

A large industrial refinery or chemical plant is visible in the background, featuring numerous tall distillation columns, storage tanks, and complex piping. The scene is set against a dramatic sky with heavy, dark clouds illuminated from below by a low sun, creating a golden glow. In the foreground, there is a field of green grass, slightly out of focus. A white geometric line runs across the top right of the image, and a yellow arrow points to the left on the left side.

Turning the Corner with Capital Efficiency and Delivery Certainty

Frank Dishongh

Vice President and General Manager, Houston Office

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Client Concerns

BASF

"Strict cost and expenditure discipline will therefore also be top priority in 2016. This applies in particular to cutting back on capital expenditures..."

– Dr. Kurt Bock, Chairman of the Board of Executive Directors, BASF Factbook 2016

LyondellBasell

"We continued to execute a strategy that remains grounded in...deliberate cost management, capital discipline, strong cash generation and focused investments..."

– Bhavesh V. (Bob) Patel, CEO and Chairman of the Management Board, 2015 Annual Report

Phillips 66

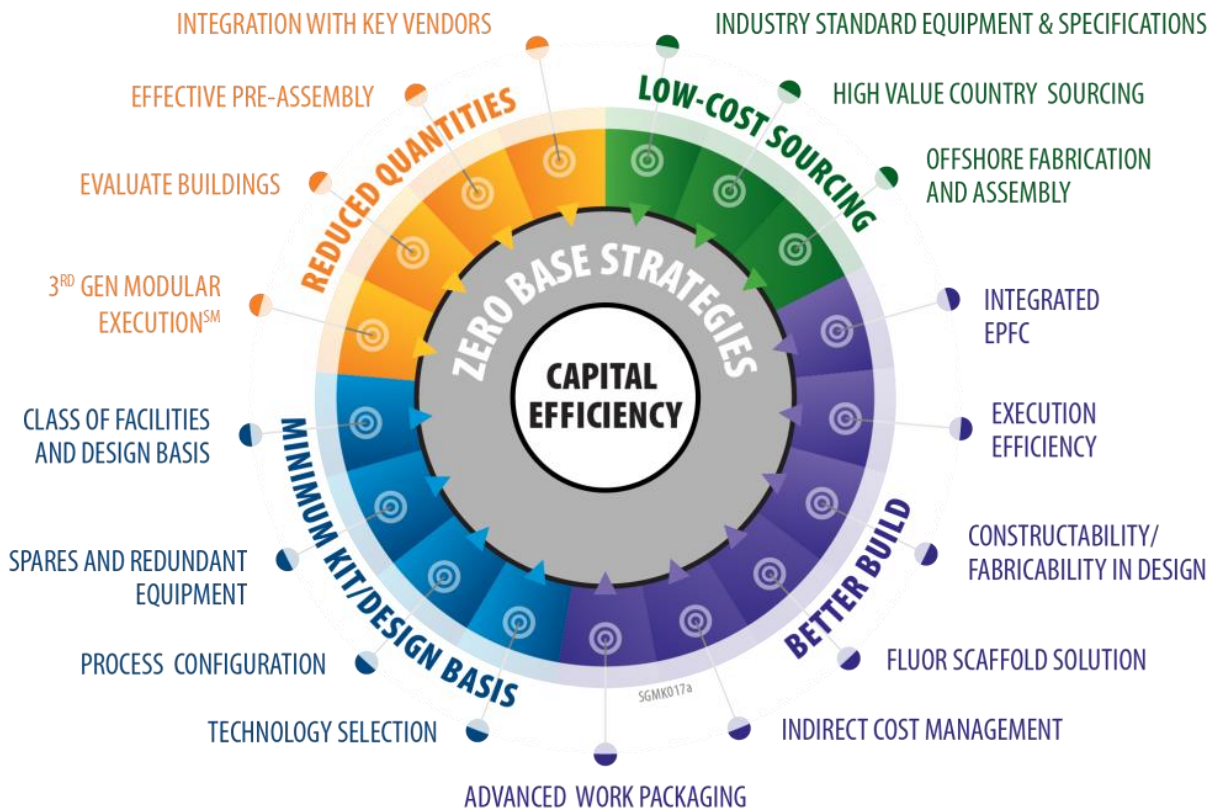
"Returns on our investments are important, and the reduction in capital spending from prior years reflects that fewer projects meet our return thresholds in the current business environment."

– Greg Garland, Chairman and CEO, 2017 Capital Program Announcement

Three Focus Areas for Fluor



Zero Base Execution (ZBESM)



5 COOEC-Fluor Fabrication Yard

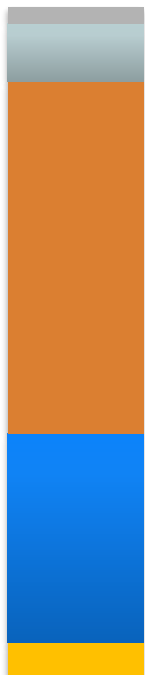
Current capacity of 240,000
metric tons per year

Module assembly and
world-class pipe and steel
fabrication



ZBE Results in Reduced Costs

TIC
Typical Stick Built Project



ZBE
Solution



PRE-FEED/FEED SERVICES

- Value-Improving Practices
- Module Execution Plan
- Minimum Kit Specs and Standards
- Construction-Driven EPFC Schedule
- Leverage FEED Package

ENGINEERING & PROCUREMENT SERVICES

- Database Mobility, Automation
- Workshare Execution Model
- Construction and Fabrication Input in Design
- Value-Improving Practices

EQUIPMENT & MATERIAL

- Escalation Hedge Program
- Duty Avoidance
- Strategic (Best Country) Sourcing
- VIPs, Minimum Kit Specs and Standards
- Plot Optimization Reduces Quantities

MODULE FABRICATION

- Integrated Modules
- Increased Module Size
- Module Market Knowledge
- Houston COE for Module Execution

CONSTRUCTION LABOR & INDIRECT COSTS

- Self -Perform Construction
- Higher Productivity via Workface Planning, Craft Training and Phased Construction
- Complete UG and Paving Prior to AG
- Scaffold Solution
- Higher Equipment Utilization
- Lower Quantities Reduces Direct Labor
- Eliminate Redundant Staff
- Centralized Material Management

CONTINGENCY & OWNERS COST

- Reduced Oversight
- Integrated Teams

Global Data-Centric Transformation Strategy

- ▶ Leverages Fluor's wealth of experience across historical data and global workforce to assess project status to:



Predict issues such as rising costs or schedule delays based on historical trends and patterns



Gain earlier insights from many sets of complex factors across project execution



Identify root causes of issues and potential impacts of changes

Construction Innovations



HO20180538-003

Construction Innovations

THE FUTURE OF
CONSTRUCTION

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