was also negatively impacted by an $11.9 million loss related to the disposition of a non-core business.

Corporate and Non-Allocated Costs

The increase in corporate and non-allocated costs during the year ended December 31, 2025 was primarily due to a $115.8 million increase in intangible asset amortization expense and a $54.0 million increase in compensation expense, which was attributable to increased salaries, incentive compensation and non-cash stock compensation expense in support of business growth and, with respect to incentive compensation, increased levels of profitability. Also contributing to the increase was a $44.5 million increase in acquisition and integration costs and a $24.1 million increase in expense related to change in fair value of contingent consideration liabilities.

Year ended December 31, 2024 compared to the year ended December 31, 2023

As described above, certain amounts in the following table have been recast to conform to our current segment reporting structure. The following table sets forth segment revenues, segment operating income, corporate and non-allocated costs and operating margins for the periods indicated, as well as the dollar and percentage change from the prior period (dollars in thousands):

	Year Ended December 31,				Change	
	2024		2023		$	%
Revenues:						
Electric	$19,012,379	80.3 %	$15,867,198	76.0 %	$ 3,145,181	19.8 %
Underground and Infrastructure	4,660,416	19.7	5,015,008	24.0	(354,592)	(7.1)%
Consolidated revenues	$23,672,795	100.0 %	$20,882,206	100.0 %	$ 2,790,589	13.4 %
Operating income (loss):						
Electric	$ 1,958,692	10.3 %	$ 1,490,558	9.4 %	$ 468,134	31.4 %
Underground and Infrastructure	265,030	5.7 %	377,977	7.5 %	(112,947)	(29.9)%
Corporate and Non-Allocated Costs	(877,254)	(3.7)%	(740,559)	(3.5)%	(136,695)	18.5 %
Consolidated operating income	$ 1,346,468	5.7 %	$ 1,127,976	5.4 %	$ 218,492	19.4 %

Electric Segment Results

Revenues. The increase in revenues for the year ended December 31, 2024 was primarily due to approximately $1.54 billion in revenues attributable to acquired businesses in 2024 and the rising demand for our services, including generation and transmission services for renewable generation projects.

Operating Income. The increase in operating income and operating margin for the year ended December 31, 2024 was primarily due to the increase in revenues and change in the overall mix of work, including an increase in higher margin emergency restoration services. The increase in operating margin was also impacted by improved performance on transmission and generation projects, partially offset by increased costs on two solar projects in the United States.

Underground and Infrastructure Segment Results

Revenues. The decrease in revenues for the year ended December 31, 2024 was primarily due to lower revenues from large pipeline projects. This decrease was partially offset by approximately $215 million in revenues attributable to an acquired business.

Operating Income. The decrease in operating income and operating margin for the year ended December 31, 2024 was primarily due to decreased revenues and overall mix of work performed during the period, which contributed to lower levels of fixed cost absorption, and an $11.9 million loss recorded during the year ended December 31, 2024 related to the disposition of a non-core business.

Corporate and Non-Allocated Costs

The increase in corporate and non-allocated costs during the year ended December 31, 2024 was primarily due to a $93.9 million increase in intangible asset amortization expense associated with acquisitions, including CEI, and a $36.0 million increase in compensation expense, which was primarily attributable to increased non-cash stock compensation and salary 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, and foreign currency translation losses recognized from substantial liquidation of certain foreign operations 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.

	Year Ended December 31,	
	2025	**2024**
Net income attributable to common stock (GAAP as reported)	$ 1,028,378	$ 904,824
Interest and other financing expenses	261,445	202,687
Interest income	(15,702)	(32,404)
Provision for income taxes	347,588	284,747
Depreciation expense	411,538	359,363
Amortization of intangible assets	498,795	382,959
Interest, income taxes, depreciation and amortization included in equity in earnings of integral unconsolidated affiliates	28,014	21,114
EBITDA	2,560,056	2,123,290
Non-cash stock-based compensation	181,947	150,526
Acquisition and integration costs (1)	94,109	29,994
Equity in losses (earnings) of non-integral unconsolidated affiliates	9,172	(2,649)
(Gain) loss on sale of investments and business (2)	(205)	4,370
Foreign currency translation losses (3)	—	18,531
Increase in fair value of contingent consideration liabilities	31,203	7,064
Adjusted EBITDA	$ 2,876,282	$ 2,331,126

(1) The amount for the year ended December 31, 2025 includes $19.6 million that, pursuant to an acquisition purchase agreement, were or will be withheld from the sellers' proceeds, to be paid to certain employees upon satisfaction of post-closing service obligations.

(2) The amount for the year ended December 31, 2024 is a loss of $11.9 million on the disposition of a non-core business, partially offset by a gain of $7.5 million as a result of the sale of a non-integral equity method investment.

(3) The amount for the year ended December 31, 2024 is foreign currency translation losses in connection with our substantial liquidation from Latin American operations.

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 December 31, 2025 and 2024, MSAs accounted for 37% and 38% of our estimated 12-month backlog and 44% 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):

	December 31, 2025		December 31, 2024	
	12 Month	Total	12 Month	Total
Electric				
Remaining performance obligations	$ 14,188,737	$ 21,638,080	$ 10,297,410	$ 15,654,028
Estimated orders under MSAs and short-term, non-fixed price contracts	7,755,355	14,528,626	6,198,603	12,973,779
Backlog	$ 21,944,092	$ 36,166,706	$ 16,496,013	$ 28,627,807
Underground and Infrastructure				
Remaining performance obligations	$ 1,518,060	$ 2,124,934	$ 953,983	$ 1,104,609
Estimated orders under MSAs and short-term, non-fixed price contracts	2,404,135	5,684,768	2,321,941	4,806,408
Backlog	$ 3,922,195	$ 7,809,702	$ 3,275,924	$ 5,911,017
Total				
Remaining performance obligations	$ 15,706,797	$ 23,763,014	$ 11,251,393	$ 16,758,637
Estimated orders under MSAs and short-term, non-fixed price contracts	10,159,490	20,213,394	8,520,544	17,780,187
Backlog	$ 25,866,287	$ 43,976,408	$ 19,771,937	$ 34,538,824

The increases in both remaining performance obligations and backlog from December 31, 2024 to December 31, 2025 were partially due to the impact of acquisitions that occurred in the year ended December 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.

As set forth below, we have various short-term and long-term cash requirements and capital allocation priorities, and we intend to fund these requirements primarily with cash flow from operating activities, as well as debt financing as needed.

Cash Requirements and Capital Allocation

Cash Requirements. The following table summarizes, as of December 31, 2025, our cash requirements from contractual obligations that are due within the twelve months subsequent to December 31, 2025 and thereafter, excluding certain amounts discussed below (in thousands):

	Due in 2026	Due Thereafter	Total
Long-term debt, including current portion - principal	$ 689,829	$ 5,110,828	$ 5,800,657
Long-term debt - cash interest [1]	213,185	1,144,780	1,357,965
Operating lease obligations [2]	133,445	350,890	484,335
Operating lease obligations that have not yet commenced [3]	3,851	43,873	47,724
Finance lease obligations [2]	71,256	25,438	96,694
Short-term lease obligations	42,109	—	42,109
Equipment purchase commitments [4]	265,098	83,949	349,047
Other purchase commitments [5]	183,852	150,154	334,006
Capital commitment related to investments in unconsolidated affiliates [6]	22,983	58,832	81,815
Total cash requirements from contractual obligations	$ 1,625,608	$ 6,968,744	$ 8,594,352

(1) Amounts represent cash interest and other financing expenses associated primarily with our senior notes. Interest payments related to our senior credit facility and commercial paper program are not included due to their variable interest rates. With respect to this variable rate debt, assuming the principal amount outstanding and interest rates in effect as of December 31, 2025 remained the same, the annual cash interest expense would be approximately $46.7 million.

(2) Amounts represent undiscounted operating and finance lease obligations as of December 31, 2025. The corresponding amounts recorded on our December 31, 2025 consolidated balance sheet represent the present value of these amounts.

(3) Amounts represent undiscounted operating lease obligations that had not commenced as of December 31, 2025. The operating lease obligations will be recorded on our consolidated balance sheet beginning on the commencement date of each lease.

(4) Amounts represent capital committed for the expansion of certain manufacturing facilities and expansion of our equipment fleet. We expect that some of these orders related to the expansion of our equipment fleet will be assigned to third-party leasing companies and made available to us under certain of our master equipment lease agreements, thereby releasing us from our capital commitments.

(5) Amounts represent other purchase commitments not reflected in our consolidated balance sheet, primarily for inventory and general and administrative services, including information technology services.

(6) Amounts represent estimates of capital commitments for investments in unconsolidated affiliates, the majority of which is related to a limited partnership interest in a fund that targets investments in certain portfolio companies that operate businesses related to the transition to a reduced-carbon economy.

Excluded from the table above are firm purchase commitments for materials and certain subcontractor costs in the normal course of business that primarily support direct project costs on existing contractual arrangements with our customers. These firm purchase commitments are not reflected in our consolidated balance sheet and are not expected to impact future liquidity as amounts are anticipated to be included in customer billings. As of December 31, 2025, these commitments are estimated to represent approximately 10% of our annual cost of services, with the substantial majority of the commitments payable in the year ending December 31, 2026. Also excluded from the table above and not reflected in our consolidated balance sheet are our commitments to purchase certain production tax credits as described in more detail in Note 16 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Contingent Obligations. We have various contingent obligations that could require the use of cash or impact the collection of cash in future periods; however, we are unable to accurately predict the timing and estimate the amount of such contingent obligations as of December 31, 2025. These contingent obligations generally include, among other things:

- contingent consideration liabilities, which are described further in Note 6 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report;
- undistributed earnings of foreign subsidiaries and unrecognized tax benefits, which are described further in Note 12 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report;
- collective bargaining agreements and multiemployer pension plan liabilities, as well as liabilities related to our deferred compensation and other employee benefit plans, which are described further in Notes 15 and 16 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report; and

- obligations relating to our joint ventures, lawsuits and other legal proceedings, uncollectible accounts receivable, insurance liabilities, obligations relating to letters of credit, bonds and parent guarantees, obligations relating to employment agreements, indemnities and assumed liabilities, and residual value guarantees, which are described further in Notes 4, 10, 11 and 16 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Capital Allocation. 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. 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 into the foreseeable future in order to meet anticipated demand for our services. We expect capital expenditures for property and equipment purchases for the year ended December 31, 2026 to be approximately $750 million to $800 million. We also expect to continue to allocate significant capital to strategic acquisitions and investments, as well as to pay dividends and to repurchase our outstanding common stock and/or debt securities.

During 2025, we completed the acquisition of businesses in which a portion of the consideration, net of cash acquired, consisted of $3.05 billion in cash funded with a combination of cash and cash equivalents, borrowings under our debt financing arrangements and proceeds from the issuance of senior notes. Additionally, we paid cash of $148.9 million primarily for an integral equity method investment and $103.4 million for a business accounted for as an asset acquisition.

During 2024, we completed the acquisition of 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 *Financing Activities* below.

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 18 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Our available commitments under our senior credit facility and cash and cash equivalents as of December 31, 2025 were as follows (in thousands):

		December 31, 2025
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 (1)		316,000
Letters of credit outstanding		65,658
Available commitments for revolving loans, credit support for commercial paper program and letters of credit		2,418,342
Plus:		
Cash and cash equivalents (2)		439,508
Total	$	2,857,850

(1) Amounts represent unsecured notes issued under our commercial paper program, which allows for a maximum aggregate amount of $2.80 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 capacity under our senior credit facility.

(2) Further information with respect to our cash and cash equivalents is set forth below and in Note 17 of the Notes to Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data in Part II of this Annual Report. This amount includes $207.5 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.

In July 2025, we extended the maturity date for revolving loans under the credit agreement for our senior credit facility from July 31, 2029 to July 31, 2030. In August 2025, we issued $1.50 billion aggregate principal amount of senior notes and received net proceeds of $1.48 billion, net of the original issue discount, underwriting discounts and deferred financing costs, and used the proceeds to repay certain borrowings that were utilized to acquire Dynamic Systems. For additional information regarding the issuance of the senior notes, see Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

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 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual 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 Years Ended December 31, 2025 and 2024

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

	Year Ended December 31,	
	2025	**2024**
Net cash provided by operating activities	$ 2,229,970	$ 2,081,196
Net cash used in investing activities	$ (3,830,974)	$ (2,294,319)
Net cash provided by (used in) financing activities	$ 1,274,984	$ (305,636)

Operating Activities

Net cash provided by operating activities of $2.23 billion and $2.08 billion in 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," "Prepaid expenses and other current 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 December 31, 2025 was 60 days, which was slightly higher than DSO of 59 days as of December 31, 2024 and lower than our five-year historical average DSO of 75 days. Negatively impacting DSO and cash flow from operating activities for both the years ended December 31, 2025 and 2024 were change orders and claims included in contract assets from the large renewable transmission project in Canada further described in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Investing Activities

Net cash used in investing activities in the year ended December 31, 2025 included $3.05 billion related to acquisitions, $609.2 million of capital expenditures, $148.9 million cash paid primarily for an integral equity method investment and $103.4 million cash paid for a business accounted for as an asset acquisition. Partially offsetting these items were $51.9 million of proceeds from the sale of, and insurance settlements related to, property and equipment.

Net cash used in investing activities in the year ended December 31, 2024 included $1.75 billion related to acquisitions, $604.1 million of capital expenditures and $81.9 million cash paid primarily for non-integral equity method investments. Partially offsetting these items were $77.6 million of proceeds from the sale of, and insurance settlements related to, property and equipment; $31.4 million of proceeds from the disposition of a non-core business; and $29.2 million of proceeds from the sale of a non-integral equity investment.

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.

Financing Activities

In August 2025, we issued $1.50 billion aggregate principal amount of senior notes and received net proceeds of $1.49 billion, net of the original issue discount and underwriting discounts, and used the proceeds to repay certain borrowings that were utilized to acquire Dynamic Systems. Net cash provided by financing activities in the year ended December 31, 2025 included $255.3 million of net borrowings under our senior credit facility and commercial paper program. Net cash provided by financing activities in the year ended December 31, 2025 were also net of $134.6 million of repurchases of common stock, $112.3 million of payments to satisfy tax withholding obligations associated with stock-based compensation, $102.6 million of payments for contingent consideration liabilities and $60.4 million for the payment of dividends.

In July 2024, we entered into, and borrowed the full amount available under, a $400.0 million 90-day term loan facility outside of our senior credit facility and utilized these borrowings, together with $1.20 billion of borrowings under our commercial paper program and cash on hand, to finance the acquisition of CEI, as well as pay certain related costs and expenses and fund certain working capital requirements. On August 9, 2024, we received net proceeds from the issuance of senior notes of $1.24 billion, net of the original issue discount and underwriting discounts and used the proceeds to repay certain borrowings utilized to acquire CEI, including the full amount of the short-term term loan. Net cash provided by financing activities in the year ended December 31, 2024 included $830.8 million of net repayments under our senior credit facility and commercial paper program. Additionally, on October 1, 2024, we repaid the $500.0 million aggregate principal amount of 0.95% senior notes due October 2024. Financing costs paid directly by us during the year ended December 31, 2024 were $7.6 million, which related to the August 2024 issuance of senior notes, the short-term term loan and an amendment of our senior credit facility. Net cash used in financing activities in the year ended December 31, 2024 were also net of $155.6 million of payments to satisfy tax withholding obligations associated with stock-based compensation and the payment of $54.2 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 consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these 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 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 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 this Annual Report and should be read in conjunction with the accounting policies identified below that we believe affect our more significant estimates used in the preparation of our consolidated financial statements.

Revenue Recognition - Contract Estimates and Changes in Estimates

Refer to *Contract Estimates and Changes in Estimates* in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of a variety of factors that can cause changes in estimates and how changes in estimates on certain contracts may result in the issuance of change orders or claims under contracts for our projects. The quantitative impacts of changes in change orders and claims are also included therein.

Due to the significant judgments utilized in the revenue and cost estimation process, if subsequent actual results and/or updated assumptions or estimates were to change from those utilized as of December 31, 2025, it could result in a material impact to our results of operations. As described in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report, 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 63.8%, 60.0% and 56.5% of our revenues recognized during the years ended December 31, 2025, 2024 and 2023 were associated with this revenue recognition method. Refer to *Contract Estimates and Changes in Estimates* in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of the impacts in changes in estimates on revenue and gross profit during the years ended December 31, 2025, 2024 and 2023.

Collectability of Accounts Receivable and Contract Assets

Refer to *Accounts Receivable, Allowance for Credit Losses and Concentrations of Credit Risk* in Note 4 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of how we determine our allowance for credit losses, which is based on an estimate of expected credit losses for financial instruments, primarily accounts receivable (including unbilled receivables) and contract assets, as well as activity in the allowance for credit losses.

Should anticipated collections fail to materialize, or if future economic conditions deteriorate, we could experience an increase in our allowance for credit losses. If our historical loss ratio had been five basis points higher or lower as of December 31, 2025, our provision for credit loss would have increased or decreased $4.0 million during the year ended December 31, 2025.

Acquisitions

Contingent Consideration. Refer to *Contingent Consideration* in Note 6 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of how contingent consideration liabilities are determined and the related assumptions and uncertainties utilized for our estimates, as well as the balances and account activity. The maximum amount payable related to these liabilities is also included therein.

Valuation of Long-Lived Assets. Refer to Notes 2 and 6 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of valuation of long-lived assets related to acquisitions (other intangible assets and property, plant and equipment), including assumptions and uncertainties related to our estimates, as well as amounts related to recent acquisitions. If we determine there is a change in the valuation of long-lived assets during the measurement period, the change in estimate would result in a change in the amount of goodwill.

Goodwill, Other Intangible Assets and Property, Plant and Equipment

In connection with our annual goodwill assessments in 2025 and 2024, management performed a qualitative impairment assessment of our reporting units, which indicated that the fair value of our reporting units was greater than their carrying value including goodwill. Accordingly, a quantitative goodwill impairment test was not required, and no goodwill impairment was recognized in 2025 or 2024. Additionally, there were no material impairments related to other intangible assets or property, plant equipment in 2025 or 2024. Changes in facts and circumstances, judgments and assumptions used to determine these fair values, including with respect to market conditions and the economy, could result in impairment charges in the future that could be material to our financial statements.

Insurance

Refer to Notes 2 and 16 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of our insurance coverage, accounting policies related to insurance, accruals and related recoveries, as well as uncertainties of the related estimates. Our estimates of insurance liabilities related to employer's liability, workers' compensation, auto liability and general liability require us to make assumptions related to potential losses regarding our determination of amounts considered probable and estimable. We, along with our third-party actuary and third-party administrator, consider a number of factors when estimating our retained liability, including claims experience, demographic factors, severity factors and other actuarial assumptions. We periodically review our estimates and assumptions with our third-party actuary to assist us in determining the adequacy of our retained liability. As of December 31, 2025, the amount accrued for employer's liability, workers' compensation, auto liability and general liability totaled $487.7 million.

Although we believe that we have reasonably estimated our insurance liability, it is possible that actual results could differ from recorded retained liabilities. Our insurance liability is based on a reasonable estimate provided by our third-party actuaries based on a statistical model that considers the cumulative probability distribution of all possible loss estimates.

Income Taxes

Refer to Notes 2 and 12 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for a description of our accounting policies related to income taxes, the identification and measurement of deferred tax assets and liabilities, the measurement of valuation allowances on deferred tax assets, benefits from uncertain tax positions and/or resolution of examinations with taxing authorities.

The evaluation of the recoverability of the deferred tax asset requires us to weigh all positive and negative evidence, including projected future taxable income and whether we will be able to utilize state and foreign net operating loss carryforwards, to determine whether it is more likely than not that all or some portion of the deferred tax assets will not be realized. Revisions to our forecasts, declining macroeconomic conditions or other factors could result in changes to our assessment of the realization of these deferred income tax assets.

The evaluation of uncertain tax positions involves significant estimates and judgments. Although we believe that our estimates and judgments are reasonable, we are occasionally challenged by various taxing authorities regarding the amount of taxes due. To the extent we prevail in matters for which a liability has been established, are required to pay amounts in excess of the established liability or experience a change in judgment, the change in the liability could increase or decrease income tax expense in the period of such determination.

ITEM 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Our primary exposure to market risk relates to unfavorable changes in interest rates and currency exchange rates.

Interest Rate Risk. We are exposed to interest rate risk with respect to our fixed-rate and variable-rate debt. Fluctuations in interest rates impact the fair value of fixed-rate debt and expose us to the risk that we may need to refinance debt at higher rates at each instrument's respective maturity date. Fluctuations in interest rates impact interest expense from our variable-rate debt. At December 31, 2025, 84% of our debt portfolio, on a gross basis, incurred interest at a fixed-rate and the remaining 16% of the portfolio incurred interest at a variable-rate.

As of December 31, 2025, our fixed-rate debt primarily consisted of our senior notes outstanding. The fair value of our senior notes was $4.53 billion as of December 31, 2025, compared to a carrying value of $4.71 billion net of unamortized bond discount, underwriting discounts and deferred financing costs of $40.3 million. A 10% change in the market price would cause a change in fair value of $453.1 million.

As of December 31, 2025, our variable-rate debt consisted of $675.0 million outstanding under our senior credit facility and $316.0 million outstanding under our commercial paper program. The weighted average interest rate on our borrowings under our senior credit facility for the year ended December 31, 2025 was 5.6%. Based on these borrowings outstanding under our senior credit facility as of December 31, 2025, we estimate that a 50 basis point increase or decrease in interest rates would impact annual interest expense by approximately $3.4 million. The average daily amount outstanding and weighted average interest rate on our borrowings under our commercial paper program for the year ended December 31, 2025 were $481.6 million and 4.61%. Based on the weighted average interest rate and average borrowings outstanding during the year ended December 31, 2025, we estimate that a 50 basis point increase or decrease in interest rates would impact annual interest expense by approximately $2.4 million.

For additional information about our debt and interest obligations, refer to Note 10 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report.

Foreign Currency Risk. We perform our services in some foreign countries, primarily Canada and Australia, and as a result, are exposed to changes in foreign currency exchange rates. Our reporting currency is the U.S. dollar. Our foreign entities typically use the local currency as their functional currency. Translation adjustments are deferred in accumulated other comprehensive income. In the year ended December 31, 2024 we recognized $18.5 million of foreign currency translation losses to net income in connection with our substantial liquidation from Latin American operations.

Some of our consolidated entities enter into transactions that are not denominated in their functional currency. This results in exposure to foreign currency risk for financial instruments, including, but not limited to, third-party and intercompany receivables and payables and intercompany loans.

Our policy is to maintain a balanced position in foreign currencies to minimize exchange gains and losses arising from changes in exchange rates. We maintain risk management control practices to monitor the foreign currency risk attributable to our intercompany and third-party outstanding foreign currency balances. These practices involve the centralization of our exposure to underlying currencies that are not subject to central bank and/or country specific restrictions. By centralizing most of our foreign currency exposure into one subsidiary, we are able to take advantage of natural offsets thereby reducing the overall impact of changes in foreign currency rates on our earnings.

Historically, we have not had significant exposure to foreign currency risk. Other income (expense), net, in the consolidated statements of income in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report reflects net foreign currency losses of $2.7 million in the year ended December 31, 2025 and net foreign currency gains of $5.6 million in the year ended December 31, 2024.

Other Risks. For a discussion about our concentration of credit risk; cash and cash equivalents; and investments in COLI assets, refer to Notes 4, 15, 16 and 17 of the Notes to Consolidated Financial Statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report for additional information.

ITEM 8. *Financial Statements and Supplementary Data*

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REPORT OF MANAGEMENT

Management's Report on Financial Information and Procedures

The accompanying financial statements of Quanta Services, Inc. and its subsidiaries were prepared by management. These financial statements were prepared in accordance with accounting principles generally accepted in the United States, applying certain estimates and judgments as required.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls 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 that breakdowns can occur because of simple errors or mistakes. Controls can also 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.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2025 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurances and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

The effectiveness of Quanta Services, Inc.'s internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which appears herein.

Management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2025 excluded the eight businesses we acquired in 2025. Such exclusion was in accordance with guidance from the U.S. Securities and Exchange Commission that an assessment of recently acquired businesses may be omitted in management's report on internal control over financial reporting, provided the acquisition took place within twelve months of management's evaluation. These acquisitions comprised approximately 6.2% and 3.9% of our consolidated assets and revenues as of and for the year ended December 31, 2025 and included the acquisition of Dynamic Systems (DSI), LLC, which comprised approximately 1.5% and 1.4% of our consolidated assets and revenues as of and for the year ended December 31, 2025.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Quanta Services, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Quanta Services, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive income (loss), of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded eight businesses from its assessment of internal control over financial reporting as of December 31, 2025 because they were acquired by the Company during 2025. We have also excluded these eight acquired businesses from our audit of internal control over financial reporting. These acquired businesses, each of which is wholly-owned, comprised, in the aggregate, total assets and total revenues excluded from management's assessment and our audit of internal control over financial reporting of approximately 6.2% and 3.9%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2025. The most significant of these acquired businesses, representing 1.5% of consolidated total assets and 1.4% of consolidated total revenues was Dynamic Systems (DSI), LLC.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Determination of Total Estimated Contract Costs and Revenue Related to Estimated Change Orders and Claims for Contracts Recognized Over Time

As described in Note 4 to the consolidated financial statements, the Company recognizes certain revenue over time as it performs its obligations because there is a continuous transfer of control of the deliverable to the customer. 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. During the year ended December 31, 2025, approximately 63.8% of the Company's revenues recognized were associated with this revenue recognition method. Contract costs include labor, subcontract costs and certain direct material costs, as well as indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. 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 management's cost estimates or covered by the contracts. 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. Management determines the probability that costs associated with change orders and claims will be recovered based on, among other things, contractual entitlement, past practices with the customer, specific discussions or preliminary negotiations with the customer and verbal approvals by the customer. The Company 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 December 31, 2025, the Company recognized revenues of $983.6 million related to unapproved change orders and claims included as contract price adjustments that were in the process of being negotiated in the normal course of business.

The principal considerations for our determination that performing procedures relating to revenue recognition for contracts recognized over time is a critical audit matter are (i) the significant judgment by management when determining the total estimated contract costs and revenue related to estimated change orders and claims and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's estimate of the total estimated contract costs and revenue related to estimated change orders and claims.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls related to the determination of total estimated contract costs and revenue related to estimated change orders and claims. These procedures also included, among others, for a sample of contracts (i) testing management's process for determining the total estimated contract costs, which included evaluating contracts and other documents, and testing the underlying contract costs; (ii) evaluating management's ability to reasonably estimate total contract costs by performing a comparison of the total estimated contract costs as compared with prior period estimates, including evaluating the timely identification of circumstances that may warrant a modification to the total estimated contract costs; (iii) testing management's process for determining the revenue related to estimated change orders and claims, which included evaluating management's assessment of whether it is probable that the contract price will be adjusted, and testing the amount of any such adjustment for the change order or claim; and (iv) evaluating management's methodologies and the consistency of management's methodologies over the lives of the contracts.

Acquisition of Dynamic Systems – Valuation of Customer Relationships

As described in Note 6 to the consolidated financial statements, on July 25, 2025, the Company completed the acquisition of Dynamic Systems. The acquisition resulted in $532.4 million of identifiable intangible assets being recorded, of which $355.0 million related to customer relationships. The fair value of customer relationships is estimated as of the date a business is acquired based on the value-in-use concept utilizing the income approach, specifically the multi-period excess earnings method. This method discounts to present value the projected cash flows attributable to the customer relationships, with consideration given to customer contract renewals and estimated customer attrition rates. The significant assumptions used by management in determining the fair values of customer relationships include future revenues, margins, discount rates and customer attrition rates.

The principal considerations for our determination that performing procedures relating to the valuation of customer relationships acquired in the acquisition of Dynamic Systems is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the customer relationships acquired; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management’s significant assumptions related to future revenues, margins, and the customer attrition rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the acquisition accounting, including controls over management’s valuation of the customer relationships acquired. These procedures also included, among others (i) reading the purchase agreement; (ii) testing management’s process for developing the fair value estimate of the customer relationships acquired; (iii) evaluating the appropriateness of the multi-period excess earnings method used by management; (iv) testing the completeness and accuracy of the underlying data used in the multi-period excess earnings method; and (v) evaluating the reasonableness of the significant assumptions used by management related to future revenues, margins, and the customer attrition rate. Evaluating management's assumptions related to future revenues and margins involved considering (i) the current and past performance of the acquired business; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the multi-period excess earnings method and (ii) the reasonableness of the customer attrition rate assumption.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
February 19, 2026

We have served as the Company’s auditor since 2002.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share information)

	December 31, 2025	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 439,508	$ 741,960
Accounts receivable, net	6,847,091	5,170,935
Contract assets	1,522,186	1,208,619
Inventories	370,372	260,181
Prepaid expenses and other current assets	724,260	469,338
Total current assets	9,903,417	7,851,033
Property and equipment, net	3,455,204	2,700,277
Operating lease right-of-use assets	400,814	299,895
Other assets, net	944,050	655,709
Other intangible assets, net	2,906,188	1,860,537
Goodwill	7,317,228	5,316,443
Total assets	$ 24,926,901	$ 18,683,894
LIABILITIES AND EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 763,898	$ 62,680
Current portion of operating lease liabilities	114,377	94,162
Accounts payable and accrued expenses	4,579,458	3,722,343
Contract liabilities	3,258,465	2,149,328
Total current liabilities	8,716,198	6,028,513
Long-term debt, net of current maturities	5,231,008	4,099,756
Operating lease liabilities, net of current portion	309,671	222,359
Deferred income taxes	502,626	353,268
Insurance and other non-current liabilities	1,139,524	650,281
Total liabilities	15,899,027	11,354,177
Commitments and Contingencies		
Equity:		
Common stock, $0.00001 par value, 600,000,000 shares authorized, 179,534,355 and 176,718,480 shares issued, and 149,577,564 and 147,678,512 shares outstanding	2	2
Additional paid-in capital	4,278,741	3,444,108
Retained earnings	6,673,990	5,707,286
Accumulated other comprehensive loss	(307,211)	(372,708)
Treasury stock, 29,956,791 and 29,039,968 common shares	(1,707,273)	(1,460,957)
Total stockholders' equity	8,938,249	7,317,731
Non-controlling interests	89,625	11,986
Total equity	9,027,874	7,329,717
Total liabilities and equity	$ 24,926,901	$ 18,683,894

The accompanying notes are an integral part of these consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share information)

	Year Ended December 31,		
	2025	2024	2023
Revenues	$ 28,479,697	$ 23,672,795	$ 20,882,206
Cost of services	24,204,616	20,162,034	17,945,120
Gross profit	4,275,081	3,510,761	2,937,086
Equity in earnings of integral unconsolidated affiliates	55,635	50,484	41,609
Selling, general and administrative expenses	(2,189,209)	(1,824,754)	(1,555,137)
Amortization of intangible assets	(498,795)	(382,959)	(289,014)
Increase in fair value of contingent consideration liabilities	(31,203)	(7,064)	(6,568)
Operating income	1,611,509	1,346,468	1,127,976
Interest and other financing expenses	(261,445)	(202,687)	(186,913)
Interest income	15,702	32,404	10,830
Other income, net	23,739	35,845	18,063
Income before income taxes	1,389,505	1,212,030	969,956
Provision for income taxes	347,588	284,747	219,267
Net income	1,041,917	927,283	750,689
Less: Net income attributable to non-controlling interests	13,539	22,459	6,000
Net income attributable to common stock	$ 1,028,378	$ 904,824	$ 744,689
Earnings per share attributable to common stock:			
Basic	$ 6.91	$ 6.16	$ 5.13
Diluted	$ 6.80	$ 6.03	$ 5.00
Shares used in computing earnings per share:			
Weighted average basic shares outstanding	148,790	146,929	145,222
Weighted average diluted shares outstanding	151,291	150,056	148,823

The accompanying notes are an integral part of these consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	$ 1,041,917	$ 927,283	$ 750,689
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustment gain (loss)	64,949	(107,964)	26,707
Reclassification of foreign currency translation losses to net income	—	18,531	—
Other comprehensive income (loss)	548	(330)	1,025
Other comprehensive income (loss), net of taxes	65,497	(89,763)	27,732
Comprehensive income	1,107,414	837,520	778,421
Less: Comprehensive income attributable to non-controlling interests	13,539	22,459	6,000
Comprehensive income attributable to common stock	$ 1,093,875	$ 815,061	$ 772,421

The accompanying notes are an integral part of these consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash Flows from Operating Activities:			
Net income	$ 1,041,917	$ 927,283	$ 750,689
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	411,538	359,363	324,786
Amortization of intangible assets	498,795	382,959	289,014
Non-cash stock-based compensation	181,947	150,526	126,762
Other non-cash adjustments, net	79,795	14,899	22,084
Changes in assets and liabilities, net of non-cash transactions:			
Accounts, notes and retainage receivable	(853,835)	(428,127)	(615,668)
Contract assets	(217,627)	255,744	(303,064)
Inventories	(121,743)	(39,517)	2,818
Prepaid expenses and other current assets	(240,515)	40,356	(90,329)
Accounts payable and accrued expenses, insurance and other non-current liabilities	654,961	52,421	771,854
Contract liabilities	824,454	373,622	293,106
Other assets and liabilities, net	(29,717)	(8,333)	3,900
Net cash provided by operating activities	2,229,970	2,081,196	1,575,952
Cash Flows from Investing Activities:			
Capital expenditures	(609,154)	(604,078)	(434,803)
Proceeds from sale of and insurance settlements related to property and equipment	51,916	77,643	69,347
Cash paid for asset acquisitions	(103,370)	—	—
Cash paid for acquisitions, net of cash, cash equivalents and restricted cash acquired	(3,052,116)	(1,745,735)	(651,623)
Investments in unconsolidated affiliates and other	(148,900)	(81,871)	(7,537)
Proceeds from the sale or settlement of certain investments	17,012	29,239	42,277
Other, net	13,638	30,483	(7,311)
Net cash used in investing activities	(3,830,974)	(2,294,319)	(989,650)
Cash Flows from Financing Activities:			
Borrowings under credit facility and commercial paper program	53,033,943	19,884,184	18,178,910
Payments under credit facility and commercial paper program	(52,778,666)	(20,714,993)	(17,770,246)
Net proceeds from notes offering	1,488,995	1,238,741	—
Payments related to senior notes	—	(500,000)	—
Payments of contingent consideration liabilities recorded at acquisition date	(102,558)	—	(4,754)
Payments related to tax withholding for stock-based compensation	(112,299)	(155,550)	(119,793)
Payments of dividends	(60,416)	(54,196)	(47,752)
Repurchase of common stock	(134,555)	—	(350)
Other, net	(59,460)	(3,822)	32,485
Net cash provided by (used in) financing activities	1,274,984	(305,636)	268,500
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	22,833	(30,272)	7,025
Net (decrease) increase in cash, cash equivalents and restricted cash	(303,187)	(549,031)	861,827
Cash, cash equivalents and restricted cash, beginning of year	746,010	1,295,041	433,214
Cash, cash equivalents and restricted cash, end of year	$ 442,823	$ 746,010	$ 1,295,041

The accompanying notes are an integral part of these consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share information)

	Common Stock		Additional		Accumulated Other		Total	Non-	
	Shares Outstanding	Amount	Paid-In Capital	Retained Earnings	Comprehensive Income (Loss)	Treasury Stock	Stockholders' Equity	Controlling Interests	Total Equity
Balance at December 31, 2022	142,930,598	$ 2	$ 2,718,988	$ 4,163,212	$ (310,677)	$ (1,188,061)	$ 5,383,464	$ 15,355	$ 5,398,819
Other comprehensive income	—	—	—	—	27,732	—	27,732	—	27,732
Acquisitions	1,238,576	—	158,922	—	—	—	158,922	—	158,922
Stock-based compensation activity	1,341,604	—	124,742	—	—	(117,123)	7,619	—	7,619
Common stock repurchases	(2,229)	—	—	—	—	(350)	(350)	—	(350)
Dividends declared ($0.33 per share)	—	—	—	(49,835)	—	—	(49,835)	—	(49,835)
Distributions to non-controlling interests, net	—	—	—	—	—	—	—	(10,241)	(10,241)
Net income	—	—	—	744,689	—	—	744,689	6,000	750,689
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	—	—	—	—	(89,763)	—	(89,763)	—	(89,763)
Acquisitions	1,217,398	—	291,061	—	—	—	291,061	—	291,061
Stock-based compensation activity	952,565	—	150,395	—	—	(155,423)	(5,028)	—	(5,028)
Common stock repurchases	—	—	—	—	—	—	—	—	—
Dividends declared ($0.37 per share)	—	—	—	(55,604)	—	—	(55,604)	—	(55,604)
Distributions to non-controlling interests, net	—	—	—	—	—	—	—	(21,587)	(21,587)
Net income	—	—	—	904,824	—	—	904,824	22,459	927,283
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	—	—	—	—	65,497	—	65,497	—	65,497
Acquisitions	1,705,774	—	653,237	—	—	—	653,237	84,380	737,617
Stock-based compensation activity	731,837	—	181,396	—	—	(111,761)	69,635	—	69,635
Common stock repurchases	(538,559)	—	—	—	—	(134,555)	(134,555)	—	(134,555)
Dividends declared ($0.41 per share)	—	—	—	(61,674)	—	—	(61,674)	—	(61,674)
Distributions to non-controlling interests, net	—	—	—	—	—	—	—	(20,026)	(20,026)
Other	—	—	—	—	—	—	—	(254)	(254)
Net income	—	—	—	1,028,378	—	—	1,028,378	13,539	1,041,917
Balance at December 31, 2025	149,577,564	$ 2	$ 4,278,741	$ 6,673,990	$ (307,211)	$ (1,707,273)	$ 8,938,249	$ 89,625	$ 9,027,874

The accompanying notes are an integral part of these consolidated financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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1. DESCRIPTION OF BUSINESS:

Quanta Services, Inc. (together with its subsidiaries, Quanta) is a leading provider of comprehensive infrastructure solutions for the electric and gas utility, power generation, large load center, manufacturing, communications, pipeline and energy industries in the United States, Canada, Australia and select other international markets. Quanta provides design, 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, solar and gas power generation and transmission and battery storage facilities; low voltage electrical, mechanical, plumbing and process infrastructure for large load centers, such as data center, advanced manufacturing and industrial facilities; communications and cable multi-system operator networks; gas utility systems; pipeline transmission systems and facilities; and downstream industrial facilities.

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. BASIS OF PRESENTATION AND ACCOUNTING POLICIES:

Principles of Consolidation

The consolidated financial statements of Quanta include the accounts of Quanta Services, Inc. and its wholly-owned subsidiaries, which are also referred to as its operating companies. The consolidated financial statements also include the accounts of certain of Quanta's investments in joint ventures, which are either consolidated or proportionately consolidated, as discussed in the following summary of accounting policies. Unless the context requires otherwise, references to Quanta include Quanta Services, Inc. and its consolidated subsidiaries.

Quanta holds interests in various joint ventures and other partially owned entities entered into in the normal course of business. Certain of these interests are investments in variable interest entities (VIE). If an entity is identified as a VIE, management determines whether Quanta is the entity's primary beneficiary and must consolidate the VIE. The primary beneficiary of a VIE is the entity with both (i) the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the obligation to absorb losses or right to receive benefits that could potentially be significant to the VIE. When Quanta is deemed to be the primary beneficiary, the VIE is consolidated and equity interests held by third parties are accounted for as non-controlling interests. See *Investments in Affiliates and Other* below and Note 16 for additional information on joint venture liabilities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses recognized during the periods presented. Quanta reviews all significant estimates affecting its consolidated financial statements on a recurring basis and records the effect of any necessary adjustments prior to their publication. Judgments and estimates are based on Quanta's 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. Estimates are primarily used in Quanta's assessment of revenue recognition for construction contracts, including contractual change orders and claims; allowance for credit losses; valuation of inventory; useful lives of assets; fair value assumptions in analyzing goodwill, other intangibles and long-lived asset impairments; fair value assumptions in analyzing equity and other investment impairments; purchase price consideration and allocations; acquisition-related contingent consideration liabilities; contingent liabilities associated with, among other things, legal proceedings and claims, parent guarantees and indemnity obligations; estimated insurance claims and recoveries; stock-based compensation; classification of operating company revenues by type of work for segment reporting purposes; provision for income taxes; and uncertain tax positions.

Revenue Recognition

See Note 4 for Quanta's accounting policy related to revenue recognition and related balance sheet accounts.

Cash and Cash Equivalents

Quanta considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents, which are carried at fair value. Quanta's cash equivalents are categorized as Level 1 assets, as all values are based on unadjusted quoted prices for identical assets in an active market.

Inventories

Inventories are valued at the lower of cost or net realizable value, and consist primarily of solar tracker installation materials and safety equipment purchased for resale, transmission and distribution parts and equipment, aviation parts, transformer parts, and other construction supplies and parts held for use in the ordinary course of business. Cost is determined by using either the first-in, first-out (FIFO) method or the average costing method. Inventories also include certain job specific materials not yet installed, which are valued using the specific identification method.

Property and Equipment

Property and equipment are stated at cost, and depreciation is computed using the straight-line method, net of estimated salvage values, over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized over the lesser of the life of the lease or the estimated useful life of the asset.

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments, which extend the useful lives of existing equipment, are capitalized and depreciated over the remaining useful lives of the assets. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in selling, general and administrative expenses.

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be realizable. When an evaluation is required, the estimated future undiscounted cash flows associated with the asset group are compared to the asset group’s carrying amount to determine if an impairment is necessary. The effect of any impairment involves expensing the difference between the fair value of the asset group and its carrying amount in the period incurred.

Goodwill

Goodwill represents the excess of cost over the fair market value of net tangible and identifiable intangible assets of acquired businesses and is stated at cost. Quanta has recorded goodwill in connection with its historical acquisitions of businesses. Goodwill is required to be assessed for impairment at the reporting unit level, which represents the operating segment level or one level below the operating segment level for which discrete financial information is available.

Goodwill is tested for impairment annually in the fourth quarter of the fiscal year, or more frequently if events or circumstances arise which indicate that the fair value of a reporting unit with goodwill is below its carrying amount. Quanta assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Qualitative factors assessed for each reporting unit include, among other things, deterioration in macroeconomic conditions; declining financial performance; deterioration in the operational environment; an expectation of selling or disposing of a portion of a reporting unit; a significant change in market, management, business strategy or business climate; a loss of a significant customer; increased competition; a sustained decrease in share price; or a decrease in Quanta’s market capitalization below book value.

If Quanta believes that, as a result of its qualitative assessment, it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recorded to “Asset impairment charges” in the consolidated statements of operations.

Quanta generally determines the fair value of its reporting units using a weighted combination of the income approach (discounted cash flow method) and market multiple valuation techniques (market guideline transaction method and market guideline public company method).

Under the discounted cash flow method, Quanta determines fair value based on the estimated future cash flows for each reporting unit, discounted to present value using a risk-adjusted industry weighted average cost of capital, which reflects the overall level of inherent risk for each reporting unit and the rate of return an outside investor would expect to earn.

Under the market guideline transaction and market guideline public company methods, Quanta determines the estimated fair value for each of its reporting units by applying transaction multiples and public company multiples, respectively, to each reporting unit’s historical and projected results. The transaction multiples are based on observed purchase transactions for similar businesses adjusted for size, volatility and risk. The public company multiples are based on peer group multiples adjusted for size, volatility and risk. For the market guideline public company method, Quanta adds a reasonable control premium, which is estimated as the premium that would be appropriate to convert the reporting unit value to a controlling interest basis.

Other Intangible Assets

Quanta's identifiable intangible assets primarily include customer relationships; backlog; trade names; non-compete agreements; curriculum; patented rights, developed technology, process certifications and other, all of which are subject to amortization.

Definite-lived intangible assets are amortized based upon the estimated consumption of their economic benefits, or on a straight-line basis if the pattern of economic benefit cannot otherwise be reliably estimated. Quanta evaluates identifiable intangible assets with the associated long-lived asset group for impairment whenever impairment indicators are present. If the carrying amount of an identifiable intangible asset exceeds its fair value, an impairment loss is recorded to "Asset impairment charges" in the consolidated statements of operations.

Leases

Leases with terms longer than 12 months are recorded on the consolidated balance sheets as lease assets and lease liabilities. If at inception of a contract a lease is identified, Quanta recognizes a lease asset and corresponding liability based on the present value of the future minimum lease payments over the lease term as of the commencement date. Lease assets also include any initial direct costs incurred less any lease incentives received.

Finance leases are leases that meet any of the following criteria: the lease transfers ownership of the underlying asset at the end of the lease term; the lessee is reasonably certain to exercise an option to purchase the underlying asset; the lease term is for the major part of the remaining economic life of the underlying asset; the present value of the sum of the lease payments and any additional residual value guarantee by the lessee equals or exceeds substantially all of the fair value of the underlying asset; or the underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. A lease that does not meet any of these criteria is considered an operating lease. After the commencement date, lease cost for an operating lease is recognized over the remaining lease term on a straight-line basis, while lease cost for a finance lease is based on the depreciation of the lease asset and interest on the lease liability. Lease expense for leases with an initial term of 12 months or less is recognized on a straight-line basis over the lease term.

The terms of Quanta's lease arrangements vary, and certain leases include one or more of the following: a renewal option, a cancellation option, a residual value guarantee, a purchase option or an escalation clause. An option to extend or terminate a lease is accounted for when assessing a lease term when it is reasonably certain that Quanta will exercise such option. Additionally, certain of Quanta's real estate and equipment arrangements contain both lease and non-lease components (e.g., maintenance services). Quanta made a policy election that allows an entity to not separate lease components from their associated non-lease components under arrangements with both components. Accordingly, Quanta accounts for both lease and non-lease components of such arrangements under the lease accounting guidance.

Determinations with respect to lease term, discount rate, variable lease cost and future minimum lease payments require the use of judgment based on the facts and circumstances related to each lease. Quanta considers various factors, including economic incentives, penalties, and business need, to determine the likelihood that a renewal option will be exercised. Unless a renewal option is reasonably certain to be exercised, which is typically at Quanta's sole discretion, the initial non-cancelable lease term is used. Quanta generally uses its incremental borrowing rates to determine the present value of future minimum lease payments.

Investments in Affiliates and Other

In the normal course of business, Quanta enters into various types of investment arrangements, each having unique terms and conditions. These investments may include equity interests held by Quanta in business entities, including general or limited partnerships, contractual joint ventures, or other forms of equity or profit participation. Quanta also enters into strategic partnerships with customers and infrastructure investors to provide fully integrated infrastructure solutions on certain projects, including planning and feasibility analyses, engineering, design, procurement, construction and project operation and maintenance. These projects include public-private partnerships and concessions, along with private infrastructure projects such as build, own, operate (and in some cases transfer) and build-to-suit arrangements. In cases where Quanta determines that it is not the primary beneficiary but has an undivided interest in the assets, liabilities, revenues and profits of an unincorporated VIE (e.g., a general partnership interest), such amounts are consolidated on a basis proportional to Quanta's ownership interest in the unincorporated entity. See Note 8 for additional information on Quanta's investments and Note 16 for additional information on joint venture liabilities.

Equity Method Investments

Investments in affiliated entities in which Quanta does not have a controlling financial interest, but over which Quanta has the ability to exercise significant influence, usually because Quanta holds a voting interest of between 20% and 50% in the affiliated entity, are accounted for using the equity method. Under the equity method of accounting, investments are stated initially at cost and are adjusted for subsequent additional investments and Quanta's proportionate share of profit or loss and distributions. Certain of Quanta's equity method investments are equity interests in private equity funds. These underlying private equity funds are carried at fair value. Quanta's profit or loss is determined by its share of the change in fair value.

Quanta's equity method investments are reported in "Other assets, net" in the accompanying consolidated balance sheets. Quanta's share of net income or losses of these investments is reported as "Equity in earnings of integral unconsolidated affiliates" within operating income when the investee is integral to the operations of Quanta, and is reported as "Other income (expense), net" when the investee is not considered integral to the business. Additionally, Quanta utilizes the cumulative earnings approach to determine whether distributions received from equity method investees are returns on investment and classified as operating cash inflows or returns of investment and reported as investing cash flows.

Quanta recognizes impairments on equity method investments if there are sufficient indicators that the fair value of the investment is less than its carrying value and considered other-than-temporary. Any impairment losses related to integral unconsolidated affiliates are included in "Equity in earnings of integral unconsolidated affiliates," while any impairments related to non-integral unconsolidated affiliates are included in "Other income (expense), net" in the accompanying consolidated statements of operations.

Marketable and Non-Marketable Equity Securities

Investments in entities over which Quanta does not have the ability to exercise significant influence are either considered marketable securities or non-marketable equity securities. The carrying value of any marketable and non-marketable equity securities is reported in "Other assets, net" in the accompanying consolidated balance sheets.

Non-marketable equity securities are equity securities without a readily determinable fair value that are measured and recorded using a measurement alternative that measures the securities at cost minus impairment, if any, plus or minus observable price changes in orderly transactions for an identical or similar investment in the same company. Non-marketable equity securities are measured on a nonrecurring basis and recorded at fair value only if an impairment or observable price adjustment is recognized in the reporting period. Quanta recognizes impairments on non-marketable equity securities if there are sufficient indicators that the fair value of the investment is less than its carrying value. Any changes in fair value and any impairments of non-marketable equity securities are reported in "Other income (expense), net" in the accompanying consolidated statements of operations.

Income Taxes

Quanta follows the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recorded based on future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the underlying assets or liabilities are recovered or settled.

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

Quanta records reserves for income taxes related to certain tax positions when management considers it more likely than not that additional taxes may be due in excess of amounts reflected on income tax returns filed. When recording these reserves, Quanta assumes that taxing authorities have full knowledge of the position and all relevant facts. Quanta continually reviews exposure to additional tax obligations, and as further information is known or events occur, changes in tax reserves may be recorded. Quanta adjusts its tax contingencies accrual and income tax provision in the period in which matters are effectively settled with tax authorities at amounts different from Quanta's established accrual, when the statute of limitations expires for the relevant taxing authority to examine the tax position or when more information becomes available. To the extent interest and penalties may be assessed by taxing authorities on any underpayment of income tax, such amounts have been accrued and included in the provision for income taxes.

Quanta uses the flow-through method to account investment tax credits. Under this method, the tax credits are recognized as a reduction in income tax expense, in the period the related qualified property is placed in service.

U.S. federal and state and foreign income tax laws and regulations are voluminous and often ambiguous. As such, Quanta is required to make many subjective assumptions and judgments regarding its tax positions that could materially affect amounts recognized in future consolidated balance sheets, statements of operations and statements of comprehensive income.

Deferred Financing Costs

Capitalized deferred financing costs related to Quanta's senior credit facility (other than deferred financing costs related to the term loan, which are recorded along with deferred financing costs related to the senior notes in a contra account to long-term debt) are included in "Other assets, net" in the accompanying consolidated balance sheets and are amortized to "Interest and other financing expenses" on a straight-line basis over the terms of the respective agreements giving rise to the costs, which Quanta believes approximates the effective interest rate method.

Earnings Per Share

Basic and diluted earnings per share attributable to common stock are computed using the weighted average number of shares of common stock outstanding during the applicable period. Diluted earnings per share attributable to common stock is computed using the weighted average number of shares of common stock outstanding during the period adjusted for all potentially dilutive common stock equivalents, except in cases where the effect of the common stock equivalents would be antidilutive.

Insurance

See Note 16 for Quanta's accounting policy related to insurance and related balance sheet accounts.

Stock-Based Compensation

Restricted Stock Units to be Settled in Stock

Quanta recognizes compensation expense for restricted stock units (RSUs) to be settled in common stock based on the grant date fair value of the awards, which is the number of RSUs granted multiplied by the closing price of Quanta's common stock on the date of grant, net of estimated forfeitures. The resulting compensation expense for time-based RSU awards is recognized on a straight-line basis over the requisite service period, which is generally the vesting period. The non-cash stock compensation expense related to RSUs to be settled in common stock is included in "Selling, general and administrative expenses."

RSU awards to be settled in common stock are subject to forfeiture, restrictions on transfer and certain other conditions until vesting. Vesting generally occurs in three equal annual installments following the date of grant or over a period of five to ten years following the date of grant. Holders of RSUs to be settled in common stock awarded under the Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan (the Omnibus Plan) are entitled to cash dividend equivalent payments in an amount equal to any cash dividend payable on account of the underlying Quanta common stock; however, payment of such amounts is not made until the RSUs vest, such that the dividend equivalent payments are subject to forfeiture until vesting of the applicable RSUs.

Payments made by Quanta to satisfy employee tax withholding obligations associated with stock-based compensation are classified as financing cash flows.

Performance Stock Units to be Settled in Stock

Quanta recognizes compensation expense for performance stock units (PSUs) to be settled in common stock based on the fair value of the awards, net of estimated forfeitures. The resulting compensation expense for PSU awards is recognized on a straight-line basis over the requisite service period, which is generally the vesting period. Non-cash stock compensation expense related to PSUs to be settled in common stock is included in "Selling, general and administrative expenses."

PSUs provide for the issuance of shares of common stock upon vesting, which generally occurs following a three-year performance period based on achievement of performance metrics established by the Compensation Committee of Quanta's Board of Directors, including financial and operational goals and Quanta's total shareholder return as compared to a broad equity market index. The final number of shares of common stock issuable upon vesting of PSUs can range from 0% to 215% of the number of PSUs initially granted, depending on the level of achievement. Holders of PSUs are entitled to cash dividend equivalent payments in an amount equal to any cash dividend payable on account of the underlying Quanta common stock that ultimately vests; however, payment of such amounts is not made until the PSUs vest, such that the dividend equivalent payments are subject to forfeiture until vesting of the applicable PSUs.

The grant date fair value of the PSUs is determined as follows: (i) for the portion of the awards based on company financial and operational performance metrics, by multiplying the number of units granted by the closing price of Quanta's common stock on the date of grant and (ii) for the portion of the awards based on relative total shareholder return, by multiplying the number of units granted by a stock price estimated by utilizing a Monte Carlo simulation valuation methodology. Quanta recognizes compensation expense for PSUs, net of estimated forfeitures, based on the forecasted achievement of the company financial and operational performance metrics and forecasted performance with respect to relative total shareholder return, multiplied by the grant date fair value of the total number of shares of common stock that Quanta anticipates will be issued based on such achievement for the completed portion of the performance period. The compensation expense related to outstanding PSUs can vary from period to period based on changes in forecasted achievement of established performance metrics, the total number of shares of common stock that Quanta anticipates will be issued upon vesting of such PSUs and changes in forfeiture estimates.

Payments made by Quanta to satisfy employee tax withholding obligations associated with stock-based compensation are classified as financing cash flows.

Litigation Costs and Reserves

Quanta records reserves when the likelihood of incurring a loss is probable and the amount of loss can be reasonably estimated. Costs incurred for litigation are expensed as incurred. See Note 16 for additional information related to legal proceedings and other contingencies.

Functional Currency and Translation of Financial Statements

The U.S. dollar is the functional currency for the majority of Quanta's operations, which are primarily located within the United States. The functional currency for Quanta's foreign operations, which are primarily located in Canada and Australia, is typically the currency of the country where the foreign operating company is located and transacts the majority of its activities, including billings, financing, payroll and other expenditures. When preparing its consolidated financial statements, Quanta translates the financial statements of its foreign operating companies from their functional currency into U.S. dollars. Statements of operations, comprehensive income and cash flows are translated at average monthly rates, while balance sheets are translated at month-end exchange rates. The translation of the balance sheet results in translation gains or losses that are included as a separate component of equity under "Accumulated other comprehensive income (loss)." Gains and losses arising from transactions not denominated in functional currencies are included within "Other income (expense), net" in the accompanying consolidated statements of operations.

Fair Value Measurements

Quanta categorizes assets and liabilities, measured at fair value, into one of three different levels depending on the observability of the inputs employed in the measurement. Level 1 inputs are quoted prices for identical instruments in active markets. Level 2 inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable. Level 3 inputs are model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable. Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation.

Inputs, valuation techniques to estimate the fair value and levels are disclosed within the notes to these consolidated financial statements.

3. NEW ACCOUNTING PRONOUNCEMENTS:

Recently Adopted Guidance

In December 2023, the FASB issued an update that, among other things, 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. Quanta adopted this update in its Form 10-K for the year ended December 31, 2025 using the prospective approach.

New Accounting Pronouncements Not Yet Adopted

In December 2025, the FASB issued an update that improves the navigability of the required interim disclosures and clarifies when that guidance is applicable. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods and add a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. For public business entities, this update is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption and a prospective or retrospective approach are permitted. Quanta is currently assessing the effect of this update.

In September 2025, the FASB issued an update that clarifies the threshold entities apply to begin capitalizing costs related to software. The standard removes all references to the project stages and requires entities to begin capitalizing software costs when both of the following occur: (1) management, with the relevant authority, implicitly or explicitly authorizes and commits to funding a computer software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. This update is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption and a prospective, retrospective or modified transition approach are permitted. Quanta is currently assessing the effect of this update.

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.

4. REVENUE RECOGNITION AND RELATED BALANCE SHEET ACCOUNTS:

Contracts

Quanta's services include the design, new construction, upgrade and repair and maintenance of infrastructure primarily in the electric and gas utility, renewable energy, technology, communications, pipeline and energy industries. These 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 based on the methods by which transaction prices are determined and revenue is recognized: unit-price contracts, cost-plus contracts and fixed price contracts. Transaction prices for unit-price contracts are determined on a per unit basis, transaction prices for cost-plus contracts are determined by applying a profit margin to costs incurred on the contracts and transaction prices for fixed price contracts are determined on a lump-sum basis. All of Quanta's revenues are recognized from contracts with its customers. In addition to the considerations described below, revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Performance Obligations

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service. Most of Quanta's contracts are considered to have a single performance obligation whereby Quanta is required to integrate complex activities and equipment into a deliverable for a customer. For contracts with multiple performance obligations, Quanta allocates a portion of the total transaction price to each performance obligation using its best estimate of the standalone selling price of the distinct good or service associated with each performance obligation. Standalone selling price is estimated using the expected costs plus a margin.

As of December 31, 2025 and 2024, the aggregate transaction price allocated to unsatisfied or partially satisfied performance obligations was approximately $23.76 billion and $16.76 billion, with 66.1% 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 VIEs, 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.

Recognition of Revenue Upon Satisfaction of Performance Obligations

A transaction price is determined for each contract, and that amount is allocated to each performance obligation within the contract and recognized as revenue when, or as, the performance obligation is satisfied. Quanta recognizes certain revenue over time as it performs its obligations because there is a continuous transfer of control of the deliverable to the customer. Under unit-price contracts with an insignificant amount of partially completed units, Quanta recognizes revenue as units are completed based on contractual pricing amounts. 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. Under cost-plus contracts, Quanta recognizes revenue on an input basis, as labor hours are incurred, materials are utilized and services are performed.

Under contracts where Quanta has a right to consideration in an amount that directly corresponds to the value of completed performance, Quanta recognizes revenue in such amount and does not include such performance as a remaining performance obligation. Also, contract consideration is not adjusted for a significant financing component if payment is expected to be collected less than one year from when the services are performed.

Contract costs include labor, subcontract costs and certain direct material costs, as well as indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Additionally, Quanta may incur incremental costs to obtain certain contracts, such as selling and marketing costs, bid and proposal costs, sales commissions, and legal fees or initial set-up or mobilization costs, certain of which can be capitalized. There were no significant capitalized costs during the years ended December 31, 2025, 2024 and 2023.

Quanta provides limited warranties to customers for work performed under its contracts that typically extend for a limited duration following substantial completion of its work on a project. Such warranties are not sold separately and do not provide customers with a service other than the assurance of compliance with agreed-upon specifications. Accordingly, these types of warranties are not considered to be separate performance obligations, but any costs incurred or expected to be incurred, by Quanta in connection with these warranties are included in contract costs. During the years ended December 31, 2025, 2024 and 2023, Quanta has not been subject to a significant number of material warranty claims in connection with its services.

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. For example, estimated costs for a performance obligation may increase from an original estimate, and contractual provisions may not allow for adequate compensation or reimbursement for such additional costs. Changes in estimated revenues, costs and profit are recorded in the period they are determined to be probable and can be reasonably estimated. Contract losses are recognized in full when they are determined to be probable and can be reasonably estimated.

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 determines the probability that costs associated with change orders and claims will be recovered based on, among other things, contractual entitlement, past practices with the customer, specific discussions or preliminary negotiations with the customer and verbal approvals by the customer. 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. Most of Quanta's change orders are for services that are not distinct from an existing contract and are accounted for as part of an existing contract on a cumulative catch-up basis. Quanta accounts for a change order as a separate contract if the additional goods or services are distinct from and increase the scope of the contract, and the price of the contract increases by an amount commensurate to Quanta's standalone selling price for the additional goods or services.

As of December 31, 2025 and 2024, Quanta had recognized revenues of $983.6 million and $733.6 million related to unapproved change orders and claims included as contract price adjustments primarily in "Contract assets" in the accompanying 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 revenues recognized related to unapproved change orders and claims as of December 31, 2025 and 2024 is associated with a large renewable transmission project in Canada. During the course of construction, the project experienced decreased productivity and additional costs from delays, administrative requirements and labor issues due to the COVID-19 pandemic, including incremental governmental requirements and worksite restrictions, as well as work resequencing and acceleration, access delays, and logistical challenges and other issues outside of Quanta's control. The project was completed in 2024.

Variable consideration amounts, including performance incentives, early pay discounts and penalties, may also cause changes in contract estimates. The amount of variable consideration is estimated based on the most likely amount that is deemed probable of realization. Contract consideration is adjusted for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur once the uncertainty related to the variable consideration is resolved.

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%, 0.2% and 0.4% during the years ended December 31, 2025, 2024 and 2023 as a result of changes in estimates associated with performance obligations on fixed price contracts partially satisfied prior to December 31, 2024, 2023 and 2022. 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.

Revenues by Category

The following tables present Quanta's revenue disaggregated by contract type and by geographic location, as determined by the job location (in thousands):

	Year Ended December 31,					
	2025		2024		2023	
By contract type:						
Fixed price contracts	$ 17,258,996	60.6 %	$ 13,307,321	56.2 %	$ 10,251,037	49.1 %
Unit-price contracts	6,790,221	23.8	6,475,714	27.4	6,586,982	31.5
Cost-plus contracts	4,430,480	15.6	3,889,760	16.4	4,044,187	19.4
Total revenues	$ 28,479,697	100.0 %	$ 23,672,795	100.0 %	$ 20,882,206	100.0 %

	Year Ended December 31,					
	2025		2024		2023	
By primary geographic location:						
United States	$ 26,482,963	93.0 %	$ 21,606,807	91.3 %	$ 17,910,892	85.8 %
Canada	1,018,752	3.6	1,025,074	4.3	2,045,999	9.8
Australia	779,532	2.7	666,870	2.8	612,497	2.9
Others	198,450	0.7	374,044	1.6	312,818	1.5
Total revenues	$ 28,479,697	100.0 %	$ 23,672,795	100.0 %	$ 20,882,206	100.0 %

As described above, 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 63.8%, 60.0% and 56.5% of Quanta's revenues recognized during the years ended December 31, 2025, 2024 and 2023 were associated with this revenue recognition method.

Contract Assets and Liabilities

With respect to Quanta's contracts, interim payments are typically received as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. As a result, under fixed price contracts and unit-price contracts with more than an insignificant amount of partially completed units, the timing of revenue recognition and contract billings results in contract assets and contract liabilities. Contract assets represent revenues recognized in excess of amounts billed and are current assets that are transferred to accounts receivable when billed or the billing rights become unconditional. Contract assets are not considered a significant financing component as they are intended to protect the customer in the event Quanta does not perform on its obligations under the contract.

Conversely, contract liabilities represent billings in excess of revenues. These arise under certain contracts that allow for upfront payments from the customer or contain contractual billing milestones, which result in billings that exceed the amount of revenues recognized for certain periods. Contract liabilities are current liabilities and are not considered to have a significant financing component, as they are used to meet working capital requirements that are generally higher in the early stages of a contract and are intended to protect Quanta from the other party failing to meet its obligations under the contract. Contract assets and liabilities are recorded on a performance obligation basis at the end of each reporting period.

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

	December 31, 2025	December 31, 2024	December 31, 2023
Contract assets	$ 1,522,186	$ 1,208,619	$ 1,413,057
Contract liabilities	$ 3,258,465	$ 2,149,328	$ 1,538,677

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. The increase in contract assets from December 31, 2024 to December 31, 2025 was primarily due to increased activity of large projects. The decrease in contract assets from December 31, 2023 to December 31, 2024 was primarily due to the completion of certain large projects and the corresponding billing of amounts previously recorded as contract assets. The increase in contract liabilities from December 31, 2024 to December 31, 2025 and from December 31, 2023 to December 31, 2024 was primarily due to an increase in contract liabilities related to recent acquisitions and favorable billing terms on certain projects.

During the years ended December 31, 2025, 2024 and 2023, Quanta recognized revenue of approximately $1.98 billion, $1.42 billion and $1.04 billion 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 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):

	Year Ended December 31,		
	2025	2024	2023
Balance at beginning of year	$ 15,185	$ 13,962	$ 15,644
Increase in provision for credit losses	3,717	4,279	5,927
Write-offs charged against the allowance net of recoveries of amounts previously written off	(3,196)	(3,056)	(7,609)
Balance at end of year	$ 15,706	$ 15,185	$ 13,962

The above activity relates to the largest risk pool Quanta utilizes for assessing credit loss. The second risk pool represents approximately 8% of Quanta's consolidated financial instruments as of December 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 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 years ended December 31, 2025, 2024 or 2023, and no customer represented 10% or more of Quanta's consolidated receivable position as of December 31, 2025 or 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 December 31, 2025 and 2024 were $994.1 million and $666.5 million, which are included in "Accounts receivable." Retainage balances with expected settlement dates beyond one year were $228.7 million and $143.6 million as of December 31, 2025 and 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 December 31, 2025 and 2024, unbilled receivables included in "Accounts receivable" were $1.10 billion 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 $121.0 million and $97.9 million as of December 31, 2025 and 2024.

5. 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 ended 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, power generation, large load center 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 power 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 power 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, advanced manufacturing and industrial facilities and other load centers; 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. In addition, this segment provides turnkey mechanical plumbing and process infrastructure solutions for large load facilities in the technology, semiconductor, healthcare and other industries.

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 include 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.

The following tables show 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.

Year Ended December 31, 2025	**Electric**	**Underground and Infrastructure**	**Total**
Revenues	$23,001,468	$ 5,478,229	$ 28,479,697
Segment operating expense (excluding segment depreciation expense)	20,411,709	4,973,887	25,385,596
Segment depreciation expense	285,132	106,066	391,198
Segment operating expenses	20,696,841	5,079,953	25,776,794
Equity in earnings on integral unconsolidated affiliates	55,635	—	55,635
Segment operating income	$ 2,360,262	$ 398,276	$ 2,758,538
Segment operating margin	10.3 %	7.3 %	
Corporate and non-allocated costs [1]			(1,147,029)
Total consolidated operating income			$ 1,611,509

Year Ended December 31, 2024	**Electric [(2)]**	**Underground and Infrastructure [(3)]**	**Total**
Revenues	$19,012,379	$ 4,660,416	$ 23,672,795
Segment operating expense (excluding segment depreciation expense)	16,855,409	4,308,470	21,163,879
Segment depreciation expense	248,762	86,916	335,678
Segment operating expenses	17,104,171	4,395,386	21,499,557
Equity in earnings on integral unconsolidated affiliates	50,484	—	50,484
Segment operating income	$ 1,958,692	$ 265,030	$ 2,223,722
Segment operating margin	10.3 %	5.7 %	
Corporate and non-allocated costs [(1)]			(877,254)
Total consolidated operating income			$ 1,346,468

Year ended December 31, 2023	**Electric**	**Underground and Infrastructure**	**Total**
Revenues	$15,867,198	$ 5,015,008	$ 20,882,206
Segment operating expense (excluding segment depreciation expense)	14,195,394	4,559,507	18,754,901
Segment depreciation expense	222,855	77,524	300,379
Segment operating expenses	14,418,249	4,637,031	19,055,280
Equity in earnings on integral unconsolidated affiliates	41,609	—	41,609
Segment operating income	$ 1,490,558	$ 377,977	$ 1,868,535
Segment operating margin	9.4 %	7.5 %	
Corporate and non-allocated costs [(1)]			(740,559)
Total consolidated operating income			$ 1,127,976

(1) Corporate and non-allocated costs included amortization expense of $498.8 million, $383.0 million and $289.0 million and non-cash stock-based compensation of $181.9 million, $150.5 million and $126.8 million for the years ended December 31, 2025, 2024 and 2023.

(2) Included in the Electric segment revenues during the year ended December 31, 2024 was $30.2 million recognized in connection with payments received pursuant to an arbitration award related to a large telecommunications project in Peru that was terminated during 2019. The segment operating income impact related to such payments was $20.7 million, including the reimbursement of certain cost of services and net of foreign currency translation losses in connection with Quanta's substantial liquidation from Latin American operations.

(3) Included in operating expenses (excluding segment depreciation expense) for the Underground and Infrastructure segment during the year ended December 31, 2024 were losses of $11.9 million related to the disposition of a non-core business.

6. ACQUISITIONS:

On July 25, 2025, Quanta completed the acquisition of Dynamic Systems (DSI), LLC (Dynamic Systems), which provides turnkey mechanical, plumbing and process infrastructure solutions to a diversified customer base that includes technology, semiconductor, healthcare and other load center markets. Dynamic Systems is located in the United States, and its results have been primarily included in the Underground and Infrastructure segment. The consideration for the acquisition included approximately $1.26 billion in cash (subject to certain adjustments and including payment for cash held by Dynamic Systems as of the acquisition date) and 518,772 shares of Quanta common stock, which had a fair value of $218.8 million as of the acquisition date. Additionally, the former owner of Dynamic Systems is eligible for a potential contingent consideration payment of up to $216.0 million to the extent the acquired business achieves certain financial and other operating performance targets during a two-year post-acquisition period beginning in January 2026. To the extent payable, Quanta, at its sole discretion, can pay 15% of any such contingent consideration amount in Quanta common stock. The final amount of consideration for the acquisition remains subject to certain post-closing adjustments, including with respect to net working capital (inclusive of cash) and certain assumed liabilities.

During the year ended December 31, 2025, Quanta also acquired seven additional businesses, including two businesses located in the United States that specialize in civil solutions, including site clearing, earthwork, soil stabilization and infrastructure development (which have been included in the Underground and Infrastructure segment), a business located in Australia that specializes in electrical engineering and the design and manufacturing of industrial technology solutions (which has been included in both the Electric and Underground and Infrastructure segments), a business located in the United States that specializes in utility construction and related support services (which has primarily been included in the Electric segment), a business located in the United States that specializes in the design, construction and repair of overhead and underground transmission and distribution infrastructure, civil construction services related to substations as well as helicopter services for electric utility infrastructure (which has primarily been included in the Electric segment), a business located in the United States that specializes in electrical solutions including low voltage technology, testing, engineering, integration, renewable energy and electric prefabrication solutions (which has primarily been included in the Electric segment) and a business located in the United States that provides helicopter services (which has primarily been included in the Electric segment and was accounted for as an asset acquisition so is not included in the disclosures in this note). The consideration for the transactions acquired in 2025, other than Dynamic Systems, and accounted for as business combinations consisted of approximately $2.00 billion in cash and 789,824 shares of Quanta common stock, which had a fair value of $284.5 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 certain of these businesses are eligible to receive payments of contingent consideration of up to approximately $228.0 million to the extent the acquired businesses achieve certain financial and other operating performance targets over a three-year period. To the extent payable, Quanta, at its sole discretion, can pay up to approximately one-fourth of certain contingent consideration amounts in Quanta common stock.

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. The aggregate consideration for the acquisition was approximately $2.04 billion, which included approximately $1.65 billion 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 contingent consideration payment of up to $200.0 million based on achievement of certain financial and other operating 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.

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 (which has been primarily included in the Underground and Infrastructure segment); a business that specializes in testing, manufacturing and distributing safety equipment and supplies (which has been primarily included in the Electric segment); a business that specializes in electrical infrastructure services for substations, data centers and governmental entities (which has been primarily included in the Electric segment); a business that manufactures transmission and distribution equipment for the electric utility industry (which has been primarily included in the Electric segment); a business that provides services and equipment related to aerial telecommunications infrastructure and networks (which has been primarily included in the Electric segment); a business that provides services related to fiber optic networks (which has been 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 (which has been primarily included in the Electric segment). The consideration for these businesses consisted of approximately $540.9 million in cash and 334,472 shares of Quanta common stock, which had a fair value of $74.8 million as of the acquisition dates.

During the year ended December 31, 2023, Quanta acquired five businesses located in the United States that are primarily included in the Electric segment including: a business that provides services related to high-voltage transmission lines, overhead and underground distribution, emergency restoration and industrial and commercial wiring and lighting; a business that procures parts, assembles kits for sale, manages logistics and installs solar tracking equipment for utility and development customers; a business that provides concrete construction services; a business specializing in power studies, maintenance testing and commissioning primarily for utility and commercial customers; and a business that manufactures power transformers for the electric utility, renewable energy, municipal power and industrial markets. The consideration for these transactions consisted of approximately $780.8 million in cash and 1,238,576 shares of Quanta common stock, which had a fair value of $158.9 million as of the dates of the acquisitions.

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

Purchase price allocations require significant use of estimates and are based on information that was available to management at the time these consolidated financial statements were prepared. Quanta uses a variety of information to estimate fair values, including quoted market prices, carrying amounts and valuation techniques such as discounted cash flows. When deemed appropriate, third-party appraisal firms are engaged to assist in fair value determination of fixed assets, intangible assets and certain other assets and liabilities.

Quanta is finalizing its purchase price allocations related to certain businesses acquired in 2025 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 following table summarizes the estimated fair value of total consideration transferred or estimated to be transferred and the fair value of assets acquired, liabilities assumed and non-controlling interest recognized as of their respective acquisition dates as of December 31, 2025 for acquisitions completed in the year ended December 31, 2025 and 2024 (in thousands):

	Year Ended December 31,			
	2025		2024	
	Dynamic Systems	All Others	CEI	All Others
Consideration:				
Cash paid or payable	$ 1,264,009	$ 1,997,842	$ 1,654,967	$ 540,882
Value of Quanta common stock issued	218,756	284,478	216,264	74,797
Contingent consideration	190,561	188,737	163,999	24,266
Fair value of total consideration transferred or estimated to be transferred	$ 1,673,326	$ 2,471,057	$ 2,035,230	$ 639,945
Cash and cash equivalents	$ 66,696	$ 125,040	$ 414,705	$ 31,403
Accounts receivable	279,720	608,139	339,254	72,263
Contract assets	9,859	62,415	92,160	8,995
Inventories	1,955	3,479	—	46,345
Prepaid expenses and other current assets	1,303	23,054	23,233	12,455
Property and equipment	30,398	237,197	32,207	92,214
Operating lease right-of-use assets	19,281	21,987	28,906	25,429
Other assets	9,767	2,395	35,713	616
Identifiable intangible assets	532,400	1,010,069	669,000	211,042
Current portion of operating lease liabilities	(4,850)	(4,605)	(10,665)	(4,908)
Accounts payable and accrued expenses	(97,541)	(275,879)	(315,436)	(72,885)
Contract liabilities	(145,553)	(140,618)	(222,538)	(28,434)
Operating lease liabilities, net of current portion	(14,431)	(17,385)	(19,448)	(20,524)
Deferred income taxes	—	(81,443)	(15,936)	(48,646)
Insurance and other non-current liabilities	—	(11,983)	(11,011)	(9,744)
Non-controlling interest	—	(84,379)	—	—
Total identifiable net assets	689,004	1,477,483	1,040,144	315,621
Goodwill	984,322	993,574	995,086	324,324
Fair value of net assets acquired	$ 1,673,326	$ 2,471,057	$ 2,035,230	$ 639,945

Goodwill represents the amount by which the purchase price for an acquired business exceeds the net fair value of the identifiable assets acquired and liabilities assumed. The acquisitions completed during the year ended December 31, 2025, 2024 and 2023 contributed to the recognition of goodwill by strategically expanding Quanta's Electric and Underground and Infrastructure segments, primarily in the U.S. Goodwill, included in the Underground and Infrastructure segment, increased by $44.0 million during the year ended December 31, 2025 as a result of certain contingent consideration adjustments associated with Quanta's 2025 acquisitions. Goodwill increased by $58.5 million during the year ended December 31, 2024 as a result of certain post-closing adjustments associated with Quanta's acquisition of CEI. As of December 31, 2025, approximately $1.75 billion, $43.2 million and $380.6 million of goodwill is expected to be deductible for income tax purposes related to acquisitions completed in 2025, 2024 and 2023.

Quanta's identifiable 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 2025 and 2024 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).

	Year Ended December 31, 2025			
	Dynamic Systems		All Others	
	Estimated Fair Value	Amortization Period in Years	Estimated Fair Value	Weighted Average Amortization Period in Years
Customer relationships	$ 355,000	8.0	$ 758,389	7.1
Backlog	58,200	2.0	116,635	1.6
Trade names	101,000	15.0	123,366	15.0
Non-compete agreements	18,200	5.0	11,679	5.0
Total identifiable intangible assets	$ 532,400	8.6	$ 1,010,069	7.4

	Year Ended December 31, 2024			
	CEI		All Others	
	Estimated Fair Value	Amortization Period in Years	Estimated Fair Value	Weighted Average Amortization Period in Years
Customer relationships	$ 404,000	8.0	$ 163,355	7.1
Backlog	90,000	3.0	21,425	2.8
Trade names	175,000	15.0	20,542	14.9
Non-compete agreements	—	N/A	3,444	5.0
Patented rights, developed technology, process certifications and other	—	N/A	2,276	15.0
Total identifiable intangible assets	$ 669,000	9.2	$ 211,042	7.4

The fair value of customer relationships is estimated as of the date a business is acquired based on the value-in-use concept utilizing the income approach, specifically the multi-period excess earnings method. This method discounts to present value the projected cash flows attributable to the customer relationships, with consideration given to customer contract renewals and estimated customer attrition rates. The significant assumptions used by management in determining the fair values of customer relationships include future revenues, margins, discount rates and customer attrition rates. The following table includes the discount rates and customer attrition rates used to determine the fair value of customer relationships for businesses acquired during the year ended December 31, 2025 and 2024 as of the respective acquisition dates:

	Year Ended December 31,			
	2025		2024	
	Range	Weighted Average	Range	Weighted Average
Discount rates	13% to 20%	16%	15% to 24%	15%
Customer attrition rates	5% to 30%	11%	10% to 25%	11%

The fair value of backlog is estimated as of the acquisition date based upon the contractual nature of the backlog using the multi-period excess earnings method, which discounts to present value the projected cash flows attributable to the backlog. The fair value of trade names is estimated using the income approach, specifically the relief-from-royalty method, which is based on the assumption that in lieu of ownership, a company would be willing to pay a royalty for use of the trade name. The significant assumptions used by management in determining the fair values of trade name intangible assets include future revenues, royalty rates, and discount rates. The value of a non-compete agreement is estimated based on the difference between the present value of the prospective cash flows with the agreement in place and the present value of the prospective cash flows without the agreement in place. The level of inputs used for these identifiable intangible asset fair value measurements is Level 3.

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 December 31, 2025 and their classification in the accompanying consolidated balance sheets is as follows (in thousands):

	December 31, 2025	December 31, 2024
Accounts payable and accrued expenses	$ 7,333	$ 152,030
Insurance and other non-current liabilities	586,496	192,954
Total contingent consideration liabilities	$ 593,829	$ 344,984

The estimated fair values of these contingent consideration liabilities are generally measured on a recurring basis using a scenario-based discounted cash flow method, which considers significant inputs not observable in the market and are Level 3 inputs. The significant estimates used by management in determining fair value consist of projections of future financial results in relation to specific performance criteria and other discretionary operating provisions specified in the contingent consideration agreements. These forecast projections include inputs such as revenues, operating margins and management's probability assessment with respect to the likelihood of acquired businesses achieving those performance criteria during designated post-acquisition periods. Appropriate discount rates are also applied to determine the present value of the future expected payments.

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 "Increase in fair value of contingent consideration liabilities" in the accompanying consolidated statements of operations.

All of Quanta's outstanding contingent consideration liabilities are each subject to a maximum payment amount, and the aggregate maximum payment amount of these liabilities for acquisitions completed prior to December 31, 2025 totaled $713.0 million as of December 31, 2025. During the year ended December 31, 2025, Quanta made cash payments of $106.8 million and issued 158,040 shares of its common stock to settle contingent consideration liabilities. During the year ended December 31, 2023, Quanta settled certain contingent consideration liabilities with cash payments of $5.0 million.

Pro Forma Results of Operations

The following unaudited supplemental pro forma results of operations for Quanta, which incorporate the acquisitions completed in 2025, 2024 and 2023, 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).

	Year Ended December 31,		
	2025	2024	2023
Revenues	$ 30,550,869	$ 28,221,667	$ 23,403,024
Net income attributable to common stock [1]	$ 1,005,724	$ 582,499	$ 638,973

[1] The pro forma results of operations for the year ended December 31, 2025 include one-time acquisition-related expenses of $78.7 million ($58.2 million net of tax) for pre-acquisition transaction costs incurred by certain acquired businesses. The pro forma results of operations for the year ended December 31, 2024 include one-time acquisition-related expenses of $453.8 million ($335.8 million net of tax) for pre-acquisition transaction costs incurred by CEI, primarily related to the vesting and increase in value of stock appreciation rights as a result of the acquisition.

The pro forma combined results of operations for the years ended December 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 years ended December 31, 2024 and 2023 were prepared by further adjusting the historical results of Quanta to include the historical results of the businesses acquired in 2024 as if such acquisitions had occurred January 1, 2023. The pro forma combined results of operations for the year ended December 31, 2023 were prepared by further adjusting the historical results of Quanta to include the historical results of the businesses acquired in 2023 as if such acquisitions occurred January 1, 2022. 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 acquisitions of CEI and Dynamic Systems and cash consideration paid for the other acquired businesses; an increase in amortization 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 consolidated results of operations were the following revenues and income before income taxes related to acquisitions completed in each respective year (in thousands). Also included in Quanta's consolidated results of operations for the years ended December 31, 2025, 2024 and 2023 were acquisition costs of $48.8 million, $17.1 million and $31.8 million related to the acquisitions completed in 2025, 2024 and 2023, respectively.

	Year Ended December 31,		
	2025	2024	2023
Revenues	$ 1,114,577	$ 1,596,606	$ 475,223
Income before income taxes	$ 83,113	$ 17,744	$ 15,871

7. GOODWILL AND OTHER INTANGIBLE ASSETS:

Goodwill

The changes in the carrying amount of goodwill of each of Quanta's reportable segments were as follows (in thousands):

	Electric Segment	Underground and Infrastructure Segment	Total
Balance at December 31, 2023 [(1)]	$ 3,371,687	$ 674,218	$ 4,045,905
Goodwill related to acquisition completed in 2024	1,126,121	186,993	1,313,114
Purchase price allocation adjustments	(10,996)	—	(10,996)
Goodwill written off due to sale of business [(1)]	—	(6,147)	(6,147)
Foreign currency translation adjustments	(13,725)	(11,708)	(25,433)
Balance at December 31, 2024 [(1)]	4,473,087	843,356	5,316,443
Goodwill related to the acquisitions completed in 2025	645,725	1,332,171	1,977,896
Purchase price allocation adjustments	5,933	364	6,297
Foreign currency translation adjustments	8,951	7,641	16,592
Balance at December 31, 2025 [(1)]	$ 5,133,696	$ 2,183,532	$ 7,317,228

(1) Included in the Underground and Infrastructure segment for the years ended December 31, 2025, 2024, and 2023 was accumulated impairment of $50.7 million, $49.9 million and $96.1 million. During the year ended December 31, 2024, $45.1 million of accumulated impairment was written off related to the Underground and Infrastructure segment due to the sale of a business.

In connection with the 2025, 2024 and 2023 annual goodwill assessments, management performed a qualitative impairment assessment of Quanta's reporting units, which indicated that it was more likely than not that the fair value of its reporting units was greater than their carrying value including goodwill. Accordingly, a quantitative goodwill impairment test was not required, and no goodwill impairment was recognized in 2025, 2024 or 2023.

Other Intangible Assets

Quanta's identifiable intangible assets and the remaining weighted average amortization periods related to its intangible assets subject to amortization were as follows (in thousands except for weighted average amortization periods, which are in years):

	As of December 31, 2025				As of December 31, 2024		
	Remaining Weighted Average Amortization Period in Years	Intangible Assets	Accumulated Amortization	Intangible Assets, Net	Intangible Assets	Accumulated Amortization	Intangible Assets, Net
Customer relationships	5.7	$3,523,939	$(1,464,107)	$2,059,832	$2,405,606	$(1,105,099)	$ 1,300,507
Backlog	1.6	618,911	(454,847)	164,064	442,459	(358,596)	83,863
Trade names	12.9	794,379	(156,085)	638,294	569,307	(113,970)	455,337
Non-compete agreements	4.5	91,781	(57,513)	34,268	61,589	(51,453)	10,136
Patented rights, developed technology, process certifications and other	12.5	35,413	(33,140)	2,273	35,317	(32,763)	2,554
Curriculum	3.2	16,691	(12,234)	4,457	15,618	(10,478)	5,140
Total intangible assets subject to amortization	7.1	5,081,114	(2,177,926)	2,903,188	3,529,896	(1,672,359)	1,857,537
Engineering license		3,000	—	3,000	3,000	—	3,000
Other intangible assets, net		$5,084,114	$(2,177,926)	$2,906,188	$3,532,896	$(1,672,359)	$ 1,860,537

Amortization expense for intangible assets was $498.8 million, $383.0 million and $289.0 million for the years ended December 31, 2025, 2024 and 2023.

The estimated future aggregate amortization expense of intangible assets subject to amortization as of December 31, 2025 is set forth below (in thousands):

Year Ending December 31:	
2026	$ 623,128
2027	541,168
2028	429,002
2029	274,067
2030	260,335
Thereafter	775,488
Total	$ 2,903,188

8. INVESTMENTS IN AFFILIATES AND OTHER ENTITIES:

Equity Investments

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

	December 31, 2025	December 31, 2024
Equity method investments - integral unconsolidated affiliates	$ 265,094	$ 101,460
Equity method investments - non-integral unconsolidated affiliates	76,134	77,617
Non-marketable equity securities	70,453	62,539
Total equity investments	$ 411,681	$ 241,616

Equity Method Investments

During the year ended December 31, 2025, Quanta acquired a 40.0% equity interest in a company that specializes in harvesting, treating and manufacturing wood utility poles and laminated wood products for utility and telecommunication companies. Quanta's investment is accounted for as an equity method investment and the investee is considered to be an integral unconsolidated affiliate.

During the year ended December 31, 2024, Quanta sold a non-integral equity method investment and recognized a $12.6 million gain, $5.0 million of which was attributable to non-controlling interests. Also during the year ended December 31, 2024, Quanta received $35.4 million in cash related to the sale of this investment, $5.0 million of which was distributed to non-controlling interests.

During the three months ended December 31, 2022, Quanta entered into an agreement to sell a non-integral equity method investment. The transaction was subject to certain customary closing conditions that were satisfied in early 2023. As a result, a $25.9 million gain was recognized in the fourth quarter of 2022, $10.4 million of which was attributable to non-controlling interests. During the year ended December 31, 2023, Quanta received $58.5 million in cash related to the sale of this investment, $9.8 million of which was distributed to non-controlling interests.

As of December 31, 2025 and 2024, Quanta had receivables of $165.0 million and $133.3 million from its unconsolidated affiliates and payables of $20.3 million and $15.4 million to its unconsolidated affiliates. Quanta recognized revenues of $163.2 million, $226.2 million and $215.0 million during the years ended December 31, 2025, 2024 and 2023 from services provided to its unconsolidated affiliates. The receivables balances and revenues recognized are primarily related to services provided to LUMA Energy, LLC (LUMA), Quanta's joint venture that operates and maintains the electric transmission and distribution system in Puerto Rico, at cost. During the years ended December 31, 2025, 2024 and 2023, Quanta recognized costs of services of $527.8 million, $411.4 million and $201.3 million for services provided to Quanta by unconsolidated affiliates other than LUMA.

Total equity in earnings from integral unconsolidated affiliates was $55.6 million, $50.5 million, and $41.6 million for the years ended December 31, 2025, 2024 and 2023. Total equity in (losses) earnings from non-integral unconsolidated affiliates was $(9.2) million, $2.6 million and $1.3 million for the years ended December 31, 2025, 2024 and 2023. Equity in losses and earnings from non-integral unconsolidated affiliates are included in "Other income, net" in the accompanying consolidated statements of operations. As of December 31, 2025, Quanta had $62.4 million of undistributed earnings from unconsolidated affiliates.

Any 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 and gives rise to a basis difference, which was $168.0 million and $44.5 million as of December 31, 2025 and 2024. The amortization of the basis difference is primarily included in "Equity in earnings of integral unconsolidated affiliates" in the accompanying consolidated statements of operations for the years ended December 31, 2025, 2024 and 2023, was $7.3 million, $4.3 million and $6.2 million.

9. PER SHARE INFORMATION:

The amounts used to compute basic and diluted earnings per share attributable to common stock consisted of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Amounts attributable to common stock:			
Net income attributable to common stock	$ 1,028,378	$ 904,824	$ 744,689
Weighted average shares:			
Weighted average shares outstanding for basic earnings per share attributable to common stock	148,790	146,929	145,222
Effect of dilutive unvested non-participating stock-based awards	2,501	3,127	3,601
Weighted average shares outstanding for diluted earnings per share attributable to common stock	151,291	150,056	148,823

10. DEBT OBLIGATIONS:

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

	December 31, 2025	December 31, 2024
4.75% Senior Notes due August 2027	$ 600,000	$ 600,000
4.30% Senior Notes due August 2028	500,000	—
2.90% Senior Notes due October 2030	1,000,000	1,000,000
4.50% Senior Notes due January 2031	500,000	—
2.35% Senior Notes due January 2032	500,000	500,000
5.25% Senior Notes due August 2034	650,000	650,000
5.10% Senior Notes due August 2035	500,000	—
3.05% Senior Notes due October 2041	500,000	500,000
Borrowings under senior credit facility (including Term Loan)	675,000	735,445
Borrowings under commercial paper program	316,000	—
Lease financing transactions	198,847	155,549
Other long-term debt	2,761	4,939
Finance leases	93,055	47,993
Unamortized discount and financing costs	(40,757)	(31,490)
Total long-term debt obligations	5,994,906	4,162,436
Less — Current maturities of long-term debt	763,898	62,680
Total long-term debt obligations, net of current maturities	$ 5,231,008	$ 4,099,756

As of December 31, 2025, principal payments required to be made during the next five years are set forth in the table below (in thousands). The payments required under finance leases are provided in Note 11.

2026	$ 689,829
2027	$ 615,086
2028	$ 511,556
2029	$ 9,026
2030	$ 1,321,920

Senior Notes

In August 2025, Quanta issued $1.50 billion aggregate principal amount of senior notes consisting of $500.0 million aggregate principal amount of 4.30% senior notes due August 2028 (the 2028 notes), $500.0 million aggregate principal amount of 4.50% senior notes due January 2031 (the 2031 notes) and $500.0 million aggregate principal amount of 5.10% senior notes due August 2035 (the 2035 notes). The cumulative proceeds from the public offering of the 2028 notes, 2031 notes and 2035 notes were $1.48 billion, net of the original issue discount, underwriting discounts and deferred financing costs, and were used to repay indebtedness, including certain commercial paper borrowings and revolving loans under Quanta's senior credit facility that were utilized primarily to acquire Dynamic Systems.

In August 2024, Quanta issued $1.25 billion aggregate principal amount of senior notes consisting of $600.0 million aggregate principal amount of 4.75% senior notes due August 2027 (the 2027 notes) and $650.0 million aggregate principal amount of 5.25% senior notes due August 2034 (the 2034 notes). The cumulative proceeds from the public offering of the 2027 notes and 2034 notes were $1.24 billion, net of the original issue discount, underwriting discounts and deferred financing costs, which were used to repay certain short-term and commercial paper borrowings that were utilized to acquire CEI.

The indenture and supplemental indentures governing our senior notes (collectively, the indenture) contain covenants that, among other things, limit Quanta's ability to incur liens securing certain indebtedness, to engage in certain sale and leaseback transactions with respect to certain properties and to sell all or substantially all of Quanta's assets or merge or consolidate with or into other companies. The indenture also contains customary events of default.

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
4.30% Senior Notes due August 2028	$ 10,750	February 9 and August 9	February 9, 2026
2.90% Senior Notes due October 2030	$ 14,500	April 1 and October 1	April 1, 2021
4.50% Senior Notes due January 2031	$ 11,250	January 15 and July 15	January 15, 2026
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
5.10% Senior Notes due August 2035	$ 12,750	February 9 and August 9	February 9, 2026
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 $4.53 billion as of December 31, 2025, compared to a carrying value of $4.71 billion net of unamortized bond discount, underwriting discounts and deferred financing costs of $40.3 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.

Senior Credit Facility

As of December 31, 2025, the credit agreement for Quanta's senior credit facility provided for a term loan facility with $675.0 million outstanding and a maturity date of October 8, 2026, and aggregate revolving commitments of $2.80 billion, with a maturity date of July 31, 2030. Subject to the conditions specified in the credit agreement, Quanta has the option to increase the capacity of the 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. Borrowings under the senior credit facility and the applicable interest rates were as follows (dollars in thousands):

	Year Ended December 31,		
	2025	2024	2023
Maximum amount outstanding	$ 1,444,375	$ 1,262,736	$ 1,004,677
Average daily amount outstanding	$ 707,513	$ 855,033	$ 929,201
Weighted-average interest rate	5.61 %	6.62 %	6.62 %

The credit agreement contains certain covenants, including, as of the end of any fiscal quarter of Quanta, (i) a maximum Consolidated Leverage Ratio (as defined in the credit agreement) of 3.5 to 1.0 (except that in connection with certain permitted acquisitions in excess of $200.0 million, such ratio is 4.0 to 1.0 for the fiscal quarter in which the acquisition is completed and the four subsequent fiscal quarters) and (ii) a minimum Consolidated Interest Coverage Ratio (as defined in the credit agreement) of 3.0 to 1.0. As of December 31, 2025, Quanta was in compliance with all of the financial covenants under the credit agreement.

The Consolidated Leverage Ratio is the ratio of Quanta's total funded debt to Consolidated EBITDA (as defined in the credit agreement). For purposes of calculating the Consolidated Leverage Ratio, total funded debt is reduced by available cash and Cash Equivalents (as defined in the credit agreement) in excess of $25.0 million. Consolidated Interest Coverage Ratio is the ratio of (i) Consolidated EBIT (as defined in the credit agreement) for the four fiscal quarters most recently ended to (ii) Consolidated Interest Expense (as defined in the credit agreement) for such period (excluding all interest expense attributable to capitalized loan costs and the amount of fees paid in connection with the issuance of letters of credit on behalf of Quanta during such period).

The credit agreement also limits certain acquisitions, mergers and consolidations, indebtedness, asset sales and prepayments of indebtedness and, subject to certain exceptions, prohibits liens on Quanta's assets. These limits include a limit on surety-backed letters of credit issued separate from the senior credit facility, which are not to exceed $500.0 million at any one time outstanding. The credit agreement allows cash payments for dividends and stock repurchases subject to compliance with the following requirements (including after giving effect to the dividend or stock repurchase): (i) no default or event of default under the credit agreement; (ii) continued compliance with the financial covenants in the credit agreement; and (iii) at least $100.0 million of availability under the senior credit facility and/or cash and cash equivalents on hand.

The credit agreement provides for customary events of default and contains cross-default provisions with other debt instruments exceeding $400.0 million in borrowings or availability. If an Event of Default (as defined in the credit agreement) occurs and is continuing, on the terms and subject to the conditions set forth in the credit agreement, the lenders may declare all amounts outstanding and accrued and unpaid interest immediately due and payable, require that Quanta provide cash collateral for all outstanding letter of credit obligations and terminate the commitments under the credit agreement.

Term Loan. As of December 31, 2025, Quanta had $675.0 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.

The term loan requires quarterly principal payments in the amount of $18.8 million per quarter in 2026, with the remaining principal amount outstanding paid at maturity in October 2026. Quanta may voluntarily prepay the term loan borrowings from time to time, in whole or in part, without premium or penalty. Amounts borrowed under the term loan facility bear interest at Term SOFR (as defined in the credit agreement) plus 1.125%.

Revolving Loans. As of December 31, 2025, Quanta had no outstanding revolving loans under the senior credit facility. 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 capacity under our senior credit facility. During the year ended December 31, 2025, Quanta extended the maturity date for revolving loans under the credit agreement for its senior credit facility from July 31, 2029 to July 31, 2030.

Letters of Credit. As of December 31, 2025, Quanta had $65.7 million of letters of credit issued under the senior credit facility, which were primarily denominated in U.S. 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 December 31, 2025, $2.42 billion remained available under the senior credit facility for new revolving loans, letters of credit and support of the commercial paper program.

Amounts borrowed in U.S. dollars under the revolving credit facility bear interest, at Quanta's option, at a rate equal to either (a) the Term SOFR plus 1.125% to 1.750%, or (b) the Base Rate plus 0.125% to 0.750%, each as determined based on either Quanta's Consolidated Leverage Ratio or its Debt Rating, whichever is more favorable to Quanta. Revolving loans borrowed in any currency other than U.S. dollars bear interest at a rate equal to the Alternative Currency Daily Rate or the Alternative Currency Term Rate (each as defined in the credit agreement), as applicable, plus 1.125% to 1.750%, as determined based on either Quanta's Consolidated Leverage Ratio or Quanta's Debt Rating, whichever is more favorable to Quanta. On June 10, 2024, the senior credit facility was amended to establish Term CORRA (as defined in the Amended Credit Agreement) as the benchmark rate for borrowings denominated in Canadian dollars, in replacement of the CDOR Rate (as defined therein prior to giving effect to the amendment). Additionally, standby or commercial letters of credit issued under the credit agreement are subject to a letter of credit fee of 1.125% to 1.750%; Performance Letters of Credit (as defined in the credit agreement) issued under the credit agreement in support of certain contractual obligations are subject to a letter of credit fee of 0.675% to 1.125%; and Quanta is subject to a commitment fee of 0.100% to 0.275% on any unused availability under the revolving credit facility, in each case as determined based on either the Quanta's Consolidated Leverage Ratio or its Debt Rating, whichever is more favorable to Quanta.

Commercial Paper Program

Effective November 7, 2025, Quanta increased the maximum aggregate amount of its existing unsecured commercial paper program to $2.80 billion of notes outstanding at any time. Prior to the increase, the maximum aggregate amount of the program was $1.50 billion. The notes are sold under customary market terms in the U.S. commercial paper market at a discount from par or at par and bear interest at rates determined at the time of issuance. The maturities of the notes may vary, but may not exceed 397 days from the date of issuance. The carrying amounts of the notes issued under Quanta's commercial paper program approximate fair value, as all notes currently have a short maturity. As of December 31, 2025, Quanta had $316.0 million of outstanding notes with a weighted average maturity of two days.

Borrowings under the commercial paper program and the applicable interest rates were as follows (dollars in thousands):

	Year Ended December 31,		
	2025	2024	2023
Maximum amount outstanding	$ 1,500,000	$ 1,415,000	$ 938,400
Average daily amount outstanding	$ 481,636	$ 362,220	$ 644,942
Weighted-average interest rate	4.61 %	5.37 %	5.82 %

On July 17, 2024, Quanta utilized approximately $1.20 billion of borrowings under its commercial paper program, $400.0 million of borrowings under an additional term loan described below, and cash on hand, primarily to finance the cash portion of the acquisition of CEI and pay certain related costs and expenses and working capital requirements. As described above, the proceeds from the issuance of the 2027 notes and the 2034 notes were utilized to repay the $400.0 million additional term loan and certain commercial paper borrowings.

Additional Term Loan

In July 2024, Quanta entered into, and borrowed the full amount available under, a $400.0 million 90-day term loan facility outside of the senior credit facility for the purpose of financing a portion of the acquisition of CEI. Quanta voluntarily prepaid the term loan borrowings, in whole without premium or penalty, in August 2024 with proceeds from the issuance of the 2027 notes and 2034 notes. The term loan facility bore interest at a rate equal to the Term SOFR (as defined in the 90-day term loan agreement) plus 1.375%.

Additional Letters of Credit

As of December 31, 2025, Quanta had $705.7 million of letters of credit issued outside of its senior credit facility, which were primarily denominated in U.S. dollars.

11. LEASES:

Quanta primarily leases land, buildings, vehicles, construction equipment and office equipment. As of December 31, 2025, the majority of Quanta's leases had remaining lease terms of less than 11 years. Certain leases include options to extend their terms in increments of up to ten years and/or options to terminate. The components of lease costs in the accompanying consolidated statements of operations are as follows (in thousands):

Lease and lease financing cost	Classification	Year Ended December 31, 2025	2024	2023
Finance lease cost:				
Amortization of lease assets	Depreciation [1]	$ 12,321	$ 11,462	$ 4,944
Interest on lease liabilities	Interest and other financing expenses	2,445	2,798	1,463
Lease financing transactions:[2]				
Depreciation	Depreciation [1]	13,092	10,396	7,698
Interest	Interest and other financing expenses	27,505	17,600	12,992
Operating lease cost	Cost of services and Selling, general and administrative expenses	129,611	108,879	93,133
Short-term and variable lease cost [3]	Cost of services and Selling, general and administrative expenses	1,483,281	1,245,011	1,106,454
Total lease and lease financing cost		$ 1,668,255	$ 1,396,146	$ 1,226,684

(1) Depreciation is included within "Cost of services" and "Selling, general and administrative expenses" in the accompanying consolidated statements of operations.

(2) Certain of Quanta's equipment rental agreements contain purchase options pursuant to which the purchase price is offset by a portion of the rental payments. When these purchase options are exercised by a third-party lessor on behalf of Quanta, the transaction is deemed to be a financing transaction for accounting purposes, which results in the recognition of an asset equal to the purchase price and a corresponding liability.

(3) Short-term lease cost includes both leases and rentals with initial terms of one year or less. Variable lease cost is insignificant.

Quanta has entered into arrangements with certain related parties to lease real and personal property and facilities. Typically, the parties are employees of Quanta who are also the former owners of businesses acquired by Quanta, and the real property and facilities continue to be utilized by Quanta subsequent to the acquisitions. Quanta utilizes third-party market valuations to evaluate rental rates for these properties and facilities, and the lease agreements generally have remaining lease terms of up to 11 years, subject to renewal options. Related party lease expense was $27.2 million, $18.7 million and $16.5 million for the years ended December 31, 2025, 2024 and 2023.

The components of leases in the accompanying consolidated balance sheets were as follows (in thousands):

Lease type	Classification	December 31, 2025	December 31, 2024
Assets:			
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 400,814	$ 299,895
Finance lease assets	Property and equipment, net of accumulated depreciation	87,242	43,018
Lease financing transaction assets	Property and equipment, net of accumulated depreciation	193,658	155,548
Total lease and lease financing assets		$ 681,714	$ 498,461
Liabilities:			
Current:			
Operating	Current portion of operating lease liabilities	$ 114,377	$ 94,162
Finance	Current maturities of long-term debt and short-term debt	69,608	11,641
Lease financing transaction liabilities	Current maturities of long-term debt and short-term debt	17,933	11,307
Non-current:			
Operating	Operating lease liabilities, net of current portion	309,671	222,359
Finance	Long-term debt, net of current maturities	23,447	36,352
Lease financing transaction liabilities	Long-term debt, net of current maturities	180,914	144,242
Total lease and lease financing liabilities		$ 715,950	$ 520,063

Future minimum lease payments for operating leases and finance leases were as follows (in thousands):

	As of December 31, 2025		
	Operating Leases	Finance Leases	Total
2026	$ 133,445	$ 71,256	$ 204,701
2027	108,919	9,810	118,729
2028	81,279	7,602	88,881
2029	54,540	5,207	59,747
2030	35,988	2,560	38,548
Thereafter	70,163	259	70,422
Total future minimum payments related to operating leases and finance leases	484,334	96,694	581,028
Less imputed interest	(60,286)	(3,639)	(63,925)
Total	$ 424,048	$ 93,055	$ 517,103

Future minimum lease payments for short-term leases were $42.1 million as of December 31, 2025. As of December 31, 2025, Quanta also had minimum lease payments related to operating lease obligations of $47.7 million for leases that had not yet commenced as of such date, are expected to commence in 2026 and have lease terms of one to eleven years. Additionally, as described above, certain of Quanta's equipment rental agreements contain purchase options pursuant to which the purchase price is offset by a portion of the rental payments. The future payments related to these lease financing transactions totaled

$142.1 million and comprise principal and interest payments. The principal payments related to lease financing transactions required to be made during the next five years are included in the debt maturity table in Note 10.

The weighted average remaining lease terms (other than for short-term leases) and discount rates were as follows:

	As of December 31,	
	2025	2024
Weighted average remaining lease term (in years):		
Operating leases	4.87	4.48
Finance leases	1.36	4.35
Weighted average discount rate:		
Operating leases	5.4 %	5.1 %
Finance leases	5.7 %	6.1 %

Quanta has also guaranteed the residual value under certain of its equipment operating leases and real estate finance leases, agreeing to pay any difference between the residual value and the fair market value of the underlying asset at the date of lease termination. Historically, the fair value of the assets at the time of lease termination generally has approximated or exceeded the residual value guarantees, and therefore such guarantees are not expected to result in significant payments.

12. INCOME TAXES:

The components of income before income taxes were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Income before income taxes:			
Domestic	$ 1,238,190	$ 1,052,185	$ 823,691
Foreign	151,315	159,845	146,265
Total	$ 1,389,505	$ 1,212,030	$ 969,956

The components of the provision for income taxes were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	$ 184,159	$ 185,357	$ 132,727
State	58,955	55,691	42,783
Foreign	66,871	52,024	39,941
Total current tax provision	309,985	293,072	215,451
Deferred:			
Federal	62,992	34,498	16,055
State	6,201	14,556	(556)
Foreign	(31,590)	(57,379)	(11,683)
Total deferred tax provision (benefit)	37,603	(8,325)	3,816
Total provision for income taxes	$ 347,588	$ 284,747	$ 219,267

There was no tax on foreign currency translation adjustment within other comprehensive income (loss) for the years ended December 31, 2025, 2024 and 2023.

The actual income tax provision differed from the income tax provision computed by applying the U.S. federal statutory corporate rate to income before provision for income taxes as follows (in thousands, except percentages):

	Year Ended December 31, 2025	
	Amount	Percentage of Pre-Tax Income
U.S. federal statutory tax rate	$ 291,796	21.0 %
State and local income tax, net of federal (national) income tax effect [1]	53,215	3.8
Foreign tax effects	(2,973)	(0.2)
Effect of cross-border tax laws	14,163	1.0
Tax credits	(11,408)	(0.8)
Changes in valuation allowances	51	—
Nontaxable or nondeductible items:		
Employee per diems, meals and entertainment	35,710	2.6
Share-based payment awards	(23,662)	(1.7)
Other	(10,977)	(0.8)
Changes in unrecognized tax benefits	3,030	0.2
Other adjustments	(1,357)	(0.1)
Total provision for income taxes and effective tax rate	$ 347,588	25.0 %

(1) State taxes in California, Florida, Illinois, Indiana, Iowa, New Mexico, New York, Texas and Wisconsin made up the majority (greater than 50 percent) of the tax effect in this category.

	Year Ended December 31,	
	2024	2023
Provision at the statutory rate	$ 254,526	$ 203,691
Increases (decreases) resulting from:		
State taxes	51,575	41,920
Employee per diems, meals and entertainment	31,768	27,039
Tax contingency reserves, net	15,046	6,882
Valuation allowance on deferred tax assets	4,868	(20,177)
Company-owned life insurance	(2,430)	(2,262)
Foreign taxes	(2,861)	2,927
Entity restructuring efforts	(10,195)	—
Taxes on certain equity method investments and non-controlling interests	(14,007)	(9,519)
Stock-based compensation [1]	(55,068)	(35,007)
Other	11,525	3,773
Total provision for income taxes	$ 284,747	$ 219,267

(1) Stock-based compensation for the years ended December 31, 2024 and 2023, include state tax benefits of $7.2 million and $5.4 million.

Deferred income taxes result from temporary differences in the recognition of income and expenses for financial reporting purposes and tax purposes. The tax effects of these temporary differences, representing deferred tax assets and liabilities, result principally from the following (in thousands):

	December 31, 2025	December 31, 2024
Deferred income tax liabilities:		
Property and equipment	$ (460,786)	$ (370,703)
Goodwill	(261,272)	(212,724)
Leased assets	(177,259)	(135,361)
Retainage	(17,805)	(14,059)
Other	(11,408)	(13,502)
Total deferred income tax liabilities	(928,530)	(746,349)
Deferred income tax assets:		
Net operating loss carryforwards	122,860	179,276
Lease liabilities	167,739	129,623
Stock and incentive compensation	102,099	78,396
Accruals and reserves	98,374	64,449
Tax credits	21,536	14,644
Deferred tax benefits on unrecognized tax positions	6,896	7,726
Equity method investments and non-controlling interests	11,423	6,751
Other intangible assets	17,971	3,118
Other	4,220	14,777
Subtotal	553,118	498,760
Valuation allowance	(34,766)	(42,576)
Total deferred income tax assets	518,352	456,184
Total net deferred income tax liabilities	$ (410,178)	$ (290,165)

The net deferred income tax assets and liabilities comprised the following in the accompanying consolidated balance sheets (in thousands):

	December 31, 2025	December 31, 2024
Deferred income taxes:		
Assets	$ 92,448	$ 63,103
Liabilities	(502,626)	(353,268)
Total net deferred income tax liabilities	$ (410,178)	$ (290,165)

The valuation allowances for deferred income tax assets at December 31, 2025, 2024 and 2023 were $34.8 million, $42.6 million and $40.0 million. These valuation allowances relate to state and foreign net operating loss carryforwards and foreign tax credits. The valuation allowances were established primarily as a result of uncertainty as to the amount of future taxable income in particular jurisdictions. Quanta believes it is more likely than not that it will realize the benefit of its deferred income tax assets, net of existing valuation allowances.

At December 31, 2025, Quanta had federal, state and foreign net operating loss carryforwards, the tax effect of which was $128.5 million. These carryforwards will expire as follows: 2026, $0.5 million; 2027, $1.3 million; 2028, $0.1 million; 2029, $1.1 million; 2030, $0.9 million and $124.6 million after 2030. A valuation allowance of $28.4 million has been recorded against certain foreign and state net operating loss carryforwards.

Quanta generally does not provide for taxes related to undistributed earnings of its foreign subsidiaries because such earnings either would not be taxable when remitted or they are considered to be indefinitely reinvested. Quanta could also be subject to additional foreign withholding taxes if it were to repatriate cash that is indefinitely reinvested outside the United States, but it does not expect such amount to be material.

A reconciliation of unrecognized tax benefit balances is as follows (in thousands):

	December 31,		
	2025	2024	2023
Balance at beginning of year	$ 74,118	$ 45,136	$ 41,639
Additions based on tax positions related to the current year	12,492	19,155	10,304
Additions for tax positions of prior years from business combinations	734	12,461	—
Additions for tax positions of prior years	—	2,924	—
Reductions resulting from a lapse of the applicable statute of limitations periods	(12,929)	(5,558)	(6,807)
Balance at end of year	$ 74,415	$ 74,118	$ 45,136

The balances of unrecognized tax benefits, the amount of related interest and penalties are as follows (in thousands):

	December 31, 2025
Unrecognized tax benefits	$ 74,415
Portion that, if recognized, would reduce tax expense and effective tax rate	$ 71,055
Accrued interest on unrecognized tax benefits	$ 9,294
Accrued penalties on unrecognized tax benefits	$ 2,285

Quanta classifies interest and penalties within the provision for income taxes. Quanta recognized interest expense of $1.5 million, $1.7 million and $0.5 million in the provision for income taxes for the years ended December 31, 2025, 2024 and 2023.

Quanta's consolidated federal income tax returns for tax years 2022 through 2024 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.

On July 4, 2025, the U.S. government enacted new tax legislation pursuant to Public Law No: 119-21 (the One Big Beautiful Bill). Among other provisions, the legislation extends 100% bonus depreciation for qualifying property effective January 19, 2025 and modifies certain provisions of the Tax Cuts and Jobs Act previously scheduled to expire or change after 2025. Quanta incorporated the effects of the legislation within its financial statements for the year ended December 31, 2025, which did not have a material impact on its effective annual tax rate.

13. EQUITY:

Treasury Stock

General

Treasury stock is recorded at cost. Under Delaware law, treasury stock is not counted for quorum purposes or entitled to vote.

Shares withheld for tax withholding obligations

The tax withholding obligations of employees with respect to RSUs and PSUs that are settled in common stock are typically satisfied by Quanta making tax payments and withholding the number of shares of common stock having a value equal to the tax withholding obligation that is due on the date of vesting or settlement (as applicable). With respect to these liabilities, Quanta withheld 0.4 million shares of Quanta common stock during the year ended December 31, 2025, which had a market value of $112.3 million, 0.6 million shares of Quanta common stock during the year ended December 31, 2024, which had a market value of $155.5 million, and 0.7 million shares of Quanta common stock during the year ended December 31, 2023, which had a market value of $119.1 million. These shares and the related costs to acquire them were accounted for as adjustments to the balance of treasury stock.

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. As of December 31, 2025,

$365.1 million remained available under this repurchase program. Quanta repurchased the following shares of common stock in the open market under its stock repurchase programs (in thousands):

Year ended:	Shares	Amount
December 31, 2025	539	$ 134,555
December 31, 2024	—	$ —
December 31, 2023	2	$ 350

Quanta's policy is to record a stock repurchase as of the trade date of the transaction; however, the payment of cash related to the repurchase is made on the settlement date of the transaction. During the year ended December 31, 2025 and 2023, there were $134.6 million and $0.4 million of cash payments related to stock repurchases. 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 and paid the following cash dividends and cash dividend equivalents during 2025, 2024 and 2023 (in thousands, except per share amounts):

Declaration Date	Record Date	Payment Date	Dividend Per Share	Dividends Declared
November 17, 2025	January 2, 2026	January 12, 2026	$ 0.11	$ 16,742
August 27, 2025	October 1, 2025	October 10, 2025	$ 0.10	$ 14,739
May 22, 2025	July 1, 2025	July 11, 20205	$ 0.10	$ 15,104
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
December 5, 2023	January 2, 2024	January 12, 2024	$ 0.09	$ 13,412
August 30, 2023	October 2, 2023	October 13, 2023	$ 0.08	$ 12,430
May 23, 2023	July 3, 2023	July 14, 2023	$ 0.08	$ 11,893
March 29, 2023	April 10, 2023	April 18, 2023	$ 0.08	$ 12,100
December 13, 2022	January 3, 2023	January 13, 2023	$ 0.08	$ 11,756

A significant majority of the dividends declared were paid on the corresponding payment dates, which are generally within two months of the declaration date. Holders of certain stock awards generally received cash dividend equivalent payments equal to the cash dividends payable on account of the underlying Quanta common stock. Holders of other stock awards receive cash dividend equivalent payments only to the extent such awards become earned and/or vest. Additionally, cash dividend equivalent payments related to certain stock-based awards that have been deferred pursuant to the terms of Quanta's deferred compensation plan are recorded as liabilities in such plans until the deferred awards are settled.

14. STOCK-BASED COMPENSATION:

Stock Incentive Plans

The Omnibus Plan was approved by Quanta's stockholders in May 2019 and provides for the award of non-qualified stock options, incentive (qualified) stock options, stock appreciation rights, restricted stock awards, RSUs, stock bonus awards, performance compensation awards (including cash bonus awards) or any combination of the foregoing. Current and prospective employees, directors, officers, advisors or consultants of Quanta or its affiliates are eligible to participate in the Omnibus Plan. In May 2022 and May 2025, Quanta's stockholders approved amendments to the Omnibus Plan to increase the shares available for issuance. Subject to certain adjustments, the maximum number of shares available for issuance under the Omnibus Plan is 14.1 million. As of December 31, 2025, there were approximately 5.1 million shares available for issuance under the Omnibus

Plan. All awards subsequent to stockholder approval of the Omnibus Plan have been and will be made pursuant to the Omnibus Plan and applicable award agreements.

RSUs to be Settled in Common Stock

A summary of the activity for RSUs to be settled in common stock for the years ended December 31, 2025, 2024 and 2023 is as follows (RSUs in thousands):

	2025		2024		2023	
	RSUs	Weighted Average Grant Date Fair Value (Per Unit)	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	3,263	$78.74
Granted	638	$302.14	857	$246.34	684	$161.81
Vested	(759)	$154.01	(1,216)	$82.86	(1,268)	$68.06
Forfeited	(149)	$192.97	(165)	$165.14	(131)	$116.29
Unvested at December 31	1,754	$226.39	2,024	$173.32	2,548	$104.76

The approximate fair value of RSUs that vested during the years ended December 31, 2025, 2024 and 2023 was $228.1 million, $316.4 million and $208.0 million, respectively.

During the years ended December 31, 2025, 2024 and 2023, Quanta recognized $141.4 million, $114.0 million and $94.5 million of non-cash stock compensation expense related to RSUs to be settled in common stock. As of December 31, 2025, there was $238.3 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 2.44 years.

PSUs to be Settled in Common Stock

A summary of the activity for PSUs to be settled in common stock for the years ended December 31, 2025, 2024 and 2023 is as follows (PSUs in thousands):

	2025		2024		2023	
	PSUs	Weighted Average Grant Date Fair Value (Per Unit)	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	733	$65.39
Granted	92	$259.17	109	$263.34	177	$174.50
Vested	(165)	$123.88	(175)	$96.45	(413)	$35.12
Forfeited	(4)	$222.94	—	N/A	(6)	$101.66
Unvested at December 31	348	$224.15	425	$177.69	491	$129.70

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

	2025	2024	2023
Valuation date price based on February 27, 2025, March 4, 2024 and March 9, 2023 closing stock prices of Quanta common stock	$259.26	$243.34	$160.55
Expected volatility [(1)]	34 %	33 %	35 %
Risk-free interest rate	4.05 %	4.43 %	4.62 %
Term in years	2.84	2.83	2.81

(1) 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 years ended December 31, 2025, 2024 and 2023, Quanta recognized $40.5 million, $36.5 million and $32.3 million of non-cash stock compensation expense related to PSUs to be settled in common stock.

As of December 31, 2025, there was an estimated $30.1 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 Quanta anticipates will be issued upon vesting of such PSUs. This cost is expected to be recognized over a weighted average period of 1.61 years.

During the years ended December 31, 2025, 2024 and 2023, 0.3 million, 0.3 million and 0.7 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 years ended December 31, 2025, 2024 and 2023 were $83.9 million, $75.4 million and $115.5 million, respectively.

15. EMPLOYEE BENEFIT PLANS:

Unions' Multiemployer Pension Plans

Quanta contributes to a number of multiemployer defined benefit pension plans under the terms of collective bargaining agreements with various unions that represent certain of Quanta's employees. Approximately 36% of Quanta's employees as of December 31, 2025 were covered by collective bargaining agreements. Quanta's multiemployer pension plan contribution rates generally are specified in the collective bargaining agreements (usually on a monthly or annual basis), and contributions are made to the plans on a "pay-as-you-go" basis based on its union employee payrolls. Quanta may also have additional liabilities imposed by law as a result of its participation in multiemployer defined benefit pension plans. The Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act of 1980, imposes certain liabilities upon an employer who is a contributor to a multiemployer pension plan if the employer withdraws or is deemed to have withdrawn from the plan or the plan is terminated or experiences a mass withdrawal.

The Pension Protection Act of 2006 (PPA) also added special funding and operational rules generally applicable to plan years beginning after 2007 for multiemployer plans in the United States that are classified as "endangered," "seriously endangered" or "critical" status based on multiple factors (including, for example, the plan's funded percentage, cash flow position and whether a projected minimum funding deficiency exists). Plans in these classifications must adopt remedial measures to improve their funded status through a funding improvement or rehabilitation plan, as applicable, which may require additional contributions from employers (which may take the form of a surcharge on benefit contributions) and/or modifications to retiree benefits. Certain plans to which Quanta contributes or may contribute in the future are in "endangered," "seriously endangered" or "critical" status. The amount of additional funds, if any, that Quanta may be obligated to contribute to these plans cannot be reasonably estimated due to uncertainty regarding the amount of future work involving covered union employees, future contribution levels and possible surcharges on plan contributions.

The following table summarizes plan information relating to Quanta's participation in multiemployer defined benefit pension plans, including company contributions for the last three years, the status of the plans under the PPA and whether the plans are subject to a funding improvement or rehabilitation plan or contribution surcharges. The most recent PPA zone status available in 2025 and 2024 generally relates to the plans' fiscal year-ends in 2024 and 2023. Forms 5500 were not yet available for the plan years ending in 2025. The PPA zone status is based on information that Quanta received from the respective plans' administrators, as well as publicly available information on the U.S. Department of Labor website, and is certified by each plan's actuary. Although multiple factors or tests may result in red zone or yellow zone status, plans in the red zone generally are less than 65 percent funded, plans in the yellow zone generally are less than 80 percent funded, and plans in the green zone generally are at least 80 percent funded. Under the PPA, red zone plans are classified as "critical" status, yellow zone plans are classified as "endangered" status and green zone plans are classified as neither "endangered" nor "critical" status. The "Subject to Financial Improvement/ Rehabilitation Plan" column indicates plans for which a financial improvement plan or a rehabilitation plan is either pending or has been implemented. The last column lists the expiration dates of Quanta's collective-bargaining agreements to which the plans are subject. Total contributions to these plans correspond to the number of union employees employed at any given time and the plans in which they participate and vary depending upon the location and number of ongoing projects at a given time and the need for union resources in connection with such projects, as well as changes in contractual employer contribution rates. Information has been presented separately for individually significant plans, based on PPA funding status classification, and in the aggregate for all other plans.

Fund	Employee Identification Number/ Pension Plan Number	PPA Zone Status		Subject to Financial Improvement/ Rehabilitation Plan	Contributions (in thousands)			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2025	2024		2025	2024	2023		
National Electrical Benefit Fund	53-0181657	Green	Green	N	$ 61,338	$ 41,321	$ 47,126	N	Varies through May 2030
Eighth District Electrical Pension Fund	84-6100393	Green	Green	N	17,295	13,820	6,169	N	Varies through August 2027
Excavators Union Local 731 Pension Fund	13-1809825	Green	Green	N	13,823	11,974	11,411	N	April 2026
IBEW 332 Pension Plan - Part A	94-2688032	Green	Green	N	9,711	8,404	—	N	May 2027
Central Pension Fund of the IUOE & Participating Employers	36-6052390	Green	Green	N	9,543	8,496	7,396	N	Varies through March 2030
IBEW Local 683 Pension Fund Pension Plan	34-1442087	Green	Green	N	9,347	5,828	731	N	May 2027
Indiana Laborers Pension Fund	35-6027150	Green	Green	N	5,556	512	—	N	Varies through March 2027
Locals 302 & 612 of the IUOE - Employers Construction Industry Retirement Plan	91-6028571	Green	Green	N	4,564	3,644	2,707	N	Varies through May 2028
Sheet Metal Workers' National Pension Fund	52-6112463	Green	Green	N	4,215	—	—	N	Varies through April 2029
IBEW Local 595 Pension Plan	94-6279541	Green	Green	N	3,325	2,367	—	N	May 2026
Pipeline Industry Benefit Fund	73-6146433	Green	Green	N	2,990	2,478	2,733	N	Varies through May 2026
Operating Engineers' Local 324 Pension Fund	38-1900637	Red	Red	Y	2,906	3,367	3,193	Y	Varies through May 2026
United Association National Pension Fund	52-6152779	Green	Green	N	2,667	1,461	—	N	Varies through August 2029
Laborers Pension Trust Fund for Northern California	94-6277608	Green	Green	N	2,651	3,468	3,342	N	Varies through June 2027
Local 697 I.B.E.W. and Electrical Industry Pension Plan	51-6133048	Green	Green	N	2,580	3,228	2,227	N	May 2028
NECA-IBEW Pension Trust Fund	51-6029903	Green	Green	N	2,505	1,850	—	N	Varies through June 2028
Laborers National Pension Fund	75-1280827	Red	Red	Y	2,380	1,205	746	Y	Varies through November 2028
Construction Laborers Pension Trust Fund for Southern California	43-6159056	Green	Green	N	2,248	1,764	2,729	N	Varies through June 2026
Central Laborers' Pension Fund	37-6052379	Green	Yellow	N	2,087	1,484	2,342	N	Varies through March 2030
Pension Trust Fund for Operating Engineers	94-6090764	Green	Green	N	2,075	2,504	2,176	N	Varies through June 2026
Southern California IBEW-NECA Pension Plan	95-6392774	Yellow	Yellow	Y	1,995	460	—	N	June 2026
Alaska Teamster-Employer Pension Trust	92-6003463	Red	Red	Y	1,899	1,222	80	Y	May 2026
Alaska Plumbing and Pipefitting Industry Pension Plan	52-6103810	Red	Red	Y	1,867	986	83	Y	May 2026
Local Union No. 124 I.B.E.W. Pension Trust Fund	43-0817626	Green	Green	N	1,855	5,836	—	N	December 2027
Operating Engineers Pension Trust	95-6032478	Green	Green	N	310	871	1,473	N	Varies through June 2028
Kern County Electrical Workers Pension Fund	95-6123049	Green	Green	N	273	2,675	325	N	November 2027
Employer - Teamsters Local NOs 175 & 505 Pension Trust Fund	55-6021850	Red	Red	Y	—	900	1,027	Y	May 2026
All other plans - U.S.					52,286	45,158	39,233		
All other plans - Canada [(1)]					2,403	6,473	12,515		
Total contributions					$226,694	$183,756	$149,764		

(1) Multiemployer defined benefit pension plans in Canada are not subject to the reporting requirements under the PPA. Accordingly, certain information was not publicly available.

Quanta's contributions to the following individually significant plans were five percent or more of the total contributions to these plans for the periods indicated based on the Forms 5500 for these plans for the years ended December 31, 2024 and 2023. Forms 5500 were not yet available for these plans for the year ended December 31, 2025.

Pension Fund	Plan Years in which Quanta Contributions Were Five Percent or More of Total Plan Contributions
National Electrical Benefit Fund	2023
Eighth District Electrical Pension Fund	2024 and 2023
Excavators Union Local 731 Pension Fund	2024 and 2023
IBEW 332 Pension Plan - Part A	2024
IBEW Local 683 Pension Fund Pension Plan	2024
IBEW Local 595 Pension Plan	2024
Pipeline Industry Pension Fund	2024 and 2023
Local 697 I.B.E.W. and Electrical Industry Pension Plan	2024 and 2023
Alaska Plumbing and Pipefitting Industry Pension Plan	2024
Local Union No. 124 I.B.E.W. Pension Trust Fund	2024
Kern County Electrical Workers Pension Fund	2024
I.B.E.W. Local 456 Pension Plan (1)	2024 and 2023
Teamsters National Pipe Line Pension Plan (1)	2024 and 2023

(1) This plan is included in the "All other plans - U.S." category in the prior table.

In addition to the contributions made to multiemployer defined benefit pension plans noted above, Quanta also contributed to multiemployer defined contribution or other postretirement benefit plans on behalf of certain union employees. Contributions to union multiemployer defined contribution or other postretirement benefit plans by Quanta were $349.6 million, $282.5 million and $254.7 million for the years ended December 31, 2025, 2024 and 2023. Total contributions made to all of these multiemployer plans correspond to the number of union employees employed at any given time and the plans in which they participate and participation in project labor agreements and vary depending upon the location and number of ongoing projects at a given time and the need for union resources or project labor agreements in connection with such projects. Contributions to such plans are also impacted by acquisitions and changes in employer contribution rates.

Quanta 401(k) Plan

Quanta maintains a 401(k) plan pursuant to which employees who are not provided retirement benefits through a collective bargaining agreement may make contributions through payroll deductions. Quanta makes matching cash contributions of 100% of each employee's contribution up to 3% of that employee's salary and 50% of each employee's contribution between 3% and 6% of such employee's salary, up to the maximum amount permitted by law. Employer matching contributions to the Quanta and certain operating company 401(k) plans were $119.6 million, $93.9 million and $75.9 million for the years ended December 31, 2025, 2024 and 2023.

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. These plans are unfunded and unsecured compensation arrangements. Individuals participating in these plans may allocate deferred cash amounts among a group of notional accounts that mirror the gains and losses of various investment alternatives. Generally, participants receive distributions of deferred balances based on predetermined payout schedules or other events.

The plan covering key employees provides for employer matching contributions for certain officers and employees whose benefits under the 401(k) plan are limited by federal tax law. Quanta may also make discretionary employer contributions to such plan. Matching contributions vest immediately, and discretionary employer contributions may be subject to a vesting schedule determined at the time of the contribution, provided that vesting accelerates upon a change in control or the participant's death or retirement. All matching and discretionary employer contributions, whether vested or not, are forfeited upon a participant's termination of employment for cause or upon the participant engaging in competition with Quanta or any of its affiliates.

As of December 31, 2025 and 2024, the liability related to deferred cash compensation under these plans, including amounts contributed by Quanta, was $126.1 million and $110.2 million, the majority of which was included in "Insurance and other non-current liabilities" in the accompanying consolidated balance sheets. Additionally, as of December 31, 2025 and 2024, the settlement and issuance of 119,208 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 December 31, 2025 and 2024, the fair market values were $122.8 million and $102.7 million and were included in "Other assets, net" in the accompanying 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):

		Year Ended December 31,		
Classification	**Change in fair market value of**	**2025**	**2024**	**2023**
Increase in Selling, general and administrative expenses	Deferred compensation liabilities	$ (16,586)	$ (14,108)	$ (13,325)
Other income, net	COLI assets	$ 14,290	$ 12,446	$ 11,587

16. 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.

Silverado Wildfire Matter

From 2022 to present, two of Quanta's subsidiaries have received tenders of defense and demands for preservation of evidence from Southern California Edison Company (SCE) related to lawsuits filed 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 December 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.

Concentrations of Credit Risk

Quanta is subject to concentrations of credit risk related primarily to its cash and cash equivalents and its net receivable position with customers, which includes amounts related to billed and unbilled accounts receivable and contract assets for services Quanta has performed for customers. Substantially all of Quanta's cash and cash equivalents are managed by what it believes to be high credit quality financial institutions. In accordance with Quanta's investment policies, these institutions are authorized to invest cash and cash equivalents in a diversified portfolio of what Quanta believes to be high quality cash and cash equivalent investments, which consist primarily of interest-bearing demand deposits, money market investments and money market mutual funds. Although Quanta does not currently believe the principal amount of these cash and cash equivalents is subject to any material risk of loss, changes in economic conditions could impact the interest income Quanta receives from these investments.

Quanta grants credit under normal payment terms, generally without collateral, to its customers, which primarily include utilities, renewable energy and other power developers, technology and manufacturing companies, communications providers, industrial companies and energy delivery companies located primarily in the United States, Canada and Australia. While Quanta generally has certain statutory lien rights with respect to services provided, Quanta is subject to potential credit risk related to business, economic and financial market conditions that affect these customers and locations, which have been heightened as a result of recent economic and financial market conditions, including in connection with inflationary pressure, an increased interest rate environment and other uncertainties and challenges in the overall economy. Some of Quanta's customers have experienced significant financial difficulties (including bankruptcy), and customers may experience financial difficulties in the future. These difficulties expose Quanta to increased risk related to collectability of billed and unbilled receivables and contract assets for services Quanta has performed. See Note 4 for additional discussion on concentrations on credit risk.

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 $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 December 31, 2025 and 2024, the gross amount accrued for employer's liability, workers' compensation, auto liability, general liability and group health claims totaled $521.4 million and $400.2 million, of which $334.6 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 December 31, 2025 and 2024 were $5.8 million and $4.9 million, of which $0.2 million and $0.8 million are included in "Prepaid expenses and other current assets" and $5.6 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 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.

Letters of Credit

Certain of Quanta's vendors require letters of credit to ensure reimbursement for amounts they are disbursing on Quanta's behalf, such as to beneficiaries under its insurance programs. In addition, from time to time, certain customers require Quanta to post letters of credit to ensure payment of subcontractors and vendors and guarantee performance under contracts. Such letters of credit are generally issued by a bank or similar financial institution, including pursuant to Quanta's senior credit facility and certain uncommitted bilateral arrangements. Each letter of credit commits the issuer to pay specified amounts to the holder of the letter of credit if the holder claims that Quanta has failed to perform specified actions. If this were to occur, Quanta would be required to reimburse the issuer of the letter of credit. Depending on the circumstances of such a reimbursement, Quanta may also be required to record a charge to earnings for the reimbursement. See Note 10 for additional information regarding Quanta's letters of credit outstanding. Quanta is not aware of any claims currently asserted or threatened under any of these letters of credit that are material, individually or in the aggregate. However, to the extent payment is required for any such claims, the amount paid could be material and could adversely affect Quanta's consolidated business, financial condition, results of operations and cash flows.

Bonds and Parent Guarantees

Many customers, particularly in connection with new construction, require Quanta to post performance and payment bonds. These bonds provide a guarantee that Quanta will perform under the terms of a contract and pay its subcontractors and vendors. In certain circumstances, the customer may demand that the surety make payments or provide services under the bond, and Quanta must reimburse the surety for any expenses or outlays it incurs. Quanta may also be required to post letters of credit in favor of the sureties, which would reduce the borrowing availability under its senior credit facility. As of December 31, 2025, Quanta is not aware of any outstanding material obligations for payments related to bond obligations. However, to the extent future reimbursements are required, the amounts could be material and could adversely affect Quanta's consolidated business, financial condition, results of operations and cash flows.

Performance bonds expire at various times ranging from mechanical completion of a project to a period extending beyond contract completion in certain circumstances, and therefore a determination of maximum potential amounts outstanding requires certain estimates and assumptions. Such amounts can also fluctuate from period to period based upon the mix and level of Quanta's bonded operating activity. As of December 31, 2025, the total amount of the outstanding performance bonds was estimated to be approximately $14.9 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.

Additionally, from time to time, Quanta guarantees certain obligations and liabilities of its subsidiaries that may arise in connection with, among other things, contracts with customers, equipment lease obligations, joint venture arrangements and contractor licenses. These guarantees may cover all of the subsidiary's unperformed, undischarged and unreleased obligations and liabilities under or in connection with the relevant agreement. For example, with respect to customer contracts, a guarantee may cover a variety of obligations and liabilities arising during the ordinary course of the subsidiary's business or operations, including, among other things, warranty and breach of contract claims, third party and environmental liabilities arising from the subsidiary's work and for which it is responsible, liquidated damages, or indemnity claims. Quanta is not aware of any claims under any guarantees that are material. To the extent a subsidiary incurs a material obligation or liability and Quanta has guaranteed the performance or payment of such obligation or liability, the recovery by a customer or other counterparty or a third party will not be limited to the assets of the subsidiary. As a result, responsibility under the guarantee could exceed the amount recoverable from the subsidiary alone and could materially and adversely affect Quanta's consolidated business, financial condition, results of operations and cash flows.

Collective Bargaining Agreements and Multiemployer Pension Plans

Certain of Quanta's operating companies are parties to collective bargaining agreements with unions that represent certain of their employees. The collective bargaining agreements expire at various times and have typically been renegotiated and renewed on terms similar to those in the expiring agreements. From time to time, Quanta is a party to grievance and arbitration actions based on claims arising out of the collective bargaining agreements. The agreements require the operating companies to pay specified wages, provide certain benefits to union employees and contribute certain amounts to multiemployer pension plans and employee benefit trusts. Quanta's multiemployer pension plan contribution rates generally are made to the plans on a "pay-as-you-go" basis based on its union employee payrolls. The location and number of union employees that Quanta employs at any given time and the plans in which they may participate vary depending on Quanta's need for union resources in connection with its ongoing projects. Therefore, Quanta is unable to accurately predict its union employee payroll and the resulting multiemployer pension plan contribution obligations for future periods.

In addition, Quanta may also be subject to liabilities as a result of its participation in, or withdrawal from, multiemployer defined benefit pension plans. Quanta may be required to make additional contributions to its multiemployer pension plans if they become underfunded, and these additional contributions will be determined based on Quanta's union employee payrolls. Certain plans to which Quanta contributes or may contribute in the future may adopt measures to improve their funded status through a funding improvement or rehabilitation plan, as applicable, which may require additional contributions from employers (e.g., a surcharge on benefit contributions) and/or modifications to retiree benefits. The amount, if any, that Quanta may be obligated to contribute to these plans cannot be reasonably estimated due to uncertainty regarding the amount of future work involving covered union employees, future contribution levels and possible surcharges on plan contributions. Quanta may also be subject to additional liabilities imposed by law if it or another participating employer withdraws from a multiemployer defined benefit pension plan, a plan is terminated or a plan experiences a mass withdrawal. These liabilities may include an allocable share of the unfunded vested benefits in the plan for all plan participants, not only the benefits payable to a contributing employer's own retirees. As a result, participating employers may bear a higher proportion of liability for unfunded vested benefits if other participating employers cease to contribute or withdraw, with the reallocation of liability being more acute in cases when a withdrawn employer is insolvent or otherwise fails to pay its withdrawal liability. Quanta is not aware of any material withdrawal liabilities that have been incurred or asserted and that remain outstanding as a result of a withdrawal by Quanta from a multiemployer defined benefit pension plan. However, Quanta's future contribution obligations and potential withdrawal liability exposure could vary based on the investment and actuarial performance of the multiemployer pension plans to which it contributes and other factors, which could be negatively impacted as a result of recent unfavorable and uncertain economic and financial market conditions. Quanta has been subject to significant withdrawal liabilities in the past, and to the extent Quanta is subject to material withdrawal liabilities in the future, such liability could adversely affect its business, financial condition, results of operations and cash flows.

Indemnities and Warranties

Quanta generally indemnifies its customers for the services it provides under its contracts and other specified liabilities, which may subject Quanta to indemnity claims and liabilities and related litigation. Additionally, Quanta manufactures products sold to customers and other third parties, which may subject Quanta to warranty claims and liabilities and related litigation. Quanta is not aware of any indemnity or warranty claims in connection with these obligations that are material, except as described in *Legal Proceedings - Silverado Wildfire Matter* above.

Additionally, in the normal course of Quanta's acquisition transactions, Quanta has granted indemnification rights to various parties against certain potential liabilities related to the transaction or the acquired business and obtained rights to indemnification from the sellers or former owners of acquired businesses for certain risks, liabilities and obligations arising from business operations prior to the date of acquisition, such as financial, performance, operational, safety, workforce, environmental, litigation, compliance or tax issues, some of which Quanta may not have discovered during due diligence. However, the indemnities may not cover all of Quanta's exposure for such pre-acquisition matters, or the indemnitors may be unwilling or unable to pay amounts owed to Quanta. Accordingly, Quanta may incur expenses for which it is not reimbursed, and such amounts could be material and could have a material adverse effect on Quanta's business or consolidated financial condition, results of operations and cash flows.

Joint Venture Liabilities

As described in Note 2, Quanta is a participant in certain joint ventures, including joint venture entities that provide infrastructure-related services under specific customer contracts and partially owned entities that own, operate and/or maintain certain infrastructure assets. If losses are incurred by joint venture entities in which Quanta holds an interest, they are generally shared ratably based on the percentage ownership of the participants in the structures. However, in Quanta's joint venture structures that provide infrastructure-related services, each participant is typically jointly and severally liable for all of the obligations of the joint venture entity pursuant to the contract with the customer, and therefore Quanta can be liable for full performance of the contract with the customer. Additionally, in circumstances where Quanta's participation in a joint venture qualifies as a general partnership, Quanta can be liable for all obligations of the joint venture, including obligations owed to the customer or any other person or entity. Quanta is not aware of circumstances that would lead to future claims against it for material amounts in connection with these liabilities. Additionally, typically each joint venture participant agrees to indemnify the other participant for any liabilities incurred in excess of what the other participant is obligated to bear under the respective joint venture agreement or in accordance with the scope of work subcontracted to each participant. It is possible, however, that Quanta could be required to pay or perform obligations in excess of its share if another participant is unable or refuses to pay or perform its share of the obligations. Quanta is not aware of circumstances that would lead to future claims against it for material amounts that would not be indemnified. However, to the extent any such claims arise, they could be material and could adversely affect Quanta's consolidated business, financial condition, results of operations and cash flows.

Capital Commitments and Other Committed Expenditures

As of December 31, 2025, Quanta had commitments primarily for capital expansion of certain manufacturing facilities and expansion of its equipment fleet of $265.1 million in 2026 and $83.9 million thereafter. Although Quanta has committed to purchase this equipment at the time of their delivery, Quanta anticipates that some of these orders related to the expansion of its equipment fleet will be assigned to third-party leasing companies and made available under certain master equipment lease agreements, thereby releasing Quanta from its capital commitments.

As of December 31, 2025, Quanta had $81.8 million of outstanding capital commitments associated with investments in unconsolidated affiliates, $23.0 million of which is payable in 2026. The majority of capital commitments relate to a limited partnership interest in a fund that targets investments in certain portfolio companies that operate businesses related to the transition to a reduced-carbon economy.

During the year ended December 31, 2024, Quanta entered into an agreement to purchase production tax credits from a third party related to a solar facility. These commitments are contingent upon the third party reaching certain energy production targets. As of December 31, 2025, Quanta had up to $201.8 million of outstanding commitments associated with these production tax credits, with up to $23.8 million payable in the year ended December 31, 2026 and the remainder due by 2035.

Employment Agreements

Quanta has various employment agreements with certain executives and other employees, which provide for compensation, other benefits and, under certain circumstances, severance payments and post-termination stock-based compensation benefits. Certain employment agreements also contain clauses that require the potential payment of specified amounts to such employees upon the occurrence of a defined change in control event.

Availability of Project Materials, Equipment and Labor

Quanta's customers depend on the availability of certain materials for construction, upgrade and repair and maintenance of their infrastructure and are typically responsible for supplying most or all of the materials required for the services Quanta performs on their projects, including, among other things, steel, copper, aluminum and components for power generation projects (e.g., solar panels, wind turbine blades). Additionally, Quanta is required to procure all or part of the materials needed for certain projects. Although there have been delays related to disruption in the supply chain for certain project materials, Quanta and its customers have generally been able to procure necessary materials.

Quanta also depends on the availability of certain equipment, including specialty vehicles, to perform services. As a result, to the extent vehicle manufacturers experience production delays with respect to new vehicles for Quanta's fleet (both on-road and specialty vehicles) or vehicle parts (e.g., tires), Quanta could encounter significant disruptions with respect to its fleet.

Quanta's success depends on its ability to attract, develop and retain highly qualified employees, including craft skilled labor, engineers, project management, architects, designers, management and professional and administrative employees, and the industries in which Quanta operates have experienced shortages of qualified skilled labor personnel in recent years, which is expected to continue and potentially worsen in the future. In order to help meet near-term and longer-term labor needs, Quanta supports and utilizes its own training and educational programs and has developed additional company-wide and project-specific employee training and educational programs and strategic relationships with universities, the military and unions to recruit qualified personnel.

17. DETAIL OF CERTAIN ACCOUNTS:

Cash and Cash Equivalents

As of December 31, 2025 and 2024, cash equivalents were $227.6 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):

	December 31,	
	2025	2024
Cash and cash equivalents held by domestic joint ventures	$ 63,620	$ 71,646
Cash and cash equivalents held by foreign joint ventures	10,639	10,088
Total cash and cash equivalents held by joint ventures	74,259	81,734
Cash and cash equivalents held by captive insurance company	19,595	19,445
Cash and cash equivalents not held by joint ventures or captive insurance company	345,654	640,781
Total cash and cash equivalents	$ 439,508	$ 741,960

Inventories

Inventories consisted of the following (in thousands):

	December 31,	
	2025	2024
Construction materials and aviation spare parts	$ 143,994	$ 114,458
Raw materials	64,758	39,930
Work-in-process	4,427	4,607
Finished goods and merchandise purchased for resale	157,193	101,186
Total Inventories, net	$ 370,372	$ 260,181

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31,	
	2025	2024
Prepaid expenses	$ 488,488	$ 268,093
Other current assets	235,772	201,245
Prepaid expenses and other current assets	$ 724,260	$ 469,338

As of December 31, 2025 and 2024, prepaid expenses primarily include prepaid job costs, prepaid insurance expense and prepaid software expense.

Property and Equipment

Property and equipment consisted of the following (in thousands):

	Estimated Useful Lives in Years	December 31,	
		2025	2024
Land	N/A	$ 158,270	$ 134,590
Buildings and leasehold improvements	5-30	619,808	514,888
Operating machinery and equipment	1-25	2,474,357	2,160,333
Vehicles and aviation	2-25	1,488,986	1,187,538
Office equipment, furniture and fixtures and information technology systems	3-10	336,153	298,878
Construction work in progress	N/A	287,433	125,676
Finance lease assets and lease financing transactions	5-20	337,964	239,806
Property and equipment, gross		5,702,971	4,661,709
Less — Accumulated depreciation and amortization		(2,247,767)	(1,961,432)
Property and equipment, net of accumulated depreciation		$ 3,455,204	$ 2,700,277

Depreciation expense related to property and equipment is recognized on a straight-line basis over the estimated useful lives of the assets and was $411.5 million, $359.4 million and $324.8 million for the years ended December 31, 2025, 2024 and 2023. In addition, Quanta held property and equipment, net of $211.9 million and $177.9 million in foreign countries, primarily Canada, as of December 31, 2025 and 2024.

Accounts Payable and Accrued Expenses

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

	December 31,	
	2025	2024
Accounts payable, trade	$ 2,832,600	$ 2,096,125
Accrued compensation and related expenses	781,610	651,893
Other accrued expenses	965,248	974,325
Accounts payable and accrued expenses	$ 4,579,458	$ 3,722,343

As of December 31, 2025, other accrued expenses primarily include the current portion of accrued insurance liabilities as further described in Note 16, unearned revenues and income and franchise taxes payable. As of December 31, 2024, other accrued expenses primarily include these same items, as well as the current portion of contingent consideration liabilities as further described in Note 6.

18. 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 consolidated balance sheets that sum to the total of such amounts shown in the statements of cash flows are as follows (in thousands):

	December 31,			
	2025	2024	2023	2022
Cash and cash equivalents	$ 439,508	$ 741,960	$ 1,290,248	$ 428,505
Restricted cash included in “Prepaid expenses and other current assets”	1,428	2,686	3,652	3,759
Restricted cash included in “Other assets, net”	1,887	1,364	1,141	950
Total cash, cash equivalents, and restricted cash reported in the statements of cash flows	$ 442,823	$ 746,010	$ 1,295,041	$ 433,214

Supplemental cash flow information related to leases is as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows used by operating leases	$ (128,410)	$ (110,745)	$ (95,900)
Operating cash flows used by finance leases	$ (2,445)	$ (2,606)	$ (1,463)
Financing cash flows used by finance leases	$ (11,852)	$ (10,583)	$ (2,511)
Lease assets obtained in exchange for lease liabilities:			
Operating leases	$ 165,826	$ 109,708	$ 100,594
Finance leases	$ 56,560	$ 10,397	$ 37,299
Lease financing transaction assets obtained in exchange for lease financing transaction liabilities	$ 51,224	$ 69,731	$ 26,969

Additional supplemental cash flow information related to income taxes paid, net of refunds, is as follows (in thousands):

	Year Ended December 31, 2025
Cash paid during the year for income taxes, net of refunds	
U.S. Federal	$ (232,596)
U.S. State and Local	(77,173)
Foreign	(37,428)
Total cash paid during the year for income taxes [1]	$ (347,197)

[1] Income taxes paid during the year ended December 31, 2025 includes $16.2 million for the purchase of transferable tax credits from third parties. Individual jurisdictions equaling 5% or more of the total income taxes paid (net of refunds) for the year ended December 31, 2025 include $232.6 million paid for U.S. Federal income taxes and $33.0 million paid for Australian income taxes.

	Year Ended December 31,	
	2024	2023
Cash (paid) received during the period for:		
Income taxes paid	$ (136,755)	$ (248,527)
Income tax refunds	$ 5,595	$ 6,483

Cash paid for interest was as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Interest paid	$ (217,358)	$ (166,333)	$ (175,782)

Accrued capital expenditures were $26.9 million, $27.3 million and $15.7 million as of December 31, 2025, 2024 and 2023. The impact of these items has been excluded from Quanta’s capital expenditures in the accompanying consolidated statements of cash flows due to their non-cash nature.

ITEM 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

There have been no changes in or disagreements with accountants on accounting and financial disclosure within the parameters of Item 304(b) of Regulation S-K.

ITEM 9A. ***Controls and Procedures***

Attached as exhibits to this Annual Report on Form 10-K 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 9A. 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 Annual Report on Form 10-K, 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 Annual 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 December 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance of achieving their objectives.

Evaluation of Internal Control over Financial Reporting

Management's report on internal control over financial reporting can be found in Item 8. *Financial Statements and Supplementary Data i*n Part II of this Annual Report under the heading *Report of Management* and is incorporated herein by reference. The report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, on the financial statements, and its opinion on the effectiveness of internal control over financial reporting, can also be found in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report under the heading *Report of Independent Registered Public Accounting Firm* and is incorporated herein by reference.

As described in the Report of Management, management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2025 excluded the eight businesses we acquired in 2025. Such exclusion was in accordance with SEC guidance that an assessment of recently acquired businesses may be omitted in management's report on internal control over financial reporting, provided the acquisitions took place within twelve months of management's evaluation. These acquisitions comprised approximately 6.2% and 3.9% of our consolidated assets and revenues as of and for the year ended December 31, 2025 and included the acquisition of Dynamic Systems, which comprised approximately 1.5% and 1.4% of our consolidated assets and revenues as of and for the year ended December 31, 2025. We are in the process of integrating each acquired business 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 December 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.

ITEM 9B. *Other Information*

Insider Trading Arrangements

During the three months ended December 31, 2025, no director or officer of Quanta adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections*

Not applicable.

PART III

ITEM 10. ***Directors, Executive Officers and Corporate Governance***

The information required by this Item 10 is incorporated by reference to the definitive proxy statement related to our 2026 Annual Meeting of Stockholders, which is to be filed with the SEC pursuant to the Exchange Act within 120 days following the end of our 2025 fiscal year.

ITEM 11. ***Executive Compensation***

The information required by this Item 11 is incorporated by reference to the definitive proxy statement related to our 2026 Annual Meeting of Stockholders, which is to be filed with the SEC pursuant to the Exchange Act within 120 days following the end of our 2025 fiscal year.

ITEM 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this Item 12 is incorporated by reference to the definitive proxy statement related to our 2026 Annual Meeting of Stockholders, which is to be filed with the SEC pursuant to the Exchange Act within 120 days following the end of our 2025 fiscal year.

ITEM 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item 13 is incorporated by reference to the definitive proxy statement related to our 2026 Annual Meeting of Stockholders, which is to be filed with the SEC pursuant to the Exchange Act within 120 days following the end of our 2025 fiscal year.

ITEM 14. ***Principal Accounting Fees and Services***

The information required by this Item 14 is incorporated by reference to the definitive proxy statement related to our 2026 Annual Meeting of Stockholders, which is to be filed with the SEC pursuant to the Exchange Act within 120 days following the end of our 2025 fiscal year.

PART IV

ITEM 15. *Exhibits and Financial Statement Schedules*

The following financial statements, schedules and exhibits are filed as part of this Annual Report on Form 10-K:

(1) *Consolidated financial statements.* The consolidated financial statements are included in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report on Form 10-K.

(2) *Financial statement schedules.* All financial statement schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or the notes to the consolidated financial statements in Item 8. *Financial Statements and Supplementary Data* in Part II of this Annual Report on Form 10-K.

(3) *Exhibits.*

EXHIBIT INDEX

Exhibit No.		Description
2.1	—	Agreement and Plan of Merger, dated as of July 17, 2024, by and among Quanta Services, Inc., Quanta Merger Sub, Inc., Cupertino Electric, Inc., Fortis Advisors LLC, as Securityholder Representative, and solely for the purposes of certain sections specified in the Merger Agreement, the Designated Company Shareholders and the Designated Company SAR Holders (previously filed as Exhibit 2.1 to Quanta's Form 8-K filed July 22, 2024 and incorporated herein by reference)
3.1	—	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)
3.2	—	Bylaws of Quanta Services, Inc., as amended and restated January 13, 2023 (previously filed as Exhibit 3.1 to the Company's Form 8-K filed January 19, 2023 and incorporated herein by reference)
4.1	—	Description of Quanta Services, Inc.'s Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (previously filed as Exhibit 4.1 to the Company's Form 10-K for the year ended December 31, 2023 filed February 22, 2024 and incorporated herein by reference)
4.2	—	Form of Common Stock Certificate (previously filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1/Amendment No. 2 filed February 9, 1998 and incorporated herein by reference)
4.3	—	Indenture, dated as of September 22, 2020, between Quanta Services, Inc. and U.S. Bank National Association, as trustee (previously filed as Exhibit 4.1 to the Company's Form 8-K filed September 25, 2020 and incorporated herein by reference)
4.4	—	First Supplemental Indenture, dated as of September 22, 2020, between Quanta Services, Inc. and U.S. Bank National Association, as trustee (previously filed as Exhibit 4.2 to the Company's Form 8-K filed September 25, 2020 and incorporated herein by reference)
4.5	—	Third Supplemental Indenture, dated as of September 23, 2021, between Quanta Services, Inc. and U.S. Bank National Association, as trustee (previously filed as Exhibit 4.3 to the Company's Form 8-K filed September 23, 2021 and incorporated herein by reference)
4.6	—	Fourth Supplemental Indenture, dated as of September 23, 2021, between Quanta Services, Inc. and U.S. Bank National Association, as trustee (previously filed as Exhibit 4.4 to the Company's Form 8-K filed September 23, 2021 and incorporated herein by reference)
4.7	—	Fifth Supplemental Indenture, dated as of August 9, 2024, between Quanta Services, Inc. and U.S. Bank Trust Company, National Association, as trustee (previously filed as Exhibit 4.2 to the Company's Form 8-K filed August 9, 2024 and incorporated therein by reference)
4.8	—	Sixth Supplemental Indenture, dated as of August 9, 2024, between Quanta Services, Inc. and U.S. Bank Trust Company, National Association, as trustee (previously filed as Exhibit 4.3 to the Company's Form 8-K filed August 9, 2024 and incorporated therein by reference)
4.9	—	Seventh Supplemental Indenture, dated as of August 7, 2025, between Quanta Services, Inc. and U.S. Bank Trust Company, National Association, as trustee (previously filed as Exhibit 4.2 to the Company's Form 8-K filed August 7, 2025 and incorporated therein by reference)
4.10	—	Eighth Supplemental Indenture, dated as of August 7, 2025, between Quanta Services, Inc. and U.S. Bank Trust Company, National Association, as trustee (previously filed as Exhibit 4.3 to the Company's Form 8-K filed August 7, 2025 and incorporated therein by reference)
4.11	—	Ninth Supplemental Indenture, dated as of August 7, 2025, between Quanta Services, Inc. and U.S. Bank Trust Company, National Association, as trustee (previously filed as Exhibit 4.4 to the Company's Form 8-K filed August 7, 2025 and incorporated therein by reference)
4.12	—	Form of 2.90% Senior Notes due 2030 (previously filed as Exhibit 4.3 to the Company's Form 8-K filed September 25, 2020 and incorporated herein by reference)
4.13	—	Form of 2.35% Senior Notes due 2032 (previously filed as Exhibit 4.6 to the Company's Form 8-K filed September 23, 2021 and incorporated herein by reference)
4.14	—	Form of 3.05% Senior Notes due 2041 (previously filed as Exhibit 4.7 to the Company's Form 8-K filed September 23, 2021 and incorporated herein by reference)
4.15	—	Form of 4.75% Senior Notes due 2027 (previously filed as Exhibit 4.4 to the Company's Form 8-K filed August 9, 2024 and incorporated therein by reference)
4.16	—	Form of 5.25% Senior Notes due 2034 (previously filed as Exhibit 4.5 to the Company's Form 8-K filed August 9, 2024 and incorporated therein by reference)
4.17	—	Form of 4.300% Senior Notes due 2028 (previously filed as Exhibit 4.5 to the Company's Form 8-K filed August 7, 2025 and incorporated therein by reference)

Exhibit No.		Description
4.18	—	Form of 4.500% Senior Notes due 2031 (previously filed as Exhibit 4.6 to the Company's Form 8-K filed August 7, 2025 and incorporated therein by reference)
4.19	—	Form of 5.100% Senior Notes due 2035 (previously filed as Exhibit 4.7 to the Company's Form 8-K filed August 7, 2025 and incorporated therein by reference)
10.1*	—	Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.1 to the Company's Form 8-K filed May 24, 2019 and incorporated herein by reference)
10.2*	—	Amendment No. 1 to the Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.2 to the Company's Form 8-K filed May 31, 2022 and incorporated herein by reference)
10.3*	—	Amendment No. 2 to the Quanta Services, Inc. 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.3 to Quanta's Form 8-K filed May 29, 2025 and incorporated herein by reference)
10.4*	—	Form of RSU Award Agreement for awards to employees/consultants pursuant to the 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.2 to the Company's Form 8-K filed May 24, 2019 and incorporated herein by reference)
10.5*	—	Form of RSU Award Agreement for awards to non-employee directors pursuant to the 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.3 to the Company's Form 8-K filed May 24, 2019 and incorporated herein by reference)
10.6*	—	Form of PSU Award Agreement for awards to employees/consultants pursuant to the 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.4 to the Company's Form 8-K filed May 24, 2019 and incorporated herein by reference)
10.7*	—	Form of RSU Award Agreement for awards to employees/consultants pursuant to the 2019 Omnibus Equity Incentive Plan (adopted August 2023) (previously filed as Exhibit 10.5 to the Company's Form 10-Q for the quarter ended September 30, 2023 filed November 2, 2023 and incorporated herein by reference)
10.8*	—	Form of RSU Award Agreement for awards to non-employee directors pursuant to the 2019 Omnibus Equity Incentive Plan (adopted August 2023) (previously filed as Exhibit 10.6 to the Company's Form 10-Q for the quarter ended September 30, 2023 filed November 2, 2023 and incorporated herein by reference)
10.9*	—	Form of PSU Award Agreement for awards to employees/consultants pursuant to the 2019 Omnibus Equity Incentive Plan (adopted August 2023) (previously filed as Exhibit 10.7 to the Company's Form 10-Q for the quarter ended September 30, 2023 filed November 2, 2023 and incorporated herein by reference)
10.10*	—	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Earl C. (Duke) Austin, Jr. (previously filed as Exhibit 10.1 to the Company's Form 8-K filed August 3, 2023 and incorporated herein by reference)
10.11*	—	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Jayshree Desai (previously filed as Exhibit 10.2 to the Company's Form 8-K filed August 3, 2023 and incorporated herein by reference)
10.12*	—	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and James Redgie Probst (previously filed as Exhibit 10.3 to the Company's Form 8-K filed August 3, 2023 and incorporated herein by reference)
10.13*	—	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Derrick A. Jensen (previously filed as Exhibit 10.4 to the Company's Form 8-K filed August 3, 2023 and incorporated herein by reference)
10.14*	—	Employment Agreement, dated August 1, 2023, by and between Quanta Services, Inc. and Gerald A. Ducey, Jr. (previously filed as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended March 31, 2024 filed May 2, 2024 and incorporated herein by reference)
10.15*	—	Employment Agreement, dated May 24, 2024, by and between Quanta Services, Inc. and Karl W. Studer (previously filed as Exhibit 10.2 to the Company's Form 10-Q for the quarter ended March 31. 2025 filed May 1, 2025 and incorporated herein by reference)
10.16*	—	Employee Transition Agreement, dated May 29, 2025, by and between Quanta Services, Inc. and Derrick Jensen (previously filed as Exhibit 10.2 to the Company's Form 10-Q for the quarter ended June 30, 2025 filed July 31, 2025 and incorporated herein by reference)
10.17*	—	Quanta Services, Inc. Term Sheet for 2023 Annual Incentive Plan – Corporate Employees, Quanta Services, Inc. Term Sheet for 2023 Senior Leadership Long-Term Incentive Plan and Quanta Services, Inc. Term Sheet for 2023 Discretionary Plan – All Employees (previously filed as Exhibit 10.1 to Quanta's Form 8-K filed March 14, 2023 and incorporated herein by reference)
10.18*	—	Quanta Services, Inc. Term Sheet for 2024 Annual Incentive Plan – Corporate Employees, Quanta Services, Inc. Term Sheet for 2024 Senior Leadership Long-Term Incentive Plan and Quanta Services, Inc. Term Sheet for 2024 Discretionary Plan – All Employees (previously filed as Exhibit 10.1 to Quanta's Form 8-K filed March 8, 2024 and incorporated herein by reference)

Exhibit No.		Description
10.19*	—	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)
10.20*	—	Director Compensation Summary, adopted November 20, 2024 and effective as of 2025 Annual Meeting of Stockholders (previously filed as Exhibit 10.19 to the Company's Form 10-K for the year ended December 31, 2024 filed February 20, 2025 and incorporated herein by reference)
10.21*	—	Director Compensation Summary, adopted August 27, 2025 (previously filed as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended September 30, 2025 filed October 30, 2025 and incorporated herein by reference)
10.22*	—	Quanta Services, Inc. Non-Employee Director Deferred Compensation Plan dated effective January 1, 2017 (previously filed as Exhibit 10.25 to the Company's Form 10-K for the year ended December 31, 2016 filed March 1, 2017 and incorporated herein by reference)
10.23*	—	Quanta Services, Inc. Nonqualified Deferred Compensation Plan, as restated effective January 1, 2017, including the Nonqualified Deferred Compensation Plan Adoption Agreement (previously filed as Exhibit 10.27 to the Company's Form 10-K for the year ended December 31, 2016 filed March 1, 2017 and incorporated herein by reference)
10.24	—	Form of Amended and Restated Indemnity Agreement (previously filed as Exhibit 10.1 to the Company's Form 8-K filed December 11, 2018 and incorporated herein by reference)
10.25	—	Fourth Amended and Restated Credit Agreement, dated as of December 18, 2015, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, Bank of America, N.A., as Administrative Agent, Domestic Swing Line Lender and an L/C Issuer, and the other Lenders party thereto (previously filed as Exhibit 99.1 to the Company's Form 8-K filed December 23, 2015 and incorporated herein by reference)
10.26	—	First Amendment to Fourth Amended and Restated Credit Agreement dated as of June 27, 2016, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, Bank of America, N.A., as Administrative Agent, Domestic Swing Line Lender and an L/C Issuer, and the other Lenders party thereto (previously filed as Exhibit 10.2 to the Company's Form 10-Q filed August 8, 2016 and incorporated herein by reference)
10.27	—	Second Amendment to Fourth Amended and Restated Credit Agreement, dated as of October 31, 2017, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.1 to the Company's Form 8-K filed November 6, 2017 and incorporated herein by reference)
10.28	—	Third Amendment to Fourth Amended and Restated Credit Agreement, dated as of August 24, 2018, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.1 to the Company's Form 8-K filed October 15, 2018 and incorporated herein by reference)
10.29	—	Fourth Amendment to Fourth Amended and Restated Credit Agreement, dated as of October 10, 2018, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.2 to the Company's Form 8-K filed October 15, 2018 and incorporated herein by reference)
10.30	—	Incremental Term Loan Amendment and Fifth Amendment to Fourth Amended and Restated Credit Agreement and Omnibus Amendment to Loan Documents, dated as of September 6, 2019, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the L/C Issuers party thereto (previously filed as Exhibit 10.6 to the Company's Form 8-K filed September 9, 2019 and incorporated herein by reference)
10.31	—	Incremental Revolving Credit Increase Agreement and Lender Joinder Agreement, dated as of September 12, 2019, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, BNP Paribas, the Swing Line Lenders and L/C Issuers party thereto and Bank of America, N.A., as Administrative Agent (previously filed as Exhibit 10.4 to the Company's Form 10-Q filed November 1, 2019 and incorporated herein by reference)

Exhibit No.		Description
10.32	—	Sixth Amendment to Fourth Amended and Restated Credit Agreement, dated as of September 22, 2020, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, certain subsidiaries of Quanta Services, Inc. identified therein as Guarantors, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.1 to the Company's Form 8-K filed September 25, 2020 and incorporated herein by reference)
10.33	—	Seventh Amendment to Fourth Amended and Restated Credit Agreement, dated as of May 17, 2021, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.1 to the Company's Form 10-Q filed August 5, 2021 and incorporated herein by reference)
10.34	—	Eighth Amendment to Fourth Amended and Restated Credit Agreement, dated as of September 9, 2021, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, Quanta Services, Inc., as Guarantor, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.1 to the Company's Form 8-K filed October 15, 2021 and incorporated herein by reference)
10.35	—	Ninth Amendment to Fourth Amended and Restated Credit Agreement, dated as of October 8, 2021, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, Quanta Services, Inc., as Guarantor, the lenders party thereto, Bank of America, N.A., as Administrative Agent, and the Swing Line Lenders and L/C Issuers party thereto (previously filed as Exhibit 10.2 to the Company's Form 8-K filed October 15, 2021 and incorporated herein by reference)
10.36	—	Tenth Amendment to Fourth Amended and Restated Credit Agreement, dated as of February 4, 2022, among Quanta Services, Inc. and certain subsidiaries of Quanta Services, Inc., as Borrowers, the lenders party thereto and Bank of America, N.A., as Administrative Agent (previously filed as Exhibit 10.37 to the Company's Form 10-K filed February 25, 2022 and incorporated herein by reference)
10.37	—	Eleventh Amendment to Fourth Amended and Restated Credit Agreement, dated as of August 23, 2022, among Quanta Services, Inc., as a borrower and the guarantor, certain subsidiaries of Quanta Services, Inc., as borrowers, the lenders party thereto and Bank of America, N.A., as Administrative Agent (previously filed as Exhibit 10.2 to Quanta's Form 8-K filed August 24, 2022 and incorporated herein by reference)
10.38	—	Twelfth Amendment to Fourth Amended and Restated Credit Agreement, dated as of June 10, 2024, among Quanta Services, Inc., as a borrower and the guarantor, certain subsidiaries of Quanta Services, Inc., as borrowers, the lenders party thereto and Bank of America, N.A., as Administrative Agent (previously filed as Exhibit 10.1 to Quanta's Form 10-Q for the quarter ended June 30, 2024 filed August 1, 2024 and incorporated herein by reference)
10.39	—	Thirteenth Amendment to Fourth Amended and Restated Credit Agreement, dated as of July 31, 2024, among Quanta Services, Inc., as a borrower and the guarantor, certain subsidiaries of Quanta Services, Inc., as borrowers, the lenders party thereto and Bank of America, N.A., as Administrative Agent (previously filed as Exhibit 10.1 to Quanta's Form 8-K filed August 1, 2024 and incorporated herein by reference)
10.40	—	Form of Commercial Paper Dealer Agreement between Quanta Services, Inc. and the Dealer party thereto (previously filed as Exhibit 10.1 to Quanta's Form 8-K filed August 24, 2022 and incorporated herein by reference)
10.41	—	Underwriting, Continuing Indemnity and Security Agreement dated as of March 14, 2005 by Quanta Services, Inc. and the subsidiaries and affiliates of Quanta Services, Inc. identified therein, in favor of Federal Insurance Company (previously filed as Exhibit 10.1 to the Company's Form 8-K filed March 16, 2005 and incorporated herein by reference)
10.42	—	Joinder Agreement and Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of November 28, 2006, among American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., The Insurance Company of the State of Pennsylvania, Federal Insurance Company, Quanta Services, Inc., and the other Indemnitors identified therein (previously filed as Exhibit 99.1 to the Company's Form 8-K filed December 4, 2006 and incorporated herein by reference)
10.43	—	Second Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of January 9, 2008, among American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., The Insurance Company of the State of Pennsylvania, Federal Insurance Company, Quanta Services, Inc., and the other Indemnitors identified therein (previously filed as Exhibit 10.34 to the Company's Form 10-K for the year ended December 31, 2007 filed February 29, 2008 and incorporated herein by reference)

Exhibit No.		Description
10.44	—	Joinder Agreement and Third Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of December 19, 2008, among American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., The Insurance Company of the State of Pennsylvania, Federal Insurance Company, Quanta Services, Inc., and the other Indemnitors identified therein (previously filed as Exhibit 10.30 to the Company’s Form 10-K for the year ended December 31, 2011 filed February 29, 2012 and incorporated herein by reference)
10.45	—	Joinder Agreement and Fourth Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of March 31, 2009, among American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., The Insurance Company of the State of Pennsylvania, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Safeco Insurance Company of America, Federal Insurance Company, Quanta Services, Inc., and the other Indemnitors identified therein (previously filed as Exhibit 99.1 to the Company’s Form 8-K filed April 1, 2009 and incorporated herein by reference)
10.46	—	Joinder Agreement and Fifth Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of May 17, 2012, among Federal Insurance Company, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Safeco Insurance Company of America, American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, PA, The Insurance Company of the State of Pennsylvania, Quanta Services, Inc., and the other Indemnitors identified therein (previously filed as Exhibit 10.2 to the Company’s Form 10-Q for the quarter ended June 30, 2012 filed August 8, 2012 and incorporated herein by reference)
10.47	—	Sixth Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of December 3, 2012, among Federal Insurance Company, American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, PA, The Insurance Company of the State of Pennsylvania, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Safeco Insurance Company of America, Quanta Services, Inc., and the other Indemnitors identified therein (previously filed as Exhibit 10.32 to the Company’s Form 10-K for the year ended December 31, 2012 filed March 1, 2013 and incorporated herein by reference)
10.48	—	Seventh Amendment to Underwriting, Continuing Indemnity and Security Agreement dated as of August 4, 2015, among Federal Insurance Company; American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, PA and The Insurance Company of the State of Pennsylvania; Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company and Safeco Insurance Company of America; Quanta Services, Inc., the other Indemnitors identified therein; and the Stallone Companies (previously filed as Exhibit 10.2 to the Company’s Form 10-Q for the quarter ended June 30, 2018 filed August 7, 2018 and incorporated herein by reference)
10.49	—	Eighth Amendment to Underwriting, Continuing Indemnity and Security Agreement, dated as of September 22, 2020, among Federal Insurance Company, American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., The Insurance Company of the State of Pennsylvania, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, Safeco Insurance Company of America, Quanta Services, Inc. and the other Indemnitors identified therein (previously filed as Exhibit 10.2 to the Company's Form 8-K filed September 25, 2020 and incorporated herein by reference)
19.1	—	Quanta Services Inc. Insider Trading Policy (previously filed as Exhibit 19.1 to the Company’s Form 10-K for the year ended December 31, 2024 filed February 20, 2025 and incorporated herein by reference)
21.1^	—	Subsidiaries
23.1^	—	Consent of PricewaterhouseCoopers LLP
31.1^	—	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2^	—	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	—	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	—	Quanta Services, Inc. Policy For Recovery of Erroneously Awarded Compensation (previously filed as Exhibit 97 to the Company’s Form 10-K for the year ended December 31, 2023 filed February 22, 2024 and incorporated herein by reference)
101.INS^	—	The following financial statements from the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and with detailed tags
104*	—	The cover page from the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, formatted in Inline XBRL (included as Exhibit 101)

* Management contracts or compensatory plans or arrangements

ˆ Filed with this Annual Report on Form 10-K

† Furnished with this Annual Report on Form 10-K

ITEM 16. ***Form 10-K Summary.***

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Quanta Services, Inc. has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on February 19, 2026.

QUANTA SERVICES, INC.

By: /s/ EARL C. AUSTIN, JR.

Earl C. Austin, Jr.
President and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Earl C. Austin, Jr. and Jayshree S. Desai, each of whom may act without joinder of the other, as their true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons in the capacities indicated on February 19, 2026.

Signature	Title
/s/ EARL C. AUSTIN, JR. Earl C. Austin, Jr.	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ JAYSHREE S. DESAI Jayshree S. Desai	Chief Financial Officer (Principal Financial Officer)
/s/ PAUL M. NOBEL Paul M. Nobel	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ WARNER L. BAXTER Warner L. Baxter	Director
/s/ DOYLE N. BENEBY Doyle N. Beneby	Chairman of the Board of Directors
/s/ BERNARD FRIED Bernard Fried	Director
/s/ WORTHING F. JACKMAN Worthing F. Jackman	Director
/s/ HOLLI C. LADHANI Holli C. Ladhani	Director
/s/ JOSEPHINE ANN DEPASS OLSOVSKY Josephine Ann dePass Olsovsky	Director
/s/ R. SCOTT ROWE R. Scott Rowe	Director
/s/ RAÚL J. VALENTÍN Raúl J. Valentín	Director
/s/ MARTHA B. WYRSCH Martha B. Wyrsch	Director

DIRECTORS

Earl C. ("Duke") Austin, Jr.
President and Chief Executive Officer of Quanta

Warner L. Baxter
Former Executive Chairman, President and Chief Executive Officer of Ameren Corporation[1, 3, 5]

Doyle N. Beneby
Chairman of the Board of Quanta and Former Chief Executive Officer of Midland Cogeneration Venture

Bernard Fried
Principal of BF Consulting and Former Chief Executive Officer of Plastikon Industries, Inc.[2, 4, 5]

Worthing F. Jackman
Former President and Chief Executive Officer of Waste Connections, Inc.[1, 4]

Holli C. Ladhani
Former President and Chief Executive Officer of Select Energy Services, Inc.[1, 4]

Jo-ann M. dePass Olsovsky
Former Executive Vice President and Chief Information Officer of Salesforce, Inc.[2, 4, 5]

R. Scott Rowe
President, Chief Executive Officer and Director of Flowserve Corporation[2, 3, 5]

Raúl J. Valentín
Executive Vice President and Chief Human Resources Officer of ABM Industries Incorporated[2, 3, 5]

Martha B. Wyrsch
Former Executive Vice President and General Counsel of Sempra Energy[2, 3]

1 - Audit Committee 2 - Compensation Committee 3 - Governance and Nominating Committee 4 - Finance and Investment Committee 5 - Safety, Operations and Risk Committee

EXECUTIVE OFFICERS

Earl C. ("Duke") Austin, Jr.
President, Chief Executive Officer and Director

Jayshree S. Desai
Chief Financial Officer

Karl W. Studer
President — Electric Power

Gerald A. ("BJ") Ducey, Jr.
President — Strategic Operations

Donald C. Wayne
Executive Vice President and General Counsel

Paul M. Nobel
Senior Vice President and Chief Accounting Officer

INVESTOR INFORMATION

New York Stock Exchange
Last year, our Annual CEO Certification, without qualifications, was timely submitted to the NYSE. Also, we have filed the certifications required under The Sarbanes-Oxley Act of 2002 as exhibits to our Annual Report on Form 10-K.

Ticker Symbol | PWR

Transfer Agent
Equiniti Trust Company, LLC
55 Challenger Road
Ridgefield Park, NJ 07660
800.937.5449

Auditors
PricewaterhouseCoopers LLP
1000 Louisiana Street, Suite 5800
Houston, Texas 77002
713.356.4000

Investor Relations
Kip Rupp, CFA, IRC,
Vice President — Investor Relations

Sean Eastman
Director — Investor Relations

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