

TechnipFMC First Quarter 2021 Earnings Call Presentation

LONDON & PARIS & HOUSTON – (BUSINESS WIRE) – 27 April 2021

TechnipFMC plc (“TechnipFMC”) (NYSE: FTI) (Paris: FTI) (ISIN: GB00BDSFG982) announces the availability of its Earnings Call Presentation in connection with its teleconference on Wednesday, 28 April 2021 to discuss the first quarter 2021 financial results and updated outlook for 2021.

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

About TechnipFMC

TechnipFMC is a leading technology provider to the traditional and new energy industries, delivering fully integrated projects, products, and services.

With our proprietary technologies and comprehensive solutions, we are transforming our clients’ project economics, helping them unlock new possibilities to develop energy resources while reducing carbon intensity and supporting their energy transition ambitions.

Organized in two business segments — Subsea and Surface Technologies — we will continue to advance the industry with our pioneering integrated ecosystems (such as iEPCI™, iFEED™ and iComplete™), technology leadership and digital innovation.

Each of our approximately 20,000 employees is driven by a commitment to our clients’ success, and a culture of strong execution, purposeful innovation, and challenging industry conventions.

TechnipFMC uses its website as a channel of distribution of material company information. To learn more about how we are driving change in the industry, go to www.TechnipFMC.com and follow us on Twitter @TechnipFMC.

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Q1 2021 Earnings Call Presentation

April 28, 2021

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: demand for our products and services, which depends on oil and gas industry activity and expenditure levels that are directly affected by trends in demand for and price of crude oil and natural gas; unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation; our ability to develop, implement, and protect new technologies and services, as well as our ability to protect and maintain critical intellectual property assets; the cumulative loss of major contracts, customers, or alliances; risks associated with the COVID-19 pandemic, the United Kingdom’s withdrawal from the European Union, 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 New York Stock Exchange (the “NYSE”) and the Euro next Paris Stock Exchange, respectively; our existing and future debt, which may limit cash flow available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt; a downgrade in our debt rating, which could restrict our ability to access the capital markets; risks related to our acquisition and divestiture activities; risks related to our fixed price contracts, such as cost overruns; risks related to capital asset construction projects for vessels and manufacturing facilities, such as delays and cost overruns; our ability to timely deliver our backlog and its effect on our future sales, profitability, and customer relationships; our reliance on subcontractors, suppliers and joint venture partners in the performance of our contracts; failure of our information technology infrastructure, including as a result of cyber-attacks, and actual or perceived failure to comply with data security and privacy obligations; piracy risks for our maritime employees and assets; potential liabilities arising out of the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, of for which expected recoveries may not be realized; U.S. and international laws and regulations, including those related to environmental protection and climate change, health and safety, privacy, data protection and data security, labor and employment, import/export controls, currency change, bribery and corruption, and taxation, that may increase our costs, limit the demand for our products and services or restrict our operations; risks associated with being an English public limited company, including the need to meet certain additional financial requirements before we may declare dividends or repurchase shares and shareholder approval of certain capital structure decisions, which may limit our flexibility to manage our capital; the outcome of uninsured claims and litigation against us; risks associated with tax liabilities, changes in U.S. federal or international tax laws or interpretations to which we are subject; future liabilities related to the Spin-off (as defined herein) or our inability to achieve some or all of the anticipated benefits; risks associated with being a significant shareholder in Technip Energies N.V. (“Technip Energies”), including potential fluctuation in the value of our investment in Technip Energies; our ability to hire and/or retain the services of key managers and employees; the potential impacts of seasonal and weather conditions; currency exchange rate fluctuations associated with our international operations; 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.

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 2021 Overview

Financial Results and Operational Highlights

Doug Pferdehirt, Chairman and Chief Executive Officer

Alf Melin, EVP and Chief Financial Officer

Q1 2021 Operational summary

Highlights

- ▶ Solid operating results reflect strength in both Subsea and Surface Technologies
- ▶ Subsea inbound more than doubled sequentially to \$1.5B, bolstered by iEPCI™ + Subsea 2.0™
- ▶ Surface Technologies revenue ~70% international; U.S. higher with further iComplete™ adoption
- ▶ Confident in 2021e outlook for >\$4B in Subsea inbound orders; continued growth in 2022e
- ▶ Magnora and Bombora partnerships demonstrate tangible path to wind and wave opportunities

Takeaways

Strong financial results provide solid support to 2021e commitments

Increased confidence that market will be *“stronger for longer”*

Unique capabilities and technologies for the energy transition

Q1 2021 Financial results

Highlights

- ▶ Adjusted EBITDA from continuing operations of \$165 million reflects solid operational performance
- ▶ Cash flow from operating activities from continuing operations of \$182 million, free cash flow of \$137 million
- ▶ Cash and cash equivalents \$753 million, net debt \$1.8 billion at period end
- ▶ Announced partial sale of stake in Technip Energies for ~\$360 million in Q2, reducing ownership to 31% of shares outstanding

\$165M
Adjusted EBITDA

\$137M
Free cash flow

\$1.7B
Inbound orders

\$7.2B
Backlog

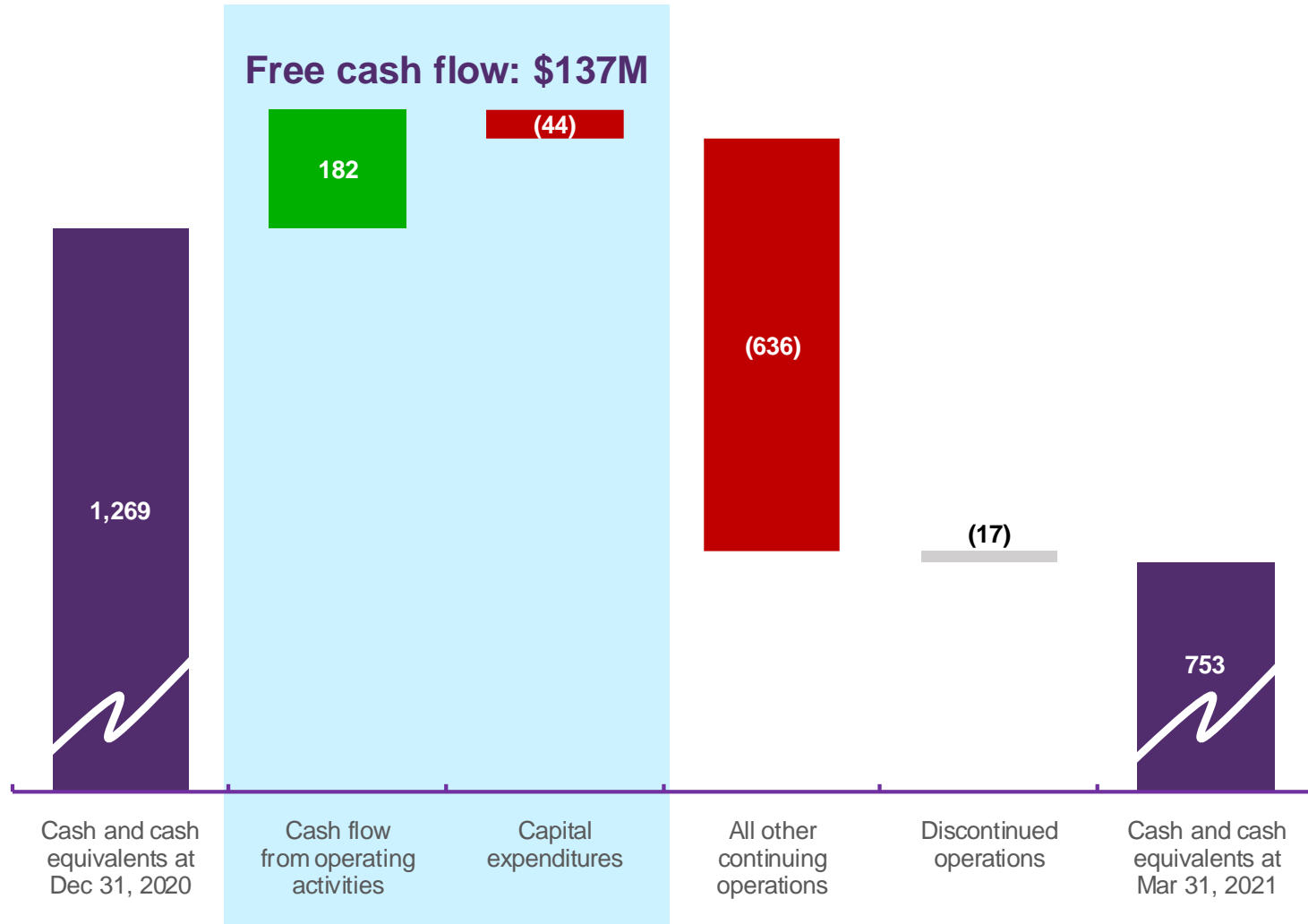
Segment results

Subsea	1Q21	1Q20	YoY
Revenue	1,387	1,253	▲ 11%
Adjusted EBITDA margin	9.7%	8.4%	▲ 130 bps
Inbound orders	1,519	1,172	▲ 30%
Backlog	6,857	7,774	▼ -12%

Surface Technologies	1Q21	1Q20	YoY
Revenue	246	330	▼ -25%
Adjusted EBITDA margin	11.0%	7.4%	▲ 360 bps
Inbound orders	203	366	▼ -44%
Backlog	364	422	▼ -14%

Q1 2021 Cash flow and net debt

(in \$ millions)



Free cash flow: \$137M

182

(44)

(636)

(17)

753

Net Debt (In millions, unaudited)

	March 31, 2021
Cash and cash equivalents	\$ 752.8
Short-term debt and current portion of long-term debt	(96.8)
Long-term debt, less current portion	(2,434.3)
Net debt	\$ (1,778.3)

2021 Full-year financial guidance¹ **Updated April 27, 2021*

Subsea

- ▶ **Revenue** in a range of \$5.0 – 5.4 billion
- ▶ **EBITDA** margin in a range of 10 – 11%
(excluding charges and credits)

Surface Technologies

- ▶ **Revenue** in a range of \$1,050 – 1,250 million
- ▶ **EBITDA** margin in a range of 8 – 11%
(excluding charges and credits)

TechnipFMC

- ▶ **Corporate expense, net** \$105 – 115 million (includes depreciation and amortization of ~\$15 million)
- ▶ **Net interest expense** \$130 – 135 million
- ▶ **Tax provision, as reported*** \$70 – 80 million
- ▶ **Capital expenditures** approximately \$250 million
- ▶ **Free cash flow*²** \$120 – 220 million

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

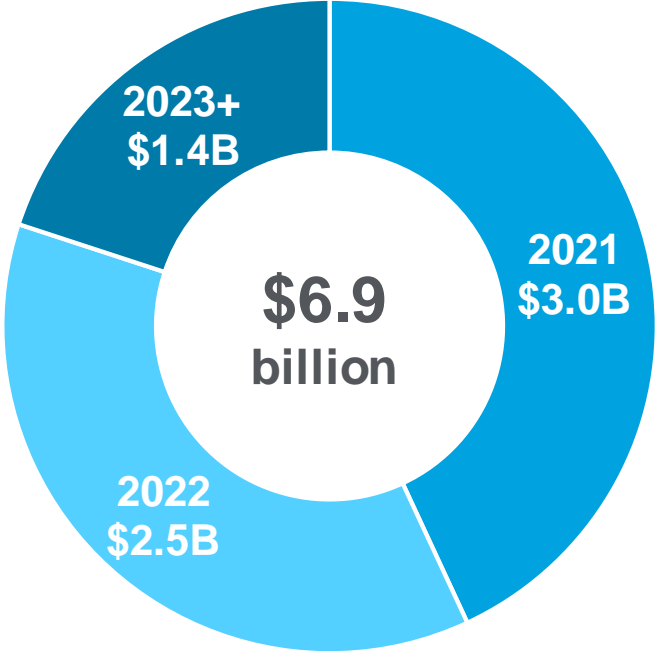
Guidance based on continuing operations; excludes the impact of Technip Energies is reported as discontinued operations.

¹Our guidance measures EBITDA margin (excluding amortization related impact of purchase price accounting, and other charges and credits), corporate expense, net, net interest expense, and free cash flow 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.

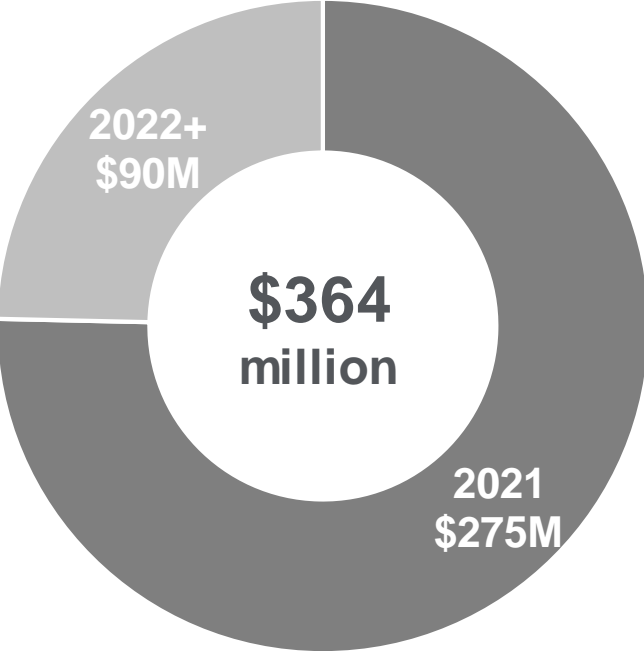
²Free cash flow = cash flow from operations less capital expenditures

Backlog visibility

Subsea backlog scheduling¹
as of March 31, 2021



Surface backlog scheduling
as of March 31, 2021



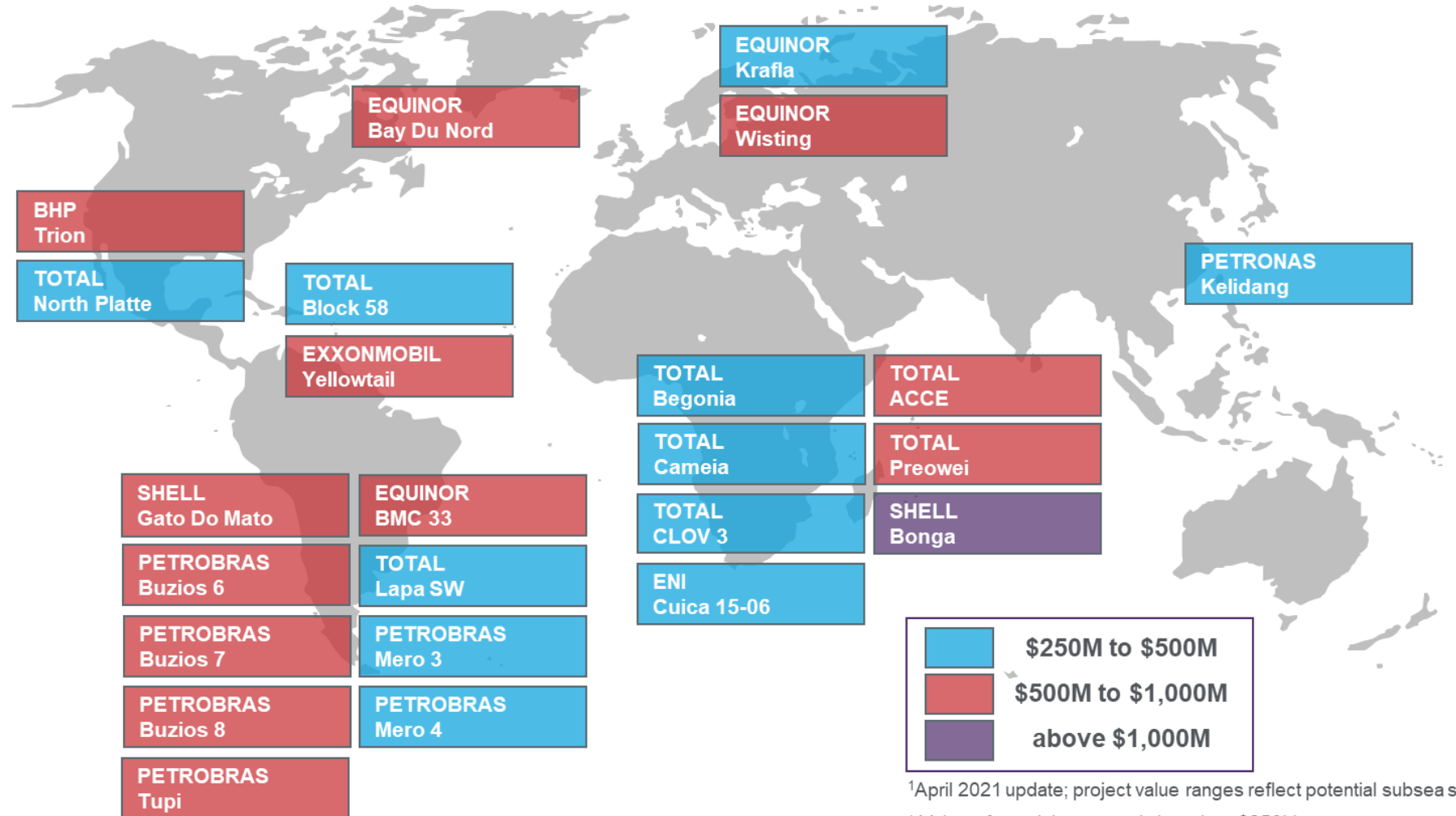
¹Backlog does not capture all revenue potential for subsea services

Subsea opportunities in the next 24 months¹

PROJECT UPDATES

Added
TOTAL Block 58
ENI Cuica 15-06
EQUINOR Wisting
PETROBRAS Tupi

Removed
CONOCOPHILLIPS Tommeliten*
TOTAL A6
SANTOS Barossa



¹April 2021 update; project value ranges reflect potential subsea scope

* Value of remaining scope is less than \$250M

Appendix

Glossary

Term	Definition	Term	Definition
Bcm	Billion Cubic Meters per Annum	iEPCI™	Integrated Engineering, Procurement, Construction and Installation
CAGR	Compound Annual Growth Rate	iFEED™	Integrated Front End Engineering and Design
E&C	Engineering and Construction	iLOF™	Integrated Life of Field
ESG	Environmental, Social and Governance	LNG	Liquefied Natural Gas
FID	Final Investment Decision	MMb/d	Million Barrels per Day
FLNG	Floating LNG	Mtpa	Million Metric Tonnes per Annum
F/X	Foreign exchange	NAM	North America
GHG	Greenhouse gas emissions	RCF	Revolving credit facility
GOM	Gulf of Mexico	ROIC	Return on Invested Capital
HP/HT	High Pressure / High Temperature	ROV	Remotely Operated Vehicles
HSE	Health, Safety and Environment	ROW	Rest of World

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 2021 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 2020 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, 2021						
	Income (loss) from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interest from continuing operations	Provision (benefit) for income taxes	Net interest expense and loss on early extinguishment of debt	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	\$ 430.3	\$ 1.8	\$ 24.5	\$ 58.0	\$ 514.6	\$ 95.2	\$ 609.8
Charges and (credits):							
Impairment and other charges	18.8		—	—	18.8	—	18.8
Restructuring and other charges	6.5		0.2	—	6.7	—	6.7
(Income) loss from investment in Technip Energies	(470.1)		—	—	(470.1)	—	(470.1)
Adjusted financial measures	<u>\$ (14.5)</u>	<u>\$ 1.8</u>	<u>\$ 24.7</u>	<u>\$ 58.0</u>	<u>\$ 70.0</u>	<u>\$ 95.2</u>	<u>\$ 165.2</u>
Diluted earnings (loss) per share from continuing operations attributable to TechnipFMC plc, as reported	\$ 0.95						
Adjusted diluted earnings per share from continuing operations attributable to TechnipFMC plc	\$ (0.03)						

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(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 2021 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 2020 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						
	Income (loss) from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interest from continuing operations	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	\$ (3,234.8)	\$ 6.9	\$ (23.2)	\$ 23.0	\$ (3,228.1)	\$ 108.7	\$ (3,119.4)
Charges and (credits):							
Impairment and other charges	3,159.9		28.1	—	3,188.0	—	3,188.0
Restructuring and other charges	4.5		1.5	—	6.0	—	6.0
Direct COVID-19 expenses	3.9		1.2	—	5.1	—	5.1
Purchase price accounting adjustment	6.5		2.0	—	8.5	(8.5)	—
Adjusted financial measures	<u>\$ (60.0)</u>	<u>\$ 6.9</u>	<u>\$ 9.6</u>	<u>\$ 23.0</u>	<u>\$ (20.5)</u>	<u>\$ 100.2</u>	<u>\$ 79.7</u>
Diluted earnings (loss) per share from continuing operations attributable to TechnipFMC plc, as reported	\$ (7.23)						
Adjusted diluted earnings per share from continuing operations attributable to TechnipFMC plc	\$ (0.13)						

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

	Three Months Ended March 31, 2021				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net and Other	Total
Revenue	\$ 1,386.5	\$ 245.5	\$ —	\$ —	\$ 1,632.0
Operating profit (loss), as reported (pre-tax)	\$ 37.0	\$ 8.2	\$ (28.8)	\$ 498.2	\$ 514.6
Charges and (credits):					
Impairment and other charges	15.7	0.1	3.0	—	18.8
Restructuring and other charges	4.0	2.7	—	—	6.7
(Income) loss from investment in Technip Energies	—	—	—	(470.1)	(470.1)
Subtotal	19.7	2.8	3.0	(470.1)	(444.6)
Adjusted Operating profit (loss)	56.7	11.0	(25.8)	28.1	70.0
Depreciation and amortization	78.4	15.9	0.9	—	95.2
Adjusted EBITDA	\$ 135.1	\$ 26.9	\$ (24.9)	\$ 28.1	\$ 165.2
Operating profit margin, as reported	2.7%	3.3%			31.5%
Adjusted Operating profit margin	4.1%	4.5%			4.3%
Adjusted EBITDA margin	9.7%	11.0%			10.1%

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

	Three Months Ended				
	March 31, 2020				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	\$ 1,253.1	\$ 329.5	\$ —	\$ —	\$ 1,582.6
Operating profit (loss), as reported (pre-tax)	\$ (2,750.7)	\$ (424.0)	\$ (30.3)	\$ (23.1)	\$ (3,228.1)
Charges and (credits):					
Impairment and other charges	2,776.5	411.5	—	—	3,188.0
Restructuring and other charges*	(6.9)	11.8	1.1	—	6.0
Direct COVID-19 expenses	4.0	1.1	—	—	5.1
Purchase price accounting adjustments	8.5	—	—	—	8.5
Subtotal	2,782.1	424.4	1.1	—	3,207.6
Adjusted Operating profit (loss)	31.4	0.4	(29.2)	(23.1)	(20.5)
Adjusted Depreciation and amortization	73.4	24.1	2.7	—	100.2
Adjusted EBITDA	\$ 104.8	\$ 24.5	\$ (26.5)	\$ (23.1)	\$ 79.7
Operating profit margin, as reported	-219.5%	-128.7%			-204.0%
Adjusted Operating profit margin	2.5%	0.1%			-1.3%
Adjusted EBITDA margin	8.4%	7.4%			5.0%

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(In millions, unaudited)

	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 752.8	\$ 1,269.2
Short-term debt and current portion of long-term debt	(96.8)	(624.7)
Long-term debt, less current portion	<u>(2,434.3)</u>	<u>(2,835.5)</u>
Net debt	<u>\$ (1,778.3)</u>	<u>\$ (2,191.0)</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.

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

(In millions, unaudited)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Cash provided (required) by continuing operating activities	\$ 181.5	\$ (439.8)
Capital expenditures	(44.2)	(75.5)
Free cash flow (deficit) from continuing operations	<u>\$ 137.3</u>	<u>\$ (515.3)</u>

Free cash flow, is a non-GAAP financial measure and is defined as cash provided by operating activities less capital expenditures. Management uses this non-GAAP financial measure to evaluate our financial condition. We believe, free cash flow is a meaningful financial measure that may assist investors in understanding our financial condition and results of operations.

