

TechnipFMC First Quarter 2020 Earnings Call Presentation

LONDON & PARIS & HOUSTON – (BUSINESS WIRE) – 22 April 2020

TechnipFMC plc (“TechnipFMC”) (NYSE: FTI) (Paris: FTI) (ISIN: GB00BDSFG982) announces the availability of its Earnings Call Presentation in connection with its teleconference on Thursday, 23 April 2020 to discuss the first quarter 2020 financial results and updated outlook for 2020.

A copy of the Earnings Call Presentation can also be accessed on TechnipFMC’s website (www.technipfmc.com).

About TechnipFMC

TechnipFMC is a global leader in subsea, onshore/offshore, and surface projects. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our clients’ project economics.

We are uniquely positioned to deliver greater efficiency across project lifecycles from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, our offering unlocks new possibilities for our clients in developing their oil and gas resources.

Each of our more than 37,000 employees is driven by a steady commitment to clients and a culture of purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved.

TechnipFMC utilizes its website www.TechnipFMC.com as a channel of distribution of material company information. To learn more about us and how we are enhancing the performance of the world’s energy industry, go to www.TechnipFMC.com and follow us on Twitter @TechnipFMC.

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Q1 2020 Earnings Call Presentation

April 23, 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 disease outbreaks and changes in, and the administration of, treaties, laws, and regulations, including the response to public health issues, such as COVID-19; risks associated with our ability to consummate our proposed separation and spin-off; 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; piracy risks for our maritime employees and assets; 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; 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.

Q1 2020 Overview

Financial Results and Operational Highlights

Doug Pferdehirt, Chairman and Chief Executive Officer

Maryann Mannen, EVP and Chief Financial Officer

Adapting to a new energy landscape

Short-term

Immediate actions to protect our people, reduce cost and preserve liquidity

- Strict health and safety measures implemented
- Cost reduction initiatives to exceed \$350m in savings
- Further cash preservation with revised dividend policy

Medium-term

Committed to separation into two diversified pure-plays

- Strategic rationale unchanged
- Intend to complete separation when the market sufficiently recovers
- Onshore/Offshore renamed Technip Energies

Long-term

Ensuring the strength and sustainability of our Company

- Protect our core competencies
- Continue to play a key role in the energy transition
- Align with clients who embrace new commercial models, new technologies

Strength in backlog and balance sheet

\$22 billion backlog

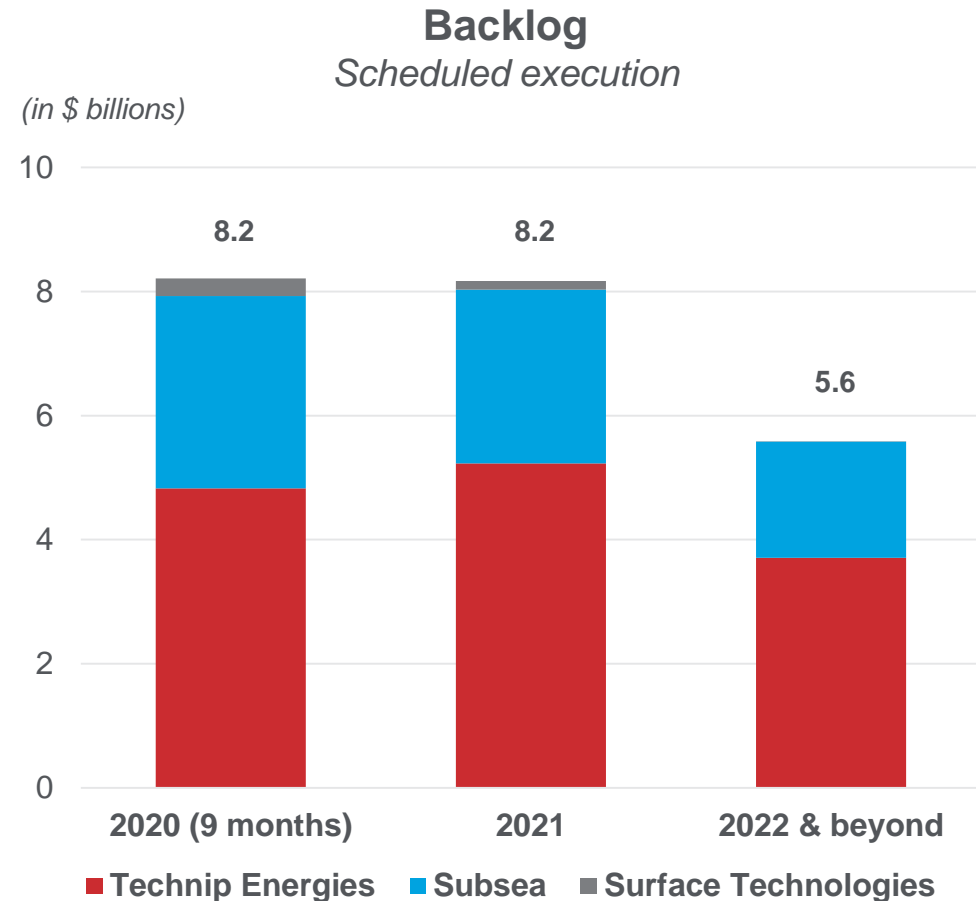
Significant backlog for execution that extends over several years

\$5.6 billion cash and liquidity

Strong balance sheet with more than sufficient capacity to fund operations and near-term debt maturities

Flexibility

Size and duration of backlog and balance sheet strength provide ability to take aggressive, bold actions



2020 revised outlook

Technip Energies



- ▶ Long-term fundamentals for natural gas and LNG remains strong given critical role as a transition fuel
- ▶ Actively pursuing additional LNG projects (including Middle East prospect) beyond Costa Azul LNG and Rovuma LNG
- ▶ Downstream more resilient; potential for additional project awards in 2020, with one prospect exceeding \$1 billion

Surface Technologies



- ▶ International investment to continue but constrained near-term; flight to quality associated with our higher tier products
- ▶ Vertical integration mitigates disruption and affords new opportunities where the supply chain has been challenged
- ▶ Operator capex reductions to severely impact North America; rig count to further decline in the second quarter

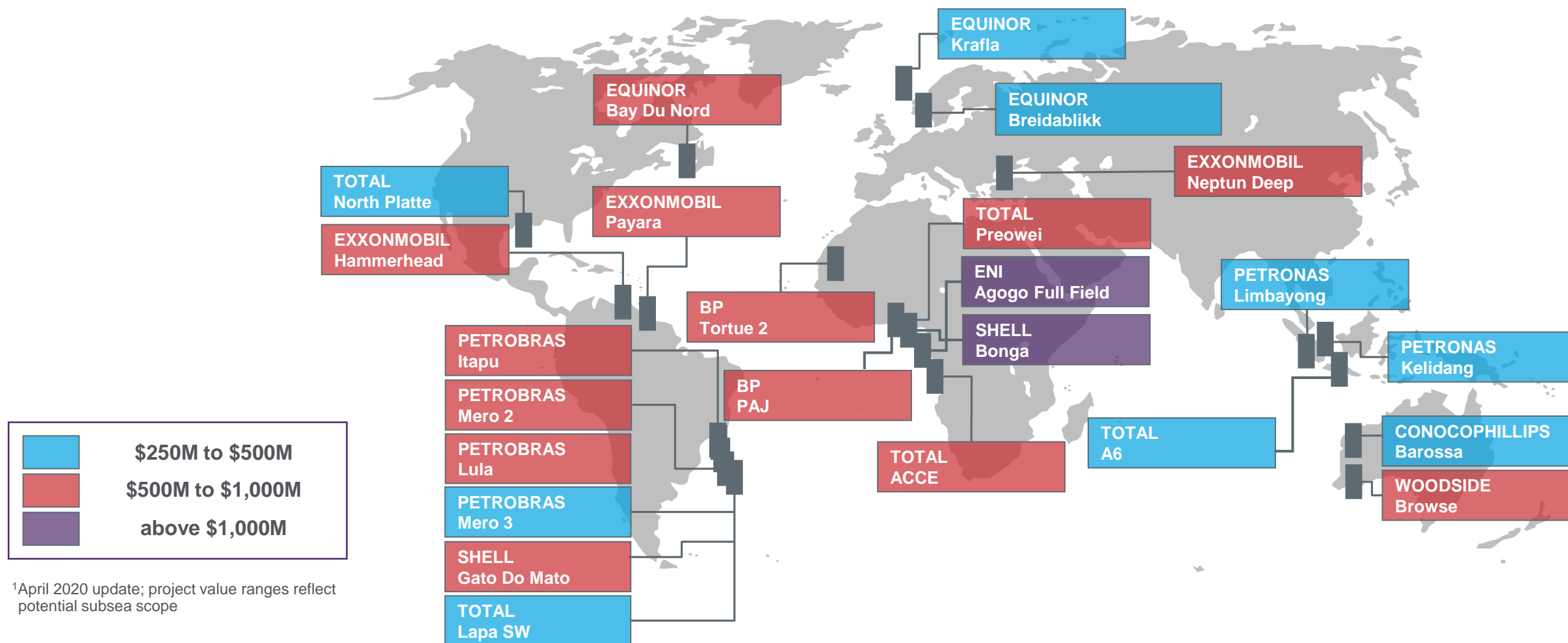
Subsea



- ▶ Subsea to become more prevalent in energy mix as project economics remain attractive, particularly for brownfield
- ▶ Greenfield projects likely shift from the current year, impacting previous 2020 order projection
- ▶ Anticipate resiliency in Subsea Services but activity deferrals likely as customers lower operating expenditures

Strong foundation to navigate challenging business environment

Subsea opportunities in the next 24 months^{1,2}



¹April 2020 update; project value ranges reflect potential subsea scope

²Projects shown in the Subsea Opportunities presentation remain active, but the timing related to Final Investment Decision is under review. Some projects have been deferred, and we anticipate additional project deferrals in the near-term. Future updates will reflect our most current assessment of timing as our understanding of customer spending plans and project priorities further develops.

2020 Financial guidance¹ and key outlook drivers

Technip Energies

- ▶ **Revenue** in a range of \$6.3–6.8 billion
- ▶ **EBITDA** margin at least 10% (excluding charges and credits)

TechnipFMC

- ▶ **Corporate expense, net** \$165 – 175 million for the full year (excluding the impact of foreign currency fluctuations)
- ▶ **Net interest expense** \$80 – 90 million for the full year (excluding impact of revaluation of partners' MRL)
- ▶ **Capital expenditures** approximately \$300 million for the full year

In lieu of specific revenue and EBITDA margin guidance, we provide the following:

Subsea

Revenue drivers

- ▶ Scheduled backlog (9 mos.): \$3.1 billion
- ▶ Subsea Services: ~\$1 billion
- ▶ Orders down as much as 50% (YoY)

Margin drivers

- ▶ COVID-19 impact on plants and supply chain likely extend beyond economy restart
- ▶ Installation campaigns extend to 2021; limited flexibility to mitigate near-term costs

Surface Technologies

International

- ▶ International market to represent ~60% of revenue mix
- ▶ Vertical integration and technology differentiation provide benefits

North America

- ▶ Aggressive actions on cost base; expect to be modestly profitable (excluding charges and credits)

All segment guidance assumes no further material degradation from COVID-19 impacts

¹Our 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), and net interest expense (excluding the impact of revaluation of partners' mandatorily redeemable financial liability) 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.

Adapting to 2020 & Beyond

- ▶ Focused on business continuity – working safely and diligently to address current challenges
- ▶ Decisive actions in response to market environment, including cost reductions and revised dividend policy
- ▶ Executive salaries and Board of Directors' retainer reduced by up to 30% through end of year
- ▶ Strong positioning with \$5.6 billion of net liquidity and \$22 billion in total Company backlog

*We do not underestimate the challenges ahead
We are confident we will emerge an even stronger player*

Q1 2020 Company results

Revenue of \$3.1 billion

YoY growth ~8% impeded by COVID-19, foreign exchange

Adjusted EBITDA of \$220 million

Impacted by COVID-19 disruptions

Backlog of \$22 billion

\$8.2 billion scheduled for execution in 2020

Operating cash flow of \$28 million

7th consecutive quarter of cash flow generation

Q1 2020 EPS walk

	\$ millions	\$ / share
GAAP Net (loss), as reported	\$ (3,256.1)	\$ (7.28)
Charges and credits, after-tax	\$ 3,207.0	\$ 7.17
Adjusted Net (loss), as reported	\$ (49.1)	\$ (0.11)
Other items impacting results:		
<i>Foreign exchange (F/X) losses, after-tax</i>	<i>\$ 46.0</i>	<i>\$ 0.10</i>
<i>Increased liability payable to JV partners (MRL ¹)</i>	<i>\$ 35.5</i>	<i>\$ 0.08</i>

Company does not provide guidance for F/X impacts or MRL which together negatively impacted results by \$0.18 per share

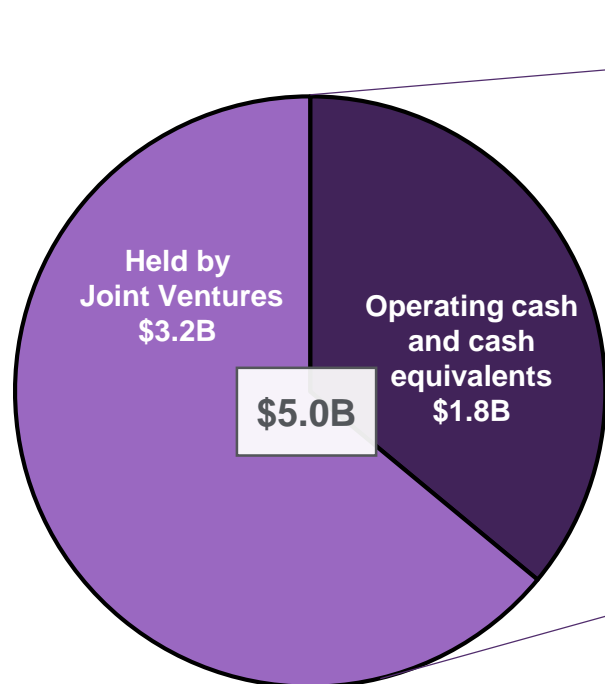
Items of note

- ▶ Goodwill and other asset impairments of \$3.2 billion (Subsea, Surface Technologies); no goodwill remains for either segment
- ▶ Cost reduction target increased from \$130+ million to \$350+ million (annualized); achieve run-rate savings by year-end
- ▶ Capital expenditures reduced from \$450 million to \$300 million for the full-year
- ▶ Dividend policy revised to \$0.13 per share (annualized); will preserve \$175 million in liquidity versus 2019 distribution

¹MRL = Mandatorily redeemable financial liability

TechnipFMC liquidity *(as of March 31, 2020)*

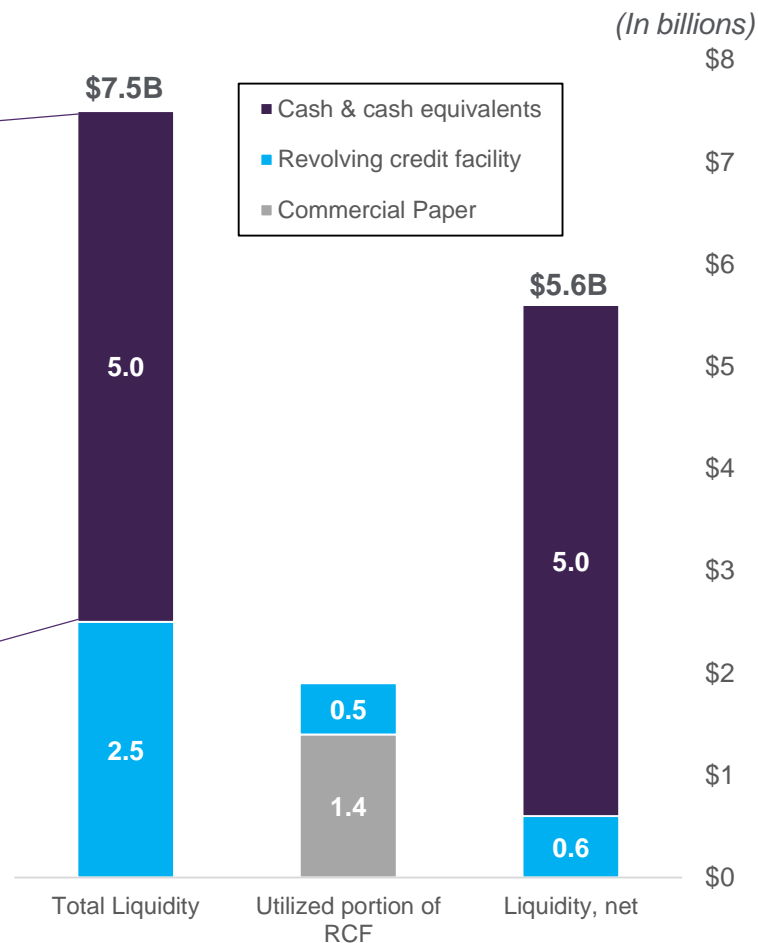
Cash and cash equivalents



Credit Ratings Agencies Update

- S&P Global: 'BBB+' affirmed and removed from CreditWatch; outlook negative

Liquidity



Supporting data

	March 31, 2020
Cash and cash equivalents	\$ 5.0
Revolving credit facility	2.5
Total liquidity	7.5
Less: Commercial paper	1.4
Less: Revolving credit utilization	0.5
Liquidity, net	\$ 5.6

Revolving credit facility (RCF)

- \$2.5 billion senior unsecured revolving credit facility
- Available capacity is reduced by outstanding commercial paper (CP) balances and any borrowing under this facility; as of March 31, 2020 our net capacity was \$0.6 billion reflecting \$500 million RCF utilization and CP balance of \$1.4 billion
- Expires January 2023
- Contains customary covenants as defined by the credit facility agreement which includes a financial covenant requiring that our total capitalization ratio not exceed 60% at the end of any financial quarter

Appendix

Subsea opportunities in the next 24 months^{1,2}

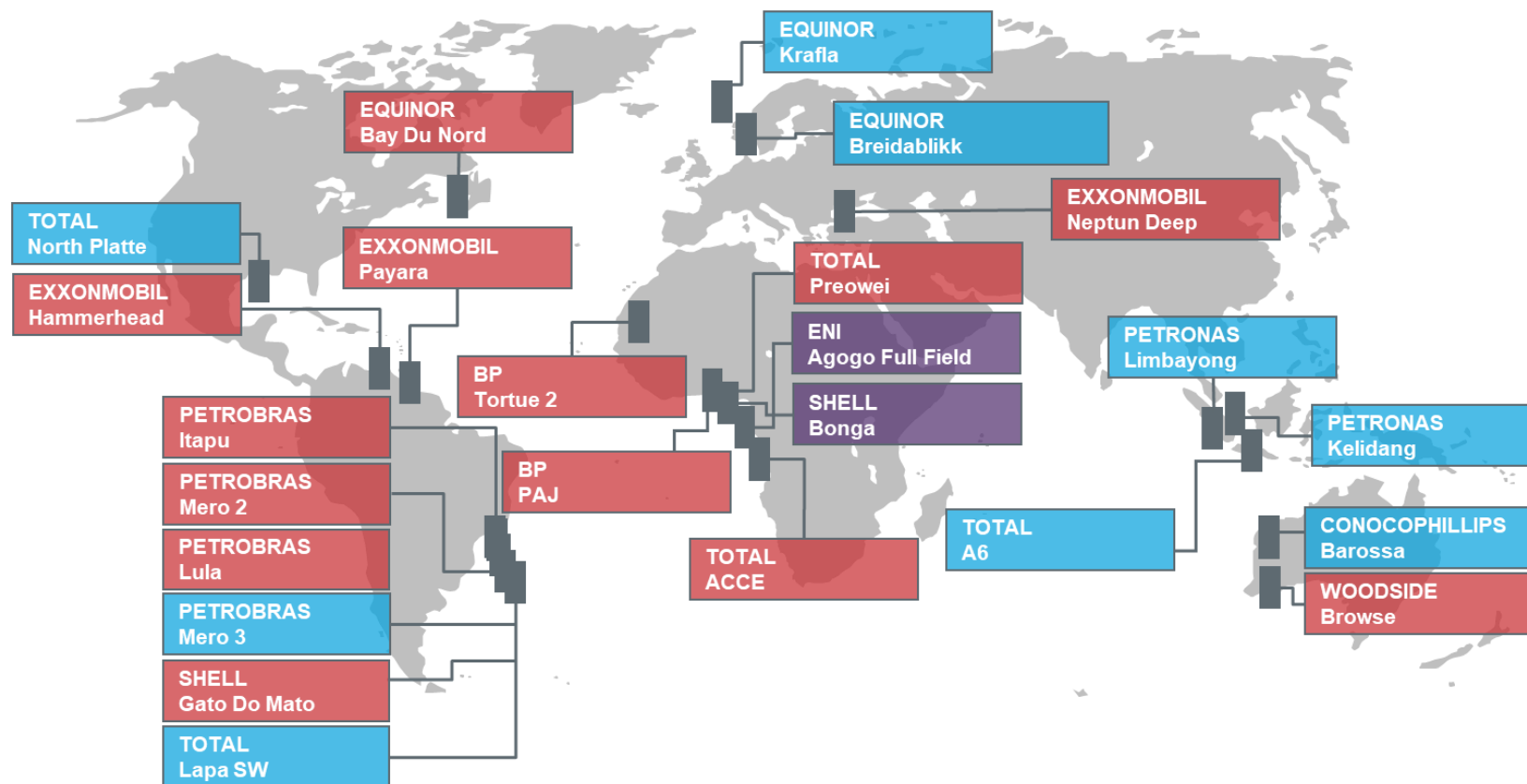
PROJECT UPDATES

Added	Removed
	CHEVRON Anchor*

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

¹April 2020 update; project value ranges reflect potential subsea scope

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

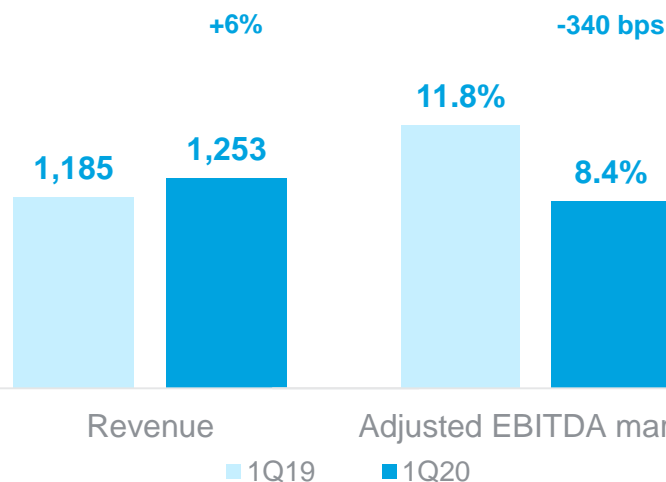


²Projects shown in the Subsea Opportunities presentation remain active, but the timing related to Final Investment Decision is under review. Some projects have been deferred, and we anticipate additional project deferrals in the near-term. Future updates will reflect our most current assessment of timing as our understanding of customer spending plans and project priorities further develops.

Q1 2020 Segment results

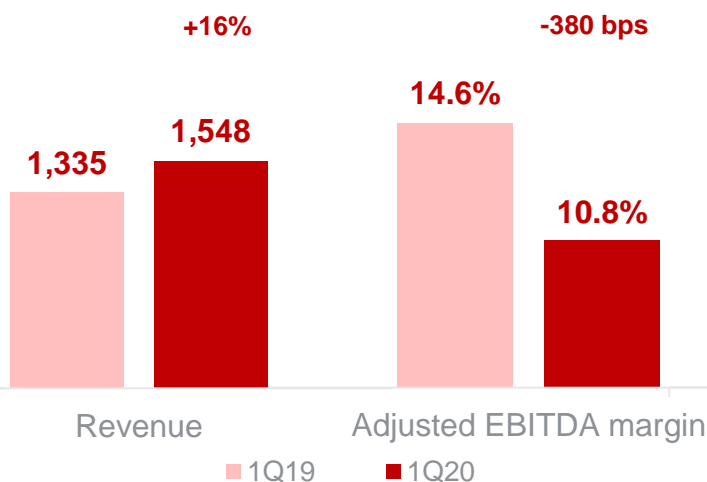
Subsea

USD, in millions



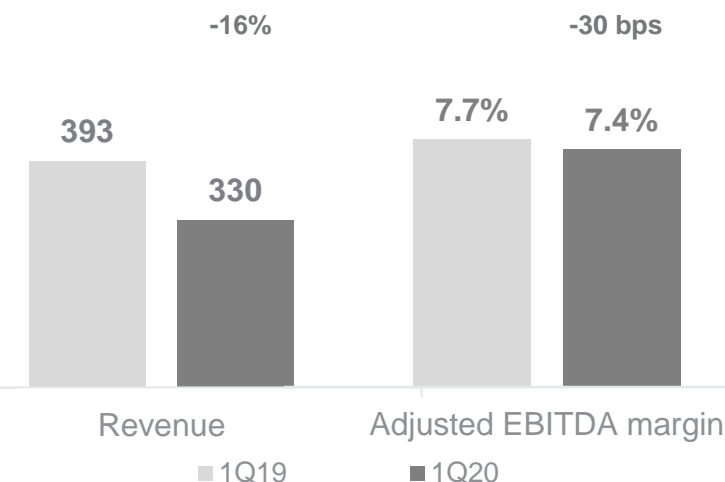
Technip Energies

USD, in millions



Surface Technologies

USD, in millions



Operational highlights

- ▶ Revenue increased 6%: due to growth in project revenue in the United States and Norway, offset by F/X translation due to the strengthening U.S. dollar and disruptions related to COVID-19
- ▶ Adjusted EBITDA margin decreased 340 bps to 8.4%: Negative operational impacts from COVID-19 and the absence of a more favorably priced backlog
- ▶ Inbound orders of \$1,172 million; book-to-bill of 0.9; period-end backlog at \$7.8 billion

Operational highlights

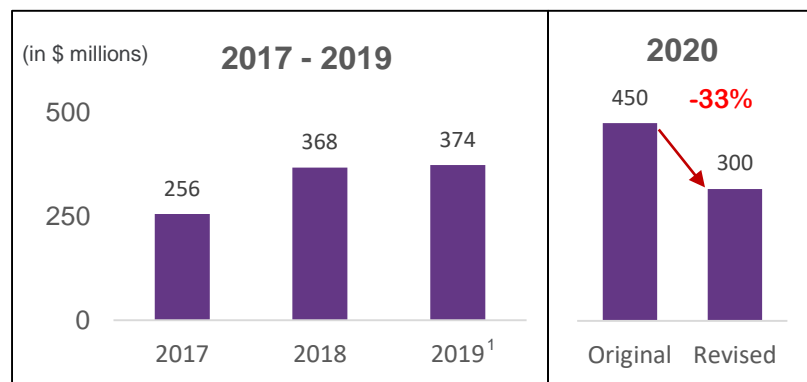
- ▶ Revenue increased 16%: higher activity in Europe, North America and Process Technology, partially offset by revenue decline from Yamal LNG
- ▶ Adjusted EBITDA margin decreased 380 bps to 10.8%: primarily due to a reduced contribution from Yamal LNG and lower margin realization on early stage projects, including Arctic LNG 2
- ▶ Inbound orders of \$561 million; book-to-bill of 0.4; period-end backlog at \$13.8 billion

Operational highlights

- ▶ Revenue decreased 16%: primarily driven by the slowdown in operator activity in North America and reallocation of the Loading Systems business to Technip Energies
- ▶ Adjusted EBITDA margin decreased 30 bps to 7.4%: lower revenue in North America and travel and supply chain impacts due to COVID-19, partially offset by improved margin outside NAM
- ▶ Inbound orders of \$366 million; book-to-bill of 1.1; period-end backlog at \$422 million

Q1 operating cash flow

Capital expenditures

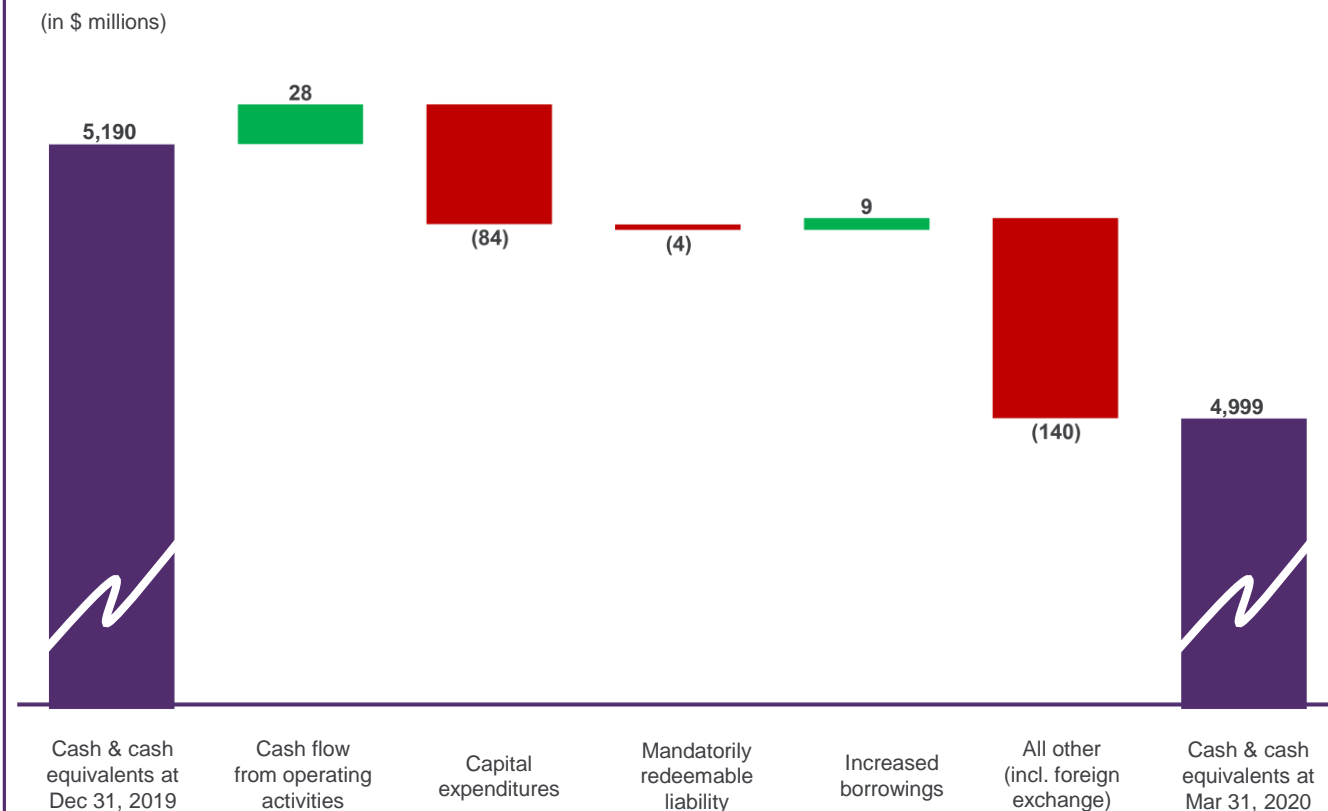


- ▶ Guidance for capital expenditures revised lower from \$450 million to \$300 million

Q1 2020 items of note

- ▶ Operating cash flow of \$28 million
- ▶ Dividend of \$58 million
(declared February 25, paid April 8)
- ▶ Yamal JV partner payment of \$4 million

Q1 2020 Cash flow walk



¹Capital expenditures of \$374m excludes \$80m associated with dive support vessel (DSV)

Financial disclosures – Yamal LNG

Project disclosure data

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

	March 31, 2020	December 31, 2019
Contract liabilities	\$ 1,184.6	\$ 1,268.7
Mandatorily redeemable financial liability	300.1	268.8

	Three Months Ended March 31, 2020	Three Months Ended December 31, 2019
Cash required by operating activities	\$ (30.2)	\$ 58.2
Settlements of mandatorily redeemable financial liability	(4.2)	(119.1)

Source: Q1 2020 earnings release schedules (Exhibit 7)

Additional items of note

- Expect Yamal LNG revenue contribution of \$400 – 500 million in 2020

Contract liabilities structure

Reduction in contract liabilities: \$84m

December 31, 2019 to March 31, 2020

Payments to Vendors or JV partners

Vendor
(cost)

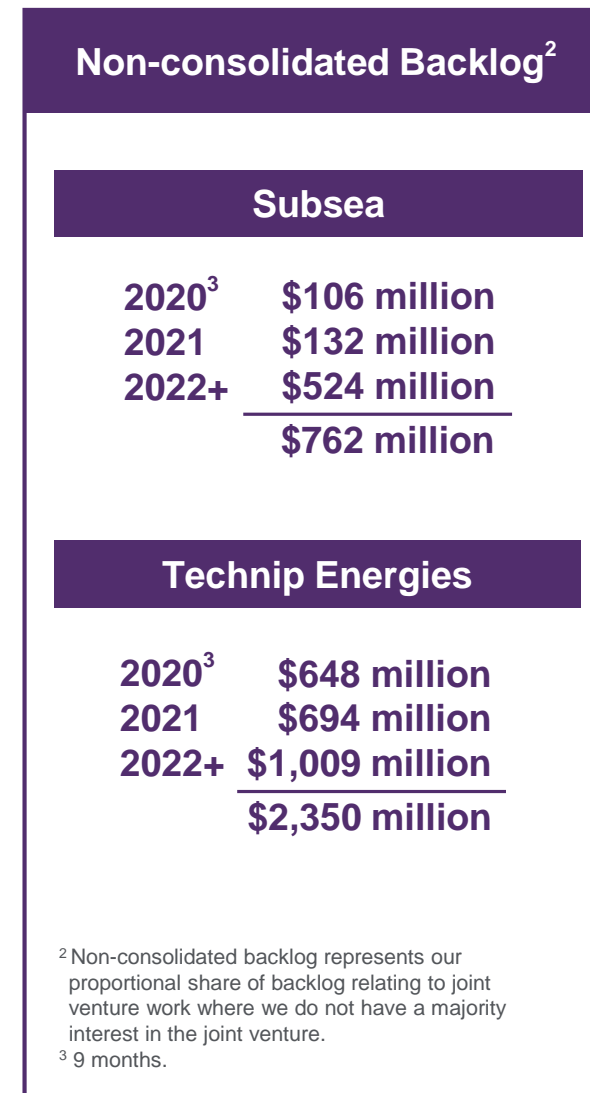
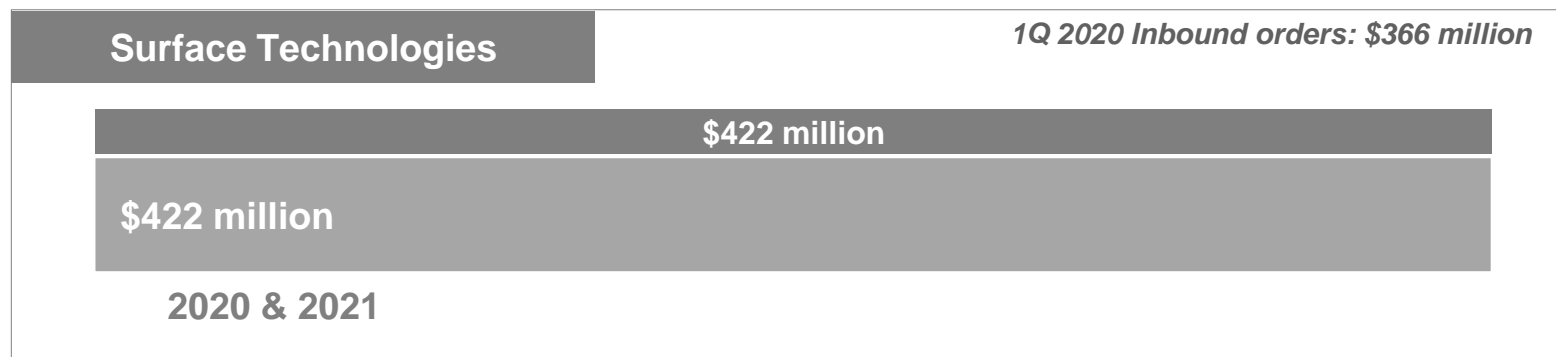
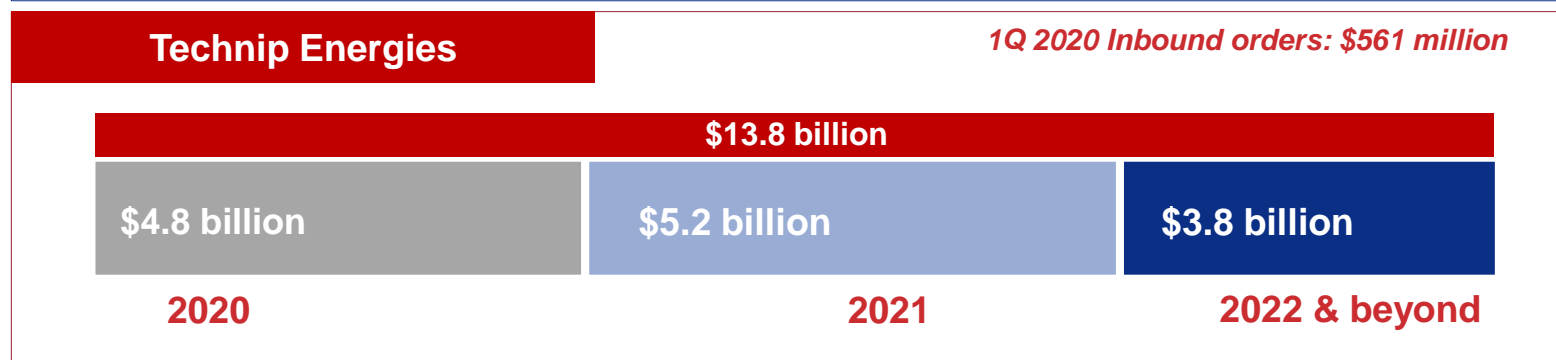
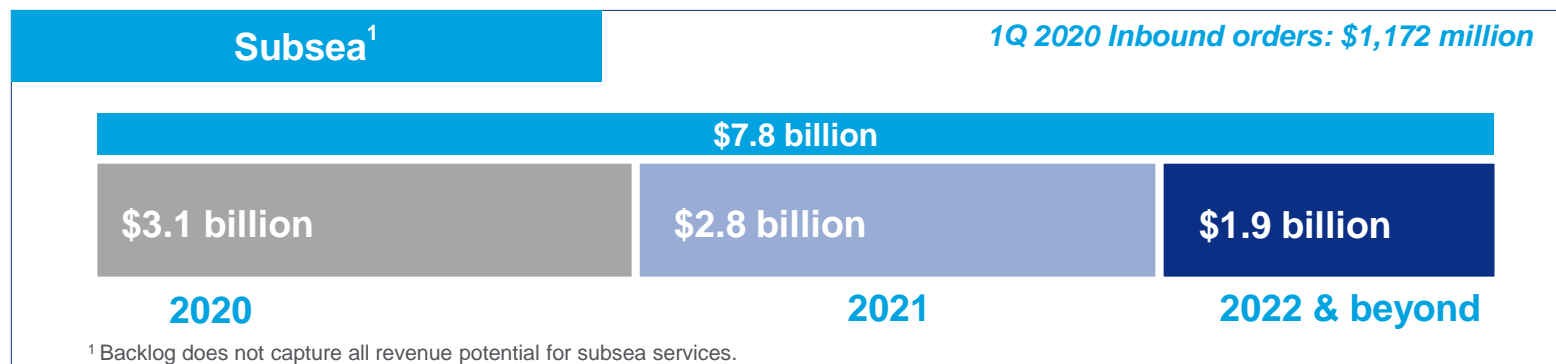
Joint Venture
(profit)

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

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

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

Backlog visibility



Glossary

Term	Definition
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

Term	Definition
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

Select financial data

	March 31, 2020	December 31, 2019	Three Months Ended September 30, 2019	June 30, 2019	March 31, 2019
Revenue					
Subsea	\$ 1,253.1	\$ 1,486.8	\$ 1,342.2	\$ 1,508.7	\$ 1,185.3
Onshore/Offshore	\$ 1,547.7	\$ 1,832.4	\$ 1,596.3	\$ 1,505.0	\$ 1,335.1
Surface Technologies	\$ 329.5	\$ 407.6	\$ 396.6	\$ 420.5	\$ 392.6
Corporate and Other	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,130.3	\$ 3,726.8	\$ 3,335.1	\$ 3,434.2	\$ 2,913.0

	March 31, 2020	December 31, 2019	Three Months Ended September 30, 2019	June 30, 2019	March 31, 2019
Adjusted EBITDA					
Subsea	\$ 104.8	\$ 185.0	\$ 139.1	\$ 186.2	\$ 139.7
Onshore/Offshore	\$ 167.1	\$ 259.7	\$ 304.2	\$ 281.9	\$ 194.8
Surface Technologies	\$ 24.5	\$ 55.9	\$ 44.4	\$ 46.7	\$ 30.1
Corporate and Other	\$ (76.2)	\$ (96.2)	\$ (108.5)	\$ (64.8)	\$ (68.8)
Total	\$ 220.2	\$ 404.4	\$ 379.2	\$ 450.0	\$ 295.8

	March 31, 2020	December 31, 2019	Three Months Ended September 30, 2019	June 30, 2019	March 31, 2019
Adjusted EBITDA Margin					
Subsea	8.4%	12.4%	10.4%	12.3%	11.8%
Onshore/Offshore	10.8%	14.2%	19.1%	18.7%	14.6%
Surface Technologies	7.4%	13.7%	11.2%	11.1%	7.7%
Corporate and Other					
Total	7.0%	10.9%	11.4%	13.1%	10.2%

	March 31, 2020	December 31, 2019	Three Months Ended September 30, 2019	June 30, 2019	March 31, 2019
Inbound Orders (1)					
Subsea	\$ 1,172.1	\$ 1,172.3	\$ 1,509.9	\$ 2,632.7	\$ 2,677.6
Onshore/Offshore	\$ 560.6	\$ 1,114.5	\$ 696.0	\$ 8,131.2	\$ 3,138.9
Surface Technologies	\$ 366.3	\$ 431.6	\$ 404.7	\$ 415.7	\$ 368.0
Corporate and Other					
Total	\$ 2,099.0	\$ 2,718.4	\$ 2,610.6	\$ 11,179.6	\$ 6,184.5

	March 31, 2020	December 31, 2019	Period Ended September 30, 2019	June 30, 2019	March 31, 2019
Order Backlog (2)					
Subsea	\$ 7,773.5	\$ 8,479.8	\$ 8,655.8	\$ 8,747.0	\$ 7,477.3
Onshore/Offshore	\$ 13,766.6	\$ 15,298.1	\$ 15,030.8	\$ 16,608.3	\$ 9,862.7
Surface Technologies	\$ 422.0	\$ 473.2	\$ 428.7	\$ 426.6	\$ 437.6
Corporate and Other					
Total	\$ 21,962.1	\$ 24,251.1	\$ 24,115.3	\$ 25,781.9	\$ 17,777.6

	March 31, 2020	December 31, 2019	Three Months Ended September 30, 2019	June 30, 2019	March 31, 2019
Book-to-Bill (3)					
Subsea	0.9	0.8	1.1	1.7	2.3
Onshore/Offshore	0.4	0.6	0.4	5.4	2.4
Surface Technologies	1.1	1.1	1.0	1.0	0.9
Corporate and Other					
Total	0.7	0.7	0.8	3.3	2.1

(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.

Exhibit 6

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CASH AND CASH EQUIVALENTS
(In billions, unaudited)

	<u>March 31,</u> <u>2020</u>
Held by joint ventures	\$ 3.2
Operating cash and cash equivalents	1.8
Total cash and cash equivalents	<u>\$ 5.0</u>

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 first quarter 2020 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 2019 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 March 31, 2020						
	Net income (loss) attributable to TechnipFMC plc	Net income (loss) attributable to noncontrolling interests	Provision (benefit) 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	\$ (3,256.1)	\$ 10.4	\$ 37.7	\$ 72.3	\$ (3,135.7)	\$ 120.4	\$ (3,015.3)
Charges and (credits):							
Impairment and other charges	3,159.9	—	28.1	—	3,188.0	—	3,188.0
Restructuring and other charges	8.6	—	2.8	—	11.4	—	11.4
Direct, non-operational COVID-19 expenses	6.8	—	2.2	—	9.0	—	9.0
Separation costs	20.2	—	6.9	—	27.1	—	27.1
Purchase price accounting adjustment	6.5	—	2.0	—	8.5	(8.5)	—
Valuation allowance	5.0	—	(5.0)	—	—	—	—
Adjusted financial measures	<u>\$ (49.1)</u>	<u>\$ 10.4</u>	<u>\$ 74.7</u>	<u>\$ 72.3</u>	<u>\$ 108.3</u>	<u>\$ 111.9</u>	<u>\$ 220.2</u>
Diluted earnings (loss) per share attributable to TechnipFMC plc, as reported	\$ (7.28)						
Adjusted diluted earnings per share attributable to TechnipFMC plc	\$ (0.11)						

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

	Three Months Ended March 31, 2020				
	Subsea	Technip Energies	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,253.1	\$ 1,547.7	\$ 329.5	\$ —	\$ 3,130.3
Operating profit (loss), as reported (pre-tax)	\$ (2,750.7)	\$ 151.2	\$ (424.0)	\$ (112.2)	\$ (3,135.7)
Charges and (credits):					
Impairment and other charges	2,776.5	—	411.5	—	3,188.0
Restructuring and other charges*	(6.9)	2.9	11.8	3.6	11.4
Direct, non-operational COVID-19 expenses	4.0	3.9	1.1	—	9.0
Separation costs	—	—	—	27.1	27.1
Purchase price accounting adjustments	8.5	—	—	—	8.5
Subtotal	2,782.1	6.8	424.4	30.7	3,244.0
Adjusted Operating profit (loss)	31.4	158.0	0.4	(81.5)	108.3
Adjusted Depreciation and amortization	73.4	9.1	24.1	5.3	111.9
Adjusted EBITDA	\$ 104.8	\$ 167.1	\$ 24.5	\$ (76.2)	\$ 220.2
Operating profit margin, as reported	-219.5%	9.8%	-128.7%		-100.2%
Adjusted Operating profit margin	2.5%	10.2%	0.1%		3.5%
Adjusted EBITDA margin	8.4%	10.8%	7.4%		7.0%

*On December 30, 2019, the Company completed the acquisition of the remaining 50 percent of Technip Odebrecht PLSV CV. A \$7.3 million gain recorded within restructuring and other charges in the Subsea segment during the three months ended March 31, 2020 relates to this transaction.

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

	Three Months Ended				
	March 31, 2019				
	Subsea	Technip Energies	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,185.3	\$ 1,335.1	\$ 392.6	\$ —	\$ 2,913.0
Operating profit (loss), as reported (pre-tax)	\$ 49.9	\$ 155.7	\$ 10.5	\$ (93.6)	\$ 122.5
Charges and (credits):					
Impairment and other charges	0.7	—	—	—	0.7
Restructuring and other severance charges	1.6	3.8	1.5	8.9	15.8
Business combination transaction and integration costs	—	—	—	12.1	12.1
Reorganization	—	25.3	—	—	25.3
Purchase price accounting adjustments - amortization related	8.5	—	—	—	8.5
Subtotal	10.8	29.1	1.5	21.0	62.4
Adjusted Operating profit (loss)	60.7	184.8	12.0	(72.6)	184.9
Adjusted Depreciation and amortization	79.0	10.0	18.1	3.8	110.9
Adjusted EBITDA	\$ 139.7	\$ 194.8	\$ 30.1	\$ (68.8)	\$ 295.8
Operating profit margin, as reported	4.2%	11.7%	2.7%		4.2%
Adjusted Operating profit margin	5.1%	13.8%	3.1%		6.3%
Adjusted EBITDA margin	11.8%	14.6%	7.7%		10.2%

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

	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 4,999.4	\$ 5,190.2
Short-term debt and current portion of long-term debt	(586.7)	(495.4)
Long-term debt, less current portion	(3,823.9)	(3,980.0)
Net cash	<u>\$ 588.8</u>	<u>\$ 714.8</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.

