

# Q2 2022 Results

August 5, 2022

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OUR PURPOSE  
**WE BUILD**  
**A BETTER WORLD**

*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 10-Q filed on August 5, 2022. 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 be found in the Company’s public periodic filings with the Securities and Exchange Commission, including the discussion under the heading “Item 1A. Risk Factors” in the Company’s Form 10-K to be filed on February 22, 2022. 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. 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](http://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.*



# SAFE HARBOR STATEMENT

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# OPENING COMMENTS

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# Opening Comments

- ▶ Accelerating Sustainability
  - Driving towards our Net Zero 2023 commitment
- ▶ Q2 new awards of \$3.6 billion
  - 73% reimbursable
  - Nearly 40% of new awards support Energy Transition related opportunities
- ▶ Strong demand for technical and construction services
- ▶ Margins on new awards 550 basis points above plan



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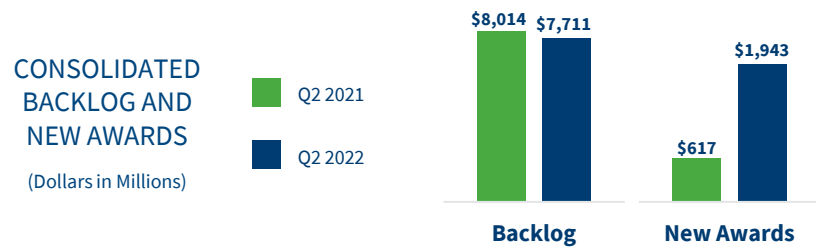
# URBAN SOLUTIONS

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# Urban Solutions

- ▶ Q2 segment profit of \$8 million
  - Results reflect cost growth on three legacy infrastructure projects
- ▶ Closed P3 Infrastructure transaction
- ▶ New awards of \$1.9 billion
  - Book-to-burn of 2x



# Urban Solutions – Infrastructure

- ▶ \$547 million new award for I-35 Capital Expressway South
- ▶ Near-term prospect pipeline includes A27 project in The Netherlands
- ▶ Q2 results include charges on three legacy projects
  - \$32 million increase in cost estimate on Gordie Howe driven by inflation pressure on materials and labor
  - Non-material cost growth and re-work charges on two additional projects
- ▶ Focus on selectivity



# Urban Solutions – Mining & Metals



- ▶ New awards
  - Rare earths refinery for Iluka Resources Limited
  - Copper project in Indonesia
- ▶ Prospect pipeline
  - \$5 billion of LNTP and FNTF awards
- ▶ Quellaveco
  - Initial operations began in July
  - Expect average production of 300,000 tons of copper per year

# Urban Solutions – Advanced Technologies & Life Sciences



- ▶ Semiconductor manufacturing demand across multiple clients
- ▶ Currently working on projects in Arizona and Malaysia for Intel
- ▶ Prospect pipeline
  - Prospects include the expansion of existing biologics manufacturing facility for Fujifilm in Europe
  - Multiple biotech prospects in Europe and the U.S.

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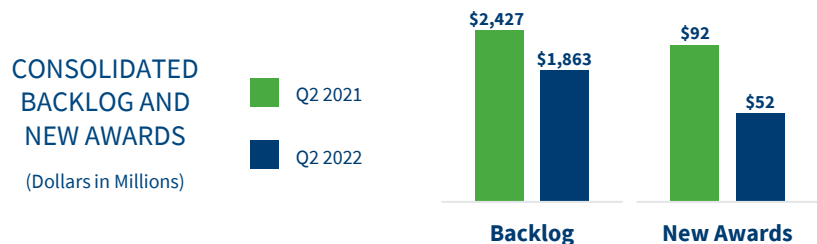
# MISSION SOLUTIONS

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# Mission Solutions

- ▶ Q2 segment profit of \$28 million
- ▶ Pantex Y-12 update
  - Award was cancelled by the NNSA due to an accelerating workload at both facilities
  - Pantex RFP expected by the end of this year
- ▶ Savannah River
  - DOE stated intent to extend current contract for four additional years with a one-year option period



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# ENERGY SOLUTIONS

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# Energy Solutions



CONSOLIDATED  
BACKLOG AND  
NEW AWARDS  
(Dollars in Millions)



- ▶ Q2 segment profit of \$65 million includes:
  - Cost growth, FX impacts and estimated recoveries on a legacy upstream project
  - \$17 million embedded derivative gain
- ▶ New Awards
  - Lithium chemicals project in China
  - ICA Fluor award for a refinery project in Mexico
  - New Fortress Energy FAST LNG 2 project
- ▶ Prospect pipeline
  - Q3 FID on large reimbursable petrochemical facility in China

# LNG Canada

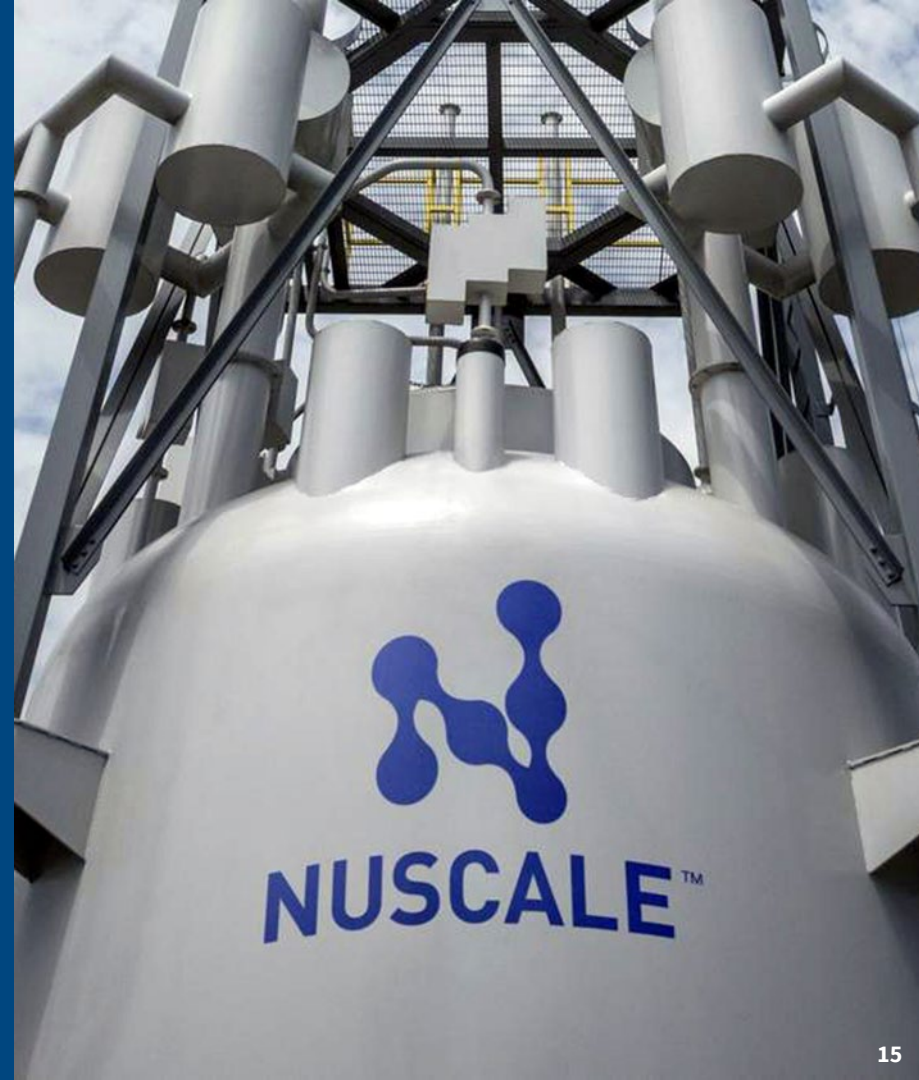


- ▶ Joint venture scope well over 60% complete
- ▶ Out of 215 modules, 93 modules are onsite
- ▶ Working collaboratively with the client to resolve COVID-related impacts

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NUSCALE

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# NuScale

- ▶ Fluor's ownership currently at 57%
  - Represents 126.4 million shares
- ▶ Recent developments:
  - United States providing Romania with a NuScale small modular reactor simulator
  - United States committing \$14 million toward a front-end-engineering and design study for a VOYGR-6 SMR power plant in Romania
  - NRC unanimously approves NuScale's design certification



# Q2 2022 FINANCIAL RESULTS



# Q2 2022 Financial Results

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**\$3.3**  
**billion**  
revenue

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Corporate  
G&A of  
**\$45**  
**million**

**\$108**  
**million**  
segment profit

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New awards of  
**\$3.6 billion**

- ▶ Book to burn above 1x

**\$65**  
**million**  
adjusted EBITDA

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Cash and  
marketable  
securities  
**\$2.2 billion**

**\$0.13**  
Diluted  
adjusted EPS

- ▶ Results include higher than anticipated tax expenses, project charges, FX impact

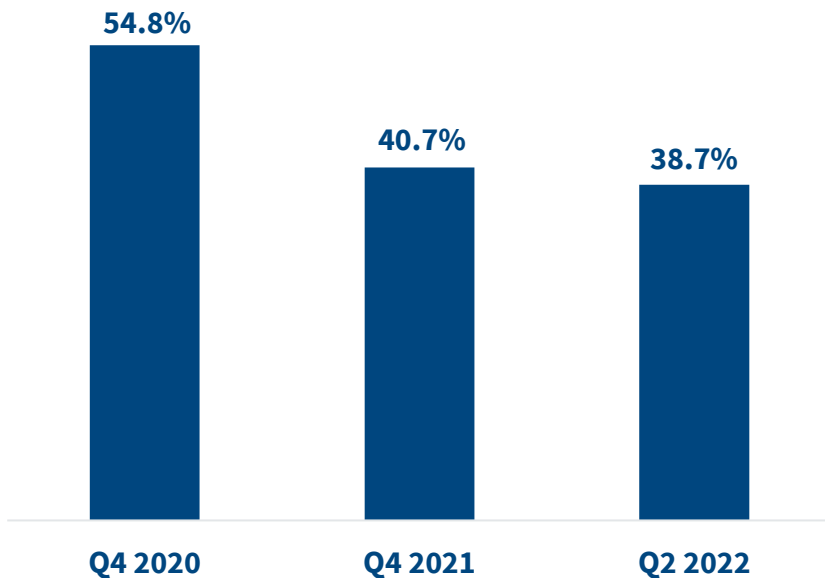
# Q2 2022 Financial Results



- ▶ Q2 operating cash flow of \$55 million
  - Expect cash balance will be flat for the full year
- ▶ Project FIT
  - Approaching \$100 million in ongoing cost savings
  - Expect annual savings well above this amount by 2024

# Capital Structure

## Debt to Capital Ratio



- ▶ Liability management
  - \$23 million in 2023 notes retired
  - Debt-to-capital ratio is under 40%
- ▶ Asset management
  - \$18 million cash proceeds from Canadian P3 investment
  - Stork Europe exclusivity agreement progressing well
  - AMECO Mozambique update by end of third quarter
- ▶ NuScale
  - 57% current ownership; long-term target of 20-25%

# Outlook

- ▶ Guidance
  - Tightening 2022 adjusted EPS guidance to **\$1.15 to \$1.35**
  - Adjusted EBITDA range of **\$380 to \$430 million**
    - In-line with original expectations for 2022
- ▶ 2022 Assumptions:
  - Revenue similar to FY 2021
  - Adjusted G&A expense of \$50M/quarter
  - 2H effective tax rate of 36%
- ▶ 2H 2022 segment margin guidance\*:
  - Energy Solutions: **~5.0%**
  - Urban Solutions: **~4.5%**
  - Mission Solutions: **~3.5%**

\* Excludes currency exchange fluctuations and the embedded foreign currency derivative



# Question and Answers

**“If there is one thing that unites all of us, it’s a commitment to building a more sustainable future for everyone.”**

**David E. Constable**  
Chairman and Chief  
Executive Officer  
Fluor Corporation

OUR PURPOSE  
**WE BUILD**  
A BETTER WORLD

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# APPENDIX

## OUR CORE VALUES

**SAFETY**

**We care for each other.**

**INTEGRITY**

**We do what is right.**

**TEAMWORK**

**We work better together.**

**EXCELLENCE**

**We deliver solutions.**

# Reconciliation of U.S. GAAP Net Earnings and U.S. GAAP Earnings per Share to Adjusted EPS<sup>(1)</sup>

<i>(In millions, except per share amounts)</i>	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
<b>Net earnings (loss) attributable to Fluor</b>	\$ 66	\$ (83)	\$ 114	\$ (168)
Less: Earnings from Stork and AMECO (net of tax)	(18)	(25)	(25)	(20)
Net earnings (loss) from core operations*	48	(108)	89	(188)
Add (less):				
NuScale (profit) loss	\$ 8	\$ 19	\$ 29	\$ 34
ICA Fluor embedded derivatives (net of tax)	(12)	14	(3)	34
Impairment	-	101	(63)	148
Foreign currency (gain) loss (net of tax)	(33)	22	(21)	27
SEC investigation and reserve for legacy legal claims	11	1	17	4
<b>Adjusted Net Earnings</b>	<b>\$ 22</b>	<b>\$ 49</b>	<b>\$ 48</b>	<b>\$ 59</b>
<b>Weighted average diluted shares outstanding</b>	172	156	171	149
<b>Diluted EPS available to Fluor common stockholders</b>	<b>\$ 0.38</b>	<b>\$ (0.53)</b>	<b>\$ 0.66</b>	<b>\$ (1.13)</b>
Less: Diluted EPS from Stork/AMECO	(0.10)	(0.16)	(0.14)	(0.13)
Diluted EPS from core operations*	0.28	(0.69)	0.52	(1.26)
Add (less):				
NuScale (profit) loss	0.04	0.12	0.17	0.23
ICA Fluor embedded derivatives (net of tax)	(0.07)	0.09	(0.01)	0.23
Impairment	-	0.65	(0.37)	0.99
Foreign currency (gain) loss	(0.19)	0.15	(0.12)	0.17
SEC investigation and reserve for legacy legal claims	0.07	0.01	0.10	0.03
<b>Adjusted EPS</b>	<b>\$ 0.13</b>	<b>\$ 0.32</b>	<b>\$ 0.29</b>	<b>\$ 0.39</b>

\*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.

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

# Reconciliation of Net Earnings to Adjusted EBITDA<sup>(1)</sup>

<i>(in millions)</i>	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2022	2021	2022	2021
<b>Net earnings from Cont Ops attributable to Fluor</b>	\$ 66	\$ (83)	\$ 114	\$ (168)
Interest	1	12	10	30
Taxes	32	2	63	5
Depreciation & Amortization	20	19	35	43
<b>EBITDA</b>	<b>\$ 119</b>	<b>\$ (50)</b>	<b>\$ 222</b>	<b>\$ (90)</b>
<b>Adjustments:</b>				
<i>Other: NuScale, Stork and AMECO expenses</i>	(12)	(10)	-	-
<i>Energy Solutions: Embedded foreign currency derivative (gains)/losses</i>	(17)	20	(4)	49
<i>G&amp;A: Foreign currency (gain)/loss</i>	(36)	30	(18)	41
<i>G&amp;A: SEC Investigation and reserve for legacy legal claims</i>	11	1	17	4
<i>G&amp;A: Impairment</i>	-	101	(63)	148
<b>Adjusted EBITDA</b>	<b>\$ 65</b>	<b>\$ 92</b>	<b>\$ 154</b>	<b>\$ 152</b>

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