# Q4 2022 Results

February 21, 2023

FLUOR®

# SAFE HARBOR STATEMENT

*This presentation contains forward-looking statements (including without limitation statements to the effect that the Company or its management "will," "believes," "expects," "plans," "intends," "continue," is "positioned" or other similar expressions). These forward-looking statements, including statements relating to strategic and operational plans, projected operating results, forecasts, market outlook, new awards, backlog levels, and liquidity are based on current management expectations and involve risks and uncertainties. Actual results may differ materially as a result of a number of factors described in our form 10-K for the year ended December 31, 2022 (the "2022 10-K"). Caution must be exercised in relying on these and other forward-looking statements. Additional information concerning risk factors that could affect the Company's business and financial results can also be found in the Company's public periodic filings with the Securities and Exchange Commission, including our 2022 10-K. The Company disclaims any intent or obligation other than as required by law to update its forward-looking statements in light of new information or future events.*

*During this presentation, we may discuss certain non-GAAP financial measures including consolidated segment profit, adjusted EBITDA, adjusted EPS and adjusted net debt to capital and pro forma adjusted net debt to capital. Reconciliations of non-GAAP amounts to the comparable GAAP measures are reflected in our earnings release and are posted in the investor relations section of our website at investor.fluor.com. Reconciliations of forward-looking non-GAAP financial measures are not available due to the inability to reliably estimate the amounts of items excluded from such measures. Unless otherwise noted, capitalized terms used herein shall have the meanings ascribed to them in our 2022 10-K.*

FLUOR®

# Opening Comments

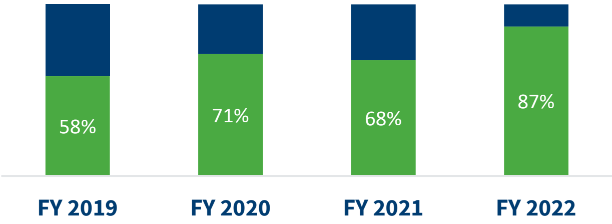
- Safety
  - 2022 Total Case Incident Rate 0.31, better than 0.38 corporate goal and industry benchmark of 0.90
  - Silver Medallion award was established in 1992 to recognize employees who embody our vital commitment to protect one another
  - 26 employees received a Silver Medallion in 2022
  - Employee awarded the honor after performing CPR on a child while camping


FLUOR®

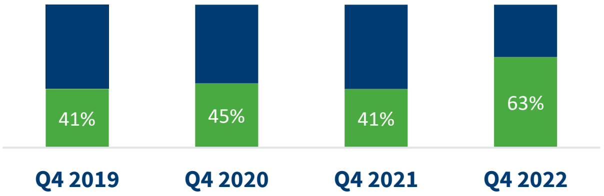
# Opening Comments

- 2022 New awards of $19.8 billion
  - Double 2021 new awards
  - 1.5X book-to-burn
  - 87% of FY new awards were reimbursable
- Backlog now 63% reimbursable
- Current FEED and study packages represent ~$147 billion in high-quality new award prospects
- 20% of FEED and feasibility pipeline related to energy transition

NEW AWARDS




BACKLOG




Reimbursable Fixed

FLUOR®

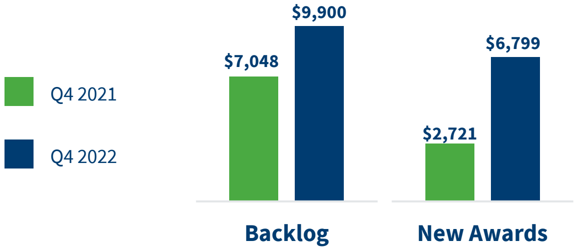
# SEGMENT UPDATES

# Urban Solutions

- FY 2022 segment profit of $3 million
  - Results reflect cost growth on three legacy Infrastructure projects in the first 3 quarters and Denver commuter ruling in Q4
- FY 2022 new awards of $6.8 billion
  - More than double last year's $2.7 billion
- Segment backlog 55% reimbursable

CONSOLIDATED BACKLOG AND NEW AWARDS

(Dollars in Millions)





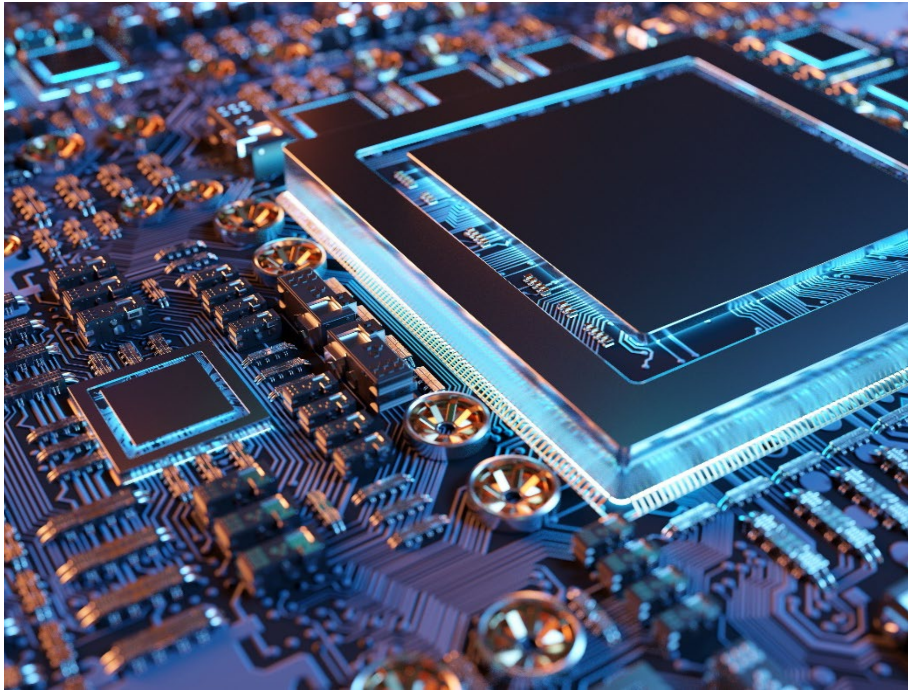
FLUOR®

# Urban Solutions – Mining & Metals

- Q4 2022 new awards
  - $2.4 billion metals project in the U.S.
  - $600 million new award in Greece for Hellas Gold
- Clients continuing to move into execution phase
- Currently executing $2 billion of LNTP work to support demand for copper, gold, lithium and metals

FLUOR®

# Urban Solutions – Advanced Technologies & Life Sciences



- Awarded $100 million in Q4 front-end study work for semiconductors and biopharmaceuticals
- Work packages are supporting nearly $12 billion in prospects
  - $7 billion in life sciences
  - $4.5 billion in semiconductors

FLUOR®

# Urban Solutions – Infrastructure

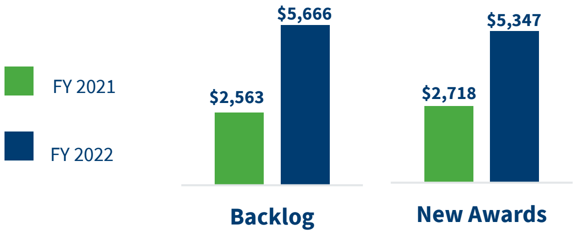
- In January 2023, entered into design, construction and maintenance contract for the A27 motorway project in the Netherlands
  - Fluor's $220 million share was booked in Q1
  - Reducing risk by using a two-phase contracting approach
- Progress made on claims and schedule relief on 3 legacy projects

# Mission Solutions

- FY 2022 segment profit of $136 million
- Prospects include
  - Intelligence community contracts
  - Multi-billion-dollar sole sourced award on existing DOE site
  - Portsmouth extension
  - Continuation of our services to NuScale and UAMPS
- Exploring opportunities with the U.S. Air Force and  a contract for the DOE at Hanford

CONSOLIDATED BACKLOG AND NEW AWARDS

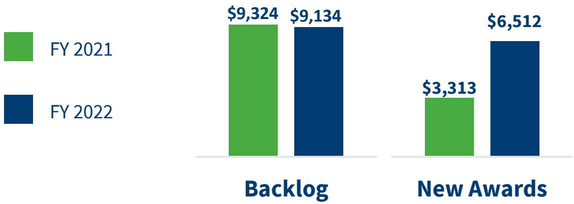
(Dollars in Millions)



# Energy Solutions


CONSOLIDATED BACKLOG AND NEW AWARDS

(Dollars in Millions)




- FY segment profit of $301 million
  - 20% increase over 2021
  - Strength in LNG and chemical markets
- New awards
  - $6.5 billion in new awards, nearly double 2021
  - FNTP on 3rd New Fortress Energy Fast LNG project
  - Additional package for BASF Integrated Chemicals project in China
  - EPC services contract for the Braskem Ethane Storage Terminal in Mexico

# Energy Solutions – LNG & Chemicals

- LNG Canada
  - Joint venture scope is approaching 80% complete
  - Out of 215 modules, 169 have shipped and 149 were onsite at the end of 2022
- Strong start for chemicals in 2023
  - Initial award for a reimbursable multi-billion-dollar chemical facility in North America
  - Pre-FEED study for a significant liquid to chemicals complex

FLUOR®

# Energy Transition

*Photo courtesy of Southern California Gas Co.*

- Energy Transition opportunities across all business lines
- Recently completed EPCM contract for SoCal Gas's Hydrogen Home
  - First–of-a-kind U.S. project aimed to show how a carbon-free gas from renewable electricity can be used to power a clean energy system
- Energy transition projects were 22%, or $4.3 billion of new awards in 2022

FLUOR®

# 2022

# FINANCIAL RESULTS

FLUOR®

# FY 2022 Financial Results

**$13.7 billion**
revenue

Corporate G&A
**$237 million**

**$427 million**
segment profit

New awards of
**$19.8 billion**

- Book to burn: 1.5x

**$327 million**
adjusted EBITDA

Cash and marketable securities
**$2.6 billion**

**$0.82**
Diluted adjusted EPS

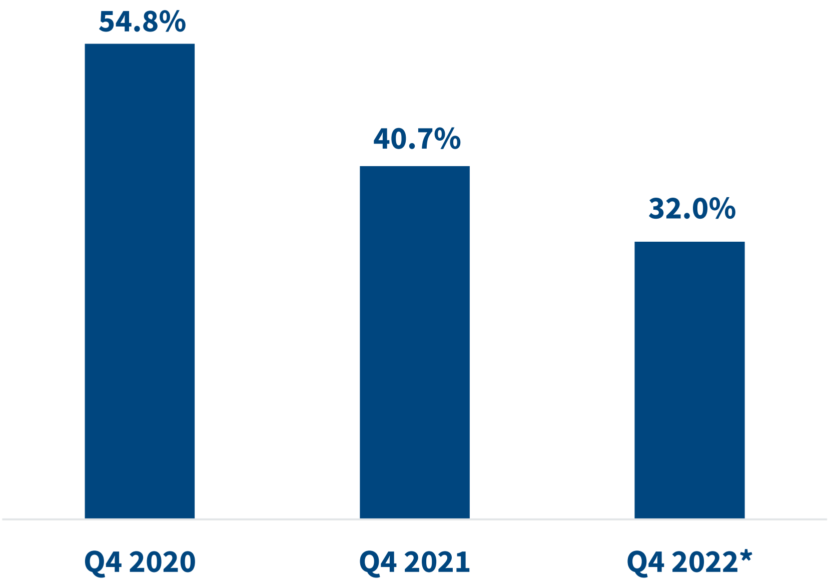
# FY 2022 Financial Results


- Cash and marketable securities balance was $2.6 billion
  - Excludes cash at proportionately consolidated ventures
- FY operating cash flow of $31 million
  - ~$250 million was used to fund cash needs on legacy projects
  - Expect to see modest improvement in cash flow for 2023
- Claims Status
  - Engaged in discussions for cost and schedule relief on Gordie Howe
  - Aligned with our clients on a path forward for schedule relief on LAX Automated People Mover and I-635 LBJ projects

FLUOR®

# Capital Structure

**Net Debt to Capital Ratio**




*Includes retirement of 2023 Notes

- Moody’s outlook upgraded from negative to stable
- Retired 2023 Euro Notes in January
- Extended credit facility maturity to February 2026
- In final negotiations for remaining AMECO operations and Stork’s European operations
- Reviewing monetization alternatives for NuScale

# STRATEGY UPDATE AND OUTLOOK


FLUOR®

# Strategy Update

| | | | |
|---|---|---|---|
| **Drive growth across our portfolio** | New awards for 2022 included approximately 81% of non-traditional Oil & Gas projects | **Pursue contracts with fair and balanced terms** | Year ended with a majority 63% reimbursable backlog and well on our way to our 75% goal by 2024. |
| **Reinforce financial discipline** | Reduced outstanding debt, solidified our cash position and reduced unnecessary overhead expenses | **Foster a high-performance culture with purpose** | Remain on track to meet our NetZero target for scopes 1 and 2 by the end of the year |

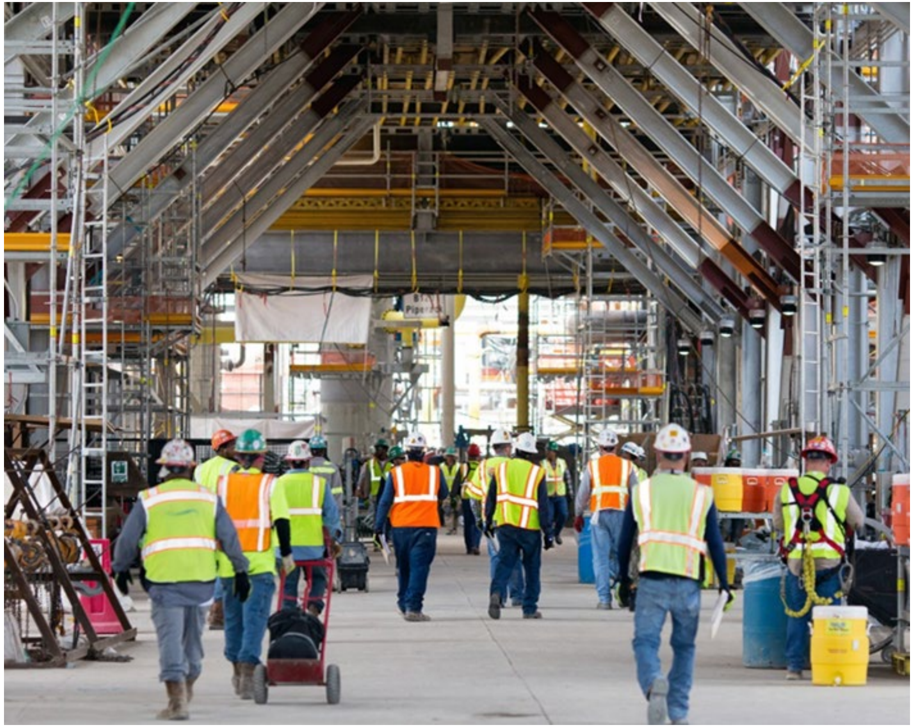
# Outlook

- Establishing 2023 guidance
  - Adjusted EBITDA guidance: **$450 to $600 million**
  - Adjusted EPS range: **$1.50 to $1.90**
- Introducing long-term 2026 guidance
  - Adjusted EBITDA guidance: **$800 to $950 million**
  - Adjusted EPS range: **$3.10 to $3.60**
- 2023 assumptions
  - Revenue: **~10% growth**
  - G&A expense: **~$40 million** per quarter
  - Effective tax rate: **~45%**
- 2023 segment margin guidance*
  - Energy Solutions: **~5.0%**
  - Urban Solutions: **~3.5%**
  - Mission Solutions: **~3.5%**

* Excludes currency exchange fluctuations and the embedded foreign currency derivative

FLUOR®

# Q&A



# APPENDIX

## Non-GAAP Reconciliations

# Reconciliation of U.S. GAAP Net Earnings and U.S. GAAP Earnings per Share to Adjusted EPS[1]

| *(In millions, except per share amounts)* | THREE MONTHS ENDED DECEMBER 31, 2022 | | THREE MONTHS ENDED DECEMBER 31, 2021 | | TWELVE MONTHS ENDED DECEMBER 31, 2022 | | TWELVE MONTHS ENDED DECEMBER 31, 2021 | |
|---|---|---|---|---|---|---|---|---|
| **Net earnings (loss) from Cont Ops available to Fluor** | **$** | **9** | **$** | **(278)** | **$** | **145** | **$** | **(405)** |
| Less: Dividends on CPS | | (10) | | (10) | | (39) | | (24) |
| **Net earnings (loss) from Cont Ops available to Fluor common stockholders** | | **(1)** | | **(288)** | | **106** | | **(429)** |
| Less: Earnings from Stork and AMECO | | (12) | | (3) | | (37) | | (21) |
| Less: Tax expense on Stork and AMECO | | (3) | | 2 | | (2) | | (2) |
| Net earnings (loss) from core operations* | | (16) | | (289) | | 67 | | (452) |
| Add (less): | | | | | | | | |
| Dividends on CPS | $ | 10 | $ | 10 | $ | 39 | $ | 24 |
| NuScale (profit) loss | | 28 | | 27 | | 72 | | 71 |
| ICA Fluor embedded derivatives | | 3 | | (3) | | 3 | | 27 |
| Tax expense (benefit) on ICA Fluor embedded derivatives | | (1) | | 1 | | (1) | | (8) |
| (Gain) loss on pension settlement | | (42) | | 198 | | (42) | | 198 |
| Tax benefit on pension settlement loss | | - | | (52) | | - | | (52) |
| Impairment [2] | | 43 | | 137 | | (17) | | 290 |
| Foreign currency (gain) loss | | 27 | | 9 | | (25) | | 13 |
| Tax expense (benefit) on foreign currency | | (3) | | (2) | | 1 | | (7) |
| Cost of debt extinguishment | | - | | - | | - | | 20 |
| SEC investigation and reserve for legacy legal claims | | 25 | | 16 | | 44 | | 26 |
| **Adjusted Net Earnings** | **$** | **74** | **$** | **52** | **$** | **141** | **$** | **150** |
| | | | | | | | | |
| Diluted EPS available to Fluor common stockholders | $ | (0.01) | $ | (2.03) | $ | 0.73 | $ | (3.04) |
| **Adjusted EPS** | **$** | **0.43** | **$** | **0.31** | **$** | **0.82** | **$** | **0.94** |
| | | | | | | | | |
| **Weighted average diluted shares outstanding** | | **145** | | **141** | | **145** | | **141** |
| Assumed conversion of CPS | | 27 | | 27 | | 27 | | 17 |
| Assumed issuance of shares under equity awards | | - | | **2** | | - | | **2** |
| **Adjusted weighted average diluted shares outstanding** | | **172** | | **170** | | **172** | | **160** |

**Core operations excludes the results of our Stork business and remaining AMECO equipment business that no longer meet all of the requirements to be classified discontinued operations but that continue to be marketed for sale.*

(1) *Certain amounts in tables may not total or agree back to the financial statements due to immaterial rounding differences.*

(2) *Includes impairment of SNGT Russia and goodwill.*

FLUOR®

# Reconciliation of U.S. GAAP Net Earnings to Adjusted EBITDA[1]

| (in millions) | THREE MONTHS ENDED DECEMBER 31, 2022 | THREE MONTHS ENDED DECEMBER 31, 2021 | TWELVE MONTHS ENDED DECEMBER 31, 2022 | TWELVE MONTHS ENDED DECEMBER 31, 2021 |
|---|---|---|---|---|
| **Net earnings from Cont Ops attributable to Fluor** | **$ 9** | **$ (278)** | **$ 145** | **$ (405)** |
| Interest | (31) | 10 | (35) | 73 |
| Taxes | 82 | (14) | 171 | 20 |
| Depreciation & Amortization | 18 | 14 | 73 | 74 |
| **EBITDA** | **$ 78** | **$ (268)** | **$ 354** | **$ (238)** |
| **Adjustments:** | | | | |
| *Other:* NuScale, Stork and AMECO expenses | 2 | 19 | 10 | 23 |
| *Energy Solutions:* Embedded foreign currency derivative (gains)/losses | 3 | (3) | 3 | 27 |
| *G&A* : (Gain)/loss on pension settlement | (42) | 198 | (42) | 198 |
| *G&A:* Foreign currency (gain)/loss | 27 | 9 | (25) | 13 |
| *G&A* : Cost of debt extinguishment | - | - | - | 20 |
| *G&A:* SEC Investigation and reserve for legacy legal claims | 25 | 16 | 44 | 26 |
| *G&A:* Impairment | 43 | 137 | (17) | 290 |
| **Adjusted EBITDA** | **$ 136** | **$ 108** | **$ 327** | **$ 358** |

[1] *Certain amounts in tables may not total or agree back to the financial statements due to immaterial rounding differences.*

FLUOR®

# Reconciliation of U.S. GAAP Net Earnings from Continuing Operations Before Taxes to Total Segment Profit[1]

| | THREE MONTHS ENDED DECEMBER 31, | | | | TWELVE MONTHS ENDED DECEMBER 31, | | | |
|---|---|---|---|---|---|---|---|---|
| *(in millions)* | 2022 | | 2021 | | 2022 | | 2021 | |
| **Earnings (loss) from Cont Ops before taxes** | **50** | | **(276)** | | **244** | | **(346)** | |
| | | | | | | | | |
| G&A | 89 | | 82 | | 237 | | 226 | |
| Impairment | 40 | | 137 | | (24) | | 290 | |
| Gain (loss) on pension settlement | (42) | | 198 | | (42) | | 198 | |
| Foreign currency gain (loss) | 27 | | 9 | | (25) | | 13 | |
| Interest income (expense), net | (31) | | 10 | | (35) | | 73 | |
| Earnings (loss) from Cont Ops attributable to NCI | 41 | | (16) | | 72 | | (39) | |
| **Total segment profit (loss) $ and margin %** | **$ 174** | **4.7%** | **$ 144** | **4.0%** | **$ 427** | **3.1%** | **$ 415** | **2.9%** |

*(1) Certain amounts in tables may not total or agree back to the financial statements due to immaterial rounding differences.*

FLUOR®

# Net Debt to Capital Reconciliation[1]

| (in millions) | | Debt (ST + LT) | | Shareholders' Equity | Debt/Cap |
|---|---|---|---|---|---|
| **2022 Net Debt to Capital** | **$** | **1,130** | **$** | **1,786** | **38.7%** |
| | | | | | |
| ***Adjustments:*** | | | | | |
| Discount & Unamortized Debt Cost | | (5) | | - | |
| Capital Leases | | 13 | | - | |
| AOCI | | - | | (365) | |
| **Adjusted Net Debt to Capital** | **$** | **1,148** | **$** | **2,152** | **34.8%** |
| | | | | | |
| January 2023 Notes Repayment | | 138 | | | |
| **2022 Pro Forma Adjusted Net Debt to Capital** | **$** | **1,010** | **$** | **2,152** | **32.0%** |

*(1) Certain amounts in tables may not total or agree back to the financial statements due to immaterial rounding differences.*

FLUOR®