

Fluor Corporation

1Q 2019 Earnings Conference Call



Safe Harbor Statement

This presentation contains forward-looking statements concerning the expected financial performance of Fluor Corporation and its subsidiaries (“we,” “our” or the “Company”) and the Company’s strategic and operation plans, including statements about our projected earnings level, revenue, margins, tax rate, expenses, market outlook, new awards, and backlog levels. Words such as “believes,” “expects,” “anticipates,” “assumes,” “may,” “positions,” “looking ahead,” “views,” “think,” “target,” “trend,” “can,” “appears,” “estimates,” “should,” “prospects,” “outlook,” “guidance” or other similar expressions often identify forward-looking statements. Such statements are based on current management expectations as to what may occur in the future. Risks and uncertainties may cause actual results to differ materially from the results predicted, and reported results should not be considered as an indication of future performance. Investors are cautioned not to place undue reliance on the forward-looking statements included in this presentation, which speak only as of the date hereof. The company disclaims any intent or obligation, other than as required by law, to update this information in light of new information or future events. Additional information about potential risk factors that could affect the Company’s business and financial results is included in our Form 10-K filed on February 21, 2019.

During this presentation, we may discuss certain non-GAAP financial measures. Reconciliations of historical 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.

Project Update

- E&C offshore project
 - \$53 million project adjustment
 - Unique design created the need to redesign certain elements of the project
 - Client is in the process of providing additional financial support
- E&C close-out with customer
 - \$31 million charge related to close-out matters with the customer
 - We expect this charge will fully resolve all matters with the customer
- Legacy gas-fired projects
 - \$26 million in project charges
 - Related to punch list items on two gas-fired plants

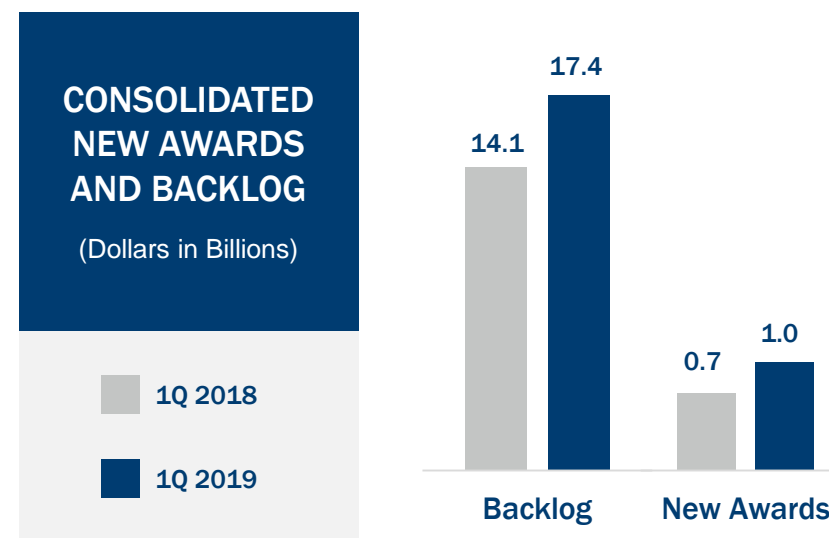


Segment Updates

Energy & Chemicals

First Quarter Highlights

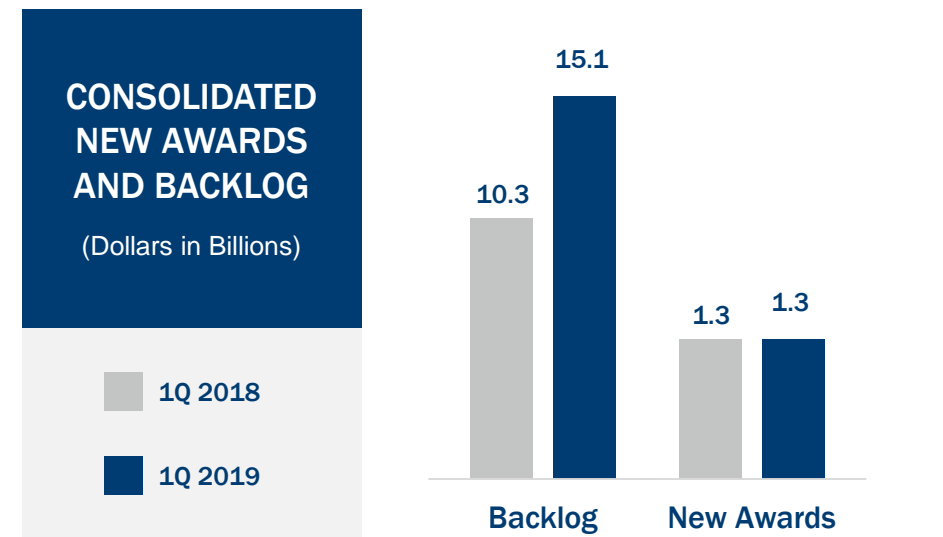
- Segment profit of \$19 million, compared to \$106 million last year
- New awards of \$1.0 billion, compared to \$721 million last year
- Backlog of \$17.4 billion, compared to \$14.1 billion last year
- LNG Canada site preparation is complete and team is working on detailed engineering plans and modularization strategy
 - FEED proposal submitted to build Trains 3 & 4
- Bids submitted for Mozambique Rovuma LNG and Next Decade Rio Grande LNG project
 - FID expected for both in 2H 2019
- Prospects include petrochemical projects in Asia and North America.



Mining, Industrial, Infrastructure, & Power

First Quarter Highlights

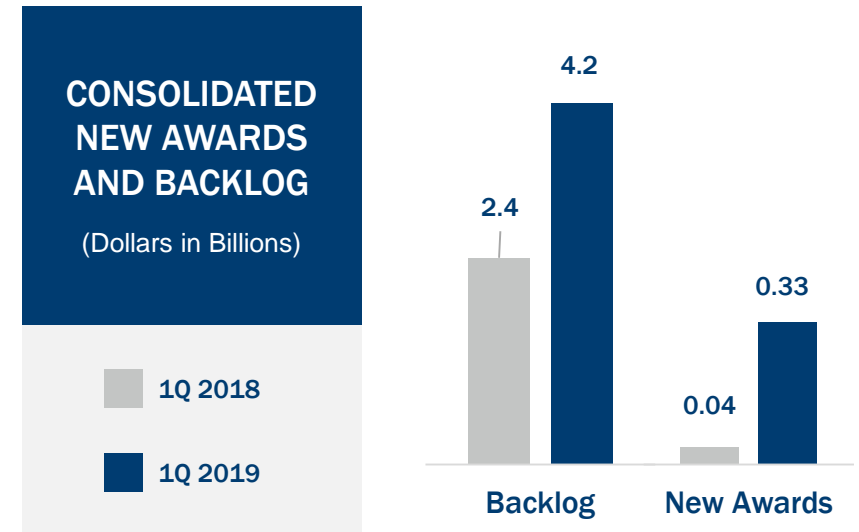
- Segment profit of \$0.4 million, compared to a loss of \$120 million last year
- New awards of \$1.3 billion, compared to \$1.3 billion last year
 - Includes Red and Purple Line Modernization Project for the Chicago Transit Authority
- Backlog of \$15.1 billion, compared to \$10.3 billion last year
- Broke ground on Los Angeles International Airport Automated People Mover, scheduled for completion in 2023
- Potential awards upcoming for I-635 in Dallas; Oak Hill parkway in Austin
- Working on mining & metals FEED and feasibility studies that have potential to translate to \$10+ billion in new awards starting in 2020



Government

First Quarter Highlights

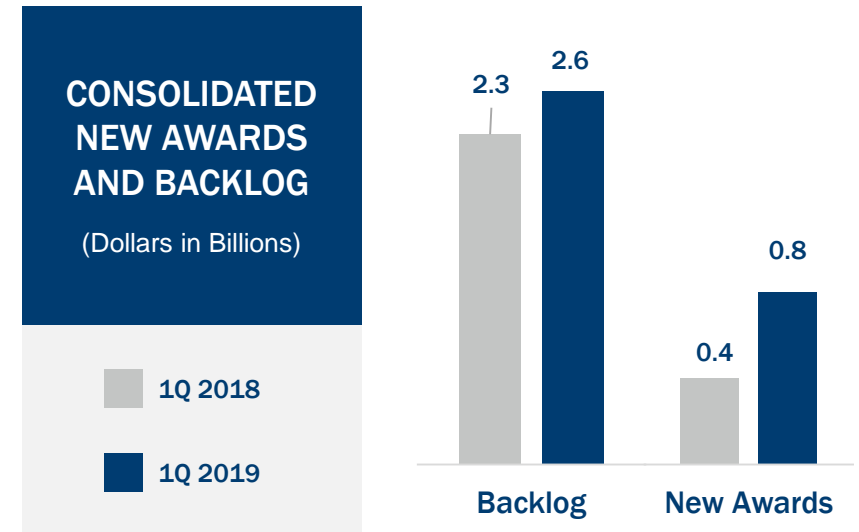
- Segment profit of \$17 million, compared to \$48 million last year
 - 1Q 2018 results included significant Puerto Rico restoration work
- New awards of \$331 million, compared to \$43 million last year
- Backlog of \$4.2 billion, compared to \$2.4 billion last year
- Recently announced winner of LOGCAP V award for AFRICOM



Diversified Services

First Quarter Highlights

- Segment profit of \$10 million, compared to \$19 million last year
- New awards of \$810 million, compared to \$433 million last year
 - Include a significant award for maintenance and outage services in our power services business line
- Backlog of \$2.6 billion, compared to \$2.3 billion last year
- Results reflect completion of certain large projects in AMECO equipment business line



First Quarter 2019 Overview

- Revenue for Q1 was \$4.2 billion, compared to \$4.8 billion a year ago
 - Reflects lower volume on large projects, partially driven by the timing of client furnished materials
- New awards of \$3.4 billion compared to \$2.5 billion a year ago
 - Book-to-bill ratio of 0.81
 - Expect to see new awards pick up over the year
- Backlog of \$39.3 billion compared to \$29.1 billion a year ago
 - 49% fixed, 51% reimbursable
- Corporate G&A expense for Q1 was \$61 million, compared to \$57 million a year ago
 - Expenses include \$19 million related to foreign exchange losses compared to \$12 million a year ago

First Quarter 2019 Overview

- First quarter resulted in a net loss of \$58 million, or (\$0.42) per diluted share
- Results include:
 - Charges of \$0.65 resulting from forecast revisions on an Energy & Chemicals project, resolution of close-out matters with a customer, and legacy gas-fired power projects
 - Restructuring charges of \$0.15
 - Corporate and embedded derivative foreign exchange impacts of \$0.13
- Results for the quarter include favorable project forecast revisions for certain projects in our Energy & Chemicals segment
- 1Q cash plus marketable securities was \$1.9 billion, compared to \$2.0 billion last quarter
 - Quarter end available domestic cash balance was approximately 25% of total cash and marketable securities balance

2019 Guidance

- Adjusted 2019 guidance of \$1.50 to \$2.00
 - Excludes costs related to the 2019 restructuring plan and foreign exchange fluctuations
- G&A expenses of \$160 to \$180 million
- NuScale expenses of \$40 million
- Tax rate of 25 to 30 percent

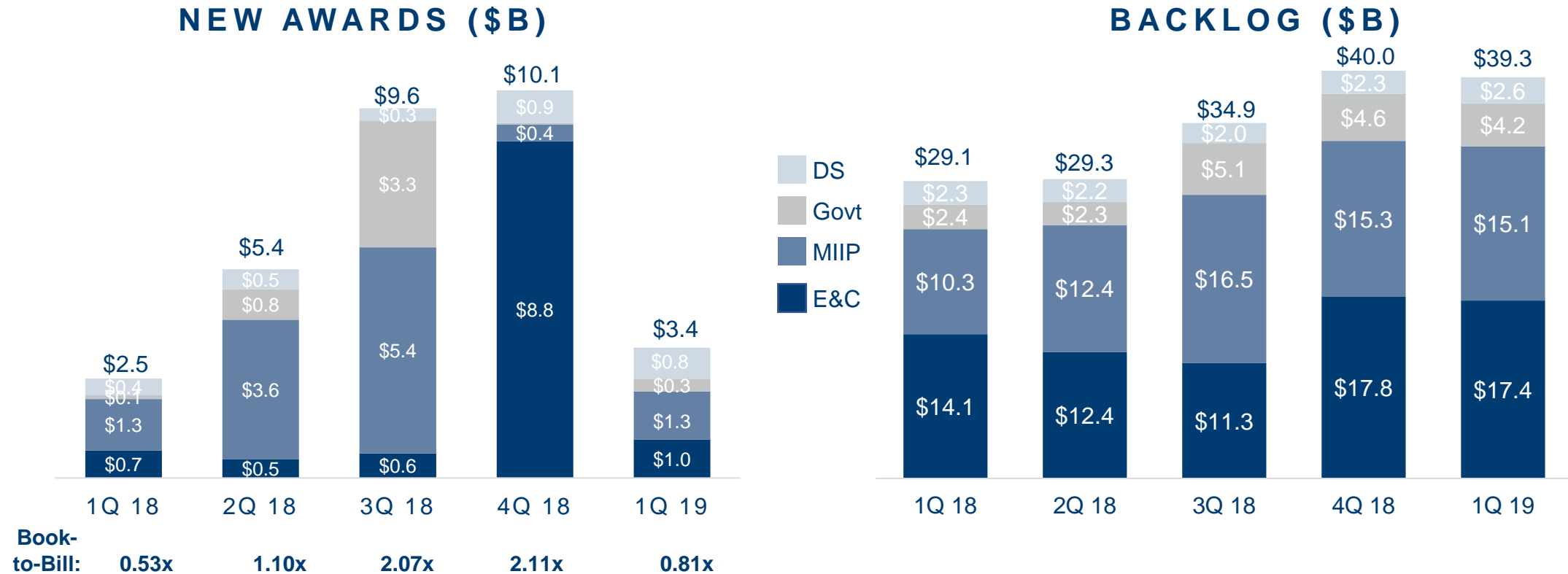
2019 Guidance

	Q2-Q4 2019 Margin Guidance	Commentary
Energy & Chemicals	5.0% - 6.0%	<ul style="list-style-type: none">• Opportunities include LNG and methanol projects
Mining, Industrial, Infrastructure & Power	~2.0%	<ul style="list-style-type: none">• Expect to see increased revenue from infrastructure• Executing mining FEED and feasibility studies to prepare for second wave of awards in 2020• Mining CFM driving lower margins
Government	~3.0%	<ul style="list-style-type: none">• Starting in Q1, Government segment now includes NuScale (margin guidance excludes NuScale)• Anticipate continued execution under LOGCAP IV for 2019
Diversified Services	4.0% - 5.0%	<ul style="list-style-type: none">• Focus on high-margin businesses



Appendix

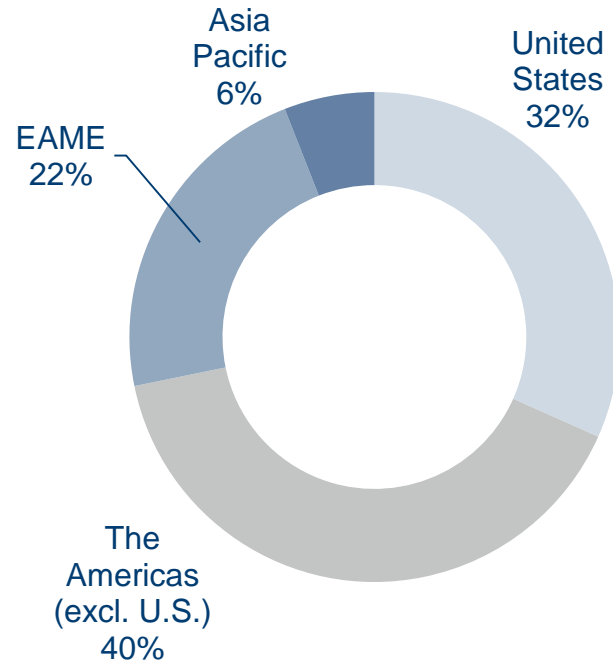
New Awards & Backlog



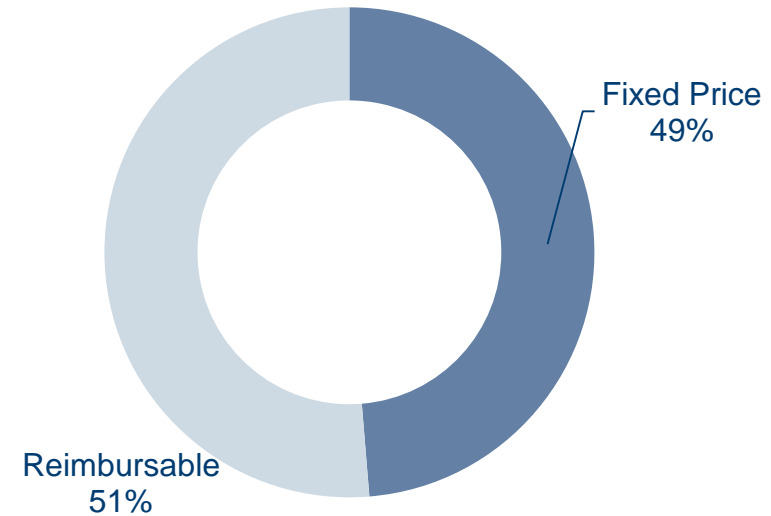
1Q new awards of \$3.4B drove a book-to-bill ratio of 0.81x, up from 0.53x a year ago. Backlog is \$39.3B.

1Q Backlog: \$39.3 Billion

Geography



Contract Type



Carlos Hernandez – Interim CEO



Before being named as Interim Chief Executive Officer, Carlos M. Hernandez was the executive vice president, chief legal officer for Fluor Corporation and served as the company's corporate secretary. He joined Fluor in 2007.

Prior to joining the company, Mr. Hernandez served as general counsel for ArcelorMittal Americas, a major steel producer which is part of the ArcelorMittal steel group. Mr. Hernandez has also served as general counsel and secretary of International Steel Group (ISG), Inc. prior to its acquisition by Mittal Steel Company.

Before joining ISG, he served as executive vice president, general counsel and secretary for Fleming Companies, Inc., in Dallas. From 1984 to 1999, Mr. Hernandez served in a number of different legal capacities including assistant general counsel for Armco Inc. a steel company, in Pittsburgh. Early in his career, he worked as a civil engineer with HNTB.

Mr. Hernandez holds a bachelor of science degree in civil engineering from Purdue University and a juris doctorate from the University of Miami School of Law.

Alan Boeckmann – Executive Chairman



Alan Boeckmann joined Fluor in 1979 with previous service from 1974 to 1977. He held many positions across the company prior to becoming chairman and chief executive officer of Fluor from 2002 to 2011. Boeckmann served as non-executive chairman of Fluor from 2011 until his retirement in 2012.

Boeckmann joined Fluor's Board effective May 1, 2019. In addition, Boeckmann currently serves on the boards of BP, Sempra, and Archer Daniels Midland which provides him deep knowledge of the industries Fluor serves and a diverse knowledge of strategy, finance, and operations.