Risk Factors Comparison 2024-02-22 to 2023-02-23 Form: 10-K

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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. • Unavailability or cancellation of third- party insurance would increase our risk exposure and disrupt our operations, and our estimates of losses under our insurance programs could prove inaccurate. • Our business and operating results are subject to physical risks associated with climate change. • 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 ~~. • 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 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 or result in harm to our 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 ~~decentralized~~ management ~~infrastructure~~ ----- **structure** could ~~negatively impact~~ **be inadequate to support** our business **as it expands and becomes more complex** . • The loss of, or our inability to attract, 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 ~~us~~ 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. • Increasing 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. • ~~Changes in tax laws could adversely affect our financial results. •~~ 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. • ~~Governmental~~ **Changes in tax laws could adversely affect our financial results. •** ~~opportunities~~ **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. ~~Our business~~ **Certain industries in which we operate** can be ~~highly~~ 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.** , ~~including~~ 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, 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 ~~affected by the volatility of commodity prices or production or~~ 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 challenging **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 ~~and~~ **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; • ~~schedule~~ 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 a project; • other factors such as terrorism, ~~military action~~ **geopolitical conflicts** , public health crises (e. g. ~~, the pandemic~~ **pandemics** ~~associated with the novel coronavirus that began in 2019 (COVID- 19)~~) and delays attributable to U. S. government shutdowns or any related under- staffing of government departments or agencies; • changes in the cost, availability 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 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 transmission ~~and pipeline projects~~ , ~~facility~~ **substation** and ~~terminal~~ **renewable generation** projects) **. We** ~~, and we~~ have strategically expanded these service offerings in recent years, including with respect to renewable energy projects ~~through our acquisition~~ **, and the size and scope** of ~~Blattner. These~~ **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** ~~cancellation~~ **cancellations** ~~by a customer~~ and damage to our ~~reputation or~~ relationship with ~~a customer~~ **customers , as well as damage to our reputation** , which can ~~adversely affect our ability to secure new contracts~~ **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 that may be exacerbated by certain geographies and locations where we perform services~~ , and we may not be insured against all potential liabilities. Due to the nature of **our** services ~~we provide~~ 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 ~~, including as a result of changes in climate and other factors in recent years~~ . In particular, **locations throughout our primary operating regions** ~~we perform a significant amount of services~~ , including ~~operational~~ **but not limited to** , ~~consulting and other~~ -- **the** ~~services~~ **United States** , ~~for~~ **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 ~~that~~ operate electrical power, natural gas, communications and other infrastructure assets in ~~the~~ **these areas** ~~western United States~~ , ~~Australia~~ **which in turn has exposed us** and other ~~locations that~~ **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 ~~recently experienced~~ **performed services** , **including inspection** ~~and have a higher risk of~~ , ~~wildfires~~ **consulting, construction, upgrade, repair and maintenance and other services** . For example, certain of **our** ~~Quanta ' s operating companies perform inspection, consulting, construction, repair and maintenance and other services for customers that operate electric power, natural gas, communications and other infrastructure in California and other areas in the western United States, including inspection of, and construction, upgrade, repair and maintenance and other services relating to the electrical power and natural gas transmission and distribution infrastructure operated by them. These customers include PG & E Corporation and its primary operating subsidiary, Pacific Gas and Electric Company (together, PG & E), Southern California Edison Company (SCE) and San Diego Gas and Electric Company, as well as their affiliates, and other utilities and customers in California and other western states. PG & E, SCE and certain other~~ customers have been determined to be or are potentially responsible for **certain** catastrophic wildfire events ~~that have occurred~~ in ~~recent years. In~~ **the western United States due to failure of their infrastructure, and in** connection with certain of these events, ~~some of~~ Quanta ~~' s~~ operating companies have received document hold requests and subpoenas, and ~~in connection with one of these events,~~ as described further 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, two ~~of~~ Quanta ~~' s~~ operating companies have received tenders of defense and demands for preservation of documents. Additionally, certain of these wildfire events remain under investigation and additional claims or legal proceedings involving Quanta and its operating companies related to these 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 ~~, and we assumed certain contingent liabilities related to a natural gas explosion in connection with our acquisition of this business in 2019, which are described further in Note 16 of the Notes to Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data of this Annual Report~~ . 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 **. Additionally, we 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 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, regulatory 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. Unavailability or cancellation of third- party insurance coverage would increase our overall risk exposure, as well as disrupt our operations, and estimates of losses covered by our insurance policies could prove incorrect. We maintain insurance coverage from third- party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. Such insurance is subject to deductibles and limits and may be canceled or may not cover all of our losses. We also manage and maintain a portion of our casualty risk through our wholly- owned captive insurance company, which insures all claims up to the amount of the applicable deductible of our third- party insurance programs, as well as with respect to certain other amounts, and issue letters of credit to secure our obligations in connection with our casualty insurance programs. Our insurance policies include various coverage requirements, including notice requirements, and coverage could be denied if we fail to comply with those requirements. Additionally, 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, it could expose us to significant liabilities and materially and adversely affect our business, financial condition, results of operations and cash flows. We also renew our insurance policies on an annual basis, and therefore deductibles and levels of coverage offered by third parties 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. Our third- party insurers could also fail, cancel our coverage or otherwise be unable or unwilling to provide us with adequate insurance coverage for certain items, including wildfires, or we may elect not to obtain certain types or incremental levels of insurance based on the potential benefits considered relative to the cost of such insurance, or coverage may not be available at reasonable and competitive rates. For example, due to the increased occurrence and future risk of wildfires ~~in California and other areas in the western United States~~ , **as described above** ~~Australia and other locations~~ , insurers have reduced coverage availability and increased the cost of insurance coverage for such events in recent years. As a result, Quanta' s level of insurance coverage for wildfire events has decreased in recent years, and the current level of coverage may not be sufficient to cover potential losses in connection with these events. Furthermore, our third- party insurers could also decide to further reduce or exclude coverage for wildfires or other events in connection with future insurance renewals. Adverse changes in our insurance coverage could increase our exposure to uninsured losses, which could have a negative effect on our business, financial condition, results of operations and cash flows or result in a disruption of our operations. Losses under our insurance programs are accrued based upon our 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 our liability in proportion to other parties and unreported incidents. If we experience claims or costs above our estimates, our business, financial condition, results of operations and cash flows could be materially and adversely affected. Changes in climate have caused, and are expected to continue to cause, among other things, increasing mean annual temperatures, rising sea levels and changes to **meteorological and hydrological** patterns ~~and~~ **, as well as impacts to** the frequency and intensity of wildfires, hurricanes, floods, droughts, other storms and severe weather- related events and natural disasters. These changes have and could continue to significantly 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 our risks associated with climate change, we recognize that there are inherent climate- related risks regardless of how and where we conduct our operations. For example, catastrophic natural disasters can negatively impact projects we are working on, our ~~office~~ **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 climate change 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 ~~in the western United States, Australia and other locations~~ 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 ~~failure of~~ 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 Power ~~Infrastructure Solutions~~ segment and experienced supervisors and foremen for our Underground ~~Utility~~ and Infrastructure ~~Solutions~~ 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 expanded 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 recent inflationary pressure in the United States and our other markets has increased ~~, and is expected to continue to increase,~~ 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 ~~36~~ **31** % of our consolidated revenues for the year ended December 31, ~~2022~~ **2023** . 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 ~~included~~ 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 ~~, which can result in the recognition of costs prior to the recognition of the related revenue. For example, as of December 31, 2022, the amount recognized related to unapproved change orders and claims was $ 549. 3 million, which is discussed further in Note 4 of the Notes to Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data of this Annual Report~~ . 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, 2023, the amount recognized related to unapproved change orders and claims was $ 778. 9 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 ~~or~~ **,** 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 our recent growth, 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, ~~2022~~ **2023** , the total amount of our outstanding performance bonds was estimated to be approximately $ ~~4~~ **7** . ~~5~~ **7** 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~~ **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 ~~, typically 30 to 90 days,~~ 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, renewable generation, communications, underground utility and pipeline 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 our 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 or result in harm to our 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 which 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. Breaches or disruptions of our information systems, or systems of key third parties and information technology vendors that we rely upon, can result from, among other things, cyber- attacks, theft, inadvertent exposure of sensitive information, acts of terrorism, war, storms or other natural phenomena, information technology solution failures or network disruptions, and any such cyber- attacks or breaches can go unnoticed for some period of time. For example, a cyber- attack on one of our vendors or vulnerabilities identified in proprietary or open- source code disclosed by vendors or federal agencies could potentially impact information technology systems relevant to our business and / or sensitive information that we retain. Furthermore, some of the energy infrastructure systems on which we work may be considered to be strategic targets, and therefore 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, and malicious third parties or insiders may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information or otherwise compromise the security of our information systems. **Our operations are decentralized with operating companies maintaining some of their own information systems, data and service providers.** While ~~we have security measures and technology in place to protect our and our clients' confidential or~~ **our** ~~proprietary~~ **cybersecurity risk management program and processes, including policies, controls and procedures, are designed to cover our operating** ~~company~~ **companies** ~~information~~ , there can be no assurance that **these will be fully implemented, complied with or effective in protecting all information systems and operations. While we have security measures and technology in place to protect our and our clients' confidential or proprietary company information, there can be no assurance that** our efforts will prevent all threats to our computer systems. **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 ~~expands~~ **has increased** the **exposure to** possible ~~attack~~ **attacks** ~~surfaces~~ , thereby increasing the risk of a data security compromise. We have addressed breaches and disruptions of our information systems, or 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 cyber- attacks, the ultimate impact of future and similar events remains unknown, and we expect additional vulnerabilities may 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 service disruptions to our internal 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 significant liabilities, cause damage to our reputation or customer relationships, or result in regulatory investigations or other actions by governmental authorities, which could have a material adverse impact on our business, financial condition, results of operations and cash flows **. Furthermore, we may incur additional costs related to the investigation and reporting of any such breach or disruption as a result of the SEC' s increased reporting requirements for cyber incidents** . 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 may be unable to anticipate these techniques or to implement adequate preventative measures. 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. 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** ~~, which was selected for a 15-~~ **scale infrastructure projects designed** ~~year operation and maintenance agreement~~ to **support** ~~operate, maintain and modernize~~ the ~~approximately 18~~ **energy transition (i. e.** , **large** ~~000- mile~~ electric transmission and **renewable generation projects)** ~~distribution system in Puerto Rico~~ ; • actual or potential involvement in a catastrophic fire, explosion or similar event; or • actual or perceived responsibility for a serious accident or injury. ~~Intensifying~~ **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, ~~has~~ **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. 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** ~~receivables,~~ long- lived assets ~~or investments~~ , the ~~fair~~ value of which is dependent upon certain estimates and assumptions. **We** ~~In particular, equity investments are reviewed for impairment by assessing whether there has been a decline in the fair value of the investment below the carrying amount. Additionally, as described further in Note 2 of the Notes to Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data of this Annual Report, we~~ record goodwill when we acquire a business, **which** ~~and goodwill~~ 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) ~~or~~ **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 ~~viability or~~ **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 ~~expose~~ **exposure** ~~us~~ 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 ~~a decentralized management structure~~ **managing our business as it grows** ; • 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. Additionally, the **FTC** ~~Federal Trade Commission~~ has proposed ~~rulemaking~~ **new rules** to, among other things, prohibit and make unenforceable any post- ~~termination~~ **employment** non- compete arrangement that restricts an employee or individual independent contractor, unless such arrangement was entered into in connection with an acquisition and meets certain conditions. If a member of the key management of the businesses we acquire leaves voluntarily or 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 decentralized management structure could negatively impact our business.~~ We cannot be certain that our management structure will be adequate to support our **business as it expands and becomes 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 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** ~~they~~ - **the quality of** ~~expand. Our decentralized structure places significant control and~~ decision- making **by** ~~powers in the hands of the~~ management ~~of our~~ - **or** ~~operating companies. This contributes to the risk that we may be slower or~~ **our ability** ~~less able~~ to ~~identify or~~ react to problems affecting key business matters ~~than we would in a more centralized environment. The lack of timely access to information may also impact the quality of decision- making by management. For example, our ability to coordinate and utilize resources and capital, including our fleet of vehicles, equipment, labor resources and working capital, depends on effective communications and processes among our operating companies. Furthermore, our decentralized structure can increase the cost and complexity associated with implementation and management of information technology systems associated with critical functions (e. g., accounting and financial systems, human resources systems, fleet management systems). As a result, the ability to internally communicate, coordinate and execute business strategies, plans and tactics may be negatively impacted by our increasing size and complexity. Our decentralized organization can also result in our operating companies assuming excessive risk without appropriate guidance from our centralized legal, accounting, safety, tax, treasury, insurance and other functions~~ . 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. 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 ~~to three years~~ - **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. Additionally, if the proposed FTC rulemaking regarding non- compete covenants discussed above is finalized, Quanta ~~would~~ **could** be required to individually rescind any post- termination non- compete clauses in its employment and other service agreements with key management, other employees and individual independent contractors, which would increase the risk that key individuals, upon departure from Quanta, would compete with us despite any severance or other consideration paid or owed to any such individual. 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. For example, during 2022, we recorded a $ 91. 5 million impairment in connection with our investment in Starry Group Holdings, Inc ~~. (Starry)~~ . 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 ~~on~~ **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, 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. 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, ~~2022~~ **2023** , we derived $ 2. ~~68~~ **97** billion, or ~~15~~ **14** . ~~7~~ **2** %, 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, ~~such as the COVID- 19 pandemic~~ **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, economic and social instability; expropriation or nationalization of our assets and operations; unfamiliar legal systems or business and labor practices; and complex U. S. and foreign tax regulations and other laws and international treaties. For example, as discussed in further detail in Legal Proceedings within Note 16 of the Notes to Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data **in Part II** of this Annual Report, the termination of a telecommunications project in Peru resulted in a $ 79. 2 million charge to earnings in the second quarter of 2019. 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 ~~. For example, we incurred operating losses of $ 74. 0 million during the year ended December 30, 2020 in connection with the exit of our Latin American operations~~ . 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 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** 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 are exposed to availability issues and price increases for materials that are utilized in connection with our operations, including, among other things, copper, steel ~~and~~ **,** aluminum ~~and~~ **,** specialized project components (e. g., transformers, solar panels) **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 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, recent **sourcing restrictions have resulted in** supply chain and logistical challenges ~~resulting from~~ **with respect to solar cells and panels, including** the U. S. Department of Commerce ~~' s~~ investigation into an antidumping and countervailing duties circumvention claim on **these components from Southeast Asia, which negatively impacted our renewable energy services associated with** solar ~~cells~~ **projects during 2022** and **into 2023** ~~panels supplied from Malaysia~~ , ~~Vietnam, Thailand~~ and **certain** ~~Cambodia, as well as~~ other sourcing restrictions **and challenges related to** ~~, have caused disruption in the~~ solar ~~panel~~ **panels manufactured** ~~supply chain and created delays~~ in **China (e. g.,** the **Uyghur Forced Labor Prevention Act), which may negatively impact project** timing **within the** ~~of development and / or financing of certain~~ renewable energy **market in the future. Additionally, the availability of power transformers utilized in electric power** projects **has been** ~~. Additionally, supply chain and other logistical challenges have~~ negatively impacted

~~suppliers~~ **by the inability** of **manufacturers to meet current market demand, which has increased, and is expected to continue to increase, as a result of the transition to a reduced- carbon economy. We also operate** certain ~~equipment necessary~~ **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** ~~the~~ **their** ~~performance of~~ **ongoing projects, which could have an adverse effect on demand for our services or** our business ~~in the past and may impact us in the future~~ , ~~For example~~ **financial condition** , **results** ~~based on, among other things, the significant worldwide shortage~~ of ~~semiconductors, vehicle manufacturers we rely upon experienced production delays with respect to new vehicles for our fleet (both on- road and specialty vehicles) and vehicle parts (e. g., tires) and certain of our vehicle delivery orders during 2022 were delayed and canceled. While these issues have largely been resolved with respect to our 2023 vehicle delivery orders, to the extent these production issues worsen or become longer- term in nature, our~~ operations **and cash flows** ~~could be negatively impacted~~ . 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 that result from, among other things, climate change initiatives. 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. Additionally, to the extent we are required to transition our fleet to alternative sources of power, including EVs, and the availability of such vehicles is limited or fluctuates, we may be unable to efficiently plan for such transition, which could result in, among other things, the retirement of certain vehicles prior to the end of their useful life. The broader and longer- term implications of these challenges, which could accelerate based on the pace of the transition to a reduced- carbon economy or otherwise, remain highly uncertain and variable and could negatively impact our overall business, financial condition, results of operations and cash flows. Increasing scrutiny and changing expectations from various stakeholders with respect to corporate sustainability practices may impose additional costs on us or expose us to reputational or other risks. Investors **, customers** and other stakeholders have focused increasingly on **sustainability** ~~the environmental, social and governance (ESG)~~ 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 ~~ESG-based~~ 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 ~~ESG~~ **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 ~~ESG~~ procedures or standards in order to continue to do business with us. A failure to comply with investor ~~or~~ **,** customer **and other stakeholder** expectations and standards, which are evolving **and can conflict** , or if we are perceived not to have responded appropriately to ~~the~~ **their** growing ~~concern~~ **concerns** ~~for ESG~~ **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. For example, if a portion of our operations are perceived to result in high greenhouse gas emissions, our reputation could suffer. In addition, organizations that provide ratings information to investors on ~~ESG~~ **sustainability** matters may assign unfavorable ratings to Quanta or our industries, which may lead to negative investor sentiment and the diversion of investment to other companies or industries, which could have a negative impact on our stock price and our costs of capital. Moreover, while we may create and publish voluntary disclosures regarding ~~ESG~~ **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 ~~ESG~~ **sustainability** matters. In addition, we expect there will likely be increasing levels of regulation, disclosure- related and otherwise, with respect to ~~ESG~~ **sustainability** matters. For example, **certain jurisdictions in which we operate have adopted new requirements that would require companies to provide expanded emissions- related disclosures on an annual basis. Additionally,** the SEC ~~has~~ **and the State of California have** published proposed rules that would require companies to provide significantly expanded climate- related disclosures in their periodic reporting ~~, which~~ **. These new and proposed regulatory requirements** may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management and ~~board~~ **Board** ~~of directors~~ . 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, 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 ~~and~~ **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. Consolidation, competition, capital constraints or 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. Services within our Underground ~~Utility~~ and Infrastructure ~~Solutions~~ segment are 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. For example ~~, demand for our industrial services operations declined during 2020 and 2021 as customers reduced and deferred regularly scheduled maintenance due to lack of demand for refined products and economic uncertainty as a result of the COVID- 19 pandemic. Furthermore~~ , future restrictions imposed on oil and gas production activities, including as a result of concerns about the impact of climate change, could have a material adverse effect on the oil and gas industry as a whole. Certain of our operations within our Underground ~~Utility~~ and Infrastructure ~~Solutions~~ segment could also experience reputational risks, such as how our values and practices regarding a low carbon transition are viewed by external and internal stakeholders, which could have a material adverse impact on our business, results of operations, financial condition and cash flows. If the profitability of our Underground ~~Utility~~ and Infrastructure ~~Solutions~~ segment were to decline, our overall financial position, results of operations and cash flows could also be adversely affected ~~. A decline in prices, production or the development of resource plays can also negatively impact demand for certain electric power infrastructure services performed in energy- reliant markets, including Canada and Australia~~ . 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 ~~face competition from the in- house service organizations of our existing or prospective customers, which are capable of performing, or acquiring businesses that perform, some of the same types of services we provide. 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. 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 ~~reduction in demand for hydrocarbons or plastics or an increase in demand for renewable energy sources or otherwise could negatively impact certain of our customers and reduce demand for certain of our services. Additionally, a~~ transition to a decentralized electric power grid, which relies on more dispersed and smaller- scale renewable energy sources, could reduce the need for large infrastructure projects and significant maintenance and rehabilitation programs, thereby reducing demand for, or profitability of, 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 change, 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. 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, **sourcing restrictions have resulted in** supply chain and logistical challenges ~~resulting from~~ **with respect to solar cells and panels, including** the U. S. Department of Commerce ~~' s~~ investigation into an antidumping and countervailing duties circumvention claim on **these components from southeast Asia, which negatively impacted our renewable energy services associated with** solar ~~cells~~ **projects during 2022** and **into 2023** ~~panels supplied from Malaysia~~ , ~~Vietnam, Thailand~~ and **certain** ~~Cambodia, as well as~~ other sourcing restrictions **and challenges related to** ~~, caused disruption in the~~ solar ~~panel~~ **panels** ~~supply chain during 2022 and adversely~~ **manufactured in China (e. g., the Uyghur Forced Labor Prevention Act), which may negatively** ~~impacted~~ -- **impact** ~~the~~ **project** timing **within the** ~~of development and / or financing of certain~~ renewable energy **market** ~~projects, which~~ in ~~turn had a negative impact on~~ the **future** ~~financial performance of our Renewable Energy Infrastructure Solutions segment~~ . 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. Additionally, new regulations addressing greenhouse gas emissions from mobile sources could also significantly increase costs for our large fleet of vehicles, render portions of our fleet of vehicles obsolete or reduce the availability of vehicles we need to perform our services. With respect to certain services within our Renewable Energy ~~Infrastructure Solutions~~ 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. For example, the interaction between the IRA and the IIJA could lead to additional complex requirements associated with, among other things, union labor or prevailing wages, domestic material production obligations, and affirmative action programs, which we and our customers must comply with in order to secure government funding for projects completed thereunder. Our or our customers' failure to successfully navigate these requirements could negatively impact our **, or our customers',** ability to take advantage of the opportunities under such legislation, result in additional unintended costs associated with any projects completed under such legislation or result in liabilities or governmental penalties for noncompliance. As of December 31, ~~2022~~ **2023** , approximately ~~34~~ **32** % 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 current political and labor environment 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 ~~. For example~~ , **and** we have been involved in several litigation matters associated with ~~our~~ withdrawal **liabilities** ~~from the Central States, Southeast and Southwest Areas Pension Plan, certain of which were settled~~ in ~~2017~~ **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. ~~We~~ **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 ~~extensive tax~~ **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 ~~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 **could negatively** ~~can result in significant changes to the tax rate on our earnings and have a material~~ impact ~~on~~ our ~~earnings~~ **business, financial condition, results of operations,** and cash flows from operations. Since future changes to...... adverse effect on our profitability and liquidity . 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, 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 ~~. 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~~ . 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. For example, a recent change to the definitions of waters of the United States by the EPA has expanded the coverage of the Clean Water Act, which is expected to impact construction around certain waterways. 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, ~~2022~~ **2023** ; 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. Additionally, one of our subsidiaries has registered as an investment adviser with the SEC under the U. S. Investment Advisers Act of 1940, as amended (the Advisers Act), which imposes substantive and material restrictions and requirements on the operations of this subsidiary, including certain fiduciary duties that apply to its relationships with its advisory clients. The SEC has broad administrative powers to institute proceedings and impose sanctions for violations of the Advisers Act, ranging from fines and censures to termination of an adviser' s registration. This subsidiary is also subject to periodic SEC examinations and other requirements, including, among other things, maintaining an effective compliance program, recordkeeping and reporting requirements, disclosure requirements and complying with anti- fraud prohibitions. The failure of our subsidiary to comply with the requirements of the Advisers Act could result in fines, suspensions of individual employees or other sanctions against our subsidiary that could have a material adverse effect on us. Even if an investigation or proceeding does not result in a fine or sanction or if a fine or sanction imposed against our subsidiary or its employees were small in monetary amount, the adverse publicity relating to an investigation, proceeding or imposition of these fines or sanctions could harm our reputation and have a material adverse effect on us. 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. from operations.Since future changes to **federal and state** 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. For example, the Biden Administration ~~recently~~ **has** proposed revisions to the Federal Acquisition Regulation which, if adopted, would require major federal suppliers to monitor and disclose certain climate- related information and, for certain suppliers, to adopt climate- related targets subject to the methodology of the Science Based Targets Initiative. This could require us to incur substantial costs, subject us to increased liability for our climate- related **and other** disclosures, and influence our climate and 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. 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 potential new 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. Furthermore, to the extent we are subject to penalties or delays that prevent the future transfer of our foreign employees to the United States, we may incur additional costs to hire and train new employees. ~~For example, as a result of the COVID- 19 pandemic, we have experienced delays and restrictions due to immigration processes that have prevented certain foreign workers from entering and working in the United States and Canada.~~ 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 ~~. For example, during 2021 we incurred approximately $ 2. 30 billion of debt to complete our acquisition of Blattner~~ . 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, ~~2022~~ **2023** , we had approximately $ 3. ~~69~~ **66** billion of outstanding long- term debt, net of current maturities. We also had $ ~~2~~ **1** . ~~00~~ **52** billion of aggregate undrawn borrowing capacity under our senior credit facility and commercial paper program as of December 31, ~~2022~~ **2023** . 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. 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 have increased significantly during 2022 and ~~the beginning of~~ 2023, and further increases ~~are expected~~ **may occur** . As a result, our debt service obligations on the variable rate indebtedness have increased and **may** ~~are expected to~~ 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, ~~will~~ **would** correspondingly decrease. ~~Our weighted average~~ **See Note 10 of the Notes to Consolidated Financial Statements in Item 8. Financial Statements and Supplementary Data in Part II and** ~~interest~~ **Interest** ~~rate~~ **Rate** ~~on our credit facility~~ **Risk in Item 7A. Quantitative and Qualitative Disclosures About Market Risk of this Annual Report** for **further information about** ~~the year ended December 31, 2022 was 3. 0 %, as compared to 1. 9 % for the year ended December 31, 2021. The commercial paper notes were outstanding from September 2, 2022 through December 31, 2022, and the weighted average interest rate was 4. 5 %. The annual effect on our pretax earnings of a hypothetical 50 basis point increase or~~ **our** ~~decrease in~~ **debt subject to** variable interest rates ~~would be approximately $ 5. 8 million based on our December 31, 2022 balance of variable rate debt~~ . 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. 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 ~~142~~ **145** , ~~930~~ **508** , ~~598~~ **549** shares were outstanding as of December 31, ~~2022~~ **2023** . 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. The declaration, amount and timing of future dividends are subject to capital availability and determinations by our Board ~~of Directors~~ 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 ~~of Directors~~ 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 ~~of Directors~~ 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.