UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number: **001-37983**

TechnipFMC plc

(Exact name of registrant as specified in its charter)

United Kingdom	**98-1283037**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One St. Paul's Churchyard **London** **United Kingdom**	**EC4M 8AP**
(Address of principal executive offices)	(Zip Code)

+44 203-429-3950

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of Each Exchange on Which Registered**
Ordinary shares, $1.00 par value per share	FTI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 28, 2020
Ordinary shares, $1.00 par value per share	**449,408,233**

TABLE OF CONTENTS

	Page
PART I — Financial Information	5
Item 1. Financial Statements (Unaudited)	5
Condensed Consolidated Statements of Income	5
Condensed Consolidated Statements of Comprehensive Income	6
Condensed Consolidated Balance Sheets	7
Condensed Consolidated Statements of Cash Flows	8
Condensed Consolidated Statements of Changes in Stockholders’ Equity	9
Notes to Condensed Consolidated Financial Statements	11
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	37
Business Outlook	37
Consolidated Results of Operations	42
Segment Results of Operations	47
Non-GAAP Measures	49
Inbound Orders and Order Backlog	56
Liquidity and Capital Resources	57
Critical Accounting Estimates	59
Other Matters	60
Item 3. Quantitative and Qualitative Disclosures About Market Risk	61
Item 4. Controls and Procedures	61
PART II — Other Information	62
Item 1. Legal Proceedings	62
Item 1A. Risk Factors	62
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	63
Item 3. Defaults Upon Senior Securities	63
Item 4. Mine Safety Disclosures	63
Item 5. Other Information	63
Item 6. Exhibits	64
Signature	65

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of TechnipFMC plc (the “Company,” “we,” “us,” or “our”) 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 (the “Exchange Act”). 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 the words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “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 that 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. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements include those set forth in Part II, Item 1A, “Risk Factors” and elsewhere of this Quarterly Report on Form 10-Q, as well as the following:

- risks associated with disease outbreaks and other public health issues, including the coronavirus disease 2019 (“COVID-19”), their impact on the global economy and the business of our company, customers, suppliers and other partners, changes in, and the administration of, treaties, laws, and regulations, including in response to such issues and the potential for such issues to exacerbate other risks we face, including those related to the factors listed or referenced below;
- risks associated with our ability to consummate our proposed separation and spin-off;
- 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 capital asset construction projects that may affect revenues;
- our ability to timely deliver our backlog and its effect on our future sales, profitability, and our relationships with our customers;
- our reliance on subcontractors, suppliers and joint venture partners in the performance of our contracts;
- our ability to hire and retain key personnel;
- piracy risks for our maritime employees and assets;
- the potential impacts of seasonal and weather conditions;
- the cumulative loss of major contracts or alliances;
- U.S. and international laws and regulations, including existing or future environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations;

- disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business;
- risks associated with The Depository Trust Company and Euroclear for clearance services for shares traded on the NYSE and Euronext Paris, respectively;
- the United Kingdom’s withdrawal from the European Union;
- risks associated with being an English public limited company, including the need for “distributable profits”, shareholder approval of certain capital structure decisions, and the risk that we may not be able to pay dividends or repurchase shares in accordance with our announced capital allocation plan;
- compliance with covenants under our debt instruments and conditions in the credit markets;
- downgrade in the ratings of our debt could restrict our ability to access the debt capital markets;
- the outcome of uninsured claims and litigation against us;
- the risks of currency exchange rate fluctuations associated with our international operations;
- risks related to our acquisition and divestiture activities;
- failure of our information technology infrastructure or any significant breach of security, including related to cyber attacks, and actual or perceived failure to comply with data security and privacy obligations;
- risks associated with tax liabilities, changes in U.S. federal or international tax laws or interpretations to which we are subject; and
- such other risk factors as set forth in our filings with the U.S. 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.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2020**	**2019**	**2020**	**2019**
Revenue				
Service revenue	$ 2,479.0	$ 2,409.6	$ 7,101.9	$ 7,009.5
Product revenue	826.9	839.8	2,416.9	2,471.9
Lease revenue	29.8	85.7	105.7	200.9
Total revenue	3,335.7	3,335.1	9,624.5	9,682.3
Costs and expenses				
Cost of service revenue	2,195.1	1,926.0	6,158.0	5,520.1
Cost of product revenue	652.3	743.9	1,970.0	2,237.2
Cost of lease revenue	28.2	56.5	90.3	126.2
Selling, general and administrative expense	252.0	298.1	780.8	919.7
Research and development expense	35.4	40.6	108.8	110.0
Impairment, restructuring and other expenses (Note 17)	92.0	140.3	3,440.7	166.0
Separation costs (Note 2)	—	9.4	27.1	9.4
Merger transaction and integration costs	—	6.2	—	31.2
Total costs and expenses	3,255.0	3,221.0	12,575.7	9,119.8
Other income (expense), net	28.9	(57.7)	(9.3)	(156.5)
Income from equity affiliates (Note 11)	11.1	25.9	52.9	54.0
Income (loss) before net interest expense and income taxes	120.7	82.3	(2,907.6)	460.0
Net interest expense	(91.8)	(116.5)	(238.5)	(345.3)
Income (loss) before income taxes	28.9	(34.2)	(3,146.1)	114.7
Provision for income taxes (Note 19)	22.5	81.1	77.9	96.5
Net income (loss)	6.4	(115.3)	(3,224.0)	18.2
Net income attributable to non-controlling interests	(10.3)	(3.8)	(24.3)	(19.4)
Net loss attributable to TechnipFMC plc	$ (3.9)	$ (119.1)	$ (3,248.3)	$ (1.2)
Earnings (loss) per share attributable to TechnipFMC plc (Note 7)				
Basic	$ (0.01)	$ (0.27)	$ (7.24)	$ —
Diluted	$ (0.01)	$ (0.27)	$ (7.24)	$ —
Weighted average shares outstanding (Note 7)				
Basic	449.4	446.9	448.4	448.6
Diluted	449.4	446.9	448.4	448.6

The accompanying notes are an integral part of the condensed consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Net income (loss)	$ 6.4	$ (115.3)	$ (3,224.0)	$ 18.2
Foreign currency translation adjustments[(a)]	(10.4)	(42.5)	(213.2)	(43.8)
Net gains (losses) on hedging instruments				
Net gains (losses) arising during the period	44.7	(37.3)	(10.6)	(32.1)
Reclassification adjustment for net (gains) losses included in net income	3.9	(17.1)	8.7	(10.7)
Net gains (losses) on hedging instruments[(b)]	48.6	(54.4)	(1.9)	(42.8)
Net pension and other post-retirement benefits				
Net gains (losses) arising during the period	(2.6)	0.4	(0.4)	1.4
Reclassification adjustment for amortization of prior service cost included in net income	0.3	0.9	0.8	2.3
Reclassification adjustment for amortization of net actuarial loss included in net income	2.3	—	6.7	—
Net pension and other postretirement benefits[(c)]	—	1.3	7.1	3.7
Other comprehensive income (losses), net of tax	38.2	(95.6)	(208.0)	(82.9)
Comprehensive income (loss)	44.6	(210.9)	(3,432.0)	(64.7)
Comprehensive (income) loss attributable to non-controlling interest	(11.8)	0.6	(17.9)	(16.3)
Comprehensive income (loss) attributable to TechnipFMC plc	$ 32.8	$ (210.3)	$ (3,449.9)	$ (81.0)

(a) Net of income tax benefit of nil and $7.9 million for the three months ended September 30, 2020 and 2019, respectively, and nil and $7.9 million for the nine months ended September 30, 2020 and 2019, respectively.

(b) Net of income tax (expense) benefit of $(13.1) million and $14.4 million for the three months ended September 30, 2020 and 2019, respectively, and $2.7 million and $14.1 million for the nine months ended September 30, 2020 and 2019, respectively.

(c) Net of income tax (expense) benefit of $1.7 million and $(0.2) million for the three months ended September 30, 2020 and 2019, respectively, and $0.2 million and $0.4 million for the nine months ended September 30, 2020 and 2019, respectively.

The accompanying notes are an integral part of the condensed consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In millions, except par value data)	September 30, 2020	December 31, 2019
Assets		
Cash and cash equivalents	$ 4,244.0	$ 5,190.2
Trade receivables, net of allowances of $137.6 in 2020 and $95.4 in 2019	2,127.8	2,287.1
Contract assets, net of allowances of $2.6 in 2020 and nil in 2019	1,470.0	1,520.0
Inventories, net (Note 8)	1,339.1	1,416.0
Derivative financial instruments (Note 20)	310.7	101.9
Income taxes receivable	285.4	264.6
Advances paid to suppliers	219.2	242.9
Other current assets (Note 9)	1,037.9	863.7
Total current assets	11,034.1	11,886.4
Investments in equity affiliates	351.2	300.4
Property, plant and equipment, net of accumulated depreciation of $2,433.9 in 2020 and $2,288.8 in 2019	2,806.4	3,162.0
Operating lease right-of-use assets	742.1	892.6
Goodwill (Note 13)	2,488.7	5,598.3
Intangible assets, net of accumulated amortization of $670.4 in 2020 and $763.4 in 2019	1,002.3	1,086.6
Deferred income taxes	228.1	260.5
Derivative financial instruments (Note 20)	22.9	39.5
Other assets	235.4	292.5
Total assets	$ 18,911.2	$ 23,518.8
Liabilities and equity		
Short-term debt and current portion of long-term debt (Note 14)	$ 612.2	$ 495.4
Operating lease liabilities	206.1	275.1
Accounts payable, trade	2,498.4	2,659.8
Contract liabilities	4,643.4	4,585.1
Accrued payroll	384.5	411.5
Derivative financial instruments (Note 20)	280.2	141.3
Income taxes payable	65.7	75.7
Other current liabilities (Note 9)	1,326.7	1,494.5
Total current liabilities	10,017.2	10,138.4
Long-term debt, less current portion (Note 14)	3,248.0	3,980.0
Operating lease liabilities, less current portion	626.2	681.7
Deferred income taxes	78.5	138.2
Accrued pension and other post-retirement benefits, less current portion	320.4	368.6
Derivative financial instruments (Note 20)	35.7	52.7
Other liabilities	309.4	430.0
Total liabilities	14,635.4	15,789.6
Commitments and contingent liabilities (Note 18)		
Mezzanine equity		
Redeemable non-controlling interest	42.1	41.1
Stockholders' equity (Note 15)		
Ordinary shares, $1.00 par value; 618.3 shares and 618.3 shares authorized in 2020 and 2019, respectively; 449.4 shares and 447.1 shares issued and outstanding in 2020 and 2019, respectively; nil and 4 shares canceled in 2020 and 2019, respectively	449.4	447.1
Capital in excess of par value of ordinary shares	10,227.8	10,182.8
Accumulated deficit	(4,879.0)	(1,563.1)
Accumulated other comprehensive loss	(1,609.1)	(1,407.5)
Total TechnipFMC plc stockholders' equity	4,189.1	7,659.3
Non-controlling interests	44.6	28.8
Total equity	4,233.7	7,688.1
Total liabilities and equity	$ 18,911.2	$ 23,518.8

The accompanying notes are an integral part of the condensed consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In millions)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash provided (required) by operating activities		
Net income (loss)	$ (3,224.0)	$ 18.2
Adjustments to reconcile net income to cash provided (required) by operating activities		
Depreciation	244.5	282.5
Amortization	91.0	96.0
Impairments	3,253.0	127.5
Employee benefit plan and share-based compensation costs	43.0	54.2
Deferred income tax benefit, net	(33.5)	(122.6)
Unrealized loss (gain) on derivative instruments and foreign exchange	(26.1)	108.2
Income from equity affiliates, net of dividends received	(48.0)	(49.6)
Other	182.4	307.6
Changes in operating assets and liabilities, net of effects of acquisitions		
Trade receivables, net and contract assets	120.4	(23.0)
Inventories, net	(23.8)	(190.6)
Accounts payable, trade	(84.6)	19.4
Contract liabilities	(14.3)	124.8
Income taxes payable (receivable), net	(37.0)	(45.3)
Other current assets and liabilities, net	(351.9)	(431.1)
Other noncurrent assets and liabilities, net	11.0	13.2
Cash provided by operating activities	102.1	289.4
Cash provided (required) by investing activities		
Capital expenditures	(250.8)	(368.4)
Payment to acquire debt securities	(3.9)	(59.7)
Proceeds from sale of debt securities	3.9	18.9
Cash received from divestiture	2.5	—
Proceeds from sale of assets	23.4	5.6
Proceeds from repayment of advances to joint venture	12.5	46.4
Cash required by investing activities	(212.4)	(357.2)
Cash required by financing activities		
Net decrease in short-term debt	(7.2)	(28.5)
Net decrease in commercial paper	(503.0)	(255.5)
Proceeds from issuance of long-term debt	223.2	96.2
Repayments of long-term debt	(423.9)	—
Purchase of ordinary shares	—	(92.7)
Dividends paid	(59.2)	(174.7)
Payments related to taxes withheld on share-based compensation	(6.4)	—
Settlements of mandatorily redeemable financial liability	(135.3)	(443.7)
Cash required by financing activities	(911.8)	(898.9)
Effect of changes in foreign exchange rates on cash and cash equivalents	75.9	(68.9)
Decrease in cash and cash equivalents	(946.2)	(1,035.6)
Cash and cash equivalents, beginning of period	5,190.2	5,540.0
Cash and cash equivalents, end of period	$ 4,244.0	$ 4,504.4

The accompanying notes are an integral part of the condensed consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2020 and 2019

(In millions)	Ordinary Shares	Capital in Excess of Par Value of Ordinary Shares	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders' Equity
Balance as of June 30, 2019	$ 446.5	$ 10,152.4	$ 1,084.0	$ (1,348.3)	$ 45.8	$ 10,380.4
Net income (loss)	—	—	(119.1)	—	3.8	(115.3)
Other comprehensive loss	—	—	—	(91.2)	(4.4)	(95.6)
Cancellation of treasury shares	—	(2.6)	—	—	—	(2.6)
Issuance of ordinary shares	0.6	—	—	—	—	0.6
Cash dividends declared ($0.13 per share)	—	—	(58.1)	—	—	(58.1)
Share-based compensation (Note 16)	—	19.9	—	—	—	19.9
Other	—	—	(5.2)	—	(0.3)	(5.5)
Balance as of September 30, 2019	$ 447.1	$ 10,169.7	$ 901.6	$ (1,439.5)	$ 44.9	$ 10,123.8
Balance as of June 30,2020	$ 449.3	$ 10,213.6	$ (4,876.0)	$ (1,645.8)	$ 34.5	$ 4,175.6
Net income (loss)	—	—	(3.9)	—	10.3	6.4
Other comprehensive income	—	—	—	36.7	1.5	38.2
Issuance of ordinary shares	0.1	—	—	—	—	0.1
Share-based compensation (Note 16)	—	14.2	—	—	—	14.2
Other	—	—	0.9	—	(1.7)	(0.8)
Balance as of September 30, 2020	$ 449.4	$ 10,227.8	$ (4,879.0)	$ (1,609.1)	$ 44.6	$ 4,233.7

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2020 and 2019

(In millions)	Ordinary Shares	Ordinary Shares Held in Treasury and Employee Benefit Trust	Capital in Excess of Par Value of Ordinary Shares	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2018	$ 450.5	$ (2.4)	$ 10,197.0	$ 1,072.2	$ (1,359.7)	$ 31.3	$ 10,388.9
Adoption of accounting standards (Note 4)	—	—	—	1.8	—	—	1.8
Net income (loss)	—	—	—	(1.2)	—	19.4	18.2
Other comprehensive loss	—	—	—	—	(79.8)	(3.1)	(82.9)
Cancellation of treasury shares	(4.0)	—	(88.7)	—	—	—	(92.7)
Issuance of ordinary shares	0.6	—	—	—	—	—	0.6
Net sales of ordinary shares for employee benefit trust	—	2.4	—	—	—	—	2.4
Cash dividends declared ($0.39 per share)	—	—	—	(174.7)	—	—	(174.7)
Share-based compensation (Note 16)	—	—	61.4	—	—	—	61.4
Other	—	—	—	3.5	—	(2.7)	0.8
Balance as of September 30, 2019	$ 447.1	$ —	$ 10,169.7	$ 901.6	$ (1,439.5)	$ 44.9	$ 10,123.8
Balance as of December 31, 2019	$ 447.1	$ —	$ 10,182.8	$ (1,563.1)	$ (1,407.5)	$ 28.8	$ 7,688.1
Adoption of accounting standards (Note 4)	—	—	—	(7.8)	—	—	(7.8)
Net income (loss)	—	—	—	(3,248.3)	—	24.3	(3,224.0)
Other comprehensive loss	—	—	—	—	(201.6)	(6.4)	(208.0)
Issuance of ordinary shares	2.3	—	(7.6)	—	—	—	(5.3)
Cash dividends declared ($0.13 per share)	—	—	—	(59.2)	—	—	(59.2)
Share-based compensation (Note 16)	—	—	52.6	—	—	—	52.6
Other	—	—	—	(0.6)	—	(2.1)	(2.7)
Balance as of September 30, 2020	$ 449.4	$ —	$ 10,227.8	$ (4,879.0)	$ (1,609.1)	$ 44.6	$ 4,233.7

The accompanying notes are an integral part of the condensed consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements of TechnipFMC plc and its consolidated subsidiaries (“TechnipFMC”, the “Company,” “we,” “us,” or “our”) have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) and rules and regulations of the Securities and Exchange Commission (“SEC”) pertaining to interim financial information. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP have been condensed or omitted. These unaudited condensed consolidated financial statements should be read together with our audited consolidated financial statements contained in our Annual Report on Form 10-K (“Form 10-K”) for the year ended December 31, 2019.

Our accounting policies are in accordance with GAAP. The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ from our estimates.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, as well as adjustments to our financial position pursuant to a business combination, necessary for a fair statement of our financial condition and operating results as of and for the periods presented. Revenue, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these financial statements may not be representative of the results that may be expected for the year ending December 31, 2020.

Reclassifications – Certain prior-year amounts have been reclassified to conform to the current year’s presentation.

NOTE 2. PLANNED SEPARATION TRANSACTION

On August 26, 2019, we announced that our Board of Directors had unanimously approved a plan to separate our Onshore/Offshore segment and Loading Systems and process automation businesses into an independent, publicly traded company (“Technip Energies”). In connection with the planned transaction, we renamed our Onshore/Offshore segment to Technip Energies in the first quarter of 2020. Due to the COVID-19 pandemic, the significant decline in commodity prices, and the heightened volatility in global equity markets, on March 15, 2020, we announced the postponement of the completion of the transaction until the markets sufficiently recover. The transaction will be subject to general market conditions, regulatory approvals, consultation of employee representatives, where applicable, and final approval from our Board of Directors. During the three and nine months ended September 30, 2020, we incurred $0 and $27.1 million of separation costs associated with the planned transaction, respectively.

NOTE 3. BUSINESS COMBINATION TRANSACTIONS

On December 30, 2019, we completed the acquisition of the remaining 50% interest in Technip Odebrecht PLSV CV (“TOP CV”). TOP CV was formed as a joint venture between Technip SA and Ocyan SA to provide pipeline installation ships to Petroleo Brasileiro SA (“Petrobras”) for their work in oil and gas fields offshore Brazil with results reported in our Subsea segment using the equity method of accounting. Subsequent to this transaction the investment became a fully consolidated entity. In connection with the acquisition, we acquired $391.0 million in assets, including two vessels valued at $335.2 million. In addition, we assumed $239.9 million of liabilities, including a $203.1 million term loan.

There were no significant acquisitions or other type of business combinations during the three and nine months ended September 30, 2020 and 2019.

NOTE 4. NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Standards under GAAP

Effective January 1, 2020, we adopted ASU No. 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement."* This update modifies the disclosure requirement on fair value measurements in Topic 820. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively. The adoption of this update concerns presentation and disclosure only as it relates to our consolidated financial statements. See Note 21 for our fair value measurements disclosure.

Effective January 1, 2020, we adopted ASU No. 2018-15, *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)."* This update requires that the implementation costs incurred in a cloud computing arrangement that is a service contract are deferred if they would be capitalized based on the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The adoption of this update did not have a material impact on our consolidated financial statements.

Effective January 1, 2020, we adopted ASU No. 2018-18, *"Collaborative Arrangements (Topic 808)—Clarifying the Interaction between Topic 808 and Topic 606."* This update clarifies the interaction between the guidance for certain collaborative arrangements and the Revenue Recognition financial accounting and reporting standard. An entity should recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings of the later of the earliest annual period presented and the annual period that includes the date of the entity's initial application of Topic 606. The adoption of this update concerns presentation and disclosure only with no material impact to our consolidated financial statements.

Effective January 1, 2020, we adopted ASU No. 2019-04, *"Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*." The update clarifies and improves areas of guidance related to the recently issued standards including (1) ASU No. 2016-01, *"Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities"*, (2) ASU No. 2016-13, *"Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments."*, and (3) ASU No. 2017-12, *"Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities".* The adoption of this update concerns presentation and disclosure only with no material impact to our consolidated financial statements.

Adoption of ASU No. 2016-13 "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

Effective January 1, 2020, we adopted ASU No. 2016-13, *"Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*." This ASU introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The guidance applies to (1) loans, accounts receivable, trade receivables, and other financial assets measured at amortized cost, (2) loan commitments and other off-balance sheet credit exposures, (3) debt securities and other financial assets measured at fair value through other comprehensive income, and (4) beneficial interests in securitized financial assets.

In June 2016, the FASB issued an update of the ASU to provide a practical expedient for transition and targeted improvements.
We adopted Topic 326 using a modified retrospective transition method through a cumulative-effect adjustment to beginning retained earnings in the period of adoption. The effect of adopting Topic 326 was an increase in accumulated deficit of $7.8 million, which includes a $2.1 million increase in noncurrent deferred tax assets, with a corresponding decrease in trade receivables, loans, and debt notes receivable.

Financial assets at amortized cost include trade receivables, loans issued to third or related parties, and held to maturity debt securities. These financial assets were presented under other current assets or other assets, as applicable. Contract assets are subject to the credit losses standard per revenue recognition standard.

Trade receivables and contract assets constitute a homogeneous portfolio, and therefore, to measure the expected credit losses, trade receivables and contract assets have been grouped together. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. We have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The following table summarizes the balances of financial assets and non-financial assets at amortized cost as of January 1, 2020:

(In millions)	As reported at December 31, 2019	Impact of ASC 326	Balance at January 1, 2020
Trade receivables, net	$ 2,287.1	$ (3.8)	$ 2,283.3
Loans receivable, net	138.5	(1.5)	137.0
Security deposits and other, net	36.6	(1.0)	35.6
Held-to-maturity			
Debt securities at amortized cost	71.9	(1.1)	70.8
Total financial assets	$ 2,534.1	$ (7.4)	$ 2,526.7
Non-financial assets			
Contract assets, net	$ 1,520.0	$ (2.5)	$ 1,517.5

We manage our receivables portfolios using published default risk as a key credit quality indicator for our loans and receivables. Our loans receivable and security deposits were related to sales of long-lived assets or businesses, loans to related parties for capital expenditure purposes, or security deposits for lease arrangements.

We manage our held-to-maturity debt securities using published credit ratings as a key credit quality indicator as our held-to-maturity debt securities consist of government bonds.

The table below summarizes the amortized cost basis of financial assets by years of origination and credit quality. The key credit quality indicator is updated as of September 30, 2020.

(In millions)	Year of origination	Balance at September 30, 2020
Loans receivables, security deposits and other		
Moody's rating Ba2	2019	$ 154.6
Debt securities at amortized cost		
Moody's rating B3	2019	70.8
Total financial assets		$ 225.4

Credit Losses

For contract assets, trade receivables, loans receivable, and security deposits and other, we have elected to calculate an expected credit loss based on loss rates from historical data. We develop loss-rate statistics on the basis of the amount written off over the life of the financial assets and contract assets and adjust these historical credit loss trends for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

For held-to-maturity debt securities at amortized cost, we evaluate whether the debt securities are considered to have low credit risk at the reporting date using available, reasonable, and supportable information.

The table below shows the roll-forward of allowance for credit losses for the nine months ended September 30, 2020.

(In millions)	Balance at September 30, 2020 Trade receivables	Contract assets	Loans receivable	Security deposit and other	Held-to-maturity debt securities
Beginning balance in allowance for credit losses	$ 99.2	$ 5.0	$ 9.5	$ 1.6	$ 1.1
Current period provision for expected credit losses	45.0	0.1	0.2	0.8	—
Write-offs charged against the allowance	(1.8)	—	—	—	—
Recoveries	(4.8)	(2.5)	(0.7)	(0.9)	—
Ending balance in the allowance for credit losses	$ 137.6	$ 2.6	$ 9.0	$ 1.5	$ 1.1

Other than certain trade receivables due in one year or less, we do not have any financial assets that are past due or are on non-accrual status.

Recently Issued Accounting Standards under GAAP

In August 2018, the FASB issued ASU No. 2018-14, *"Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans."* This update amends ASC 715 to add, remove, and clarify disclosure requirements related to defined benefit pension and other post-retirement plans. The amendments in this ASU are effective for us January 1, 2021, and early adoption is permitted. The amendments in this update are required to be adopted retrospectively. We are currently evaluating the impact of this ASU on our consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, "*Income Taxes to Topic 740—Simplifying the Accounting for Income Taxes".* The amendments simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. This update also improves and simplifies areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. This update is effective for us January 1, 2021, and early adoption is permitted. We are currently evaluating the impact of this ASU on our consolidated financial statements.

In January 2020, the FASB issued ASU No. 2020-01, "*Investments—Equity Securities (Topic 321)*", *"Investments—Equity Method and Joint Ventures (Topic 323)"*, and *"Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815"*, and made targeted improvements to address certain aspects of accounting for financial instruments. This update clarifies that a company should consider observable transactions that require a company to either apply or discontinue the equity method of accounting under *Topic 323, Investments—Equity Method and Joint Ventures,* for the purposes of applying the measurement alternative in accordance with *Topic 321* immediately before applying or upon discontinuing the equity method. The new ASU also clarifies that, when determining the accounting for certain forward contracts and purchased options a company should not consider whether underlying securities would be accounted for under the equity method or fair value option upon settlement or exercise. The amendment is effective from January 1, 2021, and early adoption is permitted. We are currently evaluating the impact of this ASU on our consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *"Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848)".* The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The amendments in this update are effective as of March 12, 2020 through December 31, 2022. We are currently evaluating the impact of this ASU on our consolidated financial statements.

NOTE 5. REVENUE

The majority of our revenue is from long-term contracts associated with designing and manufacturing products and systems and providing services to customers involved in exploration and production of crude oil and natural gas.

Disaggregation of Revenue

Revenues are disaggregated by geographic location and contract types.

The following tables present products and services revenue by geography for each reportable segment for the three and nine months ended September 30, 2020 and 2019:

	Reportable Segments					
	Three Months Ended					
	September 30, 2020			September 30, 2019		
(In millions)	Subsea	Technip Energies	Surface Technologies	Subsea	Technip Energies	Surface Technologies
Europe, Russia, Central Asia	$ 478.3	$ 821.5	$ 43.6	$ 390.8	$ 682.4	$ 55.5
Americas	493.5	199.1	64.8	513.1	156.9	171.0
Asia Pacific	220.6	255.9	25.7	171.0	311.7	50.3
Africa	254.2	248.6	10.5	143.6	158.6	14.9
Middle East	42.2	83.1	64.3	81.2	286.7	61.7
Total products and services revenue	$ 1,488.8	$ 1,608.2	$ 208.9	$ 1,299.7	$ 1,596.3	$ 353.4

	Reportable Segments					
	Nine Months Ended					
	September 30, 2020			September 30, 2019		
(In millions)	Subsea	Technip Energies	Surface Technologies	Subsea	Technip Energies	Surface Technologies
Europe, Russia, Central Asia	$ 1,327.9	$ 2,074.6	$ 142.2	$ 1,250.0	$ 1,975.2	$ 171.3
Americas	1,437.9	794.6	295.2	1,232.0	514.2	564.1
Asia Pacific	543.7	804.5	88.0	448.4	889.1	139.4
Africa	637.0	660.5	38.8	663.2	330.1	41.1
Middle East	144.1	360.0	169.8	352.0	727.8	183.5
Total products and services revenue	$ 4,090.6	$ 4,694.2	$ 734.0	$ 3,945.6	$ 4,436.4	$ 1,099.4

The following tables represent revenue by contract type for each reportable segment for the three and nine months ended September 30, 2020 and 2019:

	Reportable Segments					
	Three Months Ended					
	September 30, 2020			September 30, 2019		
(In millions)	Subsea	Technip Energies	Surface Technologies	Subsea	Technip Energies	Surface Technologies
Services	$ 865.2	$ 1,584.6	$ 29.2	$ 743.8	$ 1,596.3	$ 69.5
Products	623.6	23.6	179.7	555.9	—	283.9
Total products and services revenue	1,488.8	1,608.2	208.9	1,299.7	1,596.3	353.4
Lease	13.0	—	16.8	42.5	—	43.2
Total revenue	$ 1,501.8	$ 1,608.2	$ 225.7	$ 1,342.2	$ 1,596.3	$ 396.6

	Reportable Segments					
	Nine Months Ended					
	September 30, 2020			September 30, 2019		
(In millions)	Subsea	Technip Energies	Surface Technologies	Subsea	Technip Energies	Surface Technologies
Services	$ 2,346.9	$ 4,639.3	$ 115.7	$ 2,359.6	$ 4,436.4	$ 213.5
Products	1,743.7	54.9	618.3	1,586.0	—	885.9
Total products and services revenue	4,090.6	4,694.2	734.0	3,945.6	4,436.4	1,099.4
Lease	42.8	—	62.9	90.6	—	110.3
Total revenue	$ 4,133.4	$ 4,694.2	$ 796.9	$ 4,036.2	$ 4,436.4	$ 1,209.7

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the consolidated balance sheets.

Contract Assets - Contract Assets include unbilled amounts typically resulting from sales under long-term contracts when revenue is recognized over time and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Costs and estimated earnings in excess of billings on uncompleted contracts are generally classified as current.

Contract Liabilities - We sometimes receive advances or deposits from our customers, before revenue is recognized, resulting in contract liabilities.

The following table provides information about net contract liabilities as of September 30, 2020 and December 31, 2019:

(In millions)	September 30, 2020	December 31, 2019	$ change	% change
Contract assets	$ 1,470.0	$ 1,520.0	$ (50.0)	(3.3)
Contract (liabilities)	(4,643.4)	(4,585.1)	(58.3)	(1.3)
Net contract liabilities	$ (3,173.4)	$ (3,065.1)	$ (108.3)	(3.5)

The decrease in our contract assets from December 31, 2019 to September 30, 2020 was primarily due to the timing of milestones.

The increase in our contract liabilities was primarily due to additional cash received, excluding amounts recognized as revenue during the period.

In order to determine revenue recognized in the period from contract liabilities, we first allocate revenue to the individual contract liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Any subsequent revenue we recognize increases contract asset balance. Revenue recognized for the three months ended September 30, 2020 and 2019 that was included in the contract liabilities balance at December 31, 2019 and 2018 was $228.1 million and $503.6 million, respectively, and $1,102.5 million and $1,984.4 million for the nine months ended September 30, 2020 and 2019, respectively.

In addition, net revenue recognized for the three months ended September 30, 2020 and 2019 from our performance obligations satisfied in previous periods had favorable impacts of $181.1 million and $281.7 million, respectively, and $340.0 million and $775.1 million for the nine months ended September 30, 2020 and 2019, respectively. This primarily relates to the changes in the estimate of the stage of completion that impacted revenue.

Transaction Price Allocated to the Remaining Unsatisfied Performance Obligations

Remaining unsatisfied performance obligations (“RUPO” or “order backlog”) represent the transaction price for products and services for which we have a material right but work has not been performed. The transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The order backlog table does not include contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of September 30, 2020, the aggregate amount of the transaction price allocated to order backlog was $19,646.1 million. We expect to recognize revenue on approximately 14.4% of the order backlog through 2020 and 85.6% thereafter.

The following table details the order backlog for each business segment as of September 30, 2020:

(In millions)	**2020**	**2021**	**Thereafter**
Subsea	$ 1,068.0	$ 3,402.5	$ 2,747.5
Technip Energies	1,611.0	5,790.1	4,658.1
Surface Technologies	146.4	203.7	18.8
Total order backlog	$ 2,825.4	$ 9,396.3	$ 7,424.4

NOTE 6. BUSINESS SEGMENTS

Management’s determination of our reporting segments was made on the basis of our strategic priorities within each segment and the differences in the products and services we provide, which corresponds to the manner in which our Chairman and Chief Executive Officer, as our chief operating decision maker, reviews and evaluates operating performance to make decisions about resources to be allocated to the segment.

We report the results of operations in the following segments:

- *Subsea* - designs and manufactures products and systems, performs engineering, procurement and project management, and provides services used by oil and gas companies involved in offshore exploration and production of crude oil and natural gas.
- *Technip Energies* - offers extensive experience, knowledge and unique project management capabilities in onshore and offshore hydrocarbon infrastructure businesses; it also combines its leading engineering and construction capabilities with its technological know-how, products and services to develop new solutions that will support the world’s energy transition.
- *Surface Technologies* - designs and manufactures products and systems and provides services used by oil and gas companies involved in land and shallow water exploration and production of crude oil and natural gas; designs, manufactures, and supplies technologically advanced high-pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services.

Beginning in the first quarter of 2020, in anticipation of our separation transaction, we renamed our Onshore/Offshore segment to Technip Energies, which includes our Loading Systems business that was previously reported in the Surface Technologies segment and our process automation business, Cybernetix, that was previously reported in the Subsea segment. Prior year information has not been restated due to these businesses not being material.

Segment operating profit (loss) is defined as total segment revenue less segment operating expenses. Income (loss) from equity method investments is included in computing segment operating profit. The following items have been excluded in computing segment operating profit (loss): corporate staff expense, foreign exchange gains (losses), net interest income (expense) associated with corporate debt facilities, income taxes, and other revenue and other expense, net.

Segment revenue and segment operating profit were as follows:

(In millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Segment revenue				
Subsea	$ 1,501.8	$ 1,342.2	$ 4,133.4	$ 4,036.2
Technip Energies	1,608.2	1,596.3	4,694.2	4,436.4
Surface Technologies	225.7	396.6	796.9	1,209.7
Total revenue	$ 3,335.7	$ 3,335.1	$ 9,624.5	$ 9,682.3
Segment operating profit (loss)				
Subsea	$ 20.3	$ (79.6)	$ (2,806.0)	$ 65.0
Technip Energies	129.5	284.6	512.0	714.3
Surface Technologies	(7.0)	6.1	(444.4)	42.1
Total segment operating profit (loss)	$ 142.8	$ 211.1	$ (2,738.4)	$ 821.4
Corporate items				
Impairment, restructuring and other expenses	(3.8)	(3.2)	(9.3)	(13.5)
Separation costs	—	(9.4)	(27.1)	(9.4)
Merger transaction costs	—	(6.2)	—	(31.2)
Legal expenses	—	0.6	—	(54.6)
Other corporate expenses[(a)]	(23.9)	(57.4)	(89.3)	(169.9)
Corporate expense	(27.7)	(75.6)	(125.7)	(278.6)
Net interest expense	(91.8)	(116.5)	(238.5)	(345.3)
Foreign exchange gains (losses)	5.6	(53.2)	(43.5)	(82.8)
Total corporate items	(113.9)	(245.3)	(407.7)	(706.7)
Income (loss) before income taxes[(b)]	$ 28.9	$ (34.2)	$ (3,146.1)	$ 114.7

(a) Other corporate expenses primarily include corporate staff expenses, share-based compensation expenses, and other employee benefits.

(b) Includes amounts attributable to non-controlling interests.

Segment assets were as follows:

(In millions)	September 30, 2020	December 31, 2019
Segment assets		
Subsea	$ 7,218.6	$ 10,824.2
Technip Energies	4,696.7	4,448.8
Surface Technologies	1,450.5	2,246.4
Total segment assets	13,365.8	17,519.4
Corporate [(a)]	5,545.4	5,999.4
Total assets	$ 18,911.2	$ 23,518.8

(a) Corporate includes cash, deferred income tax balances, property, plant and equipment not associated with a specific segment, pension assets and the fair value of derivative financial instruments.

NOTE 7. EARNINGS (LOSS) PER SHARE

A reconciliation of the number of shares used for the basic and diluted earnings per share calculation was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	2020	2019	2020	2019
Net loss attributable to TechnipFMC plc	$ (3.9)	$ (119.1)	$ (3,248.3)	$ (1.2)
Weighted average number of shares outstanding	449.4	446.9	448.4	448.6
Dilutive effect of restricted stock units	—	—	—	—
Dilutive effect of performance shares	—	—	—	—
Total shares and dilutive securities	449.4	446.9	448.4	448.6
Basic earnings (loss) per share attributable to TechnipFMC plc	$ (0.01)	$ (0.27)	$ (7.24)	$ —
Diluted earnings (loss) per share attributable to TechnipFMC plc	$ (0.01)	$ (0.27)	$ (7.24)	$ —

For the three and nine months ended September 30, 2020 and 2019, we incurred net losses; therefore, the impact of any incremental shares from our share-based compensation awards would be anti-dilutive. For the three and nine months ended September 30, 2020, 0.6 million shares and 3.6 million shares, respectively, were anti-dilutive due to a net loss position. For the three and nine months ended September 30, 2019, 5.1 million shares and 4.9 million shares, respectively, were anti-dilutive due to a net loss position.

Weighted average shares of the following share-based compensation awards were excluded from the calculation of diluted weighted average number of shares where the assumed proceeds exceed the average market price from the calculation of diluted weighted average number of shares, because their effect would be anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(millions of shares)	2020	2019	2020	2019
Share option awards	4.7	4.3	4.7	3.5
Restricted share units	4.5	—	1.8	0.1
Performance shares	4.5	0.6	2.0	0.3
Total	13.7	4.9	8.5	3.9

NOTE 8. INVENTORIES

Inventories consisted of the following:

(In millions)	September 30, 2020	December 31, 2019
Raw materials	$ 272.8	$ 347.5
Work in process	246.8	290.2
Finished goods	819.5	778.3
Inventories, net	$ 1,339.1	$ 1,416.0

NOTE 9. OTHER CURRENT ASSETS & OTHER CURRENT LIABILITIES

Other current assets consisted of the following:

(In millions)	September 30, 2020	December 31, 2019
Value-added tax receivables	$ 437.7	$ 395.2
Sundry receivables	160.8	69.6
Prepaid expenses	130.5	66.8
Other taxes receivables	73.4	100.7
Held-to-maturity investments	71.9	49.7
Asset held for sale	56.8	25.8
Current financial assets at amortized cost	39.2	42.0
Other	67.6	113.9
Total other current assets	$ 1,037.9	$ 863.7

Other current liabilities consisted of the following:

(In millions)	September 30, 2020	December 31, 2019
Warranty accruals and project contingencies (Note 10)	$ 250.5	$ 310.1
Value added tax and other taxes payable	216.9	240.4
Legal provisions	176.7	183.6
Redeemable financial liability	165.9	129.1
Social security liability	112.9	116.5
Provisions	90.5	86.6
Compensation accrual	38.2	89.6
Current portion of accrued pension and other post-retirement benefits	16.1	14.9
Liabilities held for sale	—	9.3
Other accrued liabilities	259.0	314.4
Total other current liabilities	$ 1,326.7	$ 1,494.5

NOTE 10. WARRANTY OBLIGATIONS

Warranty obligations are included within “Other current liabilities” in our consolidated balance sheets as of September 30, 2020 and December 31, 2019. A reconciliation of warranty obligations for the three and nine months ended September 30, 2020 and 2019 is as following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2020	2019	2020	2019
Balance at beginning of period	$ 172.6	$ 206.0	$ 193.5	$ 234.4
Warranty expenses	27.9	21.7	74.3	59.1
Adjustment to existing accruals	(12.1)	8.2	(69.0)	(36.7)
Claims paid	(10.0)	(32.9)	(20.4)	(53.8)
Balance at end of period	$ 178.4	$ 203.0	$ 178.4	$ 203.0

NOTE 11. EQUITY METHOD INVESTMENTS

Our income from equity affiliates included in each of our reporting segments was as follows:

(In millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Subsea	$ 12.9	$ 23.3	$ 49.7	$ 49.5
Technip Energies	(1.8)	2.6	3.2	4.5
Income from equity affiliates	$ 11.1	$ 25.9	$ 52.9	$ 54.0

NOTE 12. RELATED PARTY TRANSACTIONS

Receivables, payables, revenues, and expenses, which are included in our consolidated financial statements for all transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our consolidated joint ventures, were as follows.

Trade receivables consisted of receivables due from the following related parties:

(In millions)	September 30, 2020	December 31, 2019
TP JGC Coral France SNC	$ 34.0	$ 40.1
TTSJV W.L.L.	21.8	22.4
Novarctic SNC	9.8	—
Others	15.4	14.3
Total trade receivables	$ 81.0	$ 76.8

TP JGC Coral France SNC, TTSJV W.L.L. and Novarctic SNC are equity method affiliates.

Trade payables consisted of payables due to the following related parties:

(In millions)	September 30, 2020	December 31, 2019
Chiyoda	$ 15.0	$ 24.8
JGC Corporation	2.5	15.1
IFP Energies nouvelles	—	2.4
Dofcon Navegacao	0.3	2.1
Others	1.6	6.7
Total trade payables	$ 19.4	$ 51.1

Chiyoda and JGC Corporation are joint venture partners on our Yamal project. A member of our Board of Directors served as an executive officer of IFP Energies nouvelles until June 2020. Dofcon Navegacao is an equity method affiliate.

Additionally, we have a note receivables balance of $52.8 million and $65.2 million at September 30, 2020 and December 31, 2019, respectively. The note receivables balance includes $50.1 million and $62.5 million with Dofcon Brasil AS as of September 30, 2020 and December 31, 2019, respectively. Dofcon Brasil AS is a variable interest entity (“VIE”) and accounted for as an equity method affiliate. These are included in other assets in our consolidated balance sheets.

Revenue consisted of amounts from the following related parties:

(In millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
TTSJV W.L.L.	$ 9.7	$ 27.9	$ 38.3	$ 107.4
TP JGC Coral France SNC	12.3	17.7	31.5	95.4
Novarctic SNC	3.5	—	9.2	—
Techdof Brasil AS	2.0	5.2	6.4	8.5
Dofcon Navegacao	0.8	1.4	1.4	7.1
Anadarko Petroleum Company	—	26.3	—	67.1
TOP CV	—	2.1	—	6.1
Others	19.1	11.7	27.0	26.9
Total revenue	$ 47.4	$ 92.3	$ 113.8	$ 318.5

A member of our Board of Directors (the “Director”) served on the Board of Directors of Anadarko Petroleum Company (“Anadarko”) until August 2019. In August 2019, Anadarko was acquired by Occidental Petroleum Corporation (“Occidental”). As a result, the Director no longer serves as a member of the Board of Directors of Anadarko. The Director is not an officer or director of Occidental.

Techdof Brasil AS is a wholly owned subsidiary of Dofcon Brasil AS, our equity method affiliate.

TOP CV was previously an equity method affiliate that became a fully consolidated subsidiary on December 30, 2019. See Note 3 for further details.

Novarctic SNC is our equity method affiliate.

Expenses consisted of amounts to the following related parties:

(In millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Dofcon Navegacao	$ 5.2	$ —	$ 17.0	$ 0.4
Chiyoda	0.9	7.7	0.9	25.3
Arkema S.A.	0.7	6.4	3.5	16.2
JGC Corporation	0.3	1.0	0.7	19.9
Serimax Holdings SAS	—	—	—	17.7
Others	6.1	14.7	20.8	28.1
Total expenses	$ 13.2	$ 29.8	$ 42.9	$ 107.6

Serimax Holdings SAS is an equity method affiliate. A member of our Board of Directors serves on the Board of Directors for Arkema S.A.

NOTE 13. GOODWILL AND INTANGIBLE ASSETS

During the first quarter of 2020, triggering events were identified which led to performing interim goodwill impairment testing in our Subsea and Surface Technologies reporting units as of March 31, 2020. These events included the COVID-19 pandemic breakout, commodity price declines, and a significant decrease in our market capitalization as well as those of our peers and customers.

The fair value for our reporting units was valued using a market approach. An appropriate control premium was considered for each of the reporting units and applied to the output of the market approach.

The impairment assessment resulted in a conclusion that goodwill in the Subsea and Surface Technologies segments was impaired by $2,747.5 million and $335.9 million, respectively. The impairment assessment also concluded the fair value of the Technip Energies reporting unit was in excess of its carrying amount.

The carrying amount of goodwill by business segment was as follows:

(In millions)	Subsea	Technip Energies	Surface	Total
December 31, 2019	$ 2,814.1	$ 2,423.6	$ 360.6	$ 5,598.3
Transfers [(a)]	(21.2)	46.1	(24.9)	—
Impairments	(2,747.5)	—	(335.9)	(3,083.4)
Translation	(45.4)	19.0	0.2	(26.2)
September 30, 2020	$ —	$ 2,488.7	$ —	$ 2,488.7

(a) Beginning in the first quarter of 2020, Technip Energies includes our Loading Systems business that was previously reported in the Surface Technologies segment and our process automation business, Cybernetix, that was previously reported in the Subsea segment. See Note 6 for further details.

NOTE 14. DEBT

Overview

Long-term debt consisted of the following:

(In millions)	September 30, 2020	December 31, 2019
Commercial paper	$ 1,507.3	$ 1,967.0
Synthetic bonds due 2021	522.8	492.9
3.45% Senior Notes due 2022	500.0	500.0
5.00% 2010 Private placement notes due 2020	—	224.6
3.40% 2012 Private placement notes due 2022	175.6	168.5
3.15% 2013 Private placement notes due 2023	152.2	146.0
3.15% 2013 Private placement notes due 2023	146.3	140.4
4.50% 2020 Private placement notes due 2025	234.2	—
4.00% 2012 Private placement notes due 2027	87.8	84.2
4.00% 2012 Private placement notes due 2032	117.1	112.3
3.75% 2013 Private placement notes due 2033	117.1	112.3
Bank borrowings and other	314.3	536.3
Unamortized issuing fees	(14.5)	(9.1)
Total debt	3,860.2	4,475.4
Less: current borrowings [(a)]	612.2	495.4
Long-term debt	$ 3,248.0	$ 3,980.0

(a) As of September 30, 2020 and December 31, 2019, current borrowings consisted primarily of bank borrowings and notes with current maturities of 12 months.

Significant Funding and Liquidity Activities

During the nine months ended September 30, 2020, we completed the following transactions in order to enhance our total liquidity position:

- Repaid $233.9 million of 5.00% 2010 private placement notes;
- Repaid the remaining outstanding balance of $190.0 million of the term loan assumed in connection with the acquisition of the remaining 50% interest in TOP CV.
- Issued €200 million aggregate principal amount of 4.500% Euro Denominated Notes due June 30, 2025. In the event of the spin-off of our Technip Energies business segment followed, within three months of the

effective date of the spin-off, by a downgrade by a nationally recognized rating agency of the corporate rating of TechnipFMC from an investment grade to a non-investment grade rating or a withdrawal of any such rating, the interest rate applicable to the Euro Denominated Notes will be increased to 5.75%;

- Entered into a new, six-month €500 million senior unsecured revolving credit facility agreement, which may be extended for two additional three-month periods (the “Euro Facility”); and
- Entered into the Bank of England’s COVID Corporate Financing Facility program (the “CCFF Program”), which allows us to issue up to £600 million of unsecured commercial paper notes.

Credit Facilities and Debt

Revolving credit facility - On January 17, 2017, we acceded to a new $2.5 billion senior unsecured revolving credit facility agreement (“Facility Agreement”) between FMC Technologies, Inc., Technip Eurocash SNC, and TechnipFMC plc (the “Borrowers”) with JPMorgan Chase Bank, National Association (“JPMorgan”), as agent and an arranger, SG Americas Securities LLC as an arranger, and the lenders party thereto.

The Facility Agreement provides for the establishment of a multicurrency, revolving credit facility, which includes a $1.5 billion letter of credit subfacility. Subject to certain conditions, the Borrowers may request the aggregate commitments under the facility agreement be increased by an additional $500.0 million. On November 26, 2018, we entered into an agreement which extends the expiration date to January 2023.

Borrowings under the Facility Agreement bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar-denominated loans bear interest, at the Borrowers’ option, at a base rate or an adjusted rate linked to the London interbank offered rate (“Adjusted LIBOR”);
- sterling-denominated loans bear interest at Adjusted LIBOR; and
- euro-denominated loans bear interest at the Euro interbank offered rate (“EURIBOR”).

Depending on our credit rating, the applicable margin for revolving loans varies (i) in the case of Adjusted LIBOR and EURIBOR loans, from 0.820% to 1.300% and (ii) in the case of base rate loans, from 0.000% to 0.300%. The “base rate” is the highest of (a) the prime rate announced by JPMorgan, (b) the greater of the Federal Funds Rate and the Overnight Bank Funding Rate plus 0.50% or (c) one-month Adjusted LIBOR plus 1.00%. As of September 30, 2020, there were no outstanding borrowings under our revolving credit facility.

Euro Facility – On May 19, 2020, we entered into the Euro Facility with HSBC France, as agent, and the lenders party thereto, which provides for the establishment of a six-month revolving credit facility denominated in Euros with total commitments of €500 million, which may be extended by us for two additional three-month periods. Borrowings under the Euro Facility bear interest at the Euro interbank offered rate for a period equal in length to the interest period of a given loan (which may be three or six months), plus an applicable margin. As of September 30, 2020, there were no outstanding borrowings under Euro Facility.

On June 12, 2020, we entered into Amendment No. 1 to the Facility Agreement and into an Amendment and Restatement Agreement to our Euro Facility. The amendments, which are effective through the respective expirations of the Facility Agreement and Euro Facility, permit us to include the gross book value of $3.2 billion of goodwill (fully impaired in the quarter ended March 31, 2020) in the calculation of consolidated net worth, which is used in the calculation of our quarterly compliance with the total capitalization ratio under the Facility Agreement and Euro Facility.

The Facility Agreement and Euro Facility contain usual and customary covenants, representations and warranties, and events of default for credit facilities of this type, including financial covenants requiring that our total capitalization ratio not exceed 60% at the end of any financial quarter. The Facility Agreement and Euro Facility also contain covenants restricting our ability and our subsidiaries’ ability to incur additional liens and indebtedness, enter into asset sales, or make certain investments.

As of September 30, 2020, we were in compliance with all restrictive covenants under our credit facilities.

CCFF Program - On May 19, 2020, we entered into a dealer agreement (the “Dealer Agreement”) with Bank of America Merrill Lynch International DAC (the “Dealer”) and an Issuing and Paying Agency Agreement (the “Agency Agreement”, and together with the Dealer Agreement, the “Agreements”) with Bank of America, National Association, London Branch, relating to the European commercial paper program established under the CCFF Program as a source of additional liquidity.

The Agreements provide the terms under which we may issue, and the Dealer will arrange for, the sale of short-term, unsecured commercial paper notes (the “Notes”) to reduce existing debt or decrease overall borrowing costs. The Notes contain customary representations, warranties, covenants, defaults, and indemnification provisions, and will be sold at such discounts from their face amounts as shall be agreed between us and the Dealer. The Notes will be fully payable at maturity, and the maturities of the Notes will vary but may not exceed 364 days. The principal amount of outstanding Notes may not exceed £600 million. The Agency Agreement provides for the terms of issuance and payment of the Notes. As of September 30, 2020, our commercial paper borrowings under the CCFF Program had a weighted average interest rate of 0.43%. As of September 30, 2020, we had $769.6 million of Notes outstanding and recorded as long-term borrowings under the CCFF Program because we had the ability and intent to refinance the obligation due March 2021.

Bilateral credit facility - We have access to a €100.0 million bilateral credit facility expiring in May 2021.

The bilateral credit facility contains usual and customary covenants, representations and warranties and events of default for credit facilities of this type.

As of September 30, 2020, there were no outstanding borrowings under our bilateral credit facility.

Commercial paper - Under our commercial paper program, we have the ability to access $1.5 billion and €1.0 billion of short-term financing through our commercial paper dealers, subject to the limit of unused capacity of our revolving facility agreement. As we have both the ability and intent to refinance these obligations on a long-term basis, our commercial paper borrowings were classified as long-term debt in the consolidated balance sheets as of September 30, 2020 and December 31, 2019. Commercial paper borrowings are issued at market interest rates. As of September 30, 2020, our commercial paper borrowings had a weighted average interest rate of 0.35% on the U.S. dollar denominated borrowings and 0.06% on the Euro denominated borrowings. As of September 30, 2020, we had $737.8 million of outstanding commercial paper borrowings under this program.

Bank borrowings - In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel (“DSV”), maturing December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

In January 2019, we executed a sale-leaseback transaction to finance the purchase of a deepwater DSV, Deep Discoverer (the “Vessel”) for the full transaction price of $116.8 million. The sale-leaseback agreement was entered into with a French joint-stock company owned by Credit Industrial et Commercial which was formed for the sole purpose to purchase and act as the lessor of the Vessel. It is a VIE, which is fully consolidated in our condensed consolidated financial statements. The transaction was funded through debt of $96.2 million which is primarily long-term, expiring on January 8, 2031.

Foreign committed credit - We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

NOTE 15. STOCKHOLDERS’ EQUITY

Cash dividends paid during the nine months ended September 30, 2020 and 2019 were $59.2 million and $174.7 million, respectively. We made a dividend payment of $0.13 per share in April 2020, which fulfills our annual dividend under our revised dividend policy announced on April 21, 2020.

As an English public limited company, we are required under U.K. law to have available “distributable reserves” to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a GAAP reported amount (e.g., retained earnings). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our “distributable reserves” in our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium. On November 27, 2019, we redeemed 50,000 redeemable shares of £1 each and cancelled one deferred ordinary share of £1 in the capital of the Company.

In April 2017, the Board of Directors authorized the repurchase of $500.0 million in ordinary shares under our share repurchase program. We implemented our share repurchase plan in September 2017. The Board of Directors authorized an extension of this program, adding $300.0 million in December 2018 for a total of $800.0 million in ordinary shares. There were no ordinary shares repurchased during the nine months ended September 30, 2020 under our authorized share repurchase program. The $500.0 million part of the program was completed on December 20, 2018. We intend to cancel repurchased shares and not hold them in treasury. Canceled treasury shares are accounted for using the constructive retirement method.

Accumulated other comprehensive income (loss) consisted of the following:

(In millions)	Foreign Currency Translation	Hedging	Defined Pension and Other Post-Retirement Benefits	Accumulated Other Comprehensive Loss Attributable to TechnipFMC plc	Accumulated Other Comprehensive Loss Attributable to Non-Controlling Interest
December 31, 2019	$ (1,230.1)	$ (5.8)	$ (171.6)	$ (1,407.5)	$ (4.7)
Other comprehensive income (loss) before reclassifications, net of tax	(208.3)	(9.1)	(0.4)	(217.8)	(6.4)
Reclassification adjustment for net losses included in net income (loss), net of tax	—	8.7	7.5	16.2	—
Other comprehensive income (loss), net of tax	(208.3)	(0.4)	7.1	(201.6)	(6.4)
September 30, 2020	$ (1,438.4)	$ (6.2)	$ (164.5)	$ (1,609.1)	$ (11.1)

Reclassifications out of accumulated other comprehensive income (loss) consisted of the following:

(In millions)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	
Details about Accumulated Other Comprehensive Income (loss) Components	**Amount Reclassified out of Accumulated Other Comprehensive Loss**				**Affected Line Item in the Condensed Consolidated Statements of Income**
Gains (losses) on hedging instruments					
Foreign exchange contracts	$ (23.8)	$ (3.1)	$ (57.3)	$ (15.6)	Revenue
	18.3	1.6	48.0	6.5	Cost of sales
	—	—	(0.4)	0.1	Selling, general and administrative expense
	(2.0)	23.3	(3.2)	21.9	Other income (expense), net
	(7.5)	21.8	(12.9)	12.9	Loss before income taxes
	(3.6)	4.7	(4.2)	2.2	Provision for income taxes (Note 19)
	$ (3.9)	$ 17.1	$ (8.7)	$ 10.7	Net loss
Pension and other post-retirement benefits					
Amortization of prior service credit (cost)	(0.3)	(1.0)	(0.8)	(2.7)	(a)
Amortization of net actuarial loss	(0.6)	—	(6.5)	—	(a)
	(0.9)	(1.0)	(7.3)	(2.7)	Loss before income taxes
	1.7	(0.1)	0.2	(0.4)	Provision for income taxes (Note 19)
	$ (2.6)	$ (0.9)	$ (7.5)	$ (2.3)	Net loss

(a) These accumulated other comprehensive income components are included in the computation of net periodic pension cost.

NOTE 16. SHARE-BASED COMPENSATION

Under the Amended and Restated TechnipFMC plc Incentive Award Plan (the “Plan”), we may grant certain incentives and awards to our officers, employees, non-employee directors, and consultants of the Company and its subsidiaries. Awards may include share options, share appreciation rights, performance stock units, restricted stock units, restricted shares or other awards authorized under the Plan. Under the Plan, 24.1 million ordinary shares were authorized for awards.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. Share-based compensation expense for non-vested share options and time-based and performance-based restricted stock units was $14.2 million and $19.9 million for the three months ended September 30, 2020 and 2019, respectively, and $52.6 million and $61.4 million for the nine months ended September 30, 2020 and 2019, respectively.

NOTE 17. IMPAIRMENT, RESTRUCTURING AND OTHER EXPENSES

Impairment, restructuring and other expenses were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Subsea	$ 43.4	$ 131.2	$ 2,912.8	$ 138.0
Technip Energies	36.1	5.2	78.8	11.1
Surface Technologies	8.7	0.7	439.8	3.4
Corporate and other	3.8	3.2	9.3	13.5
Total impairment, restructuring and other expenses	$ 92.0	$ 140.3	$ 3,440.7	$ 166.0

Goodwill and Long-Lived Assets Impairments

Goodwill and long-lived assets impairments were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Subsea	$ 17.6	$ 126.3	$ 2,826.6	$ 126.9
Technip Energies	5.7	—	5.7	—
Surface Technologies	5.4	—	418.1	0.6
Corporate and other	2.6	—	2.6	—
Total impairments	$ 31.3	$ 126.3	$ 3,253.0	$ 127.5

During the three and nine months ended September 30, 2020, we recorded $13.3 million and $3,235.0 million, respectively, related to goodwill and long-lived assets impairments. Additionally, due to the economic impact and continued uncertainty related to the COVID-19 pandemic, certain real estate rationalization decisions were made during the three months ended September 30, 2020, and as a result, we recorded $18.0 million of impairment relating to our operating lease right-of-use assets.

During the three and nine months ended September 30, 2019, we recorded $126.3 million and $127.5 million, respectively, related to long-lived assets impairments.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable. Assessing the recoverability of assets to be held and used requires the use of unobservable inputs that involves significant judgment. Such judgments include expected future asset utilization while taking into account reduced future capital spending by certain customers in response to market conditions.

Restructuring and Other Expenses

Restructuring and other charges primarily consisted of severance and other employee related costs and COVID-19 related expenses across all segments. Restructuring and other expenses were as follows:

	Three Months Ended September 30,		
	2020		2019
(In millions)	Restructuring and other charges	COVID-19 expenses	Restructuring and other charges
Subsea	$ 7.1	$ 18.7	$ 4.9
Technip Energies	15.1	15.3	5.2
Surface Technologies	0.9	2.4	0.7
Corporate and other	1.2	—	3.2
Total	$ 24.3	$ 36.4	$ 14.0

	Nine Months Ended September 30,		
	2020		2019
(In millions)	Restructuring and other charges	COVID-19 expenses	Restructuring and other charges
Subsea	$ 36.1	$ 50.1	$ 11.1
Technip Energies	29.1	44.0	11.1
Surface Technologies	14.0	7.7	2.8
Corporate and other	6.7	—	13.5
Total	$ 85.9	$ 101.8	$ 38.5

COVID-19 related expenses represent unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of the COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites, and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments.

Prolonged uncertainty in energy markets could lead to further future reductions in capital spending from our customer base. In turn, this may lead to changes in our strategy. We will continue to take actions designed to mitigate the adverse effects of the rapidly changing market environment and expect to continue to adjust our cost structure to market conditions. If market conditions continue to deteriorate, we may record additional restructuring charges and additional impairments of our long-lived assets, operating lease right-of-use assets and equity method investments.

NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities associated with guarantees - In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds, and other guarantees with financial institutions for the benefit of our customers, vendors, and other parties. The majority of these financial instruments expire within five years. Management does not expect any of these financial instruments to result in losses that, if incurred, would have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Guarantees consisted of the following:

(In millions)	September 30, 2020	December 31, 2019
Financial guarantees [(a)]	$ 960.3	$ 945.5
Performance guarantees [(b)]	4,656.3	4,916.0
Maximum potential undiscounted payments	$ 5,616.6	$ 5,861.5

(a) Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying agreement that is related to an asset, a liability or an equity security of the guaranteed party. These tend to be drawn down only if there is a failure to fulfill our financial obligations.

(b) Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to perform under a nonfinancial obligating agreement. Events that trigger payment are performance-related, such as failure to ship a product or provide a service.

We believe the ultimate resolution of our known contingencies will not materially adversely affect our consolidated financial position, results of operations, or cash flows.

Contingent liabilities associated with legal and tax matters - We are involved in various pending or potential legal and tax actions or disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and venture partners, and can include claims related to payment of fees, service quality, and ownership arrangements, including certain put or call options. We are unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, we believe that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (“DOJ”) related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act (“FCPA”). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and we have also raised with the DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ has also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service (“MPF”), the Comptroller General of Brazil (“CGU”) and the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We will not be required to have a monitor and will, instead, provide reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement (“DPA”) with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We will also provide the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We have committed, as part of those agreements, to make certain enhancements to their compliance programs in Brazil during a two-year self-reporting period, which aligns with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

To date, the investigation by PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. As we continue to progress our discussions with PNF towards resolution, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anti-corruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

Contingent liabilities associated with liquidated damages - Some of our contracts contain provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis, management believes we have appropriately recognized probable liquidated damages at September 30, 2020 and December 31, 2019, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

NOTE 19. INCOME TAXES

Our provision for income taxes for the three months ended September 30, 2020 and 2019 reflected effective tax rates of 77.9% and (237.1)%, respectively. The year-over-year increase in the effective tax rate was primarily due to the increased impact of losses including certain impairments in jurisdictions with a full valuation allowance, and a favorable change in the forecasted earnings mix, offset in part by one-time benefits that were recorded in 2019 for the release of two uncertain tax positions, one for intercompany interest expense and one for foreign exchange.

Our provision for income taxes for the nine months ended September 30, 2020 and 2019 reflected effective tax rates of (2.5)% and 84.1%, respectively. The year-over-year decrease in the effective tax rate was primarily due to the impact of nondeductible goodwill impairments, offset in part by the reduced impact of losses in jurisdictions with a full valuation allowance and a favorable change in the forecasted earnings mix. The decrease was also impacted by one-time benefits that were recorded in 2019, for the release of a valuation allowance.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than in the United Kingdom.

NOTE 20. DERIVATIVE FINANCIAL INSTRUMENTS

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our consolidated balance sheets. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business, and not for trading purposes where the objective is solely to generate profit.

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of other comprehensive income ("OCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, any change in the fair value of those instruments is reflected in earnings in the period such change occurs.

We hold the following types of derivative instruments:

Foreign exchange rate forward contracts - The purpose of these instruments is to hedge the risk of changes in future cash flows of anticipated purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our consolidated balance sheets. At September 30, 2020, we held the following material net positions:

	Net Notional Amount Bought (Sold)	
(In millions)		**USD Equivalent**
Euro	1,717.0	2,010.2
British pound	880.1	1,128.9
Australian dollar	173.5	123.5
Singapore dollar	105.6	77.1
Malaysian ringgit	252.8	60.8
Norwegian krone	564.5	59.5
Indian rupee	2,994.9	40.6
Japanese yen	2,157.7	20.4
Kuwait dinar	5.1	16.6
Saudi riyal	(41.2)	(11.0)
Hong Kong dollar	(90.6)	(11.7)
Mexican peso	(831.4)	(37.2)
Brazilian real	(1,145.7)	(203.1)
U.S. dollar	(2,378.1)	(2,378.1)

Foreign exchange rate instruments embedded in purchase and sale contracts - The purpose of these instruments is to match offsetting currency payments and receipts for particular projects or comply with government restrictions on the currency used to purchase goods in certain countries. At September 30, 2020, our portfolio of these instruments included the following material net positions:

	Net Notional Amount Bought (Sold)	
(In millions)		**USD Equivalent**
Brazilian real	60.5	10.7
Euro	(1.7)	(2.0)
Norwegian krone	(100.0)	(10.5)
U.S. dollar	0.6	0.6

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. See Note 21 for further details. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts are settled.

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated balance sheets:

	September 30, 2020		December 31, 2019	
(In millions)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 289.8	$ 245.8	$ 94.3	$ 125.0
Long-term - Derivative financial instruments	22.9	35.6	34.8	48.0
Total derivatives designated as hedging instruments	312.7	281.4	129.1	173.0
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	20.9	34.4	7.6	16.3
Long-term - Derivative financial instruments	—	0.1	0.4	0.4
Total derivatives not designated as hedging instruments	20.9	34.5	8.0	16.7
Long-term - Derivative financial instruments - Synthetic Bonds - Call Option Premium	—	—	4.3	—
Long-term - Derivative financial instruments - Synthetic Bonds - Embedded Derivatives	—	—	—	4.3
Total derivatives	$ 333.6	$ 315.9	$ 141.4	$ 194.0

Cash flow hedges of forecasted transactions qualifying for hedge accounting, net of tax, resulted in accumulated other comprehensive losses of $7.7 million and $5.8 million at September 30, 2020 and December 31, 2019, respectively. We expect to transfer an approximate $41.1 million loss from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half of 2023.

The following table presents the gains (losses) recognized in other comprehensive income related to derivative instruments designated as cash flow hedges:

	Gain (Loss) Recognized in OCI			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Foreign exchange contracts	$ 54.1	$ (47.0)	$ (17.5)	$ (44.0)

The following represents the effect of cash flow hedge accounting on the consolidated statements of income for the three and nine months ended September 30, 2020 and 2019:

(In millions)	Three Months Ended September 30, 2020				Three Months Ended September 30, 2019			
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**
Cash Flow hedge gain (loss) recognized in income								
Foreign Exchange Contracts								
Amounts reclassified from accumulated OCI to income	$ (23.8)	$ 18.3	$ —	$ (2.0)	$ (3.1)	$ 1.6	$ —	$ 23.3
Amounts excluded from effectiveness testing	3.5	(3.2)	0.1	13.1	2.6	(2.9)	—	(8.6)
Total cash flow hedge gain (loss) recognized in income	(20.3)	15.1	0.1	11.1	(0.5)	(1.3)	—	14.7
Total hedge gain (loss) recognized in income	$ (20.3)	$ 15.1	$ 0.1	$ 11.1	$ (0.5)	$ (1.3)	$ —	$ 14.7
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.1)	1.4	—	4.6	(0.1)	0.1	—	(19.4)
Total	$ (20.4)	$ 16.5	$ 0.1	$ 15.7	$ (0.6)	$ (1.2)	$ —	$ (4.7)

(In millions)	Nine Months Ended September 30, 2020				Nine Months Ended September 30, 2019			
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**
Cash Flow hedge gain (loss) recognized in income								
Foreign Exchange Contracts								
Amounts reclassified from accumulated OCI to income	$ (57.3)	$ 48.0	$ (0.4)	$ (3.2)	$ (15.6)	$ 6.5	$ 0.1	$ 21.9
Amounts excluded from effectiveness testing	6.0	(8.0)	—	21.6	1.5	(5.1)	—	(30.7)
Total cash flow hedge gain (loss) recognized in income	(51.3)	40.0	(0.4)	18.4	(14.1)	1.4	0.1	(8.8)
Total hedge gain (loss) recognized in income	$ (51.3)	$ 40.0	$ (0.4)	$ 18.4	$ (14.1)	$ 1.4	$ 0.1	$ (8.8)
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.8)	2.7	—	(24.4)	(1.2)	—	—	(14.4)
Total	$ (52.1)	$ 42.7	$ (0.4)	$ (6.0)	$ (15.3)	$ 1.4	$ 0.1	$ (23.2)

Balance Sheet Offsetting - We execute derivative contracts with counterparties that consent to a master netting agreement, which permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for individually and assets and liabilities are not offset. As of September 30, 2020 and December 31, 2019, we had no collateralized derivative contracts. The following tables present both gross information and net information of recognized derivative instruments:

	September 30, 2020			December 31, 2019		
(In millions)	**Gross Amount Recognized**	**Gross Amounts Not Offset, Permitted Under Master Netting Agreements**	**Net Amount**	**Gross Amount Recognized**	**Gross Amounts Not Offset, Permitted Under Master Netting Agreements**	**Net Amount**
Derivative assets	$ 333.6	$ (184.4)	$ 149.2	$ 141.4	$ (112.5)	$ 28.9
Derivative liabilities	$ 315.9	$ (184.4)	$ 131.5	$ 194.0	$ (112.5)	$ 81.5

NOTE 21. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis were as follows:

	September 30, 2020				December 31, 2019			
(In millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets								
Investments								
Equity securities[a]	$ 33.2	$ 33.2	$ —	$ —	$ 54.8	$ 54.8	$ —	$ —
Money market fund	1.6	—	1.6	—	1.5	—	1.5	—
Stable value fund[b]	0.8	—	—	—	2.1	—	—	—
Held-to-maturity debt securities	71.9	—	71.9	—	71.9	—	71.9	—
Derivative financial instruments								
Synthetic bonds - call option premium	—	—	—	—	4.3	—	4.3	—
Foreign exchange contracts	333.6	—	333.6	—	137.1	—	137.1	—
Assets held for sale	56.8	—	—	56.8	25.8	—	—	25.8
Total assets	$ 497.9	$ 33.2	$ 407.1	$ 56.8	$ 297.5	$ 54.8	$ 214.8	$ 25.8
Liabilities								
Redeemable financial liability	$ 281.7	$ —	$ —	$ 281.7	$ 268.8	$ —	$ —	$ 268.8
Derivative financial instruments								
Synthetic bonds - embedded derivatives	—	—	—	—	4.3	—	4.3	—
Foreign exchange contracts	315.9	—	315.9	—	189.7	—	189.7	—
Liabilities held for sale	—	—	—	—	9.3	—	—	9.3
Total liabilities	$ 597.6	$ —	$ 315.9	$ 281.7	$ 472.1	$ —	$ 194.0	$ 278.1

(a) Includes fixed income and other investments measured at fair value.

(b) Certain investments that are measured at fair value using net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

Equity securities and Available-for-sale securities - The fair value measurement of our traded securities and Available-for-sale securities is based on quoted prices that we have the ability to access in public markets.

Stable value fund and Money market fund - The stable value fund and money market fund are valued at the net asset value of the shares held at the end of the quarter, which is based on the fair value of the underlying investments using information reported by our investment advisor at quarter-end.

Held-to-maturity debt securities - Held-to-maturity debt securities consist of government bonds. These investments are stated at amortized cost, which approximates fair value.

Assets and liabilities held for sale - The fair value of our assets and liabilities held for sale was determined using a market approach that took into consideration the expected sales price. As of September 30, 2020, our G1200 vessel is classified as held for sale.

Mandatorily redeemable financial liability – We have a mandatorily redeemable financial liability which is recorded at its fair value. The mandatorily redeemable financial liability relates to our voting control interests in legal Technip Energies contract entities which own and account for the design, engineering and construction of the Yamal LNG plant. The fair value is determined using a discounted cash flow model. The key assumptions used in applying the income approach are the selected discount rates and the expected dividends to be distributed in the future to the non-controlling interest holders. Expected dividends to be distributed are based on the non-controlling interests' share of the expected profitability of the underlying contract, a 15.0% discount rate and the overall timing of completion of the project.

As of September 30, 2020, the fair value of the mandatorily redeemable financial liability was $281.7 million. See Note 9 for further details.

A decrease of one percentage point in the discount rate would have increased the liability by $2.6 million as of September 30, 2020. The fair value measurement is based upon significant unobservable inputs not observable in the market and is consequently classified as a Level 3 fair value measurement.

Change in the fair value of our Level 3 mandatorily redeemable financial liability is recorded as interest expense on the consolidated statements of income and is presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Balance at beginning of period	$ 219.8	$ 412.8	$ 268.8	$ 408.5
Expenses recognized in net interest expense	(61.9)	(99.1)	(148.2)	(324.0)
Less: Settlements	—	223.1	135.3	443.7
Balance at end of period	$ 281.7	$ 288.8	$ 281.7	$ 288.8

Redeemable non-controlling interest - We own a 51% share in Island Offshore Subsea AS that was subsequently renamed to TIOS AS. The non-controlling interest is recorded as mezzanine equity at fair value. The fair value measurement is based upon significant unobservable inputs not observable in the market and is consequently classified as a Level 3 in the fair value measurements hierarchy. As of September 30, 2020 and December 31, 2019, the fair value of our redeemable non-controlling interest was $42.1 million and $41.1 million, respectively.

Derivative financial instruments - We use the income approach as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available, are approximated by using the spread of similar companies in the same industry, of similar size and with the same credit rating.

At the present time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position. See Note 20 for further details.

Nonrecurring Fair Value Measurements

Fair value of long-lived, non-financial assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable.

The following summarizes impairments of long-lived assets and related post-impairment fair value for the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,				
	2020		2019		
(In millions)	**Impairment**	**Fair Value [(a)]**	**Impairment**	**Fair Value [(a)]**	
Long-lived assets	$ 169.6	$ 353.3	$ 127.5	$ 104.0	(b)

(a) Measured as of the impairment date using the income approach and a 10.8% risk-adjusted rate of interest, resulting in a Level 3 fair value measurement.
(b) Includes $104.0 million fair value of vessels determined using the transaction price of a similar vessel, resulting in a Level 2 fair value measurement.

Other fair value disclosures

The carrying amounts of cash and cash equivalents, trade receivables, accounts payable, short-term debt, commercial paper, debt associated with our bank borrowings, credit facilities, as well as amounts included in other current assets and other current liabilities that meet the definition of financial instruments, approximate fair value.

Fair value of debt - We use a market approach to determine the fair value of our fixed-rate debt using observable market data, which results in a Level 2 fair value measurement. The estimated fair value of our private placement notes, senior notes and synthetic bonds was $2,159.4 million and $2,078.2 million as of September 30, 2020 and December 31, 2019, respectively.

Credit risk - By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables and derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. Allowances for losses on trade receivables are established based on collectability assessments. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of gross derivative assets against gross derivative liabilities.

NOTE 22. SUBSEQUENT EVENT

On October 7, 2020 we signed a Memorandum of Understanding with McPhy Energy S.A. ("McPhy"), a leading manufacturer and supplier of carbon-free hydrogen production and distribution equipment, pursuant to which we will work jointly on technology development and project implementation. Following McPhy's €180 million private placement offering that was announced by McPhy on October 14, 2020, we also subscribed to 638,297 McPhy shares for €15 million that represents 2.29% of McPhy's capital. Pursuant to the share subscription agreement, we will receive representation on McPhy's Board of Directors, and our nominee(s) for director will be subject to approval at the next McPhy shareholders' general meeting to be held on or before January 31, 2021.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS OUTLOOK

Overall Outlook - The price of crude oil has stabilized in recent months but is still down more than 30% since the start of the year, primarily due to the excess market supply. While the demand destruction related to the COVID-19 pandemic continued throughout the quarter, the short-term outlook for crude oil has improved as the OPEC+ countries adapt to the oversupplied market.

Long-term demand is still forecast to rise, and we believe this outlook will ultimately provide our customers with the confidence to increase investments in new sources of oil and natural gas production. We continue to believe that offshore and deepwater developments will remain a significant part of our customers' portfolios in the long-term. TechnipFMC's strong positioning in transition fuels, such as natural gas, will also allow us to play a key role in the energy transition markets.

COVID-19 - Beginning in the first quarter, we experienced operational impacts as a result of COVID-19. These impacts included supply chain disruptions; productivity declines; and logistics constraints. There has been a resumption of activity from most suppliers, and we expect that other supply chain impacts will continue to subside as regional restrictions are removed, subject to any future deterioration in the global COVID-19 situation. We believe, given the long-cycle nature of our projects, that we will be able to mitigate a majority of the impacts related to supply chain disruption.

Even though many of our locations remained open, we experienced productivity declines as a result of the pandemic. The energy sector was deemed to be an essential business in most countries, which provided us the flexibility to keep offices and manufacturing centers open. We allowed all non-essential personnel to work from home but in some cases we experienced reduced productivity as employees transitioned to the new work environment. We also experienced periodic productivity declines in our manufacturing facilities as employee groups were isolated in the event of a COVID-19 exposure.

We also experienced logistics impacts related to the movement of personnel and equipment due to new COVID-19 regulations. Specifically, these impacts included delays in crew changes on vessels due to quarantine periods and limitations on travel to and from points of embarkation.

In addition to these operational impacts, we incurred incremental, direct costs related to voluntary measures implemented to ensure the safety of employees, contractors, suppliers, and clients. We activated a COVID-19 Incident Management Team in order to administer a consistent response throughout our global operations and provide coordinated support to localized events. Specific actions taken by the team included the following:

- Established a thorough Business Continuity Planning process, which included the work from home initiative, when practical, to support continuity of operations;
- Adopted enhanced sanitation practices across all offices and facilities, implemented personal hygiene protocols and measures to restrict non-essential business travel, and restricted non-essential visitors from visiting our offices and facilities;
- Provided personal protective equipment and performed proactive health screening and testing of offshore personnel and required employees to self-quarantine when they may have been exposed to, or shown any symptoms of COVID-19;
- Collaborated more closely with clients to mitigate COVID-19 impacts in order to advance projects and meet customer requirements, albeit at reduced productivity in some instances; and
- Engaged with critical vendors regarding their own pandemic preparedness plans to minimize the impact to our business operations.

Senior management is continuously monitoring the situation and providing frequent communications to both employees and external clients and partners. Over the course of the year, we have adapted quickly to mitigate the incremental impacts of the virus on our business. Regulatory directives and COVID-19 case management continued

to result in the periodic full or partial operational disruption of some of our facilities, vessels, and suppliers beyond the first quarter, and we expect some level of disruption to continue through the end of the year.

More specific impacts of COVID-19 and the commodity price decline as well as the outlook for the business segments are provided below.

Subsea - The impact of the low crude oil price environment has led many of our customers to significantly reduce their capital spending plans. TechnipFMC continues to engage with its customers and alliance partners as they work to update their business plans. We did not receive any cancellations of major projects in backlog during the period.

We believe that deepwater will become an even more prevalent piece of the energy mix as project economics remain attractive, particularly for brownfield developments. Sanctioning on a number of greenfield projects has shifted from the current year, impacting our previous projection for 2020 orders. We continue to evaluate approximately $11 billion of large project opportunities that we believe are still likely to move forward over the next 24 months. Additional projects approaching $6 billion in value have been extended beyond this timeframe but remain active and subject to future award. Large project activity continues to demonstrate our strength in important basins such as Brazil, Guyana, and Norway.

Beyond this large project activity, our orders have been supported by subsea services, direct iEPCI™ awards and small project activity, much of which is exclusive to TechnipFMC. These opportunities have generated over $3 billion of inbound orders in each of the last three years and are enabled by our installed base, growing list of alliance partners, and unique integrated FEED capabilities. We anticipate resiliency in services activity, where we expect to benefit from the industry's largest installed base of subsea equipment in operation today, as well as a likely shift by some clients from greenfield developments to brownfield intervention.

We continue to work closely with our customers through early engagement in iFEED™ and the use of iEPCI™ to allow more project final investment decisions through the cycle. iEPCI™ can support our clients' initiatives to improve subsea project economics by helping to reduce cost and accelerate time to first oil. TechnipFMC's integrated commercial model now accounts for a significant portion of our orders and revenue and will serve as our standard approach to new business going forward.

As the subsea industry continues to evolve, we are accelerating actions to further streamline our organization, achieve standardization, and reduce cycle times. Continued rationalization of our global footprint will also further leverage the benefits of the integrated offering. We aim to continuously align our operations with activity levels, while preserving our core capacity in order to deliver current projects in backlog and future order activity.

Technip Energies - Given the long cycle nature of the business, the resilience and maturity of the projects in backlog and our diversified global footprint, we have been able to mitigate a significant portion of COVID-19 operational impacts. The near-term effects relate more to operational efficiencies and timing issues and not the stoppage of projects.

Onshore market activity continues to provide a tangible set of opportunities, albeit at lower levels than previously forecast. We expect natural gas and renewables to take a larger share of global energy demand as evidenced by the record level of new LNG capacity sanctioned in 2019.

Market dynamics for LNG shifted in the first half of the year, and this has altered the broader LNG landscape in the near-term. The number of economically viable LNG projects is likely to decline, and many of the remaining qualified EPC contractors will be challenged in this period of subdued project sanctioning. Technip Energies has demonstrated remarkable resilience through past cycles, and we do not believe this is the start of an extended downturn for our Company. We have already been awarded two additional projects, Rovuma in Mozambique and Energia Costa Azul in Mexico, although both remain subject to final investment decision, and neither of these projects are included in our backlog today. In addition, we are actively tendering a major project in the Middle East and performing front-end work on other LNG prospects, some of which are likely to move forward due in part to their strategic importance to their host country. We continue to believe that the long-term fundamentals for natural gas – LNG in particular - remain strong given its critical role as a transition fuel.

As an industry leader, TechnipFMC is well positioned for growth in new liquefaction and regasification capacity as well as opportunities in sustainable chemistry (biofuels, biochemicals and circular economy) and other low-carbon or carbon-free energy solutions. Active engagement in FEED studies provides a platform for early collaboration with clients and can significantly de-risk project execution while also supporting our pursuit of EPC contracts. Our direct engagement led to the signing of a major EPC contract in July for the construction of a new hydrocracking complex for the Assiut refinery in Egypt. Additionally, we continue to selectively pursue refining, petrochemical, fertilizer and renewables project opportunities in the Middle East, Africa, Asia and North America as these sectors typically prove to be more resilient through a downturn.

Offshore market activity is expected to weaken in the near-term as sanctioning on a number of greenfield projects is likely to shift from the current year. Recent discoveries of offshore fields with reserves in regions such as Australia and East Africa are expected to benefit future activity; however, the timing of increased investment in these regions could be deferred. In the long-term, new upstream investment will also be required as gas becomes a bigger portion of the global energy mix.

Surface Technologies - North American activity remained lower during the third quarter. However, the U.S. rig count has stabilized and the number of U.S. stimulation crews has started to recover from the trough reached in May.

Activity outside North America remains more resilient. We also continue to benefit from our exposure to the Middle East and Asia Pacific, both of which are being supported by strength in gas-related activity. In the third quarter, we announced two strategic growth opportunities in the Middle East, which provide us with potential market share expansion across the region. The business mix outside of North America is expected to approximate 60% of total segment revenue for 2020.

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(In millions, except %)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Change $	Change %
Revenue	$ 3,335.7	$ 3,335.1	0.6	—
Costs and expenses				
Cost of sales	2,875.6	2,726.4	149.2	5.5
Selling, general and administrative expense	252.0	298.1	(46.1)	(15.5)
Research and development expense	35.4	40.6	(5.2)	(12.8)
Impairment, restructuring and other expenses (Note 17)	92.0	140.3	(48.3)	(34.4)
Separation costs (Note 2)	—	9.4	(9.4)	n/a
Merger transaction and integration costs	—	6.2	(6.2)	n/a
Total costs and expenses	3,255.0	3,221.0	34.0	1.1
Other income (expense), net	28.9	(57.7)	86.6	150.1
Income from equity affiliates (Note 12)	11.1	25.9	(14.8)	(57.1)
Net interest expense	(91.8)	(116.5)	24.7	21.2
Income (loss) before income taxes	28.9	(34.2)	63.1	184.5
Provision for income taxes (Note 19)	22.5	81.1	(58.6)	(72.3)
Net income (loss)	6.4	(115.3)	121.7	105.6
Net income attributable to non-controlling interests	(10.3)	(3.8)	(6.5)	(171.1)
Net loss attributable to TechnipFMC plc	$ (3.9)	$ (119.1)	115.2	96.7

Revenue

Revenue for the third quarter of 2020 was flat compared to the third quarter of 2019. Subsea revenue primarily increased due to higher project activity in the United States, Norway and Africa. Increased revenue in Technip Energies was primarily driven by the continued ramp-up of Arctic LNG 2 and higher activity on downstream projects in Africa, North America and India, which more than offset the decline in revenue from Yamal LNG. Surface Technologies revenue decreased during the third quarter of 2020 versus the prior-year period, primarily as a result of the significant reduction in operator activity in North America. In addition, our consolidated revenues were negatively impacted by operational challenges associated with the COVID-19 related disruptions versus the prior-year quarter.

Gross Profit

Gross profit (revenue less cost of sales) as a percentage of sales decreased to 13.8% in the third quarter of 2020, from 18.3% in the prior-year period. Subsea gross profit was negatively affected by a more competitively priced backlog and the negative operational impacts related to COVID-19. Gross profit declined in Technip Energies due in large part to a reduced contribution from Yamal LNG as the project reached physical completion last year and is progressing through the warranty phase. Surface Technologies gross profit was negatively impacted primarily by the year-over-year decline in North American drilling and completions activity, which was partially offset by lower costs from our accelerated cost reduction initiative implemented during 2020.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $46.1 million year-over-year, primarily as a result of decreased corporate expenses and the accelerated pace of cost reduction actions.

Impairment, Restructuring and Other Expenses

We incurred $92.0 million of restructuring, impairment and other charges during the third quarter of 2020. These charges primarily included $36.4 million of COVID-19 related expenses, $31.3 million of impairment charges and $24.3 million of restructuring and severance expenses. COVID-19 related expenses represent unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of the COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites, and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments. COVID-19 related expenses exclude costs associated with project and/or operational inefficiencies, time delays in performance delivery, indirect costs increases and potentially reimbursable or recoverable expenses. During the third quarter of 2019, we incurred $140.3 million of restructuring, impairment and charges, which included a $125.1 million vessel impairment charge in Subsea. See Note 17 for further details.

Separation Costs

We incurred $9.4 million of separation costs associated with the preparation of the separation transaction during the third quarter of 2019. Due to the COVID-19 pandemic, the significant decline in commodity prices, and the heightened volatility in global equity markets, we have postponed the completion of the transaction until the markets sufficiently recover. See Note 2 for further details.

Merger Transaction and Integration Costs

We incurred integration costs of $6.2 million during the third quarter of 2019, before the announcement of the planned separation transaction due to the continuation of the integration activities pertaining to combining the two legacy companies.

Other Income (expense), Net

Other income (expense), net, primarily reflects foreign currency gains and losses, including gains and losses associated with the remeasurement of net cash positions and gains and losses on sales of property, plant and equipment. In the third quarter of 2020, we recognized $28.9 million of other income, which primarily included $5.6 million of net foreign exchange gains and $5.4 million of gains on sales of property, plant and equipment. In the third quarter of 2019, we recognized $57.7 million of other losses, which primarily included $53.2 million of net foreign exchange losses and $8.5 million of losses on sales of property, plant and equipment. The change in foreign exchange losses is primarily due to favorable hedging costs and a reduction in foreign exchange losses from unhedged currencies.

Net Interest Expense

During three months ended September 30, 2020, net interest expense decreased $24.7 million compared to the same period in 2019, primarily due to the change in the fair value of the redeemable financial liability. We revalued the mandatorily redeemable financial liability to reflect current expectations about the obligation and recognized a charge of $61.9 million during the three months ended September 30, 2020 as compared to $99.1 million recognized during the same period in 2019. See Note 21 for further details. Net interest expense, excluding the fair value measurement of the mandatorily redeemable financial liability, also includes the impact of interest income and expenses, which were higher on a net basis compared to three months ended September 30, 2019.

Provision for Income Taxes

Our provision for income taxes for three months ended September 30, 2020 and 2019 reflected effective tax rates of 77.9% and (237.1)%, respectively. The year-over-year increase in the effective tax rate was primarily due to the increased impact of losses, including certain impairments in jurisdictions with a full valuation allowance, and a favorable change in the forecasted earnings mix, offset in part by one-time benefits that were recorded in 2019 for the release of two uncertain tax positions, one for intercompany interest expense and one for foreign exchange.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than in the United Kingdom.

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

	Nine Months Ended September 30,		Change	
(In millions, except %)	**2020**	**2019**	**$**	**%**
Revenue	$ 9,624.5	$ 9,682.3	(57.8)	(0.6)
Costs and expenses				
Cost of sales	8,218.3	7,883.5	334.8	4.2
Selling, general and administrative expense	780.8	919.7	(138.9)	(15.1)
Research and development expense	108.8	110.0	(1.2)	(1.1)
Impairment, restructuring and other expenses (Note 17)	3,440.7	166.0	3,274.7	1,972.7
Separation costs (Note 2)	27.1	9.4	17.7	n/a
Merger transaction and integration costs	—	31.2	(31.2)	n/a
Total costs and expenses	12,575.7	9,119.8	3,455.9	37.9
Other income (expense), net	(9.3)	(156.5)	147.2	94.1
Income from equity affiliates (Note 11)	52.9	54.0	(1.1)	(2.0)
Net interest expense	(238.5)	(345.3)	106.8	30.9
Income (loss) before income taxes	(3,146.1)	114.7	(3,260.8)	(2,842.9)
Provision for income taxes (Note 19)	77.9	96.5	(18.6)	(19.3)
Net income (loss)	(3,224.0)	18.2	(3,242.2)	(17,814.3)
Net income attributable to non-controlling interests	(24.3)	(19.4)	(4.9)	(25.3)
Net loss attributable to TechnipFMC plc	$ (3,248.3)	$ (1.2)	(3,247.1)	(270,591.7)

Revenue

Revenue decreased $57.8 million during the nine months ended September 30, 2020, compared to the same period in 2019. Subsea revenue increased year-over-year primarily due to increased project activity in the Gulf of Mexico and the North Sea. Increased revenue in Technip Energies was primarily driven by the continued ramp-up of Arctic LNG 2, increased activity on downstream projects and Process Technology business, which more than offset the decline in revenue from Yamal LNG. Technip Energies revenue was also favorably impacted by the result of a litigation settlement. Surface Technologies revenue decreased versus the prior-year period, primarily as a result of the significant decline in operator activity in North America, with partial impact from order intake timing in international markets. In addition, our consolidated revenues were negatively impacted by operational challenges associated with the COVID-19 related disruptions.

Gross Profit

Gross profit (revenue less cost of sales) as a percentage of sales decreased to 14.6% during the nine months ended September 30, 2020, compared to 18.6% in the prior-year period. Subsea gross profit decreased due to a more competitively priced backlog and the negative operational impacts related to COVID-19. Gross profit declined in Technip Energies due in large part to a reduced contribution from Yamal LNG as the project reached physical completion last year and is progressing through the warranty phase. Surface Technologies gross profit was negatively impacted primarily by the year-over-year decline in North American drilling and completions activity, which was partially offset by the lower costs from our accelerated cost reduction initiative implemented during 2020.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $138.9 million year-over-year, primarily as a result of decreased corporate expenses and the accelerated pace of cost reduction actions.

Impairment, Restructuring and Other Expense

We incurred $3,440.7 million of restructuring, impairment and other charges during the nine months ended September 30, 2020. These charges primarily included $3,083.4 million of goodwill impairment, $169.6 million of long-lived assets impairment, $101.8 million of COVID-19 related expenses, and $85.9 million for restructuring and severance expenses. COVID-19 related expenses represent unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of the COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites, and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments. COVID-19 related expenses exclude costs associated with project and/or operational inefficiencies, time delays in performance delivery, indirect costs increases and potentially reimbursable or recoverable expenses. During the nine months ended September 30, 2019, we incurred $166.0 million of restructuring, impairment and other charges, which included a $125.1 million vessel impairment charge in the Subsea segment. See Note 17 for further details.

Separation Costs

We incurred $27.1 million of separation costs associated with the preparation of the separation transaction during the nine months ended September 30, 2020. Due to the COVID-19 pandemic, the significant decline in commodity prices, and the heightened volatility in global equity markets, we have postponed the completion of the transaction until the markets sufficiently recover. See Note 2 for further details.

Merger Transaction and Integration Costs

We incurred merger transaction and integration costs of $31.2 million during the nine months ended September 30, 2019, before the announcement of the planned separation transaction due to the continuation of the integration activities pertaining to combining the two legacy companies.

Other Income (expense), Net

Other income (expense), net, primarily reflects foreign currency gains and losses, including gains and losses associated with the remeasurement of net cash positions, gains and losses on sales of property, plant and equipment and other non-operating gains and losses. During the nine months ended September 30, 2020, we recognized $9.3 million of other expenses, which primarily included $43.5 million of net foreign exchange losses, partially offset by $9.7 million of gains on sales of property, plant and equipment. During the nine months ended September 30, 2019, we recognized $156.5 million of other expenses, which primarily included a $82.8 million of net foreign exchange losses, $54.6 million legal provision, net of settlements and $14.5 million of losses on sales of property, plant and equipment. The change in foreign exchange losses is primarily due to a reduction in foreign exchange losses from unhedged currencies, more favorable hedging costs, and thxe effects of a weakened U.S. dollar on naturally hedged projects.

Net Interest Expense

Net interest expense decreased $106.8 million in the nine months ended September 30, 2020, compared to 2019, primarily due to the change in the fair value of the redeemable financial liability. We revalued the mandatorily redeemable financial liability to reflect current expectations about the obligation and recognized a charge of $148.2 million during the nine months ended September 30, 2020 as compared to $324.0 million recognized during the same period in 2019. See Note 21 for further details. Net interest expense, excluding the fair value measurement of the mandatorily redeemable financial liability, also includes the impact of interest income and expenses, which were lower on a net basis compared to the same period of 2019.

Provision for Income Taxes

Our provision for income taxes for the nine months ended September 30, 2020 and 2019 reflected effective tax rates of (2.5)% and 84.1%, respectively. The year-over-year decrease in the effective tax rate was primarily due to the impact of nondeductible goodwill impairments, offset in part by the reduced impact of losses in jurisdictions with a full valuation allowance and a favorable change in the forecasted earnings mix. The decrease was also impacted by one-time benefits that were recorded in 2019 for the release of a valuation allowance.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than in the United Kingdom.

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC
THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded in computing segment operating profit and are included in corporate items. See Note 6 for further details.

Subsea

	Three Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except % and pts.)	**2020**	**2019**	**$**	**%**
Revenue	$ 1,501.8	$ 1,342.2	159.6	11.9
Operating profit (loss)	$ 20.3	$ (79.6)	99.9	125.5
Operating profit as a percentage of revenue	1.4 %	(5.9)%		7.3 pts.

Subsea revenue increased $159.6 million or 11.9% year-over-year, primarily due to higher project activity in the United States, Norway and Africa. Despite operational challenges associated with COVID-19 related disruptions, we continued to demonstrate strong execution of our backlog.

Subsea operating profit increased from the prior-year quarter primarily driven by higher activity and the benefits from our cost reduction initiatives. Non-recurring charges, including asset impairments, decreased by $87.8 million compared to the third quarter of 2019. Operating profit was also negatively affected by a more competitively priced backlog and operational impacts related to COVID-19. Non-recurring charges incurred related to COVID-19 disruptions during the period were $18.7 million. See Note 17 for further details.

Refer to "*Non-GAAP Measures"* for further information regarding our segment operating results.

Technip Energies[(a)]

	Three Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except % and pts.)	**2020**	**2019**	**$**	**%**
Revenue	$ 1,608.2	$ 1,596.3	11.9	0.7
Operating profit	$ 129.5	$ 284.6	(155.1)	(54.5)
Operating profit as a percentage of revenue	8.1 %	17.8 %		(9.7) pts.

(a) In connection with the planned separation transaction, in the first quarter of 2020, we renamed our Onshore/Offshore segment Technip Energies. See Note 2 for further details.

Technip Energies revenue increased $11.9 million or 0.7% year-over-year. Revenue benefited from the continued ramp-up of Arctic LNG 2 and higher activity on downstream projects in Africa, North America and India, which more than offset the decline in revenue from Yamal LNG. COVID-19 related operational efficiencies and business disruption also impeded revenue growth in the quarter.

Operating profit decreased versus the prior-year quarter, primarily due to a reduced contribution from Yamal LNG and lower margin realization on early stage projects, including Arctic LNG 2. Project execution remained strong across the portfolio. Non-recurring charges incurred related to COVID-19 disruptions during the period were $15.3 million. See Note 17 for further details.

Refer to '*Non-GAAP Measures*' for further information regarding our segment operating results.

Surface Technologies

(In millions, except % and pts.)	Three Months Ended September 30, 2020	2019	Favorable/(Unfavorable) $	%
Revenue	$ 225.7	$ 396.6	(170.9)	(43.1)
Operating profit (loss)	$ (7.0)	$ 6.1	(13.1)	(214.8)
Operating profit as a percentage of revenue	(3.1)%	1.5 %		(4.6) pts.

Surface Technologies revenue decreased $170.9 million, or 43.1%, year-over-year, primarily driven by the significant reduction in operator activity in North America. Revenue outside of North America displayed resilience, with a more modest decline due to reduced activity level. Nearly 70% of total segment revenue was generated outside of North America in the period.

Surface Technologies operating profit decreased versus the prior-year quarter primarily due to lower activity in North America driven by the significant decline in rig count and completions-related activity, which was partially offset by lower costs from our accelerated cost reduction actions initiated in the first quarter of 2020. Operating profit was also negatively impacted by non-recurring charges related to COVID-19 disruptions, which were $2.4 million for the three months ended September 30, 2020. See Note 17 for further details.

Refer to “*Non-GAAP Measures”* for further information regarding our segment operating results.

Corporate Expenses

(In millions, except %)	Three Months Ended September 30, 2020	2019	Favorable/(Unfavorable) $	%
Corporate expenses	$ (27.7)	$ (75.6)	47.9	63.4

Corporate expenses decreased by $47.9 million during the third quarter of 2020 as compared to the same period in 2019. Lower activity and the cost reduction measures implemented at the beginning of 2020 resulted in $20.4 million reduction in corporate expenses. Corporate expenses incurred during the third quarter of 2019 included $9.4 million of separation costs and $6.2 million of integration expenses, which did not repeat duirng the third quarter of 2020.

Refer to “*Non-GAAP Measures”* for further information regarding our segment operating results.

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded in computing segment operating profit and are included in corporate items. See Note 6 for further details.

Subsea

	Nine Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except %)	**2020**	**2019**	**$**	**%**
Revenue	$ 4,133.4	$ 4,036.2	97.2	2.4
Operating profit (loss)	$ (2,806.0)	$ 65.0	(2,871.0)	n/a
Operating profit (loss) as a percentage of revenue	(67.9)%	1.6 %		(69.5) pts.

Subsea revenue increased $97.2 million, or 2.4%, year-over-year, primarily due to higher project activity in the United States, Norway and Africa. Despite operational challenges associated with COVID-19 related disruptions, we continued to demonstrate strong execution of our backlog.

Subsea operating loss for the nine months ended September 30, 2020 is primarily due to significant impairment charges and other non-recurring charges. The operating loss included $2,912.8 million of goodwill and long-lived assets impairments, restructuring and other charges and COVID-19 related expenses compared to $138.0 million in 2019. Non-recurring charges incurred related to COVID-19 disruptions during the period were $50.1 million. See Note 17 for further details.

Refer to *'Non-GAAP Measures'* below for more information regarding our segment operating results.

Technip Energies[a]

	Nine Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except %)	**2020**	**2019**	**$**	**%**
Revenue	$ 4,694.2	$ 4,436.4	257.8	5.8
Operating profit	$ 512.0	$ 714.3	(202.3)	(28.3)
Operating profit as a percentage of revenue	10.9 %	16.1 %		(5.2) pts.

(a) In connection with the planned separation transaction, in the first quarter of 2020, we renamed our Onshore/Offshore segment Technip Energies. See Note 2 for further details.

Technip Energies revenue increased $257.8 million, or 5.8% year-over-year. Revenue benefited from the continued ramp-up of Arctic LNG 2 and higher activity on downstream projects in Africa, North America and India, which more than offset the decline in revenue from Yamal LNG. COVID-19 related operational efficiencies and business disruption also impeded revenue growth during the nine months ended September 30, 2020. Revenue during the period benefited from a $113.2 million litigation settlement.

Operating profit decreased year-over-year, primarily due to a reduced contribution from Yamal LNG and lower margin realization on early stage projects, including Arctic LNG 2. Project execution remained strong across the portfolio. Non-recurring charges incurred related to COVID-19 disruptions during the period were $44.0 million. See Note 17 for further details.

Refer to "*Non-GAAP Measures"* below for more information regarding our segment operating results.

Surface Technologies

(In millions, except %)	Nine Months Ended September 30, 2020	2019	Favorable/(Unfavorable) $	%
Revenue	$ 796.9	$ 1,209.7	(412.8)	(34.1)
Operating profit (loss)	$ (444.4)	$ 42.1	(486.5)	n/a
Operating profit (loss) as a percentage of revenue	(55.8)%	3.5 %		(59.3) pts.

Surface Technologies revenue decreased $412.8 million, or 34.1%, year-over-year, primarily driven by the significant reduction in operator activity in North America. Revenue outside of North America displayed resilience, with a more modest decline due to reduced activity levels. Nearly 60% of total segment revenue was generated outside of North America in the period.

Surface Technologies operating loss was primarily due to impairment and other non-recurring restructuring charges. The operating loss included $439.8 million of goodwill and long-lived assets impairments, restructuring and other COVID-19 related expenses. Operating loss was also negatively impacted by the reduced demand in North America driven by the significant decline in rig count and completions-related activity, which was partially offset by lower costs from our accelerated cost reduction actions initiated in the first quarter of 2020. Non-recurring charges incurred related to COVID-19 disruptions during the period were $7.7 million. See Note 17 for further details.

Refer to *'Non-GAAP Measures'* below for more information regarding our segment operating results.

Corporate Expenses

(In millions, except %)	Nine Months Ended September 30, 2020	2019	Favorable/(Unfavorable) $	%
Corporate expenses	$ (125.7)	$ (278.6)	152.9	54.9

Corporate expenses decreased by $152.9 million during the nine months ended September 30, 2020 as compared to the same period in 2019. Lower activity and the impact of cost reduction implemented during the beginning of 2020 resulted in a $59.7 million reduction in corporate expenses, which were offset by $27.1 million of separation costs incurred during the first quarter of 2020. Corporate expenses incurred during the nine months ended September 30, 2019 included a legal provision, net of settlements, of $54.6 million, $31.2 million of integration expenses and $9.4 million of separation costs, which did not repeat during the nine months ended September 30, 2020.

Refer to '*Non-GAAP Measures*' for further information regarding our segment operating results.

NON-GAAP MEASURES

In addition to financial results determined in accordance with U.S. generally accepted accounting principles (“GAAP”), we provide non-GAAP financial measures (as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended) below.

- Net income, excluding charges and credits, as well as measures derived from it (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 (“Adjusted Depreciation and amortization”);
- Earnings before net interest expense, income taxes, depreciation and amortization, excluding charges and credits ("Adjusted EBITDA");
- Corporate expenses excluding charges and credits and foreign exchange impacts; and
- Net (debt) 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 our 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 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.

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

	Three Months Ended September 30, 2020						
	Net income (loss) attributable to TechnipFMC plc	Net income (loss) attributable to non-controlling interests	Provision (benefit) 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	$ (3.9)	$ 10.3	$ 22.5	$ 91.8	$ 120.7	$ 108.5	$ 229.2
Charges and (credits):							
Impairment and other charges	26.0	—	5.3	—	31.3	—	31.3
Restructuring and other charges	21.6	—	2.7	—	24.3	—	24.3
Direct COVID-19 expenses	28.5	—	7.9	—	36.4	—	36.4
Adjusted financial measures	$ 72.2	$ 10.3	$ 38.4	$ 91.8	$ 212.7	$ 108.5	$ 321.2
Diluted earnings (loss) per share attributable to TechnipFMC plc, as reported	$ (0.01)						
Adjusted diluted earnings per share attributable to TechnipFMC plc	$ 0.16						

	Three Months Ended September 30, 2019						
	Net income (loss) attributable to TechnipFMC plc	Net income (loss) attributable to non-controlling interests	Provision (benefit) 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	$ (119.1)	$ 3.8	$ 81.1	$ 116.5	$ 82.3	$ 141.6	$ 223.9
Charges and (credits):							
Impairment and other charges	126.1	—	0.2	—	126.3	—	126.3
Restructuring and other charges	12.3	—	1.7	—	14.0	—	14.0
Business combinations transaction and integration costs	6.1	—	0.1	—	6.2	—	6.2
Separation costs	7.5	—	1.9		9.4	—	9.4
Legal provision, net	(0.6)	—	—	—	(0.6)	—	(0.6)
Purchase price accounting adjustment	6.5	—	2.0	—	8.5	(8.5)	—
Valuation allowance	15.0	—	(15.0)	—	—	—	—
Adjusted financial measures	$ 53.8	$ 3.8	$ 72.0	$ 116.5	$ 246.1	$ 133.1	$ 379.2
Diluted earnings (loss) per share attributable to TechnipFMC plc, as reported	$ (0.27)						
Adjusted diluted earnings per share attributable to TechnipFMC plc	$ 0.12						

	Nine Months Ended September 30, 2020						
	Net income (loss) attributable to TechnipFMC plc	**Net income (loss) attributable to non-controlling interests**	**Provision (benefit) 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	$ (3,248.3)	$ 24.3	$ 77.9	$ 238.5	$ (2,907.6)	$ 335.5	$ (2,572.1)
Charges and (credits):							
Impairment and other charges	3,239.4	—	13.6	—	3,253.0	—	3,253.0
Restructuring and other charges	77.8	—	8.1	—	85.9	—	85.9
Direct COVID-19 expenses	83.1	—	18.7	—	101.8	—	101.8
Litigation settlement	(113.2)	—	—	—	(113.2)	—	(113.2)
Separation costs	20.2	—	6.9	—	27.1	—	27.1
Purchase price accounting adjustment	6.5	—	2.0	—	8.5	(8.5)	—
Valuation allowance	(0.2)	—	0.2	—	—	—	—
Adjusted financial measures	$ 65.3	$ 24.3	$ 127.4	$ 238.5	$ 455.5	$ 327.0	$ 782.5
Diluted earnings (loss) per share attributable to TechnipFMC plc, as reported	$ (7.24)						
Adjusted diluted earnings per share attributable to TechnipFMC plc	$ 0.15						

	Nine Months Ended September 30, 2019						
	Net income (loss) attributable to TechnipFMC plc	**Net income (loss) attributable to non-controlling interests**	**Provision (benefit) 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	$ (1.2)	$ 19.4	$ 96.5	$ 345.3	$ 460.0	$ 378.5	$ 838.5
Charges and (credits):							
Impairment and other charges	127.0	—	0.5	—	127.5	—	127.5
Restructuring and other charges	30.6	—	7.9	—	38.5	—	38.5
Business combinations transaction and integration costs	24.8	—	6.4	—	31.2	—	31.2
Separation costs	7.5	—	1.9	—	9.4	—	9.4
Reorganization	19.2	—	6.1	—	25.3	—	25.3
Legal provision, net	54.6	—	—	—	54.6	—	54.6
Purchase price accounting adjustment	19.5	—	6.0	—	25.5	(25.5)	—
Valuation allowance	(25.3)	—	25.3	—	—	—	—
Adjusted financial measures	$ 256.7	$ 19.4	$ 150.6	$ 345.3	$ 772.0	$ 353.0	$ 1,125.0
Diluted earnings (loss) per share attributable to TechnipFMC plc, as reported	$ —						
Adjusted diluted earnings per share attributable to TechnipFMC plc	$ 0.57						

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

	Three Months Ended September 30, 2020					
	Subsea	Technip Energies	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	$ 1,501.8	$ 1,608.2	$ 225.7	$ —	$ —	$ 3,335.7
Operating profit (loss), as reported (pre-tax)	$ 20.3	$ 129.5	$ (7.0)	$ (27.7)	$ 5.6	$ 120.7
Charges and (credits):						
Impairment and other charges	17.6	5.7	5.4	2.6	—	31.3
Restructuring and other charges	7.1	15.1	0.9	1.2	—	24.3
Direct COVID-19 expenses	18.7	15.3	2.4	—	—	36.4
Subtotal	43.4	36.1	8.7	3.8	—	92.0
Adjusted Operating profit (loss)	63.7	165.6	1.7	(23.9)	5.6	212.7
Depreciation and amortization	82.3	8.9	15.6	1.7	—	108.5
Adjusted EBITDA	$ 146.0	$ 174.5	$ 17.3	$ (22.2)	$ 5.6	$ 321.2
Operating profit margin, as reported	1.4 %	8.1 %	(3.1)%			3.6 %
Adjusted Operating profit margin	4.2 %	10.3 %	0.8 %			6.4 %
Adjusted EBITDA margin	9.7 %	10.9 %	7.7 %			9.6 %

	Three Months Ended September 30, 2019					
	Subsea	Technip Energies	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	$ 1,342.2	$ 1,596.3	$ 396.6	$ —	$ —	$ 3,335.1
Operating profit (loss), as reported (pre-tax)	$ (79.6)	$ 284.6	$ 6.1	$ (75.6)	$ (53.2)	$ 82.3
Charges and (credits):						
Impairment and other charges	126.3	—	—	—	—	126.3
Restructuring and other charges	4.9	5.2	0.7	3.2	—	14.0
Business combination transaction and integration costs	—	—	—	6.2	—	6.2
Separation costs	—	—	—	9.4	—	9.4
Legal provision, net	—	—	—	(0.6)	—	(0.6)
Purchase price accounting adjustments - amortization related	8.5	—	—	—	—	8.5
Subtotal	139.7	5.2	0.7	18.2	—	163.8
Adjusted Operating profit (loss)	60.1	289.8	6.8	(57.4)	(53.2)	246.1
Adjusted Depreciation and amortization	79.0	14.4	37.6	2.1	—	133.1
Adjusted EBITDA	$ 139.1	$ 304.2	$ 44.4	$ (55.3)	$ (53.2)	$ 379.2
Operating profit margin, as reported	(5.9)%	17.8%	1.5%			2.5%
Adjusted Operating profit margin	4.5%	18.2%	1.7%			7.4%
Adjusted EBITDA margin	10.4%	19.1%	11.2%			11.4%

	Nine Months Ended September 30, 2020					
	Subsea	Technip Energies	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	$ 4,133.4	$ 4,694.2	$ 796.9	$ —	$ —	$ 9,624.5
Operating profit (loss), as reported (pre-tax)	$ (2,806.0)	$ 512.0	$ (444.4)	$ (125.7)	$ (43.5)	$ (2,907.6)
Charges and (credits):						
Impairment and other charges	2,826.6	5.7	418.1	2.6	—	3,253.0
Restructuring and other charges*	36.1	29.1	14.0	6.7	—	85.9
Direct COVID-19 expenses	50.1	44.0	7.7	—	—	101.8
Litigation settlement	—	(113.2)	—	—	—	(113.2)
Separation costs	—	—	—	27.1	—	27.1
Purchase price accounting adjustments	8.5	—	—	—	—	8.5
Subtotal	2,921.3	(34.4)	439.8	36.4	—	3,363.1
Adjusted Operating profit (loss)	115.3	477.6	(4.6)	(89.3)	(43.5)	455.5
Adjusted Depreciation and amortization	235.1	26.6	54.7	10.6	—	327.0
Adjusted EBITDA	$ 350.4	$ 504.2	$ 50.1	$ (78.7)	$ (43.5)	$ 782.5
Operating profit margin, as reported	(67.9)%	10.9 %	(55.8)%			(30.2)%
Adjusted Operating profit margin	2.8 %	10.2 %	-0.6 %			4.7 %
Adjusted EBITDA margin	8.5 %	10.7 %	6.3 %			8.1 %

*On December 30, 2019, we completed the acquisition of the remaining 50% of Technip Odebrecht PLSV CV. A $7.3 million gain was recorded within restructuring and other charges in the Subsea segment during the nine months ended September 30, 2020.

	Nine Months Ended September 30, 2019					
	Subsea	Technip Energies	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	$ 4,036.2	$ 4,436.4	$ 1,209.7	$ —	$ —	$ 9,682.3
Operating profit (loss), as reported (pre-tax)	$ 65.0	$ 714.3	$ 42.1	$ (278.6)	$ (82.8)	$ 460.0
Charges and (credits):						
Impairment and other charges	126.9	—	0.6	—	—	127.5
Restructuring and other charges	11.1	11.1	2.8	13.5	—	38.5
Business combination transaction and integration costs	—	—	—	31.2	—	31.2
Separation costs	—	—	—	9.4	—	9.4
Reorganization	—	25.3	—	—	—	25.3
Legal provision, net	—	—	—	54.6	—	54.6
Purchase price accounting adjustments - amortization related	25.5	—	—	—	—	25.5
Subtotal	163.5	36.4	3.4	108.7	—	312.0
Adjusted Operating profit (loss)	228.5	750.7	45.5	(169.9)	(82.8)	772.0
Adjusted Depreciation and amortization	236.6	30.2	75.7	10.5	—	353.0
Adjusted EBITDA	$ 465.1	$ 780.9	$ 121.2	$ (159.4)	$ (82.8)	$ 1,125.0
Operating profit margin, as reported	1.6%	16.1%	3.5%			4.8%
Adjusted Operating profit margin	5.7%	16.9%	3.8%			8.0%
Adjusted EBITDA margin	11.5%	17.6%	10.0%			11.6%

INBOUND ORDERS AND ORDER BACKLOG

Inbound orders - Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period. COVID-19 has had a minimal impact on our ability to finalize sales contracts required to recognize new inbound orders in the quarter. However, the significant decline in commodity prices, due in part to the lower demand resulting from COVID-19, is expected to negatively impact the near-term outlook for inbound orders.

	Inbound Orders			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2020**	**2019**	**2020**	**2019**
Subsea	$ 1,607.1	$ 1,509.9	$ 3,290.9	$ 6,820.3
Technip Energies	412.8	696.0	1,809.2	11,966.0
Surface Technologies	207.5	404.7	760.9	1,188.3
Total inbound orders	$ 2,227.4	$ 2,610.6	$ 5,861.0	$ 19,974.6

Order backlog - Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Backlog reflects the current expectations for the timing of project execution. The scheduling of some future work included in our order backlog has been impacted by COVID-19 related disruptions and remains subject to future adjustment. See Note 5 for further details.

	Order Backlog	
(In millions)	**September 30, 2020**	**December 31, 2019**
Subsea	$ 7,218.0	$ 8,479.8
Technip Energies	12,059.2	15,298.1
Surface Technologies	368.9	473.2
Total order backlog	$ 19,646.1	$ 24,251.1

Subsea - Order backlog for Subsea at September 30, 2020 decreased by $1.3 billion compared to December 31, 2019. Subsea backlog of $7.2 billion at September 30, 2020 was composed of various subsea projects, including Total Mozambique LNG; Eni Coral and Merakes; Petrobras Mero I and Mero II; Energean Karish; ExxonMobil Payara; Reliance MJ-1; Equinor Johan Sverdrup Phase 2; Husky West White Rose; BP Platina; Chevron Gorgon Stage 2; and Woodside Pyxis and Lambert Deep.

Technip Energies - Technip Energies order backlog at September 30, 2020 decreased by $3.2 billion compared to December 31, 2019. Technip Energies backlog of $12.1 billion at September 30, 2020 was composed of various projects, including Arctic LNG 2, Yamal LNG; Midor refinery expansion; BP Tortue FPSO; Long Son Petrochemicals; ExxonMobil Beaumont refinery expansion; HURL fertilizer plants; Petronas Kasawari; Energean Karish; Neste bio-diesel expansion; and Motor Oil Hellas New Naphtha Complex.

Surface Technologies - Order backlog for Surface Technologies at September 30, 2020 decreased by $104.3 million compared to December 31, 2019. Given the short-cycle nature of the business, most orders are quickly converted into sales revenue; longer contracts are typically converted within 12 months.

Non-consolidated backlog - Non-consolidated order backlog reflects the proportional share of backlog related to joint ventures that is not consolidated due to our minority ownership position.

	Non-consolidated order backlog
(In millions)	**September 30, 2020**
Subsea	$ 674.0
Technip Energies	1,998.7
Total order backlog	$ 2,672.7

LIQUIDITY AND CAPITAL RESOURCES

Most of our cash is managed centrally and flows through centralized bank accounts controlled and maintained by TechnipFMC globally and in many operating jurisdictions to best meet the liquidity needs of our global operations.

We expect to meet the continuing funding requirements of our global operations with cash generated by such operations and our existing revolving credit facility.

Net (Debt) Cash - 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 GAAP or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our cash and cash equivalents to net cash, utilizing details of classifications from our condensed consolidated balance sheets:

(In millions)	September 30, 2020	December 31, 2019
Cash and cash equivalents	$ 4,244.0	$ 5,190.2
Short-term debt and current portion of long-term debt	(612.2)	(495.4)
Long-term debt, less current portion	(3,248.0)	(3,980.0)
Net cash	$ 383.8	$ 714.8

Cash Flows

Operating cash flows - During the nine months ended September 30, 2020 and 2019, we generated $102.1 million and $289.4 million in cash flows, respectively, from operating activities. The year-over-year decrease of $187.3 million in cash generated by operating activities was primarily due to timing differences on project milestones and vendor payments.

Investing cash flows - Investing activities used $212.4 million and $357.2 million of cash during the nine months ended September 30, 2020 and 2019, respectively. The year-over-year decrease of $144.8 million in cash used by investing activities was due primarily to decreased capital expenditures and decreased payments to acquire debt securities during the nine months ended September 30, 2020.

Financing cash flows - Financing activities used $911.8 million and $898.9 million of cash during the nine months ended September 30, 2020 and 2019, respectively. The year-over-year increase of $12.9 million in cash used by financing activities was due primarily to the increased debt pay down activity during the nine months ended September 30, 2020, partially offset by our efforts and commitment to preserve cash, which included reduction in cash dividends and share repurchases.

Debt and Liquidity

Significant Funding and Liquidity Activities - During the nine months ended September 30, 2020, we completed the following transactions in order to enhance our total liquidity position:

- Repaid $233.9 million of 5.00% 2010 private placement notes;
- Repaid the remaining outstanding balance of $190.0 million of the term loan assumed in connection with the acquisition of the remaining 50% interest in TOP CV.
- Issued €200 million aggregate principal amount of 4.500% Euro Denominated Notes due June 30, 2025. In the event of the spin-off of our Technip Energies business segment followed, within three months of the effective date of the spin-off, by a downgrade by a nationally recognized rating agency of the corporate rating of TechnipFMC from an investment grade to a non-investment grade rating or a withdrawal of any such rating, the interest rate applicable to the Euro Denominated Notes will be increased to 5.75%;

- Entered into a new, six-month €500 million senior unsecured revolving credit facility agreement, which may be extended for two additional three-month periods; and

- Entered into the CCFF Program, which allows us to issue up to £600 million of unsecured commercial paper notes.

Credit Facilities - The following is a summary of our revolving credit facilities at September 30, 2020:

(In millions) Description		Amount		Debt Outstanding		Commercial Paper Outstanding[a]		Letters of Credit		Unused Capacity	Maturity
Revolving credit facility	$	2,500.0	$	—	$	737.8	$	—	$	1,762.2	January 2023
CCFF Program	£	600.0	£	—	£	600.0	£	—	£	—	March 2021
Euro Facility	€	500.0	€	—	€	—	€	—	€	500.0	November 2020
Bilateral credit facility	€	100.0	€	—	€	—	€	—	€	100.0	May 2021

(a) Under our commercial paper program, we have the ability to access up to $1.5 billion and €1.0 billion of financing through our commercial paper dealers. Our available capacity under our revolving credit facility is reduced by any outstanding commercial paper.

Committed credit available under our revolving credit facility provides the ability to issue our commercial paper obligations on a long-term basis. We had $737.8 million of commercial paper issued under our facility at September 30, 2020. In addition, we had $769.6 million of Notes outstanding under the CCFF Program. As we had both the ability and intent to refinance these obligations on a long-term basis, these commercial paper borrowings were classified as long-term debt in the accompanying condensed consolidated balance sheets at September 30, 2020.

On June 12, 2020, we entered into Amendment No. 1 to the Facility Agreement and into an Amendment and Restatement Agreement to our Euro Facility. The amendments, which are effective through the respective expirations of the Facility Agreement and Euro Facility, permit us to include the gross book value of $3.2 billion of goodwill (fully impaired in the quarter ended March 31, 2020) in the calculation of consolidated net worth, which is used in the calculation of our quarterly compliance with the total capitalization ratio under the Facility Agreement and Euro Facility.

As of September 30, 2020, we were in compliance with all restrictive covenants under our credit facilities. See Note 14 for further details.

Credit Ratings - Our credit ratings with Standard and Poor's (S&P) are BBB+ for our long-term unsecured debt and A-2 for our short-term debt and commercial paper program. Our credit ratings with Moody's are Baa2 for our long-term unsecured debt and P-2 for our commercial paper program.

Credit Risk Analysis

For the purposes of mitigating the effect of the changes in exchange rates, we hold derivative financial instruments. Valuations of derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including the valuation of the derivative instrument and the value of the net credit differential between the counterparties to the derivative contract. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

The income approach was used as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available, are approximated using the spread of similar companies in the same industry, of similar size, and with the same credit rating. See Note 21 for further details.

The significant declines in the equity markets and in the valuation of other assets precipitated by the COVID-19 pandemic negatively affected the values of our pension plan assets during the first quarter ended March 31, 2020. While the equity markets and the valuation of other assets have recovered moderately during the quarter ended September 30, 2020, the fair values of our pension plan assets remain lower than pre-pandemic levels. If pension plan asset values do not continue to recover to pre-pandemic levels or deteriorate again as a result of uncertainty regarding the timing and pace of economic recovery from the COVID-19 pandemic, we may incur increased pension expense in future periods.

Financial Position Outlook

In this uncertain market environment due to the COVID-19 pandemic and the oil price decline, we are strategically focused on cash and liquidity preservation.

We reduced our expectations for capital expenditures in the current year by more than 30% to approximately $300.0 million. Projected capital expenditures for 2020 do not include any contingent capital that may be needed to respond to a contract award.

We announced a series of cost reduction initiatives that will result in annualized savings of more than $350.0 million that extend to all business segments and support functions. We have achieved the targeted run-rate savings in the third quarter, ahead of schedule.

Additionally, we announced revisions to compensation through the end of the year which include a 30% reduction to the Chairman and Chief Executive Officer's salary; a 30% reduction in the Board of Directors' retainer; and a 20% reduction to the Executive Leadership team's salaries.

In April 2020, our Board of Directors announced its decision to lower the annual dividend by 75% to $0.13 per share. TechnipFMC paid a dividend of $0.13 per share earlier this year, and this fulfills the annual dividend distribution for 2020. The revised dividend policy will reduce the annual cash outflow by $175 million when compared to the previous year's distribution. We intend to pay the 2021 dividend in quarterly installments beginning in April 2021.

Historically, TechnipFMC has generated liquidity and capital resources primarily through operations and, when needed, through its credit facility. We have $1,762.2 million of capacity available under our revolving credit facility that we expect to utilize if working capital needs temporarily increase. The volatility in credit, equity and commodity markets creates some uncertainty for our businesses.

While client conversations remain ongoing, the Company's increased visibility gives us confidence in our full-year guidance for all business segments. We expect free cash flow to be between cash flow neutral and $150.0 million. We define free cash flow as cash flow from operating activities less capital expenditures.

CRITICAL ACCOUNTING ESTIMATES

Refer to our Annual Report on Form 10-K for the year ended December 31, 2019 for a discussion of our critical accounting estimates. During the nine months ended September 30, 2020, there were no changes to our identified critical accounting estimates, other than those indicated below.

Revenue Recognition

Adjustments to estimates of contract revenue, total contract cost, or extent of progress toward completion are often required as work progresses under the contract and as experience is gained, even though the scope of work required under the contract may not change. The nature of accounting for long-term contracts is such that refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Consequently, the amount of revenue recognized over time is sensitive to changes in our estimates of total contract costs. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with our customers' expectations, the availability and costs of labor and material resources, productivity, and weather, all of which can affect the accuracy of our cost estimates, and ultimately, our future profitability.

Our operating loss for the three and nine months ended September 30, 2020 was positively impacted by approximately $165.1 million and $340.0 million, respectively, as a result of changes in contract estimates related to projects that were in progress at September 30, 2020. During the three and nine months ended September 30, 2020, we recognized changes in our estimates that had an impact on our margin in the amounts of $188.2 million, $(22.3) million, and $(0.8) million for the three months ended September 30, 2020, and $362.8 million, $(17.8) million, and $(5.0) million for the nine months ended September 30, 2020, in our Technip Energies, Subsea, and Surface Technologies segments, respectively. The changes in contract estimates are attributed to better-than-expected performance in the execution of our projects.

Our operating profit was positively impacted by approximately $289.0 million and $721.3 million, respectively, for the three and nine months ended September 30, 2019, comprising $225.3 million and $63.7 million, respectively, for the three months ended September 30, 2019 and $482.2 million and $239.1 million for the nine months ended September 30, 2019 in our Technip Energies and Subsea segments, respectively. The changes in contract estimates were attributed to better than expected performance in the execution of our projects.

OTHER MATTERS

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (“DOJ”) related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the FCPA. On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and we have also raised with DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ has also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service (“MPF”), the Comptroller General of Brazil (“CGU”) and the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier (“PNF”)) about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We will not be required to have a monitor and will, instead, provide reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement (“DPA”) with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We will also provide the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We have committed, as part of those agreements, to make certain enhancements to their compliance programs in Brazil during a two-year self-reporting period, which aligns with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

To date, the investigation by PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. As we continue to progress our discussions with PNF towards resolution, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anti-corruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk affecting the Company, see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in our Annual Report on Form 10-K for the year ended December 31, 2019. Our exposure to market risk has not changed materially since December 31, 2019.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2020, under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2020.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

A purported shareholder class action filed in 2017 and amended in January 2018 and captioned *Prause v. TechnipFMC, et al.*, No. 4:17-cv-02368 (S.D. Texas) is pending in the U.S. District Court for the Southern District of Texas against the Company and certain current and former officers and employees of the Company. The suit alleged violations of the federal securities laws in connection with the Company's restatement of our first quarter 2017 financial results and a material weakness in our internal control over financial reporting announced on July 24, 2017. On January 18, 2019, the District Court dismissed claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Section 15 of the Securities Act of 1933, as amended ("Securities Act"). A remaining claim for alleged violation of Section 11 of the Securities Act in connection with the reporting of certain financial results in the Company's Form S-4 Registration Statement filed in 2016 is pending and seeks unspecified damages. The Company is vigorously contesting the litigation and cannot predict its duration or outcome.

In addition to the above-referenced matter, we are involved in various other pending or potential legal actions or disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and join venture partners and can include claims related to payment of fees, service quality, and ownership arrangements including certain put or call options. Management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

ITEM 1A. RISK FACTORS

In addition to our risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended the December 31, 2019, the following risk factor was identified:

The COVID-19 pandemic has significantly reduced demand for our products and services, and has had, and may continue to have, an adverse impact on our financial condition, results of operations, and cash flows.

The COVID-19 pandemic, including actions taken by governments and businesses, has resulted in a significant reduction in global economic activity, including increased volatility in global oil and natural gas markets. Measures taken to address and limit the spread of the disease-such as stay-at-home orders, social distancing guidelines, and travel restrictions-have adversely affected the economies and financial markets of many countries. The resulting disruption to our operations, communications, travel, and supply chain may continue or increase in the future, and could limit the ability of our employees, partners, or vendors to operate efficiently or at all, and has had, and is reasonably likely to continue to have, an adverse impact on our financial condition, operating results, and cash flows.

While the full impact of the COVID-19 pandemic is not yet known, we are closely monitoring the effects of the pandemic on commodity demands and on our customers, as well as on our operations and employees. These effects include adverse revenue and net income effects; disruptions to our operations; potential project delays or cancellations; employee impacts from illness, school closures, and other community response measures; and temporary closures of our facilities or the facilities of our customers and suppliers.

COVID-19, and the volatile regional and global economic conditions stemming from the pandemic, could also aggravate the other risk factors that we identified in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019, including but not limited to risks related to the demand for oil and gas, which may not recover immediately. The full extent to which the COVID-19 pandemic will impact our results is unknown and evolving and will depend on various factors and consequences beyond our control, such as the severity, duration, and spread of COVID-19; the success of actions taken by governments and health organizations to combat the disease and treat its effects; decisions by our alliance partners and customers regarding their business plans and capital expenditures; and the extent to which, and the timing of, general economic and operating conditions recover.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We had no unregistered sales of equity securities during the three months ended September 30, 2020.

The following table summarizes repurchases of our ordinary shares during the three months ended September 30, 2020.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs [(a)]
July 1, 2020 – July 31, 2020	—	$ —	—	14,286,427
August 1, 2020 – August 31, 2020	—	$ —	—	14,286,427
September 1, 2020 – September 30, 2020	—	$ —	—	14,286,427
Total	—		—	14,286,427

(a) In December 2018, our Board of Directors authorized an extension of our share repurchase program for $300 million for the purchase of ordinary shares.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

Executive Severance Agreements

On October 28, 2020, the Compensation Committee of our Board of Directors approved entering into replacement Executive Severance Agreements with our executive officers due to the termination of the previous agreements. Similar to the prior agreements, the Executive Severance Agreements provide for “double trigger” severance benefits if an executive officer’s employment is terminated without cause or constructively terminated within the twenty-four months following a change in control. The severance benefits are equal to (i) a multiple of each executive’s base salary (multiple of three for our Chief Executive Officer and Chief Financial Officer; multiple of two for all other executive officers); (ii) a multiple of the greater of the executive’s annual target cash bonus or the executive’s prior three-year average annual cash bonus (multiple of three for our Chief Executive Officer and Chief Financial Officer; multiple of two for all other executive officers); (iii) accrued but unpaid base salary and unused paid time off pay; (iv) a pro-rated payment equal to the amount of the executive’s annual target cash bonus for the year the executive is terminated; and (v) an amount equal to the monthly premium payable for the executive under the Company’s health care, life, accidental death and dismemberment insurance and long-term disability insurance coverage for twenty-four months, or in the case of our Chief Executive Officer and Chief Financial Officer, for thirty-six months. If an executive is eligible for severance under applicable law, collective agreement, or an employment agreement, then the severance paid under the Executive Severance Agreement will be reduced by any such other severance amounts. Receipt of the severance benefits under the Executive Severance Agreements is subject to the executive signing a release of claims. The severance benefits may also be reduced to the extent payment of such benefits would not be deductible by reason of Section 280G of the U.S. Internal Revenue Code. Following termination, the executive would also no longer be subject to any stock ownership or retention requirements.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
10.1*	Form of TechnipFMC plc Executive Severance Agreement
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
32.1**	Certification of Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
32.2**	Certification of Chief Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Indicates a management contract or compensatory plan or arrangement.

** Furnished with this Quarterly Report on Form 10-Q.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TechnipFMC plc
(Registrant)

/s/ Krisztina Doroghazi

Krisztina Doroghazi
Senior Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer and a Duly Authorized Officer)

Date: November 2, 2020

Exhibit 10.1

Technipfmc plc
Executive Severance Agreement

THIS AGREEMENT is made and entered into as of the [date] by and between TechnipFMC plc (hereinafter referred to as the "**Company**") and [Executive] (hereinafter referred to as the "**Executive**").

WHEREAS, the Committee has approved the Company's entering into severance agreements with certain key executives of the Company;

WHEREAS, the Executive is a key executive of the Company;

WHEREAS, should the possibility of a Change in Control arise, the Board believes it is imperative that the Company and the Board be able to rely upon the Executive to continue in the Executive's position, and that the Company be able to receive and rely upon the Executive's advice, if requested, as to the best interests of the Company and its shareholders without concern that the Executive might be distracted by the personal uncertainties and risks created by the possibility of a Change in Control; and

WHEREAS, should the possibility of a Change in Control arise, in addition to the Executive's regular duties, the Executive may be called upon to assist in the assessment of such possible Change in Control, advise management and the Board as to whether such Change in Control would be in the best interests of the Company and its shareholders, and to take such other actions as the Board might determine to be appropriate; and

NOW, THEREFORE, to assure the Company that it will have the continued dedication of the Executive and the availability of the Executive's advice and counsel notwithstanding the possibility, threat, or occurrence of a Change in Control, and to induce the Executive to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Executive agree as follows:

ARTICLE I. .

Term

This Agreement will commence on [date] (the "**Effective Date**") and will continue in effect until the earlier of [date] or until such date when the Executive no longer holds the an equivalent or higher level of title and position unless the Company, in its sole discretion, elects to extend the Agreement. However, in the event a Change in Control occurs during the term, this Agreement will remain in effect for the longer of: twenty-four (24) months beyond the month in which such Change in Control occurred; or until all obligations of the Company hereunder have been fulfilled, and until all benefits required hereunder have been paid to the Executive.

ARTICLE II..

Defined Terms

Capitalized terms used and not defined in the body of this Agreement are defined in Exhibit A.

ARTICLE III. .

Severance Benefits

:tion i.Right to Severance Benefits.

1. The Executive will be entitled to receive from the Company Severance Benefits pursuant to the terms of this Agreement, and as set forth in Exhibit B, if there has been a Change in Control and if during the Protection Period a Qualifying Termination of the Executive has occurred. Executive's right to receive the Severance Benefits is conditioned upon Executive's signing an effective general release of claims and covenant not to sue within forty-five (45) days of the Effective Date of Termination, and not revoking such release during any revocation period required by law.

2. The occurrence of any one or more of the following events will constitute a "**Qualifying Termination**" and will trigger the payment of Severance Benefits to the Executive under this Agreement:

a. an involuntary termination of the Executive's employment pursuant to a Notice of Termination delivered to the Executive by the Company for reasons other than Cause, Disability, or death during the Protection Period; or

b. a voluntary termination for Good Reason pursuant to a Notice of Termination delivered to the Company by the Executive during the Protection Period.

3. Awards granted under the TechnipFMC Incentive Award Plan, the FMC Technologies, Inc. Incentive Compensation and Stock Plan, 2013 Technip Incentive Award Plan, 2014 Technip Incentive Award Plan, 2015 Technip Incentive Award Plan, 2016 Technip Incentive Award Plan, Technip Capital 2012 Plan, and Technip Capital 2015 Plan and other similar incentive arrangements adopted by the Company in the future (the "**Equity Plans**") will be treated pursuant to the terms of the applicable plan.

4. Any restrictions imposed by Company ownership or retention guidelines applicable to the sale of the Company's ordinary shares by executive officers will not apply to any awards granted to the Executive prior to a Change in Control under the Equity Plans or other incentive arrangements adopted by the Company that vests as a result of the Change in Control in accordance with the terms of this Agreement.

tion ii.Terminations Receiving no Severance Rights under this Agreement.

Following a Change in Control, the Executive will not be entitled to receive Severance Benefits under this Agreement if the Executive's employment is terminated due to the following circumstances:

1. Termination upon Death. If the Executive's employment is terminated due to death, the Executive's benefits will be determined in accordance with the Company's retirement, survivor's benefits, insurance, and other applicable programs of the Company then in effect. If the Executive's employment is terminated due to death, neither the Executive nor the Executive's Beneficiary will be entitled to the Severance Benefits referenced in Section 3.1 and described in Exhibit B, and the Company will have no further obligations to the Executive under this Agreement;

2. Termination for Disability. If the Executive's employment is terminated due to Disability, the Executive will receive the Executive's Base Salary through the Effective Date of Termination, and the Executive's benefits will be determined in accordance with the Company's disability, retirement, survivor's benefits, insurance, and other applicable plans and programs then in effect. If the Executive's employment is terminated due to Disability, neither the Executive nor the Executive's Beneficiary will be entitled to the Severance Benefits referenced in Section 3.1 and described in Exhibit B, and the Company will have no further obligations to the Executive under this Agreement;

3. Termination for Cause. If the Executive's employment is terminated either: by the Company for Cause; or by the Executive other than for Good Reason, the Company will pay the Executive an amount equal to the Executive's Base Salary prorata temporis through the effective termination, at the rate then in effect, plus all other amounts to which the Executive is entitled under any plans of the Company, by law, any applicable collective bargaining agreement or employment contract or addendum thereto, at the time such payments are due. In such event, neither the Executive nor the Executive's Beneficiary will be entitled to the Severance Benefits referenced in Section 3.1 and described in Exhibit B, and the Company will have no further obligations to the Executive under this Agreement.

ARTICLE IV. .

Form and Timing of Severance Benefits

:tion i.Form and Timing of Severance Benefits.

The Severance Benefits described in subparagraph (a) under the Description of Severance Benefits in Exhibit B will be paid in cash to the Executive (or the Executive's Beneficiary, if applicable) in a single lump sum as soon as practicable following the effective date of the Release, but in no event beyond sixty (60) days from such date. If the time period during which the Executive may sign the Release spans more than one taxable year, then payment of the Severance Benefits will not be made until the later taxable year, no matter when the Executive signs the Release.

tion ii.Withholding of Taxes.

The Company will be entitled to withhold from any amounts payable under this Agreement all taxes as may be legally required in the applicable jurisdiction (including, without limitation, any federal, state, city, or local income, employment or social insurance taxes).

ion iii.Cut-Back Provision.

1. If a Change in Control occurs during the original or extended term of this Agreement, then to the extent any Total Payments received by the Executive would be subject (in whole or in part), to an Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of section 280G of the Code, the Total Payments shall be reduced, to the extent necessary, so that no portion of the Total Payments is subject to the Excise Tax; provided, however, that such reduction shall occur only if the net amount of such Total Payments, as so reduced, and after subtracting the net amount of federal, state, and local income and employment taxes on such reduced Total Payments, is greater than or equal to the net amount of such Total Payments without such reduction, but after subtracting the net amount of federal, state, and local income and employment taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments.

2. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax;

a. no portion of the Total Payments that the Executive has waived the receipt or enjoyment of, at such a time and in such a manner so as not to constitute a “payment” within the meaning of section 280G(b) of the Code, shall be taken into account;

b. no portion of the Total Payments shall be taken into account which, in the opinion of tax counsel reasonably acceptable to the Executive and selected by the Auditor, does not constitute a “parachute payment” within the meaning of section 280G(b)(2) of the Code, in excess of the “Base Amount” (within the meaning set forth in section 280G(b)(3) of the Code) allocable to such reasonable compensation; and

c. the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Auditor in accordance with the principles of section 280G(d)(3) and (4) of the Code and based on reasonable good faith interpretations of section 280G and the Treasury Regulations issued thereunder.

3. Should the Total Payments be reduced by applying the provisions of this Section 4.3, then such reductions shall be made in the following order: (1) by reducing any cash payments under Section 4.1 of this Agreement, and (2) by reducing any other non-cash Total Payments to be received, as determined by the Committee.

ARTICLE V. .

Establishment of Trust

:tion i.As soon as practicable following the Effective Date hereof, the Company will create a Trust (which will be a grantor trust within the meaning of Sections 671-678 of the Code) for the benefit of the Executive and Beneficiaries, as appropriate. The Trust will have a trustee as selected by the Company, and will have certain restrictions as to the Company's ability to amend the Trust or cancel benefits provided thereunder. Any assets contained in the Trust will, at all times, be specifically subject to the claims of the Company's general creditors in the event of bankruptcy or insolvency pursuant to the terms of the Trust, along with the required procedure for notifying the trustee of any bankruptcy or insolvency.

tion ii.At any time following the Effective Date hereof, the Company may, but is not obligated to, deposit assets in the Trust in an amount equal to or less than the aggregate Severance Benefits that may become due to the Executive under Exhibit B.

ion iii.As soon as practicable after the Company has knowledge that a Change in Control is imminent, but no later than the day immediately preceding the date of the Change in Control, the Company will deposit assets in such Trust in an amount equal to the estimated aggregate Severance Benefits that may become due to the Executive under Exhibit B and Article VII of this Agreement. Such deposited amounts will be reviewed and increased, if necessary, every six (6) months following a Change in Control to reflect the Executive's estimated aggregate Severance Benefits at such time.

ARTICLE VI. .

The Company's Payment Obligation

:tion i.The Company's obligation to make the payments and the arrangements provided for herein will be absolute and unconditional, and will not be affected by any circumstances, including, without limitation, any offset, counterclaim, recoupment, defense, or other right that the Company may have against the Executive or anyone else. All amounts payable by the Company hereunder will be paid without notice or demand. Each and every payment made hereunder by the Company will be final, and the Company will not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto, for any reasons whatsoever.

tion ii.The Executive will not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment will in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement.

ion iii.If Severance Benefits are paid under this Agreement, no severance benefits under any program of the Company, other than benefits described in this Agreement, will be paid to the Executive. In case any severance indemnity is due under applicable law, regulations, collective agreements or employment contracts or addendum thereto, its amount will be deducted from the amount of the Severance Benefits, before pay-out of the Severance Benefit. The Severance Benefits will be in full and final settlement of all and any rights and claims that the Executive may have against the Company arising out of the termination of employment (including both contractual and statutory employment claims wherever in the world arising).

This Agreement shall supersede and replace the terms of any previously executed Executive Severance Agreement between Executive and the Company.

ARTICLE VII. .

Fees and Expenses

To the extent permitted by law, the Company will pay as incurred within ten (10) days following receipt of an invoice from the Executive, which invoice shall be submitted no later than ninety (90) days following the date Executive incurs liability for the relevant item, legal fees, costs of litigation, prejudgment interest, and other expenses incurred in good faith by the Executive as a result of the Company's refusal to provide the Severance Benefits to which the Executive becomes entitled under this Agreement, or as a result of the Company's contesting the validity, enforceability, or interpretation of this Agreement, or as a result of any conflict between the parties pertaining to this Agreement. The Company's obligations under this Article VII shall apply only to legal fees, costs of litigation, prejudgment interest, and other expenses that are reasonable and incurred on or before the date that is ten (10) years after Executive's Effective Date of Termination may not be exchanged for or paid in lieu of any other benefit or portion thereof; and shall not affect Executive's right to reimbursement of any expenses or in-kind benefits to which Executive is entitled under this Agreement or any other agreement to which the Executive and the Company are parties.

ARTICLE VIII. .

Outplacement Assistance

Following a Qualifying Termination, the Executive will be reimbursed by the Company for the reasonable costs of all outplacement services obtained by the Executive within the eighteen (18) month period after the Effective Date of Termination. The total reimbursement for such outplacement services will be limited to an amount equal to the lesser of fifteen percent (15%) of the Executive's Base Salary as of the Effective Date of Termination or $50,000. The invoice for such services must be submitted no later than ninety (90) days following the date the Executive incurs such costs.

The Company's obligations under this Article VIII shall apply only to costs for outplacement services obtained by the Executive; may not be exchanged for or paid in lieu of another benefit or portion thereof; and shall not affect Executive's right to reimbursement of any expenses or in-kind benefits to which the Executive is entitled under this Agreement or any other agreement to which the Executive and the Company are parties.

ARTICLE IX. .

Successors and Assignment

:tion i.Successors to the Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof to expressly assume and agree to perform the Company's obligations under this Agreement in the same

manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

tion ii.Assignment by the Executive. This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive dies while any amount would still be payable under this Agreement, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to the Executive's Beneficiary. If the Executive has not named a Beneficiary, then such amounts will be paid to the Executive's devisee, legatee, or other designee, or if there is no such designee, to the Executive's estate, and such designee, or the Executive's estate, will be treated as the Beneficiary under this Agreement.

ARTICLE X. .

Miscellaneous

:tion i.Employment Status. Except as may be provided under any other agreement between the Executive and the Company, the employment of the Executive by the Company is "at will," and may be terminated by either the Executive or the Company at any time, subject to applicable law.

tion ii.Beneficiaries. The Executive may designate one or more persons or entities as the primary and/or contingent Beneficiaries of any Severance Benefits owing to the Executive under this Agreement. Such designation must be in the form of a signed writing acceptable to the Committee. The Executive may make or change such designations at any time.

ion iii.Severability. In the event any provision of this Agreement will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Agreement, and the Agreement will be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of this Agreement are not part of the provisions hereof and will have no force and effect.

ion iv.Modification. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing and signed by the Executive and by an authorized member of the Committee, or by the respective parties' legal representatives and successors.

tion v.Applicable Law. Interpretations regarding the definition of Change in Control and whether or not a Change in Control has occurred shall be determined by applying the laws of the United Kingdom. The remainder of this Agreement shall be governed by and construed in accordance with the laws of [the State of Texas][France], without giving effect to any choice or conflict of law provision or rule (whether of [the State of Texas][France] or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than [the State of Texas][France].

ion vi.Indemnification. To the full extent permitted by law, the Company will, both during and after the period of the Executive's employment, indemnify the Executive (including by advancing him expenses) for any judgments, fines, amounts paid in settlement, and reasonable expenses, including any attorneys' fees, incurred by the Executive in connection with the defense of any lawsuit or other claim to which he is made a party by reason of being (or having been) an officer, director, or employee of the Company or any of its subsidiaries. The Executive will be covered by director and officer liability insurance to the maximum extent that that insurance covers any officer or director (or former officer or director) of the Company.

on vii.409A. To the extent the Executive is subject to taxation in the United States, then the Severance Benefits payable under this Agreement are intended to be exempt from section 409A of the Code as short-term deferrals. However, to the extent that any Severance Benefits payable under this Agreement are considered deferred compensation subject to and not otherwise exempt from section 409A of the Code, then (a) the Severance Benefits will only be payable pursuant to this Agreement upon Executive's "separation from service" within the meaning of Section 409A, and (b) if the Company (or any affiliate of the Company) is a publicly traded company, and Executive is considered a "specified employee" for purposes of section 409A of the Code at such time of his or her separation from service, then the payments of any such Severance Benefits shall be delayed until the earlier of six months following the Effective Date of Termination or Executive's death, to the extent required by section 409A of the Code.

TechnipFMC plc	**Executive**
____________	____________
Name: Title:	Name: Title:
Date:____________	Date:____________

EXHIBIT A

DEFINED TERMS

Agreement means the Executive Severance Agreement between the Company and the Executive.

Auditor means the accounting firm that was the Company's independent auditor immediately prior to the Change in Control.

Base Salary means the then current salary of record paid to an Executive as annual salary, excluding amounts received under incentive or other bonus plans, whether or not deferred.

Beneficiary means the persons or entities designated or deemed designated by the Executive pursuant to Section 10.2 of the Agreement.

Board means the Board of Directors of the Company.

Cause means:

(a) the Executive's willful and continued failure to substantially perform the Executive's employment duties in any material respect (other than any such failure resulting from physical or mental incapacity or occurring after issuance by the Executive of a Notice of Termination for Good Reason), after a written demand for substantial performance is delivered to the Executive that specifically identifies the manner in which the Company believes the Executive has failed to perform the Executive's duties, and after the Executive has failed to resume substantial performance of the Executive's duties on a continuous basis within thirty (30) calendar days of receiving such demand;

(b) the Executive's willfully engaging in other conduct which is demonstrably and materially injurious to the Company or an affiliate; or

(c) the Executive's having been convicted of, or pleading guilty or nolo contendere to, a felony under applicable law.

Change in Control means and includes each of the following:

(a) a Takeover;

(b) a Change in Effective Control; or

(c) a Change in Ownership of a Substantial Portion of Assets.

There is no Change in Control when there is a transfer to an entity that is controlled by the shareholders of the Company immediately after the transfer. There is no Change in Control upon any distribution of a subsidiary or assets by the Company to its shareholders. The Committee shall have full and final authority, which shall be exercised in its sole discretion, to determine

conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

Change in Effective Control: A Change in Effective Control of the Company occurs on the date that either:

(a) Any one person, or more than one Person Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company; or

(b) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

A Change in Effective Control will have occurred only if the Executive is employed by the Company upon the date of the Change in Effective Control or the Company is liable for the payment of the benefits hereunder and no other corporation is a majority shareholder of the Company. Further, in the absence of an event described in clause (a) or (b), a Change in Effective Control of the Company will not have occurred.

If any one person, or more than one Person Acting as a Group, is considered to effectively control the Company, the acquisition of additional control of the Company by the same person or persons is not considered to cause a Change in Effective Control of the Company (or to cause a change in ownership of the Company).

Change in Ownership of a Substantial Portion of Assets: A Change in Ownership of a Substantial Portion of Assets occurs on the date that any one person, or more than one Person Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

A transfer of assets by the Company is not treated as a Change of Ownership of a Substantial Portion of Assets if the assets are transferred to:

(a) A shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock, including but not limited to any spin-off of any subsidiary or other assets of the Company;

(b) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(c) A person, or more than one Person Acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or

(d) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (c).

A person's status is determined immediately after the transfer of the assets. For example, a transfer to a corporation in which the Company has no ownership interest before the transaction, but which is a majority-owned subsidiary of the Company after the transaction is not treated as a Change in Ownership of a Substantial Portion of Assets of the Company.

Code means the United States Internal Revenue Code of 1986, as amended from time to time.

Committee means the Compensation Committee of the Board or any other committee of the Board appointed to perform the functions of the Compensation Committee.

Company means TechnipFMC plc, a public limited company incorporated under the laws of England & Wales (registered number 09909709) whose registered office is at One St. Paul's Churchyard, London, EC4M 8AP, United Kingdom, or any successor thereto as provided in Article IX of the Agreement.

Control shall have the meaning given in section 995 (2) of the UK Income Tax Act 2007.

Disability means complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which the Executive was employed when such disability commenced.

Effective Date of Termination means the date on which a Qualifying Termination occurs which triggers the payment of Severance Benefits under the Agreement.

Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

Excise Tax means a tax imposed by section 4999 of the Code.

Executive has the meaning as set forth in the introduction to this Agreement.

Good Reason means, without the Executive's express written consent, the occurrence of any one or more of the following:

(a) a material reduction or alteration in the Executive's primary authorities, duties, or responsibilities or in Executive's status as an employee of the Company

(including, without limitation, offices, titles and reporting requirements) from the greatest of those in effect: on the Effective Date; during the fiscal year immediately preceding the year of the Change in Control; and on the date immediately preceding the Change in Control, (including, without limitation, any material adverse change in such primary duties or status as a result of the equity capital of the Company ceasing to be publicly traded or of the Company becoming a subsidiary of another entity, or any material adverse change in the Executive's reporting relationship, such as the chairman or chief executive officer ceasing to report to the Board of Directors);

(b) the Company's requiring the Executive to be based at a location which is at least one hundred fifty (150) miles further from the Executive's then current primary residence than is such residence from the office where the Executive is located at the time of the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Executive's business obligations as of the Effective Date or as the same may be changed from time to time prior to a Change in Control;

(c) a material reduction by the Company in the Executive's Base Salary as in effect on the Effective Date or as the same may be increased from time to time;

(d) a material reduction in the Executive's level of participation in any of the Company's short- and/or long-term incentive compensation plans, or employee benefit or retirement plans, policies, practices, or arrangements in which the Executive participates from the greatest of the levels in place: on the Effective Date; during the fiscal year immediately preceding the year of the Change in Control; and on the date immediately preceding the Change in Control;

(e) the failure of the Company to assume and agree to perform this Agreement in all material respects, as contemplated in Article IX of the Agreement; or

(f) any termination of Executive's employment by the Company that is not effected pursuant to a Notice of Termination.

The existence of Good Reason will not be affected by the Executive's temporary incapacity due to physical or mental illness not constituting a Disability. The Executive's continued employment will not constitute a waiver of the Executive's rights with respect to any circumstance constituting Good Reason; however, “Good Reason” for Executive's separation from employment will exist only if: the Executive provides written notice to the Company within ninety (90) days of the occurrence of any of the above listed events; the Company fails to cure the event within thirty (30) days following the Company's receipt of Executive's written notice; and the Executive separates from employment with the Company effective not later than twenty four (24) months after the original occurrence of the “Good Reason” event. For sake of clarity, the event giving rise to a Good Reason termination must occur during the Protection Period, but Executive’s actual termination of employment for Good Reason may occur after the end of the Protection Period, and such termination will be treated as if it occurred during the Protection Period.

Notice of Termination means a written notice which indicates the specific termination provision in this Agreement relied upon, and sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

Persons Acting as a Group: Persons will not be considered to be acting as a group solely because they either: purchase or own stock of the same corporation at the same time, or as a result of the same public offering; or purchase assets of the same corporation at the same time. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock or assets, or similar business transaction with the Company. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock or assets, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

Protection Period means the period beginning on the date of the Change in Control and ending on the twenty-four (24) calendar month anniversary of the Change in Control.

Qualifying Termination means any of the events described in Section 3.1 of the Agreement, the occurrence of which triggers the payment of Severance Benefits under the Agreement.

Severance Benefits means the payment of severance compensation as provided in Sections 3.1 and 4.1 of the Agreement and Exhibit B.

“Subsidiary” means any subsidiary of the Company.

Takeover shall mean if any person (or a group of persons acting in concert) (the “Acquiring Person”):

(a) obtains Control of the Company as the result of making a general offer to acquire all of the issued ordinary share capital of the Company, which is made on a condition that, if it is satisfied, the Acquiring Person will have Control of the Company; or

(b) obtains Control of the Company as a result of a compromise or arrangement sanctioned by a court under Section 899 of the Companies Act 2006, or sanctioned under any other similar law of another jurisdiction;

(c) becomes bound or entitled under Sections 979 to 985 of the Companies Act 2006 (or similar law of another jurisdiction) to acquire the ordinary share capital of the Company; or

(d) obtains Control of the Company in any other way.

Total Payments means payments or benefits received or to be received by the Executive in connection with a Change in Control (within the meaning of Section 280G of the Code) whether pursuant to this Agreement or any other plan, arrangement or agreement with the Company.

Trust means the Company grantor trust to be created pursuant to Article V of the Agreement.

EXHIBIT B

DESCRIPTION OF BENEFITS

Capitalized terms used and not defined in this Exhibit B are defined in Exhibit A to the Agreement.

Severance Benefits.

In the event the Executive becomes entitled to receive Severance Benefits, as provided in Section 3.1 of the Agreement, the Company will provide to the Executive as follows:

(a) an amount equal to [two][three] times the greater of (A) the Executive's Base Salary as in effect on the Effective Date or (B) the Executive's Base Salary on the Effective Date of Termination;

(b) an amount equal to [two][three] times the greater of (A) Executive's average cash incentive bonus payable in the three years prior to the Effective Date of Termination, or (B) the Executive's target annual cash incentive for the year of the Effective Date of Termination (or if Executive's termination is for Good Reason due to a reduction in his/her annual cash incentive the target annual cash incentive prior to such reduction).

(c) an amount equal to the Executive's unpaid Base Salary, and unused and accrued vacation pay, earned or accrued through the Effective Date of Termination;

(d) an amount equal to the target cash annual cash incentive for the year in which the Executive's Effective Date of Termination occurred (or if Executive's termination is for Good Reason due to a reduction in his/her annual cash incentive the target annual cash incentive prior to such reduction), prorated through the Effective Date of Termination; and

(e) an amount equal to the product of (A) the total monthly premium payable for coverage for the Executive (and if applicable spouse and dependent coverage) under the Company's health, dental, vision, prescription drug, life and accidental death and dismemberment, and disability insurance plans as in effect on the Effective Date of Termination, and (B) [twenty-four (24)] [thirty-six (36)].

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Douglas J. Pferdehirt, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2020 of TechnipFMC plc (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 2, 2020

/s/ DOUGLAS J. PFERDEHIRT
Douglas J. Pferdehirt
Executive Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Maryann T. Mannen, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2020 of TechnipFMC plc (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 2, 2020

/s/ MARYANN T. MANNEN
Maryann T. Mannen
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002, 18 U.S.C. SECTION 1350

I, Douglas J. Pferdehirt, Executive Chairman and Chief Executive Officer of TechnipFMC plc (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2020, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2020

/s/ DOUGLAS J. PFERDEHIRT

Douglas J. Pferdehirt
Executive Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
UNDER SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002, 18 U.S.C. SECTION 1350**

I, Maryann T. Mannen, Executive Vice President and Chief Financial Officer of TechnipFMC plc (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2020, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2020

/s/ MARYANN T. MANNEN

Maryann T. Mannen
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)