



# Q2 2023 Earnings Presentation

July 27, 2023

# 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, market growth and recovery, growth of our new energies business 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 future 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 any resurgence thereof; our inability to develop, implement and protect new technologies and services and intellectual property related thereto, including new technologies and services for our New Energy business; the cumulative loss of major contracts, customers or alliances and unfavorable credit and commercial terms of certain contracts; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; the refusal of DTC to act as depository agency for our shares; 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; additional costs or risks from increasing scrutiny and expectations regarding ESG matters; uncertainties related to our investments in New Energy business; the risks caused by fixed-price contracts; our failure to timely 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; risks of pirates endangering our maritime employees and assets; any delays and cost overruns of new capital asset construction projects for vessels and manufacturing facilities; potential liabilities inherent in the industries in which we operate or have operated; our failure to comply with existing and future laws and regulations, including those related to environmental protection, climate change, 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; tax laws, treaties and regulations and any unfavorable findings by relevant tax authorities; potential departure of our key managers and employees; adverse seasonal and weather conditions and unfavorable currency exchange rates; risk in connection with our defined benefit pension plan commitments; and our inability to obtain sufficient bonding capacity for certain contracts, 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, 2022 and our other reports subsequently filed with the Securities and Exchange Commission.

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.

# Operational highlights and financial results

# Q2 2023 Operational summary

## Highlights

- ▶ Subsea inbound of \$4.1 billion, a book-to-bill of 2.5; Subsea order outlook to now reach \$9 billion in 2023
- ▶ Six iEPCI™ awards in the quarter, including largest iEPCI™ award to-date for Equinor's BM-C-33 project
- ▶ FEED pipeline continues to expand, with more projects in advanced stages moving towards FID
- ▶ Total Company backlog of \$13.3 billion, driven by Subsea backlog growth of 29% sequentially to \$12.1 billion
- ▶ Commitment to distribute more than 60% of annual free cash flow through at least 2025

## Takeaways

**Equinor, ExxonMobil and Chevron all new adopters of Subsea 2.0™ product platform**

**Record inbound for both iEPCI™ and Subsea 2.0™ in the quarter**

**Clients securing capacity for project inbound that extends execution out to 2030**

# Q2 2023 Financial results

## Sequential highlights

- ▶ Total Company adjusted EBITDA of \$254 million, excluding foreign exchange:
  - Subsea increased due to higher project and service activity and improved backlog margin
  - Surface Technologies improved due to higher revenue and improved operational performance
- ▶ Cash flow from operating activities of \$156 million, free cash flow of \$103 million
- ▶ Cash and cash equivalents increased to \$585 million; net debt reduced to \$844 million
- ▶ Initiated quarterly dividend of \$0.05 per share; repurchase authorization increased \$400 million

**\$4.4B**  
Inbound orders

**\$13.3B**  
Backlog

**\$254M**  
Adjusted EBITDA  
excluding F/X

**\$103M**  
Free cash flow

## Segment results

<b>Subsea</b>	<b>2Q23</b>	<b>1Q23</b>	<b>2Q22</b>	<b>QoQ</b>	<b>YoY</b>
<b>Revenue</b>	<b>1,618</b>	1,388	1,415	▲ 17%	▲ 14%
<b>Adjusted EBITDA</b>	<b>234</b>	142	176	▲ 65%	▲ 33%
<b>Adjusted EBITDA margin</b>	<b>14.4%</b>	10.2%	12.4%	▲ 420 bps	▲ 200 bps
<b>Inbound orders</b>	<b>4,115</b>	2,537	1,928	▲ 62%	▲ 113%
<b>Backlog</b>	<b>12,089</b>	9,395	7,926	▲ 29%	▲ 53%

<b>Surface Technologies</b>	<b>2Q23</b>	<b>1Q23</b>	<b>2Q22</b>	<b>QoQ</b>	<b>YoY</b>
<b>Revenue</b>	<b>354</b>	330	303	▲ 7%	▲ 17%
<b>Adjusted EBITDA</b>	<b>47</b>	40	32	▲ 16%	▲ 45%
<b>Adjusted EBITDA margin</b>	<b>13.3%</b>	12.2%	10.7%	▲ 110 bps	▲ 260 bps
<b>Inbound orders</b>	<b>333</b>	322	274	▲ 3%	▲ 22%
<b>Backlog</b>	<b>1,190</b>	1,212	1,113	▼ -2%	▲ 7%

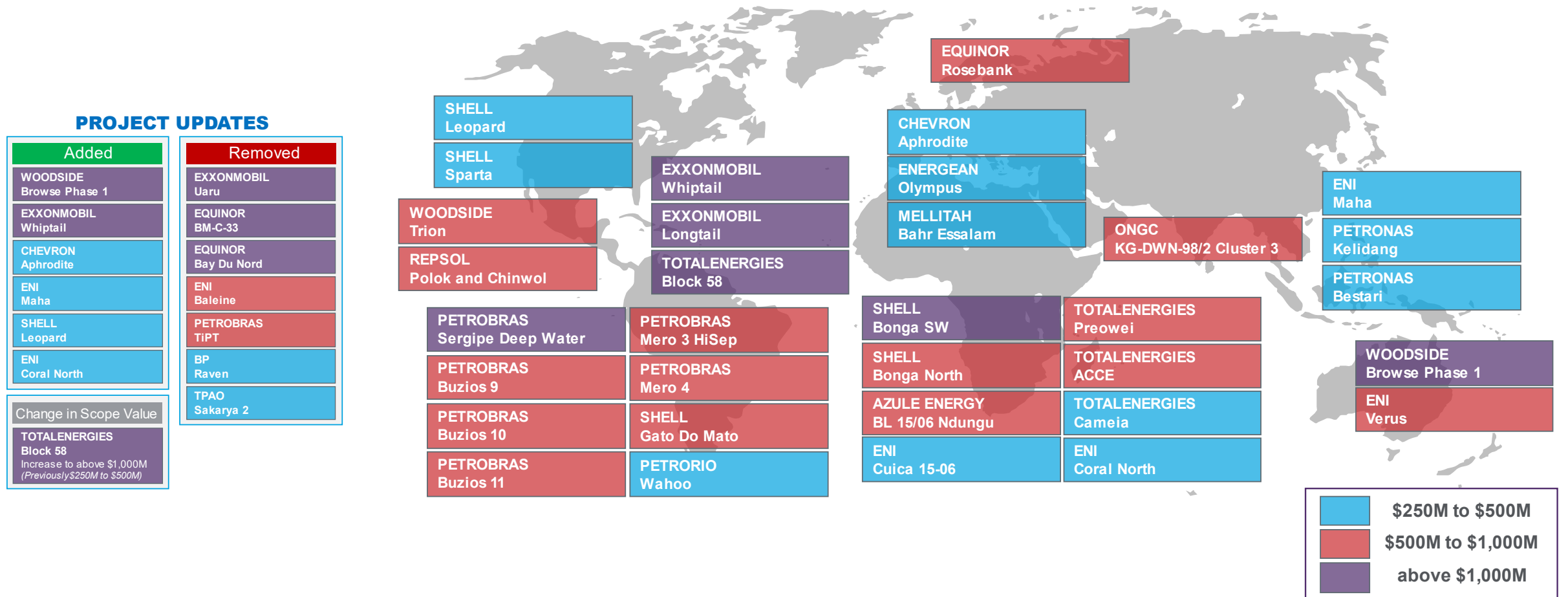
# Shareholder distribution update

## Takeaways

- ▶ Initiated quarterly cash dividend of \$0.05 per share
- ▶ Repurchase authorization increased to \$800 million
  - \$200 million of shares repurchased since initial authorization for average price of \$11.77
  - \$600 million available under remaining authorization
- ▶ Majority of distributions expected to come from share repurchase, with potential to grow dividend over time
- ▶ Expect distributions in 2024 to grow in-line or better than growth in Company adjusted EBITDA excl. F/X
- ▶ Commitment to return a minimum of 60% of annual free cash flow to shareholders through at least 2025

<i>(in millions)</i>	<b>Total Authorization</b>	<b>Cummulative Repurchase</b>	<b>Available for Repurchase</b>
	<i>New authorization of \$400 million (July 27, 2022)</i>		
<b>Q3 2022</b>	\$400	\$50	\$350
<b>Q4 2022</b>	\$400	\$100	\$300
<b>Q1 2023</b>	\$400	\$150	\$250
<b>Q2 2023</b>	\$400	\$200	\$200
	<i>Increased authorization by \$400 million (July 26, 2023)</i>		
<b>Current</b>	<b>\$800</b>	<b>\$200</b>	<b>\$600</b>

# Subsea opportunities in the next 24 months<sup>1</sup>



<sup>1</sup> July 2023 update; project value ranges reflect potential subsea scope

# 2023 Full-year financial guidance<sup>1</sup> *As of February 23, 2023*

## Subsea

- ▶ **Revenue** in a range of \$5.9 – 6.3 billion
- ▶ **Adjusted EBITDA margin** in a range of 12.5 – 13.5%

## Surface Technologies

- ▶ **Revenue** in a range of \$1.3 – 1.45 billion
- ▶ **Adjusted EBITDA margin** in a range of 12 – 14%

## TechnipFMC

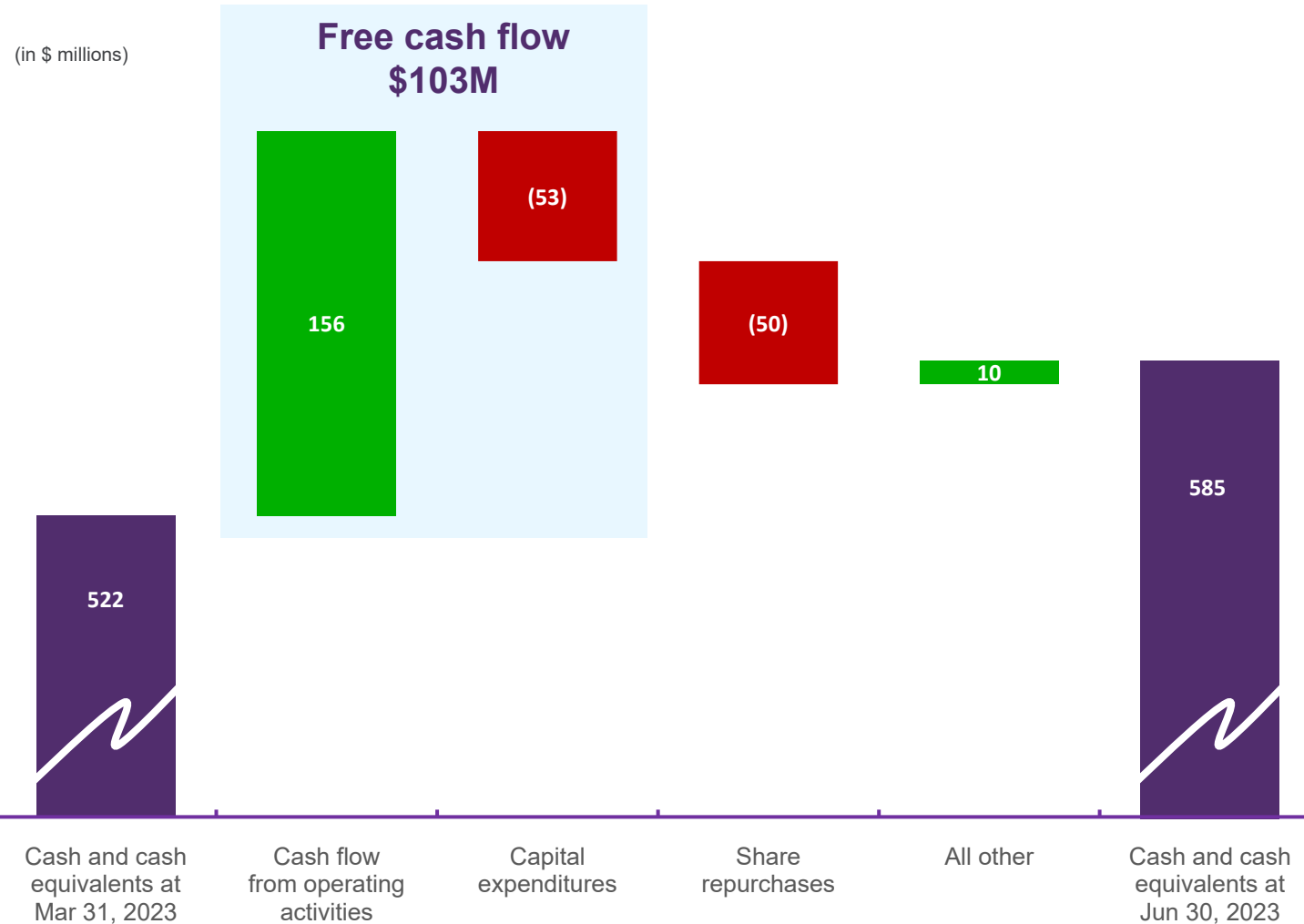
- ▶ **Corporate expense, net** \$100 – 110 million (includes depreciation and amortization of ~\$5 million; excludes charges and credits)
- ▶ **Net interest expense** \$100 – 110 million
- ▶ **Tax provision, as reported** \$155 – 165 million
- ▶ **Capital expenditures** approximately \$250 million
- ▶ **Free cash flow<sup>2</sup>** \$225 – 375 million

<sup>1</sup>Our guidance measures of adjusted EBITDA, adjusted EBITDA margin, free cash flow, free cash flow conversion and adjusted corporate expense, net are non-GAAP financial measures. We are unable to provide a reconciliation to comparable GAAP financial measures 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 each such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

<sup>2</sup>Free cash flow is calculated as cash flow from operations less capital expenditures

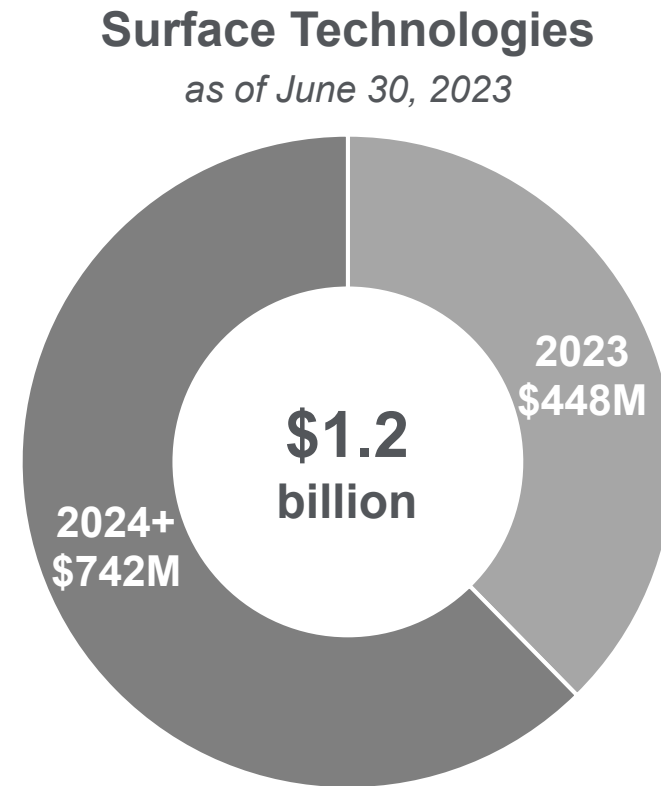
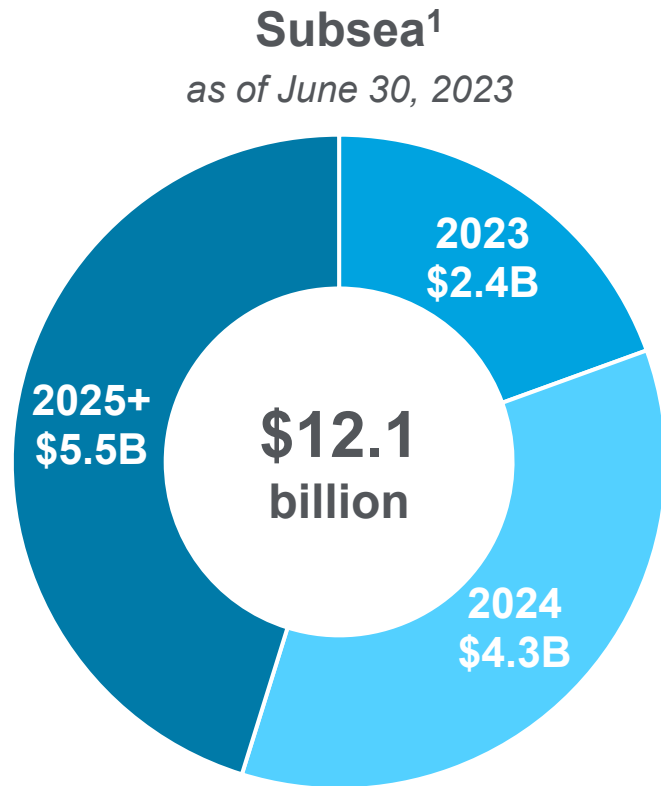


# Q2 2023 Cash flow and net debt



<b>Net Debt</b>	
<b>(In millions, unaudited)</b>	
	June 30, 2023
Cash and cash equivalents	\$ 585
Short-term debt and current portion of long-term debt	(429)
Long-term debt, less current portion	(1,000)
<b>Net debt</b>	<b>\$ (844)</b>

# Backlog scheduling provides visibility



<sup>1</sup> Backlog does not capture all revenue potential for Subsea Services

# Appendix

# Glossary

<b>Term</b>	<b>Definition</b>	<b>Term</b>	<b>Definition</b>
CAGR	Compound Annual Growth Rate	iLOF™	Integrated Life of Field
CCS	Carbon Capture and Storage	LNG	Liquefied Natural Gas
ESG	Environmental, Social and Governance	MMb/d	Million Barrels per Day
FID	Final Investment Decision	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
iEPCI™	Integrated Engineering, Procurement, Construction and Installation		
iFEED™	Integrated Front End Engineering and Design		

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

In addition to financial results determined in accordance with U.S. generally accepted accounting principles (GAAP), the second quarter 2023 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 or sequential basis. Income (loss) from continuing operations attributable to TechnipFMC plc, 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 Adjusted EBITDA, excluding foreign exchange gains or losses, net; Adjusted EBITDA margin; Adjusted EBITDA margin, excluding foreign exchange, net; Corporate expense, excluding charges and credits; Foreign exchange, net and other, excluding charges and credits; and net debt) 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.

	<b>Three Months Ended</b>						
	<b>June 30, 2023</b>						
	<b>Income (loss) from continuing operations attributable to TechnipFMC plc</b>	<b>Loss attributable to non-controlling interests from continuing operations</b>	<b>Provision for income taxes</b>	<b>Net interest expense and loss on early extinguishment of debt</b>	<b>Income (loss) before net interest expense and income taxes (Operating profit)</b>	<b>Depreciation and amortization</b>	<b>Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)</b>
TechnipFMC plc, as reported	\$ (87.2)	\$ (9.1)	\$ 43.3	\$ 30.3	\$ (22.7)	\$ 97.0	\$ 74.3
Charges and (credits):							
Restructuring and other charges	4.7	—	0.4	—	5.1	—	5.1
Non-recurring legal settlement charges	126.5	—	—	—	126.5	—	126.5
Adjusted financial measures	<u>\$ 44.0</u>	<u>\$ (9.1)</u>	<u>\$ 43.7</u>	<u>\$ 30.3</u>	<u>\$ 108.9</u>	<u>\$ 97.0</u>	<u>\$ 205.9</u>
Diluted earnings (loss) per share from continuing operations attributable to TechnipFMC plc, as reported	\$ (0.20)						
Adjusted diluted earnings per share from continuing operations attributable to TechnipFMC plc	\$ 0.10						

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(In millions, unaudited)

	Three Months Ended				
	June 30, 2023				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net and Other	Total
Revenue	\$ 1,618.4	\$ 353.8	\$ —	\$ —	\$ 1,972.2
Operating profit (loss), as reported (pre-tax)	\$ 153.4	\$ 25.7	\$ (153.5)	\$ (48.3)	\$ (22.7)
Charges and (credits):					
Restructuring and other charges	0.5	4.6	—	—	5.1
Non-recurring legal settlement charges	—	—	126.5	—	126.5
Subtotal	0.5	4.6	126.5	—	131.6
Adjusted Operating profit (loss)	153.9	30.3	(27.0)	(48.3)	108.9
Depreciation and amortization	79.9	16.6	0.5	—	97.0
Adjusted EBITDA	\$ 233.8	\$ 46.9	\$ (26.5)	\$ (48.3)	\$ 205.9
Foreign exchange, net	0.0	0.0	0.0	48.3	48.3
Adjusted EBITDA, excluding foreign exchange, net	<u>\$ 233.8</u>	<u>\$ 46.9</u>	<u>\$ (26.5)</u>	<u>\$ —</u>	<u>\$ 254.2</u>
Operating profit margin, as reported	9.5 %	7.3 %			-1.2 %
Adjusted Operating profit margin	9.5 %	8.6 %			5.5 %
Adjusted EBITDA margin	14.4 %	13.3 %			10.4 %
Adjusted EBITDA margin, excluding foreign exchange, net	14.4 %	13.3 %			12.9 %

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

	Three Months Ended				
	March 31, 2023				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net and Other	Total
Revenue	\$ 1,387.6	\$ 329.8	\$ —	\$ —	\$ 1,717.4
Operating profit (loss), as reported (pre-tax)	\$ 66.8	\$ 22.4	\$ (27.4)	\$ 2.1	\$ 63.9
Charges and (credits):					
Restructuring and other charges	(0.1)	0.7	—	—	0.6
Subtotal	(0.1)	0.7	—	—	0.6
Adjusted Operating profit (loss)	66.7	23.1	(27.4)	2.1	64.5
Depreciation and amortization	75.2	17.2	0.6	—	93.0
Adjusted EBITDA	\$ 141.9	\$ 40.3	\$ (26.8)	\$ 2.1	\$ 157.5
Foreign exchange, net	—	—	—	(2.1)	(2.1)
Adjusted EBITDA, excluding foreign exchange, net	\$ 141.9	\$ 40.3	\$ (26.8)	\$ —	\$ 155.4
Operating profit margin, as reported	4.8 %	6.8 %			3.7 %
Adjusted Operating profit margin	4.8 %	7.0 %			3.8 %
Adjusted EBITDA margin	10.2 %	12.2 %			9.2 %
Adjusted EBITDA margin, excluding foreign exchange, net	10.2 %	12.2 %			9.0 %

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

	Three Months Ended				
	June 30, 2022				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	\$ 1,414.6	\$ 302.6	\$ —	\$ —	\$ 1,717.2
Operating profit (loss), as reported (pre-tax)	\$ 97.1	\$ 10.0	\$ (22.0)	\$ —	\$ 85.1
Charges and (credits):					
Restructuring and other charges	2.6	5.4	0.2	—	8.2
Income from investment in Technip Energies	—	—	—	(0.8)	(0.8)
Subtotal	2.6	5.4	0.2	(0.8)	7.4
Adjusted Operating profit (loss)	<u>99.7</u>	<u>15.4</u>	<u>(21.8)</u>	<u>(0.8)</u>	<u>92.5</u>
Depreciation and amortization	76.3	17.0	0.7	—	94.0
Adjusted EBITDA	<u>\$ 176.0</u>	<u>\$ 32.4</u>	<u>\$ (21.1)</u>	<u>\$ (0.8)</u>	<u>\$ 186.5</u>
Foreign exchange, net	—	—	—	0.8	0.8
Adjusted EBITDA, excluding foreign exchange, net	<u><u>\$ 176.0</u></u>	<u><u>\$ 32.4</u></u>	<u><u>\$ (21.1)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 187.3</u></u>
Operating profit margin, as reported	6.9 %	3.3 %			5.0 %
Adjusted Operating profit margin	7.0 %	5.1 %			5.4 %
Adjusted EBITDA margin	12.4 %	10.7 %			10.9 %
Adjusted EBITDA margin, excluding foreign exchange, net	12.4 %	10.7 %			10.9 %



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

	<u>June 30,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
Cash and cash equivalents	\$ 585.2	\$ 522.3	\$ 684.9
Short-term debt and current portion of long-term debt	(429.5)	(385.0)	(104.0)
Long-term debt, less current portion	<u>(999.7)</u>	<u>(1,005.7)</u>	<u>(1,370.7)</u>
Net debt	<u>\$ (844.0)</u>	<u>\$ (868.4)</u>	<u>\$ (789.8)</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.

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

	<b>Three Months Ended</b>		<b>Six Months Ended June 30,</b>	
	<b>June 30,</b>			<b>2022</b>
	<b>2023</b>	<b>2023</b>		
Cash provided (required) by operating activities from continuing operations	\$ 156.2	\$ (230.0)	\$ (426.3)	
Capital expenditures	(52.8)	(110.1)	(63.4)	
Free cash flow (deficit) from continuing operations	<u>\$ 103.4</u>	<u>\$ (340.1)</u>	<u>\$ (489.7)</u>	

Free cash flow (deficit) from continuing operations, is a non-GAAP financial measure and is defined as cash provided (required) 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.

