

## TechnipFMC Second Quarter 2019 Earnings Call Presentation

LONDON & PARIS & HOUSTON – (BUSINESS WIRE) – 24 July 2019

TechnipFMC plc (“TechnipFMC”) (NYSE: FTI) (Paris: FTI) (ISIN: GB00BDSFG982) announces the availability of its Earnings Call Presentation in connection with its teleconference on Thursday, 25 July 2019 to discuss the second quarter 2019 financial results and outlook for 2019.

A copy of the Earnings Call Presentation can also be accessed on TechnipFMC’s website ([www.technipfmc.com](http://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](http://TechnipFMC.com) and follow us on Twitter @TechnipFMC.

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# Q2 2019 Earnings Call Presentation

July 25, 2019

# 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,” “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: competitive factors in our industry; risks related to our business operations and products; risks related to our information technology infrastructure, data security and privacy obligations, and intellectual property; 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; risks associated with our debt instruments and 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 our acquisition, divestiture, and integration activities; tax-related risks; risks related to review of our internal controls over certain information technology general controls and over period-end financial reporting and any resulting financial restatements, filing delay, regulatory non-compliance or litigation and the risk that additional information may arise during such review that would require us to make additional adjustments or identify additional material weaknesses; 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.

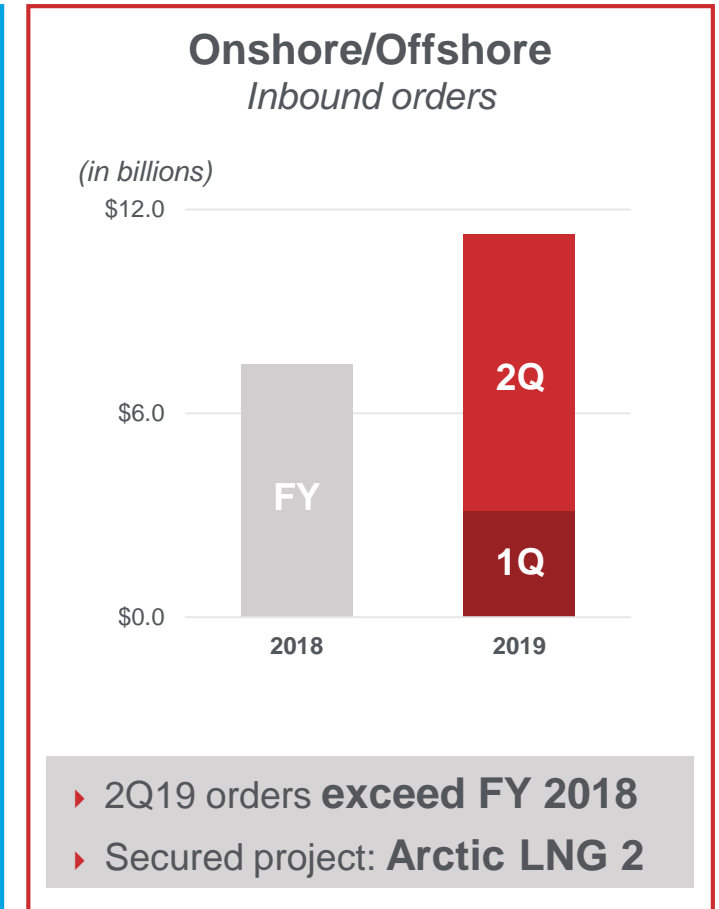
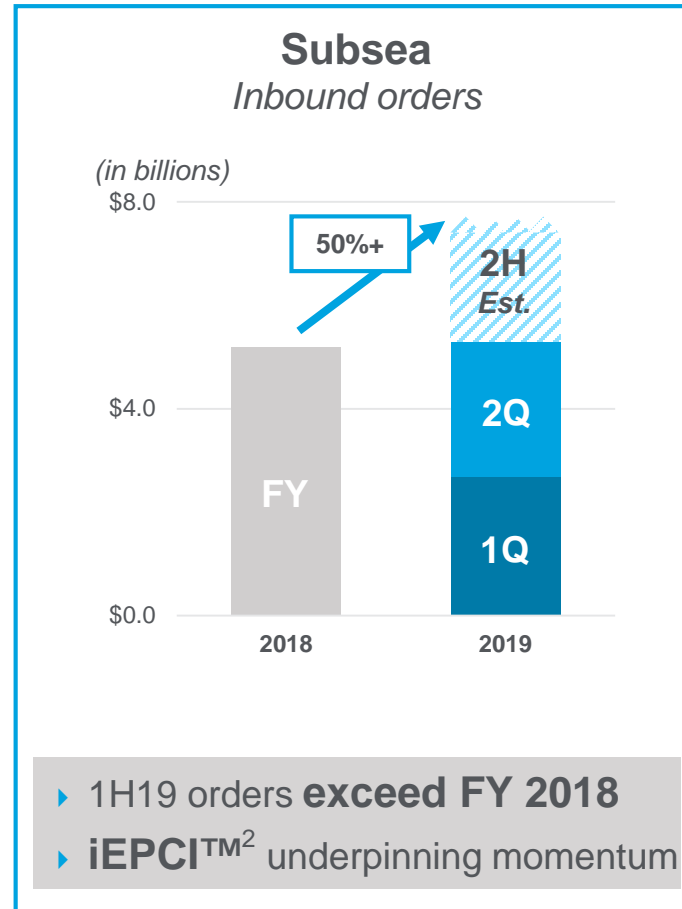
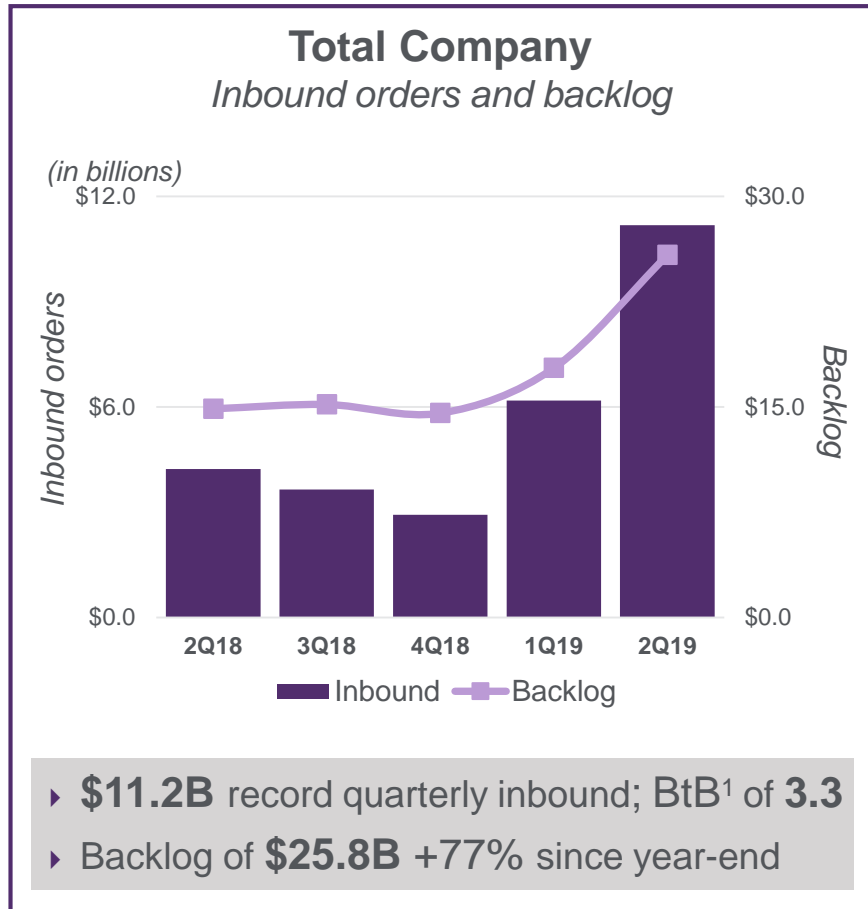
# Q2 2019 Overview

## Financial Results and Operational Highlights

Doug Pferdehirt, Chairman and Chief Executive Officer

Maryann Mannen, EVP and Chief Financial Officer

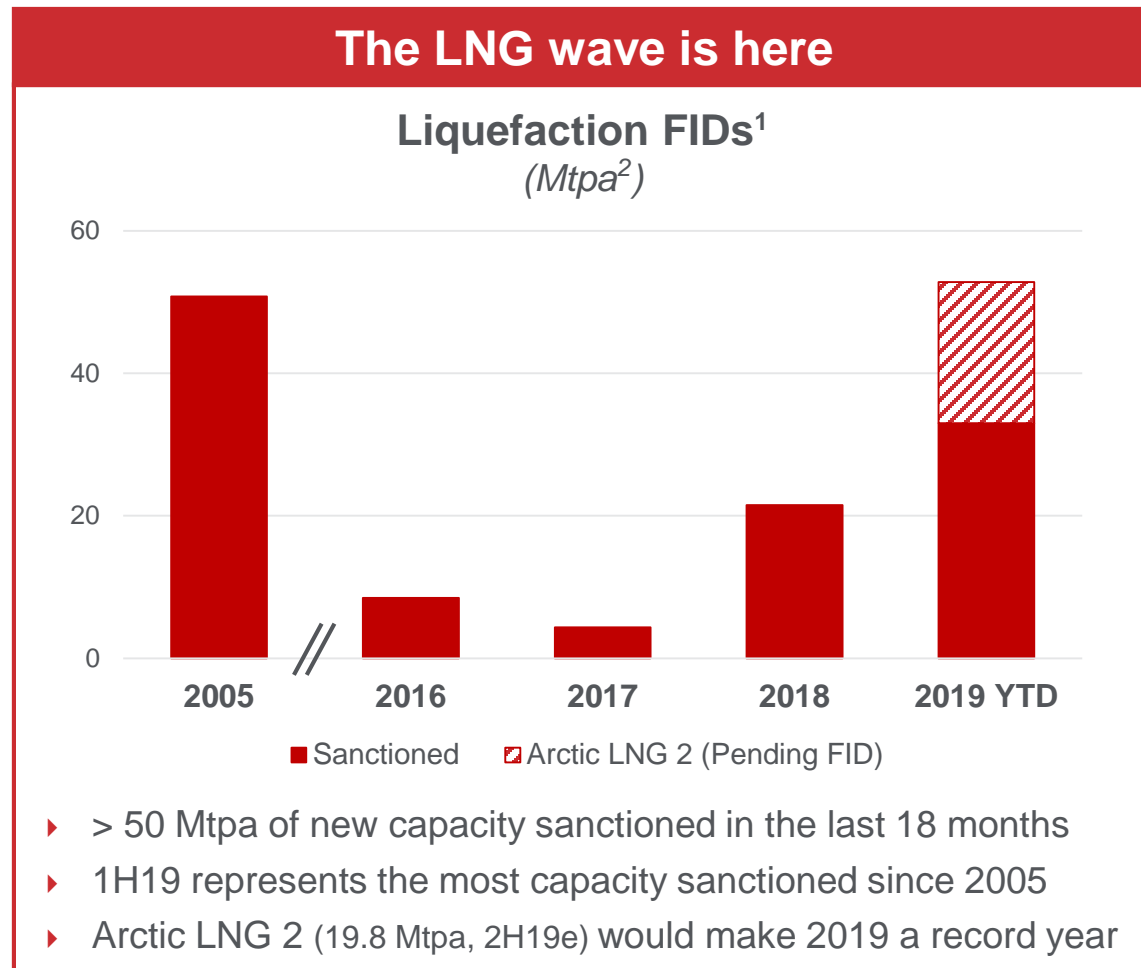
# Winning – Unprecedented level of inbound orders



<sup>1</sup> Book-to-bill is calculated as inbound orders divided by revenue

<sup>2</sup> iEPCI™: integrated engineering, procurement, construction and installation

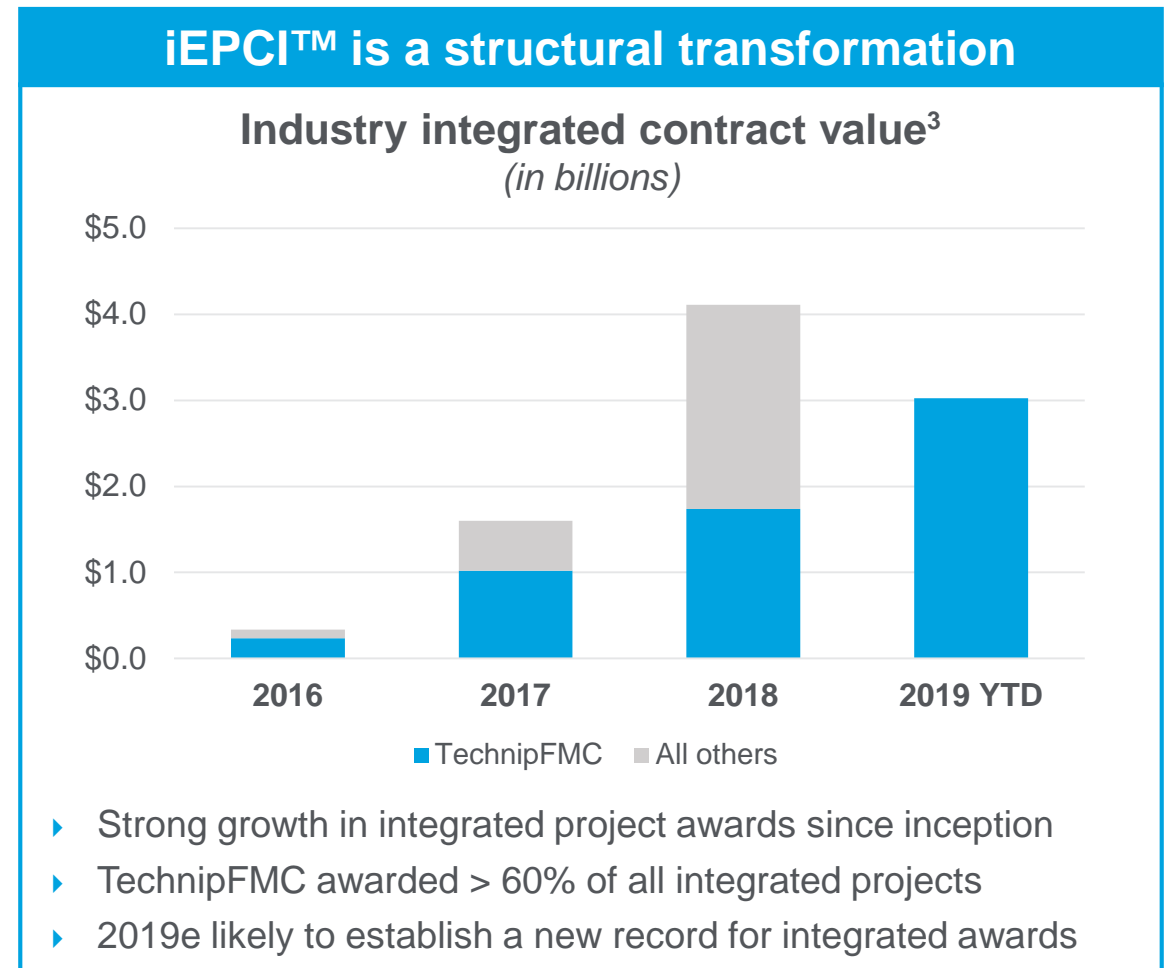
# LNG wave and transformational iEPCI™ drive market activity



<sup>1</sup> Final Investment Decision, source: IHS Markit, June 2019

<sup>2</sup> Mtpa: Million metric tonnes per annum

<sup>3</sup> Source: Wood Mackenzie, internal company data; June 2019



# iEPCI™ is a differentiated growth engine for TechnipFMC

## Anadarko Golfinho



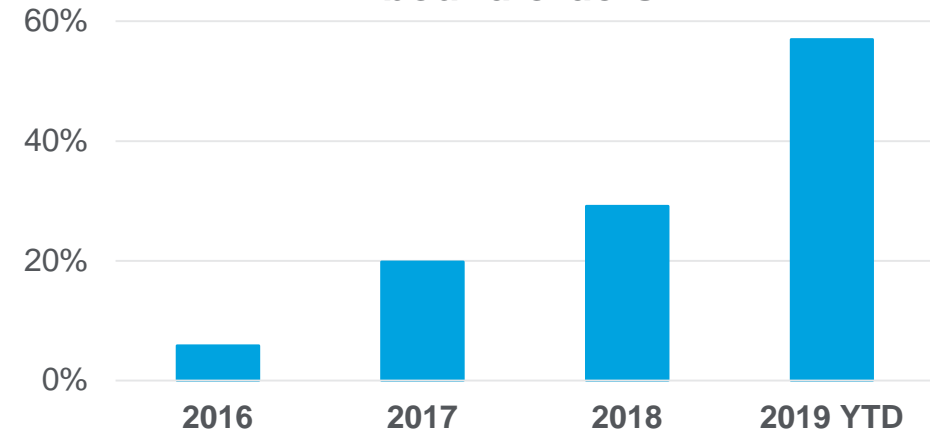
Courtesy of Anadarko

- ▶ To be executed as TechnipFMC's largest integrated subsea project; our first iEPCI™ in the Africa region
- ▶ TechnipFMC a "first-mover" in Mozambique; delivering both FLNG and subsea infrastructure
- ▶ Strategic collaboration with Allseas

## iEPCI™ – a differentiated growth engine

**iEPCI™**  
**> 50%**  
of TechnipFMC's  
Subsea orders  
2019 YTD

### iEPCI™ share of Subsea inbound orders



- ▶ iEPCI™ represents a growing proportion of TechnipFMC Subsea order inbound, providing a unique growth engine
- ▶ Widespread adoption of integrated model across multiple regions and clients
- ▶ Collaborating with customers to optimize resource base from project conception through integrated delivery; Wintershall DEA becomes 5<sup>th</sup> iEPCI™ alliance partner



# Arctic LNG 2: Leveraging core competencies, extending revenue visibility

## Arctic LNG 2



### ▶ Project Overview

- Capacity: 19.8 Mtpa (3 trains x 6.6 Mtpa)
- FEED<sup>2</sup>: TechnipFMC, Linde and NIPIGas
- EPC<sup>2</sup>: TechnipFMC, Saipem and NIPIGas

### ▶ TechnipFMC Core Competencies

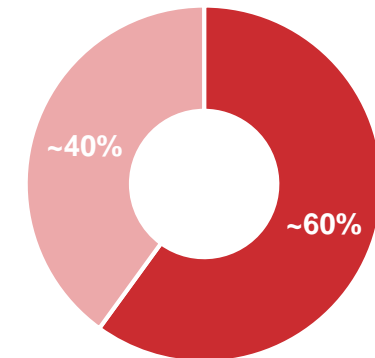
- Multi-center execution; key enabler for complex module fabrication and integration
- Experienced in the delivery of harsh environment mega projects; Yamal LNG delivered in record time and on-budget
- Technical differentiation in the delivery of natural gas liquefaction engineered for minimal footprint; significant offshore topside and FLNG<sup>2</sup> references

<sup>1</sup> Allocation of contractual scheme (lump-sum, reimbursable work) based on total JV scope

<sup>2</sup> FEED: Front end engineering and design; EPC: Engineering, procurement and construction; FLNG: Floating liquefied natural gas

## Financial highlights

- ▶ \$7.6B consolidated contract value to TechnipFMC
- ▶ Project executed utilizing two main joint ventures comprised of the same partners but with different participating interests
- ▶ Contract split between lump-sum and reimbursable work



Contractual scheme<sup>1</sup>

- Lump-sum work
- Reimbursable work

# Q2 2019 results demonstrate strong operational momentum

**Revenue**  
**\$3.4 billion**

**Adjusted EBITDA<sup>1</sup>**  
**\$450 million**

**Adjusted Diluted EPS<sup>1</sup>**  
**\$0.39**

**Net Cash<sup>2</sup>**  
**\$839.5 million**

**Backlog**  
**\$25.8 billion**

<sup>1</sup>Adjusted results exclude the impact of exceptional charges and credits from continuing operations as identified in the reconciliation of GAAP to non-GAAP financial measures schedules included in this presentation.

<sup>2</sup>Net cash is a non-GAAP financial measure reflecting cash and cash equivalents, net of debt, as identified in the reconciliation of GAAP to non-GAAP financial schedules included in this presentation.

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## OTHER ITEMS

- ▶ After-tax charges and (credits) impacting EBITDA of \$78.6 million, or \$0.18 per diluted share
- ▶ Corporate expense of \$69.4 million, excluding charges and (credits); includes \$18 million, or \$0.03 per diluted share, of net foreign exchange loss
- ▶ Net interest expense of \$140.6 million, includes \$140.2 million, or \$0.31 per diluted share, related to liability payable to joint venture partner

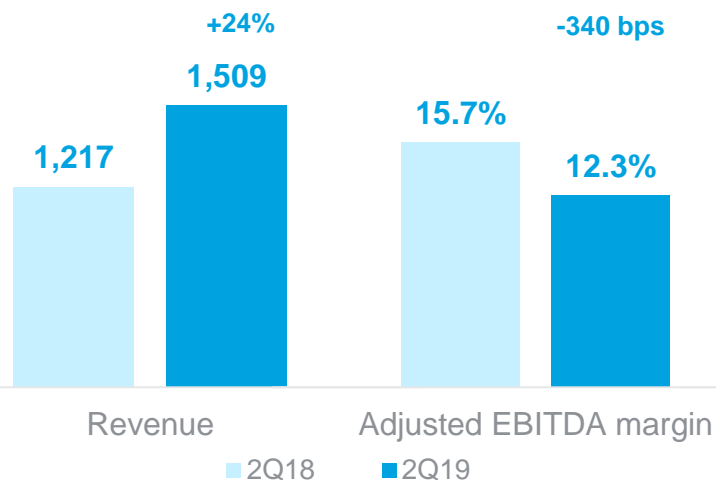
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# Q2 2019 Segment results

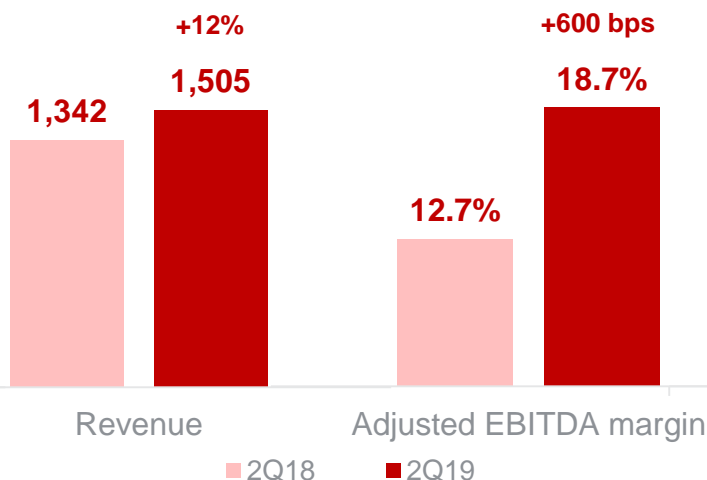
## Subsea

USD, in millions



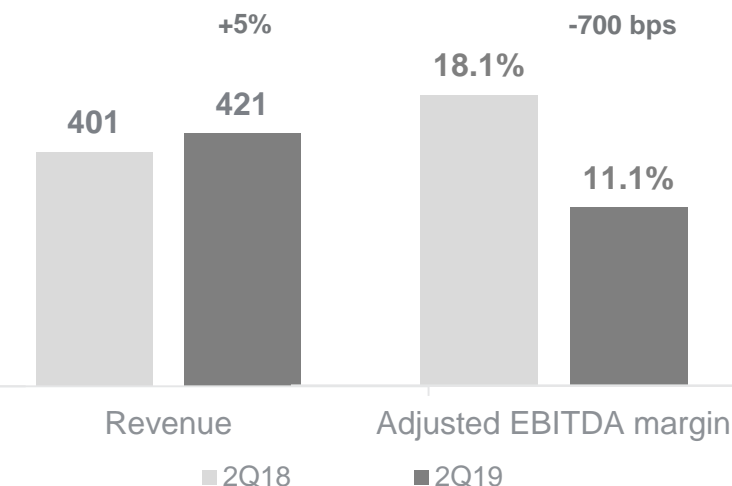
## Onshore/Offshore

USD, in millions



## Surface Technologies

USD, in millions



### Operational Highlights

- ▶ Revenue increased 24%: primarily due to higher project-related activity and growth in Subsea services; integrated project activity continues to represent an increasing share of revenue
- ▶ Adjusted EBITDA margin declined 340 bps to 12.3%: due to more competitively priced backlog, partially offset by the achievement of key milestones on projects nearing completion and increased project activity
- ▶ Inbound orders of \$2.6 billion; book-to-bill of 1.7; period-end backlog at \$8.7 billion

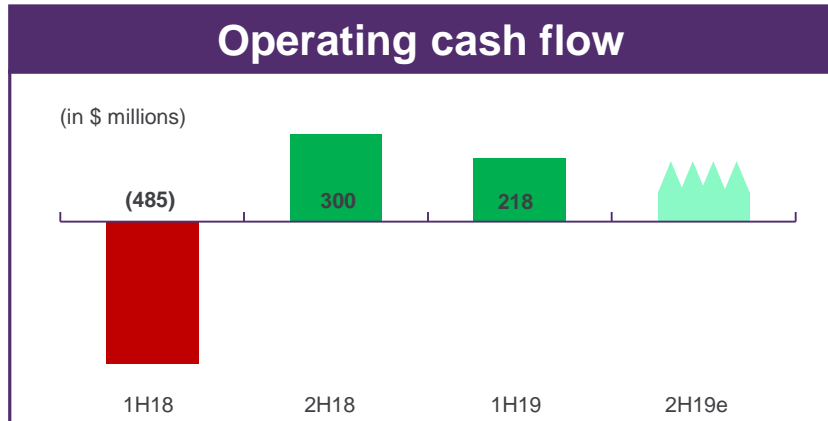
### Operational Highlights

- ▶ Revenue increased 12%: activity increased on recent awards in downstream, petrochemical and offshore sectors, more than offsetting revenue reduction from Yamal LNG project
- ▶ Adjusted EBITDA margin increased 600 bps to 18.7%: results benefited from incremental profit related to strong execution and a bonus for completion of key milestones on Yamal LNG
- ▶ Inbound orders of \$8.1 billion; book-to-bill of 5.4; period-end backlog at \$16.6 billion

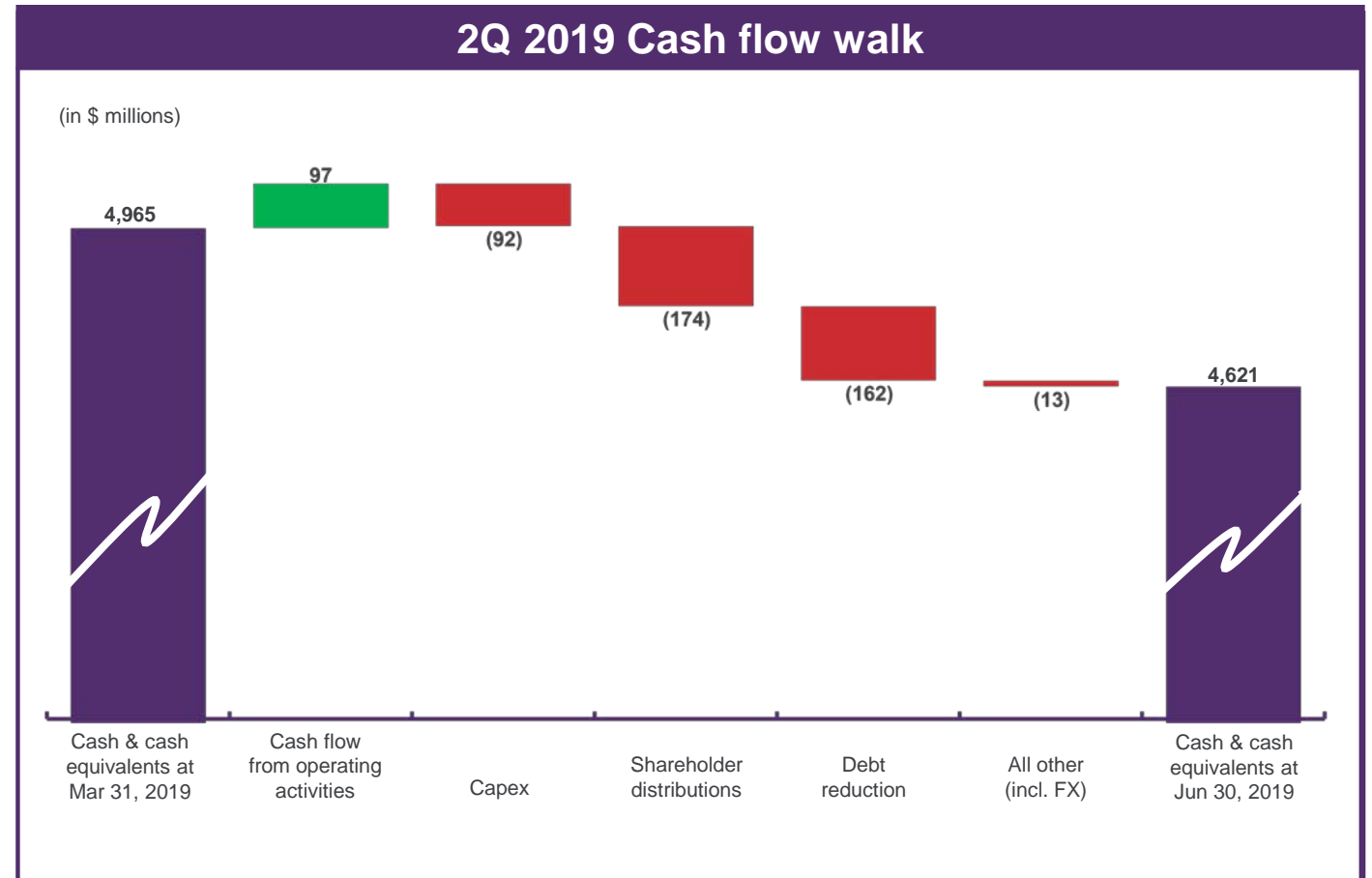
### Operational Highlights

- ▶ Revenue increased 5%: driven by higher wellhead sales globally and frac rental service in NAM, partially offset by reduced flowline sales due to lower completions-related activity in NAM
- ▶ Adjusted EBITDA margin decreased 700 bps to 11.1%: primarily impacted by decline in completions-related activity in NAM, resulting in a weaker pricing environment and an unfavorable product line mix
- ▶ Inbound orders of \$415.7 million; book-to-bill of 1.0; period-end backlog at \$426.6 million

# Positive operating cash flow; discretionary items drive spend



- ### Q2 2019 items of note
- ▶ **Positive operating cash flow in 1H 2019**
    - 2Q: \$97 million, 1H 2019: \$218 million
    - Yamal cash outflow of \$21 million
  - ▶ **Capital expenditures of \$92 million**
  - ▶ **Shareholder distributions of \$174 million**
  - ▶ **Cash payments to Yamal JV partners**
    - \$46 million for mandatorily redeemable liability



# Financial disclosures – Yamal LNG

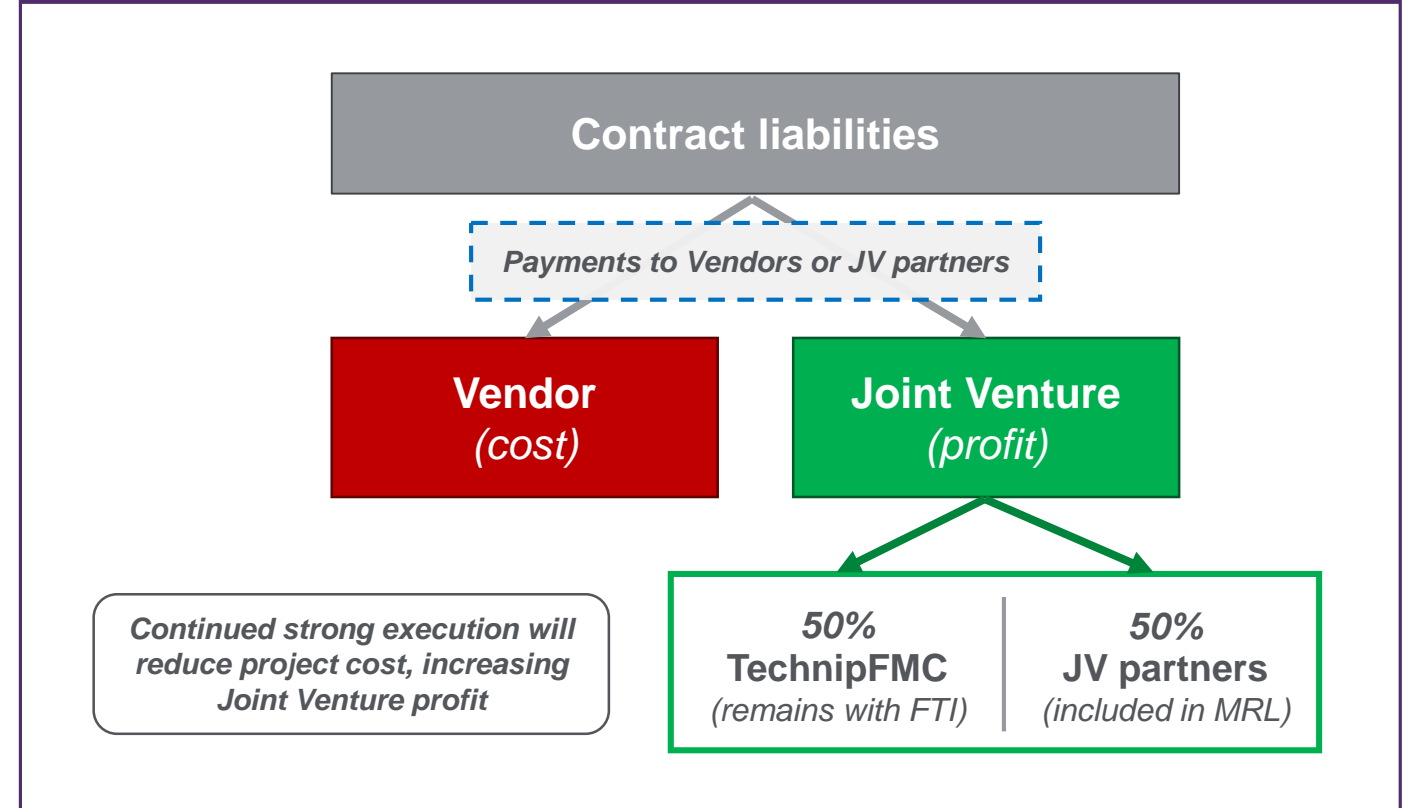
## Project disclosure data

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**BUSINESS SEGMENT DATA FOR YAMAL LNG JOINT VENTURE**  
(In millions, unaudited)

	June 30, 2019
Contract liabilities	\$ 1,721.1
Mandatorily redeemable financial liability	412.8
	Three Months Ended June 30, 2019
Cash required by operating activities	\$ (21.2)
Settlements of mandatorily redeemable financial liability	(45.7)

Source: Q2 2019 earnings release schedules (Exhibit 6)

## Contract liabilities structure



# Updates to 2019 Financial guidance<sup>1</sup> *\*Updated July 24, 2019*

## Subsea

- ▶ **Revenue\*** in a range of \$5.6 – 5.8 billion
- ▶ **EBITDA\*** margin at least 11.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)
- ▶ **Previous guidance**
  - *Revenue in a range of \$5.4 – 5.7 billion*
  - *EBITDA margin at least 11%*

## Onshore/Offshore

- ▶ **Revenue** in a range of \$6.0 – 6.3 billion
- ▶ **EBITDA\*** margin at least 16.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)
- ▶ **Previous guidance**
  - *Revenue guidance unchanged*
  - *EBITDA margin at least 14%*

## TechnipFMC

- ▶ **Net interest expense\*** \$30 – 40 million for the full year (excluding the impact of revaluation of partners' mandatorily redeemable financial liability)
  - *Previous guidance of \$40 – 60 million for the full year*
- ▶ **Tax rate\*** 26 – 30% for the full year
  - *Previous guidance of 28 – 32% for the full year (excluding the impact of discrete items)*

<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.

# Summary

## Company highlights

- ▶ Unprecedented level of inbound orders – \$11.2 billion sets a new record for TechnipFMC
- ▶ Book-to-bill of 3.3 drives Total Company backlog to \$25.8 billion – a 77% increase since year-end
- ▶ Subsea inbound in first half of 2019 exceeds prior-year total; Golfinho is our largest integrated project to date
- ▶ Record Onshore/Offshore profitability; recovery in Surface Technologies margin despite NAM challenges

## Key takeaways

- ▶ iEPCI™ is a unique growth engine; more than 50% of Subsea orders year-to-date from integrated awards
- ▶ Arctic LNG 2 award highlights demonstrated capability in complex module fabrication and integration
- ▶ Upgraded guidance for both Subsea and Onshore/Offshore
- ▶ Strong growth in backlog and continued strength in execution provide greater confidence in 2019 and beyond

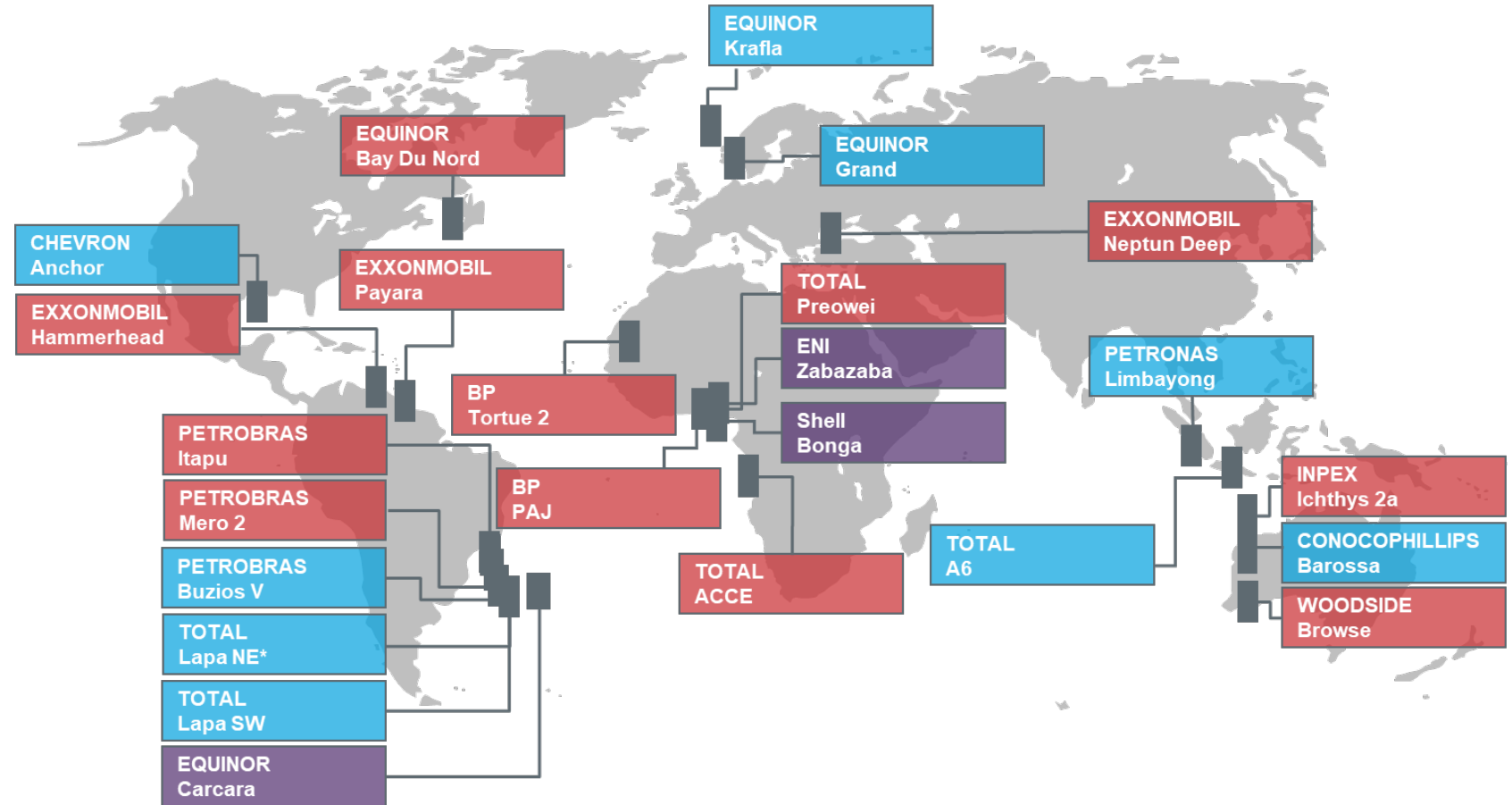


# Appendix

# 2Q19 Updates: Subsea opportunities in the next 24 months<sup>1</sup>

## PROJECT UPDATES

Added	Removed
BP PAJ	SHELL Ormen Lange
EXXONMOBIL Hammerhead	EQUINOR Johan Sverdrup 2*
BP Tortue 2	RELIANCE MJ-1
Total A6	ANADARKO Golfinho
EQUINOR Krafla	



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

<sup>1</sup>July 2019 update; project value ranges reflect potential subsea scope

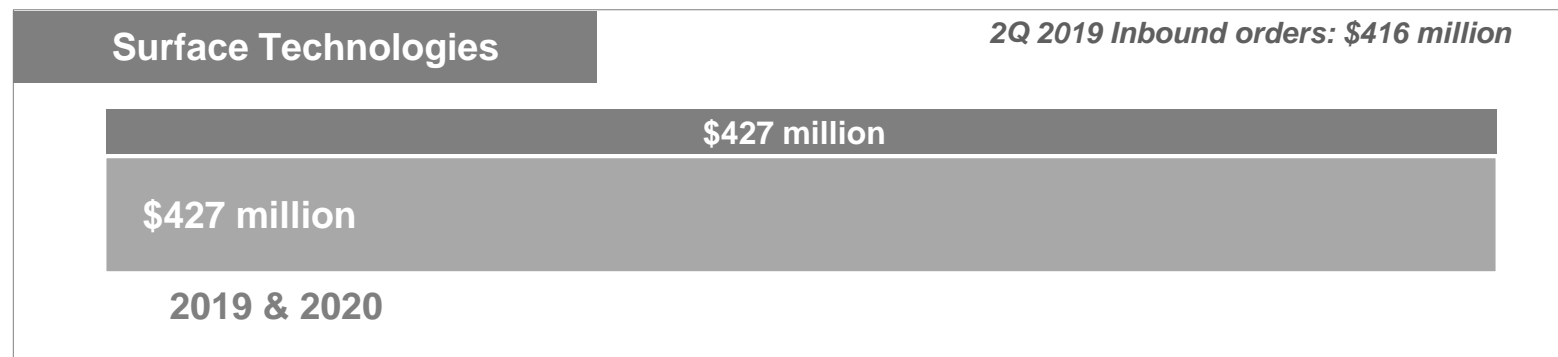
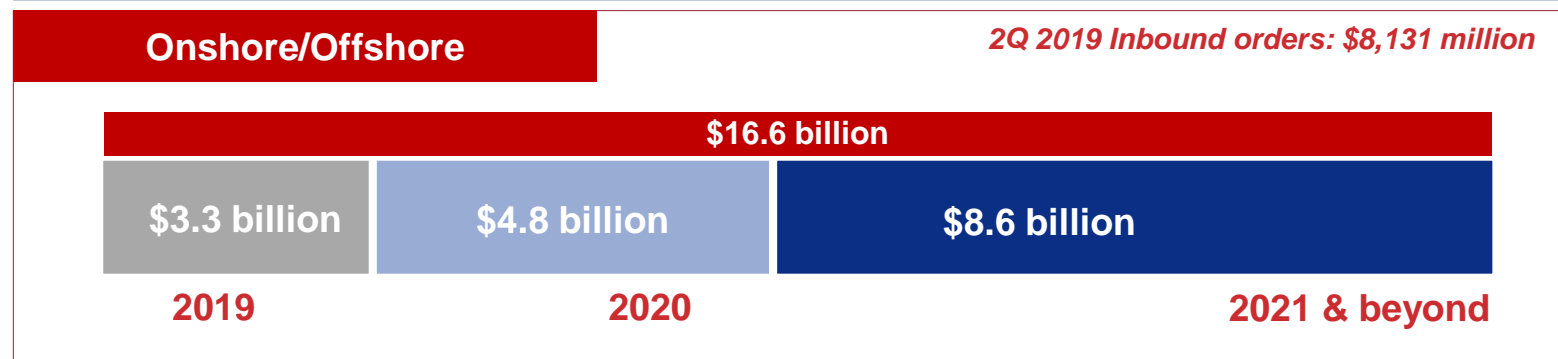
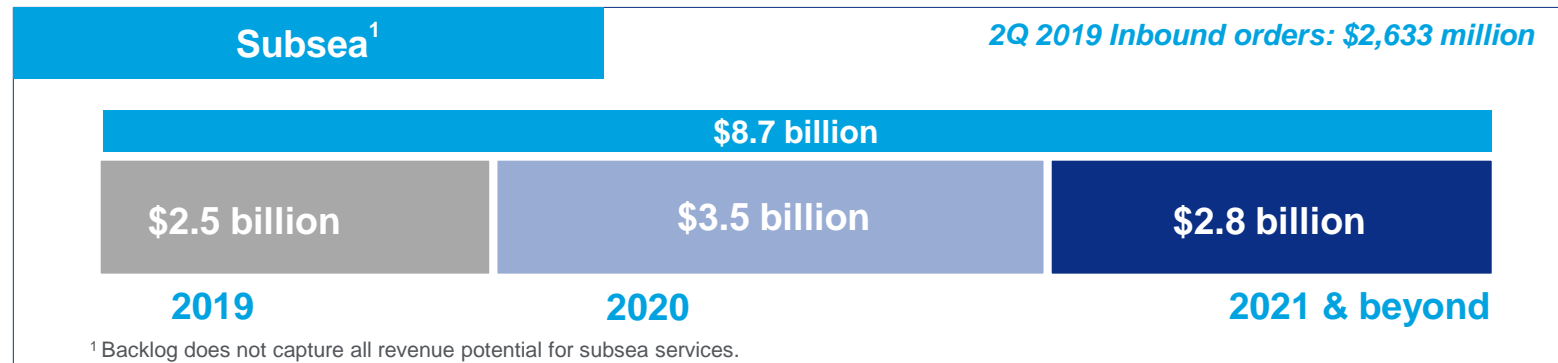
\*Value of remaining scope is less than \$250M following partial project award

# 2019 Financial guidance<sup>1</sup> \*Updated July 24, 2019

Subsea	Onshore/Offshore	Surface Technologies
<ul style="list-style-type: none"> <li>▶ <b>Revenue</b> in a range of \$5.6–5.8 billion*</li> <li>▶ <b>EBITDA margin</b> at least 11.5%* (excluding amortization related impact of purchase price accounting, and other charges and credits)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Revenue</b> in a range of \$6.0–6.3 billion</li> <li>▶ <b>EBITDA margin</b> at least 16.5%* (excluding amortization related impact of purchase price accounting, and other charges and credits)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Revenue</b> in a range of \$1.6–1.7 billion</li> <li>▶ <b>EBITDA margin</b> at least 12% (excluding amortization related impact of purchase price accounting, and other charges and credits)</li> </ul>
<b>TechnipFMC</b>		
<ul style="list-style-type: none"> <li>▶ <b>Corporate expense, net</b> \$160 – 170 million for the full year (excluding the impact of foreign currency fluctuations)</li> <li>▶ <b>Net interest expense*</b> \$30 – 40 million for the full year (excluding the impact of revaluation of partners' mandatorily redeemable financial liability)</li> <li>▶ <b>Tax rate*</b> 26 – 30% for the full year</li> <li>▶ <b>Capital expenditures</b> approximately \$350 million for the full year</li> <li>▶ <b>Cash flow from operating activities</b> positive for the full year</li> <li>▶ <b>Merger integration and restructuring costs</b> approximately \$50 million for the full year</li> <li>▶ <b>Cost synergies</b> \$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)</li> </ul>		

<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.

# 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
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>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>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>
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>

<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	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Subsea	\$ 1,508.7	\$ 1,185.3	\$ 1,233.3	\$ 1,209.1	\$ 1,217.4
Onshore/Offshore	\$ 1,505.0	\$ 1,335.1	\$ 1,672.4	\$ 1,532.5	\$ 1,342.4
Surface Technologies	\$ 420.5	\$ 392.6	\$ 417.3	\$ 402.2	\$ 401.1
Corporate and Other	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 3,434.2</b>	<b>\$ 2,913.0</b>	<b>\$ 3,323.0</b>	<b>\$ 3,143.8</b>	<b>\$ 2,960.9</b>

Adjusted EBITDA	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Subsea	\$ 186.2	\$ 139.7	\$ 148.5	\$ 188.5	\$ 191.2
Onshore/Offshore	\$ 281.9	\$ 194.8	\$ 217.2	\$ 227.3	\$ 170.9
Surface Technologies	\$ 46.7	\$ 30.1	\$ 64.9	\$ 72.5	\$ 72.6
Corporate and Other	\$ (64.8)	\$ (68.8)	\$ (88.2)	\$ (57.8)	\$ (57.5)
<b>Total</b>	<b>\$ 450.0</b>	<b>\$ 295.8</b>	<b>\$ 342.4</b>	<b>\$ 430.5</b>	<b>\$ 377.2</b>

Adjusted EBITDA Margin	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Subsea	12.3%	11.8%	12.0%	15.6%	15.7%
Onshore/Offshore	18.7%	14.6%	13.0%	14.8%	12.7%
Surface Technologies	11.1%	7.7%	15.6%	18.0%	18.1%
Corporate and Other					
<b>Total</b>	<b>13.1%</b>	<b>10.2%</b>	<b>10.3%</b>	<b>13.7%</b>	<b>12.7%</b>

Inbound Orders (1)	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Subsea	\$ 2,632.7	\$ 2,677.6	\$ 880.6	\$ 1,553.9	\$ 1,516.2
Onshore/Offshore	\$ 8,131.2	\$ 3,138.9	\$ 1,609.4	\$ 1,666.1	\$ 2,300.8
Surface Technologies	\$ 415.7	\$ 368.0	\$ 435.1	\$ 427.2	\$ 414.7
Corporate and Other					
<b>Total</b>	<b>\$ 11,179.6</b>	<b>\$ 6,184.5</b>	<b>\$ 2,925.1</b>	<b>\$ 3,647.2</b>	<b>\$ 4,231.7</b>

Order Backlog (2)	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Subsea	\$ 8,747.0	\$ 7,477.3	\$ 5,999.6	\$ 6,343.4	\$ 6,177.0
Onshore/Offshore	\$ 16,608.3	\$ 9,862.7	\$ 8,090.5	\$ 8,378.8	\$ 8,279.5
Surface Technologies	\$ 426.6	\$ 437.6	\$ 469.9	\$ 455.8	\$ 415.3
Corporate and Other					
<b>Total</b>	<b>\$ 25,781.9</b>	<b>\$ 17,777.6</b>	<b>\$ 14,560.0</b>	<b>\$ 15,178.0</b>	<b>\$ 14,871.8</b>

Book-to-Bill (3)	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Subsea	1.7	2.3	0.7	1.3	1.2
Onshore/Offshore	5.4	2.4	1.0	1.1	1.7
Surface Technologies	1.0	0.9	1.0	1.1	1.0
Corporate and Other					
<b>Total</b>	<b>3.3</b>	<b>2.1</b>	<b>0.9</b>	<b>1.2</b>	<b>1.4</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 second 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 June 30, 2019						
	Net income attributable to TechnipFMC plc	Net income attributable to noncontrolling interests	Provision for income taxes	Net interest expense	Income 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	\$ 97.0	\$ (16.7)	\$ 0.9	\$ (140.6)	\$ 255.2	\$ 117.5	\$ 372.7
Charges and (credits):							
Impairment and other charges	0.4	—	0.1	—	0.5	—	0.5
Restructuring and other severance charges	6.7	—	2.0	—	8.7	—	8.7
Business combination transaction and integration costs	9.8	—	3.1	—	12.9	—	12.9
Legal provision, net	55.2	—	—	—	55.2	—	55.2
Purchase price accounting adjustment	6.5	—	2.0	—	8.5	(8.5)	—
Adjusted financial measures	<u>\$ 175.6</u>	<u>\$ (16.7)</u>	<u>\$ 8.1</u>	<u>\$ (140.6)</u>	<u>\$ 341.0</u>	<u>\$ 109.0</u>	<u>\$ 450.0</u>
Diluted earnings per share attributable to TechnipFMC plc, as reported	\$ 0.21						
Adjusted diluted earnings per share attributable to TechnipFMC plc	\$ 0.39						

**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 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 June 30, 2018						
	Net income attributable to TechnipFMC plc	Net income attributable to noncontrolling interests	Provision for income taxes	Net interest expense	Income 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	\$ 105.7	\$ (4.4)	\$ 64.7	\$ (50.9)	\$ 225.7	\$ 138.7	\$ 364.4
Charges and (credits):							
Impairment and other charges	6.9	—	2.6	—	9.5	—	9.5
Restructuring and other severance charges	1.4	—	0.5	—	1.9	—	1.9
Business combination transaction and integration costs	6.5	—	2.5	—	9.0	—	9.0
Purchase price accounting adjustment	11.3	—	3.4	—	14.7	(22.3)	(7.6)
Adjusted financial measures	<u>\$ 131.8</u>	<u>\$ (4.4)</u>	<u>\$ 73.7</u>	<u>\$ (50.9)</u>	<u>\$ 260.8</u>	<u>\$ 116.4</u>	<u>\$ 377.2</u>
Diluted earnings per share attributable to TechnipFMC plc, as reported	\$ 0.23						
Adjusted diluted earnings per share attributable to TechnipFMC plc	\$ 0.28						



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

	Three Months Ended				
	June 30, 2019				
	Subsea	Onshore/ Offshore	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,508.7	\$ 1,505.0	\$ 420.5	\$ —	\$ 3,434.2
Operating profit (loss), as reported (pre-tax)	\$ 94.6	\$ 274.0	\$ 25.5	\$ (138.9)	\$ 255.2
Charges and (credits):					
Impairment and other charges	(0.1)	—	0.6	—	0.5
Restructuring and other severance charges	4.6	2.1	0.6	1.4	8.7
Business combination transaction and integration costs	—	—	—	12.9	12.9
Legal provision, net	—	—	—	55.2	55.2
Purchase price accounting adjustments - amortization related	8.5	—	—	—	8.5
Subtotal	13.0	2.1	1.2	69.5	85.8
Adjusted Operating profit (loss)	107.6	276.1	26.7	(69.4)	341.0
Adjusted Depreciation and amortization	78.6	5.8	20.0	4.6	109.0
Adjusted EBITDA	\$ 186.2	\$ 281.9	\$ 46.7	\$ (64.8)	\$ 450.0
Operating profit margin, as reported	6.3%	18.2%	6.1%		7.4%
Adjusted Operating profit margin	7.1%	18.3%	6.3%		9.9%
Adjusted EBITDA margin	12.3%	18.7%	11.1%		13.1%

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

(In millions, unaudited)

	Three Months Ended				
	June 30, 2018				
	Subsea	Onshore/ Offshore	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,217.4	\$ 1,342.4	\$ 401.1	\$ —	\$ 2,960.9
Operating profit (loss), as reported (pre-tax)	\$ 75.9	\$ 171.3	\$ 51.5	\$ (73.0)	\$ 225.7
Charges and (credits):					
Impairment and other charges	6.8	(2.6)	1.4	3.9	9.5
Restructuring and other severance charges	4.2	(6.5)	2.9	1.3	1.9
Business combination transaction and integration costs	—	—	—	9.0	9.0
Purchase price accounting adjustments - non-amortization related	(8.6)	—	1.2	(0.2)	(7.6)
Purchase price accounting adjustments - amortization related	22.4	—	(0.2)	0.1	22.3
Subtotal	24.8	(9.1)	5.3	14.1	35.1
Adjusted Operating profit (loss)	100.7	162.2	56.8	(58.9)	260.8
Adjusted Depreciation and amortization	90.5	8.7	15.8	1.4	116.4
Adjusted EBITDA	\$ 191.2	\$ 170.9	\$ 72.6	\$ (57.5)	\$ 377.2
Operating profit margin, as reported	6.2%	12.8%	12.8%		7.6%
Adjusted Operating profit margin	8.3%	12.1%	14.2%		8.8%
Adjusted EBITDA margin	15.7%	12.7%	18.1%		12.7%

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

(In millions, unaudited)

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
Cash and cash equivalents	\$ 4,621.3	\$ 5,540.0
Short-term debt and current portion of long-term debt	(80.7)	(67.4)
Long-term debt, less current portion	(3,701.1)	(4,124.3)
Net cash	<u>\$ 839.5</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.

