



# Q4 2019 Earnings Call Presentation

February 27, 2020

# Disclaimer

## Forward-looking statements

This communication contains “forward-looking statements” as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. Words such as “guidance,” “confident,” “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “will,” “likely,” “predicated,” “estimate,” “outlook” and similar expressions are intended to identify forward-looking statements, which are generally not historical in nature.

Such forward-looking statements involve significant risks, uncertainties and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections, including the following known material factors: risks associated with our ability to consummate our proposed separation and spin-off, and our ability to achieve the intended benefits and synergies of the transaction; unanticipated changes relating to competitive factors in our industry; demand for our products and services, which is affected by changes in the price of, and demand for, crude oil and natural gas in domestic and international markets; our ability to develop and implement new technologies and services, as well as our ability to protect and maintain critical intellectual property assets; potential liabilities arising out of the installation or use of our products; cost overruns related to our fixed price contracts or capital asset construction projects that may affect revenues; our ability to timely deliver our backlog and its effect on our future sales, profitability, and our relationships with our customers; our reliance on subcontractors, suppliers and joint venture partners in the performance of our contracts; our ability to hire and retain key personnel; the potential impacts of seasonal and weather conditions; the cumulative loss of major contracts or alliances; U.S. and international laws and regulations, including existing or future environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; risks associated with The Depository Trust Company and Euroclear for clearance services for shares traded on the NYSE and Euronext Paris, respectively; the United Kingdom’s withdrawal from the European Union; risks associated with being an English public limited company, including the need for “distributable profits”, shareholder approval of certain capital structure decisions, and the risk that we may not be able to pay dividends or repurchase shares in accordance with our announced capital allocation plan; compliance with covenants under our debt instruments and conditions in the credit markets; downgrade in the ratings of our debt could restrict our ability to access the debt capital markets; the outcome of uninsured claims and litigation against us; the risks of currency exchange rate fluctuations associated with our international operations; risks related to our acquisition and divestiture activities; failure of our information technology infrastructure or any significant breach of security, including related to cyber attacks, and actual or perceived failure to comply with data security and privacy obligations; risks associated with tax liabilities, changes in U.S. federal or international tax laws or interpretations to which they are subject; piracy risks for our maritime employees and assets; and such other risk factors as set forth in our filings with the U.S. Securities and Exchange Commission and in our filings with the Autorité des marchés financiers or the U.K. Financial Conduct Authority.

We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

# Q4 2019 Overview

## Financial Results and Operational Highlights

Doug Pferdehirt, Chairman and Chief Executive Officer

Maryann Mannen, EVP and Chief Financial Officer

# 2019 Growth



- ▶ Total Company inbound orders of \$22.7 billion, backlog of \$24.3 billion
- ▶ Significant order growth, driven by LNG and acceleration of integrated Subsea awards
- ▶ Improved visibility, with \$12.7 billion in backlog scheduled for execution beyond 2020

**59%**  
Inbound growth<sup>1</sup>

**>2x**  
*Value<sup>1</sup> of scope  
in iEPCI™ awards*

**>\$8B**  
*LNG  
awards*

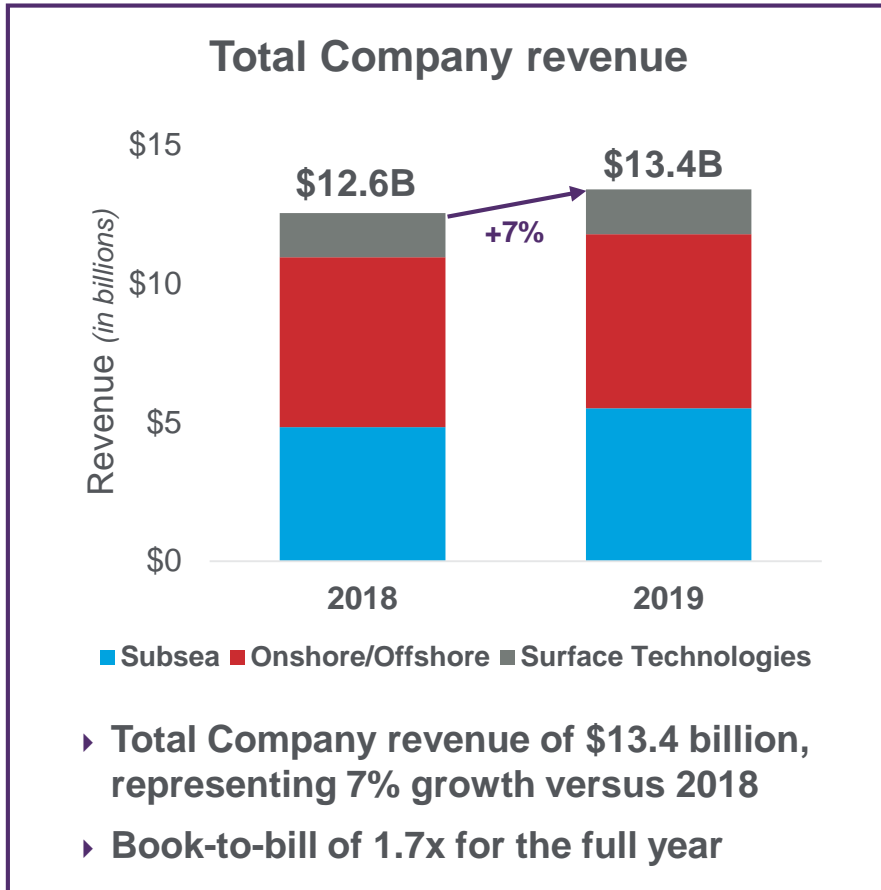
**67%**  
Backlog growth<sup>1</sup>

**37%**  
*Subsea  
backlog growth<sup>1</sup>*

**89%**  
*Onshore/Offshore  
backlog growth<sup>1</sup>*

<sup>1</sup>2019 growth versus 2018

# Higher activity across all segments drives revenue growth



## Subsea

- ▶ Higher mix of integrated project (iEPCI™) activity
- ▶ 15% revenue growth in Subsea Services
- ▶ 14% revenue growth in Subsea

## Onshore/ Offshore

- ▶ Segment revenue inflected from 2018 trough
- ▶ Three quarters of sequential revenue growth
- ▶ Non-Yamal revenue growth exceeded 25%

## Surface Technologies

- ▶ International revenues 50%+ of segment total
- ▶ 15%+ revenue growth outside North America
- ▶ 2% revenue growth despite North America decline

# 2020 outlook and segment guidance<sup>1</sup>

## Subsea



- ▶ Continued strength in brownfield activity for small/mid-sized project FIDs; healthy outlook for greenfield project FIDs next 24 months (timing impacts 2020 order growth)
- ▶ Expect double-digit growth in services driven by digital monitoring, well intervention, and asset refurbishment
- ▶ Following normal seasonal impact in the first quarter, margin to improve due to project timing and increased asset utilization over remainder of year

## Onshore/Offshore



- ▶ Natural gas a critical enabling fuel in the energy transition; additional LNG capacity required to meet growing demand
- ▶ Expect additional LNG projects to be sanctioned near-to-intermediate term
- ▶ Opportunity-rich downstream environment; leverage early engagement and process technologies in selective pursuit of refining, petrochemical, and biofuel projects
- ▶ Guidance includes the impacts that we can estimate at this time for the Coronavirus

## Surface Technologies



- ▶ Anticipate double-digit growth in international markets driven by market activity; notable strength in the Middle East, Asia Pacific, and the North Sea
- ▶ Anticipate North America activity to decline 10% versus 2019; drilling and completions activity to improve in second half of 2020

*2020 segment guidance is reflective of the new business perimeters related to the Company's announced separation.*

*Businesses with ~\$120 million of revenue in 2019, most of which was in Surface Technologies, are now included in Onshore/Offshore guidance for 2020.*

- ▶ **Revenue** in a range of \$6.2–6.5 billion
- ▶ **Adjusted EBITDA** margin at least 11%

- ▶ **Revenue** in a range of \$7.5–7.8 billion
- ▶ **Adjusted EBITDA** margin at least 10%

- ▶ **Revenue** in a range of \$1.4–1.6 billion
- ▶ **Adjusted EBITDA** margin at least 12%

<sup>1</sup>Our guidance measures adjusted EBITDA margin (a non-GAAP financial measure) which excludes amortization related impact of purchase price accounting, and other charges and credits. We are unable to provide a reconciliation to a comparable GAAP measure on a forward-looking basis without unreasonable effort because of the unpredictability of the individual components of the most directly comparable GAAP financial measure and the variability of items excluded from such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

# 2020 & Beyond

## TechnipFMC

### Subsea

#### Leading

- Maintaining market leadership position in Subsea
- Maximizing flexibility to deliver integrated solutions (iEPCI™)
- Aligning our assets with the right strategic partners and geographies

### Surface Technologies

#### Transforming

- Leveraging strong international franchise for further growth
- Customer focus on efficiency, footprint and emissions
- Optimizing North American services and operating geographies

## Technip Energies

### Onshore/Offshore

#### Transitioning

- New growth cycle underpinned by strength in backlog
- Maintaining intense focus on execution
- Selecting projects that provide the best opportunity for success for customer and TechnipFMC

Proactively taking actions to better position ourselves for 2020 and beyond

# Technip Energies

- ▶ A leading E&C player, poised to capitalize on the global energy transition
- ▶ Transaction remains on-track for completion in second quarter of 2020
- ▶ Technip Energies to host Capital Markets Day ahead of transaction

Reshaping

our

future

# TechnipFMC

- ▶ A fully-integrated technology and services provider, continuing to drive energy development
- ▶ Further optimization to strengthen our leadership position in Subsea
- ▶ Leverage leading Surface Technologies position to capitalize on international market growth as we transform our North American business



## Q4 2019 Company results

Revenue of \$3.7 billion

Adjusted EBITDA of \$404 million

Backlog of \$24.3 billion

Operating cash flow of \$559 million

### Q4 2019 EPS walk

	\$ millions	\$ / Share
<b>GAAP Net income, as reported</b>	\$ (2,414.0)	\$ (5.40)
Charges and credits, after-tax	\$ 2,429.1	\$ 5.43
<b>Adjusted Net Income, as reported</b>	<b>\$ 15.1</b>	<b>\$ 0.03</b>
Other items impacting results:		
<i>Foreign exchange (F/X) losses, after-tax</i>	\$ 56.5	\$ 0.13
<i>Increased liability payable to joint venture partners (MRL<sup>1</sup>)</i>	\$ 99.1	\$ 0.22

### Items of note

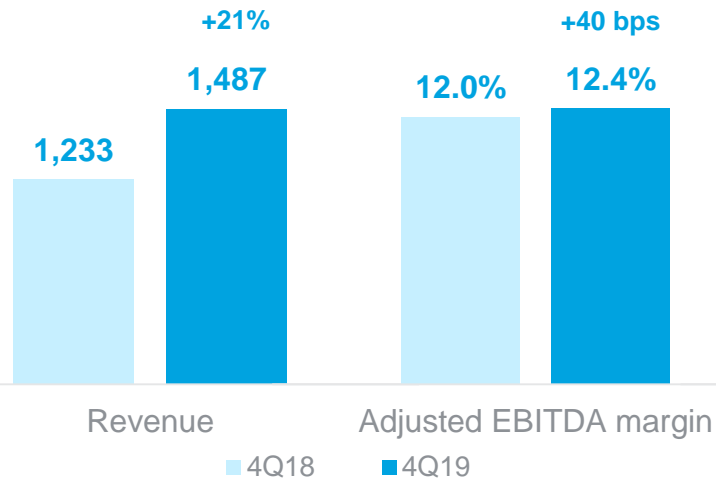
- ▶ *Company does not provide guidance for F/X or MRL; if these expenses were excluded, adjusted net income would have been \$0.38 per diluted share*
- ▶ *F/X impact largely driven by the significant devaluation of the Angolan Kwanza*
- ▶ **Company fully remediated all previously disclosed material weaknesses**

<sup>1</sup>MRL = Mandatorily redeemable financial liability

# Q4 2019 Segment results

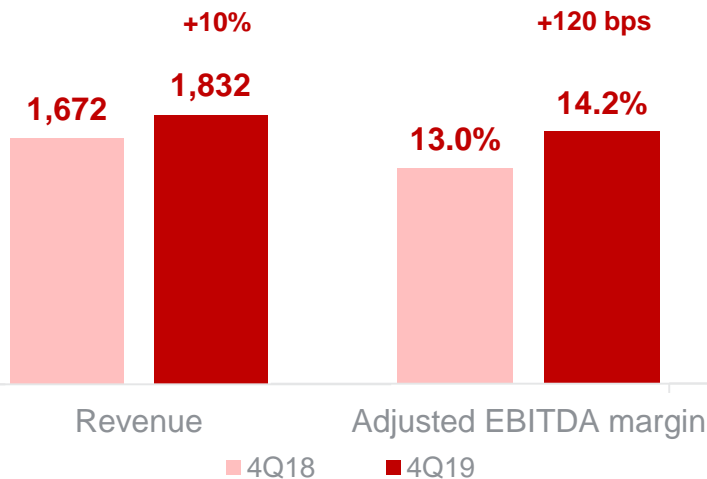
## Subsea

USD, in millions



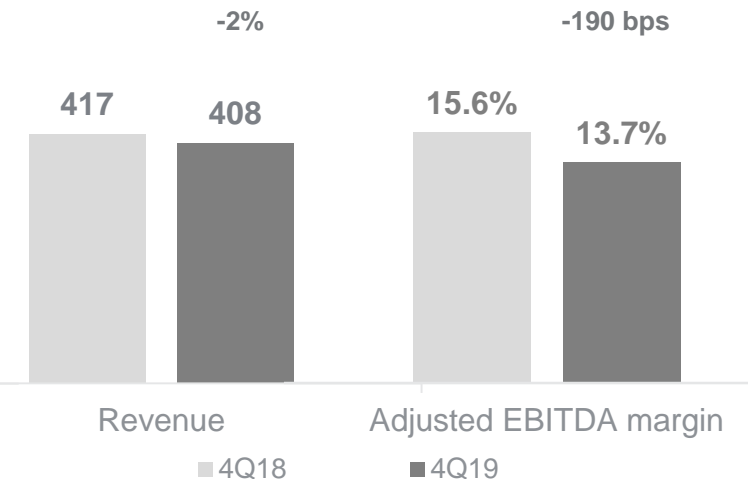
## Onshore/Offshore

USD, in millions



## Surface Technologies

USD, in millions



### Operational highlights

- ▶ Revenue increased 21%: double-digit growth in both project and service activities
- ▶ Adjusted EBITDA margin increased 40 bps to 12.4%: cost reduction activities and project completions offset the impact of more competitively priced backlog
- ▶ Inbound orders of \$1.2 billion; book-to-bill of 0.8; period-end backlog at \$8.5 billion

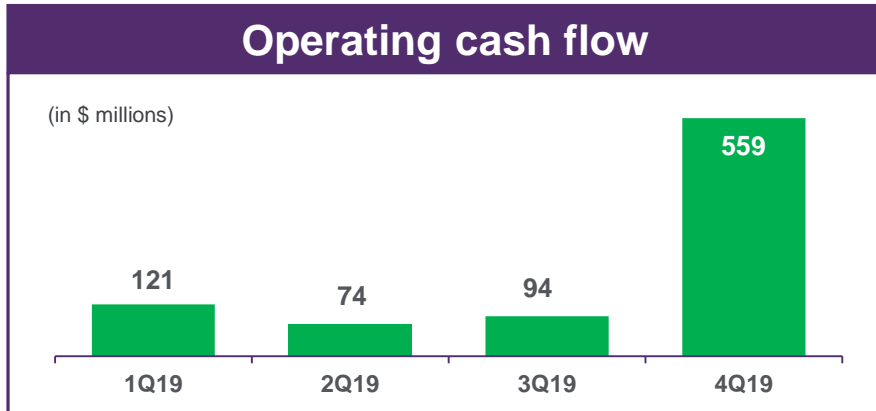
### Operational highlights

- ▶ Revenue increased 10%: higher activity in Europe, Asia and North America as well as our Process Technology group, partially offset by lower activity on the Yamal LNG project
- ▶ Adjusted EBITDA margin increased 120 bps to 14.2%: benefited from strength in execution across the portfolio, particularly Yamal LNG
- ▶ Inbound orders of \$1.1 billion; book-to-bill of 0.6; period-end backlog at \$15.3 billion

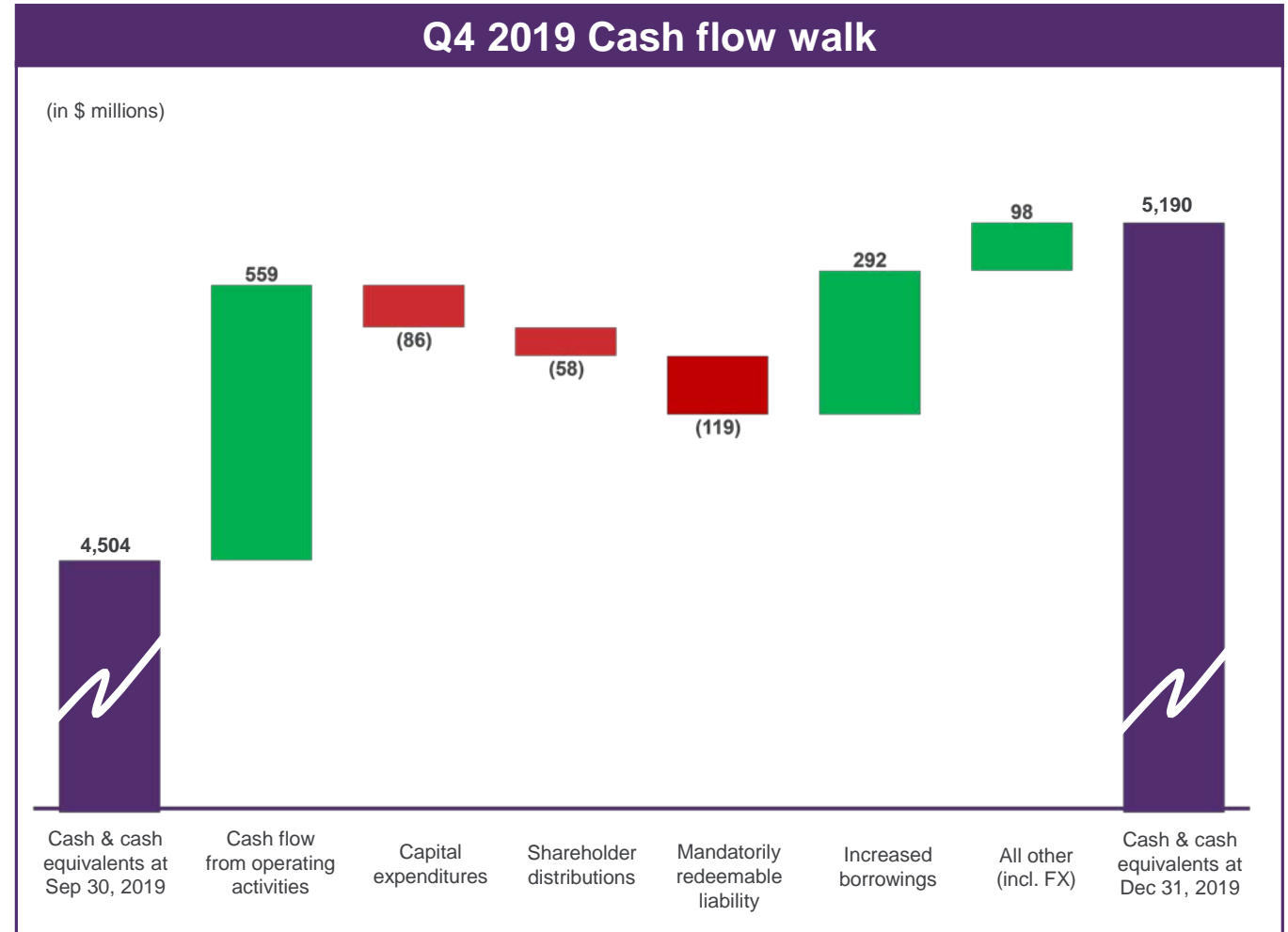
### Operational highlights

- ▶ Revenue decreased 2%: lower completions related activity in North America, largely offset by revenue growth in international markets
- ▶ Adjusted EBITDA margin decreased 190 bps to 13.7%: further declines in volume and pricing in North America, partially offset by cost reduction activities
- ▶ Inbound orders of \$432 million; book-to-bill of 1.1; period-end backlog at \$473 million

# Strong Q4 operating cash flow drives solid full year result

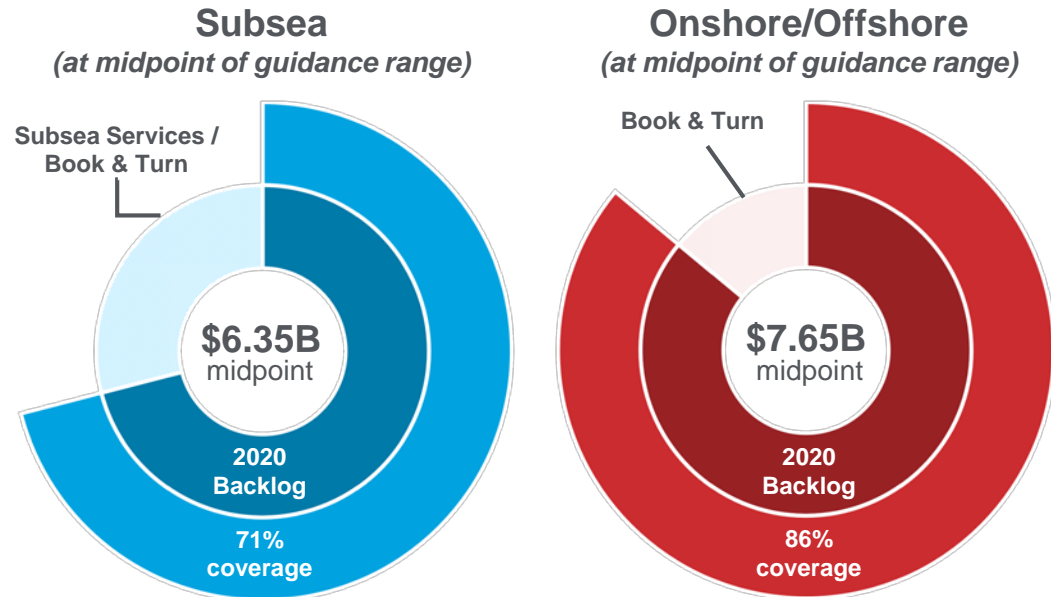


- ### Items of note
- Q4 2019**
- ▶ **Operating cash flow of \$559 million**
    - Benefited from timing differences between project milestone and vendor payments
  - ▶ **Yamal JV partner payments of \$119 million**
- FY 2019**
- ▶ **Operating cash flow of \$849 million**
  - ▶ **Shareholder distributions of \$326 million**
    - \$233 million dividends, \$93 million share repurchase



# 2020 Financial guidance

## 2020 Revenue coverage from backlog



- ▶ **Subsea revenue coverage driven by:**
  - Backlog scheduled for 2020 execution is ~71% at revenue midpoint
  - Services revenue >\$1 billion expected; minimal amount in backlog
- ▶ **Onshore/Offshore revenue coverage driven by:**
  - Backlog scheduled for 2020 execution is ~86% at revenue midpoint
  - Anticipate \$400-500 million in revenue from Yamal LNG

## 2020 Corporate guidance

- ▶ **Corporate expense, net** \$180 – 190 million for the full year (excluding the impact of foreign currency fluctuations)
- ▶ **Net interest expense** \$80 – 90 million for the full year (excluding the impact of revaluation of partners' mandatorily redeemable financial liability)
- ▶ **Tax rate** 28 – 32% for the full year
- ▶ **Capital expenditures** approximately \$450 million for the full year
- ▶ **Cash flow from operating activities** to exceed \$1 billion for the full year

## Additional items of note

- ▶ 2020 segment guidance is reflective of the new business perimeters related to the Company's announced separation
- ▶ Businesses with ~\$120 million of revenue in 2019, most of which was in Surface Technologies, are now included in Onshore/Offshore guidance for 2020

# Highlights

- ▶ Subsea revenue benefited from increased activity; accelerated adoption of new technologies and iEPCI™
- ▶ Onshore/Offshore delivered third quarter of sequential revenue growth; clear inflection from 2018 trough
- ▶ Generated \$559 million in operating cash flow; \$849 million in 2019, positive in all four quarters

- ▶ Strong revenue coverage for both Onshore/Offshore and Subsea with more than \$24 billion of secured backlog
- ▶ Taking action in support of our focus on market leadership and continued business transformation
- ▶ Expect operating cash flow to improve versus 2019; anticipate exceeding \$1 billion in 2020

## Key takeaways

# Appendix

# Glossary

<b>Term</b>	<b>Definition</b>
Bcm	Billion Cubic Meters per Annum
CAGR	Compound Annual Growth Rate
E&C	Engineering and Construction
FID	Final Investment Decision
FLNG	Floating LNG
F/X	Foreign exchange
GOM	Gulf of Mexico
HP/HT	High Pressure / High Temperature
HSE	Health, Safety and Environment
iEPCI™	Integrated Engineering, Procurement, Construction and Installation
iFEED™	Integrated Front End Engineering and Design
iLOF™	Integrated Life of Field
LNG	Liquefied Natural Gas

<b>Term</b>	<b>Definition</b>
MMb/d	Million Barrels per Day
MRL	Mandatorily redeemable financial liability
Mtpa	Million Metric Tonnes per Annum
NAM	North America
ROIC	Return on Invested Capital
ROV	Remotely Operated Vehicles
ROW	Rest of World

# 2020 Financial guidance<sup>1</sup>

Subsea	Onshore/Offshore	Surface Technologies
<ul style="list-style-type: none"> <li>▶ <b>Revenue</b> in a range of \$6.2–6.5 billion</li> <li>▶ <b>EBITDA</b> margin at least 11% (excluding charges and credits)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Revenue</b> in a range of 7.5–7.8 billion</li> <li>▶ <b>EBITDA</b> margin at least 10% (excluding charges and credits)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Revenue</b> in a range of \$1.4–1.6 billion</li> <li>▶ <b>EBITDA</b> margin at least 12% (excluding charges and credits)</li> </ul>

*2020 segment guidance is reflective of the new business perimeters related to the Company's announced separation. Businesses with ~\$120 million of revenue in 2019, most of which was in Surface Technologies, are now included in Onshore/Offshore guidance for 2020.*

## TechnipFMC

- ▶ **Corporate expense, net** \$180 – 190 million for the full year (excluding the impact of foreign currency fluctuations)
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- ▶ **Tax rate** 28 – 32% for the full year
- ▶ **Capital expenditures** approximately \$450 million for the full year
- ▶ **Cash flow from operating activities** to exceed \$1 billion for the full year

<sup>1</sup>Our guidance measures EBITDA margin (excluding amortization related impact of purchase price accounting, and other charges and credits), corporate expense, net (excluding the impact of foreign currency fluctuations), net interest expense (excluding the impact of revaluation of partners' mandatorily redeemable financial liability), and tax rate are non-GAAP financial measures. We are unable to provide a reconciliation to a comparable GAAP measure on a forward-looking basis without unreasonable effort because of the unpredictability of the individual components of the most directly comparable GAAP financial measure and the variability of items excluded from such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

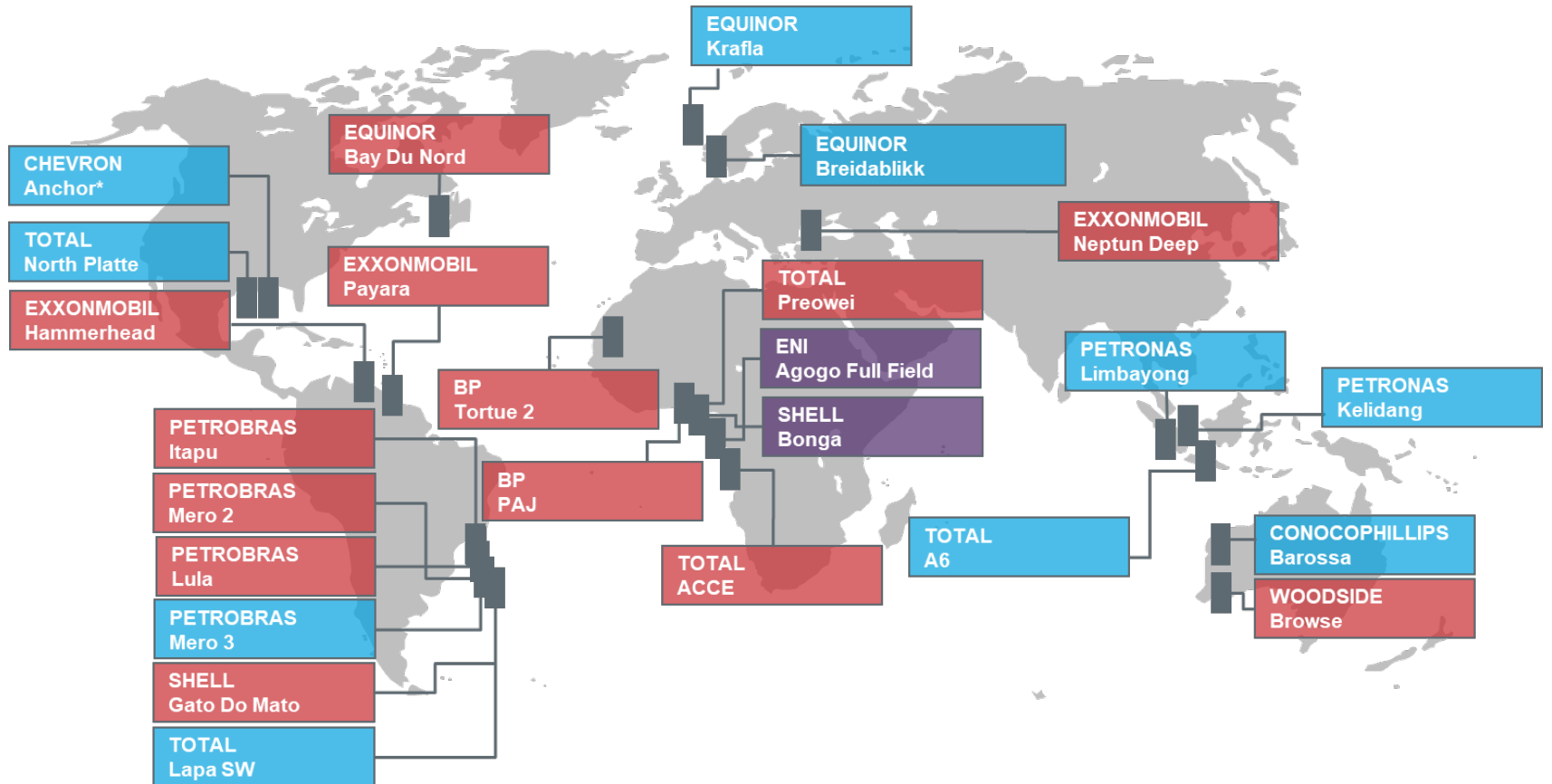


# 4Q19 Updates: Subsea opportunities in the next 24 months<sup>1</sup>

## PROJECT UPDATES

Added	Removed
ENI Agogo Full Field	ENI Zabazaba
PETROBRAS Lula	EQUINOR Carcara
PETROBRAS Mero 3	PETROBRAS Buzios V

	\$250M to \$500M
	\$500M to \$1,000M
	above \$1,000M



<sup>1</sup>February 2020 update; project value ranges reflect potential subsea scope

\*Value of remaining scope is less than \$250M following partial project award

# Financial disclosures – Yamal LNG

## Project disclosure data

**TechnipFMC plc and Consolidated Subsidiaries**  
**Business Segment Data for Yamal LNG Joint Venture**  
(In millions, unaudited)

	December 31, 2019	September 30, 2019
<b>Contract liabilities</b>	\$ 1,268.7	\$ 1,437.3
<b>Mandatorily redeemable financial liability</b>	268.8	288.8

	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019
<b>Cash required by operating activities</b>	\$ 58.2	\$ 9.1
<b>Settlements of mandatorily redeemable financial liability</b>	(119.1)	(223.1)

Source: Q4 2019 earnings release schedules (Exhibit 6)

## Contract liabilities structure

**Reduction in contract liabilities: \$169m**  
September 30, 2019 to December 31, 2019

Payments to Vendors or JV partners

**Vendor**  
(cost)

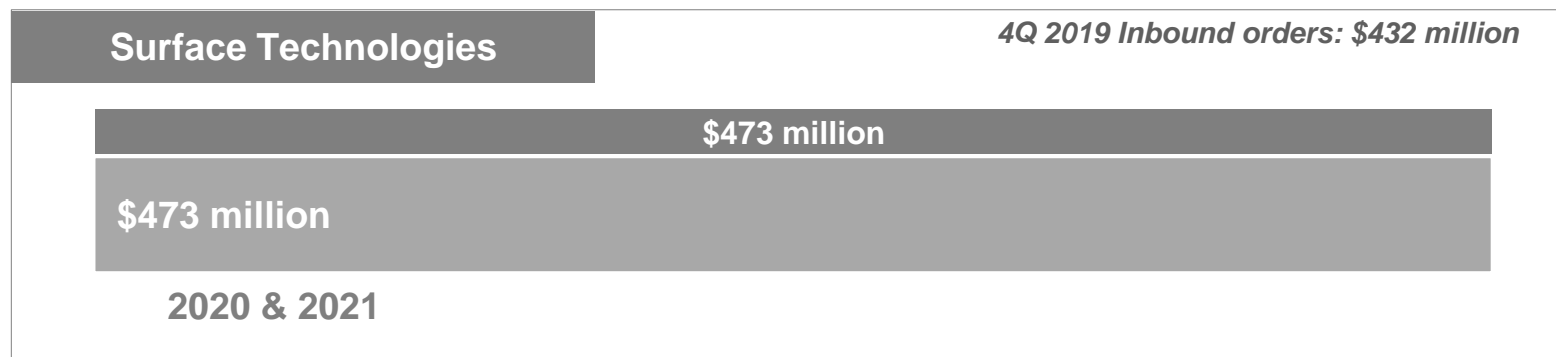
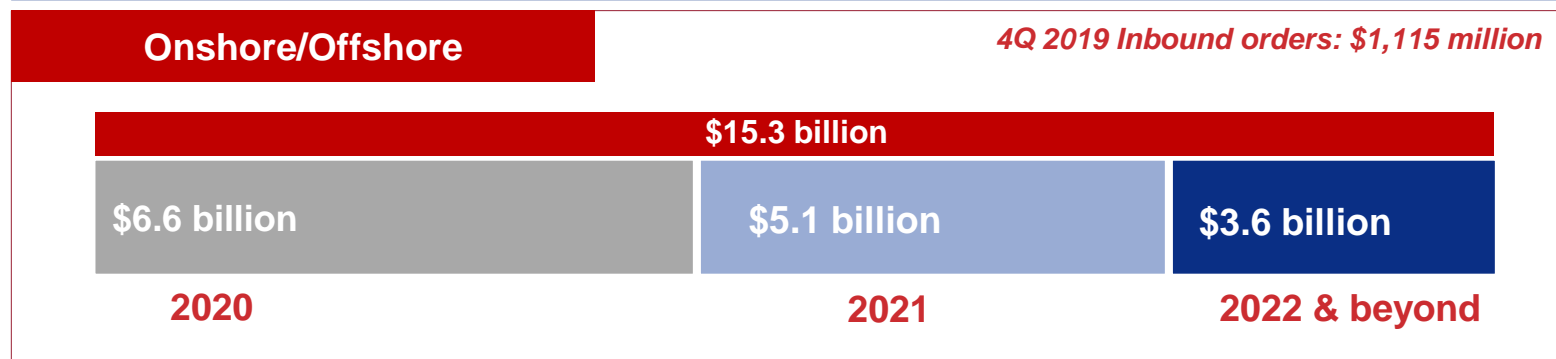
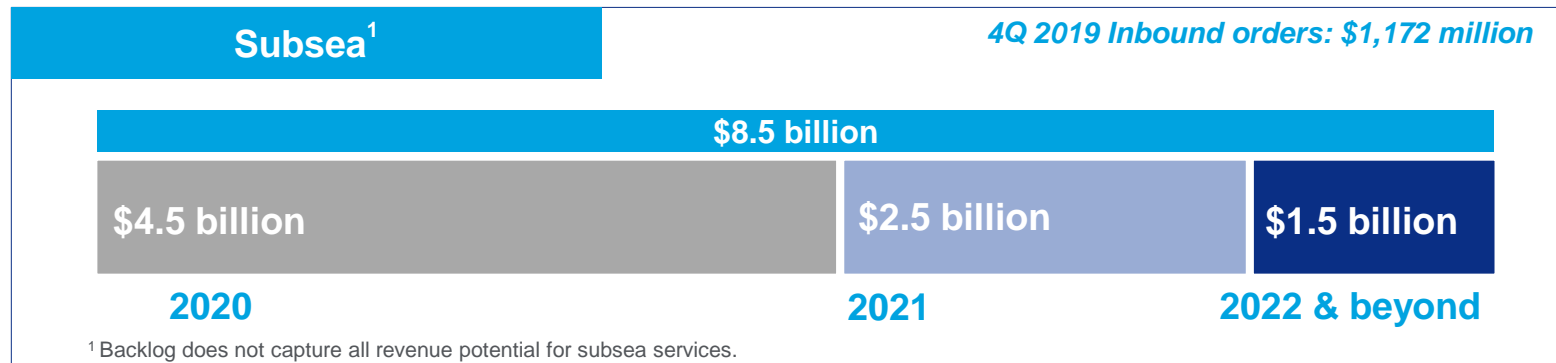
**Joint Venture**  
(profit)

*Continued strong execution will reduce project cost, increasing Joint Venture profit*

**50% TechnipFMC**  
(remains with FTI)

**50% JV partners**  
(included in MRL)

# Backlog visibility



# Inbound orders reconciliation

## TechnipFMC Inbound Orders

in \$ millions, unaudited

Inbound Orders	2014				2015				2016				2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Exchange rate	1.37	1.37	1.33	1.25	1.13	1.11	1.11	1.10	1.10	1.13	1.12	1.08												
Technip Subsea <sup>1</sup>	2,818	3,070	1,686	1,587	1,163	987	590	713	493	852	542	505												
FMC Technologies Subsea <sup>2</sup>	1,919	850	1,072	1,706	552	1,012	1,049	490	346	334	401	570												
<b>Subsea<sup>3</sup></b>	<b>4,737</b>	<b>3,920</b>	<b>2,759</b>	<b>3,293</b>	<b>1,715</b>	<b>1,999</b>	<b>1,639</b>	<b>1,203</b>	<b>839</b>	<b>1,186</b>	<b>943</b>	<b>1,074</b>	<b>666</b>	<b>1,773</b>	<b>980</b>	<b>1,725</b>	<b>1,228</b>	<b>1,516</b>	<b>1,554</b>	<b>881</b>	<b>2,678</b>	<b>2,633</b>	<b>1,510</b>	<b>1,172</b>
<b>Onshore/Offshore<sup>4</sup></b>	<b>991</b>	<b>6,636</b>	<b>1,246</b>	<b>2,444</b>	<b>527</b>	<b>683</b>	<b>1,353</b>	<b>2,363</b>	<b>533</b>	<b>823</b>	<b>1,147</b>	<b>1,180</b>	<b>682</b>	<b>1,104</b>	<b>1,153</b>	<b>874</b>	<b>1,850</b>	<b>2,301</b>	<b>1,666</b>	<b>1,609</b>	<b>3,139</b>	<b>8,131</b>	<b>696</b>	<b>1,115</b>
<b>Surface Technologies<sup>5</sup></b>	<b>669</b>	<b>610</b>	<b>678</b>	<b>588</b>	<b>422</b>	<b>419</b>	<b>480</b>	<b>348</b>	<b>332</b>	<b>205</b>	<b>298</b>	<b>233</b>	<b>242</b>	<b>276</b>	<b>329</b>	<b>393</b>	<b>410</b>	<b>415</b>	<b>427</b>	<b>435</b>	<b>368</b>	<b>416</b>	<b>405</b>	<b>432</b>
Eliminations		(7)	(3)	4	(5)	(5)	(3)	(4)	(7)	(1)	(7)	(9)												
<b>Total Company<sup>6</sup></b>	<b>6,397</b>	<b>11,159</b>	<b>4,680</b>	<b>6,328</b>	<b>2,660</b>	<b>3,096</b>	<b>3,469</b>	<b>3,910</b>	<b>1,697</b>	<b>2,213</b>	<b>2,381</b>	<b>2,478</b>	<b>1,590</b>	<b>3,153</b>	<b>2,462</b>	<b>2,992</b>	<b>3,487</b>	<b>4,232</b>	<b>3,647</b>	<b>2,925</b>	<b>6,185</b>	<b>11,180</b>	<b>2,611</b>	<b>2,718</b>

<sup>1</sup> Order intake for Subsea business segment as reported by Technip S.A. Translated from Euros to U.S. dollars using a quarterly average exchange rate that is specified in the table above.

<sup>2</sup> Inbound orders for Subsea Technologies business segment as reported by FMC Technologies, Inc.

<sup>3</sup> Represents the combination of subsea order intake for the legacy companies for years 2014 through 2016; (Technip Subsea + FMC Technologies Subsea).

<sup>4</sup> Order intake for Onshore/Offshore business segment as reported by Technip S.A. for years 2014 through 2016 Translated from Euros to U.S. dollars using a quarterly average exchange rate that is specified in the table above.

<sup>5</sup> Combined inbound orders for Surface Technologies and Energy Infrastructure business segments as reported by FMC Technologies, Inc. for years 2014 through 2016.

<sup>6</sup> Sum of "Subsea" + "Onshore/Offshore" + "Surface Technologies" for years 2014 through 2016.

# Select financial data

Revenue	December 31, 2019	September 30, 2019	Three Months Ended		
			June 30, 2019	March 31, 2019	December 31, 2018
Subsea	\$ 1,486.8	\$ 1,342.2	\$ 1,508.7	\$ 1,185.3	\$ 1,233.3
Onshore/Offshore	\$ 1,832.4	\$ 1,596.3	\$ 1,505.0	\$ 1,335.1	\$ 1,672.4
Surface Technologies	\$ 407.6	\$ 396.6	\$ 420.5	\$ 392.6	\$ 417.3
Corporate and Other		\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 3,726.8</b>	<b>\$ 3,335.1</b>	<b>\$ 3,434.2</b>	<b>\$ 2,913.0</b>	<b>\$ 3,323.0</b>

Adjusted EBITDA	December 31, 2019	September 30, 2019	Three Months Ended		
			June 30, 2019	March 31, 2019	December 31, 2018
Subsea	\$ 185.0	\$ 139.1	\$ 186.2	\$ 139.7	\$ 148.5
Onshore/Offshore	\$ 259.7	\$ 304.2	\$ 281.9	\$ 194.8	\$ 217.2
Surface Technologies	\$ 55.9	\$ 44.4	\$ 46.7	\$ 30.1	\$ 64.9
Corporate and Other	\$ (96.2)	\$ (108.5)	\$ (64.8)	\$ (68.8)	\$ (88.2)
<b>Total</b>	<b>\$ 404.4</b>	<b>\$ 379.2</b>	<b>\$ 450.0</b>	<b>\$ 295.8</b>	<b>\$ 342.4</b>

Adjusted EBITDA Margin	December 31, 2019	September 30, 2019	Three Months Ended		
			June 30, 2019	March 31, 2019	December 31, 2018
Subsea	12.4%	10.4%	12.3%	11.8%	12.0%
Onshore/Offshore	14.2%	19.1%	18.7%	14.6%	13.0%
Surface Technologies	13.7%	11.2%	11.1%	7.7%	15.6%
Corporate and Other					
<b>Total</b>	<b>10.9%</b>	<b>11.4%</b>	<b>13.1%</b>	<b>10.2%</b>	<b>10.3%</b>

Inbound Orders (1)	December 31, 2019	September 30, 2019	Three Months Ended		
			June 30, 2019	March 31, 2019	December 31, 2018
Subsea	\$ 1,172.3	\$ 1,509.9	\$ 2,632.7	\$ 2,677.6	\$ 880.6
Onshore/Offshore	\$ 1,114.5	\$ 696.0	\$ 8,131.2	\$ 3,138.9	\$ 1,609.4
Surface Technologies	\$ 431.6	\$ 404.7	\$ 415.7	\$ 368.0	\$ 435.1
Corporate and Other					
<b>Total</b>	<b>\$ 2,718.4</b>	<b>\$ 2,610.6</b>	<b>\$ 11,179.6</b>	<b>\$ 6,184.5</b>	<b>\$ 2,925.1</b>

Order Backlog (2)	December 31, 2019	September 30, 2019	Three Months Ended		
			June 30, 2019	March 31, 2019	December 31, 2018
Subsea	\$ 8,479.8	\$ 8,655.8	\$ 8,747.0	\$ 7,477.3	\$ 5,999.6
Onshore/Offshore	\$ 15,298.1	\$ 15,030.8	\$ 16,608.3	\$ 9,862.7	\$ 8,090.5
Surface Technologies	\$ 473.2	\$ 428.7	\$ 426.6	\$ 437.6	\$ 469.9
Corporate and Other					
<b>Total</b>	<b>\$ 24,251.1</b>	<b>\$ 24,115.3</b>	<b>\$ 25,781.9</b>	<b>\$ 17,777.6</b>	<b>\$ 14,560.0</b>

Book-to-Bill (3)	December 31, 2019	September 30, 2019	Three Months Ended		
			June 30, 2019	March 31, 2019	December 31, 2018
Subsea	0.8	1.1	1.7	2.3	0.7
Onshore/Offshore	0.6	0.4	5.4	2.4	1.0
Surface Technologies	1.1	1.0	1.0	0.9	1.0
Corporate and Other					
<b>Total</b>	<b>0.7</b>	<b>0.8</b>	<b>3.3</b>	<b>2.1</b>	<b>0.9</b>

(1) Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period.

(2) Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date.

(3) Book-to-bill is calculated as inbound orders divided by revenue.

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(In millions, unaudited)

**Charges and Credits**

In addition to financial results determined in accordance with U.S. generally accepted accounting principles (GAAP), the fourth quarter 2019 Earnings Release also includes non-GAAP financial measures (as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended) and describes performance on a year-over-year basis against 2018 results and measures. Net income, excluding charges and credits, as well as measures derived from it (including Diluted EPS, excluding charges and credits; Income before net interest expense and taxes, excluding charges and credits ("Adjusted Operating profit"); Depreciation and amortization, excluding charges and credits; Earnings before net interest expense, income taxes, depreciation and amortization, excluding charges and credits ("Adjusted EBITDA"); and net cash) are non-GAAP financial measures. Management believes that the exclusion of charges and credits from these financial measures enables investors and management to more effectively evaluate TechnipFMC's operations and consolidated results of operations period-over-period, and to identify operating trends that could otherwise be masked or misleading to both investors and management by the excluded items. These measures are also used by management as performance measures in determining certain incentive compensation. The foregoing non-GAAP financial measures should be considered by investors in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. The following is a reconciliation of the most comparable financial measures under GAAP to the non-GAAP financial measures.

	Three Months Ended December 31, 2019						
	Net income (loss) attributable to TechnipFMC plc	Net income (loss) attributable to noncontrolling interests	Provision for income taxes	Net interest expense	Income (loss) before net interest expense and income taxes (Operating profit)	Depreciation and amortization	Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)
TechnipFMC plc, as reported	\$ (2,414.0)	\$ (16.3)	\$ 179.8	\$ 106.0	\$ (2,144.5)	\$ 131.1	\$ (2,013.4)
Charges and (credits):							
Impairment and other charges	2,268.6	—	88.0	—	2,356.6	—	2,356.6
Restructuring and other charges	(1.1)	—	(0.4)	—	(1.5)	—	(1.5)
Separation costs	47.1	—	15.6	—	62.7	—	62.7
Purchase price accounting adjustment	6.5	—	2.0	—	8.5	(8.5)	—
Valuation allowance	108.0	—	(108.0)	—	—	—	—
Adjusted financial measures	<u>\$ 15.1</u>	<u>\$ (16.3)</u>	<u>\$ 177.0</u>	<u>\$ 106.0</u>	<u>\$ 281.8</u>	<u>\$ 122.6</u>	<u>\$ 404.4</u>
Diluted earnings (loss) per share attributable to TechnipFMC plc, as reported	\$ (5.40)						
Adjusted diluted earnings per share attributable to TechnipFMC plc	\$ 0.03						

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(In millions, unaudited)

**Charges and Credits**

In addition to financial results determined in accordance with U.S. generally accepted accounting principles (GAAP), the fourth quarter 2019 Earnings Release also includes non-GAAP financial measures (as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended) and describes performance on a year-over-year basis against 2018 results and measures. Net income, excluding charges and credits, as well as measures derived from it (including Diluted EPS, excluding charges and credits; Income before net interest expense and taxes, excluding charges and credits ("Adjusted Operating profit"); Depreciation and amortization, excluding charges and credits; Earnings before net interest expense, income taxes, depreciation and amortization, excluding charges and credits ("Adjusted EBITDA"); and net cash) are non-GAAP financial measures. Management believes that the exclusion of charges and credits from these financial measures enables investors and management to more effectively evaluate TechnipFMC's operations and consolidated results of operations period-over-period, and to identify operating trends that could otherwise be masked or misleading to both investors and management by the excluded items. These measures are also used by management as performance measures in determining certain incentive compensation. The foregoing non-GAAP financial measures should be considered by investors in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with GAAP. The following is a reconciliation of the most comparable financial measures under GAAP to the non-GAAP financial measures.

	Three Months Ended December 31, 2018						
	Net income (loss) attributable to TechnipFMC plc	Net income (loss) attributable to noncontrolling interests	Provision for income taxes	Net interest expense	Income (loss) before net interest expense and income taxes (Operating profit)	Depreciation and amortization	Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)
TechnipFMC plc, as reported	\$ (2,259.3)	\$ 12.8	\$ 242.0	\$ 116.6	\$ (1,887.9)	\$ 137.9	\$ (1,750.0)
Charges and (credits):							
Impairment and other charges	1,688.8	—	89.7	—	1,778.5	—	1,778.5
Restructuring and other severance charges	11.6	—	8.5	—	20.1	—	20.1
Business combination transaction and integration costs	8.7	—	6.9	—	15.6	—	15.6
Legal provision	280.0	—	—	—	280.0	—	280.0
Purchase price accounting adjustment	17.0	—	5.2	—	22.2	(24.0)	(1.8)
Tax reform	11.8	—	(11.8)	—	—	—	—
Valuation allowance	202.4	—	(202.4)	—	—	—	—
Adjusted financial measures	<u>\$ (39.0)</u>	<u>\$ 12.8</u>	<u>\$ 138.1</u>	<u>\$ 116.6</u>	<u>\$ 228.5</u>	<u>\$ 113.9</u>	<u>\$ 342.4</u>
Diluted earnings per share attributable to TechnipFMC plc, as reported	\$ (5.00)						
Adjusted diluted earnings per share attributable to TechnipFMC plc	\$ (0.09)						

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(In millions, unaudited)

	Three Months Ended				
	December 31, 2019				
	Subsea	Onshore/ Offshore	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,486.8	\$ 1,832.4	\$ 407.6	\$ —	\$ 3,726.8
Operating profit (loss), as reported (pre-tax)	\$ (1,512.7)	\$ 245.3	\$ (698.2)	\$ (178.9)	\$ (2,144.5)
Charges and (credits):					
Impairment and other charges*	1,671.7	—	684.9	—	2,356.6
Restructuring and other charges*	(57.5)	5.9	37.0	13.1	(1.5)
Separation costs	—	—	—	62.7	62.7
Purchase price accounting adjustments	8.5	—	—	—	8.5
Subtotal	1,622.7	5.9	721.9	75.8	2,426.3
Adjusted Operating profit (loss)	110.0	251.2	23.7	(103.1)	281.8
Adjusted Depreciation and amortization	75.0	8.5	32.2	6.9	122.6
Adjusted EBITDA	\$ 185.0	\$ 259.7	\$ 55.9	\$ (96.2)	\$ 404.4
Operating profit margin, as reported	-101.7%	13.4%	-171.3%		-57.5%
Adjusted Operating profit margin	7.4%	13.7%	5.8%		7.6%
Adjusted EBITDA margin	12.4%	14.2%	13.7%		10.9%

\*On December 30, 2019, the Company completed the acquisition of the remaining 50 percent of Technip Odebrecht PLSV CV, which resulted in a net loss of \$0.9 million that was recorded in the Subsea segment. The net loss comprises an impairment charge of \$84.2 million included within impairment and other charges and a bargain purchase gain of \$83.3 million included within restructuring and other charges.



**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(In millions, unaudited)

	Three Months Ended				
	December 31, 2018				
	Subsea	Onshore/ Offshore	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,233.3	\$ 1,672.4	\$ 417.3	\$ —	\$ 3,323.0
Operating profit (loss), as reported (pre-tax)	\$ (1,739.5)	\$ 206.4	\$ 38.8	\$ (393.6)	\$ (1,887.9)
Charges and (credits):					
Impairment and other charges*	1,775.6	—	2.9	—	1,778.5
Restructuring and other severance charges	7.2	2.4	2.9	7.6	20.1
Business combination transaction and integration costs	—	—	—	15.6	15.6
Legal provision	—	—	—	280.0	280.0
Purchase price accounting adjustments - non-amortization related	(3.3)	—	1.4	0.1	(1.8)
Purchase price accounting adjustments - amortization related	23.6	—	0.4	—	24.0
Subtotal	1,803.1	2.4	7.6	303.3	2,116.4
Adjusted Operating profit (loss)	63.6	208.8	46.4	(90.3)	228.5
Adjusted Depreciation and amortization	84.9	8.4	18.5	2.1	113.9
Adjusted EBITDA	\$ 148.5	\$ 217.2	\$ 64.9	\$ (88.2)	\$ 342.4
Operating profit margin, as reported	-141.0%	12.3%	9.3%		-56.8%
Adjusted Operating profit margin	5.2%	12.5%	11.1%		6.9%
Adjusted EBITDA margin	12.0%	13.0%	15.6%		10.3%

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(In millions, unaudited)

	December 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 5,190.2	\$ 5,540.0
Short-term debt and current portion of long-term debt	(495.4)	(67.4)
Long-term debt, less current portion	(3,980.0)	(4,124.3)
Net cash	<u>\$ 714.8</u>	<u>\$ 1,348.3</u>

Net (debt) cash, is a non-GAAP financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-GAAP financial measure to evaluate our capital structure and financial leverage. We believe net debt, or net cash, is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net (debt) cash should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with U.S. GAAP or as an indicator of our operating performance or liquidity.

