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, 2021

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.)
Hadrian House, **Wincomblee Road** **Newcastle Upon Tyne** **United Kingdom**	**NE6 3PL**
(Address of principal executive offices)	(Zip Code)

+44 191-295-0303
(Registrant's telephone number, including area code)

One St. Paul's Churchyard
London
United Kingdom
EC4M 8AP
(Address of principal executive offices)
(Former name, former address and former fiscal year, if changed since last report)

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

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 26, 2021
Ordinary shares, $1.00 par value per share	**450,700,480**

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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 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 I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and Part II, Item 1A, “Risk Factors” and elsewhere of this Quarterly Report on Form 10-Q, including unpredictable trends in the demand for and price of crude oil and natural gas; competition and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation; the COVID-19 pandemic and its impact on the demand for our products and services; our inability to develop, implement and protect new technologies and services; the cumulative loss of major contracts, customers or alliances; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; the refusal of DTC and Euroclear to act as depository and clearing agencies for our shares; the United Kingdom’s withdrawal from the European Union; the impact of our existing and future indebtedness and the restrictions on our operations by terms of the agreements governing our existing indebtedness; the risks caused by our acquisition and divestiture activities; the risks caused by fixed-price contracts; any delays and cost overruns of new capital asset construction projects for vessels and manufacturing facilities; our failure to deliver our backlog; our reliance on subcontractors, suppliers and our joint venture partners; a failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks; the risks of pirates endangering our maritime employees and assets; potential liabilities inherent in the industries in which we operate or have operated; our failure to comply with numerous laws and regulations, including those related to environmental protection, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, taxation, privacy, data protection and data security; the additional restrictions on dividend payouts or share repurchases as an English public limited company; uninsured claims and litigation against us, including intellectual property litigation; tax laws, treaties and regulations and any unfavorable findings by relevant tax authorities; the uncertainties related to the anticipated benefits or our future liabilities in connection with the spin-off of Technip Energies (the “Spin-off”); any negative changes in Technip Energies’s results of operations, cash flows and financial position, which impact the value of our remaining investment therein; potential departure of our key managers and employees; adverse seasonal and weather conditions and unfavorable currency exchange rate and risk in connection with our defined benefit pension plan commitments.

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)	**2021**	**2020**	**2021**	**2020**
Revenue				
Service revenue	$ 901.0	$ 892.1	$ 2,640.6	$ 2,459.6
Product revenue	640.0	805.6	2,121.8	2,365.0
Lease revenue	38.4	29.8	117.8	105.7
Total revenue	1,579.4	1,727.5	4,880.2	4,930.3
Costs and expenses				
Cost of service revenue	761.4	854.0	2,338.5	2,353.3
Cost of product revenue	571.4	636.6	1,815.0	1,930.0
Cost of lease revenue	31.2	28.2	94.2	90.3
Selling, general and administrative expense	153.4	181.8	473.6	534.9
Research and development expense	18.7	20.8	54.4	71.3
Impairment, restructuring and other expenses (Note 16)	7.3	53.5	34.8	3,356.2
Total costs and expenses	1,543.4	1,774.9	4,810.5	8,336.0
Other income (expense), net	(5.9)	7.9	28.7	(20.3)
Income (loss) from equity affiliates (Note 11)	(30.0)	12.9	(9.5)	49.7
Income from investment in Technip Energies (Note 11)	28.5	—	351.8	—
Income (loss) before net interest expense and income taxes	28.6	(26.6)	440.7	(3,376.3)
Interest income	2.1	7.7	8.9	36.4
Interest expense	(41.4)	(30.8)	(117.9)	(109.1)
Loss on early extinguishment of debt	(16.0)	—	(39.5)	—
Income (loss) before income taxes	(26.7)	(49.7)	292.2	(3,449.0)
Provision for income taxes (Note 18)	12.3	9.1	71.7	13.5
Income (loss) from continuing operations	(39.0)	(58.8)	220.5	(3,462.5)
Net income from continuing operations attributable to non-controlling interests	(1.6)	(5.9)	(5.5)	(14.6)
Income (loss) from continuing operations attributable to TechnipFMC plc	(40.6)	(64.7)	215.0	(3,477.1)
Income (loss) from discontinued operations	8.4	65.2	(44.1)	238.5
Income from discontinued operations attributable to non-controlling interests	—	(4.4)	(1.9)	(9.7)
Net income (loss) attributable to TechnipFMC plc	$ (32.2)	$ (3.9)	$ 169.0	$ (3,248.3)
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc				
Basic	$ (0.09)	$ (0.14)	$ 0.48	$ (7.75)
Diluted	$ (0.09)	$ (0.14)	$ 0.47	$ (7.75)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC plc				
Basic and diluted	$ 0.02	$ 0.14	$ (0.10)	$ 0.51
Total earnings (loss) per share attributable to TechnipFMC plc				
Basic	$ (0.07)	$ (0.01)	$ 0.38	$ (7.24)
Diluted	$ (0.07)	$ (0.01)	$ 0.37	$ (7.24)
Weighted average shares outstanding (Note 6)				
Basic	450.7	449.4	450.4	448.4
Diluted	450.7	449.4	454.7	448.4

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)	**2021**	**2020**	**2021**	**2020**
Net income (loss) attributable to TechnipFMC plc	$ (32.2)	$ (3.9)	$ 169.0	$ (3,248.3)
Income from continuing operations attributable to non-controlling interests	(1.6)	(5.9)	(5.5)	(14.6)
Income from discontinued operations attributable to non-controlling interests	—	(4.4)	(1.9)	(9.7)
Net Income (loss) attributable to TechnipFMC plc, including non-controlling interest	(30.6)	6.4	176.4	(3,224.0)
Foreign currency translation adjustments[a]	(57.2)	(10.4)	(1.8)	(213.2)
Net gains (losses) on hedging instruments				
Net gains (losses) arising during the period	(16.8)	44.7	(28.8)	(10.6)
Reclassification adjustment for net losses included in net income (loss)	1.3	3.9	3.3	8.7
Net gains (losses) on hedging instruments[b]	(15.5)	48.6	(25.5)	(1.9)
Pension and other post-retirement benefits				
Net gains (losses) arising during the period	3.2	(2.6)	4.4	(0.4)
Reclassification adjustment for amortization of prior service cost included in net income (loss)	0.1	0.3	0.4	0.8
Reclassification adjustment for amortization of net actuarial loss included in net income (loss)	4.7	2.3	14.3	6.7
Net pension and other postretirement benefits[c]	8.0	—	19.1	7.1
Other comprehensive income (loss), net of tax	(64.7)	38.2	(8.2)	(208.0)
Comprehensive income (loss)	(95.3)	44.6	168.2	(3,432.0)
Comprehensive income attributable to non-controlling interest	(0.2)	(11.8)	(5.9)	(17.9)
Comprehensive income (loss) attributable to TechnipFMC plc	$ (95.5)	$ 32.8	$ 162.3	$ (3,449.9)

(a) Net of income tax benefit of nil for the three and nine months ended September 30, 2021 and 2020.

(b) Net of income tax (expense) benefit of $3.6 million and $(13.1) million for the three months ended September 30, 2021 and 2020, respectively, and $6.6 million and $2.7 million for the nine months ended September 30, 2021 and 2020, respectively.

(c) Net of income tax (expense) benefit of $(2.1) million and $1.7 million for the three months ended September 30, 2021 and 2020, respectively, and $(5.5) million and $0.2 million for the nine months ended September 30, 2021 and 2020, 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, 2021**	**December 31, 2020**
Assets		
Cash and cash equivalents	$ 1,034.0	$ 1,269.2
Trade receivables, net of allowances of $38.3 in 2021 and $40.2 in 2020	1,128.9	987.7
Contract assets, net of allowances of $1.2 in 2021 and $2.4 in 2020	1,027.0	886.8
Inventories, net (Note 8)	1,069.8	1,252.8
Derivative financial instruments (Note 19)	160.3	268.7
Income taxes receivable	95.4	274.7
Advances paid to suppliers	62.6	96.3
Other current assets (Note 9)	533.9	683.4
Investment in Technip Energies (Note 11)	485.3	—
Current assets of discontinued operations	—	5,725.1
Total current assets	5,597.2	11,444.7
Investments in equity affiliates (Note 11)	295.6	305.5
Property, plant and equipment, net of accumulated depreciation of $2,386.3 in 2021 and $2,154.2 in 2020	2,619.0	2,756.2
Operating lease right-of-use assets	694.3	784.9
Finance lease right-of-use assets	52.6	27.5
Intangible assets, net of accumulated amortization of $468.9 in 2021 and $493.1 in 2020	786.4	851.3
Deferred income taxes	47.6	34.2
Derivative financial instruments (Note 19)	6.4	29.2
Other assets	154.5	175.6
Non-current assets of discontinued operations	—	3,283.5
Total assets	$ 10,253.6	$ 19,692.6
Liabilities and equity		
Short-term debt and current portion of long-term debt (Note 13)	$ 282.2	$ 624.7
Operating lease liabilities	126.2	195.5
Finance lease liabilities	0.7	26.9
Accounts payable, trade	1,238.0	1,201.0
Contract liabilities	914.6	1,046.8
Accrued payroll	182.6	186.8
Derivative financial instruments (Note 19)	154.6	157.5
Income taxes payable	62.5	61.2
Other current liabilities (Note 9)	729.5	818.3
Current liabilities of discontinued operations	—	6,096.5
Total current liabilities	3,690.9	10,415.2
Long-term debt, less current portion (Note 13)	1,973.6	2,835.5
Operating lease liabilities, less current portion	627.1	632.8
Financing lease liabilities, less current portion	51.3	—
Deferred income taxes	62.1	79.3
Accrued pension and other post-retirement benefits, less current portion	205.0	268.4
Derivative financial instruments (Note 19)	7.9	18.8
Other liabilities	116.3	103.3
Non-current liabilities of discontinued operations	—	1,081.3
Total liabilities	6,734.2	15,434.6
Commitments and contingent liabilities (Note 17)		
Mezzanine equity		
Redeemable non-controlling interest	—	43.7
Stockholders' equity (Note 14)		
Ordinary shares, $1.00 par value; 618.3 shares authorized in 2021 and 2020; 450.6 shares and 449.5 shares issued and outstanding in 2021 and 2020, respectively	450.6	449.5
Capital in excess of par value of ordinary shares	9,152.4	10,242.4
Accumulated deficit	(4,747.7)	(4,915.2)
Accumulated other comprehensive loss	(1,358.2)	(1,622.5)
Total TechnipFMC plc stockholders' equity	3,497.1	4,154.2
Non-controlling interests	22.3	40.4
Non-controlling interests of discontinued operations	—	19.7
Total equity	3,519.4	4,214.3
Total liabilities and equity	$ 10,253.6	$ 19,692.6

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)

	Nine Months Ended September 30,	
(In millions)	**2021**	**2020**
Cash provided (required) by operating activities		
Net income (loss) from continuing operations	$ 220.5	$ (3,462.5)
Adjustments to reconcile income (loss) from continuing operations to cash provided (required) by operating activities		
Depreciation	219.0	222.3
Amortization	70.7	76.0
Impairments	20.9	3,244.7
Employee benefit plan and share-based compensation costs	22.5	36.3
Deferred income tax benefit, net	(39.0)	(5.8)
Income from investment in Technip Energies	(351.8)	—
Unrealized gains on derivative instruments and foreign exchange	(19.3)	(26.9)
(Income) loss from equity affiliates, net of dividends received	9.4	(46.5)
Loss on early extinguishment of debt	39.5	—
Other	(19.0)	(1.9)
Changes in operating assets and liabilities, net of effects of acquisitions		
Trade receivables, net and contract assets	(320.0)	(45.3)
Inventories, net	165.9	(20.7)
Accounts payable, trade	78.0	(236.0)
Contract liabilities	(104.8)	(33.3)
Income taxes payable (receivable), net	178.9	(34.4)
Other current assets and liabilities, net	57.4	644.9
Other non-current assets and liabilities, net	2.7	(21.2)
Cash provided by operating activities from continuing operations	231.5	289.7
Cash provided (required) by operating activities from discontinued operations	66.3	(187.6)
Cash provided by operating activities	297.8	102.1
Cash provided (required) by investing activities		
Capital expenditures	(131.2)	(227.3)
Proceeds from redemption of debt securities	27.4	3.9
Payment to acquire debt securities	(29.1)	(3.9)
Proceeds from sales of assets	95.7	23.0
Cash received from divestiture	—	2.5
Proceeds from sale of investment in Technip Energies	784.5	—
Proceeds from repayment of advances to joint venture	12.5	12.5
Other	—	(1.0)
Cash provided (required) by investing activities from continuing operations	759.8	(190.3)
Cash required by investing activities from discontinued operations	(4.5)	(22.1)
Cash provided (required) by investing activities	755.3	(212.4)
Cash provided (required) by financing activities		
Net decrease in short-term debt	(31.3)	(2.0)
Net decrease in commercial paper	(974.3)	(251.3)
Proceeds from issuance of long-term debt	1,164.4	223.2
Repayments of long-term debt	(1,242.2)	(423.9)
Payments for debt issuance costs	(53.5)	—
Dividends paid	—	(59.2)
Acquisition of non-controlling interest	(48.6)	—
Payments related to taxes withheld on share-based compensation	(2.4)	(6.4)
Other	(1.4)	—
Cash required by financing activities from continuing operations	(1,189.3)	(519.6)
Cash required by financing activities from discontinued operations	(3,617.7)	(392.2)
Cash required by financing activities	(4,807.0)	(911.8)
Effect of changes in foreign exchange rates on cash and cash equivalents	(19.9)	75.9
Change in cash and cash equivalents	(3,773.8)	(946.2)
Cash and cash equivalents, beginning of period	4,807.8	5,190.2
Cash and cash equivalents, end of period	$ 1,034.0	$ 4,244.0

The following table provides a reconciliation of cash, cash equivalents reported in the condensed consolidated balance sheets to the total of the amounts in the condensed consolidated statements of cash flows:

	Nine Months Ended September 30,	
(In millions)	2021	2020
Cash and cash equivalents	$ 1,034.0	$ 968.4
Cash and cash equivalents attributable to discontinued operations	—	3,275.6
Total cash and cash equivalents in the statement of cash flows	$ 1,034.0	$ 4,244.0

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, 2021 and 2020

(In millions)	Ordinary Shares	Capital in Excess of Par Value of Ordinary Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders' Equity
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 15)	—	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
Balance as of June 30, 2021	$ 450.6	$ 9,144.7	$ (4,714.0)	$ (1,294.9)	$ 42.9	$ 3,629.3
Net income (loss)	—	—	(32.2)	—	1.6	(30.6)
Other comprehensive loss	—	—	—	(63.3)	(1.4)	(64.7)
Share-based compensation (Note 15)	—	7.7	—	—	—	7.7
Accrued distributions to non-controlling interest	—	—	—	—	(15.0)	(15.0)
Other	—	—	(1.5)	—	(5.8)	(7.3)
Balance as of September 30, 2021	$ 450.6	$ 9,152.4	$ (4,747.7)	$ (1,358.2)	$ 22.3	$ 3,519.4

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)
NINE MONTHS ENDED SEPTEMBER 30, 2021 and 2020

(In millions)	Ordinary Shares	Capital in Excess of Par Value of Ordinary Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders’ Equity
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 3)	—	—	(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 15)	—	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
Balance as of December 31, 2020	449.5	10,242.4	(4,915.2)	(1,622.5)	60.1	4,214.3
Net income	—	—	169.0	—	7.4	176.4
Other comprehensive loss	—	—	—	(6.7)	(1.5)	(8.2)
Issuance of ordinary shares	1.1	—	—	—	—	1.1
Share-based compensation (Note 15)	—	18.4	—	—	—	18.4
Spin-off of Technip Energies (Note 2)	—	(1,108.4)	—	271.0	(19.9)	(857.3)
Accrued distributions to non-controlling interest	—	—	—	—	(15.0)	(15.0)
Other	—	—	(1.5)	—	(8.8)	(10.3)
Balance as of September 30, 2021	450.6	9,152.4	(4,747.7)	(1,358.2)	22.3	3,519.4

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

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 the 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, 2020.

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, 2021.

NOTE 2. DISCONTINUED OPERATIONS

The Spin-off

On February 16, 2021, we completed our separation into two independent publicly traded companies: TechnipFMC, a fully integrated technology and service provider, and Technip Energies, a leading engineering and technology player (“Technip Energies”). The transaction was structured as a spin-off, which occurred by way of a pro rata dividend (the “Distribution”) to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard Time, on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares trade under the ticker symbol “TE” on the Euronext Paris Stock Exchange.

In connection with the Spin-off, TechnipFMC and Technip Energies entered into a separation and distribution agreement, as well as various other agreements, including among others a tax matters agreement, an employee matters agreement and a transition services agreement and certain agreements relating to intellectual property. These agreements provide for the allocation between TechnipFMC and Technip Energies of assets, employees, taxes, liabilities and obligations attributable to periods prior to, at and after the Spin-off.

Discontinued Operations

The Spin-off represented a strategic shift that will have a major impact to our operations and consolidated financial statements. Accordingly, historical results of Technip Energies prior to the Distribution on February 16, 2021 have been presented as discontinued operations in our condensed consolidated statements of income, condensed consolidated balance sheets and condensed consolidated statements of cash flows for the three and nine months ended September 30, 2021 and 2020. Our condensed consolidated statements of income, condensed consolidated balance sheets and condensed consolidated statements of cash flows and notes to the condensed consolidated financial statements have been updated to reflect continuing operations only.

The following table summarizes the components of income from discontinued operations, net of tax:

(In millions)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Revenue	$ —	$ 1,608.2	$ 906.0	$ 4,694.2
Costs and expenses	—	(1,480.1)	(889.3)	(4,239.7)
Other, net	—	(49.5)	(18.6)	(151.6)
Income (loss) from discontinued operations before income taxes	$ —	$ 78.6	$ (1.9)	$ 302.9
Income (loss) from discontinued operations, net of income taxes	$ 8.4	$ 65.2	$ (44.1)	$ 238.5

Assets and liabilities of discontinued operations are summarized below:

(In millions)	December 31, 2020
Assets	
Cash and cash equivalents	$ 3,538.6
Trade receivables, net of allowances	1,302.1
Contract assets	380.8
Other current assets	503.6
Total current assets of discontinued operations	5,725.1
Property, plant and equipment, net of accumulated depreciation	105.6
Goodwill	2,512.5
Other assets	665.4
Total non-current assets of discontinued operations	3,283.5
Total assets of discontinued operations	$ 9,008.6
Liabilities	
Accounts payable, trade	$ 1,539.5
Contract liabilities	3,689.3
Other current liabilities	867.7
Total current liabilities of discontinued operations	6,096.5
Long-term debt, less current portion	482.2
Operating lease liabilities	248.2
Other liabilities	350.9
Total non-current liabilities of discontinued operations	1,081.3
Total liabilities of discontinued operations	$ 7,177.8

On February 16, 2021, all assets and liabilities of Technip Energies were spun-off; therefore, as of September 30, 2021, there were no assets and liabilities classified as discontinued operations. As of September 30, 2021, we had $65.1 million and $44.8 million of accounts receivable and accounts payable, respectively, outstanding with Technip Energies.

NOTE 3. NEW ACCOUNTING STANDARDS

Recently Adopted 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. We adopted this amendment as of January 1, 2021, which did not have a material impact on our condensed 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 GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. We adopted this amendment as of January 1, 2021, which did not have a material impact on our condensed 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. We adopted this amendment as of January 1, 2021, which did not have a material impact on our condensed consolidated financial statements.

In October 2020, the FASB issued ASU No. 2020-10, *"Codification Improvements."* The amendments in this update improve consistency by amending the accounting standards codification (the "Codification") to include all disclosure guidance in the appropriate sections and clarify the application of various provisions in the Codification by amending and adding new headings, cross-referencing to other guidance, and refining or correcting terminology. We adopted this update at January 1, 2021, which did not have a material impact on our condensed consolidated financial statements.

Recently Issued Accounting Standards under GAAP

In March 2020, the FASB issued ASU No. 2020-04, *"Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848)."* In addition, in January 2021, FASB issued ASU No. 2021-01, *"Reference Rate Reform (Topic 848)"* which clarifies the scope of Topic 848*.* The amendments in these updates apply only to contracts, hedging relationships, and other transactions that reference the London interbank offered rate ("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 were issued as of March 12, 2020, effective through December 31, 2022. We are currently evaluating the impact of this ASU on our condensed consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, "*Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40).*" This update simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. The amendments to this update are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption permitted no earlier than fiscal years beginning after December 15, 2020. We do not anticipate the adoption of this update to have a material impact on our condensed consolidated financial statements.

NOTE 4. 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 total revenue by geography for each reportable segment for the three and nine months ended September 30, 2021 and 2020:

	Reportable Segments			
	Three Months Ended			
	September 30, 2021		September 30, 2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Europe, Russia, Central Asia	$ 423.2	$ 46.3	$ 476.5	$ 43.0
North America	174.7	99.3	240.5	63.5
Latin America	211.5	22.7	239.3	15.1
Asia Pacific	244.9	20.9	230.4	28.0
Africa	257.8	8.5	263.3	11.0
Middle East	—	69.6	51.8	65.1
Total revenue	$ 1,312.1	$ 267.3	$ 1,501.8	$ 225.7

	Nine Months Ended			
	September 30, 2021		September 30, 2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Europe, Russia, Central Asia	$ 1,102.9	$ 145.2	$ 1,329.8	$ 145.4
North America	594.4	266.6	660.3	292.4
Latin America	809.7	57.8	785.1	54.9
Asia Pacific	736.8	72.2	556.8	93.1
Africa	822.6	31.2	646.9	39.6
Middle East	26.5	214.3	154.5	171.5
Total revenue	$ 4,092.9	$ 787.3	$ 4,133.4	$ 796.9

The following tables present total revenue by contract type for each reportable segment for the three and nine months ended September 30, 2021 and 2020:

	Reportable Segments			
	Three Months Ended			
	September 30, 2021		September 30, 2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 861.7	$ 39.3	$ 865.2	$ 26.9
Products	441.6	198.4	623.6	182.0
Lease	8.8	29.6	13.0	16.8
Total revenue	$ 1,312.1	$ 267.3	$ 1,501.8	$ 225.7

	Nine Months Ended			
	September 30, 2021		September 30, 2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 2,530.2	$ 110.4	$ 2,346.9	$ 112.7
Products	1,526.5	595.3	1,743.7	621.3
Lease	36.2	81.6	42.8	62.9
Total revenue	$ 4,092.9	$ 787.3	$ 4,133.4	$ 796.9

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 condensed 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 assets (liabilities) as of September 30, 2021 and December 31, 2020:

(In millions)	September 30, 2021	December 31, 2020	$ change	% change
Contract assets	$ 1,027.0	$ 886.8	$ 140.2	15.8
Contract (liabilities)	(914.6)	(1,046.8)	132.2	12.6
Net contract assets (liabilities)	$ 112.4	$ (160.0)	$ 272.4	170.3

The increase in our contract assets from December 31, 2020 to September 30, 2021 was primarily due to the timing of project milestones.

The decrease in our contract liabilities was primarily due to completion of performance obligations for contracts, for which consideration was received in advance of the work performed 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, 2021 and 2020 that was included in the contract liabilities balance at December 31, 2020 and 2019 was $53.4 million and $69.7 million, respectively, and $250.5 million and $424.1 million for the nine months ended September 30, 2021 and 2020, respectively.

For the three months ended September 30, 2021 and 2020, we recognized $4.3 million and $(2.3) million, respectively, and for the nine months ended September 30, 2021 and 2020, we recognized $6.9 million and $(17.2) million, respectively, related to the favorable (unfavorable) changes in estimates of contract 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, 2021, the aggregate amount of the transaction price allocated to order backlog was $7,002.4 million. We expect to recognize revenue on approximately 15.4% of the order backlog through 2021 and 84.6% thereafter.

The following table details the order backlog for each business segment as of September 30, 2021:

(In millions)	2021	2022	Thereafter
Subsea	$ 930.8	$ 3,241.8	$ 2,488.8
Surface Technologies	150.5	177.4	13.1
Total order backlog	$ 1,081.3	$ 3,419.2	$ 2,501.9

NOTE 5. 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. Subsequent to the Spin-off, we now operate under two reporting segments: Subsea and Surface Technologies:

- *Subsea* - designs and manufactures products and systems, and provides services used by oil and gas companies involved in offshore deep water exploration and production of crude oil and natural gas, while developing renewable alternatives to serve new energy industries.

- *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.

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), income from investment in Technip Energies, net interest income (expense) associated with corporate debt facilities and income taxes.

Segment revenue and segment operating profit (loss) were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Segment revenue				
Subsea	$ 1,312.1	$ 1,501.8	$ 4,092.9	$ 4,133.4
Surface Technologies	$ 267.3	$ 225.7	787.3	796.9
Total revenue	$ 1,579.4	$ 1,727.5	$ 4,880.2	$ 4,930.3
Segment operating profit (loss)				
Subsea	$ 23.5	$ 20.3	$ 132.9	$ (2,806.0)
Surface Technologies	12.1	(7.0)	33.2	(444.4)
Total segment operating profit (loss)	$ 35.6	$ 13.3	$ 166.1	$ (3,250.4)
Corporate items				
Corporate expense[(a)]	(29.3)	(25.3)	(88.4)	(72.1)
Net interest expense	(39.3)	(23.1)	(109.0)	(72.7)
Loss on early extinguishment of debt	(16.0)	—	(39.5)	—
Income (loss) from investment in Technip Energies	28.5	—	351.8	—
Foreign exchange gains (losses)	(6.2)	(14.6)	11.2	(53.8)
Total corporate items	(62.3)	(63.0)	126.1	(198.6)
Income (loss) before income taxes[(b)]	$ (26.7)	$ (49.7)	$ 292.2	$ (3,449.0)

(a) Corporate expense primarily includes corporate staff expenses, share-based compensation expenses, long-lived assets impairment, restructuring and other expenses, and other employee benefits.

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

NOTE 6. EARNINGS (LOSS) PER SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2021**	**2020**	**2021**	**2020**
Income (loss) from continuing operations attributable to TechnipFMC plc	$ (40.6)	$ (64.7)	$ 215.0	$ (3,477.1)
Income (loss) from discontinued operations attributable to TechnipFMC plc	8.4	60.8	(46.0)	228.8
Net income (loss) attributable to TechnipFMC plc	$ (32.2)	$ (3.9)	$ 169.0	$ (3,248.3)
Weighted average number of shares outstanding	450.7	449.4	450.4	448.4
Dilutive effect of restricted stock units	—	—	3.9	—
Dilutive effect of performance shares	—	—	0.4	—
Total shares and dilutive securities	450.7	449.4	454.7	448.4
Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:				
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc				
Basic	$ (0.09)	$ (0.14)	$ 0.48	$ (7.75)
Diluted	$ (0.09)	$ (0.14)	$ 0.47	$ (7.75)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC plc				
Basic and diluted	$ 0.02	$ 0.14	$ (0.10)	$ 0.51
Total earnings (loss) per share attributable to TechnipFMC plc				
Basic	$ (0.07)	$ (0.01)	$ 0.38	$ (7.24)
Diluted	$ (0.07)	$ (0.01)	$ 0.37	$ (7.24)

For the three months ended September 30, 2021 and September 30, 2020, we incurred a loss from continuing operations; therefore, the impact of 4.3 million and 0.6 million shares were anti-dilutive. For the nine months ended September 30, 2020, we incurred a loss from continuing operations; therefore, the impact of 3.6 million shares were anti-dilutive.

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)	**2021**	**2020**	**2021**	**2020**
Share option awards	1.7	4.7	1.6	4.7
Restricted share units	0.1	4.5	0.3	1.8
Performance shares	—	4.5	—	2.0
Total	1.8	13.7	1.9	8.5

NOTE 7. RECEIVABLES

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, 2021.

(In millions)	Year of origination	Balance as of September 30, 2021	Balance as of December 31, 2020
Loans receivables, security deposits and other			
Moody's rating Ba2	2019	$ 76.1	$ 107.6
Debt securities at amortized cost			
Moody's rating B3	2019	25.9	23.7
Total financial assets		$ 102.0	$ 131.3

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 as of September 30, 2021 and 2020, respectively.

	Balance as of September 30, 2021				
(In millions)	Trade receivables	Contract assets	Loans receivable	Security deposit and other	Held-to-maturity debt securities
Allowance for credit losses at December 31, 2020	$ 40.2	$ 2.4	$ 7.5	$ 0.4	$ 0.5
Current period provision (release) for expected credit losses	(0.7)	(0.5)	(0.1)	(0.1)	2.2
Recoveries	(1.2)	(0.7)	—	—	—
Allowance for credit losses at September 30, 2021	$ 38.3	$ 1.2	$ 7.4	$ 0.3	$ 2.7

	Balance as of September 30, 2020				
(In millions)	Trade receivables	Contract assets	Loans receivable	Security deposit and other	Held-to-maturity debt securities
Allowance for credit losses at December 31, 2019	$ 59.4	$ 4.5	$ 9.5	$ 0.7	$ 1.1
Current period provision for expected credit losses	35.7	0.1	0.1	—	—
Recoveries	(6.2)	(2.8)	(0.6)	—	—
Allowance for credit losses at September 30, 2020	$ 88.9	$ 1.8	$ 9.0	$ 0.7	$ 1.1

Certain trade receivables are due in one year or less. We do not have any financial assets that are past due or are on non-accrual status.

NOTE 8. INVENTORIES

Inventories consisted of the following:

(In millions)	September 30, 2021	December 31, 2020
Raw materials	$ 239.5	$ 270.3
Work in process	203.4	242.7
Finished goods	626.9	739.8
Inventories, net	$ 1,069.8	$ 1,252.8

NOTE 9. OTHER CURRENT ASSETS & OTHER CURRENT LIABILITIES

Other current assets consisted of the following:

(In millions)	September 30, 2021	December 31, 2020
Value - added tax receivables	$ 246.9	$ 256.9
Prepaid expenses	77.2	78.1
Sundry receivables	67.9	138.4
Other tax receivables	61.3	73.8
Current financial assets at amortized cost	36.4	40.6
Held-to-maturity investments	6.9	24.2
Assets held for sale	4.0	47.3
Other	33.3	24.1
Total other current assets	$ 533.9	$ 683.4

Other current liabilities consisted of the following:

(In millions)	September 30, 2021	December 31, 2020
Warranty accruals and project contingencies	$ 123.4	$ 168.8
Legal provisions	122.5	127.6
Value - added tax and other taxes payable	90.5	109.6
Compensation accrual	62.8	54.3
Social security liability	59.9	67.9
Provisions	25.9	53.0
Derivative liability	22.4	—
Accrued distributions to non-controlling interests	15.0	—
Current portion of accrued pension and other post-retirement benefits	6.1	6.9
Other accrued liabilities	201.0	230.2
Total other current liabilities	$ 729.5	$ 818.3

NOTE 10. WARRANTY OBLIGATIONS

Warranty obligations are included within Other current liabilities in our consolidated balance sheets as of September 30, 2021 and December 31, 2020. A reconciliation of warranty obligations for the three and nine months ended September 30, 2021 and 2020 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Balance at beginning of period	$ 104.0	$ 112.0	$ 109.5	$ 121.7
Warranty expenses	12.0	10.5	34.0	50.8
Adjustment to existing accruals	(21.0)	7.2	(40.9)	(35.5)
Claims paid	(3.5)	(7.2)	(11.1)	(14.5)
Balance at end of period	$ 91.5	$ 122.5	$ 91.5	$ 122.5

NOTE 11. EQUITY METHOD INVESTMENTS

Our income (loss) from equity affiliates is included in our Subsea segment. During the three and nine months ended September 30, 2021, our loss from equity affiliates was $30.0 million and $9.5 million, respectively. Our income from equity affiliates during the three and nine months ended September 30, 2020 was $12.9 million and $49.7 million, respectively.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. (“Magma Global”) to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global.

In October 2021, we purchased the remaining ownership interest in Magma Global for $64.0 million. The cash consideration will be paid to the shareholders of Magma Global in three annual installments. The first payment of $23.9 million was paid on October 12, 2021. Magma technology enables the manufacture of Thermoplastic Composite Pipe (TCP) using Polyether Ether Ketone (PEEK) polymer, which is highly resistant to corrosive compounds, such as CO_2.

With the step acquisition of the remaining outstanding shares of Magma Global and our resulting control of the company, we recorded a $36.7 million impairment during the third quarter of 2021 to adjust our equity method investment to its estimated fair value. The impairment charge is included in income/loss from equity affiliates line in our condensed consolidated statement of income.

Investment in Technip Energies

As discussed in Note 2, immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. On January 7, 2021, Bpifrance Participations SA (“BPI”) entered into the Share Purchase Agreement with us pursuant to which BPI agreed to purchase a portion of our retained stake in Technip Energies N.V. (the “BPI Investment”) for $200.0 million (the “Purchase Price”), subject to certain adjustments. On March 31, 2021, BPI ultimately purchased 7.5 million shares in Technip Energies from us for $100.0 million. Accordingly, on April 8, 2021, we refunded $100.0 million to BPI as a result of their revised level of investment.

On April 27, 2021 we sold 25.0 million Technip Energies shares, representing 14% of Technip Energies’ share capital, through a private placement by way of an accelerated bookbuild offering (the “April Placement”). The sale price of the shares in the April Placement was set at €11.10 per share, yielding total gross proceeds of €277.5 million, or $335.2 million.

Concurrently with the April Placement, Technip Energies purchased from us 1.8 million shares of Technip Energies (equivalent to 1% of share capital) at €11.10 per share, corresponding to the price of the April Placement (the “Concurrent Sale to Technip Energies”). The sale of shares to Technip Energies yielded total gross proceeds of €20.0 million or $24.2 million. This purchase was separate from the April Placement.

On July 29, 2021 we announced the launch and pricing of the sale of 16.0 million Technip Energies shares, representing approximately 9% of Technip Energies' issued and outstanding share capital, through a private placement by way of an accelerated bookbuild offering (the "July Placement"). The sale price of the shares in the July Placement was set at €11.20 per share, yielding total gross proceeds of €179.2 million, or $213.1 million. We agreed to a 60-day lock-up for our remaining shares in Technip Energies, subject to waiver from the Joint Global Coordinators and certain other customary exceptions.

On September 2, 2021 we announced the sale of 17.6 million Technip Energies shares, representing approximately 10% of Technip Energies' issued and outstanding share capital, through a private sale transaction with HAL Investments, the Dutch investment subsidiary of HAL Holding, N.V. (the "September Sale"). The sale price of the shares in the September Sale was set at €11.15 per share, yielding total gross proceeds of €196.2 million, or $231.5 million. The Joint Global Coordinators from the July Placement granted a waiver of the 60-day lock-up solely for the purpose of the September Sale. The original 60-day lock-up applicable to the July Placement remained in effect in all other respects until October 2, 2021.

The September Sale was completed in two tranches. The first tranche of 8.6 million shares was sold and settled in September for gross proceeds of €96.3 million, or $114.4 million. The second tranche of 9.0 million shares was settled on October 22, 2021 for gross proceeds of €99.9 million, or $116.4 million. As of September 30, 2021, we retained 17.1% ownership interest in Technip Energies' issued and outstanding share capital. As a result of the reduced ownership interest in Technip Energies and related loss of significant influence, we discontinued the use of equity method of accounting for our interest in Technip Energies. Following the September sale, we account for our remaining ownership interest in Technip Energies as equity security at fair value.

As of October 26, 2021, we retain a direct stake of 21.9 million shares, representing 12.3% of Technip Energies' issued and outstanding share capital. There is no lock-up associated with our remaining stake in Technip Energies.

At the Spin-off date, on initial recognition of the investment, we elected to account for our investment in Technip Energies at fair value with all subsequent changes in fair value for the investment reported in our consolidated statement of income.

For the three and nine months ended September 30, 2021, we recognized $28.5 million and $351.8 million of income related to our investment in Technip Energies, respectively. The amounts recognized include purchase price discounts on the sales of shares and a fair value revaluation gains of our investment.

Income for the three months ended September 30, 2021 also included a $22.4 million loss on the forward sale contract associated with the September sale of the second tranche of Technip Energies shares. The loss represents the difference between the agreed upon sales price for the September sale and the market price used to determine the carrying amount of the investment in the condensed consolidated financial statements. As of September 30, 2021, the $22.4 million loss was recorded as the derivative liability associated with the forward sale and was included in other current liabilities in our condensed consolidated balance sheet. The carrying amount of our investment in Technip Energies as of September 30, 2021 was $485.3 million.

NOTE 12. RELATED PARTY TRANSACTIONS

Receivables, payables, revenues and expenses, which are included in our condensed 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.

Accounts receivable consisted of receivables due from the following related parties:

(In millions)	September 30, 2021	December 31, 2020
Equinor ASA	$ —	$ 24.1
Dofcon Navegacao	23.4	4.2
Techdof Brasil AS	9.2	8.0
Others	2.5	1.7
Total accounts receivable	$ 35.1	$ 38.0

Dofcon Navegacao is an equity method investment. Techdof Brasil AS is a wholly owned subsidiary of Dofcon Brasil AS, our equity method affiliate. In October 2020, we added a new member to our Board of Directors who was an executive of Equinor ASA.

Accounts payable consisted of payables due to the following related parties:

(In millions)	September 30, 2021	December 31, 2020
Dofcon Navegacao	$ 4.4	$ 1.5
Others	2.5	3.1
Total accounts payable	$ 6.9	$ 4.6

Additionally, we have a note receivable from Dofcon Brasil AS for $25.2 million and $37.6 million as of September 30, 2021 and December 31, 2020, respectively. Dofcon Brasil AS is a variable interest entity and accounted for as an equity method investment.

Revenue included amounts from the following related parties:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2021	2020	2021	2020
Dofcon Navegacao	0.1	0.8	1.3	1.4
Techdof Brasil AS	3.6	2.0	12.5	6.4
Others	3.4	11.6	7.8	18.3
Total revenue	$ 7.1	$ 14.4	$ 21.6	$ 26.1

Expenses included amounts to the following related parties:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2021	2020	2021	2020
Dofcon Navegacao	$ 8.3	$ 5.2	$ 21.3	$ 17.0
Magma Global Limited	5.1	1.0	9.2	2.6
Altus Intervention	2.2	1.5	5.0	2.6
Others	16.9	0.9	25.1	14.2
Total expenses	$ 32.5	$ 8.6	$ 60.6	$ 36.4

Magma Global Limited was an equity method investment. In October 2021, we purchased the remaining ownership interest in Magma Global, see Note 11 for further details.

NOTE 13. DEBT

Overview

Long-term debt consisted of the following:

(In millions)	September 30, 2021	December 31, 2020
Commercial paper	$ —	$ 1,043.7
Synthetic bonds due 2021	—	551.2
3.45% Senior Notes due 2022	—	500.0
3.40% 2012 Private placement notes due 2022	173.6	184.0
3.15% 2013 Private placement notes due 2023	295.2	312.9
5.75% 2020 Private placement notes due 2025	231.5	245.4
6.50% Senior notes due 2026	835.9	—
4.00% 2012 Private placement notes due 2027	86.8	92.0
4.00% 2012 Private placement notes due 2032	115.8	122.7
3.75% 2013 Private placement notes due 2033	115.8	122.7
Bank borrowings and other	429.5	298.4
Unamortized debt issuance costs and discounts	(28.3)	(12.8)
Total debt	2,255.8	3,460.2
Less: current borrowings [(a)]	282.2	624.7
Long-term debt	$ 1,973.6	$ 2,835.5

(a) As of September 30, 2021 and December 31, 2020, current borrowings consisted primarily of bank borrowings and notes with current maturities of 12 months.

Debt Financing Transactions in Connection with the Spin-off

In connection with the Spin-off, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

Debt Issuance

- On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency revolving credit facility (“Revolving Credit Facility”) including a $450.0 million letter of credit subfacility; and

- On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026 (the “2021 Notes”).

Repayment of Debt

The proceeds from the debt issuance described above along with the available cash on hand, were used to fund:

- the repayment of all $542.4 million of the outstanding Synthetic Convertible Bonds that matured in January 2021;

- the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022. In connection with the repayment, we recorded a loss on extinguishment of debt of $23.5 million related to the difference between the amount paid and the net carrying value of the debt; and

- the termination of the $2.5 billion senior unsecured revolving credit facility entered into on January 17, 2017; the termination of the €500.0 million Euro Facility entered into on May 19, 2020, and the termination of the CCFF Program entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid $830.9 million of the outstanding commercial paper borrowings.

Credit Facilities and Debt

Revolving Credit Facility - On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency Revolving Credit Facility including a $450.0 million letter of credit subfacility. We incurred $27.9 million of debt issuance costs in connection with the Revolving Credit Facility. These debt issuance costs are deferred and are included in Other Assets in our condensed consolidated balance sheet as of September 30, 2021. The deferred debt issuance costs are amortized to interest expense over the term of the Revolving Credit Facility.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of September 30, 2021, there were $72.9 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $927.1 million.

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

- U.S. dollar-denominated loans bear interest, at the Company’s 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 on an adjusted rate linked to the Euro interbank offered rate.

The applicable margin for borrowings under the Revolving Credit Facility ranges from 2.50% to 3.50% for Eurocurrency loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Revolving Credit Facility is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

2021 Notes - On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026. The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly-owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom. We incurred $25.7 million of debt issuance costs in connection with issuance of the 2021 Notes. These debt issuance costs are deferred and are included in long-term debt in our condensed consolidated balance sheet as of September 30, 2021. The deferred debt issuance costs are amortized to interest expense over the term of the 2021 Notes, which approximates the effective interest method. In September 2021, we completed a tender offer and purchased for cash $164.1 million of the outstanding 2021 Notes. We paid a cash premium of $12.3 million to the note holders who tendered and wrote-off $3.7 million of bond issuance costs. In October 2021, we purchased an additional $2.8 million of the outstanding 2021 Notes. Subsequent to September 30, 2021 we amended the Credit Agreement to amend covenants for the tender offer and early debt repurchases of these 2021 Notes. We are in compliance with the restrictive covenants of the Credit Agreement.

Commercial paper - As of December 31, 2020, we had $1,043.7 million of commercial paper outstanding. Commercial paper borrowings were issued at market interest rates. In accordance with the terms of the new Revolving Credit Facility, we do not have an ability to issue any new commercial paper notes going forward.

Bank borrowings - Include term loans issued in connection with financing for certain of our vessels and amounts outstanding under our foreign committed credit lines.

NOTE 14. STOCKHOLDERS' EQUITY

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, 2020	$ (1,401.2)	$ 34.0	$ (255.3)	$ (1,622.5)	$ (4.1)
Other comprehensive income (loss) before reclassifications, net of tax	(0.3)	(28.8)	4.4	(24.7)	(1.5)
Reclassification adjustment for net losses included in net income (loss), net of tax	—	3.3	14.7	18.0	—
Other comprehensive income (loss), net of tax	(0.3)	(25.5)	19.1	(6.7)	(1.5)
Spin-off of Technip Energies	253.5	(19.7)	37.2	271.0	—
September 30, 2021	$ (1,148.0)	$ (11.2)	$ (199.0)	$ (1,358.2)	$ (5.6)

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

	Three Months Ended September 30,		Nine Months Ended September 30,		
(In millions)	2021	2020	2021	2020	
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	$ (1.6)	$ (23.8)	$ (27.6)	$ (57.3)	Revenue
	0.7	18.3	12.2	48.0	Cost of sales
	(0.1)	—	0.1	(0.4)	Selling, general and administrative expense
	(0.7)	(2.0)	6.2	(3.2)	Other income (expense), net
	(1.7)	(7.5)	(9.1)	(12.9)	Income (loss) before income taxes
	(0.4)	(3.6)	(5.8)	(4.2)	Provision for income taxes
	$ (1.3)	$ (3.9)	$ (3.3)	$ (8.7)	Net income (loss)
Pension and other post-retirement benefits					
Amortization of prior service credit (cost)	$ (0.1)	$ (0.3)	$ (0.4)	$ (0.8)	(a)
Amortization of net actuarial loss	(6.8)	(0.6)	(19.8)	(6.5)	(a)
	(6.9)	(0.9)	(20.2)	(7.3)	Income (loss) before income taxes
	(2.1)	1.7	(5.5)	0.2	Provision for income taxes
	$ (4.8)	$ (2.6)	$ (14.7)	$ (7.5)	Net income (loss)

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

NOTE 15. 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 in 2017. On the record date of the Spin-off, 11.9 million shares remained available under the Plan, which were adjusted to reflect the Spin-off using an adjustment ratio, calculated as the ratio of the closing price of shares of TechnipFMC common stock on the NYSE on the date immediately prior to the Spin-off to the closing price of shares of TechnipFMC on the NYSE on the date immediately after the Spin-off. After this adjustment, 15.2 million ordinary shares remained authorized for awards under the Plan as of February 17, 2021.

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 $7.7 million and $14.2 million for the three months ended September 30, 2021 and 2020, respectively, and $18.4 million and $52.6 million for the nine months ended September 30, 2021 and 2020, respectively.

NOTE 16. 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)	**2021**	**2020**	**2021**	**2020**
Subsea	$ 6.9	$ 43.4	$ 27.6	2,912.8
Surface Technologies	—	8.7	3.8	439.8
Corporate and other	0.4	1.4	3.4	3.6
Total impairment, restructuring and other expenses	$ 7.3	$ 53.5	$ 34.8	$ 3,356.2

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)	**2021**	**2020**	**2021**	**2020**
Subsea	$ 1.3	$ 17.6	$ 17.6	$ 2,826.6
Surface Technologies	—	5.4	0.3	418.1
Corporate and other	—	—	3.0	—
Total impairments	$ 1.3	$ 23.0	$ 20.9	$ 3,244.7

During the nine months ended September 30, 2021, subsequent to the Spin-off, certain real estate realization actions were taken, and as a result, we recorded $19.6 million of impairment charges relating to our operating lease right-of-use assets.

During the three and nine months ended September 30, 2020, triggering events were identified that led to impairments of certain long-lived assets, including goodwill. During the three and nine months ended September 30, 2020, impairment charges of $23.0 million and $3,244.7 million, respectively, were recorded. These charges included goodwill impairment charges of $2,747.5 million and $335.9 million in our Subsea and Surface Technologies segments, respectively.

For other long-lived assets, a conclusion was made that the market uncertainty was a triggering event for certain asset groups that serve short-cycle businesses in our Subsea and Surface Technologies segments. Assessing these asset groups for recoverability required the use of unobservable inputs that require 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. As a result of this assessment, for the three and nine months ended September 30, 2020, we recorded impairment charges of $17.6 million and $79.1 million, respectively, in our Subsea segment, consisting primarily of installation and service equipment. For the three and nine months ended September 30, 2020, we recorded impairment charges of $5.4 million and $82.2 million, respectively, in our Surface Technologies segment, consisting primarily of North America-based fracturing and wellhead 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. Assessing the recoverability of assets to be held and used requires the use of unobservable inputs, which 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.

In addition, during the three and nine months ended September 30, 2021, we recorded a $36.7 million impairment to adjust our equity method investment in Magma Global to its estimated fair market value. The impairment charge is included in income/loss from equity affiliates line in our condensed consolidated statement of income. See Note 11 for further information.

Restructuring and Other Expenses

Restructuring and other charges primarily consisted of severance and other employee related costs across both segments. Restructuring and other expenses were as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020		2021	2020	
(In millions)	**Restructuring and other charges**	**Restructuring and other charges**	**COVID-19 expenses**	**Restructuring and other charges**	**Restructuring and other charges**	**COVID-19 expenses**
Subsea	$ 5.6	7.1	$ 18.7	$ 10.0	$ 36.1	$ 50.1
Surface Technologies	—	0.9	2.4	3.5	14.0	7.7
Corporate and other	0.4	1.4	—	0.4	3.6	—
Total	$ 6.0	$ 9.4	$ 21.1	$ 13.9	$ 53.7	$ 57.8

During the three and nine months ended September 30, 2020, we incurred $21.1 million and $57.8 million, respectively, of COVID-19 related expenses. These 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.

Prolonged uncertainty in energy markets could lead to further reductions in capital spending from our customer base. In turn, this may lead to changes in our strategy. We will continue to take actions to mitigate the adverse effects of the changing market environment and expect to continue to adjust our cost structure to market conditions. If market conditions 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 17. 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 condensed consolidated financial position, results of operations or cash flows.

Guarantees consisted of the following:

(In millions)	**September 30, 2021**	**December 31, 2020**
Financial guarantees [a]	$ 177.5	$ 104.9
Performance guarantees [b]	1,112.2	1,353.9
Maximum potential undiscounted payments	$ 1,289.7	$ 1,458.8

(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. 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 a resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. Additionally, the PNF recently informed us that it is reviewing historical projects in Angola. We are not aware of any evidence that would support a finding of liability with respect to these projects, or whether the PNF would seek any additional penalty. As we continue our discussions with PNF towards a potential resolution of all of these matters, 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, confiscations 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, 2021 and December 31, 2020, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations or cash flows.

NOTE 18. INCOME TAXES

Our provision for income taxes for the three months ended September 30, 2021 and 2020 reflected effective tax rates of (46.1)% and (18.3)% respectively. The year-over-year decrease in the effective tax rate was primarily due to the increased impact of losses in jurisdictions with a full valuation allowance, and a change in geographical profit mix year over year.

Our provision for income taxes for the nine months ended September 30, 2021 and 2020 reflected effective tax rates of 24.5% and (0.4)%, respectively. The year-over-year increase in the effective tax rate was primarily due to the increased impact of losses in jurisdictions with a full valuation allowance, a change in geographical profit mix year over year and the impact of nondeductible goodwill impairments.

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 19. 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 condensed 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 condensed consolidated balance sheets. As of September 30, 2021, we held the following material net positions:

	Net Notional Amount Bought (Sold)	
(In millions)		**USD Equivalent**
Euro	874.2	1,012.0
Brazilian real	1,108.6	203.8
Australian dollar	205.6	147.9
British pound	100.9	135.8
Singapore dollar	167.7	123.2
Indian rupee	1,000.7	13.5
Norwegian krone	113.9	13.0
Russian ruble	839.0	11.5
Canadian dollar	11.9	9.3
Mexican peso	(123.6)	(6.0)
Kuwaiti dinar	(3.4)	(11.1)
Indonesian rupiah	(256,884.1)	(18.0)
Malaysian ringgit	(642.9)	(153.5)
U.S. dollar	(329.7)	(329.7)

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. As of September 30, 2021, our portfolio of these instruments included the following material net positions:

	Net Notional Amount Bought (Sold)	
(In millions)		**USD Equivalent**
Brazilian real	62.9	11.6
Norwegian krone	(26.7)	(3.0)
Euro	(10.2)	(11.8)
U.S. dollar	4.3	4.3

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. See Note 20 for further details. Accordingly, the estimates presented may not be indicative of the amounts 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 condensed consolidated balance sheets:

(In millions)	September 30, 2021 Assets	September 30, 2021 Liabilities	December 31, 2020 Assets	December 31, 2020 Liabilities
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 139.7	$ 128.2	$ 189.5	$ 141.9
Long-term - Derivative financial instruments	6.2	7.9	28.9	18.8
Total derivatives designated as hedging instruments	145.9	136.1	218.4	160.7
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	20.6	26.4	79.2	15.6
Long-term - Derivative financial instruments	0.2	—	0.3	—
Total derivatives not designated as hedging instruments	20.8	26.4	79.5	15.6
Total derivatives	$ 166.7	$ 162.5	$ 297.9	$ 176.3

Cash flow hedges of forecasted transactions qualifying for hedge accounting, net of tax, resulted in accumulated other comprehensive (losses) gains of $(12.6) million and $12.9 million as of September 30, 2021 and December 31, 2020, respectively. We expect to transfer an approximate $32.0 million gain 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 2024.

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,		Gain (Loss) Recognized in OCI Nine Months Ended September 30,	
(In millions)	2021	2020	2021	2020
Foreign exchange contracts	$ (20.8)	$ 56.7	$ (41.2)	$ (14.9)

The following tables represent the effect of cash flow hedge accounting in the condensed consolidated statements of income for the three and nine months ended September 30, 2021 and 2020:

(In millions)	Three Months Ended September 30, 2021				Three Months Ended September 30, 2020			
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**
Amounts reclassified from accumulated OCI to income	$ (1.6)	$ 0.7	$ (0.1)	$ (0.7)	$ (23.8)	$ 18.3	$ —	$ (0.6)
Amounts excluded from effectiveness testing	(1.0)	(0.3)	—	(1.2)	3.5	(3.2)	0.1	(0.4)
Total cash flow hedge gain (loss) recognized in income	(2.6)	0.4	(0.1)	(1.9)	(20.3)	15.1	0.1	(1.0)
Total hedge gain (loss) recognized in income	$ (2.6)	$ 0.4	$ (0.1)	$ (1.9)	$ (20.3)	$ 15.1	$ 0.1	$ (1.0)
Gain (loss) recognized in income on derivatives not designated as hedging instruments	—	(0.1)	—	(25.2)	(0.1)	1.4	—	10.6
Total	$ (2.6)	$ 0.3	$ (0.1)	$ (27.1)	$ (20.4)	$ 16.5	$ 0.1	$ 9.6

(In millions)	Nine Months Ended September 30, 2021				Nine Months Ended September 30, 2020			
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**
Amounts reclassified from accumulated OCI to income	$ (27.6)	$ 12.2	$ 0.1	$ 6.2	$ (57.3)	$ 48.0	$ (0.4)	$ (0.6)
Amounts excluded from effectiveness testing	(0.8)	(3.0)	—	(3.2)	6.0	(8.0)	—	2.0
Total cash flow hedge gain (loss) recognized in income	(28.4)	9.2	0.1	3.0	(51.3)	40.0	(0.4)	1.4
Total hedge gain (loss) recognized in income	(28.4)	9.2	0.1	3.0	(51.3)	40.0	(0.4)	1.4
Gain (loss) recognized in income on derivatives not designated as hedging instruments	1.4	0.5	—	8.2	(0.8)	2.7	—	(12.6)
Total	$ (27.0)	$ 9.7	$ 0.1	$ 11.2	$ (52.1)	$ 42.7	$ (0.4)	$ (11.2)

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, 2021 and December 31, 2020, we had no collateralized derivative contracts. The following tables present both gross information and net information of recognized derivative instruments:

	September 30, 2021			December 31, 2020		
(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	$ 166.7	$ (101.9)	$ 64.8	$ 297.9	$ (128.7)	$ 169.2
Derivative liabilities	$ 162.5	$ (101.9)	$ 60.6	$ 176.3	$ (128.7)	$ 47.6

NOTE 20. FAIR VALUE MEASUREMENTS

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

	September 30, 2021				December 31, 2020			
(In millions)	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets								
Investments								
Investment in Technip Energies	$ 485.3	$ 485.3	$ —	$ —	$ —	$ —	$ —	$ —
Equity securities[a]	23.9	23.9	—	—	23.4	23.4	—	—
Money market fund	2.6	—	2.6	—	1.7	—	1.7	—
Stable value fund[b]	0.6	—	—	—	0.9	—	—	—
Held-to-maturity debt securities	24.0	—	24.0	—	24.2	—	24.2	—
Derivative financial instruments								
Foreign exchange contracts	166.7	—	166.7	—	297.9	—	297.9	—
Assets held for sale	4.0	—	—	4.0	47.3	—	—	47.3
Total assets	$ 707.1	$ 509.2	$ 193.3	$ 4.0	$ 395.4	$ 23.4	$ 323.8	$ 47.3
Liabilities								
Derivative financial instruments								
Foreign exchange contracts	162.5	—	162.5	—	176.3	—	176.3	—
Other current liabilities	22.4	22.4	—	—	—	—	—	—
Total liabilities	$ 184.9	$ 22.4	$ 162.5	$ —	$ 176.3	$ —	$ 176.3	$ —

(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.

Investment in Technip Energies - The fair value of our investment in Technip Energies is based on quoted prices that we have the ability to access in public markets, see Note 11 for further details.

Equity securities - The fair value measurement of our traded 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 held for sale - The fair value of our assets held for sale was determined using a market approach that took into consideration the expected sales price. As of December 31, 2020, our G1200 vessel is classified as held for sale. In March 2021, we entered into a Memorandum of Agreement to sell the vessel. We completed the sale and received $48.0 million in cash proceeds during the second quarter of 2021.

Redeemable non-controlling interest - In accordance with the Share Purchase Agreement between Technip-Coflexip UK Holdings Limited (“TUK”) and Island Offshore Management AS (“Island Offshore”) that was executed on March 12, 2018, whereby TUK initially purchased 51% of the shares of TIOS AS, a joint venture between TUK and Island Offshore (“TIOS”), TUK acquired the remaining 49% interest in TIOS at a total price of $48.6 million during the third quarter of 2021. As of December 31, 2020, we owned a 51% share in TIOS and the redeemable non-controlling interest was recorded as mezzanine equity at fair value of $43.7 million.

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.

We currently 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 19 for further details.

Other current liabilities - Includes mark-to-market on the forward sale contract associated with the September Sale of the second tranche of Technip Energies shares, see Note 11 for further details. The liability was valued using the end of the quarter market share price for Technip Energies and therefore is presented in Level 1 of the fair value hierarchy.

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 equity investment and long-lived assets and related post-impairment fair value for the nine months ended September 30, 2021 and 2020:

	Nine Months Ended September 30,			
	2021		2020	
(In millions)	**Impairment**	**Fair Value**	**Impairment**	**Fair Value**
Long-lived assets[(a)]	$ 20.9	$ 31.6	$ 161.3	$ 353.3
Equity method investment impairment [(b)]	$ 36.7	$ 85.4	$ —	$ —

(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) Measured as of the impairment date using the estimated fair value of the consideration transferred, resulting in a Level 3 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 $1,954.2 million and $2,199.2 million as of September 30, 2021 and December 31, 2020, 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.

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

BUSINESS OUTLOOK

Overall Outlook - The short-term outlook for crude oil has improved. Economic activity continues to expand, driven by strong fiscal stimulus, COVID vaccinations and the re-opening of local economies. Oil prices have been supported by the industry's more disciplined capital spend, particularly for OPEC+ countries which appear to be focused on realizing a price that supports both economic growth and continued energy investment. These conditions could also provide greater price stability over the intermediate term.

Long-term demand for energy is forecast to increase. Our conversations with clients remain constructive, and we see continued improvement in the broader market outlook as investments in new sources of oil and natural gas production increase over the intermediate-term.

Looking beyond the strength of these traditional markets, we believe that offshore will also play a meaningful role in the the transition to renewable energy resources and reduction of carbon emissions.

We are making real progress in our focus areas of wind, wave, hydrogen and carbon transportation and storage. We recently announced the acquisition of the remaining shares of Magma Global, a leader in advanced composite technologies, as well as the formation of our strategic alliance with Talos Energy to develop and deliver technical and commercial solutions to Carbon Capture and Storage projects. These strategic actions will expand our capabilities and provide us with new opportunities to address carbon emissions.

Subsea – The strength of our inbound orders in the first nine months of the year has been indicative of the continued offshore market recovery and expansion. Innovative approaches to subsea projects, like our iEPCI™ solution, have improved project economics, and many offshore discoveries can be developed economically at today's crude oil prices. We believe deepwater development is likely to remain a significant part of many of our customers' portfolios.

As the subsea industry continues to evolve, we have taken actions to further streamline our organization, achieve standardization and reduce cycle times. The rationalization of our global footprint will also further leverage the benefits of our 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.

We have experienced renewed operator confidence in advancing subsea activity as a result of the improved economic outlook, lower market volatility and higher oil price. With crude above $70 per barrel, the opportunity set of large subsea projects to be sanctioned over the next 24 months has expanded.

Front-end engineering and design ("FEED") activity continues to improve. FEED activity in the current year is expected to return to the more robust levels seen in 2019, which further supports our view of a sustainable recovery for deepwater. We expect at least 60% of the projects in the current year that are undergoing studies with TechnipFMC to include an iEPCI™ solution, many of which could be directly awarded to our Company upon reaching final investment decision.

TechnipFMC is increasingly less dependent on larger, publicly tendered projects.

- We anticipate that an increasing share of our inbound orders will result from projects that will be directly awarded to us, many of which may come from our alliance partners;

- We anticipate higher activity in subsea services, with the industry's largest installed base; and

- We expect a higher mix of iEPCI™ project awards, demonstrating strong geographic diversity and new adopters of our unique, integrated approach to subsea development.

We are confident that Subsea inbound orders in 2021 will exceed the $4 billion achieved in the prior year, with $3.9 billion of orders already inbound in the first nine months of the year. Over the next five quarters, we anticipate Subsea inbound orders could approach $7 billion. We expect Brazil to be the most active region of the world for new project orders, driven by continued investment in the pre-salt field discoveries. We anticipate additional market growth potential coming from the North Sea, Asia Pacific and Africa. The strong front end activity we are experiencing today should further support project award momentum into 2022.

Surface Technologies – Our performance is typically driven by variations in global drilling activity, creating a dynamic environment. Operating results can be further impacted by stimulation activity and the completions intensity of shale applications in North America.

In 2021, our completions-related revenue has recovered, driven by the North America market activity increase and the successful adoption of iComplete™ – our fully integrated, digitally enabled pressure control system. iComplete™ has already achieved significant market penetration since its introduction in the third quarter of 2020, with more than 10 different customers utilizing the new integrated system.

Drilling activity in international markets is less cyclical than North America as most activity is driven by national oil companies, which tend to maintain a longer term view that exhibits less variability in capital spend. Additionally, we continue to benefit from our exposure to the Middle East, the North Sea and Asia Pacific.

In recent years, our international revenue has become a greater proportion of total segment revenue. We expect a gradual and steady recovery in well count in 2021 to drive international market growth. Increased spending will be led by national oil companies, particularly in the Middle East, where we expect a significant increase in order activity in the fourth quarter, driven by several multi-year awards.

Our unique capabilities in the international markets, which demand higher specification equipment, global services and local content, provide a platform for us to extend our leadership positions. We remain levered to these more resilient markets where we expect to source approximately 65% of our full year Surface Technologies revenue in 2021.

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

	Three Months Ended September 30,		Change	
(In millions, except %)	**2021**	**2020**	**$**	**%**
Revenue	$ 1,579.4	$ 1,727.5	(148.1)	(8.6)
Costs and expenses				
Cost of sales	1,364.0	1,518.8	(154.8)	(10.2)
Selling, general and administrative expense	153.4	181.8	(28.4)	(15.6)
Research and development expense	18.7	20.8	(2.1)	(10.1)
Impairment, restructuring and other expenses (Note 16)	7.3	53.5	(46.2)	(86.4)
Total costs and expenses	1,543.4	1,774.9	(231.5)	(13.0)
Other income (expense), net	(5.9)	7.9	(13.8)	(174.7)
Income (loss) from equity affiliates (Note 11)	(30.0)	12.9	(42.9)	(332.6)
Income from investment in Technip Energies (Note 11)	28.5	—	28.5	
Loss on early extinguishment of debt	(16.0)	—	(16.0)	
Net interest expense	(39.3)	(23.1)	(16.2)	(70.1)
Loss before income taxes	(26.7)	(49.7)	23.0	46.3
Provision for income taxes (Note 18)	12.3	9.1	3.2	35.2
Loss from continuing operations	(39.0)	(58.8)	19.8	33.7
Net income from continuing operations attributable to non-controlling interests	(1.6)	(5.9)	4.3	72.9
Loss from continuing operations attributable to TechnipFMC plc	(40.6)	(64.7)	24.1	37.2
Income from discontinued operations	8.4	65.2	(56.8)	(87.1)
Income from discontinued operations attributable to non-controlling interests	—	(4.4)	4.4	100.0
Net Income (loss) attributable to TechnipFMC plc	(32.2)	(3.9)	(28.3)	(725.6)

Revenue

Revenue decreased $148.1 million during the three months ended September 30, 2021, compared to the same period in 2020. Subsea revenue decreased year-over-year, primarily due to lower activity in the Gulf of Mexico and North Sea. Surface Technologies revenue increased year-over-year, primarily driven by an increase in operator activity in North America and the success of our iComplete™ ecosystem.

Gross Profit

Gross profit (revenue less cost of sales), as a percentage of sales, increased to 13.6% during the three months ended September 30, 2021, compared to 12.1% in the prior-year period. Subsea gross profit, as a percentage of sales, increased due to stronger operational performance and from lower operating costs. Surface Technologies gross profit, as a percentage of sales, increased year-over-year, driven by higher sales volume, favorable product mix and lower operating costs.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $28.4 million year-over-year. The decrease is primarily driven by the decrease associated with digital development activities and legal expenses.

Impairment, Restructuring and Other Expenses

We incurred $7.3 million of restructuring, impairment and other charges during the three months ended September 30, 2021 compared to $53.5 million of restructuring, impairment and other charges incurred during the three months ended September 30, 2020. Three Months Ended September 30, impairment, restructuring and other expenses were impacted by unplanned, non-recoverable COVID-19 related expenses. See Note 16 for further details.

Other Income (Expense), Net

Other 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 2021, we recognized $5.9 million of other expenses, which primarily included $6.2 million of net foreign exchange losses. In the third quarter of 2020, we recognized $7.9 million of other income, which primarily included $14.6 million of net foreign exchange losses. These losses were partially offset by $5.4 million of gains on sales of property, plant and equipment. The change in foreign exchange gains and losses is primarily due to foreign exchange gains and losses from unhedged currencies and the effect of these foreign currencies' exchange rate to a U.S. dollar on naturally hedged projects.

Income (Loss) from Equity Affiliates

For the three months ended September 30, 2021 and 2020, we recorded a loss of $30.0 million and an income of $12.9 million, respectively, from equity method affiliates. During the three months ended September 30, 2021, we recorded a $36.7 million impairment of our Magma Global equity method investment. See Note 11 for further details.

Income from Investment in Technip Energies

During the three months ended September 30, 2021, we recorded a $28.5 million income as a result of our investment in Technip Energies. The amount recognized primarily reflects a fair value revaluation gain of our investment and purchase price discounts on the sales of shares. See Note 11 for further details.

Loss on Early Extinguishment of Debt

For the three months ended September 30, 2021, we recognized $16.0 million of loss on early extinguishment of debt, which related to premium paid and write-off of bond issuance costs with connection with the repurchase of the 2021 Notes. See Note 13 for further details.

Net Interest Expense

Net interest expense of $39.3 million increased $16.2 million in the three months ended September 30, 2021, compared to the same period in 2020, primarily due to higher interest expense associated with the $1.0 billion senior notes issued during the three months ended March 31, 2021.

Provision for Income Taxes

Our provision for income taxes for the three months ended September 30, 2021 and 2020 reflected effective tax rates of (46.1)% and (18.3)%, respectively. The year-over-year decrease in the effective tax rate was primarily due to the increased impact of losses in jurisdictions with a full valuation allowance, and a change in geographical profit mix year over year.

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 those of the United Kingdom.

Discontinued Operations

Income from discontinued operations, net of income taxes was $8.4 million and $65.2 million for the three months ended September 30, 2021 and 2020, respectively.

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

	Nine Months Ended September 30,		Change	
(In millions, except %)	**2021**	**2020**	**$**	**%**
Revenue	$ 4,880.2	$ 4,930.3	(50.1)	(1.0)
Costs and expenses				
Cost of sales	4,247.7	4,373.6	(125.9)	(2.9)
Selling, general and administrative expense	473.6	534.9	(61.3)	(11.5)
Research and development expense	54.4	71.3	(16.9)	(23.7)
Impairment, restructuring and other expenses (Note 16)	34.8	3,356.2	(3,321.4)	(99.0)
Total costs and expenses	4,810.5	8,336.0	(3,525.5)	(42.3)
Other income (expense), net	28.7	(20.3)	49.0	241.4
Income (loss) from equity affiliates (Note 11)	(9.5)	49.7	(59.2)	(119.1)
Income from investment in Technip Energies (Note 11)	351.8	—	351.8	
Loss on early extinguishment of debt	(39.5)	—	(39.5)	
Net interest expense	(109.0)	(72.7)	(36.3)	(49.9)
Income (loss) before income taxes	292.2	(3,449.0)	3,741.2	108.5
Provision for income taxes (Note 18)	71.7	13.5	58.2	431.1
Income (loss) from continuing operations	220.5	(3,462.5)	3,683.0	106.4
Net income from continuing operations attributable to non-controlling interests	(5.5)	(14.6)	9.1	62.3
Income (loss) from continuing operations attributable to TechnipFMC plc	215.0	(3,477.1)	3,692.1	106.2
Income (loss) from discontinued operations	(44.1)	238.5	(282.6)	(118.5)
Income from discontinued operations attributable to non-controlling interests	(1.9)	(9.7)	7.8	80.4
Net income (loss) attributable to TechnipFMC plc	169.0	(3,248.3)	3,417.3	105.2

Revenue

Revenue decreased $50.1 million during the nine months ended September 30, 2021, compared to the same period in 2020. Subsea revenue decreased year-over-year, primarily due to decreased subsea production system sales in the Gulf of Mexico and North Sea. Revenue in our Surface Technologies segment also decreased year-over-year, primarily as a result of the reduction in operator activity in North America.

Gross Profit

Gross profit (revenue less cost of sales), as a percentage of sales, increased to 13.0% during the nine months ended September 30, 2021, compared to 11.3% in the prior-year period. Subsea gross profit, as a percentage of sales, increased due to stronger operational performance and from lower operating costs. Surface Technologies gross profit, as a percentage of sales, increased year-over-year despite lower sales volume due to favorable product mix, improved execution and lower operating costs.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased $61.3 million year-over-year. During the first half of 2020, in response to a deteriorated market environment driven in part by the COVID-19 pandemic, we implemented a series of cost reduction initiatives that resulted in significant reduction in year-over-year selling, general and administrative expense.

Impairment, Restructuring and Other Expense

We incurred $34.8 million of restructuring, impairment and other charges during the nine months ended September 30, 2021, compared to $3,356.2 million of restructuring, impairment and other charges incurred during the nine months ended September 30, 2020. Impairment, restructuring and other charges incurred during the nine months ended September 30, 2021, primarily included $19.6 million of impairment charges primarily of our operating lease right-of-use assets. Impairment, restructuring and other charges incurred during the nine months ended September 30, 2020, primarily included $3,083.4 million of goodwill impairment, $161.3 million of long-lived assets impairment, $57.8 million of COVID-19 related expenses, and $53.7 million for restructuring and severance expenses. See Note 16 for further details.

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 other non-operating gains and losses. During the nine months ended September 30, 2021, we recognized $28.7 million of other income, which primarily included $11.2 million of net foreign exchange gains. During the nine months ended September 30, 2020, we recognized $20.3 million of other expenses, which primarily included $53.8 million of net foreign exchange losses. The change in foreign exchange gains and losses is primarily due to foreign exchange gains from unhedged currencies and the effects of a stronger U.S. dollar on naturally hedged projects.

Income (Loss) from Equity Affiliates

For the nine months ended September 30, 2021 and 2020, we recorded a loss of $9.5 million and an income of $49.7 million, respectively, from equity method affiliates. During the nine months ended September 30, 2021, we recorded a $36.7 million impairment of our Magma Global equity method investment. See Note 11 for further details.

Income from Investment in Technip Energies

During the nine months ended September 30, 2021, we recorded $351.8 million as income as a result of our investment in Technip Energies. The amount recognized represents a fair value revaluation gain of our investment and purchase price discounts on the sales of shares. See Note 11 for further details.

Loss on Early Extinguishment of Debt

For the nine months ended September 30, 2021, we recognized $39.5 million of loss on early extinguishment of debt, which related to premium paid and write-off of bond issuance costs with connection with the repurchase of the 2021 Notes and premium paid in connection with the repayment of our 3.45% Senior Notes due 2022. See Note 13 for further details.

Net Interest Expense

Net interest expense of $109.0 million increased $36.3 million in the nine months ended September 30, 2021, compared to the same period in 2020, primarily due to higher interest expense associated with the $1.0 billion senior notes issued during the three months ended March 31, 2021.

Provision for Income Taxes

Our provision for income taxes for the nine months ended September 30, 2021 and 2020 reflected effective tax rates of 24.5% and (0.4)%, respectively. The year-over-year increase in the effective tax rate was primarily due to the increased impact of losses in jurisdictions with a full valuation allowance, a change in geographical profit mix year over year and the impact of nondeductible goodwill impairments.

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 those of the United Kingdom.

Discontinued Operations

Income (loss) from discontinued operations, net of income taxes, was $44.1 million loss and $238.5 million income for the nine months ended September 30, 2021 and 2020, respectively. Income (loss) from discontinued operations included results for Technip Energies, which was spun-off on February 16, 2021. See Note 2 for further details.

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC
THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

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 5 for further details.

Subsea

	Three Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except % and pts.)	**2021**	**2020**	**$**	**%**
Revenue	$ 1,312.1	$ 1,501.8	(189.7)	(12.6)
Operating profit (loss)	$ 23.5	$ 20.3	3.2	15.8
Operating profit as a percentage of revenue	1.8 %	1.4 %		0.4 pts.

Subsea revenue decreased $189.7 million or 12.6% year-over-year, primarily due to lower activity in the Gulf of Mexico and North Sea.

Subsea operating profit for the three months ended September 30, 2021 improved versus the prior year, primarily due to benefits from prior year cost reduction activities and increased installation activity.

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

Surface Technologies

	Three Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except % and pts.)	**2021**	**2020**	**$**	**%**
Revenue	$ 267.3	$ 225.7	41.6	18.4
Operating profit (loss)	$ 12.1	$ (7.0)	19.1	272.9
Operating profit as a percentage of revenue	4.5 %	(3.1)%		7.6 pts.

Surface Technologies revenue increased $41.6 million, or 18.4%, year-over-year, primarily driven by an increase in operator activity in North America and the success of our iComplete™ ecosystem. Revenue outside of North America represented approximately 63% of total segment revenue during the three months ended September 30, 2021.

Surface Technologies operating profit improved versus the prior year, primarily due to increased activity, favorable product mix, prior year cost reduction initiatives and the reduction in non-cash impairment charges.

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

Corporate Expenses

	Three Months Ended September 30,		Favorable/(Unfavorable)	
(In millions, except %)	**2021**	**2020**	**$**	**%**
Corporate expenses	$ (29.3)	$ (25.3)	(4.0)	(15.8)

Corporate expenses increased by $4.0 million, or 15.8%, year-over-year, primarily due to increased costs associated with IT and legal support functions.

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, 2021 AND 2020

Subsea

(In millions, except %)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Favorable/(Unfavorable) $	Favorable/(Unfavorable) %
Revenue	$ 4,092.9	$ 4,133.4	(40.5)	(1.0)
Operating profit (loss)	$ 132.9	$ (2,806.0)	2,938.9	104.7
Operating profit (loss) as a percentage of revenue	3.2 %	(67.9)%		71.1 pts.

Subsea revenue decreased $40.5 million, or 1.0%, year-over-year, primarily due to reduced activity in the Gulf of Mexico and North Sea.

Subsea operating profit for the nine months ended September 30, 2021 improved versus the prior year, primarily due to the significant reduction in non-cash impairment charges as well as prior year cost reduction activities and increased installation activity.

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

Surface Technologies

(In millions, except %)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Favorable/(Unfavorable) $	Favorable/(Unfavorable) %
Revenue	$ 787.3	$ 796.9	(9.6)	(1.2)
Operating profit (loss)	$ 33.2	$ (444.4)	477.6	107.5
Operating profit (loss) as a percentage of revenue	4.2 %	(55.8)%		60.0 pts.

Surface Technologies revenue decreased $9.6 million, or 1.2%, year-over-year, primarily driven by the reduction in operator activity in North America. Revenue outside of North America increased primarily driven by higher services activity in Northern Europe, Asia Pacific and Middle East. Approximately 66% of total segment revenue was generated outside of North America during the nine months ended September 30, 2021.

Surface Technologies operating profit improved significantly versus the prior year, primarily due to the significant reduction in non-cash impairment charges as well as favorable product mix and benefits from prior year cost reduction initiatives.

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

Corporate Expenses

(In millions, except %)	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Favorable/(Unfavorable) $	Favorable/(Unfavorable) %
Corporate expenses	$ (88.4)	$ (72.1)	(16.3)	(22.6)

Corporate expenses increased by $16.3 million or 22.6% year-over-year, primarily due to increased costs associated with IT and legal support functions.

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:

- Income (loss) from continuing operations, excluding charges and credits, as well as measures derived from it;
- Income (loss) before net interest expense and taxes, excluding charges and credits ("Adjusted Operating profit") and Adjusted Operating profit margin;
- Adjusted diluted loss per share from continuing operations;
- 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") and Adjusted EBITDA margin;
- Corporate expenses excluding charges and credits and foreign exchange impacts; and
- Net (debt) cash.

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, 2021						
	Loss from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interests from continuing operations	Provision for income taxes	Net interest expense and loss on early extinguishment of debt	Income before net interest expense and income taxes (Operating profit)	Depreciation and amortization	Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)
TechnipFMC plc, as reported	$ (40.6)	$ 1.6	$ 12.3	$ 55.3	$ 28.6	$ 96.5	$ 125.1
Charges and (credits):							
Impairment and other charges*	38.0	—	—	—	38.0	—	38.0
Restructuring and other charges	6.1	—	(0.1)	—	6.0	—	6.0
Income from investment in Technip Energies	(28.5)	—	—	—	(28.5)	—	(28.5)
Adjusted financial measures	$ (25.0)	$ 1.6	$ 12.2	$ 55.3	$ 44.1	$ 96.5	$ 140.6
Diluted loss per share from continuing operations attributable to TechnipFMC plc, as reported	$ (0.09)						
Adjusted diluted loss per share from continuing operations attributable to TechnipFMC plc	$ (0.06)						

*Includes $36.7 million impairment relating to our equity method investment.

	Three Months Ended September 30, 2020						
	Loss from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interests from continuing operations	Provision 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	$ (64.7)	$ 5.9	$ 9.1	$ 23.1	$ (26.6)	$ 94.2	$ 67.6
Charges and (credits):							
Impairment and other charges	19.3	—	3.7	—	23.0	—	23.0
Restructuring and other charges	8.4	—	1.0	—	9.4	—	9.4
Direct COVID-19 expenses	17.3	—	3.8	—	21.1	—	21.1
Valuation allowance	—	—	—	—	—	—	—
Adjusted financial measures	$ (19.7)	$ 5.9	$ 17.6	$ 23.1	$ 26.9	$ 94.2	$ 121.1
Diluted loss per share from continuing operations attributable to TechnipFMC plc, as reported	$ (0.14)						
Adjusted diluted loss per share from continuing operations attributable to TechnipFMC plc	$ (0.04)						

	Nine Months Ended September 30, 2021						
	Income (loss) from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interests from continuing operations	Provision for income taxes	Net interest expense and loss on early extinguishment of debt	Income before net interest expense and income taxes (Operating profit)	Depreciation and amortization	Earnings before net interest expense, income taxes, depreciation and amortization (EBITDA)
TechnipFMC plc, as reported	$ 215.0	$ 5.5	$ 71.7	$ 148.5	$ 440.7	$ 289.7	$ 730.4
Charges and (credits):							
Impairment and other charges*	57.6	—	—	—	57.6	—	57.6
Restructuring and other charges	13.7	—	0.2	—	13.9	—	13.9
Income from investment in Technip Energies	(351.8)	—	—	—	(351.8)	—	(351.8)
Adjusted financial measures	$ (65.5)	$ 5.5	$ 71.9	$ 148.5	$ 160.4	$ 289.7	$ 450.1
Diluted earnings per share from continuing operations attributable to TechnipFMC plc, as reported	$ 0.47						
Adjusted diluted loss per share from continuing operations attributable to TechnipFMC plc	$ (0.14)						

*Includes $36.7 million impairment relating to our equity method investment.

	Nine Months Ended September 30, 2020						
	Loss from continuing operations attributable to TechnipFMC plc	Income attributable to non-controlling interests from continuing operations	Provision for income taxes	Net interest expense	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	$ (3,477.1)	$ 14.6	$ 13.5	$ 72.7	$ (3,376.3)	$ 298.3	$ (3,078.0)
Charges and (credits):							
Impairment and other charges	3,232.7	—	12.0	—	3,244.7	—	3,244.7
Restructuring and other charges	48.9	—	4.8	—	53.7	—	53.7
Direct COVID-19 expenses	50.9	—	6.9	—	57.8	—	57.8
Purchase price accounting adjustment	6.5	—	2.0	—	8.5	(8.5)	—
Valuation allowance	(3.1)	—	3.1	—	—	—	—
Adjusted financial measures	$ (141.2)	$ 14.6	$ 42.3	$ 72.7	$ (11.6)	$ 289.8	$ 278.2
Diluted loss per share from continuing operations attributable to TechnipFMC plc, as reported	$ (7.75)						
Adjusted diluted loss per share from continuing operations attributable to TechnipFMC plc	$ (0.31)						

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

	Three Months Ended September 30, 2021				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net and Other	Total
Revenue	$ 1,312.1	$ 267.3	$ —	$ —	$ 1,579.4
Operating profit (loss), as reported (pre-tax)	$ 23.5	$ 12.1	$ (29.3)	$ 22.3	$ 28.6
Charges and (credits):					
Impairment and other charges*	38.0	—	—	—	38.0
Restructuring and other charges	5.6	—	0.4	—	6.0
Income from investment in Technip Energies	—	—	—	(28.5)	(28.5)
Subtotal	43.6	—	0.4	(28.5)	15.5
Adjusted Operating profit (loss)	67.1	12.1	(28.9)	(6.2)	44.1
Depreciation and amortization	79.4	16.3	0.8	—	96.5
Adjusted EBITDA	$ 146.5	$ 28.4	$ (28.1)	$ (6.2)	$ 140.6
Operating profit margin, as reported	1.8 %	4.5 %			1.8 %
Adjusted Operating profit margin	5.1 %	4.5 %			2.8 %
Adjusted EBITDA margin	11.2 %	10.6 %			8.9 %

*Includes $36.7 million impairment relating to our equity method investment.

	Three Months Ended September 30, 2020				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	$ 1,501.8	$ 225.7	$ —	$ —	$ 1,727.5
Operating profit (loss), as reported (pre-tax)	$ 20.3	$ (7.0)	$ (25.3)	$ (14.6)	$ (26.6)
Charges and (credits):					
Impairment and other charges	17.6	5.4	—	—	23.0
Restructuring and other charges	7.1	0.9	1.4	—	9.4
Direct COVID-19 expenses	18.7	2.4	—	—	21.1
Subtotal	43.4	8.7	1.4	—	53.5
Adjusted Operating profit (loss)	63.7	1.7	(23.9)	(14.6)	26.9
Depreciation and amortization	82.3	15.6	(3.7)	—	94.2
Adjusted EBITDA	$ 146.0	$ 17.3	$ (27.6)	$ (14.6)	$ 121.1
Operating profit margin, as reported	1.4 %	(3.1)%			(1.5)%
Adjusted Operating profit margin	4.2 %	0.8 %			1.6 %
Adjusted EBITDA margin	9.7 %	7.7 %			7.0 %

	Nine Months Ended September 30, 2021				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net and Other	Total
Revenue	$ 4,092.9	$ 787.3	$ —	$ —	$ 4,880.2
Operating profit (loss), as reported (pre-tax)	$ 132.9	$ 33.2	$ (88.4)	$ 363.0	$ 440.7
Charges and (credits):					
Impairment and other charges*	54.3	0.3	3.0	—	57.6
Restructuring and other charges	10.0	3.5	0.4	—	13.9
Income from investment in Technip Energies	—	—	—	(351.8)	(351.8)
Subtotal	64.3	3.8	3.4	(351.8)	(280.3)
Adjusted Operating profit (loss)	197.2	37.0	(85.0)	11.2	160.4
Depreciation and amortization	238.5	48.5	2.7	—	289.7
Adjusted EBITDA	$ 435.7	$ 85.5	$ (82.3)	$ 11.2	$ 450.1
Operating profit margin, as reported	3.2 %	4.2 %			9.0 %
Adjusted Operating profit margin	4.8 %	4.7 %			3.3 %
Adjusted EBITDA margin	10.6 %	10.9 %			9.2 %

*Includes $36.7 million impairment relating to our equity method investment.

	Nine Months Ended September 30, 2020				
	Subsea	Surface Technologies	Corporate Expense	Foreign Exchange, net	Total
Revenue	$ 4,133.4	$ 796.9	$ —	$ —	$ 4,930.3
Operating loss, as reported (pre-tax)	$ (2,806.0)	$ (444.4)	$ (72.1)	$ (53.8)	$ (3,376.3)
Charges and (credits):					
Impairment and other charges	2,826.6	418.1	—	—	3,244.7
Restructuring and other charges	36.1	14.0	3.6	—	53.7
Direct COVID-19 expenses	50.1	7.7	—	—	57.8
Purchase price accounting adjustment	8.5	—	—	—	8.5
Subtotal	2,921.3	439.8	3.6	—	3,364.7
Adjusted Operating profit (loss)	115.3	(4.6)	(68.5)	(53.8)	(11.6)
Adjusted Depreciation and amortization	235.1	54.7	—	—	289.8
Adjusted EBITDA	$ 350.4	$ 50.1	$ (68.5)	$ (53.8)	$ 278.2
Operating profit margin, as reported	-67.9 %	-55.8 %			-68.5 %
Adjusted Operating profit margin	2.8 %	-0.6 %			-0.2 %
Adjusted EBITDA margin	8.5 %	6.3 %			5.6 %

INBOUND ORDERS AND ORDER BACKLOG

Inbound orders - Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period.

	Inbound Orders			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2021**	**2020**	**2021**	**2020**
Subsea	$ 1,116.0	$ 1,607.1	$ 3,926.1	$ 3,290.9
Surface Technologies	249.9	207.5	721.4	760.9
Total inbound orders	$ 1,365.9	$ 1,814.6	$ 4,647.5	$ 4,051.8

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. See Note 5 for further details.

	Order Backlog	
(In millions)	**September 30, 2021**	**December 31, 2020**
Subsea	$ 6,661.4	$ 6,876.0
Surface Technologies	341.0	413.5
Total order backlog	$ 7,002.4	$ 7,289.5

Subsea - Subsea backlog of $6.7 billion as of September 30, 2021 was composed of various subsea projects, including Total Mozambique LNG; Eni Coral; Petrobras Mero I, Mero II and Marlim Manifolds; ExxonMobil Payara; Petronas Limbayong; Reliance MJ-1; Equinor Breidablikk; Husky West White Rose; Chevron Gorgon Stage 2; Santos Barossa Phase I and Tullow Jubilee South East.

Surface Technologies - Order backlog for Surface Technologies as of September 30, 2021 decreased by $72.5 million compared to December 31, 2020. 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 - As of September 30, 2021, we had $621.7 million of non-consolidated order backlog in our Subsea segment. Non-consolidated order backlog reflects the proportional share of backlog related to joint ventures that is not consolidated due to our minority ownership position.

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 debt, utilizing details of classifications from our condensed consolidated balance sheets:

(In millions)	**September 30, 2021**	**December 31, 2020**
Cash and cash equivalents	$ 1,034.0	$ 1,269.2
Short-term debt and current portion of long-term debt	(282.2)	(624.7)
Long-term debt, less current portion	(1,973.6)	(2,835.5)
Net debt	$ (1,221.8)	$ (2,191.0)

Cash Flows

Operating cash flows from continuing operations - During the nine months ended September 30, 2021 and 2020, we generated $231.5 million and $289.7 million, respectively, in operating cash flows from continuing operations. The decrease of $58.2 million in cash generated by operating activities from continuing operations was primarily due to timing differences on project milestones and improved working capital management actions.

Investing cash flows from continuing operations - Investing activities provided $759.8 million during the nine months ended September 30, 2021 and used $190.3 million of cash during the nine months ended September 30, 2020. The increase of $950.1 million in cash provided by investing activities was primarily due to the proceeds received from the sale of our investment in Technip Energies, the sales of assets and decreased capital expenditures during the nine months ended September 30, 2021.

Financing cash flows from continuing operations - Financing activities used $1,189.3 million and $519.6 million of cash during the nine months ended September 30, 2021 and 2020, respectively. The increase in cash used by financing activities was primarily due to the increased debt pay down activity during the nine months ended September 30, 2021.

Debt and Liquidity

Debt Financing Transactions

During the nine months ended September 30, 2021, we executed a series of refinancing transactions, in order to provide a capital structure with sufficient cash resources to support future operating and investment plans.

Debt Issuance

- On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multicurrency revolving credit facility (“Revolving Credit Facility”), including a $450.0 million letter of credit subfacility; and

- On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026 (the “2021 Notes”).

Repayment of Debt

The proceeds from the debt issuance described above along with the available cash on hand were used to fund:

- the repayment of all $542.4 million of the outstanding Synthetic Convertible Bonds that matured in January 2021;

- the repayment of all $500.0 million aggregate principal amount of outstanding 3.45% Senior Notes due 2022. In connection with the repayment, we recorded a loss on extinguishment of debt of $23.5 million related to the difference between the amount paid and the net carrying value of the debt; and

- the termination of the $2.5 billion senior unsecured revolving credit facility we entered into on January 17, 2017; the termination of the €500.0 million Euro Facility entered into on May 19, 2020, and the termination of the CCFF Program entered into on May 19, 2020. In connection with the termination of these credit facilities, we repaid $830.9 million of the outstanding commercial paper borrowings.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of September 30, 2021, there were $72.9 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $927.1 million.

In September 2021, we completed a tender offer and purchased for cash $164.1 million of the outstanding 2021 Notes. We paid a cash premium of $12.3 million to the note holders who tendered and wrote-off $3.7 million of bond issuance costs. In October 2021, we purchased an additional $2.8 million of the outstanding 2021 Notes. Subsequent to September 30, 2021 we amended the Credit Agreement to amend covenants for the tender offer and early debt repurchases of these 2021 Notes. We are in compliance with the restrictive covenants of the Credit Agreement. See Note 13 for further details.

Credit Ratings - Our credit ratings with Standard and Poor’s (“S&P”) are BB+ for our long-term unsecured, guaranteed debt (2021 Notes) and BB for our long-term unsecured debt (the Private Placement notes). Our credit ratings with Moody’s are Ba1 for our long-term unsecured, guaranteed debt.

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 20 for further details.

Financial Position Outlook

We are committed to a strong balance sheet and ample liquidity that will enable us access capital markets throughout the cycle. We believe our liquidity has and continues to exceed the level required to achieve this goal.

Our objective in financing our business is to maintain sufficient liquidity, adequate financial resources and financial flexibility in order to fund the requirements of our business. Our capital expenditures can be adjusted and managed to match market demand and activity levels. Based on current market conditions and our future expectations, our capital expenditures for 2021 are estimated to be approximately $250.0 million. Projected capital expenditures do not include any contingent capital that may be needed to respond to contract awards.

In addition, we intend to conduct an orderly sale of our remaining stake in Technip Energies over time and will use the proceeds from future sales to further reduce our net leverage. We do not intend to remain a long-term shareholder of Technip Energies and anticipate that we will exit our ownership stake in an orderly manner within a year. The carrying amount of the investment as of September 30, 2021 was $485.3 million.

CRITICAL ACCOUNTING ESTIMATES

Refer to our Annual Report on Form 10-K for the year ended December 31, 2020 for a discussion of our critical accounting estimates. During the nine months ended September 30, 2021, there were no changes to our identified critical accounting estimates.

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 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”)) 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 our 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 a resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. Additionally, the PNF recently informed us that it is reviewing historical projects in Angola. We are not aware of any evidence that would support a finding of liability with respect to these projects, or whether the PNF would seek any additional penalty. As we continue our discussions with PNF towards a potential resolution of all of these matters, 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, confiscations 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, 2020. Our exposure to market risk has not changed materially since December 31, 2020.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2021, 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, 2021.

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, 2021 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 ("District Court") 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"). The shareholder also asserted a claim for alleged violation of Section 11 of the Securities Act in connection with the reporting of certain financial results in the Company's Registration Statement on Form S-4 filed in 2016. On December 13, 2020, the parties filed a Stipulation and Agreement of Settlement to settle all claims asserted in the suit with prejudice. The Defendants entered into the Stipulation solely to eliminate the burden, expense, uncertainty and risk of further litigation, and denied, and continue to deny, each and all of the claims and contentions alleged by the shareholder plaintiff in this action. On December 16, 2020, the District Court entered an order preliminarily approving the settlement and ordering notice to the settlement class. On March 22, 2021, after a hearing, the Court entered a final judgment approving the settlement.

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 joint 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

As of the date of this filing, there have been no material changes or updates to our risk factors that were previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020.

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, 2021.

Issuer Purchases of Equity Securities

We did not have any purchases of equity securities during the three months ended September 30, 2021.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
10.1	Second Amendment, dated October 6, 2021, to the Credit Agreement, dated February 16, 2021, by and among TechnipFMC plc, JPMorgan Chase Bank, N.A., Citigroup Global Markets Inc. or an affiliate, DNB Capital, LLC or an affiliate, Société Générale, Sumitomo Mitsui Banking Corporation, Wells Fargo Securities, LLC and BofA Securities, Inc., collectively, as lead arrangers, JPMorgan Chase Bank, N.A., as administrative agent, Standard Chartered Bank, as documentation agent, and the lenders party thereto.
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).

* 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
(Chief Accounting Officer and a Duly Authorized Officer)

Date: October 27, 2021

SECOND AMENDMENT TO CREDIT AGREEMENT

SECOND AMENDMENT TO CREDIT AGREEMENT, dated as of October 6, 2021 (this "Amendment"), by and among TECHNIPFMC PLC, a public limited company incorporated under the laws of England and Wales (the "Company"), FMC TECHNOLOGIES, INC., a Delaware corporation (the "U.S. Borrower" and, together with the Company, the "Borrowers"), the Lenders party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the "Administrative Agent").

RECITALS

WHEREAS, the Borrowers are parties to that certain Credit Agreement, dated as of February 16, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement", and as amended or otherwise modified by this Amendment, the "Credit Agreement"), among the Borrowers, the Lenders from time to time party thereto, the Issuing Banks from time to time party thereto and the Administrative Agent;

WHEREAS, on August 31, 2021, the Company announced a tender offer to purchase up to $250,000,000 aggregate principal of its outstanding Senior Unsecured Notes with respect to which $164,100,000 of Senior Unsecured Notes have been tendered and settled with accrued interest and premium as of September 15, 2021 (the "Cash Settlement");

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders (a) consent to the Cash Settlement (the "Tender Payment Consent"), (b) waive any Default or Event of Default, if any, arising solely as a result of the Cash Settlement (each, a "Related Event") (the Tender Payment Consent and waiver of any Related Events, collectively, the "Requested Actions") and (c) amend the Existing Credit Agreement as set forth herein; and

WHEREAS, subject to the terms and conditions set forth herein, the Administrative Agent and the Lenders party hereto are willing to agree to the Requested Actions and such amendments to the Existing Credit Agreement.

NOW, THEREFORE, in consideration of the agreements contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION I.1. Certain Definitions. Capitalized terms used (including in the preamble and recitals hereto) but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

ARTICLE II
AMENDMENTS TO CREDIT AGREEMENT

SECTION II.1. As of the Second Amendment Effective Date, the Existing Credit Agreement shall hereby be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Credit Agreement attached hereto as Exhibit A.

SECTION II.2. As of the Second Amendment Effective Date, the Existing Credit Agreement is hereby further amended by (a) deleting the property at 149A Gul Circle, Singapore 629605, Entry ID SGP-SIN-03-02 from Schedule 1.01(b) thereto and (b) deleting Schedule 6.01 thereto and inserting a new Schedule 6.01 thereto in the form of Schedule 6.01 hereto.

ARTICLE III
CONSENT

SECTION III.1. Each of the Borrowers, the Administrative Agent and the undersigned Lenders, which constitute the Required Lenders, hereby agree to the Requested Actions. This Amendment, except as expressly provided in this Section 3.1, shall not operate as a consent to or a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Credit Agreement or any Loan Document, or constitute consent to or a waiver of any future failure of any Loan Party to comply with any of its obligations under the Credit Agreement or any other Loan Document.

ARTICLE IV
CONDITIONS TO EFFECTIVENESS

SECTION IV.1. The effectiveness of this Amendment (including the amendments contained in Article II and the consent contained in Article III) (the date of such effectiveness, the “Second Amendment Effective Date”) is subject to (a) the due execution of this Amendment by the Borrowers and Lenders constituting the Required Lenders, (b) receipt by the Administrative Agent of all fees and other amounts due and payable on or prior to the Second Amendment Effective Date, including, to the extent invoiced at least one Business Day prior to the Second Amendment Effective Date, reimbursement or payment of all reasonable out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid under the Existing Credit Agreement, (c) receipt by the Administrative Agent of a certificate of a Responsible Officer of the Company certifying as to the matters set forth in Section 5.1 and (d) receipt of an updated or supplemental Perfection Certificate (i) indicating, in a manner reasonably satisfactory to the Administrative Agent, any changes in the information included in the Perfection Certificate delivered on the Effective Date or the most recent supplement thereto delivered pursuant to Section 5.03(b) of the Credit Agreement or (ii) certifying that there has been no change in such information from the Perfection Certificate delivered on the Effective Date or the most recent supplement thereto delivered pursuant to Section 5.03(b) of the Credit Agreement, as applicable.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

SECTION V.1. To induce the other parties hereto to enter into this Amendment, the Borrowers represent and warrant to each of the Lenders that, as of the Second Amendment Effective Date:

(a) each Loan Party hereto (i) is a Person duly organized, incorporated or established, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing under the laws of the jurisdiction of its organization, incorporation or establishment and (ii) has all requisite power and authority to execute, deliver and perform its obligations under each Loan Document to which it is a party;

(b) (i) the execution, delivery and performance by the Borrowers of this Amendment has been duly authorized by all necessary corporate or other organizational action, and (ii) the execution, delivery and performance by any Loan Party hereto of this Amendment will not (x) result in any creation or imposition of any Lien upon any asset now owned or hereafter acquired by the Borrowers or any Loan Party (other than as permitted by the Loan Documents), (y) violate any Requirement of Law applicable to the Borrowers or any Loan Party and (z) violate or result (alone or with notice or lapse of time or both) in a default under any indenture, agreement or other instrument binding upon any Borrower or any Loan Party or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by any Borrower or any Loan Party or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation thereunder, except with respect to any violation, default, payment, repurchase, redemption, termination, cancellation or acceleration that would not reasonably be expected to have a Material Adverse Effect;

(c) the execution, delivery and performance by the Borrowers of this Amendment, will not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except (i) registrations or filings necessary to perfect Liens created under the Loan Documents and payment of applicable stamp duty in respect of the Loan Documents, (ii) consents, approvals, registrations or filings which have been obtained or made and are in full force and effect or (iii) where failure to obtain such consent or approval, or make such registration or filing, in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(d) this Amendment has been duly executed and delivered by each Borrower and constitutes a legal, valid and binding obligation of each Borrower, enforceable against each Borrower in accordance with its terms, subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and an implied covenant of good faith and fair dealing;

(e) after giving effect to this Amendment, the representations and warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality, in all respects) on and as of the Second Amendment Effective Date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be true and correct in all material respects (or in all respects, as applicable) as of such earlier date; and

(f) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

ARTICLE VI
EFFECTS ON LOAN DOCUMENTS

SECTION VI.1. On and after the Second Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to “the Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall, in each case, mean and be a reference to the Credit Agreement.

SECTION VI.2. Except as specifically amended or otherwise modified herein or contemplated hereby, the Credit Agreement and each of the other Loan Documents, as specifically amended by this Amendment, are and shall continue to be in full force and effect in all respects. Without limiting the generality of the foregoing, all of the Collateral described in the Security Documents shall continue to secure the payment of all Obligations. This Amendment shall not constitute a novation of any Obligations existing prior to the date hereof and shall merely amend or otherwise modify such Obligations to the extent set forth herein.

SECTION VI.3. On and after the Second Amendment Effective Date, this Amendment shall constitute a Loan Document. This Amendment and the Credit Agreement shall not constitute a novation of the Existing Credit Agreement or any other Loan Document.

ARTICLE VII
MISCELLANEOUS

SECTION VII.1. Waivers; Amendments; Severability. This Amendment may not be amended nor may any provision hereof be waived except in accordance with the provisions of Section 9.02 of the Credit Agreement.

(b) Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION VII.2. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial. This Amendment shall be construed in accordance with and governed by the laws of the State of New York. The provisions of Sections 9.09 and 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

SECTION VII.3. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

SECTION VII.4. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

SECTION VII.5. Reaffirmation. The Borrowers, on behalf of themselves and the Guarantors, hereby (a) consent to the amendment of the Credit Agreement effected hereby, (b) acknowledge and agree that all of their respective obligations under the Credit Agreement, the Guarantee, the Security Documents and the other Loan Documents, in each case as amended, supplemented or otherwise modified from time to time, are reaffirmed and remain in full force and effect on a continuous basis and are hereby ratified and confirmed in all respects, in each case as amended by this Amendment, (c) reaffirm (i) each Lien granted by them to the Administrative Agent for the benefit of the Secured Parties and (ii) any guarantees made by them pursuant to the Guarantee, and (d) acknowledge and agree that the grants of security interests by them contained in, and all Liens created under, each Security Document shall remain in full force and effect and continue to secure the Obligations.

[*Remainder of page intentionally left blank*.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

TECHNIPFMC PLC, as Borrower

By: __
Name: Alf Melin
Title: Executive Vice President and Chief Financial Officer

FMC TECHNOLOGIES, INC., as Borrower

By: __
Name: Alf Melin
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A., as Administrative Agent and individually as a Lender

By:____________________________________
Name: Anson Williams
Title: Authorized Signatory

[ ],
as a Lender

By:_____________________________________
Name:
Title:

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, 2021 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: October 27, 2021

/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, Alf Melin, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2021 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: October 27, 2021

/s/ ALF MELIN

Alf Melin

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, 2021, 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: October 27, 2021

/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, Alf Melin, 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, 2021, 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: October 27, 2021

/s/ ALF MELIN

Alf Melin

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)