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PRESENTATION

Jason Landkamer - *Fluor Corporation - Director of IR*

Hello, everyone, and welcome to Fluor Strategy Day. My name is Jason Landkamer, Head of Investor Relations. Before we get started, I'd like to draw your attention to our safe harbor statement in our presentation, which following today's event, will be posted to the IR section of our website.

We anticipate making projections and forward-looking statements based on our current expectations and our current analysis of existing trends and information. Our actual results could differ materially due to a number of factors, including those listed here and as outlined in our latest SEC filings.

During the presentation, we may also discuss certain non-GAAP financial measures. Reconciliations of forward-looking non-GAAP financial measures are not available due to the inability to reliably estimate the amount of items excluded from such measures, which may be significant.

We have a full agenda for today's event. You will be hearing from Executive Chairman, Alan Boeckmann; CEO, David Constable; CFO, Joe Brennan; and leaders from our new segments, among other presenters. As it is our tradition at Fluor, we will open with the health, safety and environmental topic. Al Collins, Group President of Corporate Development and Sustainability, will discuss Fluor's leadership in sustainability. Following the HSE topic will be a value creation topic presented by Stacy Dillow, Fluor's Chief Human Resources Officer. Stacy will present Fluor's commitment to diversity, equity and inclusion.

Following our prepared remarks, we will open the webcast for questions.

To ask a question, please use the phone number listed on the Event page at investor.fluor.com. We expect to conclude today's webcast around 11:30. With that, I'll now turn the event over to Al for the HSE topic. Al?

Alvin C. Collins - *Fluor Corporation - Group President of Corporate Development & Sustainability*

Thanks, Jason. It's my pleasure to share with you a brief update on Fluor's efforts around sustainability, an important element of our strategy that is deeply integrated into our business practices and has been for decades. We have a strong legacy of conducting business and delivering projects sustainably, particularly in the areas of safety, human rights, ethics and activities to support the communities where we work.

This legacy has further evolved over the last 20 years into a clearly defined sustainability program, a program that begins in our offices with thoughtful operations and designs and extends to the sites where we construct and start-up our customers' facilities.

Many of the world's most powerful human, regulatory and environmental policy drivers are equally influential to us, particularly as growing populations need cleaner and more abundant energy and natural resources, which are becoming increasingly scarce. The company's approach is to have a positive sustainable impact on our stakeholders and to be recognized globally as a socially responsible corporate citizen, making Fluor the contractor and employer of choice.

Every year since 2008, we have reported on Fluor's sustainability efforts, including our work in the communities we serve, our HSE performance, the value in our supply chain and positive engagement with our employees.

Looking at our continuing businesses since 2017, we've been able to achieve reductions of 25% in our Scope 1 and 2 greenhouse gas emissions. We're proud of these achievements and remain committed to doing more. For decades, Fluor has developed projects that contribute to a sustainable world. This ranges from unleaded gasoline production to low sulfur diesel, to offshore wind farms and solar facilities, to polysilicon manufacturing and to facilities that capture and store carbon dioxide so they can be minimized through sequestration or reuse.

As an example, Fluor designed and constructed Shell's Quest Carbon Capture and Storage project in Alberta, Canada. The project was a first of its kind effort that captures and stores up to 1.2 million tons of carbon dioxide per year. The extracted carbon dioxide is compressed to a super critical state, transported by pipeline and ultimately injected into a geological formation for long-term storage.

And Fluor is well positioned to add value as global interest to operate in a more sustainable manner ramps up dramatically. Our sustainability efforts continue today with projects that provide alternative energy and fuels that emit less pollutants. These projects further build on our involvement with carbon capture and our expertise with renewable fuels, including hydrogen. One example of this contribution is the clean fuels program executed for the Kuwait National Petroleum Company. Fluor and our partners designed and constructed a major upgrade to KNPC's Mina Abdullah Refinery that will improve the facility's energy efficiency and significantly reduce its environmental impact.

Fluor continues to invest in sustainability and works jointly with our clients to develop projects that support our collective objectives. We are currently developing a mobile demonstration plant of Fluor's proprietary Economine FG-plus carbon capture technology that, when completed, will allow us to prove the benefits and deploy our technology on a wider variety of applications.

Later in the presentation, you'll hear more on our technology in the carbon capture and storage projects we're advancing. Additionally, David will be sharing more details on Fluor's commitment and goals around sustainability, where there is no question that we each have an important role to play. With the expertise we have at our disposal and the experience we've established over many years, we are truly excited about the contributions Fluor can add to building a better future.

I'll now turn the presentation over to Stacy Dillow, Chief Human Resources Officer, to talk about Fluor's commitment to diversity, equity and inclusion. Stacy?

Stacy L. Dillow - *Fluor Corporation - Executive VP & Chief HR Officer*

Thank you, Al, and good morning. It is my privilege to present Fluor's strategy to advance diversity, equity and inclusion, or DE&I. Fluor is diverse by nature. We have 45,000 employees operating in 60 countries around the globe, and we build an inclusive culture with intention, a culture where every voice matters at every level. We embrace different ideas, perspectives and backgrounds. We listen actively, respect one another and foster an environment with a deep sense of pride and belonging. Together, we enhance engagement to deliver results for our clients and to build a better future.

Let's begin with our commitments. Our commitment to DE&I starts at the very top. We have 4 impact pillars that guide us: to champion an inclusive culture; recruit, develop and retain talent; enhance employee experience; and improve social progress and impact. Today, I'd like to highlight our best practice of inclusion councils, which fall into the first pillar of an inclusive culture.

These regional networks are sponsored by Fluor's senior leadership. They were created to embrace and advance DE&I throughout our company, and they have very diverse membership. The rollout of the councils are regional as different geographic locations face very unique diversity and inclusion challenges. We started 2 councils in the fourth quarter of 2020, one in the United States and one in Australia.

Our plan is to learn from these councils prior to a full global implementation in every region where Fluor maintains a strong employee presence. Our goal is that inclusion councils will enhance employee engagement, career development, productivity, as well as a sense of belonging for all employees. Ultimately, we anticipate having between 5 and 7 regional inclusion councils.

Now let's shift our attention to our DE&I commitments and aspirational goals. First and foremost, we are committed to improving representation in our executive leadership. We aspire to bring more women and diverse representation into the senior ranks of the organization. To drive these efforts, we will focus on the pipeline development of our overall employee population, institute a diverse hiring slate policy as well as broaden our succession plans. Importantly, we will not stop there. Our work is ongoing to ensure diversity of voices, leadership and roles within Fluor.

Additionally, over the next 3 years, we are also committing to contributing USD 1 million to historical black colleges and universities, or HBCUs, and Hispanic-serving institutions, known as HSIs. At Fluor, we encourage a culture where every voice matters. We respect one another, and we embrace the spirit of allyship to build empathy and engagement. We are committed to champion an inclusive culture; recruit, develop and retain talent; enhance employee experience; and improve social progress and impact. We look forward to providing you future updates on our progress.

With that, it's my pleasure to introduce Fluor's Executive Chairman, Alan Boeckmann, for some opening remarks. Alan?

Alan Lee Boeckmann - *Fluor Corporation - Executive Chairman*

Thanks, Stacy. Good morning. I want to start by thanking all of you for participating in our event today. I have met many of you over the years, and I'm glad to reconnect virtually. Our event today is focused on Fluor and its future. But before we can discuss what lies ahead for our company, it's important to understand how we arrived where we are today and why we believe we are so well-positioned for success going forward.

Over the past 21 months, the Board and management team have taken a number of strategic actions to put Fluor back on track. And I'm incredibly proud of the progress we've made. The management team immediately tightened our pursuit criteria, established additional risk oversight and identified assets and businesses that are not core to the company. At the same time, the Board of Directors began a refreshment process that has seen 5 retirements and the addition of 4 diverse directors with specific relevant experience.

We also established a standing commercial strategies and operational risk committee of the Board, which was previously chaired by our new CEO. Fluor's ability to take decisive strategic action while managing through a restatement and a global pandemic is a testament to the strength and resolve of our employees and our Board. Our team adapted to the dynamic environment, remained focused on our objectives and continue delivering for our customers and shareholders.

I would like to also thank Carlos Hernandez for his leadership and for the integral role he played in stabilizing the company as CEO during this period. The significant push he made to promote accountability and transparency has given us a strong foundation. Fluor is now at an inflection point. When we filed our 10-K for 2019, the Board determined that it was an appropriate time to implement a transition and selected David Constable as CEO.

In early 2019, and based on the company's challenges, I was asked to reengage as a Board member, and on May 1, became the Executive Chairman. I commented at the time that the word "no" was not in my vocabulary. I came back to do everything I could to help, and I can now say the same exact thing for David Constable.

With 30 years of experience at Fluor, having served as a Director on the Board since 2019, David knows our company inside and out. He's an experienced executive with deep operational expertise and a successful history of leading integrated global operations with a focus on effective risk management and building long lasting relationships. He brings a unique combination of insight into Fluor, yet he has an outside perspective from his prior experience as CEO of Sasol and his Board of Director roles at Anadarko, Rio Tinto and ABB.

During his Sasol tenure, he took on the difficult task of restructuring the company and implemented a new operating model focused on enhancing growth across the organization. I've had the opportunity to work closely with David over the last 25 years, both on the Fluor Board and as a member of the management team. And I can personally attest to his unparalleled understanding of our business and dedication to our company. In many respects, David is the ultimate outside insider. He's the right person to lead Fluor into the future to achieve its full potential.

Even though he only became the CEO on January 1, I can confirm that he spent the 2 preceding months actively engaged in transition, driving the development of this new strategy and establishing his leadership team. Nobody could have hit the ground running as effectively as he has.

With that, please welcome Fluor's new Chief Executive Officer, David Constable, for his opening remarks. David?

David Edward Constable - *Fluor Corporation - CEO & Director*

Thank you, Alan. Good morning, everyone, and thank you for joining us today. I'm David Constable, CEO of Fluor Corporation. To start on a personal note, I can tell you that October 30, 2020 was a very special and emotional day for me. That was the day that the Board unanimously voted me in as the new CEO of Fluor. And it was the same day that I completed my U.S. citizenship interview process and swearing in ceremony.

Although I've been a permanent resident of the U.S.A. since 1988, I've never been able to get enough time in-country to make it official until now. Working at Fluor has certainly allowed me and my family to see the world.

As Alan just noted, with 30 years of experience at the company, Fluor definitely has a special place in my heart. Giving back in this leadership role to the company that trained me as a young engineer and essentially made my career has created a special mission for me. Fluor is an incredible organization, and I am proud to be back in the fold once again.

I also want to thank you for allowing me to present our strategic vision today that we've appropriately named Building a Better Future. I trust that you will find our presentation to be informative but also compelling as we outline our strategy to take Fluor into the future. We are excited about the opportunities that lie ahead and hope you will be as well.

First, let me quickly review the agenda. After my opening remarks, I will present an overview of our strategic vision and our priorities. We will then provide you with a financial strategy update, followed by a discussion on how we plan to effectively manage our project execution risk profile going forward. Our business leaders will then walk you through each of the newly structured segment strategies, and we'll finish this up with an update on the LNG Canada project prior to our Q&A session.

As we reflect upon our most valuable contributions over the past 100-plus years, our stakeholders have reminded us that Fluor Corporation has been behind some of the most important industrial and technological advances in the world. Fluor's heritage of providing advanced technical and project management solutions to solve some of the world's most difficult process challenges have been rewarding to our stakeholders. Going forward, we will leverage this legacy by invoking our new strategy.

Fluor will focus on marketing our knowledge-based expertise and being recognized for the value we provide to our clients. Our strategic intent is to be become the preeminent leader of professional and technical solutions across all the industries we serve. We will also continue to be a global leader in the engineering and construction industry. This shift in strategy opens the aperture to new opportunities and new clients while providing additional focus on knowledge-based services.

Today, we will discuss the megatrends impacting our industries and how Fluor is positioning itself to meet our changing customers' needs and indeed all of our stakeholders' expectations. My overarching objective as CEO is to maximize long-term value for all our stakeholders. More specifically, to drive shareholder value and growth, the simplified company structure, including 3 new business segments, will be in complete alignment with the strategic priorities and goals being presented today.

As I said earlier, I'm proud to be back at Fluor, and thank you again for joining us today as we present Fluor's strategic vision of building a better future. Now let's get started.

Before getting into the details of our strategy, I'd like to introduce the new management team that will be leading Fluor Corporation. During my previous tenure at Fluor, and the last 15 months serving on the Board, I have gotten to know each of my team members well and have full confidence in their ability to deliver on our new strategic goals. Collectively, this team represents more than 300 years of industry experience.

We are taking action to increase focus on our customers, drive growth and remove complexity from our structure. To achieve this, I'm organizing the company into 3 new segments: Urban Solutions, Mission Solutions and Energy Solutions. I am also streamlining my reporting structure. First is Al Collins, who presented the HSE topic and will lead Corporate Development and Sustainability. Al was followed by Stacy Dillow, our Chief Human Resources Officer, who presented the value creation topic and is championing our diversity, equity and inclusion journey. You will hear later today from our Chief Financial Officer, Joe Brennan; and Mark Fields, Group President of Project Execution.

Also presenting are our business group presidents: Terry Towle, Tom D'Agostino and Jim Breuer. They will be accompanied by 2 of our key business line presidents: Juan Hernandez and Tony Morgan. Rounding out the team are Chief Legal Officer, John Reynolds; and Chief Information Officer, Robert Taylor.

On a related organizational note, during our strategic review, we determined that nongovernment maintenance services is not a core component of our future strategy. As a result, we've initiated a divestiture process for our maintenance business, Stork, which will become discontinued operations in Q1.

Moving on. Today, I will be providing an overview of the megatrends we see going forward that will provide strong tailwinds for Fluor. From there, I'll cover Fluor's strengths and capabilities, near-term market outlook and the priorities of our new strategy, including our aspirational goals. As I mentioned, our focus going forward is clear, to become the preeminent leader in professional and technical solutions. We will do this by leveraging our knowledge-based services expertise while maintaining our leading global engineering and construction brand.

Leveraging our world-class expertise and being recognized for the value we provide to our clients will be key to our success. Let me speak to the megatrends that formed our transformational strategy. Through our strategic development activities, we identified 4 global trends or megatrends. They're defining our future and impacting how we do business. They are: Industry 4.0, Energy Transition and Urbanization, Beyond Globalization and Stakeholder Engagement.

Industry 4.0 refers to technological innovation that is connecting the physical, digital and biological worlds. We see Industry 4.0 in the advancement of medicine, gene therapy and individualized therapeutics. The rapid development of a COVID-19 vaccine is the latest example of the technical advancements occurring in this market. These groundbreaking innovations and increased connectivity create new opportunities. They require us to rethink how to organize and create value. Clients are looking for solutions to these challenges and Fluor has the expertise to develop them.

For example, Fluor's digital twin execution platform enables data-driven execution, which provides for superior decision-making, execution certainty and seamless data transfer to our clients. Our domain expertise and our ability to integrate engineering, supplier and contractor data makes us well suited for this digital delivery model. We are collaborating with proven technology providers and use sophisticated artificial intelligence and analytics solutions as components of our digitalization strategy. Deployment of this strategy will enhance our current performance and enable us to offer new services to our clients.

Next, Energy Transition and Urbanization. As the world becomes more populated, urbanized and prosperous, demand for food, water and energy will continue to rise and the pace at which we are consuming will stress our planet's resources. Increasing resource scarcity and climate change require sustainable building infrastructure that is more energy efficient, energy derived from sustainable sources, resilient and efficient transportation systems, low-carbon energy sources to support growing urban population centers and the materials needed to support this megatrend such as aluminum, iron ore, copper, nickel, cobalt and lithium. At Fluor, we have the expertise and capabilities to play a key role in the Energy Transition and Urbanization solution.

Looking now at Beyond Globalization. From the 1970s through 2008, positive geopolitical forces drove greater harmony in economic markets. In spite of the progress made over the last several decades, the 2008 global financial crisis exposed other systemic challenges plaguing the broader macroeconomic landscape. We are defining this trend as Beyond Globalization, which will drive the need for companies to localize their critical supply chains and onshore manufacturing facilities.

Here, Fluor has the ability to support our clients as they reshape their global supply chains to fit into this new global order. We also expect to see a growing focus on national security and governments taking steps to protect their citizens. This will lead to increasing opportunities for our government business to provide mission-critical support to the Department of Defense and to the intelligence community.

The fourth trend, Stakeholder Engagement, recognizes society's growing expectations for companies to consider environmental, social and governance factors in their strategies and decision-making. We see this with investors calling on companies to take the climate into account when formulating strategies, a trend that we expect to continue. This provides an opportunity for Fluor to be a leader in energy transition and sustainability and explore new ways of working that support our employees, and at the same time, lower our costs.

Like our investors, our clients expect Fluor to have strong governance controls, environmental stewardship and demonstrate social progress through improved workforce diversity. And our employees want to work for a company that, at its core, serves a good purpose, a company that treats employees fairly, respects the environment and operates with transparency.

Governments increasingly expect more from companies, whether it's labor policy or environmental policy or other regulations. And we expect administrations will continue to drive companies to account for these factors in their decision-making. The opportunities associated with the stakeholder engagement trend overlap with the previous 3 megatrends. As companies pivot hard to consider the environment, this leads to greater energy efficiency and emission controls, coupled with the drive to produce greener, lower carbon energy sources where Fluor technology will play an integral role in this space.

I'd like to take a moment and discuss the capabilities we have as an organization and how it aligns with the opportunities that lie ahead for our industry. While many of you may think of Fluor as a large EPC company with a global presence tackling the world's largest projects, and that is absolutely true, it's important to highlight the expertise behind our strengths. We have one of the most robust engineering cores in the industry that can tackle the world's problems one client at a time.

When you look at our investment in technology and people leading our efforts on front-end engineering and design, it's clear that we have a world-class organization. Complementary to this is our ability to be a technology consultant. This is made possible with our team of technical subject matter experts, driving innovation across our markets. Our Office of Technology harnesses this group of experts, all of which represent the highest level of achievement and expertise in their fields to improve capital and schedule efficiency for our clients and to solve their greatest technical challenges.

Another critical strength is our global team of supply chain experts. At Fluor, we procure, on average, $14 billion in materials and services annually from thousands of qualified vendors. And of course, Fluor has deep experience in program and construction management. Fluor integrates the activities of all contractors and subcontractors to ensure the success of the overall program.

Successful projects don't just happen. They are the end result of competent engineering and adaptable and efficient supply chain and focused project management. We believe the 4 mega trends I outlined earlier will drive significant demand for our services now and for decades to come. It's no secret that, like the general economy, the current outlook for our industry is complicated by the ongoing global pandemic. While there are uncertainties, we do believe that the global economy is poised for a strong bounce in growth in the second half of this year.

We also believe that the new U.S. administration and recently sworn in President will drive policy that is supportive of several of our key markets, including energy transition and infrastructure. More specifically, and as you know, there is discussion of a $1 trillion-plus infrastructure bill. While the new administration is just getting started, we expect the bill to support the repair and expansion of existing highway and bridge systems. Fluor is well-positioned to take part in this U.S. stimulus initiative.

As the global economy recovers and demand for key materials increases, we expect commodity prices to improve, sending a strong signal to our clients for renewed capital spending in their markets. In particular, we have near-term confidence in the mining, metals and chemicals markets. In addition to the growing need for pharmaceutical manufacturing globally, the growth of data and digitalization will drive the need for more data centers and more computing power. Fluor is extremely well-positioned in these markets, and we expect significant growth in our advanced technology and life sciences business.

On a related note to our market outlook with respect to energy transition, NuScale remains a significant investment and opportunity for Fluor. We expect small modular nuclear power to be an important component of a carbon-free energy future and NuScale is a leading option for baseload power generation. Our strategy here is to start selling down our NuScale equity in 2021 and position ourselves for preferred product execution services going forward.

Now given the megatrends I shared earlier, our capabilities and the market opportunities in front of us, we have developed 4 strategic priorities to drive shareholder returns: growing our portfolio outside of traditional oil and gas markets; pursuing fair commercial terms that reward value and balance risk; fostering a high-performance culture with purpose; and reinforcing financial discipline and stability.

Beginning with our first priority, driving growth across the portfolio. Our strategy focuses on growing markets outside of the traditional oil and gas sector, including energy transition, life sciences, high demand metals and infrastructure. Accelerated growth will also be achieved through targeted investments in our advanced technology and government businesses. We will enhance our expertise in these markets by developing our own talent and through strategic hires.

By 2023, our goal is to grow our nontraditional oil and gas segments to 70% of our overall revenue. We will still continue to serve the existing oil and gas industry as a baseload of mature business that will generate sizable revenue and earnings for the foreseeable future.

Turning to our second strategic priority. Our commercial strategy confirms our intent to pursue contracts with more favorable risk-adjusted terms that rewards Fluor for value. We will focus on reimbursable commercial terms and only consider fixed price construction contracts for segments and scopes where we have a strong history of delivering expected returns. By 2024, our goal is to grow our backlog mix to more than 75% reimbursable, which will be similar to our historical norms.

Our third strategic priority is focused on fostering a high-performance culture with purpose by advancing our diversity, equity and inclusion efforts and promoting social progress and sustainability. We believe that a positive inclusive culture leads to strong individual and collective performance. We'll be the employer of choice and a champion of DE&I. We will also commit to improving our environmental, social and governance metrics.

In addition to our long-standing world-class safety record, we will improve employee engagement annually and increase women and diverse representation and leadership positions. I am pleased to announce, and with the full endorsement of our Board of Directors, we have committed to achieving net zero CO2 equivalent emissions for scopes 1 and 2 by 2023.

Finally, our fourth strategic priority reinforces financial discipline across the company through rebuilding and maintaining a solid balance sheet with a strong cash position. We will achieve this by generating predictable cash flow and earnings. Our capital will be allocated to stabilize our financial position, invest in growth markets and return excess capital to our shareholders.

By 2024, we plan to lower and maintain a debt to capitalization ratio quarter between 20% to 40%, generate an ROIC in excess of 20%, secure investment-grade credit ratings and deliver top quartile shareholder returns. We will also target additional overhead reductions of $100 million and an EPS range of $3.00 to $3.50.

Fluor is embarking on a new journey to become a leading provider of professional and technical solutions while maintaining our global leadership in engineering and construction. We believe this strategic direction is aligned with the prevailing trends transforming our markets, our customers and the world around us. The 4 strategic priorities we have established will enable us to maximize long-term value for our shareholders and deliver on all of our stakeholders' expectations.

And with that, I'd like to turn it over to our Chief Financial Officer, Joe Brennan, who will discuss our financial strategy and how we intend to reinforce financial discipline and stability at Fluor.

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Thank you, David, and good morning, everyone. I'm going to spend my time with you today discussing our balance sheet priorities and sharing how we are measuring our progress from a financial perspective. As many of you know, I assumed the role of Chief Financial Officer in the summer of 2020 and immediately continued the work of my predecessor, Mike Stewart. My top priority was completing the internal investigation, getting current on our financial reporting and implementing the remediation plan that resulted from the investigation. I am pleased with the progress we have made in recent months correcting any weaknesses in our financial reporting, and we believe we are well down the path in restoring confidence.

We began 2021 well-positioned financially, and we're able to lean on the resilience of our operating model and our significant sources of liquidity. We accomplished this while we navigated unprecedented operating conditions caused by the COVID-19 pandemic and related pressure on commodity prices. My current focus is solidifying our balance sheet and restoring the faith in Fluor as a strong investment-grade company. As you listen to the operational presentations this morning, it will become clear that Fluor requires a solid capital structure to support growth and maintain the confidence of our customers, vendors and employees. Furthermore, as a company, we must reinvest in our businesses. We will restructure our balance sheet in a way that allows us to produce sufficient free cash flow to support our go-forward business strategy.

Now let's discuss how we are thinking about our balance sheet and what we are planning to do. There are 3 strategic actions that I'll be discussing in greater detail today. One, improving liquidity. Two, lowering our debt to capitalization ratio. And three, renewing our line of credit facilities.

First, we have identified several opportunities to streamline our business and improve our cash position. Over the last 5 years, we have reduced our global real estate footprint by approximately 20% and are continually evaluating other opportunities to further reduce cost to improve cash flow. For 2021, we have identified opportunities to further exit real estate investments that should result in a positive cash benefit of $20 million to $50 million this year.

In Q4, Fluor completed the sale of two P3 investments in Europe, which generated cash proceeds of approximately $20 million. In 2021, we are planning to sell North American P3 investments and expect to generate significant cash proceeds from those sales.

I also wanted to provide an update on the sale of our equipment rental business, AMECO, which we announced in 2019. As previously communicated, the sale has been delayed from our initial expectations due to the pandemic. However, I'm pleased to say that we have signed a letter of intent within Fluor's expectations for AMECO's North America operations. We expect the transaction to close in March. We also expect to make a decision around AMECO South America later this year.

As a reminder, a significant amount of our historical annual capital expenditure requirements were in support of our AMECO business, and this sale significantly reduces our cash requirements from previous levels. Also, as David mentioned, effective in Q1 2021, we will be reporting our Stork Maintenance Services business as discontinued operations and expect to divest that business within a 12- to 18-month period.

In 2019, we launched an ambitious plan to cut $100 million of overhead expenses out of our business operations. We achieved a run rate savings of $140 million in 2020. With this goal met, we are targeting additional overhead savings in 2021.

We continue to view our ongoing operations as a source of cash going forward. In 2020, we were able to maintain a significant cash balance despite spending approximately $400 million on challenged projects. These projects are winding down with limited cash requirements going forward. We are focused on adjusting our backlog towards more reimbursable work that will generate reliable free cash flow.

Our second strategic action is taking the steps required to lower our debt to capitalization ratio. As of the third quarter of 2020, our debt to capitalization was 52% due to project and restructuring charges and impairments over the last several years. We are targeting a debt to capitalization ratio below 40%. We intend to achieve this by improving our shareholders' equity and by strategically lowering our debt by $300 million to $500 million over the next 12 months.

Our third action is to renew our line of credit facilities. We are in dialogue with our banks to refinance the committed credit lines and are confident this will be completed before they become current in the next 30 days.

As one of the leading engineering, construction and technical services companies in the world, our primary target is an investment-grade credit rating with both rating agencies. This is important to us because it gives us better terms with our banks and confidence to our clients. By 2024, we are targeting a cash flow leverage ratio below 2.5. This will be achieved by simultaneously lowering our debt and improving our operating cash flow. Reaching and maintaining this target will be viewed favorably by the rating agencies.

In addition to our strategic actions, we anticipate strengthening financials with a shift in our backlog to less than 25% selective fixed price work in the next few years. This will provide Fluor with predictable profitability and margins. Including the planned strategic actions, we expect to see cash and marketable securities remain above $2 billion through 2021. As we continue down this path of creating a fit-for-purpose organization, we anticipate reducing our overhead by an additional $100 million over the planning period. We also are targeting a return on invested capital of 20% by 2024, consistent with our historical returns. As David mentioned earlier, the forward earnings power of our new strategy will target an earnings per share range of $3.00 to $3.50 in 2024.

For 2021, our business line margins will be reduced by certain 0 margin projects. As we complete these projects and shift our backlog to a higher proportion of reimbursable work, we expect to see consistent and predictable operating margins. In closing, we believe an important part of executing our new strategy is having the ability to invest in our business. The steps outlined today will result in a capital structure that supports a strong credit rating and provides flexibility for growth. I look forward to speaking with you next month on our earnings call to talk about our 2020 results and expectations for 2021.

I'll now turn the presentation over to Mark Fields to talk about project execution and risk management.

Mark Fields

Thanks, Joe, and good day, everyone. Today, I'll be discussing Fluor's project execution and risk management strategy. Before we dive into the specifics of our strategy and the steps we are taking to position ourselves for success, I'd like to share a bit of background on myself.

In my 40 years at Fluor, I have executed projects globally and have firsthand experience with the unique challenges in each region in which we operate. During my tenure, I have held leadership roles globally in literally all facets of project execution. Many of the projects that I have been involved with were fixed price and executed successfully.

In my new role as Group President of Project Execution, I will drive execution excellence across the organization and oversee our risk management and mitigation processes. In addition, I will provide executive oversight to select major projects. My functional responsibility will ensure that our project teams adhere to the enhanced risk management practices we currently have in place. I will support and steward all aspects of Project Execution from engineering and supply chain through construction. I am committed to making sure these teams have the support required to make them successful in execution and maintaining accountability for delivery and transparency to executive management.

We are successful on both reimbursable and fixed price projects when we follow our pursuit principles, when we are disciplined in our execution and when we perform effective risk management. Our risk processes exist at all levels of the organization and at all stages of the project life cycle. The most effective way to manage risk is to selectively pursue the right projects with the right clients, the right terms and with the right project teams. These are fundamental principles in Fluor's new strategic priority of pursuing contracts with fair terms. This means that we will only pursue projects where we have a clear understanding of the scope, a collaborative and healthy relationship with our clients and where we have fair and balanced distribution of risk.

Now that I've outlined Fluor's commercial strategy, I would like to take a moment to discuss our fixed price execution record. In recent years, Fluor has faced significant challenges in the execution of fixed price work. Make no mistake, we did not perform to stakeholders' expectations and are extremely disappointed. We have taken action to learn from these disappointments.

In our former Energy & Chemicals group, we took on a new type-FPSO project where the front-end engineering was not performed by Fluor and yet we guaranteed its requirements. By not fully understanding the FEED package, the realized risk elements resulted in cost growth not previously anticipated.

Under our current and stringent pursuit criteria, this will not happen again. In our former Government segment, we had an organization originally staffed to perform O&M-type services execute a full EPC chemicals job. This is a case of not having the right people in place to perform the job and not following our risk protocol. Under our enhanced approval process, this will not happen again.

In our former Infrastructure and Power segments, we took on very complex projects where the owners had significant obligations to the contractor but were unable to deliver on those obligations, causing significant delays. However, the contract terms dictated that Fluor take on the risk of that owner's delay. This is an example of a lack of fair and balanced terms. Our new commercial strategy requires that identifiable risks are shared fairly and appropriately with our clients. Otherwise, we will not enter into the contract.

As a last example, we have 2 projects where we deviated from a baseline execution plan and performed work out of sequence, resulting in poor productivity. We allowed clients and external influences to change the way we know how to execute work. Our project oversight and internal checks and balances are in place now to prevent this from happening again. By getting back to Fluor's historical operating system requirements, we will avoid these missteps through our disciplined pursuit process by focusing on excellence in execution and delivering on our commitments to the contract and our clients. These few projects reinforce our need to return to a more balanced risk position.

As previously stated, going forward, Fluor will not competitively bid lump sum EPC work other than in our infrastructure business, where we have a successful track record on regional road and bridge projects. Our highly selective pursuit criteria is stringent and designed to protect the company. In September of 2019, our backlog was 45% reimbursable. And at that time, we implemented our stringent pursuit criteria with the goal of de-risking our backlog.

Through our efforts, we have seen this number improve. And for 2021, our outlook suggests the reimbursable portion of our backlog will be approximately 53%. By 2024, we expect less than 25% of our backlog will be fixed price. Let me emphasize. We are committed to only pursuing fixed price projects where we have a proven track record of performance.

In summary, successful projects carry the characteristics that we have outlined in our pursuit criteria. We have collaborative clients with aligned goals and interest, and we foster relationships that support our joint success. We have experienced and proven construction teams focused on safety, quality and in-sequence construction productivity. And finally, execution of the projects are done so under fair and balanced terms. These principles are all essential for successful reimbursable and fixed price projects.

I'm excited about Fluor's future. We have the very best people in the industry solving the world's challenges and delivering for our clients. We are well-positioned in our growth markets and are excited to be leaders in these industries while we continue to build a better future. Thank you for the opportunity to share our Project Execution and risk management strategy.

Next, let me introduce Terry Towle, Group President of Urban Solutions. Terry?

Terry Towle

Good day, everyone. My name is Terry Towle, and I am group President of Urban Solutions. Our business lines in Urban Solutions represent significant growth opportunities. Today, I will discuss the Infrastructure business line. Juan Hernandez, President of Advanced Technologies and Life Sciences, will address his growth strategy. Following that, Tony Morgan, President of Mining and Metals, will share the opportunities for his business line.

We see 3 major drivers in our infrastructure markets. The first is the aging infrastructure in the United States. Every 4 years, the American Society of Civil Engineers provides a report card on America's infrastructure. The latest report card scored it a D plus. And just highway, bridge and transit infrastructure, there's a backlog of close to $1 trillion in either repairs, expansions or enhancements. Aging highways across the U.S. over $160 billion a year and lost time and increased fuel and maintenance costs. Over 30% of the nation's bridges are older than their design life. Businesses are now losing $60 billion per year because of transit underfunding. So the demand is there and the projects make economic sense, so we believe there's significant opportunity for Fluor to capitalize on the aging U.S. infrastructure and unlock additional value-creating opportunities.

To do that, we'll concentrate on highway projects, where we have more than a decade of experience executing over 25 projects returning solid as-sold margins. We will selectively consider other types of infrastructure projects where we can develop a strong competitive advantage like we did on the San Francisco Oakland Bay Bridge project, utilizing our extensive international procurement capability.

The second driver in our Infrastructure markets is the continued urbanization of our country. It is projected that by 2040, 89% of the population in the United States will live in urban areas versus 84% today. Although a 5% increase doesn't sound like much, it is an increase of 51 million people. The rapid acceleration of urbanization generates challenges for infrastructure that is quickly becoming obsolete.

Urbanization increases road congestion and the need for improved mobility. This need is typically met with expanded road programs, along with increases to mass transit capabilities. Fluor's infrastructure business has delivered on large and complex road and bridge projects. Fluor's capability and experience is unparalleled in the industry and offers a unique and valuable advantage to our clients in managing their programs. We see this as a major opportunity and growth area for the future.

Fluor's Infrastructure group has been focused for nearly 20 years on Texas Department of Transportation projects, and we have been very successful in building a portfolio of projects that have allowed us to develop our own craft, grow our own equipment fleet and maintain critical execution resources. To take advantage of the rising need for significant investment in urban infrastructure, we'll expand our Texas regional strategy to capitalize on relationships, resource retention and economies of scale on a much broader basis. We believe the model we have set in Texas is one we should replicate in other areas around the country and are looking at a number of regions in which to expand that model.

We have successfully completed or are currently completing 13 projects in Texas valued at $5.6 billion. A great example of the types of projects we are focusing on is the Oak Hill project for TxDOT. This is the first project bid and won since I began leading the business line and is indicative of our strategy going forward. It is a design-build project in Southwest Austin.

The project consists of 7 miles of additional lanes, a shared use path and other improvements, similar to the types of projects we have successfully completed many times in the past. The contract's value is $677 million, and we have 5 years to complete the work. The infrastructure business line has significant experience with this client. They treat their contractors fairly, and they do what they can to move the project forward.

In Austin, we are teamed with partners we have successfully worked with numerous times and have relationships at the highest level of our organizations. We are just completing a project less than 10 miles away and have recent knowledge of the local craft, subcontractors and suppliers. In addition, we know the production rates in the area, and we have access to equipment from our previous project.

The third driver is our clients' appetite for risk. As an industry, there has historically been an under appreciation of the potential risks involved with large infrastructure projects. This resulted in years of high-profile problem projects, which have been a hard lesson for the industry, resulting in positive changes. We are seeing competitors becoming more risk-averse, although more slowly than we would like. There have been a number of failed procurements recently because of the erroneous contract terms and a risk/reward profile being unbalanced. Bid margins and contingencies are also increasing.

Fluor is taking an active role in driving this trend of balancing risk in the industry and improving the risk/reward profile of projects. We made the hard choice of terminating our participation in the Purple Line project in Maryland. The feedback on this decision from the industry was very positive. Going forward, we intend to continue to avoid project procurements when owners refuse to change contract terms to a balanced agreement. We are bidding higher margins and contingencies with our partners in full agreement.

And finally, as Mark mentioned earlier, Fluor has significantly increased its risk management process and pursuit criteria for risk projects. To summarize, we are capitalizing on the opportunities presented by an aging infrastructure, urbanization and decreased risk appetite. We are prioritizing highway projects and will selectively consider other types of infrastructure projects where we believe we have a strong competitive advantage. We will scale our proven Texas model in other regions around the country. And lastly, we're taking a leading role in driving lower risk in the industry.

We believe that the strategies we have outlined today will help position Fluor's infrastructure business for success over the long term.

I'd like to ask Juan Hernandez to come up and discuss our new approach and strategy with ATLS. Juan?

Juan Hernandez

Thanks, Terry, and hello, everyone. My name is Juan Hernandez, and I am President of Fluor's Advanced Technologies and Life Sciences business line. Our group is on the forefront of Fluor's growth plans, and I am fortunate to have an exceptional team behind me that is driving our success.

Today, I will provide you an overview of our Advanced Technologies and Life Sciences business and explain how we will continue on this journey in serving several key tenets of the future economy. Our ATLS business serves 3 primary divisions, which include advanced technologies, advanced manufacturing and life sciences. To further explain these divisions, let me provide some context around our focus areas in each of them.

Our Advanced Technologies division is focused on data storage and computing as well as smart battery technologies. These industries are complementary and offer tremendous growth potential as investments in the global digital infrastructure continue and demand for data and data processing is our new reality. We are already engaged with several clients in this space.

The Advanced Manufacturing division is focused on highly specialized products to serve the evolving consumer demand. Whether they are fast-moving consumer goods, in personal or beauty care, specialty products like carbon fiber, or even plant-based proteins, snacks or premixed beverages, these markets demand predictable project delivery. Supporting our growth in the Advanced Manufacturing division also includes the reshoring of manufacturing operations, government influence on improving sustainable operations and the general trend towards increased social responsibility.

Regarding our Life Sciences division, the demand for new and novel medicines for people and animals alike has and continues to increase consistently. In addition to several COVID vaccine projects we already have underway, there is tremendous demand for quality of life treatments and the emergence of targeted cell and gene therapies.

We continue to see strong investment in R&D by our client base leading to growing FDA drug approvals and increased demand for drug product capacity. Critical new products can receive accelerated approvals, as we've seen in recent months, and our ability to manage project delivery supply chain on a global scale sets Fluor apart from the other firms. We are focused on the future and are bringing knowledge-based solutions to our clients.

We do this through diversity. Diversity of our teams and diversity of thought, context and perspective. We do this through innovation, not measured only by new ideas or new levels of complexity, but driving simplification and repeatability to the clients we serve. This combination of knowledge diversity, innovation and access creates the foundation for our transformational delivery model where people are empowered to perform so that both our clients and Fluor benefit.

The trends that David mentioned earlier are impacting client demands in our Advanced Technologies and Life Sciences markets as well. Beyond globalization is driving our clients to better engage our services and have on-demand access to our expertise. This has been magnified with the COVID environment, with changing travel and cross-border constraints both domestically and abroad, which require constant monitoring and flexibility. Our clients are also looking to minimize the risk of disruption to their sites in both our services and across their broader supply chain.

To serve these needs, we are deploying global technology hubs to locate key experts in targeted regions. We're also expanding our Professional & Technical Services offerings to serve niche markets, and we're actively exploring the acquisition of targeted technologies and firms that will further enable our teams to better engage with our clients.

Industry 4.0, which we mentioned earlier, is also a factor. The digitalization of manufacturing and operations is creating large volumes of data to be analyzed and benchmarked. These analytics yield insights into ways to improve efficiency and reliability. And understanding the data is helping us become a better partner. We are expanding our portfolio of services and knowledge-based solutions through targeting key hires and added industry collaboration. The combination of these efforts, coupled with our extensive and growing benchmarking database, is bringing us closer to our customers and helping to move our business up the value chain within our clients' organization.

Stakeholder engagement is the trend that impacts our clients' clients, and we're here to serve their needs as well. The evolution of consumers are driving them to be focused on health, sustainability and social responsibility. We will attract key talent from broad and diverse backgrounds and geographies and experiences, and we're more capable than ever to provide solutions for our customers to serve these needs. By operating from this perspective, we're also seeing our delivery model evolve and improve.

To summarize our strategy, we are focused on key regional locations and are expanding our geographic footprint by investing in the development of new global technology hubs. This action will improve our clients' access to our expertise in support of their growing production capacity. We're investing in our greatest asset, our people. By expanding our technology platforms and attracting new expertise, we are becoming even stronger in serving our client needs while also maintaining our delivery model of virtual execution. With additional training and investment and empowering our teams to perform to their full capability, we're already seeing the benefits of their collective genius.

We are focused on learning, collaborating and competing on behalf of our clients to help them grow their market share and profitability, which will, in turn, do the same for us. In full alignment with Fluor's professional Technical Solutions strategy, we're moving up the value chain with the clients we serve. We continue to expand our deep and diverse pool of expertise and are adding a services division to serve clients at both the management and technical level.

In addition to our traditional project-focused work, through this on-demand services model, we are engaged in advance of project-specific work, deepening our client relationships and working alongside to better understand their needs and challenges. With this approach, we've launched 4x as many front-end project development efforts that we've seen since 2018, and we expect this trend will continue in the years ahead.

I couldn't be more pleased with our team's performance thus far as well as the ongoing cooperation from our clients as we continue on this journey.

With that, I'd like to bring up Tony Morgan, President of our Mining and Metals business line, to outline his significant growth strategies. Tony?

Tony Morgan

Thanks, Juan. It's my privilege as the Mining and Metals business line leader to talk about how the previously mentioned megatrends will affect the mining and metals industry, how these trends are shaping client needs and how we are well-positioned to meet those needs.

It's important to note that these 4 trends, Industry 4.0, Energy Transition and Urbanization, Beyond Globalization, and Stakeholder Engagement will have a very significant impact on mining and metals and that we, along with our clients, are already investing heavily in them. As the world evolves towards a more sustainable future, we are implementing new processing technologies in big data analytics, which will be important as the energy transition and urbanization megatrend turbocharges the need for the metals that we focus on, especially copper.

Copper, lithium, nickel, cobalt, iron ore and aluminum are all going to be extremely important as the world becomes more urbanized and undertakes the transition to clean energy. Copper demand will be driven by wind farms and solar power. In addition, electric vehicles require nearly 4 times as much copper as those that use internal combustion engines, and that's without the copper required for the infrastructure to charge them. Demand for electric vehicles is soaring with potentially 80 million of them on the road by 2030 compared with 5 million today. Energy storage will also add to this demand for copper and other battery metals.

Finally, in a post pandemic world, and as Terry mentioned earlier, the trend of urbanization is expected to continue. According to the World Bank, some 55% of the world's population currently live in cities. The bank predicts that by 2050, the urban population will more than double its current size so that nearly 7 of 10 people in the world will live in cities. This will create significant demand for copper and other commodities, so much so that many are predicting another commodity super cycle.

Even though some of the demand will be addressed by the circular economy and recycling, most will need to be mined and processed. And in the case of copper, more will need to come from underground mines that will need additional concentrating capacity. Our clients will be the ones who supply this additional capacity, with BHP recently forecasting that copper production will have to double in the next 30 years. Others are predicting the need for significant investment of up to $1 trillion in the next 15 years.

Fluor is ready and prepared to help them meet the significant demand. Our ability and execution model of providing front-end technical knowledge and expertise has led to future work and supports our strategy of becoming the leading provider of professional and technical solutions in mining. For example, we have built 35% of all copper installed capacity in Chile and over 50% in Peru.

We regularly work with top mining clients, and these clients routinely leverage our technical expertise to define and quantify their projects. We have worked on studies over the past few years that should support the release of over $20 billion of total EPC project value in the next 2 to 3 years. And over the last 15 years, we have successfully converted over $25 billion worth of follow-on work.

Our business lines offices are located in the main mining jurisdictions, and we have been investing in our capabilities at each of these with a special focus on our underground expertise. We have also established Centers of Excellence for lithium and nickel in the U.S. and Australia, and strengthened our already market-leading materials handling capabilities to address this growing market.

Beyond Globalization is a trend we are well-prepared for. Undoubtedly, businesses and governments will need to ensure that they have robust localized supply chains in the future. With our offices in the U.S., Canada, Australia, Chile and South Africa, we are ready to support our clients in these key mining regions. Conservation is important to our stakeholders.

Copper processing operations, especially copper concentrators from which about 75% of the world's copper is produced, are very water and energy intensive. And as ore grades decrease, energy and water requirements increase. Many miners are proceeding with a sense of urgency to improve their social license to operate and are strengthening their corporate sustainability goals through various initiatives, including looking at how they electrify their mines, powering mines using renewables, cutting carbon emissions significantly, improving water management and developing technologies and flow sheets that reduce energy consumption and greenhouse gas emissions and enable the reuse of water.

Many of our clients and vendors are leading the development of these initiatives and incorporating them into their projects as they become viable. Fluor has and will continue to invest in industry-recognized technical experts to maintain our position as the premier technology integrator.

Because of the skills of our people, our clients trust us to incorporate their new technologies into their projects. This gives us a significant competitive advantage as these technologies are more widely embraced. This has certainly been the case with High-Pressure Grinding Rolls and Staged Flotation Reactors. We have installed more energy-efficient hard rock HPGRs than anyone else in the industry and recently finished the Spence project in Chile that uses Staged Flotation Reactors. We will continue to seek work with our clients as they install new processing technologies.

Our position as a material handling expert, which we have strengthened recently through Virta, a Fluor-owned mining business specializing in material handling, will also provide us with a competitive advantage as clients look towards replacing truck for all transportation with high capacity and mobile conveyors.

The fourth industrial revolution will lead to smarter, more sustainable, more efficient and safer mines. Several clients have digital twins. These digital twins are replicas of their physical assets that can be used to model real-life operations to determine optimal working parameters. We are currently helping our clients to develop digital twins for deployment on their projects.

Fluor has long been a leader in data management and innovation. Our approach is to "Do It Right Now" on projects, and our strategy is based on 5 focus areas: the digital mine, the digital project, project efficiency, capital efficiency and innovative material mineral processing technologies, which we have mentioned.

The digital mine allows us to design projects to benefit our clients by ensuring we maximize the value of big data within their operations. During project development, the digital project uses big data in the execution of the project to optimize outcomes. We also have a suite of innovation tools and work processes that enhance project delivery. They improve synergies and data transfer between different stages of the job, such as engineering and construction.

During project execution, we implement many tools with a specific focus on their ability to improve capital efficiency. As a result of our "Do It Right Now" approach, we have extensive experience developing digital twins and using artificial intelligence to improve project layouts and construction sequencing. We have global task forces focused on improving mass earthworks on our projects using airborne, geotechnical data gathering, developing rule-based site layouts using geographic information systems, spatial analysis and then directly transferring engineering data from the 3D model to vehicles for autogenous execution.

In summary, the mining and metals industry will be vital as the world transitions to clean energy, and we are a leader in the provision of technical and professional services to the industry. As David mentioned earlier, energy transition and urbanization is increasing the demand for aluminum, iron ore, copper, nickel and lithium. We excel in each of these. Our vision is to maintain a leadership position in large scale, complex and logistically challenging mining and metals projects.

We will continue to work with our clients as a trusted partner to define and quantify facilities that are innovative, efficient and sustainable. I am excited about the future of Mining and Metals at Fluor and how we can support building a better future. Thank you for your time and attention.

Now over to Tom D'Agostino, President, Mission Solutions, for an update on our government growth strategies.

Thomas P. D'Agostino *- Fluor Corporation - Group President of Government*

Thanks, Tony. I'm Tom D'Agostino, Group President of Mission Solutions. The name, Mission Solutions, describes who we are, where we're going and the value we deliver to our government clients. It signals our commitment to provide solutions needed to solve critical challenges. Those include threats to infrastructure, networks, the environment and other national security missions, such as support to our troops at home and abroad. We're already a known solutions provider. Moving forward, we'll have a broader portfolio of solutions and clients.

All of the trends that David described affect government spending. Beyond Globalization points to the global security dynamic facing our clients. This trend is about national security and will impact spending, particularly for the Department of Defense and intelligence community. For example, advances in technology have enabled new threats to our security and exposed vulnerabilities that governments must address, thus increasing the need for cyber and space solutions.

Beyond Globalization presents us with significant opportunities to grow our classified data center work as well as our operations of national security installations. Industry 4.0 addresses the impact of technology on how we operate. Our government clients are demanding advanced solutions to drive new ways of doing business. For example, last month, the U.S. Army released its installation strategy, which provides a path to adopt modern technologies that will drive sustainability and resilience. As a leading management and operations provider, we are well-positioned to capitalize on these opportunities.

The Stakeholder Engagement trend involves social responsibility to our clients, employees and the communities we serve. Government clients have always been strong proponents of community engagement minimizing environmental impacts and promoting sustainability. We already practice this on a day-to-day basis, not just because our customers demand it, but because it's the right thing to do.

Our clients are demanding solutions that employ technology and digital approaches to streamline operations and improve efficiency. They're also demanding trusted partners who can respond quickly, provide security cleared talent, rapidly scale up or down and deliver results. These demands provide growth opportunities and improve margins with cost reimbursable baseload work.

Based on this, our strategy is straightforward. First, we will expand our core business and grow into complementary and adjacent markets.

Secondly, we are building a digitally enabled Mission Solutions portfolio and moving into technology markets, including cyber, information technology and data centers.

Third, we'll transform our workforce for next-generation challenges with an emphasis on technology and innovation. This will include developing, growing, and hiring technical talent to offer advanced knowledge-based solutions. We have a long history of delivering our core services, including operations and maintenance, engineering, procurement, construction, life support, nuclear operations and environmental stewardship. We're an established national lab manager.

From this, our first strategic priority is clear. We will continue to compete and win work with our current clients while bringing more technology to bear on their challenges. We will also offer these solutions to new clients with similar mission needs.

Our experience on the LOGCAP contracts supporting the U.S. Army and our troops around the world is a great example. LOGCAP has given us the capabilities, past performance and reputation that make us the desirable choice to solve future mission challenges. These include opportunities in test ranges, prepositioned stocks and many others across the Defense Department.

Our support to the Department of Energy and National Nuclear Security Administration involves technology and infrastructure to deliver project management, design, engineering, construction and operations. Fluor's performance at the Savannah River site in South Carolina led to growth at the Portsmouth project in Ohio and work in Idaho.

Our experience on these projects and our deep knowledge of commercial oil and gas business led to winning the management and operations contract for the Strategic Petroleum Reserve. Fluor's strength as an EPC solutions provider, ability to manage large technical operations and reputation as a trusted partner has led to significant roles at several other sites. This includes the Canadian Nuclear Laboratories, the Los Alamos National Laboratory and the Hanford Central Plateau.

This strategy over the past 10 years has driven growth from 2 to 14 projects and revenue from $845 million to over $2 billion. We've had similar success in providing engineering solutions to unique technical challenges. When we took over managing the Idaho Cleanup Project in 2016, part of that scope was to operate this one-of-a-kind facility that will treat 900,000 gallons of radioactive liquid waste.

Construction of this unique chemical reactor was completed in 2012, but encountered problems prior to our involvement. Fluor engineers, with their knowledge of complex chemical processes developed over decades of commercial work, determined that major design changes were required. Since we started, the facility has been extensively modified and is scheduled to begin radioactive operations later this year.

The second strategic priority is building a digitally enabled portfolio. This means technology-driven markets such as cybersecurity, information technology, data centers, supply chain and command centers. This strategy requires adding new capabilities to take advantage of opportunities and build upon what we are currently doing.

Our entry into the intelligence community market began at the end of 2013 with an acquisition that brought us key classified capabilities, past performance and cleared personnel. We went from performing $30 million a year of small-cap work to a business that now provides top-tier operations and maintenance of critical classified infrastructure with over $600 million in services over the life of the contracts. We now run a number of classified data centers and other sites for our clients providing past performance that qualifies us to pursue larger and more complex work.

It also gives us a unique edge. More and more, we are being sought out by large technology companies to join them in offering end-to-end solutions. Our ability to shift to more technology-enabled solutions growth stems from our current experience. For example, many of the employees at the sites we manage are focused on defending against cyber-attacks. In some cases, these attacks amount to hundreds of thousands of attempts per day to breach the operations of critical government installations.

While our experience in data centers and cybersecurity provides credibility and opportunity, we'll accelerate our growth into technology markets with future acquisitions of capabilities and talent. This will support growth in defense, the intelligence community and the Department of Energy, along with other civil agencies like FBI, FEMA and NASA.

Ultimately, our core work in operations of advanced infrastructure and new technology-enabled solutions will position us in the space operation support market as well. We have identified specific near-term actions to achieve our strategy. Many of which are well underway. Future acquisitions will offer a set of unique technical solutions that will leverage our core strengths. This will be an exciting move that will build on Fluor's trusted relationships across our markets.

The key to making all of this work will be our people. This will involve retaining, developing and growing our workforce. We know we're not the only company embracing this type of strategy. However, we have discriminators driving success. We will leverage Fluor's core capabilities in engineering, procurement and construction. We have proven ability for rapid scalable response to large and significant challenges. We will bring proven solutions to the government-based on Fluor's broad commercial experience. And most importantly, we have people who are committed to mission delivery and solve some of the most difficult problems around the world.

The result of our actions will be clear. Cost-reimbursable growth for Fluor in mission areas that matter, a disciplined shift to technology solutions and improved margins and a resilient customer base focused on long-term relationships built on trust. This strategy represents an exciting shift, one that we've been building toward and are ready to execute, delivering new and unique solutions in support of our clients' missions.

Now I'd like to turn over the presentation to Jim Breuer to update you on our strategy in the Energy Solutions business. Jim?

James R. Breuer - *Fluor Corporation - Group President of Energy Solutions*

Thanks, Tom. Hello, everyone. I'm Jim Breuer, and I serve as the Group President of Fluor's Energy Solutions business segment. Today, I plan to cover the industry trends and the foundational strengths of our business that form the basis for our strategic focus areas. I'll then discuss how we expect these priorities will drive growth and value creation in the segment and across the company more broadly.

Earlier, David shared the global megatrends that are shaping future opportunities for Fluor. Here, I'd like to take a step forward, look at how these trends are impacting energy solutions. As we look at the energy markets today and in the coming years, we're facing what experts have called the dual challenge. Demand for energy in the world is expected to grow by 50% over the next 30 years. And at the same time, we must take decisive action to reduce global greenhouse gas emissions to limit climate impact. And so we arrive at this challenge. The global population is going to require more energy than ever before. And we will have to deliver it in a more sustainable way.

Equally important, a successful energy transition must factor in economics and affordability in terms of capital investments as well as operating costs. We believe that society as a whole is on the verge of a significant shift in how we treat the production and consumption of energy. The growing global focus on decarbonizing the energy supply will continue for years to come. We're already advancing efforts to solve this dual energy challenge. And as I will describe in more detail shortly, so are many of Fluor's clients across the industries.

Before we move on, I'd like to take a moment to acknowledge the impact of the pandemic on the energy markets. There's been a dramatic drop in Capex spending in many of the markets we serve. Right now, it's difficult to say when the supply and demand curves will rebalance. But I will say that Fluor is well-positioned to capitalize on the recovery and a long-term growth.

Our clients are faced with pressure to act from 2 major sources. One, many governments have established ambitious goals in the reduction of carbon emissions. And two, clients are faced with increasing ESG pressure from investors and consumers alike. Therefore, our clients are working to better understand the evolving landscape around new laws, regulations, carbon tax policies and even consumer preferences.

At the same time, our clients are evaluating the right technologies and solutions that can provide the maximum benefits towards their sustainable business objectives. In some cases, these technologies are mature and well-proven. But when we talk about areas like clean hydrogen or carbon capture and sequestration, there are a multitude of options out there, many of them not yet widely proven. Clients want to know that they are taking a winning technology before committing to a large investment. Reliability, economics and scalability are critical factors. That's where Fluor can help.

The energy transition is not only about building new assets with new technologies. It's also about making existing operations perform better and more sustainably. This may be one of the easiest ways to achieve short-term gains in de-carbonization. Modifications to improve efficiency of plants to reduce energy consumption and lower carbon footprints are things that we're doing today and that can be expanded to a much larger scale. These modification projects are complex, and clients continue to seek out our expertise to provide a proper project definition and reliable project delivery. Importantly, this type of work plays through the foundational strength of our Energy Solutions business.

Some of which are: Fluor's broad and extensive experience in the oil, gas and petrochemical sectors; our strong technical expertise enabling us to assist our clients with the most complex technical challenges. We offer our clients full project delivery from early conceptual studies, all the way to full project implementation. Fluor is able to assist our clients' reevaluation, selection and implementation of the right technologies for their projects.

We have close relationships with many partners in the industry, equipment manufacturers, technologists, other EPCs and even start-up companies with innovative solutions. These relationships will be critical as we collaborate to address the needs of the energy markets in the future.

Turning now to our strategic focus areas. Supporting de-carbonization and the shift to a sustainable energy future is at the core of our strategy. And therefore, we're taking several actions. We're continuously engaging with current and new clients to understand how this market will evolve and to accompany them on their energy transition journeys. We are focusing our technical resources on areas like renewable fuels, waste and energy, hydrogen and green chemicals, in many cases, closely collaborating with technology partners. We're deploying our own well-proven carbon capture technology on multiple projects. And at the same time, we're working to enhance this technology even further. We're also developing a standardized mid-scale LNG solution with the objective of improving plant efficiency and lowering capital costs.

Fluor is already helping clients decarbonize existing operations. In refineries, chemical plants and power plants, we're currently working on projects to reduce emissions, and we expect this type of work to grow significantly in the coming years. We also expect to see increased activity in the newer sustainable energy markets like renewable fuels, carbon capture and sequestration and blue and green hydrogen.

In chemicals, we see a bright future. We will continue to leverage our track record of execution and attractive prospects in base chemicals. But we will also focus on specialty chemicals and battery chemicals, which are growing in importance with the adoption of electric vehicles and storage technology. We will continue to serve traditional oil and gas markets, including expansion and modernization projects as well as sustaining capital work.

We expect a strong push for reduction of methane emissions of production facilities. And in refineries, there will be a drive to improve efficiency and better performance of facilities, all areas that fit well with our expertise and solutions. LNG and gas processing will continue to be important as natural gas is widely accepted as a major transitional fuel for the foreseeable future. Even in the LNG market, we're starting to see green trends around electrification, carbon capture and Bio-LNG, and we intend to follow these areas closely.

Finally, in nuclear project services. We are well-positioned to support project opportunities associated with our NuScale investment, where Fluor has exclusive rights to EPC execution. These are exciting times for NuScale as they play a key role in the energy transition. NuScale recently reached several major milestones. In August, it received a signed certification approval from the U.S. Nuclear Regulatory Commission. In October, the U.S. Department of Energy approved a multiyear cost share award for up to $1.4 billion to aid in the development of UAMPS' carbon-free power project using NuScale's small modular reactors.

In 2020, investors have taken an equity positions in NuScale, we're currently in discussions with other parties for additional equity stakes. NuScale and Fluor recently signed contracts with UAMPS to begin engineering and to support the development of their combined license application for their carbon-free power project. And we are in active discussions with other clients for potential SMR power plants.

Going back to the broader energy markets, Fluor is already engaged in many of the areas I've covered today. Examples include renewable diesel and jet fuels projects, asset decarbonization work via electrification of refinery facilities and international battery chemicals expansion project, several carbon capture projects and our first SMR project.

To summarize, Fluor has always been and will continue to be a leader in the energy and chemicals industries. As we look ahead, we are ready to address the future needs of our clients to help solve the world's energy challenges as we launch our Energy Solutions business.

Thank you for your time today. I'll now turn the presentation over to Phil Clark, Project Director on the LNG Canada project. Phil?

Phil Clark - *Fluor Corporation - Senior VP & Project Director of LNG Canada*

Thanks, Jim. Hello and welcome to an update of the LNG Canada project, a joint venture project between Fluor and JGC for a large LNG facility in Kitimat, British Columbia, Canada. My name is Phil Clark, and I'm the Project Director representing the joint venture.

I'm pleased to say that since my last update to the market about 2 years ago, our team has worked tirelessly to make tremendous progress despite the challenges we have faced as a result of the global pandemic.

Starting with safety, we have made good strides in developing a global culture that drives safe behaviors across all of our locations. Our current safety incident rate is consistent with JGC and Fluor corporate goals and targets.

The project also received Shell's Golden Hat Award and was recently recognized in Shell's CEO's 2020 Safety Award, both in recognition of our commitment to personnel safety and for our efforts in designing for safe construction.

Engineering is approaching 95% complete, removing a significant risk of changes and rework going forward. We have procured about 93% of the material and are starting to see delivery of this equipment and material at the fab yards with 35% already shipped to the various module fabrication yards and to site.

One of the major technology risks of the project was fabrication of the world's largest main cryogenic heat exchanger, which is now substantially complete and scheduled to ship in March of this year per the original schedule. Overall, I'm proud to report that the project is 35% complete.

Looking at some significant milestones we have achieved. The site preparation at Kitimat is complete, and we've installed 95% of the piles per the original baseline timing.

Also complete are the material offloading facility, or MOF, where large equipment and modules are offloaded as well as the new whole road. The whole road includes 2 new bridges where the module is up to nearly 10,000 tons and 150 feet wide will be transported. The whole road and bridges will be ready to receive the modules that will start to arrive later this year.

Underground work is well underway, and we've poured over 30,000 cubic meters of concrete or about 15% of the total. The foundation for the LNG tank is complete, and we're now working on the tank walls.

The camp, or Cedar Valley Lodge, is now operational and housing workers and will be built out to house the peak staffing later this year. The project team continues to appropriately address its labor challenges in returning workers to the site after numerous ramp-up and ramp-down issues related to the pandemic. Overall, construction is about 15% complete.

Let me now spend some time discussing the impacts that COVID-19 has had on the project. From an engineering standpoint, our teams transitioned to a work-from-home environment. This has been more of a challenge in the workshare offices in the Philippines due to poor Internet infrastructure and government lockdowns that significantly restricted transportation and was partially mitigated with private busing when allowed by the government.

In supply chain, the impact to vendors has been a function of country location with some areas like Italy and India more impacted than others. This has delayed engineering drawings as well as equipment and bulk material deliveries. Our joint venture and LNG Canada have been working together to mitigate this through various steps, such as overtime in the home offices, air freighting of materials and virtual remote inspections.

Moving to our module yards. We have seen labor, material and equipment delays in our global supply chain, and we're working hard to mitigate these impacts. And at site, we had to demobilize several contractors due to physical distancing requirements, but were able to bring back much of the workforce in 2020.

We are now pacing our ramp-up after the year-end break per a new public health order aimed at limiting impacts of COVID. The project has also commenced implementing mitigation strategies for returning workers, including requiring a rapid COVID test at point of departure, limiting workers from going into the town of Kitimat and installing new rapid COVID testing facilities at the job site.

Although the overall schedule currently indicates some delay, which is not surprising with the global impact of COVID, both LNG Canada and our joint venture are in the process of negotiating a fair and equitable resolution.

Our key focus areas for this year are: a continued focus on safety and quality with a first-time right mindset, closeout of engineering in the first part of 2021, focus on mitigating equipment and material delivery delays due to COVID-19 and working collaboratively with LNG Canada to implement strategies that will expedite materials to the fabrication yards, rapid remobilization of workers at the module yards after the Chinese New Year. And at site, we are focused on getting out of the ground to support and be ready for module and equipment deliveries later in the year. Overall, despite the challenges, I'm very optimistic that the project is on a path to success in the future.

And with that, I'll turn the presentation back to David.

David Edward Constable - *Fluor Corporation - CEO & Director*

Thanks, Phil. I know that our investors have a keen interest in the LNG Canada project. I'm pleased that we have shared the project's progress and your team's many successes to date.

Before we begin the Q&A session, I'd like to take a moment to recap what we've presented to you. We started today's presentation with Fluor's commitment to sustainability. It has been part of our history, and we are committed to making it part of our future. Fluor will be net 0 in scope 1 and 2 carbon emissions by 2023. We covered our strategy to advance DE&I and our commitment to increasing women and diversity in leadership roles at Fluor. These goals further support our strategy to foster a high-performance culture with purpose.

Our commitment to DE&I and other employee engagement actions will create a positive and inclusive culture that will drive strong individual and collective performance. Our strategy message is clear, we will become the preeminent provider of professional and technical solutions across the industries we serve while maintaining our leadership position in the engineering and construction industry.

We know that customers recognize the value we bring, and we will return that value back to our shareholders. The simplification of our new business segments, Urban Solutions, Mission Solutions and Energy Solutions, allows us to streamline our cost structure and focus on the growth areas that are fueled by global megatrends.

By 2023, we expect 70% of our revenue to come from our Urban and Mission Solutions segments and our Energy transition business. We will improve the quality of our backlog by only pursuing and executing work with fair and balanced terms. With our stringent pursuit criteria and risk governance processes spread across the organization, we are committed to building our backlog with 75% reimbursable work by 2024.

As you heard today, Fluor will generate predictable cash flows by executing with excellence. We will stabilize our balance sheet by reinforcing our capital structure and financial discipline. Our actions include improving liquidity, de-levering our debt position and renewing our credit facilities. In 2024, we will generate ROIC greater than 20% and reduce our debt-to-capitalization ratio below 40%.

We have set these goals to measure our progress, but also as a commitment to return value to our stakeholders. We are confident that these strategic priorities will deliver a directional earnings range between $3.00 and $3.50 per share by 2024.

To drive accountability to our shareholders and, in fact, all our stakeholders, I will be implementing performance scorecards across the company for business segments, for business lines and through corporate leadership to hold our teams accountable so that you can hold me accountable. I believe we have the very best people in the industry and the right strategy in building a better future.

At this point, it's time to transition to the Q&A portion of our event. Please enjoy this brief video, and we'll be back in a few minutes.

(presentation)

David Edward Constable - *Fluor Corporation - CEO & Director*

Welcome back, everyone. (Operator Instructions)

And now operator, we're ready to take our first question.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We'll take our question from Michael Dudas with Vertical Research.

Michael Stephan Dudas - *Vertical Research Partners, LLC - Partner*

Can you hear me okay?

David Edward Constable - *Fluor Corporation - CEO & Director*

Yes, Mike, pretty good. Thanks.

Michael Stephan Dudas - *Vertical Research Partners, LLC - Partner*

Great. First, a very excellent professional presentation that you put forth here today. It's very helpful for everyone involved.

I'm sure there's a lot of good questions. Let me start with the two upfront. First of all, as you evolve the goals for 2024 relative to the balance sheet and the operating profile and any earnings level that we put forth, how much are you there now relative to getting to that goal from your core competencies, well, to, say, catching up on acquisitions, understanding technology ventures and adding solutions from the government side? To achieve that goal, how much do you think you need to add? And when you look at that goal of 75-25, it's not [universal], which is called [AMECO]. I mean versus lump sum, when is LNG Canada supposed to roll off and is that part of that kind of goal? Or is that going to be close to being finished as you get to that level? And what part of the contracts that you foresee in 2022, '23, '24 year that will be in that lump sum work?

David Edward Constable - *Fluor Corporation - CEO & Director*

Great. Again, good morning, Mike, and thanks for your questions. And so let's start off with -- we'll take LNG last there. But let's start off with how to get to 2024 as you asked. And I'll ask Joe in a little bit to talk about the capital structuring side of things and the balance sheet.

But as far as operations go and execution and going to market for our business segments and business lines, I think the key areas that we'll be focusing on, you heard through the presentation, a number of growth areas for us. And they run through Urban Solutions, Mission Solutions and the Energy transition that Jim Breuer just was talking about.

So as far as what we need to do to get to the 2024, I'd say we've got some niche acquisition opportunities that are going to be very important for us. And there's -- and I'll say niche and bolt-on. So these are very manageable acquisitions, but they're high value, high margin. These are technical solutions that we wanted to build on for our front-end work and working with our customers upfront so that we can drive all the way through the project execution and start-up of their facilities.

So those acquisitions, like I said, will be in the front-end. They'll be for advanced technologies and life sciences, specifically technical high-end solutions for data centers, clean rooms and semiconductor facility installations. So that's one. And that's in the fairly near term that we're looking at something in that space.

On the government side, the Mission Solutions, the niche acquisition there, bolt-on acquisition, will be in the intelligence space. Again, high-end services, high-margin business that will complement our Mission Solutions business in intelligence, cybersecurity space. So that's the 2 we're looking at with ATLS going first, followed by Mission Solutions.

The rest of the technologies that we've talked about during the presentation are all in-house. We're agnostic. As you know, many times, certain businesses are agnostic on technology so that we can play the field. And in our optimization work in front-end, we can bring the best solution to the customer.

In carbon capture, we have a preferred position in carbon capture with our own technology as one example where we would bring that to the party. But technologies speak -- from a pure technology perspective, we think that's the way to go. And nothing needs to be to be added.

Joe will talk -- I'll ask Joe to talk a little bit about the capital structure, if we will, to help us get to 2024. And then I'll ask Group President, Mark Fields, to touch on the LNG Canada schedule and when that is planned for completion just to give you an idea of the 75-25 split on reimbursable lump sum and what's in that 25% in the out-years. Joe?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. Thanks, David, and good morning, Mike. So the way we were looking at how we're going to raise capital to support the growth of the business as we move forward, I think we can look back at 2020 in terms of some of the challenged projects that we had to push through the P&L, and we're able to generate additional free operating cash flow in the face of nominally $400 million worth of challenges.

At the same time, we've got a very aggressive overhead reduction program that we have in place. We had a target in 2020 of $100 million. We pushed that upwards of $140 million in total savings, which we're drawing into our free operating cash flow and obviously running that through the P&L.

We've been able to monetize a number of different assets through our P3s as well as some good news as we move forward on AMECO transaction and divestiture. So if we take all of those into account, we believe we'll be able to fund the growth that we see in some of the niche acquisitions to support that growth into 2024.

But I would say, Mike, that as we see the markets unfold and how this pandemic may continue to impact the business, I would not take any option or alternative off the table as it relates to being able to stabilize our capital structure moving forward.

David Edward Constable - *Fluor Corporation - CEO & Director*

Thanks, Joe. And again, I'll turn it over to Mark Fields to just comment on the LNGC progress. Well, actually, when it starts to ramp down and if that would still have any impact on our 25% lump sum by '24. Mark?

Mark E. Fields - *Fluor Corporation - Group President of Energy & Chemicals*

Thanks, David, and good morning, Mike. LNGC is scheduled to be completed in 2024. So we'll see the consumption of the backlog running down through that period. So I think it will make up a smaller percentage of the backlog as 2024 approaches, and it will be complete in -- during that year.

David Edward Constable - *Fluor Corporation - CEO & Director*

Great. Thanks, Mark. I'll just -- Mike, just to end off. So what else is in that 25% backlog? Again, we're going to be very, very selective, selective, stringent pursuit criteria going forward. And since 2019 really, when Alan came back, we've been able to improve the health of the backlog dramatically. So what you'll be seeing in that 25% will be some fixed-price work in infrastructure where we know how to play in regional roads and bridges and just be one of a few competitors in that space, in regions around the country that we can be successful in.

And then the only other work would be negotiated, as we've mentioned before, negotiated lump sum work with customers and industries and projects and scopes and the right teams in place and the right contract terms all in place that we'll feel comfortable with, but very selectively. And that will come from primarily energy solutions, energy transition, and that should be the majority of it.

Some GMAX work in ATLS and data centers, but that GMAX work is very, very low risk. You close the books on the scope very late in the game. And that's a good model for us that we don't see a problem with going forward. So thanks, Mike.

Michael Stephan Dudas - *Vertical Research Partners, LLC - Partner*

Can I follow up with one?

David Edward Constable - *Fluor Corporation - CEO & Director*

Sure. Go ahead.

Michael Stephan Dudas - *Vertical Research Partners, LLC - Partner*

Yes. Just on this topic. In the pursuit criteria, where your backlog mix planned to be over the next 3 years, is there a limit on the size of a fixed-price contract that you're willing to entertain? Is there some sort of sweet spot range that you're willing to move forward to?

I can't imagine you'd be wanting to do a $15 billion big joint venture project going forward, but I just wanted to get some clarification on how you're thinking through that relative to the new strategy forward?

David Edward Constable - *Fluor Corporation - CEO & Director*

Yes. Thanks for the question again. It's -- obviously, we want to work on projects that are of reasonable size and not massive multi, multibillion-dollar lump sum projects put into our backlog. So you're correct. It will be of a smaller to medium-size total install cost or Fluor revenue, if you will, that we'd be signing up. So it's a much more manageable number. And if it was in joint venture, then obviously, that total install cost could go up somewhat, but it will be a very manageable number for us in the years ahead.

Operator

(Operator Instructions) We'll take our next question from Jamie Cook with Credit Suisse.

Jamie Lyn Cook - *Crédit Suisse AG, Research Division - MD, Sector Head of United States Capital Goods Research and Analyst*

Can you hear me okay?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. Loud and clear.

David Edward Constable - *Fluor Corporation - CEO & Director*

Yes, Jamie, go ahead. Good morning.

Jamie Lyn Cook - *Crédit Suisse AG, Research Division - MD, Sector Head of United States Capital Goods Research and Analyst*

So I guess my first question, the $3.00, $3.50 in earnings power, David or Joe, maybe you can help me understand how much of that is sort of controllable or self-help versus market? So how much of a tailwind you'd get if NuScale goes away or the cost-cutting that you talked about? And I guess the offset would be investment required in the business.

And then the follow-up to that is you talked about 70% -- or 70% of revenues being non-energy. I guess if we could assume diversified services or whatever goes away, you're already at 60% non-energy. So I guess my question is, can you help me with the EBIT bridge and how to get to the $3.00 to $3.50, how much is energy sort of versus the non-energy market or maybe your revenue margin target? And then is there an assumption in there that we need to execute on LNG Canada earnings contribution in that $3.00 to $3.50?

David Edward Constable - *Fluor Corporation - CEO & Director*

Thanks, Jamie, for the question. And maybe the last part first is LNGC in that earnings power. You're you talking about LN -- can you just clarify that, that was the LNG, the project we're currently executing?

Jamie Lyn Cook - *Crédit Suisse AG, Research Division - MD, Sector Head of United States Capital Goods Research and Analyst*

Yes. LNG. I'm just wondering. So in the $3.00 to $3.50, is there earnings contributions assumed from LNG Canada in that $3.00 to $3.50? And then as it pertains to the $3.00 to $3.50, how much of the earnings contribution is going to come from energy versus non-energy markets? Because historically, for you to get to $3.00 to $3.50 in earnings power, you need a big energy cycle. So I'm just trying to understand the dynamics there.

And then the second part was in that $3.00 to $3.50, there's something you can't control. Perhaps it's the cost cutting you talked about? Or if you get investors in NuScale, that headwind of $0.40 to $0.50 goes away. I'm just trying to bridge where we are today versus the $3.00 to $3.50.

David Edward Constable - *Fluor Corporation - CEO & Director*

Yes. Well, so on LNGC, it will definitely, as we just heard, it's ramping down in 2024. So it will be contributing through the planning period primarily in the '22 and 2023 years.

You asked about what investments are needed. I'd reference back to the -- primarily it's some bolt-on niche acquisitions in the growth markets in ATLS and in Mission Solutions, and we'll keep a watching brief for others. But again, they'll be manageable in that space and maybe think about something in underground mining going forward as well as an opportunity.

Underground mining for copper is a huge target for Tony Morgan, President of Mining and Metals, and his team. So that comes to mind as well. But in the plan, it's the 2 acquisitions that I've talked about. So there could be some upside from a bolt-on or inorganic perspective.

Controllable self-help. Obviously, I talked about an additional $100 million in overhead that -- we've got $140 million in the bank already on overhead savings. We'll drive another $100 million through the planning period. That is included in there.

NuScale. We don't have anything in for NuScale contributions in the plan. As you heard about in the presentation, the stars are aligning for NuScale. Very exciting what we see going on there and selling down our equity, which as we see the valuations continuing to increase, we see great shareholder value in NuScale. And we'll focus on project execution, support services, price execution, management of NuScale going forward, but that is not in the planning period because obviously, those jobs are long cycle and further out.

But -- so those are -- to check off some of your first parts of your questions and in energy, non-energy, hopefully, energy does make up more than the 30%. Traditional oil and gas could very well make up more than 30%, that means we'll be to the upside on our earnings power forecast.

We've spent several months now since the start of November going through the strategic plan and then the strategical -- strategic planned financial reviews and scrubbed it very hard. We're very comfortable with the model that we have and the earnings power that we're presenting today.

But to give you an idea, the plan does look like -- because of all the growth markets we've got in front of us that are lining up so well, Fluor lines up so well for these megatrends that we talked about and positioned extremely well. And we've -- as you know, we've tweaked the portfolio with AMECO and now Stork and looking at NuScale. So...

Jamie Lyn Cook - *Crédit Suisse AG, Research Division - MD, Sector Head of United States Capital Goods Research and Analyst*

Is there a revenue margin assumption? David, is there a revenue margin assumption on the $3.00 to $3.50 just so we can sort of understand where revenues are today versus not? If no, that's fine. I just want to make sure I'm not missing something.

David Edward Constable - *Fluor Corporation - CEO & Director*

No. That's -- Joe, you want to comment on the question on revenue?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. Well, maybe I'll put it into some context for you, Jamie. As of today, if you realign the segments based on Energy, Urban and Mission Solutions, we would be looking at nominally 37% in the Energy Solution on a top line basis, Urban Solutions at 42% and then Mission Solutions at 20.6%. And as that moves as we go forward relative to that 30% to 70% target that David laid out, I just wanted to give you a context of where we were today, that there is a significant amount of diversification.

Jamie Lyn Cook - *Crédit Suisse AG, Research Division - MD, Sector Head of United States Capital Goods Research and Analyst*

But I'm just trying to understand the total. Joe, I'm sorry, I'll get off of this. I'm just trying to understand the total revenue number. Like total revenues, total margins for Fluor to get to the $3.00 to $3.50 from where we are today.

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. We probably are not, at this point, going to be providing guidance in terms of what our 2024 revenue numbers look like. Suffice it to say that we're going to see some transition from 2021 and as we move out of the 2021 into the 2022 and 3 and 4 years, we will start to see that growth and the diversification strategy start to pay off.

So at this point in time, I -- we are -- if we're not out booking in our conversation with Mike, the $14 billion, $15 billion lump sum risk projects, we will have a smaller revenue view of the world moving forward, but we're going to have a highly more predictable and profitable backlog as we generate revenue going forward.

David Edward Constable - *Fluor Corporation - CEO & Director*

Yes. Jamie, I think we can get into this conversation a little more, restart the conversation to give more color on the plan once we get with you on the year-end call next month.

Operator

We'll take our next question from Steven Fisher with UBS.

Steven Fisher - *UBS Investment Bank, Research Division - Executive Director and Senior Analyst*

Congratulations guys. Just as you -- David, as you think of -- rethink the structure of the company, the value add and the competitive positioning, can you talk about why keeping the E&C part of the business is important? And why not focus on the professional services side only? Do you think there's some competitive advantage to that? And is there still volatility that may still come from having the construction piece? How do you think about that?

David Edward Constable - *Fluor Corporation - CEO & Director*

Yes. Steve, thanks for that question. And I'm glad you asked it because to me, that's what differentiates Fluor in the marketplace. And that's -- and we said it throughout the presentation, we're going to maintain our global leadership in engineering and construction across the industries we serve. And our customers talk to many. Our customers are very pleased that we are continuing the engineering and construction business because there's not many out there who can deliver what we can around the world with our global execution platform and our execution capabilities.

So I think, again, we do a lot of front-end knowledge-based solution work in the Energy Solutions business now and in Mining and Metals. So that's -- this is nothing new to us. Our subject matter experts, our technologists are well ingrained into the front end of those industries and supporting the customers throughout the project life cycle and more times than not moving right through from front end and design into engineering and construction and startup.

So to me, that differentiates us. And now what we're doing is turbocharging it in the growth markets that we're seeing. Turbocharging that front-end capability, as I said, with some niche bolt-on acquisitions for high-end technology solutions in the growth areas in advanced technology, advanced manufacturing, life sciences and Mission Solutions, in mining underground, again, like I talked about, and in energy transition, which we have in-house.

Our funding capabilities for the energy transition, as Jim Breuer pointed out, is world-class. And with such a focus on that market, we're really positioned well to help our customers, help them with their needs in scoping their projects, but then taking them where they -- wherever they require, take their projects forward and be successful with them here in North America and around the world as well.

So I think that really does differentiate us. And that's our delivery model, project and mission delivery solutions for our customers from start to finish.

Steven Fisher - *UBS Investment Bank, Research Division - Executive Director and Senior Analyst*

That's very helpful. And then just a question on cash flow. How do we think about the ongoing cash flow profile? What that should be? And if you achieve $3.00 to $3.50, what would the cash flow be on that kind of earnings base?

David Edward Constable - *Fluor Corporation - CEO & Director*

Thanks, again, Steve. So I'll ask Joe to talk about cash flow on the -- in the strategic plan.

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. So thanks for the question. As we kind of view cash flow and our ability to generate coming off of 2020 and into 2021, in our modeling, what we're seeing is our ability to service that debt. As we get into the '23's, '24's with the strength of our operating results are continuing, overhead reductions, some of the monetization of our current assets. But I would expect to see a relatively flat cash flow as you look out into 2024, but a significantly more stable, de-levered company.

Operator

We'll take our next question from Andy Kaplowitz with Citigroup.

Andrew Alec Kaplowitz - *Citigroup Inc., Research Division - MD and U.S. Industrial Sector Head*

So you did target a 75% cost reimbursable by '24. But as you know, the last few years, the large project landscape, it seemed like it shifted more to fixed price, which, as you know, there are several E&Cs, including Fluor.

So as you've begun to talk to customers, how do you think about the ability for Fluor to actually win projects that are cost reimbursable over the next few years? And do you think customers are on the same page now and share risk with Fluor moving forward?

David Edward Constable - *Fluor Corporation - CEO & Director*

It's a good question. And we've been pleased -- at least I've been pleased in early discussions. And I know Alan Boeckmann, Executive Chairman, has also had numerous discussions with our customers on this subject.

We're starting to see good responsiveness. They understand the challenge of not having a balanced risk/reward profile on projects and contract terms that are not fair and equitable to both parties. You really need to go into a -- to be a successful project, you need to go in as partners and not as in adversarial relationships in those types of situations where the contracts are not well balanced and fair.

So again, early days, but seeing I think a good discussion and dialogue with these -- or some of the major customers now who have these multibillion-dollar projects that I think are better suited for reimbursable cost with incentives and where the customer can hold more of the contingency and that we can manage the construction in many cases for -- on their behalf, but have the risk sitting in the right place and where the -- all the returns really sit in that project life over 30 or 40 years of what we might be building.

So again, early days, looks good and specifically in the Energy Solutions business in upstream, making some good progress there and these are with customers that you would know well that understand and want to continue to do business with Fluor on a reimbursable basis. And like I said, there's ways to structure those contracts so that we're incentivized to perform on cost and schedule and quality and safety and rework just as well or better I think than a fixed-price risk contract.

Andrew Alec Kaplowitz - *Citigroup Inc., Research Division - MD and U.S. Industrial Sector Head*

Very helpful, David. As you and I know Jamie asked about self-help, but let me ask you about the $100 million of overhead reductions in maybe a different way. Do you and Joe sort of surveyed the overhead of Fluor now? You obviously had $100 million program, which is a new program. Where is the low-hanging fruit still? Is it on the real estate side? Are there other things you can do on digital to improve productivity with -- where did the $100 million come from? And would you expect it to go to the bottom line? Or the fear that I think some investors have is that this kind of reduction is just sort of the cost of doing business these days for an E&C.

David Edward Constable - *Fluor Corporation - CEO & Director*

Right. So again, thanks, Andy. Joe is sitting on the Steering Committee of this program to continue driving overhead optimization and overhead reduction. I would say it's more focused on the functional overheads, on corporate as far as low-hanging fruit goes. And we'll -- we obviously need a bench strength and execution platform within the businesses that can execute these growth markets that are coming. So I think the focus primarily will be in the -- on the functional and corporate G&A and overheads in the business lines and certainly not within the execution forces -- capabilities in engineering and technology and construction.

Joe, do you want to make a few comments?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. No. Thanks. I -- what I would add to that is, the approach that we're taking through this process as it relates to what we've done in 2020 and moving on into '21 through '24 is we're looking at it kind of on a return of invested dollar. So as we look at areas where we are and where we're located, if we're investing into those locations, are we getting the right returns? So some of those areas where we don't get the right return on investment will be part of that low-lying fruit as we go through this process over the next 6 months to further bake in the $100 million.

But it -- some of that low-lying fruit are areas that we've already kind of addressed in terms of moving out -- shifting out of some of the South American countries related to Brazil and Argentina. We'll continue to review all of our footprint and make it fit for purpose as this organization unfolds and how we best support that not only from a local perspective brick-and-mortar, but also as we get into the corporate G&A.

And I think the other interesting thing is, as we've gone some -- through some of these analyses in the past, it's been a bit of a top-down activity. We're going to try in this approach hook up the suppliers with the end users so that we do get some consensus about what it is that we're providing to make sure that it is truly fit for purpose, to support the strategy and to support the company and obviously get those overhead reductions that we're looking for.

Andrew Alec Kaplowitz - *Citigroup Inc., Research Division - MD and U.S. Industrial Sector Head*

And Joe, does the program ramp up yearly. Just -- or is it back-end loaded?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

No. It's -- we're in the process right now. So we've achieved $140 million of that. We're really plugging into 2021 to continue to drive some of that. And we would expect that, that $100 million will be achieved over the process of '22, '23 and culminating in a combined run rate of $240 million as a go-forward overhead reduction. So it will be a process over the years.

Operator

We'll take our next question from Andrew Wittmann with Baird.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Great. I guess a little bit on Andy's last question here. You mentioned specifically $20 million to $50 million in real estate synergies. Is that part of the $100 million that you guys were just talking about? Or is that in addition to?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

No. That would be, at this point, in addition to as we rationalize some of our offices. At this point in time, we're -- this may qualify into the low-lying fruit as we have underutilization in certain offices. We're subletting and we're generating additional overhead opportunities as we move forward. But that would be somewhat in addition to this $240 million on a run rate basis.

As you may be aware that a space reduction today may be a function of where we are relative to our position in the market in a given position or location. And as markets turn, we may be back in that space, if that's the right place to be. So in regards to that $20 million to $50 million, it's really truly in addition to the $240 million that we're talking about.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay. That's helpful. I also wanted to kind of dig in a little bit more on the various assets that you're selling. There are several of them. You mentioned some of your equity stakes in the P3s, monetizing some of NuScale. You talked about -- congratulations on the North American AMECO deal. It sounds like you're still thinking about what to do or contemplating what the options are for South America.

There are several things here. I recognize that you're not going to give what the sales price on individual assets that you're selling. But I thought maybe it would be helpful for all us to think about the order of magnitude for the total of these in a combined sense and over what time period you expect to bring that cash to the balance sheet.

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. Sure. I'll give you some general ranges here. The P3s will be transacted within '21. We feel comfortable that we're going to be able to get those deals closed. I think NuScale, we're really excited after the NRC approval and some of the additional funding that we're seeing brought to bear additional folks very interested in equity in the business. So we will see that play out in 2021 as well.

AMECO, we're looking to close in the March, April time frame. We are in exclusivity at this point in time. I would suggest that Stork -- well, maybe let's back up and talk a little bit about South America as it relates to AMECO. We're going to have to take a look at how we address South America. And we'll be doing that over the course of the next 2 to 3 months, whether we go in and try and find a buyer for all of South America or whether we pursue that under a liquidation basis, but that's a decision that needs to be made very, very quickly at this point in time.

And I would give you a sense of where we are on Stork. We've just made the announcement to put it into held for sale, and we are in the process of doing all of that due diligence to get to data room the marketing information. But I would say that there has been an extremely high level of interest in Stork. And hopefully, we can leverage that as we get, I would say, over the next 2 to 3 months in a position where we can then allow folks to come in and start taking a look at more of the detailed information.

In terms of overall numbers, I wouldn't want to go there yet. We'll be able to provide you a little bit more clarity on the 26th. And then as we get into the first part of the year and the Q1 announcements or Q1 earnings call, we'll be able to certainly provide you a significant additional amount of clarity.

Andrew John Wittmann - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay. I'm going to just -- if you don't mind, I'm going to just try to ask this a little bit different way than it's probably a little bit more answerable. I think, Joe, you mentioned previously there -- just a second ago, I think you mentioned flat cash flow.

I guess is that like breakeven cash flow since last year's kind of breakeven cash flow or it looks like it will be pretty close to breakeven cash flow through the period? Is that inclusive of these proceeds? Or is that -- would these proceeds be in addition to flat or breakeven cash flow for the period?

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Yes. No. It's a good question. The way we're looking at it is, we have to fund the strategy. We have to fund some niche acquisitions within ATLS and FGG. We have to service our debt and pay down our debt in '23 and '24 when they become due. The strategy is it starts to generate free operating cash flow we believe coupled with the overhead reductions, the monetizations, all of that is kind of mixed up into the same stew relative to being flat at the end of that period of time in '24, but being able to service all of those ongoing business needs during that period of time.

Operator

We'll take our last question from Sean Eastman with KeyBanc.

Sean D. Eastman - *KeyBanc Capital Markets Inc., Research Division - Senior Equity Research Analyst*

I'm just trying to think about where Fluor's -- sort of Fluor 2.0 margins could settle out by that 2024 time frame. And maybe just thinking through it from a high level, on one side, taking less fixed-price risk would give me a sense that margins may be lower relative to that 4.5% to 5% historical norm. But on the other hand, it seems like Fluor's work is likely to become more technically differentiated, and you guys are talking about moving up the value chain. So I'm just curious how you're thinking about those different forces shaking out over the next couple of years.

David Edward Constable - *Fluor Corporation - CEO & Director*

Thanks, Sean. An interesting question to think about on operating margins. I think, Joe, in the last -- in the Q3 earnings call, we had a strong margin -- operating profit margin in Energy & Chemicals that needed to be tapered, if you will, for foreign exchange and other charges.

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Correct.

David Edward Constable - *Fluor Corporation - CEO & Director*

And I think Joe went to about a 5% -- in the 5% margin range when he talked to you last time. When you think about reducing fixed price, you've got that margin that, as you rightly say, is a little higher. And as you also said, you've got this higher-margin front-end knowledge-based solution work that's going to be ramping up as well.

So I think with all the puts and takes, and I've got the model sitting in front of me here, so I can see your question -- or your answer to your question, I just think it's -- I'd say it's in a similar range when you add it all up and move more to reimbursable going forward. So I think that's how you should look at it, is a similar type of margin with some great margins coming in for our technical solutions, but then really solid, predictable earnings on the reimbursable work and all the great baseload work that we've got in the Mission Solutions government business as a foundation. So through the cycles. So I think that's how I'd classify it.

I think that was the last question for today. And I really want to thank everyone for joining us and for all your questions.

And as I mentioned at the beginning of the event, our strategic intent is to become the preeminent leader of professional technical solutions, right, while maintaining our leading global engineering construction brand across all the industries we serve. Our intent is fully aligned with the prevailing trends that we presented, and we're focused on maximizing long-term value for our shareholders. So it's now time to get to work on implementing and executing the plan and building a better future for our customers and also for our -- all our stakeholders really.

So look forward to speaking to you -- many of you again during our year-end earnings call on February 26. So have a great day. Thanks very much.

Joseph L. Brennan - *Fluor Corporation - Executive VP & CFO*

Thank you.
