Ordinary shares, $1.00 par value per share

428,372,743

Class

Outstanding at July 23, 2024

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

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

financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Emerging growth company

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Large accelerated filer

☒

Accelerated filer

☐

Exchange Act.

growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the

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

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 has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-

90 days. Yes ☒ No ☐

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

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

Ordinary shares, $1.00 par value per share

FTI

New York Stock Exchange

Title of each class

Trading Symbol

Name of each exchange on which registered

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

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Registrant’s telephone number, including area code)

+1 281-591-4000

(Address of principal executive offices)

(Zip Code)

United States of America

77044

Houston, Texas

One Subsea Lane

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

United Kingdom

98-1283037

(Exact name of registrant as specified in its charter)

TechnipFMC plc

Commission File Number: 001-37983

For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

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

or

For the quarterly period ended June 30, 2024

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

FORM 10-Q

Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION

UNITED STATES

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Item 1. Financial Statements (Unaudited)

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4

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extent required by law.

looking statements after the date they are made, whether as a result of new information, future events, or otherwise, except to the

statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-

obtain sufficient bonding capacity for certain contracts. We caution you not to place undue reliance on any forward-looking

unfavorable currency exchange rates; risk in connection with our defined benefit pension plan commitments; and our inability to

authorities; potential departure of our key managers and employees; adverse seasonal, weather, and other climatic conditions;

company; uninsured claims and litigation against us; tax laws, treaties and regulations and any unfavorable findings by relevant tax

protection and data security; the additional restrictions on dividend payouts or share repurchases as an English public limited

health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, taxation, privacy, data

failure to comply with existing and future laws and regulations, including those related to environmental protection, climate change,

for vessels and manufacturing facilities; potential liabilities inherent in the industries in which we operate or have operated; our

conflicts endangering our maritime employees and assets; any delays and cost overruns of new capital asset construction projects

of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks; risks of pirates and maritime

backlog; our reliance on subcontractors, suppliers, and our joint venture partners; a failure or breach of our IT infrastructure or that

related to our investments in New Energy business; the risks caused by fixed-price contracts; our failure to timely deliver our

and divestiture activities; additional costs or risks from increasing scrutiny and expectations regarding ESG matters; uncertainties

restrictions on our operations by terms of the agreements governing our existing indebtedness; the risks caused by our acquisition

refusal of DTC to act as depository and clearing agency for our shares; the impact of our existing and future indebtedness and the

contracts; disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business; the

business; the cumulative loss of major contracts, customers or alliances and unfavorable credit and commercial terms of certain

technologies and services and intellectual property related thereto, including new technologies and services for our New Energy

competitive factors in our industry, including ongoing industry consolidation; our inability to develop, implement, and protect new

unpredictable trends in the demand for and price of oil and natural gas; competition and unanticipated changes relating to

ended December 31, 2023 and Part II, Item 1A “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q, including

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

projections. Known material factors that could cause actual results to differ materially from those contemplated in the forward-

assumptions that could cause actual results to differ materially from our historical experience and our present expectations or

All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and

when made, there can be no assurance that future developments affecting us will be those that we anticipate.

conditions and their potential effect on us. While management believes these forward-looking statements are reasonable as and

statements are based on our current expectations, beliefs, and assumptions concerning future developments and business

The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking

“intend,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook”, and similar expressions, including the negative thereof.

operations or operating results. Forward-looking statements are often identified by the words “believe,” “expect,” “anticipate,” “plan,”

growth, and recovery, growth of our New Energy business and anticipated revenues, earnings, cash flows, or other aspects of our

Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements usually relate to future events, market

as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities

This Quarterly Report on Form 10-Q of TechnipFMC plc (the “Company,” “we,” “us,” or “our”) contains “forward-looking statements”

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

4

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

Diluted

440.1

440.1

443.2

441.1

Basic

430.2

440.1

431.9

441.1

Weighted average shares outstanding (Note 6)

Diluted

$

0.42

$

(0.20)

$

0.78

$

(0.20)

Basic

$

0.43

$

(0.20)

$

0.80

$

(0.20)

Earnings (loss) per share attributable to TechnipFMC plc

Net income (loss) attributable to TechnipFMC plc

$

186.5

$

(87.2)

$

343.6

$

(86.8)

(Income) loss attributable to non-controlling interests

0.2

9.1

(3.6)

1.7

Net income (loss)

186.3

(96.3)

347.2

(88.5)

Provision for income taxes (Note 16)

59.2

43.3

108.9

80.7

Income (loss) before income taxes

245.5

(53.0)

456.1

(7.8)

Interest expense

(27.1)

(34.4)

(53.5)

(61.4)

Interest income

5.7

4.1

19.4

12.4

Income (loss) before net interest expense and income taxes

266.9

(22.7)

490.2

41.2

Income from equity affiliates (Note 10)

2.6

1.1

4.0

15.3

Gain on disposal of Measurement Solutions business (Note 3)

—

—

75.2

—

Other expense, net

(44.1)

(182.3)

(56.4)

(183.6)

Total costs and expenses

2,017.2

1,813.7

3,900.2

3,480.1

Restructuring, impairment and other charges

2.4

5.1

7.4

5.7

Research and development expense

15.2

16.8

32.8

32.2

Selling, general and administrative expense

174.9

150.0

334.7

303.9

Cost of lease revenue

40.3

45.7

78.6

85.5

Cost of product revenue

672.3

725.6

1,315.5

1,380.3

Cost of service revenue

1,112.1

870.5

2,131.2

1,672.5

Costs and expenses

Total revenue

2,325.6

1,972.2

4,367.6

3,689.6

Lease revenue

59.7

64.0

122.0

118.2

Product revenue

860.2

858.8

1,674.1

1,653.9

Service revenue

$

1,405.7

$

1,049.4

$

2,571.5

$

1,917.5

Revenue

(In millions, except per share data)

2024

2023

2024

2023

June 30,

June 30,

Three Months Ended

Six Months Ended

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

ITEM 1. FINANCIAL STATEMENTS

PART I - FINANCIAL INFORMATION

5

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

for the six months ended June 30, 2024 and 2023, respectively.

(c)

Net of income tax benefit (expense) of nil and $3.0 million for the three months ended June 30, 2024 and 2023, respectively, and $1.0 million and $2.0 million

$(11.0) million for the six months ended June 30, 2024 and 2023, respectively.

(b)

Net of income tax benefit (expense) of $11.6 million and $(6.4) million for the three months ended June 30, 2024 and 2023, respectively, and $18.2 million and

(a)

Net of income tax of nil for the three and six months ended June 30, 2024 and 2023.

Comprehensive income (loss) attributable to TechnipFMC plc

$

75.2

$

(59.3)

$

147.5

$

(45.3)

Comprehensive (income) loss attributable to non-controlling interest

0.5

10.3

(3.4)

4.9

Comprehensive income (loss)

74.7

(69.6)

150.9

(50.2)

Other comprehensive income (loss), net of tax

(111.6)

26.7

(196.3)

38.3

Net pension and other post-retirement benefits

(c)

2.2

4.4

7.2

4.7

Reclassification adjustment for net (gain) included in net income

—

—

(2.3)

—

included in net income

3.0

2.2

6.2

4.5

Reclassification adjustment for amortization of net actuarial losses

Net gains (losses) arising during the period

(0.8)

2.2

3.3

0.2

Pension and other post-retirement benefits

Net losses on hedging instruments

(b)

(24.4)

(11.8)

(61.9)

(16.3)

Reclassification adjustment for net (gains) losses included in net income

(3.7)

7.0

(6.8)

8.6

Net losses arising during the period

(20.7)

(18.8)

(55.1)

(24.9)

Net gains (losses) on hedging instruments

Foreign currency translation adjustments

(a)

(89.4)

34.1

(141.6)

49.9

Reclassification adjustment for net losses (gains) included in net income

—

—

10.5

(0.1)

Net unrealized gains (losses) arising during the period

(89.4)

34.1

(152.1)

50.0

Foreign currency translation adjustments

controlling interests

186.3

(96.3)

347.2

(88.5)

Net income (loss) attributable to TechnipFMC plc, including non-

(Income) loss attributable to non-controlling interests

0.2

9.1

(3.6)

1.7

Net income (loss) attributable to TechnipFMC plc

$

186.5

$

(87.2)

$

343.6

$

(86.8)

(In millions)

2024

2023

2024

2023

June 30,

June 30,

Three Months Ended

Six Months Ended

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

6

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

Total liabilities and equity

$

9,242.6

$

9,656.6

Total equity

3,009.6

3,172.1

Non-controlling interests

37.2

35.4

Total TechnipFMC plc stockholders’ equity

2,972.4

3,136.7

Accumulated other comprehensive loss

(1,438.3)

(1,242.0)

Accumulated deficit

(4,726.6)

(4,993.1)

Capital in excess of par value of ordinary shares

8,708.8

8,938.9

outstanding in 2024 and 2023, respectively

428.5

432.9

Ordinary shares, $1.00 par value; 618.3 shares authorized in 2024 and 2023; 428.5 shares and 432.9 shares issued and

Stockholders’ equity (Note 13)

Commitments and contingent liabilities (Note 15)

Total liabilities

6,233.0

6,484.5

Other liabilities

130.6

145.5

Derivative financial instruments (Note 17)

159.1

24.8

Accrued pension and other post-retirement benefits, less current portion

78.5

84.4

Deferred income taxes

66.9

92.2

Financing lease liabilities, less current portion

51.7

88.4

Operating lease liabilities, less current portion

646.2

667.1

Long-term debt, less current portion (Note 12)

646.8

913.5

Total current liabilities

4,453.2

4,468.6

Other current liabilities (Note 9)

548.9

748.0

Measurements Solutions business classified as liabilities held for sale (Note 3)

—

64.3

Income taxes payable

126.6

146.8

Derivative financial instruments (Note 17)

197.8

179.9

Accrued payroll

195.3

187.8

Contract liabilities

1,401.7

1,485.8

Accounts payable, trade

1,446.2

1,355.8

Finance lease liabilities

69.2

9.9

Operating lease liabilities

145.9

136.5

Short-term debt and current portion of long-term debt (Note 12)

$

321.6

$

153.8

Liabilities and equity

Total assets

$

9,242.6

$

9,656.6

Other assets

264.0

287.9

Derivative financial instruments (Note 17)

125.2

30.4

Deferred income taxes

138.3

164.8

Intangible assets, net of accumulated amortization of $765.9 in 2024 and $725.3 in 2023

559.4

601.6

Finance lease right-of-use assets

107.9

91.6

Operating lease right-of-use assets

724.1

739.6

Property, plant and equipment, net of accumulated depreciation of $2,583.3 in 2024 and $2,496.5 in 2023

2,162.0

2,270.9

Investments in equity affiliates (Note 10)

277.3

274.4

Total current assets

4,884.4

5,195.4

Other current assets (Note 9)

399.1

414.0

Measurements Solutions business classified as assets held for sale (Note 3)

—

152.1

Advances paid to suppliers

96.4

89.5

Income taxes receivable

118.9

156.2

Derivative financial instruments (Note 17)

147.2

183.4

Inventories, net (Note 8)

1,132.8

1,100.3

Contract assets, net of allowances of $1.3 in 2024 and $1.4 in 2023

1,118.6

1,010.1

Trade receivables, net of allowances of $58.8 in 2024 and $34.4 in 2023

1,163.2

1,138.1

Cash and cash equivalents

$

708.2

$

951.7

Assets

(In millions, except par value data)

2024

2023

June 30,

December 31,

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

7

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

Cash and cash equivalents, end of period

$

708.2

$

585.2

Cash and cash equivalents, beginning of period

951.7

1,057.1

Change in cash and cash equivalents

(243.5)

(471.9)

Effect of changes in foreign exchange rates on cash and cash equivalents

(16.9)

(20.7)

Cash required by financing activities

(417.9)

(141.8)

Other financing activities

(9.5)

(48.5)

Payments related to taxes withheld on share-based compensation

(49.7)

(17.2)

Dividends paid

(43.2)

—

Share repurchases

(250.1)

(100.0)

Net increase in revolving credit facility

—

50.0

Net decrease in short-term debt

(65.4)

(26.1)

Cash required by financing activities

Cash provided (required) by investing activities

87.1

(79.4)

Other investing activities

3.8

30.7

Proceeds from sale of Measurement Solutions business

186.1

—

Capital expenditures

(102.8)

(110.1)

Cash provided (required) by investing activities

Cash provided (required) by operating activities

104.2

(230.0)

Other non-current assets and liabilities, net

121.8

(41.2)

Other current assets and liabilities, net

(251.9)

(5.1)

Income taxes payable, net

(25.1)

18.7

Contract liabilities

(52.4)

57.6

Accounts payable, trade

117.6

222.8

Inventories, net

(71.9)

(102.7)

Trade receivables, net and Contract assets, net

(189.6)

(478.1)

Changes in operating assets and liabilities, net of effects of acquisitions

Other non-cash items, net

(4.5)

11.9

Gain on disposal of Measurement Solutions business

(75.2)

—

Income from equity affiliates, net of dividends received

(3.4)

(15.4)

Depreciation and amortization

191.6

190.0

Adjustments to reconcile income (loss) to cash required by operating activities

Net income (loss)

$

347.2

$

(88.5)

Cash provided (required) by operating activities

(In millions)

2024

2023

Six Months Ended June 30,

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

8

Balance as of June 30, 2023

$

438.1 $

9,018.1 $

(5,096.4) $

(1,260.2) $

31.6 $

3,131.2

Other

—

—

0.3

—

—

0.3

Shares repurchased and cancelled

(3.6)

(46.4)

—

—

—

(50.0)

Share-based compensation

—

10.5

—

—

—

10.5

withheld for tax

0.1

(2.8)

—

—

—

(2.7)

Issuance of ordinary shares, net of shares

Other comprehensive income (loss)

—

—

—

27.9

(1.2)

26.7

Net loss

—

—

(87.2)

—

(9.1)

(96.3)

Balance as of March 31, 2023

$

441.6 $

9,056.8 $

(5,009.5) $

(1,288.1) $

41.9 $

3,242.7

Balance as of June 30, 2024

$

428.5 $

8,708.8 $

(4,726.6) $

(1,438.3) $

37.2 $

3,009.6

Other

—

1.8

(2.9)

—

0.1 $

(1.0)

Dividends declared and paid

—

—

(21.5)

—

(1.9) $

(23.4)

Shares repurchased and cancelled

(3.9)

(80.0)

(16.2)

—

— $

(100.1)

Share-based compensation

—

12.7

—

—

— $

12.7

withheld for tax

1.5

—

—

—

— $

1.5

Issuance of ordinary shares, net of shares

Other comprehensive income (loss)

—

—

—

(111.5)

(0.1) $

(111.6)

Net income (loss)

—

—

186.5

—

(0.2) $

186.3

Balance as of March 31, 2024

$

430.9 $

8,774.3 $

(4,872.5) $

(1,326.8) $

39.3 $

3,045.2

(In millions)

Shares

Ordinary Shares

Deficit

Income (Loss)

Interest

Equity

Ordinary

Value of

Accumulated

Comprehensive

controlling

Stockholders’

Excess of Par

Accumulated Other

Non-

Total

Capital in

THREE MONTHS ENDED JUNE 30, 2024 and 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS’ EQUITY (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

9

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

Balance as of June 30, 2023

$

438.1 $

9,018.1 $

(5,096.4) $

(1,260.2) $

31.6 $

3,131.2

Other

—

—

0.4

—

—

0.4

Shares repurchased and cancelled

(6.9)

(93.1)

—

—

—

(100.0)

Share-based compensation

—

21.6

—

—

—

21.6

withheld for tax

2.8

(20.1)

—

—

—

(17.3)

Issuance of ordinary shares, net of shares

Other comprehensive income (loss)

—

—

—

41.5

(3.2)

38.3

Net loss

—

—

(86.8)

—

(1.7)

(88.5)

Balance as of December 31, 2022

$

442.2 $

9,109.7 $

(5,010.0) $

(1,301.7) $

36.5 $

3,276.7

Balance as of June 30, 2024

$

428.5 $

8,708.8 $

(4,726.6) $

(1,438.3) $

37.2 $

3,009.6

Other

—

1.7

(2.9)

—

0.1

(1.1)

Dividends declared and paid

—

—

(43.2)

—

(1.9)

(45.1)

Shares repurchased and cancelled

(10.2)

(209.0)

(31.0)

—

—

(250.2)

Share-based compensation

—

31.2

—

—

—

31.2

withheld for tax

5.8

(54.0)

—

—

—

(48.2)

Issuance of ordinary shares, net of shares

Other comprehensive income (loss)

—

—

—

(196.3)

—

(196.3)

Net income

—

—

343.6

—

3.6

347.2

Balance as of December 31, 2023

$

432.9 $

8,938.9 $

(4,993.1) $

(1,242.0) $

35.4 $

3,172.1

(In millions)

Shares

Ordinary Shares

Deficit

Income (Loss)

Interest

Equity

Ordinary

Value of

Accumulated

Comprehensive

controlling

Stockhold ers’

Excess of P ar

Accumulated Other

Non-

Total

Capital in

SIX MONTHS ENDED JUNE 30, 2024 and 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS’ EQUITY (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

10

impact on our financial statements.

We assessed ASUs not listed above and determined that they either were not applicable or were not expected to have a material

judicial resolution” of pending legal challenges. We are currently evaluating the impact of this rule on our disclosures.

conditions in the audited financial statements. On April 4, 2024, the SEC stayed its climate disclosure rule to “facilitate the orderly

of such risks. In addition, the rule includes requirements to disclose the financial effects of severe weather events and other natural

rule includes disclosures relating to climate-related risks and risk management as well as the board and management’s governance

Investors” designed to enhance public company disclosures related to the risks and impacts of climate-related matters. The final

On March 6, 2024, the SEC issued their final rule “The Enhancement and Standardization of Climate-Related Disclosures for

disclosures.

2026 for interim periods, with early adoption permitted. We are currently evaluating the impact of this standard on the related

guidance will be applied prospectively (with retrospective application permitted) and is effective in the 2025 annual period and in

disclosures about income taxes, primarily focused on the disclosure of income taxes paid and the rate reconciliation table. The new

In December 2023, the FASB issued ASU 2023-09, “Improvements to Income Tax Disclosures,” which requires significant additional

currently evaluating the impact of this standard on the related disclosures.

expect to adopt the new disclosures as required for the year ended December 31, 2024 and in 2025 for interim periods. We are

disclose multiple measures of segment profit or loss if those measures are used to assess performance and allocate resources. We

decision maker and (2) included in the reported measure of segment profit or loss. The new standard also allows companies to

segment expenses that are (1) regularly provided to (or easily computed from information regularly provided to) the chief operating

definition of a segment or the guidance for determining reportable segments. The new guidance requires disclosure of significant

Segment Disclosures,” which requires incremental disclosures about a public entity’s reportable segments but does not change the

In November 2023, the Financial Accounting Standards Board (“the FASB”) issued ASU 2023-07, “Improvements to Reportable

Recently Issued Accounting Standards under GAAP

NOTE 2. NEW ACCOUNTING STANDARDS

Certain prior period amounts have been reclassified to conform to the current period’s presentation.

the year ending December 31, 2024.

and trends in these condensed consolidated financial statements may not be representative of the results that may be expected for

for the periods presented. Revenue, expenses, assets, and liabilities can vary during each quarter of the year. Therefore, the results

consisting of normal recurring adjustments necessary for a fair statement of our financial condition and operating results as of and

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments,

from our estimates.

financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ

principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the

Our accounting policies are in accordance with GAAP. The preparation of financial statements in conformity with these accounting

ended December 31, 2023.

together with our audited consolidated financial statements contained in our Annual Report on Form 10-K (“Form 10-K”) for the year

required by GAAP have been condensed or omitted. These unaudited condensed consolidated financial statements should be read

interim financial information. As permitted under those rules, certain footnotes or other financial information that are normally

accounting principles (“GAAP”) and the rules and regulations of the Securities and Exchange Commission (“SEC”) pertaining to

(“TechnipFMC,” the “Company,” “we,” “us,” or “our”) have been prepared in accordance with United States generally accepted

The accompanying unaudited condensed consolidated financial statements of TechnipFMC plc and its consolidated subsidiaries

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

11

Total revenue

$

2,009.1

$

316.5

$

1,618.4

$

353.8

Middle East

5.1

101.7

10.9

90.6

Asia Pacific

123.9

20.4

59.8

17.5

Africa

221.0

14.9

216.1

11.0

North America

449.2

123.7

252.2

150.2

Europe and Central Asia

626.3

27.5

520.5

51.0

Latin America

$

583.6

$

28.3

$

558.9

$

33.5

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

June 30, 2024

June 30, 2023

Three Months Ended

Reportable Segments

2024 and 2023:

The following tables present total revenue by geography for each reportable segment for the three and six months ended June 30,

Revenues are disaggregated by geographic location and contract types.

Disaggregation of Revenue

providing services to customers involved in the exploration and production of oil and natural gas.

The majority of our revenue is from long-term contracts associated with designing and manufacturing products and systems and

NOTE 4. REVENUE

the responsibility to pay pension benefits still rests with the plan and the obligation is still recorded by the Company.

In February 2024, one of the U.K. pension plans entered into a buy-in contract for its pensioners. Under the buy-in contract terms,

FMC Technologies (UK) Pension Plan Buy-In

assumed liabilities as of the transaction closing date.

recognized a gain on disposal of $75.2 million. The purchase consideration was adjusted for various working capital balances and

On March 11, 2024, we completed the sale of equity interests and assets of MSB for cash proceeds of $186.1 million and

income.

transaction costs are included within restructuring, impairment, and other charges in our condensed consolidated statement of

We recorded transaction costs associated with the sale of $5.2 million, during the three months ended March 31, 2024. These

manufacturing locations in North America and Europe.

segment, MSB encompasses terminal management solutions and metering products and systems and includes engineering and

$205 million in cash, subject to customary adjustments at the closing of the transaction. As part of the Surface Technologies

In November 2023, TechnipFMC announced an agreement to sell the Company’s Measurement Solutions business (the “MSB”) for

Disposal of Measurement Solutions business

NOTE 3. DISPOSAL OF MEASUREMENT SOLUTIONS BUSINESS AND OTHER TRANSACTIONS

12

contract liabilities.

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

uncompleted contracts are generally classified as current.

the passage of time. Amounts may not exceed their net realizable value. Costs and estimated earnings in excess of billings on

recognized over time and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to

Contract Assets - Contract assets include unbilled amounts typically resulting from sales under long-term contracts when revenue is

recorded in the period in which they become probable.

uncompleted contracts (contract liabilities) in the condensed consolidated balance sheets. Any expected contract losses are

in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, costs, and estimated earnings

Contract Balances

Total revenue

$

3,743.9

$

623.7

$

3,006.0

$

683.6

Lease

37.8

84.2

25.4

92.8

Products

1,233.3

440.8

1,169.1

484.8

Services

$

2,472.8

$

98.7

$

1,811.5

$

106.0

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

June 30, 2024

June 30, 2023

Six Months Ended

Reportable segments

Total revenue

$

2,009.1

$

316.5

$

1,618.4

$

353.8

Lease

18.1

41.6

17.9

46.1

Products

635.7

224.5

604.3

254.5

Services

$

1,355.3

$

50.4

$

996.2

$

53.2

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

June 30, 2024

June 30, 2023

Three Months Ended

Reportable Segments

30, 2024 and 2023:

The following tables present total revenue by contract type for each reportable segment for the three and six months ended June

Total revenue

$

3,743.9

$

623.7

$

3,006.0

$

683.6

Middle East

0.5

185.8

47.3

175.3

Asia Pacific

214.9

43.6

131.7

35.4

Africa

516.7

27.7

426.6

20.7

North America

766.2

248.8

502.1

296.3

Europe and Central Asia

985.2

64.2

899.0

95.2

Latin America

$

1,260.4

$

53.6

$

999.3

$

60.7

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

June 30, 2024

June 30, 2023

Six Months Ended

Reportable segments

13

testing services

technologically advanced high-pressure valves and fittings for oilfield service companies; and also provides flowback and well

involved in land and shallow water exploration and production of oil and natural gas; designs, manufactures, and supplies

• Surface Technologies - designs and manufactures products and systems and provides services used by oil and gas companies

provides services used by oil and gas companies involved in offshore exploration and production of oil and natural gas

• Subsea - designs and manufactures products and systems, performs engineering, procurement, and project management, and

under two reporting segments, Subsea and Surface Technologies:

Officer, as our chief operating decision maker, reviews and evaluates operating performance and allocates resources. We operate

the differences in the products and services we provide, which corresponds to the manner in which our Chair and Chief Executive

Management’s determination of our reporting segments was made on the basis of our strategic priorities within each segment and

NOTE 5. BUSINESS SEGMENTS

Total order backlog

$

3,525.6

$

4,692.8

$

5,680.4

Surface Technologies

439.7

232.6

300.6

Subsea

$

3,085.9

$

4,460.2

$

5,379.8

(In millions)

2024

2025

Thereafter

The following table details the order backlog for each business segment as of June 30, 2024:

revenue on approximately 25.4 percent of the order backlog through 2024 and 74.6 percent thereafter.

2024, the aggregate amount of the transaction price allocated to order backlog was $13.9 billion. TechnipFMC expects to recognize

transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of June 30,

contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The

the base transaction price, variable consideration, and changes in transaction price. The order backlog table does not include

services for which we have a material right, but work has not been performed. The transaction price of the order backlog includes

Remaining unsatisfied performance obligations (“RUPO” or “order backlog”) represent the transaction price for products and

Transaction Price Allocated to the Remaining Unsatisfied Performance Obligations

with individually material impacts.

impacts of $46.6 million and $69.5 million, respectively. For the three and six months ended June 30, 2023, there were no projects

$86.3 million, respectively, as result of improved performance in the delivery and was offset by individually immaterial net negative

One project was materially and favorably impacted for the three and six months ended June 30, 2024, by $62.8 million and

months ended June 30, 2024 and 2023 we had a favorable and unfavorable impact of $16.8 million and $(3.7) million, respectively.

unfavorable impact of $16.2 million and $(1.1) million for the three months ended June 30, 2024 and 2023, respectively. For the six

Net revenue recognized from our performance obligations satisfied or partially satisfied in previous periods had a favorable and

and $848.2 million and $502.6 million for the six months ended June 30, 2024 and 2023, respectively.

included in the contract liabilities balance as of December 31, 2023 and 2022 was $368.6 million and $154.9 million, respectively,

recognize increases the contract asset balance. Revenue recognized for the three months ended June 30, 2024 and 2023 that was

liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Any subsequent revenue we

In order to determine revenue recognized in the period from contract liabilities, we first allocate revenue to the individual contract

Net contract liabilities

$

(283.1)

$

(475.7)

Contract liabilities

(1,401.7)

(1,485.8)

Contract assets

$

1,118.6

$

1,010.1

(In millions)

2024

2023

June 30,

December 31,

The following table provides information about net contract assets (liabilities) as of June 30, 2024 and December 31, 2023:

14

(c)

Includes amounts attributable to non-controlling interests.

months ended June 30, 2023, corporate expense includes a non-recurring legal settlement charge of $126.5 million.

(b)

Corporate expense primarily includes corporate staff expenses, share-based compensation expenses, and other employee benefits. For the three and six

(a)

Includes the gain on disposal of MSB for the six months ended June 30, 2024, see Note 3 for additional details.

Income (loss) before income taxes

(c)

$

245.5

$

(53.0)

$

456.1

$

(7.8)

Total corporate items

$

(62.8)

$

(232.1)

$

(112.2)

$

(276.1)

Foreign exchange losses

(17.7)

(48.3)

(22.2)

(46.2)

Net interest expense

(21.4)

(30.3)

(34.1)

(49.0)

Corporate expense

(b)

$

(23.7)

$

(153.5)

$

(55.9)

$

(180.9)

Corporate items

Total segment operating profit

$

308.3

$

179.1

$

568.3

$

268.3

Surface Technologies

(a)

30.6

25.7

134.0

48.1

Subsea

$

277.7

$

153.4

$

434.3

$

220.2

Segment operating profit

Total segment revenue

$

2,325.6

$

1,972.2

$

4,367.6

$

3,689.6

Surface Technologies

316.5

353.8

623.7

683.6

Subsea

$

2,009.1

$

1,618.4

$

3,743.9

$

3,006.0

Segment revenue

(In millions)

2024

2023

2024

2023

June 30,

June 30,

Three Months Ended

Six Months Ended

Segment revenue and segment operating profit were as follows:

income taxes, and the non-recurring legal settlement charge.

corporate staff expense, foreign exchange gains (losses), net interest income (expense) associated with corporate debt facilities,

investments is included in segment operating profit. The following items have been excluded in computing segment operating profit:

Segment operating profit is defined as total segment revenue less segment operating expenses. Income (loss) from equity method

the remaining $18.3 million changes in working capital within both the Subsea and Surface Technologies segments.

segment of $152.1 million. Other changes are mainly related to the net decline in cash of $243.5 million within corporate assets and

The decline in total assets of $414.0 is mainly attributable to the March 11, 2024 sale of MSB within the Surface Technologies

15

determine lifetime expected losses.

and adjust these historical credit loss trends for forward-looking factors specific to the debtors and the economic environment to

data. We develop loss-rate statistics on the basis of the amount written-off over the life of the financial assets and contract assets

For contract assets and trade receivables, we have elected to calculate an expected credit loss based on loss rates from historical

Credit Losses

Total financial assets

$

139.1

$

139.5

cost

—

Moody’s rating B3

2021

1.4

Debt securities at amortized

Loans receivables and other

- Ba2

2020-2023

$

139.1

Ba2

2020-2023

$

138.1

Moody’s rating Aa3

Moody’s rating A3 -

(In millions)

Credit rating

Year of origination

Balance

Credit rating

Year of origination

Balance

June 30, 2024

December 31, 2023

The table below summarizes the amortized cost basis of financial assets by years of origination and credit quality.

maturity debt securities consist of government bonds.

We manage our held-to-maturity debt securities using published credit ratings as a key credit quality indicator as our held-to-

expenditure purposes, or security deposits for lease arrangements.

Our loans receivables and other are related to sales of long-lived assets or businesses, loans to related parties for capital

We manage our receivables portfolios using published default risk as a key credit quality indicator for our loans and receivables.

NOTE 7. RECEIVABLES

shares, because their effect would be anti-dilutive.

million, 0.4 million and 2.3 million shares, respectively, were excluded from the calculation of diluted weighted average number of

For the three months ended June 30, 2023 and the six months ended June 30, 2024 and 2023, weighted average shares of 2.6

11.6 million and 12.7 million shares, respectively, were anti-dilutive.

For the three and six months ended June 30, 2023, we incurred a loss from continuing operations; therefore, the impact of

Diluted

$

0.42 $

(0.20) $

0.78 $

(0.20)

Basic

$

0.43 $

(0.20) $

0.80 $

(0.20)

Earnings (loss) per share attributable to TechnipFMC plc

Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:

Total shares and dilutive securities

440.1

440.1

443.2

441.1

Dilutive effect of performance shares

5.6

—

6.6

—

Dilutive effect of stock options

0.3

—

0.2

—

Dilutive effect of restricted stock units

4.0

—

4.5

—

Weighted average number of shares outstanding

430.2

440.1

431.9

441.1

Net income (loss) attributable to TechnipFMC plc

$

186.5 $

(87.2) $

343.6 $

(86.8)

(In millions, except per share data)

2024

2023

2024

2023

June 30,

June 30,

Three Months Ended

Six Months Ended

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

NOTE 6. EARNINGS (LOSS) PER SHARE

16

Total other current assets

$

399.1

$

414.0

Other

33.5

28.6

Current financial assets at amortized cost

12.8

9.1

Withholding tax and other receivables

84.8

96.8

Prepaid expenses

101.6

83.5

Value-added tax receivables

$

166.4

$

196.0

(In millions)

2024

2023

June 30,

December 31,

Other current assets consisted of the following:

NOTE 9. OTHER CURRENT ASSETS & OTHER CURRENT LIABILITIES

Inventories, net

$

1,132.8

$

1,100.3

Finished goods

537.5

550.8

Work in process

156.1

148.2

Raw materials

$

439.2

$

401.3

(In millions)

2024

2023

June 30,

December 31,

Inventories consisted of the following:

NOTE 8. INVENTORIES

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.

Allowance for credit losses at June 30, 2023

$

38.9 $

1.7 $

0.4

Recoveries

(1.0)

—

—

Current period provision (release) for expected credit losses

5.8

0.6

(0.1)

Allowance for credit losses at December 31, 2022

$

34.1 $

1.1 $

0.5

(In millions)

Trade receivables

Contract assets

other

Loans receivable and

Balance as of June 30, 2023

Allowance for credit losses at June 30, 2024

$

58.8 $

1.3 $

9.6

Recoveries

(0.1)

—

—

Current period provision (release) for expected credit losses

24.5

(0.1)

7.3

Allowance for credit losses at December 31, 2023

$

34.4 $

1.4 $

2.3

(In millions)

Trade receivables

Contract assets

other

Loan receivables and

Balance as of June 30, 2024

The table below shows the roll forward of allowance for credit losses as of June 30, 2024 and 2023, respectively.

considered to have low credit risk at the reporting date using available, reasonable, and supportable information.

For loans receivables and other and held-to-maturity debt securities at amortized cost, we evaluate whether these securities are

17

did not record an impairment on the carrying value of our investment as we did not note any impairment indicators from the incident.

vessel is scheduled to be back in operation during the second half of 2024. We

Porto do Açu in Brazil. Repairs on the vessel started during the fourth quarter of 2023 and are progressing according to plan. The

TechDof Brasil AS owns and operates the Skandi Buzios vessel. During June 2023, a fire occurred onboard the vessel alongside

guarantees for the debts and our share of the guarantees was $350.6 million as of June 30, 2024.

Dofcon Navegacao Ltda. and Techdof Brasil AS have debts related to loans on their vessels. TechnipFMC and DOF provide

December 31, 2023.

due date of June 26, 2028 and is included in other assets on our condensed consolidated balance sheets as of June 30, 2024 and

a result of this conversion, we converted our 50 percent share of this dividend receivable into a long-term loan receivable that has a

agreed and signed the agreement to convert their outstanding dividend receivable into a long-term loan receivable from Dofcon. As

recorded within other current assets on our consolidated balance sheets until December 2023 when the joint venture partners

In June 2023, Dofcon Brasil AS declared a $170.0 million dividend to its joint venture partners. The dividend receivable was

our 50 percent investment using the equity method of accounting with results reported in our Subsea segment.

subordinated financial support from other parties. We are not the primary beneficiary of the VIE. As such, we have accounted for

considered a variable interest entity (“VIE”) because it does not have sufficient equity to finance its activities without additional

referred to as “Dofcon.” Dofcon provides Pipe-Laying Support Vessels for work in oil and natural gas fields offshore Brazil. Dofcon is

Dofcon Brasil AS owns 100 percent of both Dofcon Navegacao Ltda. and Techdof Brasil AS. All joint venture entities are collectively

Ltda. Dofcon Brasil AS is the joint venture holding company and is owned 50 percent by DOF and 50 percent by TechnipFMC.

founded in 2006. The joint venture is composed of three legal entities: Dofcon Brasil AS, Techdof Brasil AS, and Dofcon Navegacao

Dofcon Brasil AS is an affiliated company in the form of a joint venture between TechnipFMC and DOF Subsea (“DOF”) and was

Our major equity method investment is as follows:

six months ended June 30, 2023 was $1.1 million and $15.3 million, respectively.

income from equity affiliates was $2.6 million and $4.0 million, respectively. Our income from equity affiliates during the three and

Our income from equity affiliates is included in our Subsea segment. During the three and six months ended June 30, 2024, our

NOTE 10. INVESTMENTS

(a) See Note 15 for additional details.

Total other current liabilities

$

548.9

$

748.0

Other accrued liabilities

144.7

141.1

Current portion of accrued pension and other post-retirement benefits

4.6

4.4

Other provisions

14.3

16.2

Legal provisions

51.3

57.7

Legal settlement liability

(a)

55.2

171.1

Warranty accruals and project contingencies

60.6

60.9

Value-added tax and other taxes payable

63.0

78.5

Compensation accrual

70.6

136.2

Social security liability

$

84.6

$

81.9

(In millions)

2024

2023

June 30,

December 31,

Other current liabilities consisted of the following:

18

June 30, 2024, there were no letters of credit outstanding, and our availability under the Credit Agreement was $1.25 billion.

Availability of borrowings under the Credit Agreement is reduced by the outstanding letters of credit issued against the facility. As of

interest expense over the term of the Credit Agreement.

are included in other assets in our condensed consolidated balance sheets. The deferred debt issuance costs are amortized to

incurred $16.7 million of debt issuance costs in connection with the Amendment No. 5. These debt issuance costs are deferred and

years from the date of the Amendment No. 5. The Credit Agreement also provides for a $250.0 million letter of credit sub-facility. We

“Credit Agreement”), which increased the commitments available to the Company to $1.25 billion and extended the term to five

On April 24, 2023, we entered into a fifth amendment (the “Amendment No. 5”) to the Revolving Credit Facility (as amended, the

costs are amortized to interest expense over the term of the Revolving Credit Facility.

costs are deferred and are included in other assets in our condensed consolidated balance sheets. The deferred debt issuance

Facility”). We incurred $34.8 million of debt issuance costs in connection with the Revolving Credit Facility. These debt issuance

senior secured multi-currency revolving credit facility, including a $450.0 million letter of credit sub-facility (the “Revolving Credit

Revolving Credit Facility - On February 16, 2021, we entered into a credit agreement, which provided for a $1.0 billion three-year

Credit Facilities and Debt

Long-term debt

$

646.8

$

913.5

Less: current borrowings

321.6

153.8

Total debt

968.4

1,067.3

Unamortized debt issuance costs and discounts

(6.8)

(8.1)

Bank borrowings and other

264.2

347.6

3.75% 2013 Private Placement Notes due 2033

107.0

110.5

4.00% 2012 Private Placement Notes due 2032

107.0

110.5

4.00% 2012 Private Placement Notes due 2027

80.2

82.9

6.50% Senior notes due 2026

202.9

202.9

5.75% 2020 Private Placement Notes due 2025

$

213.9

$

221.0

(In millions)

2024

2023

June 30,

December 31,

Debt consisted of the following:

Overview

NOTE 12. DEBT

three and six months ended June 30, 2023.

$1.7 million and $3.5 million, respectively, has been recorded during the three and six months ended June 30, 2024 and nil for the

Loan receivables as of June 30, 2024 and December 31, 2023 include $85.0 million to Dofcon, for which interest income of

the partners of our consolidated joint ventures.

periods of the prior year. Related parties are defined as entities related to our directors, officers, and main shareholders as well as

transactions with related parties, were not material as of and for the three and six months ended June 30, 2024 and the comparable

Receivables, payables, revenues, and expenses, which are included in our condensed consolidated financial statements for all

NOTE 11. RELATED PARTY TRANSACTIONS

19

upon the local national market.

utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend

Foreign committed credit - We have committed credit lines at many of our international subsidiaries for immaterial amounts. We

our foreign committed credit lines.

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

As of June 30, 2024, TechnipFMC was in compliance with all debt covenants.

interest expense over the term of the 2021 Notes, which approximates the effective interest method.

included in long-term debt in our condensed consolidated balance sheets. The deferred debt issuance costs are amortized to

$25.7 million of debt issuance costs in connection with issuance of the 2021 Notes. These debt issuance costs are deferred and are

subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore, and the United Kingdom. We incurred

senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly owned U.S.

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

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

Credit Agreement was released and certain negative covenants no longer apply to the Company.

Rating (as defined in the Credit Agreement) has occurred and the collateral securing the Credit Agreement and the Performance LC

S&P and Fitch investment grade ratings and the satisfaction of certain other conditions precedent, the Investment Grade Debt

Ratings (“Fitch”) assigned a first-time investment grade long-term issuer default rating of “BBB-” for TechnipFMC. As a result of the

for both the issuer credit as well as the issue-level ratings on the Company’s senior unsecured notes. On June 27, 2024, Fitch

On March 7, 2024, S&P Global Ratings (“S&P”) upgraded TechnipFMC to investment grade, raising its rating to ‘BBB-’ from ‘BB+’

Agreement on a pari passu basis.

provisions, and financial covenants as the Credit Agreement and benefits from the same guarantees and security as the Credit

contains substantially the same customary representations and warranties, covenants, events of default, mandatory repayment

currencies to support the contracting activities with counterparties that require or request a performance or similar guarantee. It

Agreement permits the Company and its subsidiaries to have access to performance letters of credit denominated in a variety of

may be increased to $1.0 billion, subject to the satisfaction of certain customary conditions precedent. The Performance LC Credit

letters of credit facility (the “Performance LC Credit Agreement”). The commitments under the Performance LC Credit Agreement

Letter of Credit Facility - On April 24, 2023, the Company entered into a new $500 million five-year senior secured performance

covenants.

subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions, and financial

1.50 percent and the rate for base rate loans has reduced to 0.50 percent effective from June 28, 2024. The Credit Agreement is

In light of the recent upgrade to Baa3/BBB- by two out of three rating agencies, the rate for Term Benchmark loans has reduced to

(as defined in the Credit Agreement) loans and 1.50 percent to 2.50 percent for base rate loans, depending on a total leverage ratio.

The applicable margin for borrowings under the Credit Agreement ranges from 2.50 percent to 3.50 percent for Term Benchmark

•

Euro-denominated loans bear interest on an adjusted rate linked to the Euro interbank offered rate.

•

British pound-denominated loans bear interest on an adjusted rate linked to the British pound interbank offered rate.

Secured Overnight Financing Rate (“Adjusted Term SOFR”).

•

U.S. dollar-denominated loans bear interest, at the Company’s option, at a base rate or an adjusted rate linked to the

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

20

immediately cancelled.

purchased an aggregate amount of $555.4 million of ordinary shares through June 30, 2024. All repurchased shares were

9.4 million ordinary shares could be subject to repurchase. Since the initial share repurchase authorization in July 2022, we have

Based upon the remaining repurchase authority of $244.6 million and the closing stock price as of June 30, 2024, approximately

respectively, of ordinary shares during the three and six months ended June 30, 2024.

our share repurchase program. Pursuant to this share repurchase program, we repurchased $100.0 million and $250.1 million,

and the Company’s total share repurchase authorization was increased to $800.0 million of our outstanding ordinary shares under

share repurchase program. On July 26, 2023, the Board of Directors authorized additional share repurchase of up to $400.0 million,

In July 2022, the Board of Directors authorized the repurchase of up to $400.0 million of our outstanding ordinary shares under our

balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium.

Directors, provided that such dividends on issued share capital may be paid only out of our “distributable reserves” on our statutory

reported amount (e.g., retained earnings). The declaration and payment of dividends require the authorization of our Board of

repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a GAAP

As an English public limited company, we are required under U.K. law to have available “distributable reserves” to conduct share

respectively.

annualized basis. The cash dividend paid during the three and six months ended June 30, 2024 was $21.5 million and $43.2 million,

per share. The Company intends to pay dividends on a quarterly basis, and this dividend represents $0.20 per share on an

On July 26, 2023, the Company announced that its Board of Directors authorized the initiation of a quarterly cash dividend of $0.05

NOTE 13. STOCKHOLDERS’ EQUITY

21

June 30, 2023

$

(1,124.6) $

(33.4) $

(102.2) $

(1,260.2) $

(13.0)

Other comprehensive income (loss), net of tax

53.1

(16.3)

4.7

41.5

(3.2)

in net income (loss), net of tax

(0.1)

8.6

4.5

13.0

—

Reclassification adjustment for net (gains) losses included

reclassifications, net of tax

53.2

(24.9)

0.2

28.5

(3.2)

Other comprehensive income (loss) before

December 31, 2022

$

(1,177.7) $

(17.1) $

(106.9) $

(1,301.7) $

(9.8)

June 30, 2024

$

(1,262.1) $

(41.0) $

(135.2) $

(1,438.3) $

(6.2)

Other comprehensive income (loss), net of tax

(141.6)

(61.9)

7.2

(196.3)

(0.2)

in net income (loss), net of tax

10.5

(6.8)

3.9

7.6

—

Reclassification adjustment for net (gains) losses included

reclassifications, net of tax

(152.1)

(55.1)

3.3

(203.9)

(0.2)

Other comprehensive income (loss) before

December 31, 2023

$

(1,120.5) $

20.9 $

(142.4) $

(1,242.0) $

(6.0)

(In millions)

Translation

Hedging

Benefits

TechnipFMC plc

Interest

Currency

Post-Retirement

Loss Attributable t o

to Non-Controlling

Foreign

and Other

Comprehensive

Loss Attributable

Defined Pension

Accumulated Other

Comprehensive

Accumulated Other

June 30, 2023

$

(1,124.6) $

(33.4) $

(102.2) $

(1,260.2) $

(13.0)

Other comprehensive income (loss), net of tax

35.3

(11.8)

4.4

27.9

(1.2)

income, net of tax

—

7.0

2.2

9.2

—

Reclassification adjustment for net losses included in net

reclassifications, net of tax

35.3

(18.8)

2.2

18.7

(1.2)

Other comprehensive income (loss) before

March 31, 2023

$

(1,159.9) $

(21.6) $

(106.6) $

(1,288.1) $

(11.8)

June 30, 2024

$

(1,262.1) $

(41.0) $

(135.2) $

(1,438.3) $

(6.2)

Other comprehensive income (loss), net of tax

(89.3)

(24.4)

2.2

(111.5)

(0.3)

in net income (loss), net of tax

—

(3.7)

3.0

(0.7)

—

Reclassification adjustment for net (gains) losses included

tax

(89.3)

(20.7)

(0.8)

(110.8)

(0.3)

Other comprehensive loss before reclassifications, net of

March 31, 2024

$

(1,172.8) $

(16.6) $

(137.4) $

(1,326.8) $

(5.9)

(In millions)

Translation

Hedging

Benefits

TechnipFMC plc

Interest

Currency

Post-Retirement

Loss Attributable to

to Non-Controlling

Foreign

and Other

Comprehensive

Loss Attributable

Defined Pension

Accumulated Other

Comprehensive

Accumulated Other

following:

Accumulated other comprehensive income (loss) for three and six months ended June 30, 2024 and 2023 consisted of the

22

results of operations or cash flows.

financial instruments to result in losses that would have a material adverse effect on our condensed consolidated financial position,

other parties. The majority of these financial instruments expire within five years. Management does not expect any of these

performance bonds, surety bonds, and other guarantees with financial institutions for the benefit of our customers, vendors, and

Contingent liabilities associated with guarantees - In the ordinary course of business, we enter into standby letters of credit,

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES

$140.9 million and $132.9 million, respectively.

statements of cash flows. As of June 30, 2024 and December 31, 2023, the amounts due to suppliers participating in the SCF were

consolidated balance sheets, and the associated payments are included in operating activities within our condensed consolidated

All outstanding amounts related to suppliers participating in the SCF are recorded within accounts payable, trade in our condensed

maturity dates as consistent with our other accounts payables.

impacted by a supplier’s participation in the SCF. We agree to pay the SCF bank based on the original invoice amounts and

receivable(s) directly with the SCF bank. We are not a party to those agreements, and the terms of our payment obligations are not

suppliers to sell their receivables from the Company to the SCF bank. These participating suppliers negotiate their outstanding

We facilitate a supply chain finance program (“SCF”) that is administered by a third-party financial institution, which allows qualifying

NOTE 14. SUPPLIER FINANCE PROGRAM OBLIGATIONS

(a)

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

Net income (loss)

$

(3.0) $

(2.2) $

(3.9) $

(4.5)

—

3.0

1.0

2.0 Provision for income taxes

(3.0)

0.8

(2.9)

(2.5) Income (loss) before income taxes

(loss) included in net income

—

—

2.3

— Other income (expense), net

(a)

Reclassification adjustment for net gain

Amortization of net actuarial gain (loss)

(3.0)

0.8

(5.1)

(2.4) Other income (expense), net

(a)

Amortization of prior service credit (cost)

$

— $

— $

(0.1) $

(0.1) Other income (expense), net

(a)

Pension and other post-retirement benefits

$

3.7 $

(6.9) $

6.8 $

(8.5) Net income (loss)

1.7

(3.0)

2.9

(3.7) Provision for income taxes

5.4

(9.9)

9.7

(12.2) Income (loss) before income taxes

5.7

(0.3)

8.5

(4.4) Other income (expense), net

2.3

(2.8)

2.9

0.7 Cost of sales

Foreign exchange contracts

$

(2.6) $

(6.8) $

(1.7) $

(8.5) Revenue

Gains (losses) on hedging instruments

$

— $

— $

(10.5) $

0.1

Release of CTA (loss)

0.0

—

(10.5)

0.1 Other income (expense), net

Comprehensive Income (loss) Components

Income (Loss)

Consolidated Statements of Income

Details about Accumulated Other

Amount Reclassified out of Accumulated Other Comprehensive

Affected Line Item in the Condensed

(In millions)

2024

2023

2024

2023

June 30,

June 30,

Three Months Ended

Six Months Ended

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

23

of operations, or cash flows.

2023, and that the ultimate resolution of such matters will not materially affect our condensed consolidated financial position, results

management believes we have appropriately recognized probable liquidated damages as of June 30, 2024 and December 31,

against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis,

conforming claim under these provisions. These contracts define the conditions under which our customers may make claims

damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a

Contingent liabilities associated with liquidated damages - Some of our contracts contain provisions that require us to pay liquidated

President of the Tribunal Judiciaire of Paris at a hearing on June 28, 2023.

TechnipFMC fully cooperated with the PNF and was not required to retain a monitor. The CJIP received final approval by the

installment payment of €51.6 million.

current liabilities in our condensed consolidated balance sheets as of June 30, 2024. On July 10, 2024, we made the final

2024, respectively, we have an outstanding balance of €51.6 million that is translated to $55.2 million and is recorded in other

scheduled installment payments of €24.7 million, €51.6 million and €51.6 million on July 13, 2023, January 15, 2024, and April 8,

€29.45 million. During the three months ended June 30, 2023, we recorded an incremental liability of $126.5 million. After making

for €179.45 million to be paid in installments through July 2024, and Technip Energies is responsible for the remaining

€54.1 million, respectively, for a total of €208.9 million. Under the companies’ separation agreements, TechnipFMC is responsible

Under the terms of the CJIP, Technip UK and Technip Energies France will pay a public interest fine of €154.8 million and

not involve any admission of liability or guilt.

Equatorial Guinea, Ghana, and Angola. The resolution took the form of a convention judiciaire d'interet public (“CJIP”), which does

Energies NV, reached a resolution with the PNF of all outstanding matters, including its investigations into historical projects in

22, 2023, the Company, through its subsidiary Technip UK Limited, along with Technip Energies SAS, a subsidiary of Technip

The Company has resolved an anti-corruption investigation by French authorities (the Parquet National Financier (“PNF”)). On June

consolidated financial position, results of operations, or cash flows.

believe that the most probable, ultimate resolution of these matters will not have a material adverse effect on our condensed

call options. We are unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, we

partners, and can include claims related to payment of fees, service quality, and ownership arrangements, including certain put or

disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and venture

Contingent liabilities associated with legal and tax matters - We are involved in various pending or potential legal and tax actions or

financial position, results of operations, or cash flows.

We believe the ultimate resolution of our known contingencies will not materially adversely affect our condensed consolidated

perform under a non-financial obligating agreement. Events that trigger payment are performance-related, such as failure to ship a product or provide a service.

(b)

Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to

financial obligations.

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

(a)

Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying

Maximum potential undiscounted payments

$

1,872.4

$

2,053.6

Performance guarantees

(b)

1,736.0

1,821.7

Financial guarantees

(a)

$

136.4

$

231.9

(In millions)

2024

2023

June 30,

December 31,

Guarantees made by our consolidated subsidiaries consisted of the following:

24

U.S. dollar

497.7

497.7

Polish Zloty

18.5

4.6

Swedish Krona

52.1

4.9

Czech Koruna

304.1

13.0

Singapore dollar

102.4

75.5

Norwegian Krone

3,696.1

346.9

Malaysian Ringgit

173.7

36.8

Indonesian Rupiah

(562,501.8)

(34.3)

Euro

(80.3)

(85.8)

Canadian dollar

11.0

8.0

British pound

549.0

694.0

Brazilian real

(9,880.6)

(1,777.4)

Australian dollar

244.5

162.7

(In millions)

USD Equivalent

Bought (Sold)

Net Notional Amount

consolidated balance sheets. As of June 30, 2024, we held the following material net positions:

anticipated purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our condensed

Foreign exchange rate forward contracts - The purpose of these instruments is to hedge the risk of changes in future cash flows of

We hold the following types of derivative instruments:

instruments, any change in the fair value of those instruments is reflected in earnings in the period such change occurs.

same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging

forward currency rate, is reported as a component of other comprehensive income (“OCI”) and reclassified into earnings in the

cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a

are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged

currency purchases and sales created in the normal course of business, and not for speculative purposes.

currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign

The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign

certain identifiable and anticipated transactions and recorded assets and liabilities in our condensed consolidated balance sheets.

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of

NOTE 17. DERIVATIVE FINANCIAL INSTRUMENTS

higher tax rates than in the United Kingdom.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to

our deferred tax assets.

over-year, tax adjustments related to the reassessment of prior year tax accruals, and changes in valuation allowances on some of

(1,034.6) percent, respectively. The change in the effective tax rate was largely due to the change in geographical profit mix year-

Our provision for income taxes for the six months ended June 30, 2024 and 2023 reflected effective tax rates of 23.9 percent and

deferred tax assets.

year, tax adjustments related to the reassessment of prior year tax accruals, and changes in valuation allowances on some of our

(81.7) percent, respectively. The change in the effective tax rate was largely due to the change in geographical profit mix year-over-

Our provision for income taxes for the three months ended June 30, 2024 and 2023 reflected effective tax rates of 24.1 percent and

NOTE 16. INCOME TAXES

25

Foreign exchange contracts

$

(30.7) $

(15.3) $

(70.5) $

(17.7)

(In millions)

2024

2023

2024

2023

Three Months Ended June 30,

Six Months Ended June 30,

Gain (Loss) Recognized in OCI

designated as cash flow hedges:

The following table presents the gains (losses) recognized in other comprehensive income related to derivative instruments

of 2027.

anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half

expect to transfer an approximate $15.7 million loss from accumulated OCI to earnings during the next 12 months when the

comprehensive gains (losses) of $(42.4) million and $19.5 million, respectively, as of June 30, 2024 and December 31, 2023. We

Cash flow hedges of forecasted transactions, net of tax, which qualify for hedge accounting, resulted in accumulated other

Total derivatives

$

272.4

$

356.9

$

213.8

$

204.7

Total derivatives not designated as hedging instruments

5.9

18.9

(0.1)

12.0

Long-term - Derivative financial instruments

—

0.1

—

—

Current - Derivative financial instruments

$

5.9

$

18.8

$

(0.1)

$

12.0

Foreign exchange contracts

Derivatives not designated as hedging instruments

Total derivatives designated as hedging instruments

266.5

338.0

213.9

192.7

Long-term - Derivative financial instruments

125.2

159.0

30.4

24.8

Current - Derivative financial instruments

$

141.3

$

179.0

$

183.5

$

167.9

Foreign exchange contracts

Derivatives designated as hedging instruments

(In millions)

Assets

Liabilities

Assets

Liabilities

June 30, 2024

December 31, 2023

balance sheets:

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

ultimately incur when these contracts are settled.

indicative of the amounts we would realize in a current market exchange and may not be indicative of the gains or losses we may

commonly accepted valuation methodologies. See Note 18 for further details. Accordingly, the estimates presented may not be

Fair value amounts for all outstanding derivative instruments have been determined using available market information and

U.S. dollar

(0.5)

(0.5)

Norwegian krone

11.3

1.1

Euro

(5.6)

(6.0)

Brazilian real

28.5

5.1

(In millions)

USD Equivalent

Bought (Sold)

Net Notional Amount

positions:

purchase goods in certain countries. As of June 30, 2024, our portfolio of these instruments included the following material net

offsetting currency payments and receipts for particular projects or comply with government restrictions on the currency used to

Foreign exchange rate instruments embedded in purchase and sale contracts - The purpose of these instruments is to match

26

Derivative liabilities

$

356.9

$

(120.4)

$

236.5

$

204.7

$

(103.4)

$

101.3

Derivative assets

$

272.4

$

(120.4)

$

152.0

$

213.8

$

(103.4)

$

110.4

(In millions)

Recognized

Agreements

Net Amount

Recognized

Agreements

Net Amount

Gross Amount

Master Netting

Gross Amount

Master Netting

Permitted Under

Permitted Under

Not Offset,

Not Offset,

Gross Amounts

Gross Amounts

June 30, 2024

December 31, 2023

derivative contracts. The following tables present both gross and net information of recognized derivative instruments:

individually, and assets and liabilities are not offset. As of June 30, 2024 and December 31, 2023, we had no collateralized

permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for

Balance Sheet Offsetting - We execute derivative contracts with counterparties that consent to a master netting agreement, which

and 2023.

(a) The total effect of cash flow hedge accounting on selling, general and administrative expense is not material for the three and six months ended June 30, 2024

Total

(a)

$

11.7

$

(8.8)

$

(7.6)

$

—

$

(20.2)

$

70.4

designated as hedging instruments

0.6

—

(29.8)

(0.1)

(0.3)

(3.5)

Gain (loss) recognized in income on derivatives not

income

11.1

(8.8)

22.2

0.1

(19.9)

73.9

Total cash flow hedge gain (loss) recognized in

Amounts excluded from effectiveness testing

12.8

(11.7)

13.7

8.6

(20.6)

78.3

income (loss)

$

(1.7)

$

2.9

$

8.5

$

(8.5)

$

0.7

$

(4.4)

Amounts reclassified from accumulated OCI to

associated with hedges and derivatives

Revenue

Cost of sales

(expense), net

Revenue

Cost of sales

(expense), net

condensed consolidated statements of income

Other income

Other income

Total amount of income (expense) presented in the

(In millions)

Six Months Ended June 30, 2024

Six Months Ended June 30, 2023

Total

(a)

$

3.6

$

(4.5)

$

15.9

$

0.1

$

(15.6)

$

25.6

designated as hedging instruments

0.4

—

(8.4)

—

(0.6)

(12.3)

Gain (loss) recognized in income on derivatives not

income

3.2

(4.5)

24.3

0.1

(15.0)

37.9

Total cash flow hedge gain (loss) recognized in

Amounts excluded from effectiveness testing

5.8

(6.8)

18.6

6.9

(12.2)

38.2

income (loss)

$

(2.6)

$

2.3

$

5.7

$

(6.8)

$

(2.8)

$

(0.3)

Amounts reclassified from accumulated OCI to

associated with hedges and derivatives

Revenue

Cost of sales

(expense), net

Revenue

Cost of sales

(expense), net

condensed consolidated statements of income

Other income

Other income

Total amount of income (expense) presented in the

(In millions)

Three Months Ended June 30, 2024

Three Months Ended June 30, 2023

three and six months ended June 30, 2024 and 2023:

The following table represents the effect of cash flow hedge accounting in the condensed consolidated statements of income for the

27

$663.6 million and $683.4 million as of June 30, 2024 and December 31, 2023, respectively.

which results in a Level 2 fair value measurement. The estimated fair value of our private placement notes and senior notes was

Fair value of debt - We use a market approach to determine the fair value of our fixed-rate debt using observable market data,

definition of financial instruments, approximate fair value.

bank borrowings, credit facilities, as well as amounts included in other current assets and other current liabilities that meet the

The carrying amounts of cash and cash equivalents, trade receivables, accounts payable, short-term debt, debt associated with our

Other fair value disclosures

post collateral for derivative positions in a liability position. See Note 17 for further details.

We currently have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to

size, and with the same credit rating.

counterparties not publicly available, are approximated by using the spread of similar companies in the same industry, of similar

same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other

the present value of the portfolio by the counterparty’s published credit spread. Portfolios in a liability position are adjusted by the

notional values. Credit risk is then incorporated by reducing the derivative’s fair value in asset positions by the result of multiplying

measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract

currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by

Derivative financial instruments - We use the income approach as the valuation technique to measure the fair value of foreign

using net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

These funds include fixed income and other investments measured at fair value. Certain investments that are measured at fair value

which is based on the fair value of the underlying investments using information reported by our investment advisor at quarter-end.

Money market and stable value funds - These funds are valued at the net asset value of the shares held at the end of the quarter,

in public markets.

Equity securities - The fair value measurement of our traded securities is based on quoted prices that we have the ability to access

Total liabilities

$

356.9

$

—

$

356.9

$

—

$

204.7

$

—

$

204.7

$

—

Foreign exchange contracts

356.9

—

356.9

—

204.7

—

204.7

—

Derivative financial instruments

Liabilities

Total assets

$

302.0

$

27.1

$

274.5

$

—

$

240.2

$

24.3

$

215.5

$

—

Foreign exchange contracts

272.4

—

272.4

—

213.8

—

213.8

—

Derivative financial instruments

Money market and stable value funds

2.5

—

2.1

—

2.1

—

1.7

—

Equity securities

$

27.1

$

27.1

$

—

$

—

$

24.3

$

24.3

$

—

$

—

Investments

Assets

(In millions)

Total

Level 1

Level 2

Level 3

Total

Level 1

Level 2

Level 3

June 30, 2024

December 31, 2023

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

NOTE 18. FAIR VALUE MEASUREMENTS

28

on August 20, 2024. The ex-dividend date is August 20, 2024.

per share, payable on September 4, 2024 to shareholders of record as of the close of business on the New York Stock Exchange

On July 23, 2024, the Company announced that its Board of Directors authorized and declared a quarterly cash dividend of $0.05

NOTE 19. SUBSEQUENT EVENTS

net settlement of gross derivative assets against gross derivative liabilities.

derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the

Allowances for losses on trade receivables are established based on collectability assessments. We mitigate credit risk on

in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument.

requiring credit approvals and credit limits and monitoring counterparties’ financial condition. Our maximum exposure to credit loss

credit risk on financial instruments by transacting only with what management believes are financially secure counterparties,

instruments that potentially subject us to credit risk primarily consist of trade receivables and derivative contracts. We manage the

Credit risk - By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial

29

efficient design and installation of the entire subsea field architecture. Our integrated commercial

Subsea - Innovative approaches to subsea projects, like our iEPCI solution, have improved project economics through more

mature our offering, particularly in carbon transportation and storage.

our unique combination of innovative technologies and integrated execution as we continue to further refine our positioning and

collect and feed the pressurized gas into an aquifer for permanent storage. The NEP project demonstrates our ability to leverage

transportation and storage infrastructure for carbon capture projects in the U.K.’s East Coast Cluster. Our all-electric solution will

2

Partnership (“NEP”). The partnership, which is a joint venture between bp, Equinor, and TotalEnergies, is building CO

In March, we were selected to deliver the first all-electric subsea iEPCI for carbon capture and storage from the Northern Endurance

orders - nearly two years earlier than previously anticipated.

improvement in project economics. With this award, our New Energy business has now achieved more than $1 billion of inbound

moving the gas processing entirely to the seafloor, future FPSO and topside designs can be further simplified, driving significant

debottlenecking the gas processing plant that currently resides on the floating production storage and offloading unit (“FPSO”). By

In addition to reducing greenhouse gas emission intensity, HISEP® technologies will increase production capacity by

dense gases directly from the well stream for injection back into the reservoir, with all of the infrastructure residing on the seafloor.

2

this project for the subsea industry cannot be overstated. This will be the first project to use subsea processing to capture CO rich

award of the Mero 3 HISEP® project, which is the first iEPCI™ (“iEPCI”) contract ever awarded by Petrobras. The significance of

Our leadership in subsea processing, technology innovation, and integrated solutions was recognized earlier this year with the

alliances to further position ourselves as the leading architect for offshore energy.

removal, offshore floating renewables, and hydrogen solutions. We have also been successful in building on our partnerships and

resources and reduction of carbon emissions. We are making real progress through our three main pillars of greenhouse gas

committed to the energy transition. Here, we believe that offshore will play a meaningful role in the transition to renewable energy

While we are confident that conventional resources will remain a large part of the energy mix for an extended period, we are also

of integrated solutions, differentiated technologies, and the industry’s most comprehensive subsea services offering.

subsea services, driven by the needs of growing and aging infrastructure. These trends allow TechnipFMC to leverage our full suite

technologies to drive further innovation and market expansion, particularly in the offshore market. And third, an expanded role for

flows, which we believe will largely be directed to the offshore and Middle East markets. Second, an increased role for new

to grow. However, we believe the market’s evolution will differ from the past, driven by three major trends. First, a shift in capital

We see continued strength ahead, driven by the resiliency and durability of the current market. The demand for energy will continue

term outlook for oil and natural gas prices.

contributed to a supply deficit that has required increased upstream spending, lending support to a constructive view on the longer-

recent decision to maintain voluntary reductions to existing production quota into 2025. An extended period of underinvestment also

for OPEC+ countries focused on production levels that support both economic growth and energy investment. This includes OPEC’s

The price of oil has been supported by regional geopolitical tensions and the industry’s more disciplined capital spend, particularly

for hydrocarbons today to ensure the continuity of affordable energy while also playing an essential role in the energy transition.

greater energy security across the globe. As a result, the energy industry has accelerated its efforts to address the essential need

With long-term energy demand also forecast to increase, the conflicts in Ukraine and Israel have further highlighted the need for

in 2024.

efforts to balance price stability and economic growth. These actions are anticipated to support continued growth in energy demand

undertaken to curb high inflation. Inflation has eased, but interest rates remain elevated and central banks remain diligent in their

Overall Outlook - The global economy remains resilient despite multiple headwinds, including aggressive monetary tightening

BUSINESS OUTLOOK

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

30

meeting increased natural gas demand due in part to sanctions placed upon Russian supply.

surface market, led by large natural gas projects in the Middle East. We also expect North America to play an important role in

between current conventional energy supply and future renewable energy supply. The transition is expected to drive growth in the

The shift to renewable energy resources will take time. During this transition, we believe that natural gas will provide a bridge

on our 10-year framework agreement with Abu Dhabi National Oil Company.

Middle East where we experienced a continued ramp up in production at our Saudi Arabia facility, as well as successful execution

companies that tend to maintain a longer-term view that exhibits less variability in capital spend. This trend is most evident in the

Drilling activity in international markets is less cyclical than in North America as most activities are undertaken by national oil

content, provide a platform for us to extend our leadership positions.

TechnipFMC’s unique capabilities in these markets, which demand higher specification equipment, global services, and local

in the first half of the year. We continue to benefit from our exposure to the North Sea, Asia Pacific, and the Middle East.

Surface Technologies - International markets comprise a significant portion of segment revenue, representing 60 percent of the total

orders over the three-year period ending 2025.

positioned for Subsea inbound to approach $10 billion for the full year, giving us confidence in achieving $30 billion in Subsea

than $5.2 billion of orders increasing backlog to $12.9 billion as of June 30, 2024 - a record level for TechnipFMC. We are well

represented more than 70 percent of total segment orders. The strong order activity continued in the first half of 2024, with more

benefited from a record level of iEPCI projects, and when including all other direct awards and Subsea Services, the combination

Our Subsea inbound orders grew to $9.7 billion in 2023, an increase of 45 percent versus the prior year. The robust inbound

production.

oil production will be required by 2040 to meet future energy demand, including approximately 10 MMBD of new deepwater

Offshore development is likely to remain a significant part of many of our customers’ portfolios. We estimate over 35 MMBD of new

drilling campaigns. We believe additional countries will become producers of deepwater resources during this decade.

decision before the end of the year. In Namibia, there has also been a major discovery with multiple operators beginning their

One operator recently disclosed their intentions for future development of the resource, citing expectations for a final investment

the successful appraisal of two oilfields, with confirmed combined recoverable resources of approximately 700 million barrels of oil.

There is also exploration activity occurring in new offshore frontiers. In Suriname, five major discoveries have been made through

pioneered by our company.

today’s oil prices. We believe these changes are fundamental and sustainable as a result of new business models and technology

Given the significant improvement in project economics, many offshore discoveries can be developed economically well below

model, enabling an enterprise-wide way of working.

equipment - savings that are both real and sustainable. This has paved the way for other products to adopt a similar operating

manufacturing flow, resulting in up to 25 percent lower product cost and a shortened 12-month delivery time for subsea production

transformational to the future of our company. CTO has allowed us to redefine our sourcing strategy and transform our

With CTO, we have designed an architecture, process, culture, and tools that are scalable and, more importantly, are

economics of our customers’ projects while driving greater efficiencies for TechnipFMC.

provides simplification of unique project requirements by leveraging a configure-to-order (“CTO”) model that further improves the

and further reduce costs. An example of this is Subsea 2.0 , our pre-engineered configurable product offering. This technology

TM

As the subsea industry continues to evolve, we are driving simplification, standardization, and industrialization to reduce cycle times

opportunity set for our clients and has grown to represent nearly one-third of the addressable subsea market.

umbilicals, risers, and flowlines (“SURF”), and installation vessels. iEPCI created a new market and helped expand the deepwater

model, iEPCI, brought together the complementary work scopes of the subsea production system (“SPS”) with the subsea

31

increased business activities.

Selling, general and administrative expense increased $24.9 million year-over-year, driven by higher employee costs in support of

Selling, General and Administrative Expense

additional $4.9 million increase from other operating locations.

improved operational performance in the region. Continued growth in the Middle East increased gross profits by $5.0 million with an

decrease in North America of $12.8 million, primarily due to the sale of MSB in the three months ended March 31, 2024, offset by

$100.2 million due to favorable activity mix. Surface Technologies gross profit decreased year-over-year by $2.9 million, driven by a

period. Subsea gross profit increased year-over-year by $164.0 million, of which $63.8 million is due to volume increase and

Gross profit increased to $500.9 million during the three months ended June 30, 2024, compared to $330.4 million in the prior year

Gross Profit

offset by growth of $12.9 million in the Middle East and the rest of the world mainly driven by higher service activities.

levels of drilling and completion activities in North America of $50.2 million during the second quarter. This increase was partially

compared to the same period in 2023, primarily due to the sale of MSB during the three months ended March 31, 2024 and lower

United States, Angola, the United Kingdom, Norway and Australia. Surface Technologies revenue decreased by $37.3 million,

to December 31, 2022, which resulted in increased revenue from higher iEPCI, installation and services activities particularly in the

revenue increased by $390.7 million, primarily driven by a 49.6 percent higher backlog as of December 31, 2023, when compared

Revenue increased $353.4 million during the three months ended June 30, 2024, compared to the same period in 2023. Subsea

Revenue

Net Income (loss) attributable to TechnipFMC plc

$

186.5

$

(87.2)

$

273.7

313.9

Loss attributable to non-controlling interests

0.2

9.1

(8.9)

(97.8)

Net income (loss)

186.3

(96.3)

282.6

293.5

Provision for income taxes

59.2

43.3

15.9

36.7

Income (loss) before income taxes

245.5

(53.0)

298.5

563.2

Net interest expense

(21.4)

(30.3)

8.9

29.4

Income from equity affiliates

2.6

1.1

1.5

136.4

Other expense, net

(44.1)

(182.3)

138.2

75.8

Total costs and expenses

2,017.2

1,813.7

203.5

11.2

Restructuring, impairment and other charges

2.4

5.1

(2.7)

(52.9)

Research and development expense

15.2

16.8

(1.6)

(9.5)

Selling, general and administrative expense

174.9

150.0

24.9

16.6

Cost of sales

1,824.7

1,641.8

182.9

11.1

Costs and expenses

Revenue

$

2,325.6

$

1,972.2

$

353.4

17.9

(In millions, except %)

2024

2023

$

%

June 30,

Change

Three Months Ended

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC

32

higher tax rates than those of the United Kingdom.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to

full valuation allowance and a change in geographical profit mix year-over-year.

(81.7) percent, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a

Our provision for income taxes for the three months ended June 30, 2024 and 2023 reflected effective tax rates of 24.1 percent and

Provision for Income Taxes

period in 2023, due to the net decrease in outstanding debt and fluctuation in interest rates.

Net interest expense of $21.4 million decreased by $8.9 million in the three months ended June 30, 2024, compared to the same

Net Interest Expense

charges.

hedging positions year-over-year. These decreases are partially offset by a net increase in miscellaneous other non-operating

limited derivative hedging markets, such as Angola kwanza during the three months ended June 30, 2023 and the net impact of

ended June 30, 2023. Foreign currency loss decreased by $30.6 million, primarily related to exposures to certain currencies with

decrease in net expense is driven by the $126.5 million non-recurring legal settlement charge recognized during the three months

gains and losses on sales of property, plant and equipment, and non-operating gains and losses. The $138.2 million year-over-year

Other income (expense), net, includes gains and losses associated with the remeasurement of net monetary assets and liabilities,

Other Expense, Net

33

the same period in 2023, driven by higher employee costs in support of increased business activities.

Selling, general and administrative expense increased by $30.8 million during the six months ended June 30, 2024, compared to

Selling, General and Administrative Expense

offset by $14.5 million of growth and higher profitability in the Middle East, Asia Pacific and Africa.

the sale of MSB in the three months ended March 31, 2024 and lower levels of drilling and completion activity in North America,

Technologies gross profit decreased by $2.9 million compared to the same period in 2023. $17.4 million of the decrease is due to

by $278.5 million, of which $134.5 million was due to volume increase and $144.0 million due to favorable activity mix. Surface

Gross profit increased to $842.3 million in 2024 compared to $551.3 million in 2023. Subsea gross profit increased year-over-year

Gross Profit

the world.

and completion activity in North America of $74.2 million, partially offset by $14.3 million of growth in the Middle East and the rest of

same period in 2023, primarily due to the sale of MSB during the three months ended March 31, 2024 and lower levels of drilling

Brazil, Guyana, Australia, and the United Kingdom. Surface Technologies revenue decreased by $59.9 million, compared to the

activities, sales of subsea production equipment and increased supply of flexible pipe, particularly in the United States, Angola,

2023, when compared to December 31, 2022, and resulted in increased revenue from higher iEPCI, installation and services

revenue increased by $737.9 million, driven by conversion of increased backlog, which was 49.6 percent higher as of December 31,

Revenue increased by $678.0 million during the six months ended June 30, 2024, compared to the same period in 2023. Subsea

Revenue

Net income (loss) attributable to TechnipFMC plc

$

343.6

$

(86.8)

$

430.4

495.9

(Income) loss attributable to non-controlling interests

(3.6)

1.7

(5.3)

(311.8)

Net income (loss)

347.2

(88.5)

435.7

492.3

Provision for income taxes

108.9

80.7

28.2

34.9

Income (loss) before income taxes

456.1

(7.8)

463.9

5,947.4

Net interest expense

(34.1)

(49.0)

14.9

30.4

Income from equity affiliates

4.0

15.3

(11.3)

(73.9)

Gain on disposal of Measurement Solutions business

75.2

—

75.2

—

Other expense, net

(56.4)

(183.6)

127.2

69.3

Total costs and expenses

3,900.2

3,480.1

420.1

12.1

Restructuring, impairment and other charges

7.4

5.7

1.7

29.8

Research and development expense

32.8

32.2

0.6

1.9

Selling, general and administrative expense

334.7

303.9

30.8

10.1

Cost of sales

3,525.3

3,138.3

387.0

12.3

Costs and expenses

Revenue

$

4,367.6

$

3,689.6

$

678.0

18.4

(In millions, except %)

2024

2023

$

%

June 30,

Change

Six Months Ended

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC

34

Operating profit as a percentage of revenue

13.8 %

9.5 %

4.3 pts.

Operating profit

$

277.7

$

153.4

124.3

81.0

Revenue

$

2,009.1

$

1,618.4

390.7

24.1

(In millions, except % and pts.)

2024

2023

$

%

June 30,

Change

Three Months Ended

Subsea

in computing segment operating profit and are included in corporate items. See Note 5 for further details.

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded

THREE MONTHS ENDED JUNE 30, 2024 AND 2023

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC

higher tax rates than in the United Kingdom.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to

our deferred tax assets.

over-year, tax adjustments related to the reassessment of prior year tax accruals, and changes in valuation allowances on some of

(1,034.6) percent, respectively. The change in the effective tax rate was largely due to the change in geographical profit mix year-

Our provision for income taxes for the six months ended June 30, 2024 and 2023 reflected effective tax rates of 23.9 percent and

Provision for Income Taxes

period in 2023, due to a net reduction in outstanding debt and higher interest income.

Net interest expense of $34.1 million decreased by $14.9 million in the six months ended June 30, 2024, compared to the same

Net Interest Expense

million, respectively, and the difference is driven by a decrease in operational activity of our joint ventures.

For the six months ended June 30, 2024 and 2023, we recorded income from equity method affiliates of $4.0 million and $15.3

Income from Equity Affiliates

For the six months ended June 30, 2024, we recognized a gain of $75.2 million from the sale of equity interests and assets of MSB.

decreases are partially offset by a net increase in miscellaneous other non-operating charges.

markets such as Angola kwanza and the net impact of hedging positions during the six months ended June 30, 2023. These

30, 2023. Foreign currency loss decreased by $24.0 million, due to exposures to certain currencies with limited derivative hedging

$127.2 million was driven by the $126.5 million non-recurring legal settlement charge recognized during the six months ended June

gains and losses on sales of property, plant and equipment, and non-operating gains and losses. The net decrease in expense of

Other income (expense), net, includes gains and losses associated with the remeasurement of net monetary assets and liabilities,

Other Expense, Net

35

with our support functions, such as corporate staff expenses, share-based compensation expense, and other employee benefits.

legal settlement charge incurred during the three months ended June 30, 2023. Corporate expense is related to costs associated

Corporate expense decreased by 129.8 million compared to the same period in the prior year, primarily driven by the non-recurring

Corporate expense

$

(23.7)

$

(153.5)

129.8

84.6

(In millions, except %)

2024

2023

$

%

June 30,

Change

Three Months Ended

Corporate Expense

offset by improved operating performance in the region.

decreased $4.6 million over the comparable period primarily due to the sale of MSB during the three months ended March 31, 2024,

million and the rest of the world, exclusive of North America, generating improved profitability. Operating profits in North America

Surface Technologies operating profit increased by $4.9 million, with activities in the Middle East and Asia Pacific improving $8.3

East and the rest of the world mainly driven by higher service activities.

March 31, 2024 and lower drilling and completion activities in North America, partially offset by growth of $12.9 million in the Middle

period in 2023 primarily due to $50.2 million decreased revenue as a result of the sale of MSB during the three months ended

Surface Technologies revenue decreased by $37.3 million during the three months ended June 30, 2024, compared to the same

Operating profit as a percentage of revenue

9.7 %

7.3 %

2.4 pts.

Operating profit

$

30.6

$

25.7

4.9

19.1

Revenue

$

316.5

$

353.8

(37.3)

(10.5)

(In millions, except % and pts.)

2024

2023

$

%

June 30,

Change

Three Months Ended

Surface Technologies

expense related to the higher activity.

result of a favorable activity mix and $63.8 million from higher volume, partially offset by a $39.7 million increase in operating

Subsea operating profit for the three months ended June 30, 2024, increased by $124.3 million, of which $100.2 million was the

world, primarily from lower activity as projects reached completion.

activities. The increased revenue in these geographies was modestly offset by a net $26.5 million decrease from the rest of the

from the United Kingdom, $53.8 million from Norway, and $39.7 from Australia, driven by higher iEPCI, installation and services

commercial offerings. $170.2 million of the increase in revenue was from the United States, $97.9 million from Angola, $55.6 million

driven by increased backlog in 2023 related to higher energy demand and upstream spending, further aided by our unique

Subsea revenue increased $390.7 million during the three months ended June 30, 2024, compared to the same period in 2023,

36

Corporate expense

$

(55.9)

$

(180.9)

$

125.0

69.1

(In millions, except %)

2024

2023

$

%

June 30,

Change

Six Months Ended

Corporate Expense

primarily associated with exiting operations in Canada and Bakersfield.

$17.6 million. During the six months ended June 30, 2023, we recorded $5.3 million of restructuring, impairment and other charges,

operating performance in Argentina and activities in the Middle East, Africa and Asia Pacific generated improved profitability of

offset by lower drilling and completion activity in North America, resulting in a net increase of $63.4 million. Additionally, improved

Surface Technologies operating profit increased by $85.9 million and was driven by the gain on the sale of MSB, which was partially

East and the rest of the world mainly driven by higher service activities.

March 31, 2024 and lower drilling and completion activities in North America, partially offset by $14.3 million of growth in the Middle

period in 2023 primarily due to $74.2 million decreased revenue as a result of the sale of MSB during the three months ended

Surface Technologies revenue decreased by $59.9 million during the six months ended June 30, 2024, compared to the same

Operating profit as a percentage of revenue

21.5 %

7.0 %

14.5 pts.

Operating profit

$

134.0

$

48.1

$

85.9

178.6

Revenue

$

623.7

$

683.6

$

(59.9)

(8.8)

(In millions, except %)

2024

2023

$

%

June 30,

Change

Six Months Ended

Surface Technologies

related to the higher activity.

of a favorable activity mix and $134.5 million from higher volume, partially offset by a $64.4 million increase in operating expense

Subsea operating profit for the six months ended June 30, 2024, increased by $214.1 million, of which $144.0 million was the result

activity as projects reached completion.

increased revenue in these geographies was offset by a net $85.6 million decrease from the rest of the world, primarily from lower

higher iEPCI, installation and services activities, sales of subsea production equipment, and increased supply of flexible pipe. The

million from Brazil, $114.3 million from Guyana, $67.7 million from Australia, and $55.6 million from the United Kingdom, driven by

commercial offerings. $236.7 million of the increase in revenue was from the United States, $178.8 million from Angola, $170.4

driven by increased backlog during 2023 related to higher energy demand and upstream spending, further aided by our unique

Subsea revenue increased by $737.9 million during the six months ended June 30, 2024, compared to the same period in 2023,

Operating profit as a percentage of revenue

11.6 %

7.3 %

4.3 pts.

Operating profit

$

434.3

$

220.2

$

214.1

97.2

Revenue

$

3,743.9

$

3,006.0

$

737.9

24.5

(In millions, except %)

2024

2023

$

%

June 30,

Change

Six Months Ended

Subsea

SIX MONTHS ENDED JUNE 30, 2024 AND 2023

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC

37

in accordance with GAAP or as an indicator of our operating performance or liquidity.

structure. Net debt should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined

measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital

GAAP financial measure to evaluate our capital structure and financial leverage. We believe net debt is a meaningful financial

Net Debt - Net debt is a non-GAAP financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-

various jurisdictions to best meet the liquidity needs of our global operations.

Most of our cash is managed centrally and flows through bank accounts controlled and maintained by TechnipFMC globally in

LIQUIDITY AND CAPITAL RESOURCES

Middle East, namely Aramco and ADNOC. The remaining backlog was composed of various projects in the rest of the world.

December 31, 2023. Surface Technologies’ backlog of $972.9 million as of June 30, 2024, was composed primarily of projects in the

Surface Technologies - Order backlog for Surface Technologies as of June 30, 2024 decreased by $94.0 million compared to

West White Rose; Equinor Raia and Rosebank; ENI Merakes East, and Woodside Trion.

Mozambique LNG and GirLiFlex; ExxonMobil Whiptail and Uaru; AkerBP Utsira High; Azule Energy Agogo; Shell Sparta, Husky

and was composed of various subsea projects, including Petrobras Buzios 6, Mero 3 HISEP® and flexibles; TotalEnergies

Subsea - Subsea backlog of $12,925.9 million as of June 30, 2024 increased by $761.8 million compared to December 31, 2023,

Total order backlog

$

13,898.8

$

13,231.0

Surface Technologies

972.9

1,066.9

Subsea

$

12,925.9

$

12,164.1

(In millions)

2024

2023

June 30,

December 31,

Order Backlog

performed. See Note 4 for further details.

date. Backlog reflects the transaction price for products and services for which we have a material right, but work has not been

Order backlog - Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting

Total inbound orders

$

3,092.2

$

4,447.3

$

5,866.6

$

7,306.2

Surface Technologies

254.2

332.8

624.8

655.2

Subsea

$

2,838.0

$

4,114.5

$

5,241.8

$

6,651.0

(In millions)

2024

2023

2024

2023

Three Months Ended June 30,

Six Months Ended June 30,

Inbound Orders

period.

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

INBOUND ORDERS AND ORDER BACKLOG

the non-recurring legal settlement charge incurred during 2023.

Corporate expense decreased by $125.0 million, or 69.1 percent, compared to the same period in the prior year, primarily driven by

38

on a quarterly basis, and these dividends represent $0.20 per share on an annualized basis.

during the three and six months ended June 30, 2024 were $21.5 million and $43.2 million, respectively. We intend to pay dividends

close of business on the New York Stock Exchange on March 19, 2024 and May 21, 2024, respectively. The cash dividends paid

share. The cash dividends of $0.05 per share were paid on March 28, 2024 and June 5, 2024, to shareholders of record as of the

On February 20, 2024 and April 23, 2024, our Board of Directors authorized and declared a quarterly cash dividend of $0.05 per

released and certain negative covenants no longer apply to the Company.

Agreement) has occurred and the collateral securing the Credit Agreement and the Performance LC Credit Agreement was

ratings and the satisfaction of certain other conditions precedent, the Investment Grade Debt Rating (as defined in the Credit

investment grade long-term issuer default rating of “BBB-” for TechnipFMC. As a result of the S&P and Fitch investment grade

as well as the issue-level ratings on the Company’s senior unsecured notes. On June 27, 2024, Fitch assigned a first-time

On March 7, 2024, S&P upgraded TechnipFMC to investment grade, raising its rating to ‘BBB-’ from ‘BB+’ for both the issuer credit

with Moody’s is Ba1 for our long-term unsecured, guaranteed debt. See Note 12 for further details regarding our debt.

Notes) and BBB- for our 2012 and 2020 long-term unsecured debt (the 2012 and 2020 Private Placement Notes). Our credit rating

Credit Ratings - Our credit ratings with Standard and Poor’s (“S&P”) are BBB- for our long-term unsecured, guaranteed debt (2021

Facility was $1,250.0 million.

As of June 30, 2024, there were no letters of credit outstanding, and our availability of borrowings under the Revolving Credit

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility.

investment plans. We maintain a level of liquidity sufficient to allow us to meet our cash needs in both the short term and long term.

We are committed to maintaining a capital structure that provides sufficient cash resources to support future operating and

Debt and Liquidity

2024.

million, dividends paid of $43.2 million and a decrease of $43.8 million in net debt activity during the six months ended June 30,

$150.1 million in share repurchases, an increase of payments related to taxes withheld on share-based compensation of $32.5

2023, respectively. The increase of $276.1 million in cash used by financing activities was primarily due to an increase of

Financing cash flows - Financing activities used $417.9 million and $141.8 million during the six months ended June 30, 2024 and

30, 2024.

investing activities was primarily due to $186.1 million in proceeds received from the sale of MSB during the six months ended June

$79.4 million cash used in investing cash flows during the same period in 2023. The increase of $166.5 million in cash from

Investing cash flows - Investing activities provided $87.1 million of cash during the six months ended June 30, 2024 as compared to

derivative assets and liabilities.

operating activities was due to timing differences on project milestones, payments to vendors for inventory, and fluctuations in

$230.0 million cash used in operating cash flows during the same period in 2023. The increase of $334.2 million in cash from

Operating cash flows - Operating activities provided $104.2 million of cash during six months ended June 30, 2024 as compared to

Cash Flows

Net debt

$

(260.2)

$

(115.6)

Long-term debt, less current portion

(646.8)

(913.5)

Short-term debt and current portion of long-term debt

(321.6)

(153.8)

Cash and cash equivalents

$

708.2

$

951.7

(In millions)

2024

2023

June 30,

December 31,

condensed consolidated balance sheets:

The following table provides a reconciliation of our cash and cash equivalents to net debt, utilizing details of classifications from our

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Attorney General of Brazil (“AGU”) to resolve these anti-corruption investigations

SEC, and Brazilian authorities (Federal Prosecution Service (“MPF”)) and the Comptroller General of Brazil (“CGU”) and the

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the U.S. Department of Justice (“DOJ”), the

OTHER MATTERS

estimates. During the six months ended June 30, 2024, there were no changes to our identified critical accounting estimates.

Refer to our Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of our critical accounting

CRITICAL ACCOUNTING ESTIMATES

for investment in growth and distribution to shareholders through the business cycle.

maintaining our commitment to sustainable leverage and liquidity, we expect to be able to continue to generate cash flow available

Projected capital expenditures do not include all contingent capital that may be needed to respond to contract awards. In

capital throughout the cycle. Our capital expenditures can be adjusted and managed to match market demand and activity levels.

through growth, cyclicality, and unforeseen events. We continue to maintain and drive sustainable leverage to preserve access to

We are committed to a strong balance sheet. We continue to maintain sufficient liquidity to support the needs of the business

Financial Position Outlook

to post collateral for derivative positions in a liability position.

At this time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us

companies in the same industry, of similar size, and with the same credit rating. See Notes 17 and 18 for further details.

Our credit spread, and the credit spread of other counterparties not publicly available, are approximated using the spread of similar

representing our credit spread is used.

the counterparty’s published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread

incorporated by reducing the derivative’s fair value in asset positions by the result of multiplying the present value of the portfolio by

contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then

recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative

The income approach was used as the valuation technique to measure the fair value of foreign currency derivative instruments on a

related to credit risk were not material for any period presented.

net credit differential between the counterparties to the derivative contract. Adjustments to our derivative assets and liabilities

values must also take into account our credit standing, thus including the valuation of the derivative instrument and the value of the

derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These

For the purposes of mitigating the effect of the changes in exchange rates, we hold derivative financial instruments. Valuations of

Credit Risk Analysis

cancelled.

June 30, 2024, approximately 9.4 million ordinary shares could be subject to repurchase. All shares repurchased were immediately

shares through June 30, 2024. Based upon the remaining repurchase authority of $244.6 million and the closing stock price as of

Since the initial share repurchase authorization in July 2022, we have purchased an aggregate amount of $555.4 million of ordinary

during the six months ended June 30, 2024.

our share repurchase program. Pursuant to this share repurchase program, we repurchased $250.1 million of ordinary shares

existing program, our total share repurchase authorization was increased to $800.0 million of our outstanding ordinary shares under

On July 26, 2023, our Board of Directors authorized an additional share repurchase of up to $400.0 million. Together with the then

on August 20, 2024. The ex-dividend date is August 20, 2024.

per share, payable on September 4, 2024 to shareholders of record as of the close of business on the New York Stock Exchange

On July 23, 2024, the Company announced that its Board of Directors authorized and declared a quarterly cash dividend of $0.05

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exposure to market risk has not changed materially since December 31, 2023.

Qualitative Disclosures About Market Risk,” in our Annual Report on Form 10-K for the year ended December 31, 2023. Our

For quantitative and qualitative disclosures about market risk affecting the Company, see Part II, Item 7A, “Quantitative and

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

President of the Tribunal Judiciaire of Paris at a hearing on June 28, 2023.

TechnipFMC fully cooperated with the PNF and was not required to retain a monitor. The CJIP received final approval by the

payment of €51.6 million.

liabilities in our condensed consolidated balance sheets as of June 30, 2024. On July 10, 2024, we made the final installment

and April 8, 2024, we have an outstanding balance of €51.6 million that is translated to $55.2 million and is recorded in other current

scheduled installment payments of €24.7 million, €51.6 million and €51.6 million, respectively, on July 13, 2023, January 15, 2024,

€29.45 million. During the three months ended June 30, 2023, we recorded an incremental liability of $126.5 million. After making

for €179.45 million to be paid in installments through July 2024, and Technip Energies is responsible for the remaining

€54.1 million, respectively, for a total of €208.9 million. Under the companies’ separation agreements, TechnipFMC is responsible

Under the terms of the CJIP, Technip UK, and Technip Energies France will pay a public interest fine of €154.8 million and

(“CJIP”), which does not involve any admission of liability or guilt.

historical projects in Equatorial Guinea, Ghana, and Angola. The resolution took the form of a convention judiciaire d'interet public

subsidiary of Technip Energies NV, reached a resolution with the PNF of all outstanding matters, including its investigations into

Financier (“PNF”)). On June 22, 2023, the Company, through its subsidiary Technip UK Limited, along with Technip Energies SAS, a

As previously disclosed, we have also resolved an anti-corruption investigation by French authorities (the Parquet National

the United States and Brazil have been completed and the Company has been unconditionally released by both jurisdictions.

the Court on January 4, 2023, thereby closing the case. All obligations to regulatory authorities related to the enforcement matters in

the Court that the Company had fully met and completed all of its obligations under the DPA. The Dismissal Order was signed by

27, 2022, the DOJ filed a Motion to Dismiss the charges against TechnipFMC related to conspiracy to violate the FCPA, noting to

successfully completed all of the self-reporting requirements in the leniency agreements and the case was closed. On December

On December 8, 2022, the Company received notice of the official release from all obligations and charges by CGU, having

commitment to cooperation and transparency with the compliance community in Brazil and globally.

certain enhancements to the compliance programs in Brazil during the two-year self-reporting period, which aligned with our

Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We made, as part of those agreements,

In Brazil, on June 25, 2019, our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda., and Flexibrás Tubos

Administrative Order issued by the SEC related to Unaoil.

guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We also consented to the entry of an

conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement (“DPA”) with the DOJ related to charges of

Brazilian and U.S. authorities for two and three years, respectively.

vendor, Unaoil S.A.M. We were not required to have a monitor and instead, provided reports on our anti-corruption program to the

related to historic conduct by Technip S.A. in Brazil and historic conduct by FMC Technologies concerning services provided by a

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materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There were no changes in our internal control over financial reporting during the three months ended June 30, 2024 that have

Changes in Internal Controls over Financial Reporting

rules and forms.

Act, and (ii) the recording, processing, summarizing and reporting of such information within the time periods specified in the SEC's

including our CEO and our CFO, of information required to be disclosed by us in the reports that we submit under the Exchange

disclosure controls and procedures were effective with respect to (i) the accumulation and communication to our management,

Exchange Act. Based upon this evaluation, our CEO and CFO have concluded that, as of the period covered by this report, our

evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the

As of June 30, 2024, under the direction of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), we have

Evaluation of Disclosure Controls and Procedures

ITEM 4. CONTROLS AND PROCEDURES

42

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

(b)

Based upon the remaining repurchase authority and the closing stock price as of the last trading date of the respective period.

cost of $100.0 million at an average price of $25.81 per share.

total share repurchase authorization was increased to $800.0 million. For the three months ended June 30, 2024, we repurchased 3,874,916 shares for a total

(a)

In July 2023, the Board of Directors authorized additional share repurchase of up to $400.0 million. Together with the then-existing program, the Company’s

Total

$

25.81

3,874,916

3,874,916

June 1, 2024 to June 30, 2024

902,757 $

24.37

902,757

9,352,333

May 1, 2024 to May 31, 2024

2,743,769 $

26.24

2,743,769

10,178,430

April 1, 2024 to April 30, 2024

228,390 $

26.27

228,390

13,216,238

Period

Purchased

(a)

Share

Programs

Programs

(b)

Shares

Paid per

Announced Plans or

Under the Plans or

Total Number of

Average Price

Part of Publicly

Yet Be Purchased

Shares Purchased as

of Shares That May

Total Number of

Maximum Number

ISSUER PURCHASES OF EQUITY SECURITIES

The following table summarizes repurchases of our ordinary shares during the three months ended June 30, 2024:

We had no unregistered sales of equity securities during the three months ended June 30, 2024.

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

I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023.

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

ITEM 1A. RISK FACTORS

operations or cash flows.

resolution of these matters will not have a material adverse effect on our condensed consolidated financial position, results of

outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate

service quality, and ownership arrangements, including certain put or call options. Management is unable to predict the ultimate

disputes can involve our agents, suppliers, clients, and joint venture partners and can include claims related to payment of fees,

We are involved in various pending or potential legal actions or disputes in the ordinary course of our business. These actions and

ITEM 1. LEGAL PROCEEDINGS

PART II - OTHER INFORMATION

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\* Furnished herewith.

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Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

101.PRE

Inline XBRL Taxonomy Extension Presentation Linkbase Document.

101.LAB

Inline XBRL Taxonomy Extension Label Linkbase Document.

101.DEF

Inline XBRL Taxonomy Extension Definition Linkbase Document.

101.CAL

Inline XBRL Taxonomy Extension Calculation Linkbase Document.

101.SCH

Inline XBRL Taxonomy Extension Schema Document.

the Inline XBRL document.

101.INS

XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within

32.2\*

Certification of Chief Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.

32.1\*

Certification of Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.

31.2

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).

31.1

Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).

on March 15, 2024, File No. 001-37983, and incorporated herein by reference)

10.2

Form of Rule 10b-5 Share Repurchase Contract (filed as Appendix C to TechnipFMC plc’s Definitive Proxy Statement on Schedule 14A filed

2024, File No. 001-37983, and incorporated herein by reference)

10.1

Form of Share Purchase Contract (filed as Appendix B to TechnipFMC plc’s Definitive Proxy Statement on Schedule 14A filed on March 15,

Exhibit Number

Exhibit Description

ITEM 6. EXHIBITS

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Date: July 25, 2024

(Chief Accounting Officer and a Duly Authorized Officer)

Senior Vice President, Controller, and Chief Accounting Officer

David Light

/s/ David Light

(Registrant)

TechnipFMC plc

behalf by the undersigned thereunto duly authorized.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its

SIGNATURES

(Principal Executive Officer)

Executive Chairman and Chief Executive Officer

Douglas J. Pferdehirt

/s/ DOUGLAS J. PFERDEHIRT

Date: July 25, 2024

internal control over financial reporting.

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

and

are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information;

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which

functions):

reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent

5.

The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial

affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the

such evaluation; and

about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions

financial statements for external purposes in accordance with generally accepted accounting principles;

under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed

known to us by others within those entities, particularly during the period in which this report is being prepared;

our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under

13a-15(f) and 15d-15(f)) for the registrant and have:

defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules

4.

The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as

respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

3.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material

period covered by this report;

make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the

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

1.

I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2024 of TechnipFMC plc (the “registrant”);

I, Douglas J. Pferdehirt, certify that:

OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Exhibit 31.1

(Principal Financial Officer)

Executive Vice President and Chief Financial Officer

Alf Melin

/s/ ALF MELIN

Date: July 25, 2024

internal control over financial reporting.

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

and

are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information;

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which

functions):

reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent

5.

The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial

affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the

such evaluation; and

about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions

financial statements for external purposes in accordance with generally accepted accounting principles;

under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed

known to us by others within those entities, particularly during the period in which this report is being prepared;

our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under

13a-15(f) and 15d-15(f)) for the registrant and have:

defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules

4.

The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as

respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

3.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material

period covered by this report;

make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the

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

1.

I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2024 of TechnipFMC plc (the “registrant”);

I, Alf Melin, certify that:

OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Exhibit 31.2

(Principal Executive Officer)

Executive Chairman and Chief Executive Officer

Douglas J. Pferdehirt

/s/ DOUGLAS J. PFERDEHIRT

Date: July 25, 2024

Company.

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

and

Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended;

(a) The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024, as filed with the Securities and Exchange

U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

I, Douglas J. Pferdehirt, Executive Chairman and Chief Executive Officer of TechnipFMC plc (the “Company”), do hereby certify, pursuant to 18

ACT OF 2002, 18 U.S.C. SECTION 1350

UNDER SECTION 906 OF THE SARBANES-OXLEY

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Exhibit 32.1

(Principal Financial Officer)

Executive Vice President and Chief Financial Officer

Alf Melin

/s/ ALF MELIN

Date: July 25, 2024

Company.

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

and

Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended;

(a) The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024, as filed with the Securities and Exchange

Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

I, Alf Melin, Executive Vice President and Chief Financial Officer of TechnipFMC plc (the “Company”), do hereby certify, pursuant to 18 U.S.C.

ACT OF 2002, 18 U.S.C. SECTION 1350

UNDER SECTION 906 OF THE SARBANES-OXLEY

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Exhibit 32.2