

TechnipFMC Second Quarter 2021 Earnings Call Presentation

LONDON & PARIS & HOUSTON – (BUSINESS WIRE) – 21 July 2021

TechnipFMC plc (“TechnipFMC”) (NYSE: FTI) (Paris: FTI) (ISIN: GB00BDSFG982) announces the availability of its Earnings Call Presentation in connection with its teleconference on Thursday, 22 July 2021 to discuss the second 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.

Contacts

Investor relations

Matt Seinsheimer
Vice President, Investor Relations
Tel: +1 281 260 3665
Email: [Matt Seinsheimer](mailto:Matt.Seinsheimer)

James Davis
Senior Manager, Investor Relations
Tel: +1 281 260 3665
Email: [James Davis](mailto:James.Davis)

Media relations

Nicola Cameron
Vice President, Corporate Communications
Tel: +44 1383 742297
Email: [Nicola Cameron](mailto:Nicola.Cameron)

Catie Tuley
Director, Public Relations
Tel: +1 281 591 5405
Email: [Brooke Robertson](mailto:Brooke.Robertson)



Q2 2021 Earnings Call Presentation

July 22, 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. Forward-looking statements usually relate to future events and anticipated revenues, earnings, cash flows, or other aspects of our operations or operating results. Forward-looking statements are often identified by words such as “guidance,” “confident,” “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “will,” “likely,” “predicated,” “estimate,” “outlook” and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs, and assumptions concerning future developments and business conditions and their potential effect on us. While management believes these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate. All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections, including unpredictable trends in the demand for and price of crude oil and natural gas; competition and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation; the COVID-19 pandemic and its impact on the demand for our products and services; our inability to develop, implement and protect new technologies and services; the cumulative loss of major contracts, customers or alliances; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; the refusal of DTC and Euroclear to act as depository and clearing agencies for our shares; the United Kingdom’s withdrawal from the European Union; the impact of our existing and future indebtedness and the restrictions on our operations by terms of the agreements governing our existing indebtedness; the risks caused by our acquisition and divestiture activities; the risks caused by fixed-price contracts; any delays and cost overruns of new capital asset construction projects for vessels and manufacturing facilities; our failure to deliver our backlog; our reliance on subcontractors, suppliers and our joint venture partners; a failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks; the risks of pirates endangering our maritime employees and assets; potential liabilities inherent in the industries in which we operate or have operated; our failure to comply with numerous laws and regulations, including those related to environmental protection, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, taxation, privacy, data protection and data security; the additional restrictions on dividend payouts or share repurchases as an English public limited company; uninsured claims and litigation against us, including intellectual property litigation; tax laws, treaties and regulations and any unfavorable findings by relevant tax authorities; the uncertainties related to the anticipated benefits or our future liabilities in connection with the spin-off of Technip Energies (the “Spin-off”); any negative changes in Technip Energies’ results of operations, cash flows and financial position, which impact the value of our remaining investment therein; potential departure of our key managers and employees; adverse seasonable and weather conditions and unfavorable currency exchange rate and risk in connection with our defined benefit pension plan commitments and other risks as discussed in Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and Part II, Item 1A, “Risk Factors” of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021.

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.

Q2 2021 Overview

Financial Results and Operational Highlights

Doug Pferdehirt, Chairman and Chief Executive Officer

Alf Melin, EVP and Chief Financial Officer

Q2 2021 Operational summary

Highlights

- ▶ Strong operational performance, with adjusted EBITDA margin of 11% for both operating segments
- ▶ Total Company inbound orders of \$1.6 billion; confident in full-year Subsea guidance of > \$4 billion
- ▶ Surface Technologies benefited from higher global completions activity, adoption of iComplete™
- ▶ Collaboration with EDP for green hydrogen production from offshore wind – BEHYOND project

Takeaways

Two new iEPCI™ clients, including first integrated project in Brazil

Subsea orders \$2.8B YTD; 50% of named awards to be executed as iEPCI™

Core competencies fully transferable to the renewable energy space

Q2 2021 Financial results

Highlights

- ▶ Adjusted EBITDA from continuing operations of \$144 million
- ▶ Reiterate full-year free cash flow guidance of \$120 – 220 million
- ▶ Continued balance sheet improvement; net debt reduced to \$1.6 billion
- ▶ Updated full-year guidance reflects first half results, strong market outlook

\$1.6B

Inbound orders

\$7.3B

Backlog

\$144M

Adjusted EBITDA

\$(126)M

Free cash flow

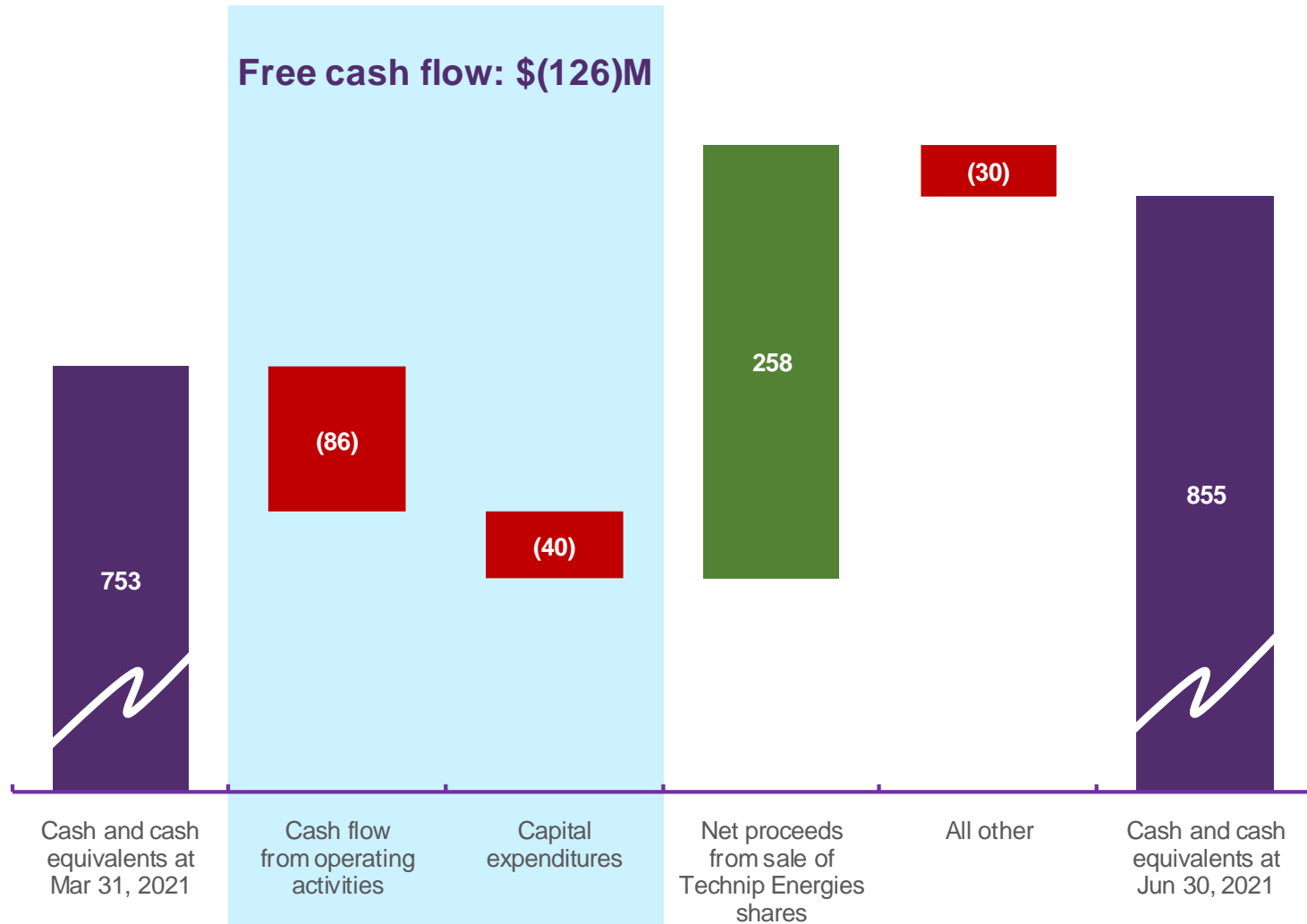
Segment results

| Subsea | 2Q21 | 1Q21 | 2Q20 | QoQ | YoY |
|-------------------------------|--------------|--------------|--------------|------------|------------|
| Revenue | 1,394 | 1,387 | 1,379 | 1% | 1% |
| Adjusted EBITDA margin | 11.1% | 9.7% | 7.2% | 140 bps | 390 bps |
| Inbound orders | 1,291 | 1,519 | 512 | -15% | 152% |
| Backlog | 6,952 | 6,857 | 7,085 | 1% | -2% |

| Surface Technologies | 2Q21 | 1Q21 | 2Q20 | QoQ | YoY |
|-------------------------------|--------------|--------------|-------------|------------|------------|
| Revenue | 275 | 246 | 242 | 12% | 14% |
| Adjusted EBITDA margin | 11.0% | 11.0% | 3.4% | 0 bps | 760 bps |
| Inbound orders | 268 | 203 | 187 | 32% | 43% |
| Backlog | 360 | 364 | 386 | -1% | -7% |

Q2 2021 Cash flow and net debt

(in \$ millions)



Free cash flow: \$(126)M

| Net Debt | |
|---|---------------------|
| (In millions, unaudited) | |
| | June 30, 2021 |
| Cash and cash equivalents | \$ 854.9 |
| Short-term debt and current portion of long-term debt | (297.7) |
| Long-term debt, less current portion | (2,180.2) |
| Net debt | \$ (1,623.0) |

2021 Full-year financial guidance¹ **Updated July 21, 2021*

Subsea

- ▶ **Revenue** in a range of \$5.2 – 5.5 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 10 – 12%*
(excluding charges and credits)

TechnipFMC

- ▶ **Corporate expense, net** \$105 – 115 million (includes depreciation and amortization of ~\$5 million)
- ▶ **Net interest expense*** \$135 – 140 million
- ▶ **Tax provision, as reported*** \$85 – 95 million
- ▶ **Capital expenditures** approximately \$250 million
- ▶ **Free cash flow²** \$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 which is reported as discontinued operations.

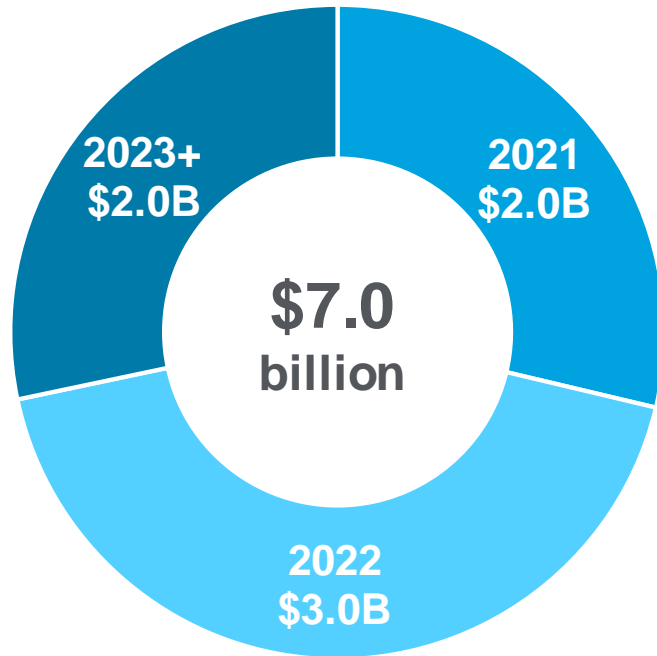
¹Our guidance measures EBITDA margin (excluding charges and credits), corporate expense, net, net interest expense, and free cash flow are non-GAAP financial measures. We are unable to provide a reconciliation to a comparable GAAP measure on a forward-looking basis without unreasonable effort because 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

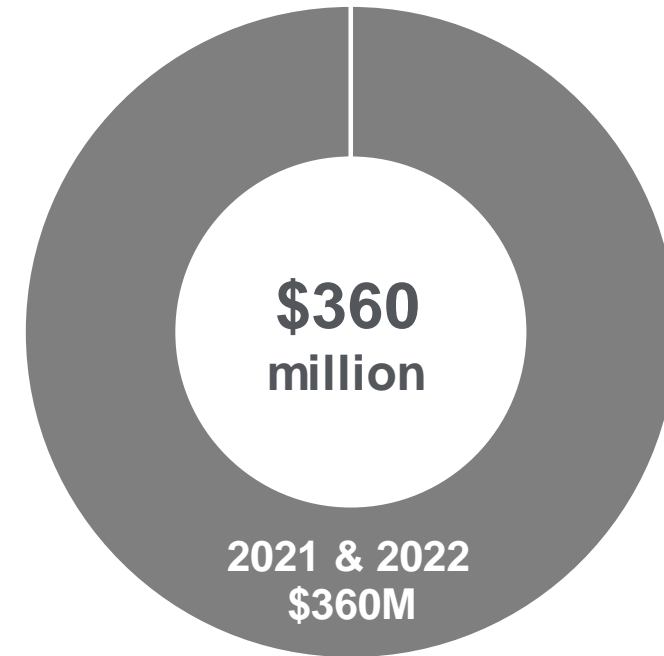
Subsea backlog scheduling¹

as of June 30, 2021



Surface Technologies backlog scheduling

as of June 30, 2021

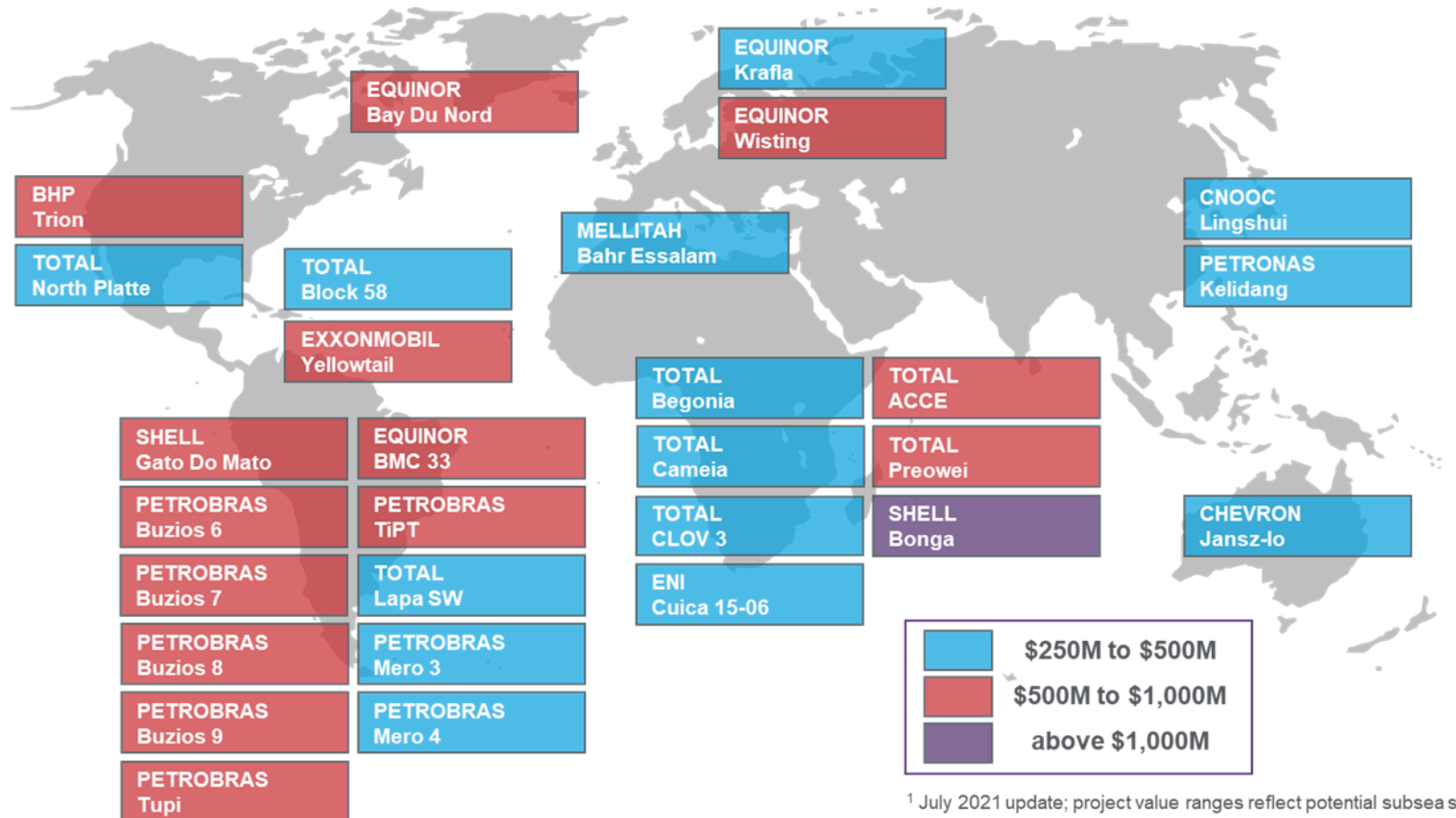


¹ Backlog does not capture all revenue potential for subsea services

Subsea opportunities in the next 24 months¹

PROJECT UPDATES

| |
|--------------------------|
| Added |
| CNOOC Lingshui |
| CHEVRON Jansz-lo |
| MELLITAH Bahr Essalam |
| PETROBRAS Buzios 9 |
| PETROBRAS TIPT |
| Removed |
| <i>Not applicable</i> |



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

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 second 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 June 30, 2021 | | | | | | |
|---|---|--|-------------------------------|-------------------------|---|-------------------------------------|--|
| | Income (loss) from continuing operations attributable to TechnipFMC plc | Income attributable to non- controlling interests from continuing operations | 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 | \$ (174.7) | \$ 2.1 | \$ 34.9 | \$ 35.2 | \$ (102.5) | \$ 98.0 | \$ (4.5) |
| Charges and (credits): | | | | | | | |
| Impairment and other charges | 0.8 | — | — | — | 0.8 | — | 0.8 |
| Restructuring and other charges | 1.1 | — | 0.1 | — | 1.2 | — | 1.2 |
| Loss from investment in Technip Energies | 146.8 | — | — | — | 146.8 | — | 146.8 |
| Adjusted financial measures | <u>\$ (26.0)</u> | <u>\$ 2.1</u> | <u>\$ 35.0</u> | <u>\$ 35.2</u> | <u>\$ 46.3</u> | <u>\$ 98.0</u> | <u>\$ 144.3</u> |
| Diluted loss per share from continuing operations attributable to TechnipFMC plc, as reported | \$ (0.39) | | | | | | |
| Adjusted diluted loss per share from continuing operations attributable to TechnipFMC plc | \$ (0.06) | | | | | | |

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

| | Three Months Ended | | | | |
|--|--------------------|-------------------------|----------------------|---------------------------------------|------------|
| | June 30, 2021 | | | | |
| | Subsea | Surface Technologies | Corporate Expense | Foreign Exchange, net and Other | Total |
| Revenue | \$ 1,394.3 | \$ 274.5 | \$ — | \$ — | \$ 1,668.8 |
| Operating profit (loss), as reported (pre-tax) | \$ 72.4 | \$ 12.9 | \$ (30.3) | \$ (157.5) | \$ (102.5) |
| Charges and (credits): | | | | | |
| Impairment and other charges | 0.6 | 0.2 | — | — | 0.8 |
| Restructuring and other charges | 0.4 | 0.8 | — | — | 1.2 |
| Loss from investment in Technip Energies | — | — | — | 146.8 | 146.8 |
| Subtotal | 1.0 | 1.0 | — | 146.8 | 148.8 |
| Adjusted Operating profit (loss) | 73.4 | 13.9 | (30.3) | (10.7) | 46.3 |
| Depreciation and amortization | 80.7 | 16.3 | 1.0 | — | 98.0 |
| Adjusted EBITDA | \$ 154.1 | \$ 30.2 | \$ (29.3) | \$ (10.7) | \$ 144.3 |
| Operating profit margin, as reported | 5.2% | 4.7% | | | -6.1% |
| Adjusted Operating profit margin | 5.3% | 5.1% | | | 2.8% |
| Adjusted EBITDA margin | 11.1% | 11.0% | | | 8.6% |

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 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 | | | | |
|--|--------------------|----------------------|-------------------|-----------------------|------------|
| | June 30, 2020 | | | | |
| | Subsea | Surface Technologies | Corporate Expense | Foreign Exchange, net | Total |
| Revenue | \$ 1,378.5 | \$ 241.7 | \$ — | \$ — | \$ 1,620.2 |
| Operating profit (loss), as reported (pre-tax) | \$ (75.6) | \$ (13.4) | \$ (16.5) | \$ (16.1) | \$ (121.6) |
| Charges and (credits): | | | | | |
| Impairment and other charges | 32.5 | 1.2 | — | — | 33.7 |
| Restructuring and other charges | 35.9 | 1.3 | 1.1 | — | 38.3 |
| Direct COVID-19 expenses | 27.4 | 4.2 | — | — | 31.6 |
| Subtotal | 95.8 | 6.7 | 1.1 | — | 103.6 |
| Adjusted Operating profit (loss) | 20.2 | (6.7) | (15.4) | (16.1) | (18.0) |
| Depreciation and amortization | 79.4 | 15.0 | 1.0 | — | 95.4 |
| Adjusted EBITDA | \$ 99.6 | \$ 8.3 | \$ (14.4) | \$ (16.1) | \$ 77.4 |
| Operating profit margin, as reported | -5.5% | -5.5% | | | -7.5% |
| Adjusted Operating profit margin | 1.5% | -2.8% | | | -1.1% |
| Adjusted EBITDA margin | 7.2% | 3.4% | | | 4.8% |

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

| | June 30, 2021 | December 31, 2020 |
|---|--------------------------|------------------------------|
| Cash and cash equivalents | \$ 854.9 | \$ 1,269.2 |
| Short-term debt and current portion of long-term debt | (297.7) | (624.7) |
| Long-term debt, less current portion | (2,180.2) | (2,835.5) |
| Net debt | <u>\$ (1,623.0)</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 June 30, | Six Months Ended June 30, | |
|---|--|----------------------------------|-------------------|
| | 2021 | 2021 | 2020 |
| Cash provided (required) by operating activities from continuing operations | \$ (85.9) | \$ 95.6 | \$ (415.6) |
| Capital expenditures | (39.7) | (83.9) | (163.6) |
| Free cash flow (deficit) from continuing operations | <u>\$ (125.6)</u> | <u>\$ 11.7</u> | <u>\$ (579.2)</u> |

Free cash flow (deficit) from continuing operations, 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 from continuing operations, free cash flow (deficit) from continuing operations is a meaningful financial measure that may assist investors in understanding our financial condition and results of operations.

