



Quanta Services, Inc. and Subsidiaries
Non-GAAP Financial Measures and Certain Other Data
For the Three and Twelve Months Ended December 31, 2015 and 2014
(In thousands)
(Unaudited)

The following table presents the non-GAAP financial measures of EBITA, EBITDA and Adjusted EBITDA for the three and twelve months ended December 31, 2015 and 2014. Management believes that EBITA, or earnings before interest, taxes and amortization, EBITDA and Adjusted EBITDA, which is earnings before interest, taxes, depreciation, amortization and certain other items as described below, provide useful information to investors, analysts and management in evaluating Quanta's operating results period to period or in comparison with the results of Quanta's competitors. These measures should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or as an alternative to net income or other measures of performance that are derived in accordance with GAAP.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	2014	2015	2014
Reconciliation of EBITA, EBITDA and Adjusted EBITDA:				
Net income (loss) from continuing operations attributable to common stock	\$ (2,586)	\$ 60,406	\$ 120,286	\$ 269,224
Interest expense	2,928	1,334	8,024	4,765
Interest income	(375)	(695)	(1,493)	(3,736)
Provision for income taxes	2,898	31,738	97,472	139,007
Equity in (earnings) losses of unconsolidated affiliates	152	-	466	332
Amortization of intangible assets	9,174	9,097	34,848	34,257
EBITA	\$ 12,191	\$ 101,880	\$ 259,603	\$ 443,849
Depreciation expense	41,463	37,867	162,845	141,106
EBITDA	\$ 53,654	\$ 139,747	\$ 422,448	\$ 584,955
Acquisition and integration costs	1,143	7,481	7,966	14,754
Non-cash stock-based compensation	8,231	10,200	36,939	37,449
Provision for long-term contract receivable	-	49,918	-	102,460
Asset impairment charges	58,451	-	58,451	-
Arbitration expense	-	-	-	38,848
Adjusted EBITDA	\$ 121,479	\$ 207,346	\$ 525,804	\$ 778,466

Definition of Days Sales Outstanding:

Days Sales Outstanding is calculated by using the sum of current accounts receivable, net of allowance (which include retainage and unbilled balances), plus costs and estimated earnings in excess of billings on uncompleted contracts less billings in excess of costs and estimated earnings on uncompleted contracts, divided by average revenues per day during the quarter.