

TechnipFMC 2019 Financial Guidance Presentation

LONDON & PARIS & HOUSTON – (BUSINESS WIRE) – 12 December 2018

TechnipFMC plc (“TechnipFMC”) (NYSE: FTI) (Paris: FTI) (ISIN: GB00BDSFG982) announces the availability of its 2019 Financial Guidance Presentation in connection with its teleconference on Thursday, 13 December 2018 to discuss the outlook for 2019.

A copy of the 2019 Financial Guidance 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.

To learn more about us and how we are enhancing the performance of the world’s energy industry, go to TechnipFMC.com and follow us on Twitter @TechnipFMC.

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2019 Financial Guidance

December 13, 2018

Disclaimer

Forward-looking statements

We would like to caution you with respect to any “forward-looking statements” made in this presentation 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. The words such as “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 that remedial measures to address our material weaknesses could be insufficient or additional issues relating to disclosure controls and procedures or internal control over financial reporting could be identified; competitive factors in our industry; risks related to our information technology infrastructure and intellectual property; risks related to our business operations and products; risks related to third parties with whom we do business; our ability to hire and retain key personnel; risks related to legislation or governmental regulations affecting us; international, national or local economic, social or political conditions; risks associated with being a public listed company; conditions in the credit markets; risks associated with litigation or investigations; risks associated with accounting estimates, currency fluctuations and foreign exchange controls; risks related to integration; tax-related risks; and such other risk factors as set forth in our filings with the United States 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.

2019 Financial guidance⁽¹⁾

Subsea	Onshore/Offshore	Surface Technologies
<ul style="list-style-type: none"> ▶ Revenue in a range of \$5.4–5.7 billion ▶ EBITDA margin at least 11% (excluding amortization related impact of purchase price accounting, and other charges and credits) 	<ul style="list-style-type: none"> ▶ Revenue in a range of \$5.7–6.0 billion ▶ EBITDA margin at least 12% (excluding amortization related impact of purchase price accounting, and other charges and credits) 	<ul style="list-style-type: none"> ▶ Revenue in a range of \$1.7–1.8 billion ▶ EBITDA margin at least 17% (excluding amortization related impact of purchase price accounting, and other charges and credits)
TechnipFMC		
<ul style="list-style-type: none"> ▶ Corporate expense, net \$160 – 170 million for the full year (excluding the impact of foreign currency fluctuations) ▶ Net interest expense \$40 – 60 million for the full year (excluding the impact of revaluation of partners' redeemable financial liability) ▶ Tax rate 28 – 32% for the full year (excluding the impact of discrete items) ▶ Capital expenditures approximately \$400 million for the full year ▶ Cash flow from operating activities positive for the full year ▶ Merger integration and restructuring costs approximately \$50 million for the full year ▶ Cost synergies \$450 million total savings (\$220m exit run-rate 12/31/17, \$400m exit run-rate 12/31/18, \$450m exit run-rate 12/31/19) 		

(1) 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' redeemable financial liability), and tax rate (excluding the impact of discrete items) 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.

Subsea

Near-term pricing and fleet utilization offset the inflection in Subsea revenue

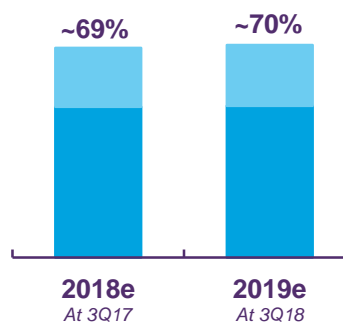
2019 Subsea guidance

- ▶ **Revenue** in a range of \$5.4 – 5.7 billion
- ▶ **EBITDA** margin at least 11% (excluding amortization related impact of purchase price accounting, and other charges and credits)

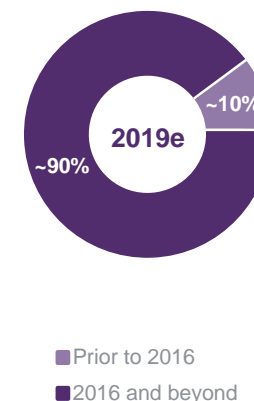
Key revenue drivers

- ▶ **Revenue from backlog**
 - Backlog covers 50% of revenue guidance (midpoint); ~70% coverage when including projected services activity
- ▶ **Subsea services**
 - Expect low-teen to mid-teen growth
 - Well intervention and asset refurbishment to benefit from market recovery (increasing volume, aging infrastructure)
- ▶ **Future order activity**
 - Anticipate third consecutive year of order growth; additional revenue to be converted from inbound over next 5 quarters
 - Increased iEPCI™ and Subsea 2.0™ awards
 - Average project size expected to increase, while smaller projects continue to contribute meaningfully to inbound

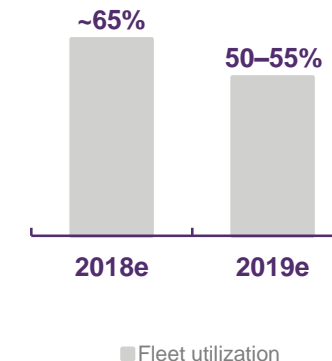
Revenue visibility
Scheduled backlog + Subsea services
as % of mid-point of guidance



Revenue by backlog vintage
as % of revenue from backlog



Fleet utilization



Key margin drivers

- ▶ **Margin in backlog**
 - Scheduled backlog secured in more challenging market conditions
 - Reduced benefit from higher margin backlog secured prior to 2016
 - Pricing environment stabilizing for new tenders
- ▶ **Fleet utilization**
 - Utilization takes a further step down in 2019e (~65% in 2018e, in a range of 50 to 55% in 2019e)

Onshore/Offshore

Revenue broadly in-line with 2018e; mix and execution support robust margin

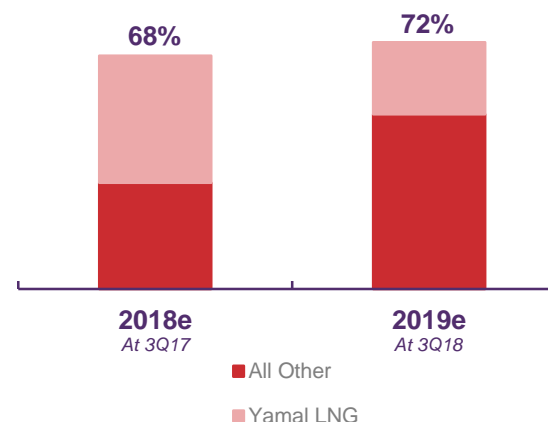
2019 Onshore/Offshore guidance

- ▶ **Revenue** in a range of \$5.7 – 6.0 billion
- ▶ **EBITDA** margin at least 12% (excluding amortization related impact of purchase price accounting, and other charges and credits)

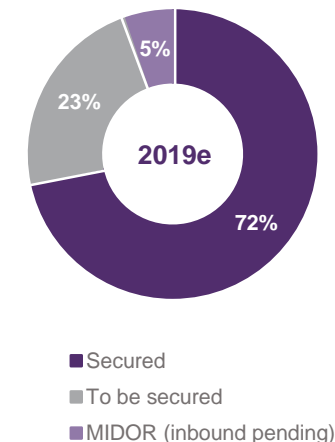
Key revenue drivers

- ▶ **Revenue broadly in-line with 2018e despite declining contribution from existing LNG projects**
 - Benefiting from robust orders in 2018e
 - Inbound orders of \$5.8 billion (*as of September 30, 2018*)
 - Does not include revenue from non-consolidated joint ventures
 - Backlog covers 72% of revenue guidance (midpoint); high visibility on remaining portion to be secured
 - MIDOR refinery award not currently in backlog; project will inbound when all financial conditions are met
- ▶ **Attractive order prospects across our key markets**

Scheduled revenue from backlog
as % of mid-point of guidance



Revenue mix
at mid-point of range



Key margin drivers

- ▶ **Margin remains well above normalized framework, driven by continued strength in project execution**
- ▶ **Growing contribution from non-consolidated joint venture projects**

Surface Technologies

Activity drives EBITDA higher; outlook predicated on North American recovery

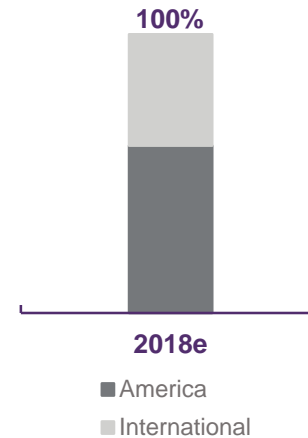
2019 Surface Technologies guidance

- ▶ **Revenue** in a range of \$1.7 – 1.8 billion
- ▶ **EBITDA** margin at least 17% (excluding amortization related impact of purchase price accounting, and other charges and credits)

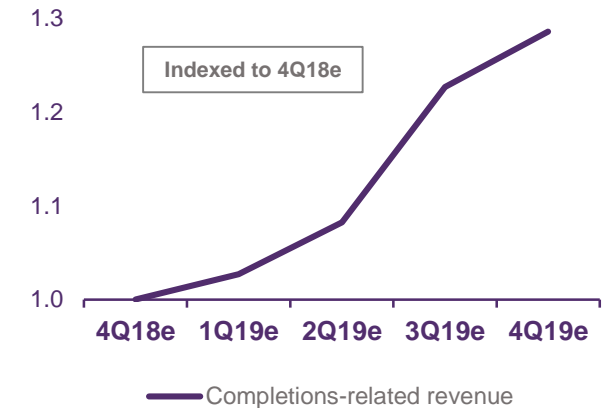
Key drivers

- ▶ **International activity inflects in 2019**
 - High single-digit to low double-digit activity growth
 - Supported by rising Middle East activity
 - Limited pricing benefit anticipated
- ▶ **North America improves as completions recover in 2H 2019**
 - Replenished E&P budgets, reduced pipeline constraints
 - Subdued completions activity near-term; full-year outlook predicated on recovery in 2H 2019

Geographic sales mix
% of segment revenue



North American recovery

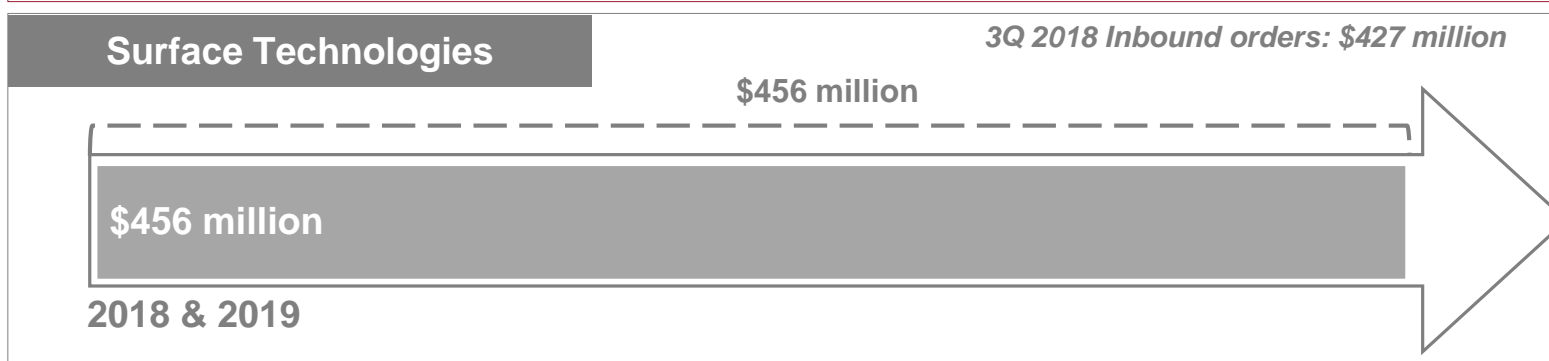
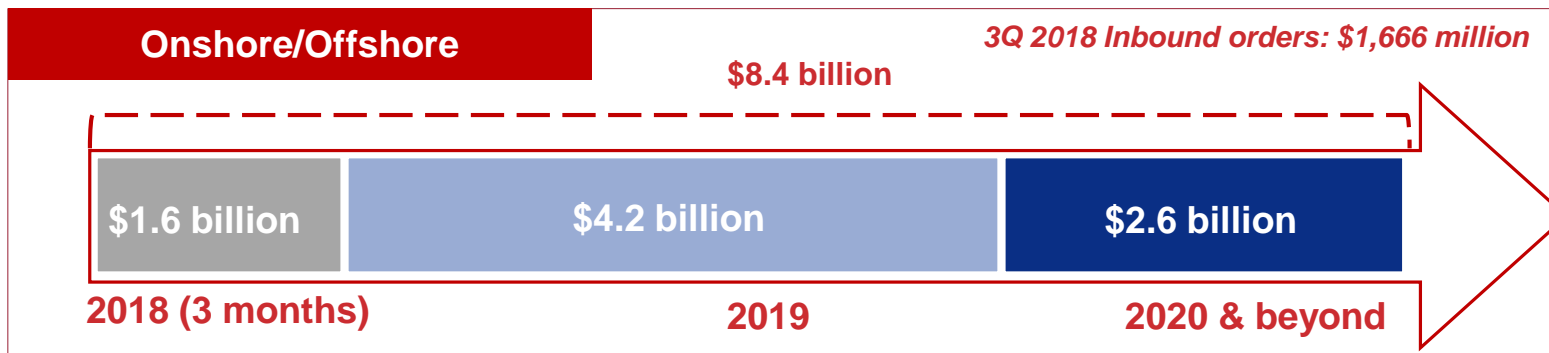
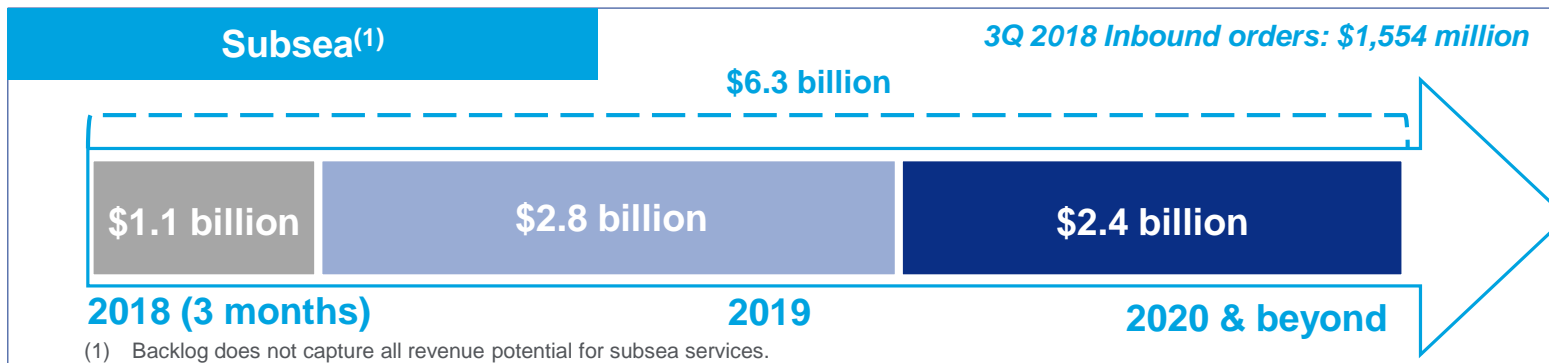


New initiatives support outlook

- ▶ **Momentum builds for new technologies, integrated model**
 - Commercialization of modularized production facility
 - Further penetration of integrated products and services

Appendix

Backlog visibility



Non-consolidated Backlog⁽²⁾

Subsea	
2018 ⁽³⁾	\$23 million
2019	\$180 million
2020+	\$793 million
	<hr/>
	\$996 million

Onshore/Offshore	
2018 ⁽³⁾	\$63 million
2019	\$719 million
2020+	\$1,142 million
	<hr/>
	\$1,924 million

(2) Non-consolidated backlog represents our proportional share of backlog relating to joint venture work where we do not have a majority interest in the joint venture.
 (3) 3 months.

2018 Financial guidance⁽¹⁾ **Updated October 24, 2018*

Subsea	Onshore/Offshore	Surface Technologies
<ul style="list-style-type: none"> ▶ Revenue in a range of \$5.0–5.3 billion ▶ EBITDA margin at least 14% (excluding amortization related impact of purchase price accounting, and other charges and credits) 	<ul style="list-style-type: none"> ▶ Revenue in a range of \$5.8–6.1* billion ▶ EBITDA margin at least 13%* (excluding amortization related impact of purchase price accounting, and other charges and credits) 	<ul style="list-style-type: none"> ▶ Revenue in a range of \$1.5–1.6 billion ▶ EBITDA margin at least 16%* (excluding amortization related impact of purchase price accounting, and other charges and credits)
TechnipFMC		
<ul style="list-style-type: none"> ▶ Corporate expense, net \$40 – 45 million per quarter (excluding the impact of foreign currency fluctuations) ▶ Net interest expense* approximately \$10 – 12 million per quarter (excluding the impact of revaluation of partners' redeemable financial liability) ▶ Tax rate 28 – 32% for the full year (excluding the impact of discrete items) ▶ Capital expenditures approximately \$300 million for the full year ▶ Merger integration and restructuring costs approximately \$100 million for the full year ▶ Cost synergies \$450 million annual savings (\$220m exit run-rate 12/31/17, \$400m exit run-rate 12/31/18, \$450m exit run-rate 12/31/19) 		

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