# 2019 Financial Guidance

December 13, 2018

# Disclaimer

## Forward-looking statements

We would like to caution you with respect to any “forward-looking statements” made in this presentation as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. The words such as "believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “will,” “likely,” “predicated,” “estimate,” “outlook” and similar expressions are intended to identify forward-looking statements, which are generally not historical in nature.

Such forward-looking statements involve significant risks, uncertainties and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections, including the following known material factors: risks that remedial measures to address our material weaknesses could be insufficient or additional issues relating to disclosure controls and procedures or internal control over financial reporting could be identified; competitive factors in our industry; risks related to our information technology infrastructure and intellectual property; risks related to our business operations and products; risks related to third parties with whom we do business; our ability to hire and retain key personnel; risks related to legislation or governmental regulations affecting us; international, national or local economic, social or political conditions; risks associated with being a public listed company; conditions in the credit markets; risks associated with litigation or investigations; risks associated with accounting estimates, currency fluctuations and foreign exchange controls; risks related to integration; tax-related risks; and such other risk factors as set forth in our filings with the United States Securities and Exchange Commission and in our filings with the Autorité des marchés financiers or the U.K. Financial Conduct Authority.

We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

# 2019 Financial guidance[1]

| Subsea | Onshore/Offshore | Surface Technologies |
|---|---|---|
| **Revenue** in a range of $5.4–5.7 billion<br>**EBITDA** margin at least 11% (excluding amortization related impact of purchase price accounting, and other charges and credits) | **Revenue** in a range of $5.7–6.0 billion<br>**EBITDA** margin at least 12% (excluding amortization related impact of purchase price accounting, and other charges and credits) | **Revenue** in a range of $1.7–1.8 billion<br>**EBITDA** margin at least 17% (excluding amortization related impact of purchase price accounting, and other charges and credits) |

## TechnipFMC

- **Corporate expense, net** $160 – 170 million for the full year (excluding the impact of foreign currency fluctuations)
- **Net interest expense** $40 – 60 million for the full year (excluding the impact of revaluation of partners' redeemable financial liability)
- **Tax rate** 28 – 32% for the full year (excluding the impact of discrete items)
- **Capital expenditures** approximately $400 million for the full year
- **Cash flow from operating activities** positive for the full year
- **Merger integration and restructuring costs** approximately $50 million for the full year
- **Cost synergies** $450 million total savings ($220m exit run-rate 12/31/17, $400m exit run-rate 12/31/18, $450m exit run-rate 12/31/19)

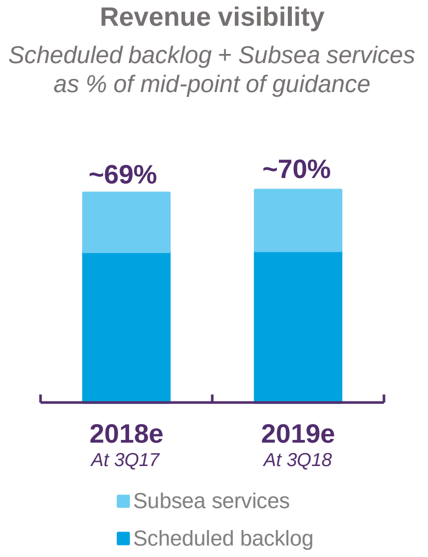
(1) Our guidance measures EBITDA margin (excluding amortization related impact of purchase price accounting, and other charges and credits), corporate expense, net (excluding the impact of foreign currency fluctuations), net interest expense (excluding the impact of revaluation of partners' redeemable financial liability), and tax rate (excluding the impact of discrete items) are non-GAAP financial measures. We are unable to provide a reconciliation to a comparable GAAP measure on a forward-looking basis without unreasonable effort because of the unpredictability of the individual components of the most directly comparable GAAP financial measure and the variability of items excluded from such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

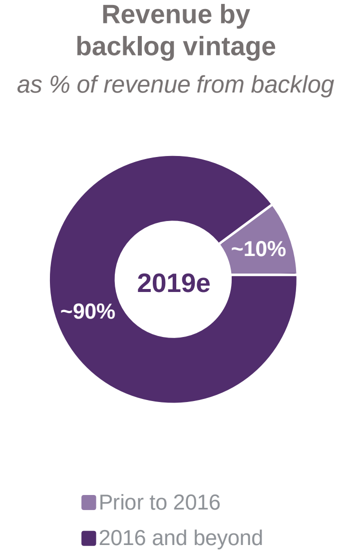
# Subsea

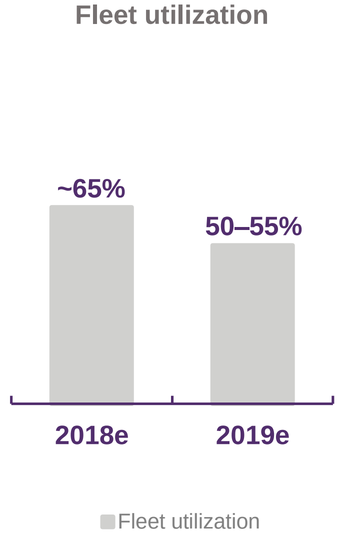
*Near-term pricing and fleet utilization offset the inflection in Subsea revenue*

## 2019 Subsea guidance

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




## Key revenue drivers

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

## Key margin drivers

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

# Onshore/Offshore

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

## 2019 Onshore/Offshore guidance

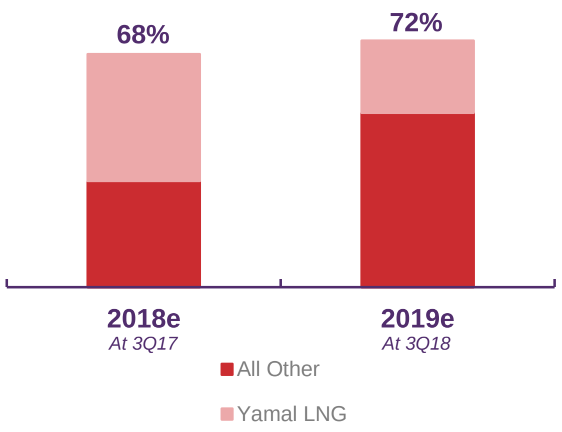
- **Revenue** in a range of $5.7 – 6.0 billion
- **EBITDA** margin at least 12% (excluding amortization related impact of purchase price accounting, and other charges and credits)

## Key revenue drivers

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

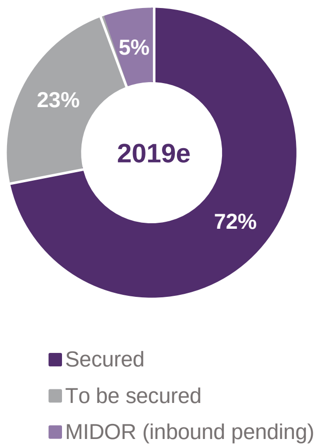
**Scheduled revenue from backlog**

*as % of mid-point of guidance*




**Revenue mix**

*at mid-point of range*




## Key margin drivers

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

# Surface Technologies

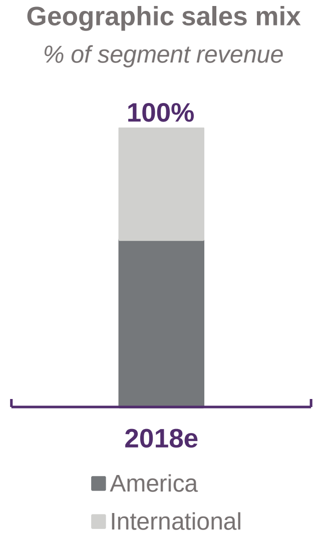
## *Activity drives EBITDA higher; outlook predicated on North American recovery*

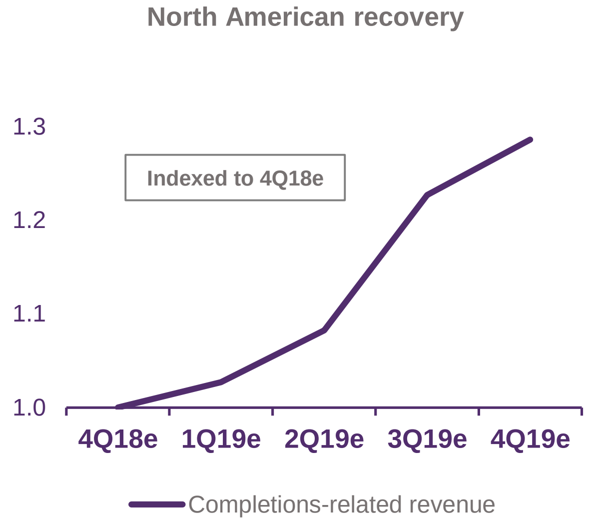
### 2019 Surface Technologies guidance

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

### Key drivers

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




### New initiatives support outlook

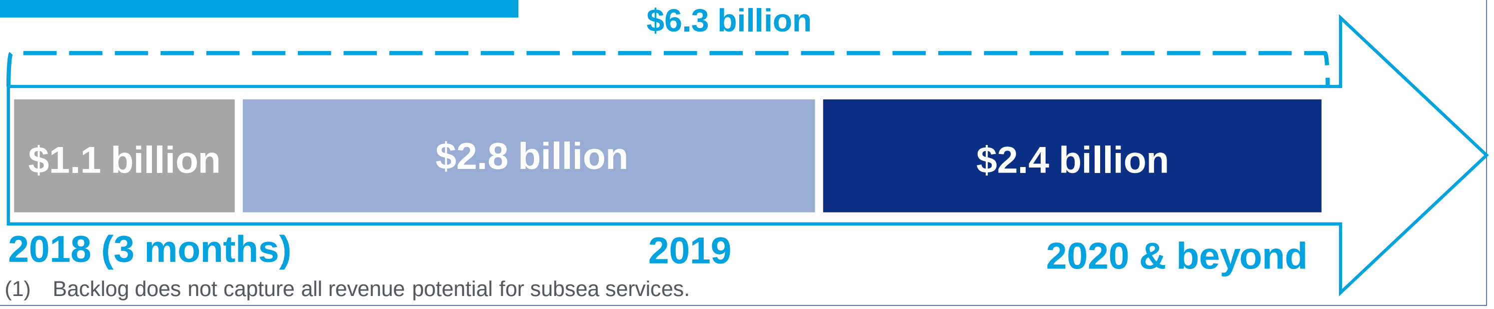
- **Momentum builds for new technologies, integrated model**
  - Commercialization of modularized production facility
  - Further penetration of integrated products and services

# Appendix

# Backlog visibility

## Subsea[1]

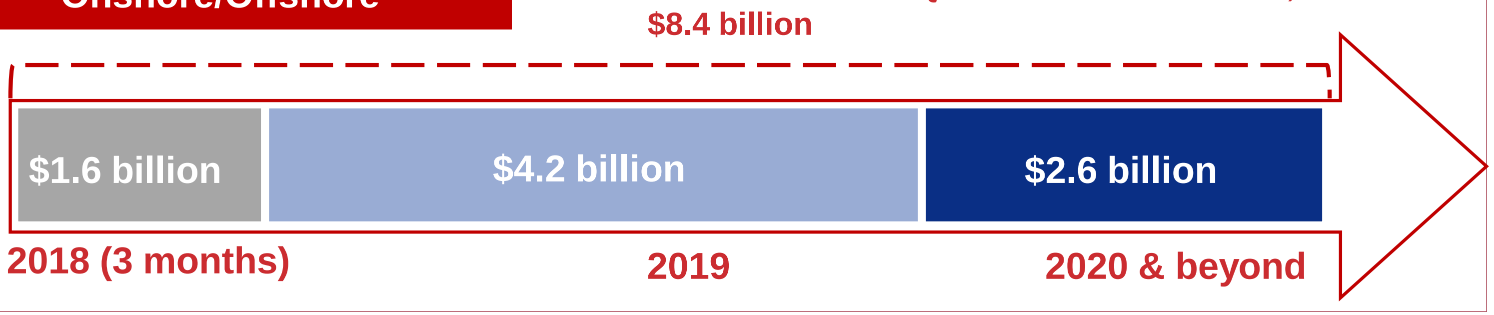
*3Q 2018 Inbound orders: $1,554 million*




(1) Backlog does not capture all revenue potential for subsea services.

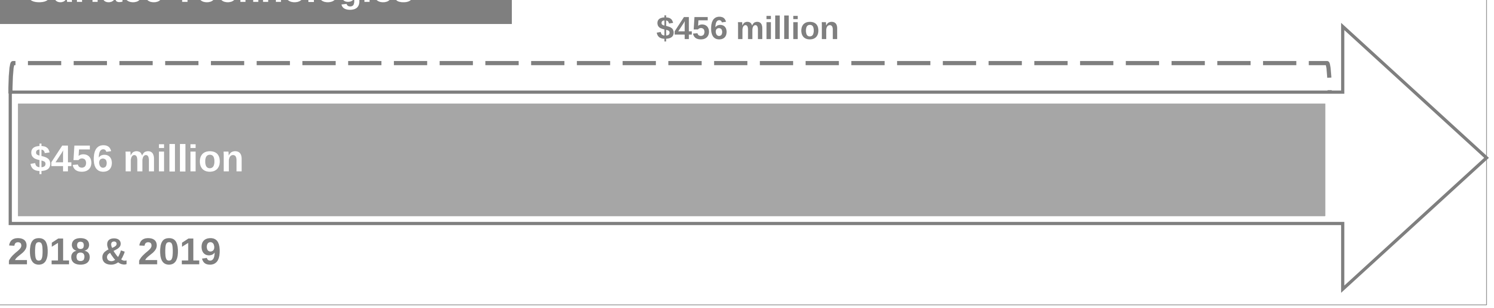
## Onshore/Offshore

*3Q 2018 Inbound orders: $1,666 million*




## Surface Technologies

*3Q 2018 Inbound orders: $427 million*




## Non-consolidated Backlog[2]

### Subsea

| | |
|---|---|
| 2018[3] | $23 million |
| 2019 | $180 million |
| 2020+ | $793 million |
| | $996 million |

### Onshore/Offshore

| | |
|---|---|
| 2018[3] | $63 million |
| 2019 | $719 million |
| 2020+ | $1,142 million |
| | $1,924 million |

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

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

| Subsea | Onshore/Offshore | Surface Technologies |
|---|---|---|
| **Revenue** in a range of $5.0–5.3 billion<br>**EBITDA** margin at least 14% (excluding amortization related impact of purchase price accounting, and other charges and credits) | **Revenue** in a range of $5.8–6.1* billion<br>**EBITDA** margin at least 13%* (excluding amortization related impact of purchase price accounting, and other charges and credits) | **Revenue** in a range of  $1.5–1.6 billion<br>**EBITDA** margin at least 16%* (excluding amortization related impact of purchase price accounting, and other charges and credits) |

## TechnipFMC

- **Corporate expense, net** $40 – 45 million per quarter (excluding the impact of foreign currency fluctuations)
- **Net interest expense*** approximately $10 – 12 million per quarter (excluding the impact of revaluation of partners' redeemable financial liability)
- **Tax rate** 28 – 32% for the full year (excluding the impact of discrete items)
- **Capital expenditures** approximately $300 million for the full year
- **Merger integration and restructuring costs** approximately $100 million for the full year
- **Cost synergies** $450 million annual savings ($220m exit run-rate 12/31/17, $400m exit run-rate 12/31/18, $450m exit run-rate 12/31/19)

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