



## **TechnipFMC Announces Fourth Quarter 2017 Results**

February 21, 2018

- **Successful first year; strong operational performance across all segments**

year.

## Summary Financial Statements – Full Year 2017<sup>2</sup>

Reconciliation of U.S. GAAP to non-GAAP financial measures are detailed below and in the financial schedules.

(In millions, except per share amounts)	Twelve Months	Twelve Months	Change
	Ended	Ended	
	December 31,	December 31,	
	2017	2016	
		(Pro Forma)	
Revenue	\$15,056.9	\$19,068.8	(21.0%)
Net income	\$113.3	\$378.2	(70.0%)
Diluted EPS	\$0.24		
Adjusted EBITDA	\$2,031.1	\$2,030.6	n/m
Adjusted EBITDA margin	13.5%	10.6%	290 bps
Net income, excluding charges and credits	\$603.5		
Diluted EPS, excluding charges and credits	\$1.29		
Inbound orders	\$10,196.3		
Backlog	\$12,982.8		

Doug Pferdehirt, CEO of TechnipFMC, stated, "Our full year operational performance is a result of our relentless focus on project execution and our

<b>Revenue</b>	\$1,292.2	\$2,024.1	(36.2%)
<b>Operating profit</b>	\$67.4	\$146.3	(53.9%)
<b>Adjusted EBITDA</b>	\$244.1	\$395.9	(38.3%)
<b>Adjusted EBITDA margin</b>	18.9%	19.6%	(70 bps)

	Ended December 31, 2017	Ended December 31, 2016 (Pro Forma)	
<b>Revenue</b>	\$2,019.5	\$2,060.9	(2.0%)
<b>Operating profit (loss)</b>	\$257.2	\$(55.0)	n/m
<b>Adjusted EBITDA</b>	\$294.5	\$134.6	118.8%
<b>Adjusted EBITDA margin</b>	14.6%	6.5%	810 bps
<b>Inbound orders</b>	\$874.2		
<b>Backlog</b>	\$6,369.1		

Onshore/Offshore reported fourth quarter revenue of \$2,019.5 million. Revenue declined 2 percent from the prior-year quarter. Revenue was modestly lower as we neared completion of the first phase of Yamal LNG, largely offset by increased project activity in the Europe, Middle East, and Asia Pacific regions.

Onshore/Offshore reported operating profit of \$257.2 million; adjusted EBITDA was \$294.5 million with a margin of 14.6 percent. Operating profit and margin improved year-over-year due to solid execution and the achievement of key milestones on several major projects, including Yamal LNG. These same factors drove the significant year-over-year improvement in adjusted EBITDA and margin; adjusted EBITDA margin increased 810 basis points from the prior-year results.

#### Fourth Quarter Onshore/Offshore Highlights

- **Yamal LNG**

Train 1 start-up successful with first cargo loaded in December 2017, with additional cargos achieved to date. Construction and commissioning of

- Backlog does not capture all revenue potential in future periods given reimbursable scope portions of existing contracts.

## Surface Technologies

### Financial Highlights<sup>2</sup>

Reconciliation of U.S. GAAP to non-GAAP financial measures are detailed below and in the financial schedules.

(In millions)	Three Months	Three Months	Change
	Ended	Ended	
	December 31,	December 31,	
	2017	2016	
		(Pro Forma)	
Revenue	\$372.3	\$303.6	22.6%
Operating profit (loss)	\$53.3	\$(5.3)	n/m
Adjusted EBITDA	\$75.8	\$17.5	333.1%
Adjusted EBITDA margin	20.4%	5.8%	1,460bps
Inbound orders	\$392.9		
Backlog	\$409.8		

Surface Technologies reported fourth quarter revenue of \$372.3 million

- Onshore/Offshore revenue in a range of \$5.3 – 5.7 billion; EBITDA margin<sup>4</sup> of at least 10.5% (excluding charges and credits); margin guidance has been increased from the previous guidance of at least 9.5%.

The following items are unchanged from the previous outlook:

- Subsea revenue in a range of \$5.0 – 5.3 billion; EBITDA margin<sup>4</sup> of at least 14% (excluding charges and credits).
- Surface Technologies revenue in a range of \$1.5 – 1.6 billion; EBITDA margin<sup>4</sup> of at least 17.5% (excluding charges and credits).

**2018 Guidance** \*Items updated February 21, 2018

<b>Subsea</b>	<b>Onshore/Offshore</b>	<b>Surface Technologies</b>
Revenue in a range of \$5.0 – 5.3 billion	Revenue in a range of \$5.3 – 5.7 billion	Revenue in a range of \$1.5 – 1.6 billion
EBITDA margin <sup>4</sup> at least 14% (excluding amortization related impact of purchase price accounting, and other charges and credits)	EBITDA margin <sup>4</sup> at least 10.5%* (excluding amortization related impact of purchase price accounting, and other charges and credits)	EBITDA margin <sup>4</sup> at least 17.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)

**TechnipFMC**

**Corporate expense** \$40 – 45 million per quarter (excluding the impact of foreign currency fluctuations)

**Net interest expense** approximately \$20 – 22 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 (\$200 million exit run-rate 12/31/17, \$400 million exit run-rate 12/31/18, \$450 million exit run-rate 12/31/19)

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<sup>4</sup> Our guidance measure, adjusted EBITDA margin, is a non-GAAP measure. 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.

**Teleconference**

- *unanticipated changes relating to competitive factors in our industry;*
- *demand for our products and services, which is affected by changes in the price of, and demand for, crude oil and natural gas in domestic and international markets;*
- *our ability to develop and implement new technologies and services, as well as our ability to protect and maintain critical intellectual property assets;*
- *potential liabilities arising out of the installation or use of our products;*
- *cost overruns related to our fixed price contracts or asset construction projects that may affect revenue;*

3. Fully consolidate the Yamal LNG joint venture for the full period, within the Onshore/Offshore segment.

The results for the three and twelve months ended December 31, 2016 only include the results of Technip, inclusive of the equity in affiliate income from the Yamal LNG joint venture.

When referencing these financial statements, adjusted EBITDA is also used to describe EBITDA excluding amortization related to the impact of purchase price accounting and other charges and credits.

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(In millions except per share amounts)

	(Unaudited)			
	Three Months Ended		Twelve Months Ended	
	December 31		December 31	
	2017	2016	2017	2016
Revenue	\$ 3,683.0	\$ 2,047.7	\$ 15,056.9	\$ 9,199.6
Costs and expenses	3,387.1	2,237.7	14,091.7	8,743.6
	295.9	(190.0)	965.2	456.0
Other income (expense), net	(4.8)	68.9	77.8	124.2
Income (loss) before net interest expense and income taxes	291.1	(121.1)	1,043.0	580.2
Net interest expense	(122.8)	(7.4)	(363.3)	(28.8)
Income (loss) before income taxes	168.3	(128.5)	679.7	551.4
Provision for income taxes	295.8	26.5	545.5	180.3
Net income (loss)	(127.5)	(155.0)	134.2	371.1
Net loss (income) attributable to noncontrolling interests	(26.4)	21.2	(20.9)	22.2
Net income (loss) attributable to TechnipFMC plc	\$ (153.9)	\$ (133.8)	\$ 113.3	\$ 393.3
Earnings (loss) per share attributable to TechnipFMC plc:				
Basic	\$ (0.33)	\$		

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Property, plant and equipment, net	3,871.5	2,620.1
Goodwill	8,929.8	3,718.3
Intangible assets, net	1,333.8	173.7
Other assets	1,111.5	1,172.4
Total assets	\$ 28,570.9	\$ 18,621.7
Short-term debt and current portion of long-term debt	\$ 77.1	\$ 683.6
Accounts payable, trade	4,003.2	3,837.7
Advance payments	-	-
Billings in excess of costs	3,461.9	4,141.8
Other current liabilities	2,634.4	2,225.8
Total current liabilities	10,176.6	10,888.9
Long-term debt, less current portion	3,777.9	1,869.3
Other liabilities	1,207.0	819.4
TechnipFMC plc stockholders' equity	13,387.9	5,055.8
Noncontrolling interests	21.5	(11.7)
Total liabilities and equity	\$ 28,570.9	\$ 18,621.7

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)

(Unaudited)

pages. The financial results reflect the following information:

- On January 16, 2017, TechnipFMC was created by the business combination of Technip S.A. (Technip) and FMC Technologies, Inc. (FMC Technologies).
- In December of 2016, Technip increased its ownership in the Yamal LNG joint venture and became the controlling shareholder. Under U.S. GAAP, this would have resulted in full consolidation of the joint venture on the date of the transaction.

The Non-GAAP results for the three and twelve months ended December 31, 2017:

1. Include the results of Technip for the full period;
2. Include the results of FMC Technologies for the period January 17 to December 31, 2017; revenue of \$112.9 million during the period from January 1 to January 16, 2017 were excluded, of which approximately 70 percent from Subsea and the remainder from Surface Technologies; and

Restructuring and other severance charges	73.5	-	42.7	-	116.2	-	116.2
Business combination transaction and integration costs	10.6	-	4.0	-	14.6	-	14.6
Change in accounting estimate	-	-	-	-	-	-	-
Purchase price accounting adjustments	10.8	-	4.0	-	14.8	(35.1)	(20.3)
Tax reform	138.2		(138.2)		-	-	-
Adjusted financial measures	\$ 90.9	\$ (26.4)	\$ 215.1	\$ (122.8)	\$ 455.2	\$ 117.9	\$ 573.1

evaluate TechnipFMC's operations and consolidated results of operations period-over-period, and to identify operating trends that could otherwise be



Restructuring and other severance charges	55.0	26.1	4.1	31.0	116.2
Business combination transaction and integration costs	-	-	-	14.6	14.6
Change in accounting estimate	-	-	-	-	-
Purchase price accounting adjustments - non-amortization related	(14.8)	-	1.0		





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