Ordinary shares, $1.00 par value per share

435,460,168

Class

Outstanding at October 23, 2023

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 September 30, 2023

☒ 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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except to the extent required by law.

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

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

and our inability to obtain sufficient bonding capacity for certain contracts. We caution you not to place undue reliance on any

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

unfavorable findings by relevant tax authorities; potential departure of our key managers and employees; adverse seasonal and

as an English public limited company; uninsured claims and litigation against us; tax laws, treaties and regulations and any

corruption, taxation, privacy, data protection and data security; the additional restrictions on dividend payouts or share repurchases

protection, climate change, health and safety, labor and employment, import/export controls, currency exchange, bribery and

have operated; our failure to comply with existing and future laws and regulations, including those related to environmental

construction projects for vessels and manufacturing facilities; potential liabilities inherent in the industries in which we operate or

cyber-attacks; risks of pirates endangering our maritime employees and assets; any delays and cost overruns of new capital asset

failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of

price contracts; our failure to timely deliver our backlog; our reliance on subcontractors, suppliers and our joint venture partners; a

expectations regarding ESG matters; uncertainties related to our investments in New Energy business; the risks caused by fixed-

indebtedness; the risks caused by our acquisition and divestiture activities; additional costs or risks from increasing scrutiny and

existing and future indebtedness and the restrictions on our operations by terms of the agreements governing our existing

of the countries in which we conduct business; the refusal of DTC to act as depository agency for our shares; the impact of our

unfavorable credit and commercial terms of certain contracts; disruptions in the political, regulatory, economic and social conditions

new technologies and services for our New Energy business; the cumulative loss of major contracts, customers or alliances and

our inability to develop, implement and protect new technologies and services and intellectual property related thereto, including

competitive factors in our industry, including ongoing industry consolidation; the COVID-19 pandemic and any resurgence thereof;

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

ended December 31, 2022 and Part II, Item 1A, “Risk Factors” and elsewhere of 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 energies 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

450.3

458.1

452.9

451.1

Basic

436.9

450.1

439.7

451.1

Weighted average shares outstanding (Note 5)

Diluted

$

0.20

$

(0.02)

$

0.01

$

(0.16)

Basic

$

0.21

$

(0.02)

$

0.01

$

(0.16)

Total earnings (loss) per share attributable to TechnipFMC plc

Basic and diluted

$

0.00

$

(0.03)

$

0.00

$

(0.08)

Loss per share from discontinued operations attributable to TechnipFMC plc

Diluted

$

0.20

$

0.01

$

0.01

$

(0.08)

Basic

$

0.21

$

0.01

$

0.01

$

(0.08)

Earnings (loss) per share from continuing operations attributable to TechnipFMC plc

Net income (loss) attributable to TechnipFMC plc

$

90.0

$

(10.3)

$

3.2

$

(69.9)

Loss from discontinued operations

—

(15.3)

—

(34.7)

Income (loss) from continuing operations attributable to TechnipFMC plc

90.0

5.0

3.2

(35.2)

(Income) from continuing operations attributable to non-controlling interests

(3.7)

(5.7)

(2.0)

(19.4)

Income (loss) from continuing operations

93.7

10.7

5.2

(15.8)

Provision for income taxes (Note 14)

19.5

42.7

100.2

91.0

Income before income taxes

113.2

53.4

105.4

75.2

Loss on early extinguishment of debt

—

—

—

(29.8)

Interest expense

(30.7)

(35.1)

(92.1)

(104.7)

Interest income

4.0

4.2

16.4

12.2

Income before net interest expense and income taxes

139.9

84.3

181.1

197.5

Loss from investment in Technip Energies

—

—

—

(27.7)

Income from equity affiliates (Note 9)

20.6

13.8

35.9

23.5

Other income (expense), net (Note 13)

(41.5)

(10.3)

(225.1)

33.5

Total costs and expenses

1,896.1

1,652.2

5,376.2

4,837.8

Impairment, restructuring and other expenses

4.3

6.9

10.0

15.1

Research and development expense

17.5

19.0

49.7

45.1

Selling, general and administrative expense

183.8

151.9

487.7

454.6

Cost of lease revenue

57.5

36.8

143.0

120.0

Cost of product revenue

716.4

753.5

2,096.7

1,914.5

Cost of service revenue

916.6

684.1

2,589.1

2,288.5

Costs and expenses

Total revenue

2,056.9

1,733.0

5,746.5

5,006.0

Lease revenue

83.1

52.4

201.3

157.5

Product revenue

793.1

778.6

2,447.0

2,074.9

Service revenue

$

1,180.7

$

902.0

$

3,098.2

$

2,773.6

Revenue

(In millions, except per share data)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine 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.

and $(6.0) million for the nine months ended September 30, 2023 and 2022, respectively.

(c)

Net of income tax (expense) benefit of $(0.5) million and $(2.9) million for the three months ended September 30, 2023 and 2022, respectively, and $1.5 million

million for the nine months ended September 30, 2023 and 2022, respectively.

(b)

Net of income tax benefit of $11.4 million and $8.1 million for the three months ended September 30, 2023 and 2022, respectively, and $0.4 million and $8.2

(a)

Net of income tax of nil for the three and nine months ended September 30, 2023 and 2022.

Comprehensive income (loss) attributable to TechnipFMC plc

$

28.5

$

(132.7)

$

(16.8)

$

(234.3)

Comprehensive (income) attributable to non-controlling interest

(10.7)

(2.9)

(5.8)

(12.2)

Comprehensive income (loss)

39.2

(129.8)

(11.0)

(222.1)

Other comprehensive loss, net of tax

(54.5)

(125.2)

(16.2)

(171.6)

Net pension and other post-retirement benefits

(c)

2.8

1.5

7.5

6.2

included in net income (loss)

2.2

2.9

6.6

8.9

Reclassification adjustment for amortization of net actuarial loss

included in net income (loss)

0.1

0.1

0.2

0.3

Reclassification adjustment for amortization of prior service cost

Net gains (losses) arising during the period

0.5

(1.5)

0.7

(3.0)

Pension and other post-retirement benefits

Net losses on hedging instruments

(b)

(6.8)

(26.7)

(23.1)

(73.5)

income (loss)

(12.4)

6.7

(3.8)

18.5

Reclassification adjustment for net (gains) losses included in net

Net gains (losses) arising during the period

5.6

(33.4)

(19.3)

(92.0)

Net gains (losses) on hedging instruments

Foreign currency translation adjustments

(a)

(50.5)

(100.0)

(0.6)

(104.3)

controlling interests

93.7

(4.6)

5.2

(50.5)

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

interests

(3.7)

(5.7)

(2.0)

(19.4)

(Income) from continuing operations attributable to non-controlling

Net income (loss) attributable to TechnipFMC plc

$

90.0

$

(10.3)

$

3.2

$

(69.9)

(In millions)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine 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

$

9,524.3

$

9,444.3

Total equity

3,110.0

3,276.7

Non-controlling interests

41.8

36.5

Total TechnipFMC plc stockholders’ equity

3,068.2

3,240.2

Accumulated other comprehensive loss

(1,321.7)

(1,301.7)

Accumulated deficit

(5,025.5)

(5,010.0)

Capital in excess of par value of ordinary shares

8,979.9

9,109.7

outstanding in 2023 and 2022, respectively

435.5

442.2

Ordinary shares, $1.00 par value; 618.3 shares authorized in 2023 and 2022; 435.5 shares and 442.2 shares issued and

Stockholders’ equity (Note 12)

Commitments and contingent liabilities (Note 13)

Total liabilities

6,414.3

6,167.6

Other liabilities

147.8

138.1

Derivative financial instruments (Note 15)

25.6

3.6

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

54.4

59.7

Deferred income taxes

47.3

55.5

Financing lease liabilities, less current portion

60.6

1.4

Operating lease liabilities, less current portion

688.9

735.7

Long-term debt, less current portion (Note 11)

933.5

999.3

Total current liabilities

4,456.2

4,174.3

Other current liabilities (Note 8)

818.6

736.5

Income taxes payable

127.9

96.7

Derivative financial instruments (Note 15)

188.2

346.6

Contract liabilities

1,237.9

1,156.4

Accounts payable, trade

1,537.7

1,282.8

Finance lease liabilities

3.5

51.9

Operating lease liabilities

135.1

136.1

Short-term debt and current portion of long-term debt (Note 11)

$

407.3

$

367.3

Liabilities and equity

Total assets

$

9,524.3

$

9,444.3

Other assets

141.4

126.5

Derivative financial instruments (Note 15)

12.7

7.2

Deferred income taxes

85.3

72.5

Intangible assets, net of accumulated amortization of $729.3 in 2023 and $663.8 in 2022

650.1

716.0

Finance lease right-of-use assets

60.5

51.6

Operating lease right-of-use assets

759.0

801.9

Property, plant and equipment, net of accumulated depreciation of $2,639.1 in 2023 and $2,255.5 in 2022

2,240.0

2,354.9

Investments in equity affiliates (Note 9)

280.0

325.0

Total current assets

5,295.3

4,988.7

Other current assets (Note 8)

577.2

455.0

Advances paid to suppliers

80.0

80.8

Income taxes receivable

119.8

125.3

Derivative financial instruments (Note 15)

139.9

282.7

Inventories, net (Note 7)

1,158.5

1,039.7

Contract assets, net of allowances of $1.6 in 2023 and $1.1 in 2022

1,204.6

981.6

Trade receivables, net of allowances of $35.7 in 2023 and $34.1 in 2022

1,324.4

966.5

Cash and cash equivalents

$

690.9

$

1,057.1

Assets

(In millions, except par value data)

2023

2022

September 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

$

690.9

$

711.5

Cash and cash equivalents, beginning of period

1,057.1

1,327.4

Change in cash and cash equivalents

(366.2)

(615.9)

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

(17.9)

11.9

Cash required by financing activities

(276.7)

(626.8)

Other financing activities

(36.5)

(5.9)

Dividends paid

(21.8)

—

Share repurchases

(150.1)

(50.1)

Repayments of long-term debt

—

(451.7)

Net increase in revolving credit facility

—

150.0

Cash settlement for derivative hedging debt

(30.1)

(64.4)

Net decrease in short-term debt

(38.2)

(204.7)

Cash required by financing activities

Cash provided (required) by investing activities

(63.5)

213.3

Other investing activities

14.9

5.7

Proceeds from sale of investment in Technip Energies

—

288.5

Proceeds from sales of assets

75.3

13.4

Capital expenditures

(153.7)

(94.3)

Cash provided (required) by investing activities

Cash required by operating activities

(8.1)

(214.3)

Other non-current assets and liabilities, net

(46.1)

25.8

Other current assets and liabilities, net

42.7

(93.5)

Income taxes payable, net

46.0

(19.0)

Contract liabilities

89.4

(242.7)

Accounts payable, trade

275.7

134.7

Inventories, net

(112.9)

(27.4)

Trade receivables, net and Contract assets, net

(587.6)

(375.1)

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

Other non-cash items, net

32.1

79.9

Loss on early extinguishment of debt

—

29.8

Income from equity affiliates, net of dividends received

(35.9)

(23.1)

Loss from investment in Technip Energies

—

27.7

Depreciation and amortization

283.3

284.4

Adjustments to reconcile income (loss) from continuing operations to cash provided (required) by operating activities

Net loss from discontinued operations

—

34.7

Net income (loss)

$

5.2

$

(50.5)

Cash provided (required) by operating activities

(In millions)

2023

2022

Nine Months Ended September 30,

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

8

Balance as of September 30, 2023

$

435.5 $

8,979.9 $

(5,025.5) $

(1,321.7) $

41.8 $

3,110.0

Other

—

—

2.7

—

(0.5)

2.2

Dividends declared and paid

—

—

(21.8)

—

—

(21.8)

Shares repurchased and cancelled

(2.7)

(47.4)

—

—

—

(50.1)

Share-based compensation

—

9.1

—

—

—

9.1

withheld for tax

0.1

0.1

—

—

—

0.2

Issuance of ordinary shares, net of shares

Other comprehensive income (loss)

—

—

—

(61.5)

7.0

(54.5)

Net income

—

—

90.0

—

3.7

93.7

Balance as of June 30, 2023

$

438.1 $

9,018.1 $

(5,096.4) $

(1,260.2) $

31.6 $

3,131.2

Balance as of September 30, 2022

$

446.4 $

9,143.8 $

(4,973.9) $

(1,469.4) $

27.4 $

3,174.3

Other

—

—

0.4

—

(0.5)

(0.1)

Shares repurchased and cancelled

(5.8)

(44.3)

—

—

—

(50.1)

Share-based compensation

—

9.9

—

—

—

9.9

Other comprehensive loss

—

—

—

(122.4)

(2.8)

(125.2)

Net income (loss)

—

—

(10.3)

—

5.7

(4.6)

Balance as of June 30, 2022

$

452.2 $

9,178.2 $

(4,964.0) $

(1,347.0) $

25.0 $

3,344.4

(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 SEPTEMBER 30, 2023 and 2022

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 September 30, 2023

$

435.5 $

8,979.9 $

(5,025.5) $

(1,321.7) $

41.8 $

3,110.0

Other

—

—

3.1

—

(0.5)

2.6

Dividends declared and paid

—

—

(21.8)

—

—

(21.8)

Shares repurchased and cancelled

(9.6)

(140.5)

—

—

—

(150.1)

Share-based compensation

—

30.7

—

—

—

30.7

withheld for tax

2.9

(20.0)

—

—

—

(17.1)

Issuance of ordinary shares, net of shares

Other comprehensive income (loss)

—

—

—

(20.0)

3.8

(16.2)

Net income

—

—

3.2

—

2.0

5.2

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 September 30, 2022

$

446.4 $

9,143.8 $

(4,973.9) $

(1,469.4) $

27.4 $

3,174.3

Other

—

—

(0.2)

—

(0.5)

(0.7)

Shares repurchased and cancelled

(5.8)

(44.3)

—

—

—

(50.1)

Share-based compensation

—

28.9

—

—

—

28.9

Issuance of ordinary shares

1.5

(1.6)

—

—

—

(0.1)

Other comprehensive loss

—

—

—

(164.4)

(7.2)

(171.6)

Net income (loss)

—

—

(69.9)

—

19.4

(50.5)

Balance as of December 31, 2021

$

450.7 $

9,160.8 $

(4,903.8) $

(1,305.0) $

15.7 $

3,418.4

(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

NINE MONTHS ENDED SEPTEMBER 30, 2023 and 2022

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

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES

10

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

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

NOTE 3. REVENUE

applicable or were not expected to have a material impact on our financial statements.

We consider the applicability and impact of all ASUs. We assessed ASUs not listed above and determined that they either were not

and included in Accounts payable were approximately $135.9 million and $101.8 million, respectively.

statements of cash flows. As of September 30, 2023 and December 31, 2022, the amounts due to suppliers participating in the SCF

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

based on the original invoice amounts and maturity dates as consistent with our other Accounts payables.

and the terms of our payment obligations are not impacted by a supplier’s participation in the SCF. We agree to pay the SCF bank

participating suppliers negotiate their outstanding receivable directly with the SCF bank. We are not a party to those agreements

third-party financial institution which allows qualifying suppliers to sell their receivables from the Company to the SCF bank. These

We adopted the standard as of January 1, 2023. We facilitate a supply chain finance program (“SCF”) that is administered by a

forward information.

the balance sheet presentation of related amounts, the confirmed amount outstanding at the end of the period and associated roll

The amendments require a buyer that uses supplier finance programs to make annual disclosures about the program’s key terms,

Supplier finance programs may also be referred to as reverse factoring, payables finance, or structured payables arrangements.

Finance Program Obligations," which is intended to enhance the transparency surrounding the use of supplier finance programs.

In September 2022, the Financial Accounting Standards Board (the “FASB”) issued ASU No. 2022-04, "Disclosure of Supplier

Recently Adopted Accounting Standards under GAAP

NOTE 2. NEW ACCOUNTING STANDARDS

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

the year ending December 31, 2023.

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, 2022.

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

$

4,714.3

$

1,032.2

$

4,118.7

$

887.3

Middle East

48.6

263.1

73.2

183.6

Asia Pacific

208.8

58.9

586.3

70.6

Africa

614.2

35.9

653.3

25.7

North America

771.3

433.8

582.3

406.9

Europe and Central Asia

1,419.0

150.0

1,154.6

121.6

Latin America

$

1,652.4

$

90.5

$

1,069.0

$

78.9

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

September 30, 2023

September 30, 2022

Nine Months Ended

Reportable segments

Total revenue

$

1,708.3

$

348.6

$

1,415.0

$

318.0

Middle East

1.3

87.8

24.0

65.6

Asia Pacific

77.1

23.5

162.7

26.4

Africa

187.6

15.2

216.5

7.6

North America

269.2

137.5

205.1

146.2

Europe and Central Asia

520.0

54.8

395.0

42.1

Latin America

$

653.1

$

29.8

$

411.7

$

30.1

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

September 30, 2023

September 30, 2022

Three Months Ended

Reportable Segments

September 30, 2023 and 2022:

The following tables present total revenue by geography for each reportable segment for the three and nine months ended

Revenues are disaggregated by geographic location and contract types.

Disaggregation of Revenue

12

respectively, and $592.9 million and $471.7 million for the nine months ended September 30, 2023 and 2022, respectively.

that was included in the contract liabilities balance as of December 31, 2022 and 2021 was $90.3 million and $256.0 million,

recognize increases the contract asset balance. Revenue recognized for the three months ended September 30, 2023 and 2022

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

in advance.

The increase in our contract liabilities was driven from an overall portfolio and client mix enabling an acceleration of cash payments

The increase in our contract assets from December 31, 2022 to September 30, 2023 was due to the timing of project milestones.

Net contract assets (liabilities)

$

(33.3)

$

(174.8)

$

141.5

80.9

Contract liabilities

(1,237.9)

(1,156.4)

(81.5)

(7.0)

Contract assets

$

1,204.6

$

981.6

$

223.0

22.7

(In millions)

2023

2022

$ change

% change

September 30,

December 31,

The following table provides information about net contract assets (liabilities) as of September 30, 2023 and December 31, 2022:

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) on the condensed consolidated balance sheets. Any expected contract losses are

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 in

Contract Balances

Total revenue

$

4,714.3

$

1,032.2

$

4,118.7

$

887.3

Lease

65.1

136.2

44.3

113.2

Products

1,711.7

735.3

1,463.4

611.5

Services

$

2,937.5

$

160.7

$

2,611.0

$

162.6

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

September 30, 2023

September 30, 2022

Nine Months Ended

Reportable segments

Total revenue

$

1,708.3

$

348.6

$

1,415.0

$

318.0

Lease

39.7

43.4

14.0

38.4

Products

542.6

250.5

556.0

222.6

Services

$

1,126.0

$

54.7

$

845.0

$

57.0

(In millions)

Subsea

Technologies

Subsea

Technologies

Surface

Surface

September 30, 2023

September 30, 2022

Three Months Ended

Reportable Segments

September 30, 2023 and 2022:

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

13

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

operating profit: non-recurring legal settlement charges, corporate staff expense, foreign exchange gains (losses), loss from

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

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

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 crude 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 crude oil and natural gas.

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

be allocated to the segment. We operate under two reporting segments, Subsea and Surface Technologies:

Officer, as our chief operating decision maker, reviews and evaluates operating performance to make decisions about resources to

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 4. BUSINESS SEGMENTS

Total order backlog

$

1,486.4

$

4,736.1

$

7,008.2

Surface Technologies

340.4

261.1

555.6

Subsea

$

1,146.0

$

4,475.0

$

6,452.6

(In millions)

2023

2024

Thereafter

The following table details the order backlog for each business segment as of September 30, 2023:

the order backlog through 2023 and 88.8% thereafter.

transaction price allocated to order backlog was $13.2 billion. TechnipFMC expects to recognize revenue on approximately 11.2% of

unfilled, confirmed customer orders is estimated at each reporting date. As of September 30, 2023, the aggregate amount of the

base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to

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

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

Transaction Price Allocated to the Remaining Unsatisfied Performance Obligations

completion that impacted revenue.

unfavorable impact of $12.5 million and favorable impact of $119.2 million, respectively, from changes in the estimate of the stage of

estimate of the stage of completion that impacted revenue. For the nine months ended September 30, 2023 and 2022, we had

favorable impact of $97.2 million for the three months ended September 30, 2023 and 2022, respectively, from changes in the

Net revenue recognized from our performance obligations satisfied in prior periods had unfavorable impact of $8.8 million and

14

(b)

Includes amounts attributable to non-controlling interests.

compensation expenses, and other employee benefits.

(a)

Corporate expense includes a non-recurring legal settlement charge for the nine months ended September 30, 2023, corporate staff expenses, share-based

Income (loss) before income taxes

(b)

$

113.2

$

53.4

$

105.4

$

75.2

Total corporate items

(97.8)

(70.6)

(373.9)

(213.6)

Foreign exchange gains (losses)

(46.4)

(14.5)

(92.6)

13.1

Loss from investment in Technip Energies

—

—

—

(27.7)

Loss on early extinguishment of debt

—

—

—

(29.8)

Net interest expense

(26.7)

(30.9)

(75.7)

(92.5)

Corporate expense

(a)

(24.7)

(25.2)

(205.6)

(76.7)

Corporate items

Total segment operating profit

$

211.0

$

124.0

$

479.3

$

288.8

Surface Technologies

33.3

19.0

81.4

32.7

Subsea

$

177.7

$

105.0

$

397.9

$

256.1

Segment operating profit

Total segment revenue

$

2,056.9

$

1,733.0

$

5,746.5

$

5,006.0

Surface Technologies

348.6

318.0

1,032.2

887.3

Subsea

$

1,708.3

$

1,415.0

$

4,714.3

$

4,118.7

Segment revenue

(In millions)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine Months Ended

Segment revenue and segment operating profit were as follows:

15

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-

parties for capital expenditure purposes, or security deposits for lease arrangements.

Our loans receivables and other are related to dividends receivable, sales of long-lived assets or businesses, loans to related

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

NOTE 6. RECEIVABLES

Total

0.8

1.6

1.4

1.6

Share option awards

0.8

1.6

1.4

1.6

(millions of shares)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine Months Ended

weighted average number of shares, because their effect would be anti-dilutive:

weighted average number of shares, where the assumed proceeds exceed the average market price from the calculation of diluted

Weighted average shares of the following share-based compensation awards were excluded from the calculation of diluted

shares was anti-dilutive.

For the nine months ended September 30, 2022, we incurred a loss from continuing operations; therefore, the impact of 6.6 million

Diluted

$

0.20 $

(0.02) $

0.01 $

(0.16)

Basic

$

0.21 $

(0.02) $

0.01 $

(0.16)

Total earnings (loss) per share attributable to TechnipFMC plc

Basic and diluted

$

0.00 $

(0.03) $

0.00 $

(0.08)

Loss per share from discontinued operations attributable to TechnipFMC plc

Diluted

$

0.20 $

0.01 $

0.01 $

(0.08)

Basic

$

0.21 $

0.01 $

0.01 $

(0.08)

plc

Earnings (loss) per share from continuing operations attributable to TechnipFMC

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

Total shares and dilutive securities

450.3

458.1

452.9

451.1

Dilutive effect of performance shares

8.1

2.6

7.6

—

Dilutive effect of restricted stock units

5.3

5.4

5.6

—

Weighted average number of shares outstanding

436.9

450.1

439.7

451.1

Net income (loss) attributable to TechnipFMC plc

$

90.0 $

(10.3) $

3.2 $

(69.9)

Loss from discontinued operations attributable to TechnipFMC plc

—

(15.3)

—

(34.7)

Income (loss) from continuing operations attributable to TechnipFMC plc

$

90.0 $

5.0 $

3.2 $

(35.2)

(In millions, except per share data)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine Months Ended

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

NOTE 5. EARNINGS (LOSS) PER SHARE

16

Inventories, net

$

1,158.5

$

1,039.7

Finished goods

577.1

570.3

Work in process

167.6

152.0

Raw materials

$

413.8

$

317.4

(In millions)

2023

2022

September 30,

December 31,

Inventories consisted of the following:

NOTE 7. 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 September 30, 2022

$

35.9 $

1.2 $

0.5 $

1.2

Recoveries

(2.2)

—

—

—

Current period provision (release) for expected credit losses

—

0.1

(0.1)

(1.5)

Allowance for credit losses at December 31, 2021

$

38.1 $

1.1 $

0.6 $

2.7

(In millions)

receivables

assets

other

debt securities

Trade

Contract

receivable and

Held-to-maturity

Loans

Balance as of September 30, 2022

Allowance for credit losses at September 30, 2023

$

35.7

$

1.6

$

0.4

$

—

Recoveries

(0.6)

—

—

—

Current period provision (release) for expected credit losses

2.1

0.5

0.1

(0.2)

Allowance for credit losses at December 31, 2022

$

34.2

$

1.1

$

0.3

$

0.2

(In millions)

receivables

assets

other

debt securities

Trade

Contract

receivable and

Held-to-maturity

Loans

Balance as of September 30, 2023

The table below shows the roll forward of allowance for credit losses as of September 30, 2023 and 2022, respectively.

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

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

looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

amount written-off over the life of the financial assets and contract assets and adjust these historical credit loss trends for forward-

To calculate an expected credit loss for contract assets and trade receivables, we develop loss-rate statistics on the basis of the

Credit Losses

Total financial assets

$

140.8

$

67.2

cost

Moody’s rating B3

2021

1.4

Moody’s rating B3

2021

16.2

Debt securities at amortized

Loans receivables and other

Ba2

2020-2023

$

139.4

-Ba2

2020-2022

$

51.0

Moody’s rating A3 -

Moody’s rating Aa3

(In millions)

Credit rating

Year of origination

Balance

Credit rating

Year of origination

Balance

September 30, 2023

December 31, 2022

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

17

$170.0 million dividend. TechnipFMC’s 50% share of this dividend is included in other current assets as of September 30, 2023.

using the equity method of accounting with results reported in our Subsea segment. In June 2023, Dofcon Brasil declared a

support from other parties. We are not the primary beneficiary of the VIE. As such, we have accounted for our 50% investment

is considered a VIE because it does not have sufficient equity to finance its activities without additional subordinated financial

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

2006. Dofcon Brasil AS is a holding company, which owns and controls TechDof Brasil AS and Dofcon Navegacao Ltda, collectively

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

Our major equity method investments are as follows:

and nine months ended September 30, 2022 was $13.8 million and $23.5 million, respectively.

our income from equity affiliates was $20.6 million and $35.9 million, respectively. Our income from equity affiliates during the three

Our income from equity affiliates is included in our Subsea segment. During the three and nine months ended September 30, 2023,

NOTE 9. INVESTMENTS

(a) See Note 13 for additional details.

Total other current liabilities

$

818.6

$

736.5

Other accrued liabilities

131.3

138.0

Current portion of accrued pension and other post-retirement benefits

4.5

2.5

Provisions

7.9

9.1

Warranty accruals and project contingencies

56.6

87.6

Legal provisions

57.0

116.7

Social security liability

58.9

70.9

Value-added tax and other taxes payable

79.0

65.3

Legal settlement liability

(a)

164.0

—

Compensation accrual

$

259.4

$

246.4

(In millions)

2023

2022

September 30,

December 31,

Other current liabilities consisted of the following:

Total other current assets

$

577.2

$

455.0

Other

49.0

23.6

Held-to-maturity investments

1.3

15.1

Assets held for sale

2.6

18.6

Current financial assets at amortized cost

91.8

12.4

Prepaid expenses

98.5

61.9

Withholding tax and other receivables

139.0

137.8

Value-added tax receivables

$

195.0

$

185.6

(In millions)

2023

2022

September 30,

December 31,

Other current assets consisted of the following:

NOTE 8. OTHER CURRENT ASSETS & OTHER CURRENT LIABILITIES

18

Total revenue

$

1.7

$

5.2

$

11.6

$

13.6

Others

1.2

3.6

5.2

6.6

Dofcon

$

0.5

$

1.6

$

6.4

$

7.0

(In millions)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine Months Ended

Revenue from related parties consisted of the following amounts:

As of September 30, 2023 and December 31, 2022, we did not have material accounts payable outstanding with our related parties.

Total accounts receivable

$

9.9

$

17.9

Others

1.1

1.3

Dofcon

$

8.8

$

16.6

(In millions)

2023

December 31, 2022

September 30,

Accounts receivable due from related parties consisted of the following:

consolidated joint ventures, were as follows.

transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our

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

NOTE 10. RELATED PARTY TRANSACTIONS

investment.

The amounts recognized include purchase price discounts on the sales of shares and fair value revaluation gains (losses) of our

For the nine months ended September 30, 2022, we recognized a $27.7 million loss related to our investment in Technip Energies.

During 2022, we fully divested our remaining ownership in Technip Energies.

Investment in Technip Energies

value of our investment.

not note any impairment indicators, which were other than temporary, and thus no impairment has been recorded on the carrying

repairs is dependent on various factors and the vessel will not be on-hire before 2024. As a result of the incident, the Company did

get the vessel back in operations. Repairs on the vessel are expected to start during the fourth quarter of 2023. The time of the

sustained. TechDof Brasil AS and TechnipFMC have cooperated in the investigation of the fire and its cause, and in the process to

Porto do Açu in Brazil. The fire was brought under control after efforts by the crew and local authorities, and no serious injuries were

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 $397.3 million as of September 30, 2023.

longer required. Accordingly, TechnipFMC has not recognized a liability related to its guarantees. TechnipFMC and DOF provide

result of the restructure within DOF Group, the cross default provisions ceased to exist and therefore waivers and consents are no

or consents from the lenders. Dofcon and Techdof continue to service the credit facilities as per the terms of the agreements. As a

guarantees, and the acceleration clauses within the debt instruments were not enforceable as Dofcon and Techdof obtained waivers

of the joint venture), and DOF Services AS is the new holding company of DOF Group. The lenders made no claims under the

wholly owned subsidiary DOF Subsea. During March 2023, DOF ASA completed the process of restructuring (unrelated and outside

provisions in the credit facilities of certain joint ventures associated with the parent company guarantees provided by itself and its

During 2022, DOF ASA, the parent company of DOF Subsea, underwent a bankruptcy process that triggered cross default

Dofcon and Techdof, two 50%-50% legal entities owned in partnership with DOF Group have debts related to loans on its vessels.

19

•

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

Secured Overnight Financing Rate (“Adjusted Term SOFR”); and

•

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:

$1,195.8 million.

September 30, 2023, there were $54.2 million letters of credit outstanding, and our availability under the Credit Agreement was

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

of credit sub-facility.

extends the term to five years from the date of the Amendment No. 5. The Credit Agreement also provides for a $250.0 million letter

“Credit Agreement”), dated February 16, 2021, which increases the commitments available to the Company to $1.25 billion and

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

interest expense over the term of the Revolving Credit Facility.

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

$34.8 million of debt issuance costs in connection with the Revolving Credit Facility. These debt issuance costs are deferred and

senior secured multi-currency Revolving Credit Facility, including a $450.0 million letter of credit sub-facility. We incurred

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

$

933.5

$

999.3

Less: current borrowings

407.3

367.3

Total debt

1,340.8

1,366.6

Unamortized debt issuance costs and discounts

(8.4)

(10.4)

Bank borrowings and other

372.8

394.9

3.75% 2013 Private placement notes due 2033

106.0

106.7

4.00% 2012 Private placement notes due 2032

106.0

106.7

4.00% 2012 Private placement notes due 2027

79.5

80.1

6.50% Senior notes due 2026

202.9

202.9

5.75% 2020 Private placement notes due 2025

211.9

213.5

3.15% 2013 Private placement notes due 2023

270.1

272.2

(In millions)

2023

2022

September 30,

December 31,

Long-term debt consisted of the following:

Overview

NOTE 11. DEBT

Total expenses

$

8.5

$

14.2

$

35.4

$

38.4

Others

1.7

7.9

15.3

26.0

Dofcon

$

6.8

$

6.3

$

20.1

$

12.4

(In millions)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine Months Ended

Expenses associated with related parties consisted of the following amounts:

20

shares could be subject to repurchase. All repurchased shares were immediately cancelled.

repurchase authority of $549.7 million and the closing stock price as of September 30, 2023, approximately 27.0 million ordinary

purchased an aggregate amount of $250.3 million of ordinary shares through September 30, 2023. Based upon the remaining

during the three months ended September 30, 2023. Since the initial share repurchase authorization in July 2022, we have

under our share repurchase program. Pursuant to this share repurchase program, we repurchased $50.1 million of ordinary shares

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

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

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

September 30, 2023 was $21.8 million.

this dividend represents $0.20 per share on an annualized basis. Cash dividends paid during the three and nine months ended

business on the New York Stock Exchange on August 22, 2023. The Company intends to pay dividends on a quarterly basis, and

per share. The cash dividend of $0.05 per share was paid on September 6, 2023, to shareholders of record as of the close of

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

NOTE 12. STOCKHOLDERS’ EQUITY

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 September 30, 2023, we were in compliance with all debt covenants.

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

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

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% senior notes due 2026 (the “2021 Notes”). The interest on the

longer apply to the Company.

provided by certain subsidiaries of the Company shall be automatically released (“fall-away”) and certain negative covenants will no

conditions precedent, the collateral securing the Credit Agreement and the Performance LC Credit Agreement and the guarantees

Upon the occurrence of an Investment Grade Debt Rating by any two of three Rating Agencies and the satisfaction of certain other

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

the Credit Agreement) loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Credit Agreement is

The applicable margin for borrowings under the Credit Agreement ranges from 2.50% to 3.50% for Term Benchmark (as defined in

21

September 30, 2022

(1,255.5)

(90.8)

(123.1)

(1,469.4)

(12.9)

Other comprehensive income (loss), net of tax

(97.1)

(73.5)

6.2

(164.4)

(7.2)

income (loss), net of tax

—

18.5

9.2

27.7

—

Reclassification adjustment for net losses included in net

tax

(97.1)

(92.0)

(3.0)

(192.1)

(7.2)

Other comprehensive loss before reclassifications, net of

December 31, 2021

$

(1,158.4) $

(17.3) $

(129.3) $

(1,305.0) $

(5.7)

September 30, 2023

(1,182.2)

(40.1)

(99.4)

(1,321.7)

(6.0)

Other comprehensive income (loss), net of tax

(4.5)

(23.0)

7.5

(20.0)

3.8

in net income (loss), net of tax

(0.1)

(3.8)

6.8

2.9

—

Reclassification adjustment for net (gains) losses included

reclassifications, net of tax

(4.4)

(19.2)

0.7

(22.9)

3.8

Other comprehensive income (loss) before

December 31, 2022

$

(1,177.7) $

(17.1) $

(106.9) $

(1,301.7) $

(9.8)

(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

September 30, 2022

$

(1,255.5) $

(90.8) $

(123.1) $

(1,469.4) $

(12.9)

Other comprehensive income (loss), net of tax

(97.2)

(26.7)

1.5

(122.4)

(2.8)

income, net of tax

—

6.7

3.0

9.7

—

Reclassification adjustment for net losses included in net

tax

(97.2)

(33.4)

(1.5)

(132.1)

(2.8)

Other comprehensive loss before reclassifications, net of

June 30, 2022

$

(1,158.3) $

(64.1) $

(124.6) $

(1,347.0) $

(10.1)

September 30, 2023

$

(1,182.2) $

(40.1) $

(99.4) $

(1,321.7) $

(6.0)

Other comprehensive income (loss), net of tax

(57.6)

(6.7)

2.8

(61.5)

7.0

in net income (loss), net of tax

—

(12.4)

2.3

(10.1)

—

Reclassification adjustment for net (gains) losses included

reclassifications, net of tax

(57.6)

5.7

0.5

(51.4)

7.0

Other comprehensive income (loss) before

June 30, 2023

$

(1,124.6) $

(33.4) $

(102.2) $

(1,260.2) $

(13.0)

(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 nine months ended September 30, 2023 and 2022 consisted of the

22

results of operations, or cash flows.

We believe the ultimate resolution of our known contingencies will not materially adversely affect our consolidated financial position,

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

$

1,978.6

$

1,628.4

Performance guarantees

(b)

1,793.3

1,458.2

Financial guarantees

(a)

$

185.3

$

170.2

(In millions)

2023

2022

September 30,

December 31,

Guarantees made by our consolidated subsidiaries consisted of the following:

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 13. COMMITMENTS AND CONTINGENT LIABILITIES

(a)

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

$

(2.3) $

(3.0) $

(6.8) $

(9.2) Net income (loss)

(0.5)

(2.9)

1.5

(6.0) Provision for income taxes

(2.8)

(5.9)

(5.3)

(15.2) Income (loss) before income taxes

Amortization of net actuarial loss

(2.7)

(5.8)

(5.1)

(14.9) Other income (expense), net (a)

(cost)

$

(0.1) $

(0.1) $

(0.2) $

(0.3) Other income (expense), net (a)

Amortization of prior service credit

Pension and other post-retirement benefits

Net income (loss)

$

12.4 $

(6.7) $

3.8 $

(18.5)

6.6

(2.5)

2.9

(7.4) Provision for income taxes

19.0

(9.2)

6.7

(25.9) Income (loss) before income taxes

(2.1)

(2.2)

(6.5)

(11.1) Other income (expense), net

(0.1)

—

(0.2)

(0.3) Selling, general and administrative expense

21.7

(5.6)

22.4

(12.6) Cost of sales

Foreign exchange contracts

$

(0.5) $

(1.4) $

(9.0) $

(1.9) Revenue

Gains (losses) on hedging instruments

Components

Income (Loss)

Consolidated Statements of Income

Comprehensive Income (loss)

Amount Reclassified out of Accumulated Other Comprehensive

Affected Line Item in the Condensed

Details about Accumulated Other

(In millions)

2023

2022

2023

2022

September 30,

September 30,

Three Months Ended

Nine Months Ended

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

23

does not involve any admission of liability or guilt.

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

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

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

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

Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an

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

corruption program during the term of the DPA.

guilty to 1 count of conspiracy to violate the FCPA related to conduct in Brazil. We also provided the DOJ reports on our anti-

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

our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

CGU/AGU to resolve these anti-corruption investigations. We were not required to have a monitor and, instead, provided reports on

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF and the

with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these matters.

the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and also contacted and cooperated

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

cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted

projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We

DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ also inquired about

and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also raised with the

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003

cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

Corrupt Practices Act (“FCPA”). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We

investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (“DOJ”) related to the DOJ's

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 consolidated

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

24

hedged item.

related to derivatives designated as cash flow and fair value hedges are classified consistently with the cash flows of the associated

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

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 15. 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

valuation allowance, a change in other discrete adjustments and in geographical profit mix year over year.

121.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full

Our provision for income taxes for the nine months ended September 30, 2023 and 2022 reflected effective tax rates of 95.1% and

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

80.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full

Our provision for income taxes for the three months ended September 30, 2023 and 2022 reflected effective tax rates of 17.2% and

NOTE 14. INCOME TAXES

operations or cash flows.

2022, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of

management believes we have appropriately recognized probable liquidated damages at September 30, 2023 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

September 30, 2023.

foreign exchange impact, of $164.0 million in other current liabilities in our condensed consolidated balance sheet as of

provision. After making a scheduled installment payment of €24.7 million on July 13, 2023, we have an outstanding balance, after

€29.45 million. During the three-months ended June 30, 2023, we recorded a $126.5 million liability incremental to our existing

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

25

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 16 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

12.9

12.9

Euro

(16.9)

(17.9)

Norwegian krone

3.3

0.3

Brazilian real

28.4

5.7

(In millions)

USD Equivalent

Bought (Sold)

Net Notional Amount

net positions:

purchase goods in certain countries. As of September 30, 2023, our portfolio of these instruments included the following material

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

U.S. dollar

(2,711.1)

(2,711.1)

British pound

(48.0)

(58.8)

Swedish krona

114.1

10.5

Indian rupee

1,111.5

13.4

Malaysian ringgit

64.7

13.8

Czech koruna

372.1

16.2

Canadian dollar

66.3

49.3

Singapore dollar

84.1

61.6

Indonesian rupiah

2,006,373.6

129.6

Brazilian real

1,061.8

212.1

Australian dollar

349.0

226.2

Norwegian krone

4,250.1

400.0

Euro

1,472.6

1,560.2

(In millions)

USD Equivalent

Bought (Sold)

Net Notional Amount

consolidated balance sheets. As of September 30, 2023, 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:

26

Foreign exchange contracts

$

1.4 $

(43.9) $

(16.3) $

(107.6)

(In millions)

2023

2022

2023

2022

Three Months Ended

Nine Months Ended September 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

expected to occur by the second half of 2026.

the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are

December 31, 2022, respectively. We expect to transfer an approximate $2.3 million loss from accumulated OCI to earnings during

comprehensive loss of $41.6 million and accumulated other comprehensive income of $18.5 million as of September 30, 2023 and

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

Total derivatives

$

152.6

$

213.8

$

289.9

$

350.2

Total derivatives not designated as hedging instruments

16.9

23.7

27.9

14.1

Long-term - Derivative financial instruments

0.1

—

—

—

Current - Derivative financial instruments

16.8

23.7

27.9

14.1

Foreign exchange contracts

Derivatives not designated as hedging instruments

Total derivatives designated as hedging instruments

135.7

190.1

262.0

336.1

Long-term - Derivative financial instruments

12.6

25.6

7.2

3.6

Current - Derivative financial instruments

$

123.1

$

164.5

$

254.8

$

332.5

Foreign exchange contracts

Derivatives designated as hedging instruments

(In millions)

Assets

Liabilities

Assets

Liabilities

September 30, 2023

December 31, 2022

balance sheets:

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

27

Derivative liabilities

$

213.8

$

(98.5)

$

115.3

$

350.2

$

(142.5)

$

207.7

Derivative assets

$

152.6

$

(98.5)

$

54.1

$

289.9

$

(142.5)

$

147.4

(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

September 30, 2023

December 31, 2022

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

and assets and liabilities are not offset. As of September 30, 2023 and December 31, 2022, we had no collateralized derivative

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

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

Total

$

6.0

$

(5.8)

$

(1.2)

$

30.7

$

6.3

$

(22.0)

$

0.1

$

(50.4)

instruments

(0.1)

(0.8)

—

(33.1)

—

(0.8)

—

(8.0)

derivatives not designated as hedging

Gain (loss) recognized in income on

income

6.1

(5.0)

(1.2)

63.8

6.3

(21.2)

0.1

(42.4)

Total hedge gain (loss) recognized in

recognized in income

6.1

(5.0)

(1.2)

63.8

6.3

(21.2)

0.1

(42.4)

Total cash flow hedge gain (loss)

testing

15.1

(27.4)

(1.0)

69.8

8.2

(8.6)

0.4

(31.3)

Amounts excluded from effectiveness

OCI to income (loss)

$

(9.0)

$

22.4

$

(0.2)

$

(6.0)

$

(1.9)

$

(12.6)

$

(0.3)

$

(11.1)

Amounts reclassified from accumulated

hedges and derivatives

Revenue

sales

expense

(expense), net

Revenue

sales

expense

(expense), net

statements of income associated with

Cost of

administr ative

Other income

Cost of

administr ative

Other income

presented in the consolidated

and

and

Total amount of income (expense)

general

general

Selling,

Selling,

(In millions)

Nine Months Ended September 30, 2023

Nine Months Ended September 30, 2022

Total

$

5.9

$

14.4

$

(0.5)

$

(39.7)

$

3.9

$

(9.8)

$

(0.1)

$

(35.9)

not designated as hedging instruments

—

(0.5)

—

(29.6)

0.1

0.6

—

(22.0)

Loss recognized in income on derivatives

income

$

5.9

$

14.9

$

(0.5)

$

(10.1)

$

3.8

$

(10.4)

$

(0.1)

$

(13.9)

Total hedge gain (loss) recognized in

recognized in income

5.9

14.9

(0.5)

(10.1)

3.8

(10.4)

(0.1)

(13.9)

Total cash flow hedge gain (loss)

testing

6.5

(6.8)

(0.4)

(8.5)

5.2

(4.8)

(0.1)

(11.7)

Amounts excluded from effectiveness

OCI to income (loss)

$

(0.6)

$

21.7

$

(0.1)

$

(1.6)

$

(1.4)

$

(5.6)

$

—

$

(2.2)

Amounts reclassified from accumulated

hedges and derivatives

Revenue

sales

expense

(expense), net

Revenue

sales

expense

(expense), net

statements of income associated with

Cost of

administr ative

Other income

Cost of

administr ative

Other income

presented in the consolidated

and

and

Total amount of income (expense)

general

general

Selling,

Selling,

(In millions)

Three Months Ended September 30, 2023

Three Months Ended September 30, 2022

three and nine months ended September 30, 2023 and 2022:

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

28

$912.8 million and $916.3 million as of September 30, 2023 and December 31, 2022, 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 15 for further details.

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

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 size

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

amortized cost, which approximates fair value.

Held-to-maturity debt securities - Held-to-maturity debt securities consist of government bonds. These investments are stated at

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

$

213.8

$

—

$

213.8

$

—

$

350.2

$

—

$

350.2

$

—

Foreign exchange contracts

213.8

—

213.8

—

350.2

—

350.2

—

Derivative financial instruments

Liabilities

Total assets

$

178.0

$

22.1

$

155.5

$

—

$

327.6

$

19.8

$

307.4

$

—

Foreign exchange contracts

152.6

—

152.6

—

289.9

—

289.9

—

Derivative financial instruments

Held-to-maturity debt securities

1.3

—

1.3

—

16.0

—

16.0

—

Money market and stable value funds

2.0

—

1.6

—

1.9

—

1.5

—

Equity securities

22.1

22.1

—

—

19.8

19.8

—

—

Investments

Assets

(In millions)

Total

Level 1

Level 2

Level 3

Total

Level 1

Level 2

Level 3

September 30, 2023

December 31, 2022

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

NOTE 16. FAIR VALUE MEASUREMENTS

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Exchange on November 21, 2023. The ex-dividend date is November 20, 2023.

$0.05 per share, payable on December 6, 2023 to shareholders on record as of the close of business on the New York Stock

On October 24, 2023, the Company announced that its Board of Directors authorized and declared a quarterly cash dividend of

NOTE 18. SUBSEQUENT EVENTS

operations related to a change in estimate in the French tax group.

September 30, 2022, we recorded $(0.5) million and $18.9 million, respectively, in income tax (benefit) expense from discontinued

due to a change in estimate of liabilities recognized in connection with the Spin-off. Also for the three and nine months ended

For both the three and nine months ended September 30, 2022, we recorded $15.8 million in expense from discontinued operations

the Spin-off.

TechnipFMC and Technip Energies of assets, employees, taxes, liabilities and obligations attributable to periods prior to, at and after

agreement and certain agreements relating to intellectual property. These agreements provide for the allocation between

various other agreements, including, among others, a tax matters agreement, an employee matters agreement, a transition services

In connection with the Spin-off, TechnipFMC and Technip Energies entered into a separation and distribution agreement, as well as

every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard Time, on the record date, February 17, 2021.

outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for

a spin-off (the “Spin-off”), which occurred by way of a pro rata dividend (the “Distribution”) to our shareholders of 50.1% of the

On February 16, 2021, we completed our separation of the Technip Energies business segment. The transaction was structured as

NOTE 17. DISCONTINUED OPERATIONS

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

30

wide way of working.

are both real and sustainable. This has paved the way for other products to adopt a similar operating model, enabling an enterprise-

resulting in up to 25% lower product cost and a shortened 12-month delivery time for subsea production equipment – savings that

product and process standardization. CTO has allowed us to redefine our sourcing strategy and transform our manufacturing flow,

their unique and evolving needs, but also provides them with the significant speed, cost and efficiency benefits that come with

transformational to the future of our Company. Our customers require a product platform that provides them with choices that meet

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

for TechnipFMC.

driving real change in our industry that further improves the economics of our customers’ projects while driving greater efficiencies

times. The industrialization of our project business through the introduction of configure-to-order (“CTO”) is another way we are

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

fundamental and sustainable as a result of new business models and technology pioneered by our Company.

subsea investments coming much earlier in the cycle and more in parallel with U.S. land markets. We believe these changes are

Offshore economics have materially improved, and subsea cycle-times have become significantly shorter. This has resulted in new

remain a significant part of many of our customers’ portfolios.

discoveries can be developed economically well below today’s crude oil prices. We believe deepwater development is likely to

Subsea – Innovative approaches to subsea projects, like our iEPCI solution, have improved project economics, and many offshore

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

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

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

We are also committed to the energy transition, where we believe that offshore will play a meaningful role in the transition to

resources will remain an important part of the energy mix for an extended period.

international markets and is uniquely positioned to take full advantage of this growth opportunity. We are confident that conventional

expected to accelerate in support of longer-term production targets. TechnipFMC has leading positions in many of these

and the Middle East. Investment in the Middle East occurs in both offshore and surface environments, with capital spending

gas production will increase over the intermediate-term, fueled by an expansion of activity in international markets – largely offshore

We are in the midst of a multi-year growth cycle for energy demand. We believe that investment in new sources of oil and natural

ensure the continuity of affordable energy while also playing an essential role in the energy transition.

across the globe. As a result, the energy industry has accelerated its efforts to address the essential need for hydrocarbons today to

With long-term energy demand forecast to increase, the conflict in Ukraine has highlighted the need for greater energy security

the longer-term outlook for oil prices.

contributed to a current supply deficit that has resulted in increased upstream spending, lending support to a constructive view on

seen by production cuts that are expected to remain in place through the end of 2024. An extended period of underinvestment has

evident for OPEC+ countries who are focused on realizing a price that supports both economic growth and energy investment, as

Oil prices continue to be supported by regional geopolitical tensions and the industry’s more disciplined capital spend. This is

year.

economies. Still, higher global gross domestic product (GDP) in aggregate is anticipated to support growth in energy demand this

inflation and reduced availability of credit related to regional banking concerns have increased the risk of a mild recession in some

Overall Outlook – The global economy is forecast to grow in 2023. Increased lending rates by central banks aimed at slowing

BUSINESS OUTLOOK

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

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and Saudi Vision 2030. The Middle East remains one of our largest market opportunities in the current decade.

supports our commitment to develop a diverse and capable workforce as part of Aramco’s In-Kingdom Total Value Add Program

increase its sustainable oil capacity and significantly expand its natural gas production over the next decade. Our new facility also

and associated services. We have also added new manufacturing capabilities in Saudi Arabia, where the country is expected to

We continue to execute on our multi-year framework agreement with Abu Dhabi National Oil Company to provide wellheads, trees

exposure to the Middle East, the North Sea and Asia Pacific.

companies which tend to maintain a longer-term view that exhibits less variability in capital spend. We continue to benefit from our

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

equipment, global services and local content, provide a platform for us to extend our leadership positions.

visibility for international growth in 2023. TechnipFMC’s unique capabilities in these markets, which demand higher specification

International markets represented approximately 61% of total segment revenue in the third quarter. Our backlog provides us with

methane flaring by up to 50% and maximizes oil production.

uses proprietary process automation to provide the industry’s only real-time monitoring and control system that both reduces

revenue in the period. We continue to progress well on our E-Mission solution for onshore production facilities. The digital offering

In the third quarter, operating profit in North America benefited from strategic actions taken in prior quarters that helped offset lower

America.

Operating results can be further impacted by stimulation activity and the completions intensity of shale applications in North

Surface Technologies – Our performance typically is driven by variations in global drilling activity, creating a dynamic environment.

Services to represent more than 70% of inbound orders in 2023.

supported by the continued expansion in our installed base. When taken together, we expect direct awards, iEPCI and Subsea

approximately 50% of Subsea inbound orders year-to-date. We also anticipate growth in Subsea Services revenue to $1.3 billion,

over-year. Growth in the current year is expected to be driven by a significant increase in iEPCI awards, which represented

orders in all of 2022. We now believe that Subsea orders will exceed $9 billion for the full year, an increase of at least 34% year-

The Company’s order momentum continued in the third quarter, with year-to-date Subsea inbound of $8.5 billion exceeding our total

and support our view that investment in conventional energy resources will continue.

producers of deepwater resources during this decade. These examples demonstrate the strength of the current investment cycle

operators in basins near countries such as Suriname, Namibia and Colombia, and we believe additional countries will become

There is also exploration activity occurring in new offshore frontiers. Recent oil and gas discoveries have been announced by

extensive installed base.

North Sea, Gulf of Mexico and West Africa – all regions in which we have a strong presence and are well-positioned due to our

Guyana and Africa. We also expect increased tie-back activity, with growth from these smaller projects to come primarily from the

next 24 months. The average project size has also risen due to an increased number of large, greenfield opportunities in Brazil,

towards final investment decision, resulting in a robust set of large subsea projects that we anticipate could be sanctioned over the

The pipeline of front-end engineering and design studies continues to expand. More projects in advanced stages are moving

next year.

stay at or above this level in the intermediate term, supported in part by the extension of OPEC+ production cuts through the end of

economics and concerns regarding the security of energy supply. Crude is currently priced above $80 per barrel and is projected to

We continue to experience increased operator confidence in advancing subsea activity in response to both improved project

new adopters, more clients are recognizing the benefits of our CTO product portfolio.

provide Subsea 2.0

TM

production systems for gas field developments offshore Australia. As evidenced by the addition of these three

Subsea 2.0

TM

for the first time in the second quarter. In the same period, we also signed a 20-year frame agreement with Chevron to

We continue to drive further adoption of our Subsea 2.0

TM

configurable product platform, with Equinor and ExxonMobil both utilizing

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restructuring expenses mainly associated with impairment of assets and exiting our operations in Canada and Russia.

site in Mexico. During the three months ended September 30, 2022, we incurred $3.6 million impairment and $3.3 million

which $1.9 million was impairment of equipment and right-of-use assets and $1.8 million restructuring costs from the closure of a

We incurred $4.3 million of impairment, restructuring and other expenses during the three months ended September 30, 2023, of

Impairment, Restructuring and Other Expenses

both segments.

Selling, general and administrative expense increased $31.9 million year-over-year, in support of increased business activities in

Selling, General and Administrative Expense

East activity.

$13.1 million, of which $9.4 million due to North America’s improved operational performance and $6.4 million due to higher Middle

to volume increase and $52.7 million in favorable activity mix. Surface Technologies gross profit increased year-over-year by

to $256.0 million in the prior-year period. Subsea gross profit increased year over year by $94.7 million, of which $42.0 million is due

Gross profit (revenue less cost of sales) increased to $366.9 million during the three months ended September 30, 2023, compared

Gross Profit

out of which $22.2 million is due to increased activity in the Middle East.

31, 2022, converting into an increase in project revenues over the period. Surface Technologies revenue increased by $30.6 million,

Subsea revenue increased by $293.3 million, primarily driven by a 24.5% higher backlog as of December 31, 2021, than December

Revenue increased $323.9 million during the three months ended September 30, 2023, compared to the same period in 2022.

Revenue

Net Income (loss) attributable to TechnipFMC plc

$

90.0

$

(10.3)

$

100.3

973.8

Loss from discontinued operations

—

(15.3)

15.3

100.0

Income (loss) from continuing operations attributable to TechnipFMC plc

90.0

5.0

85.0

1,700.0

(Income) from continuing operations attributable to non-controlling interests

(3.7)

(5.7)

2.0

35.1

Income from continuing operations

93.7

10.7

83.0

775.7

Provision for income taxes

19.5

42.7

(23.2)

(54.3)

Income before income taxes

113.2

53.4

59.8

112.0

Net interest expense

(26.7)

(30.9)

4.2

13.6

Income from equity affiliates

20.6

13.8

6.8

49.3

Other income (expense), net

(41.5)

(10.3)

(31.2)

(302.9)

Total costs and expenses

1,896.1

1,652.2

243.9

14.8

Impairment, restructuring and other expenses

4.3

6.9

(2.6)

(37.7)

Research and development expense

17.5

19.0

(1.5)

(7.9)

Selling, general and administrative expense

183.8

151.9

31.9

21.0

Cost of sales

1,690.5

1,474.4

216.1

14.7

Costs and expenses

Revenue

$

2,056.9

$

1,733.0

$

323.9

18.7

(In millions, except %)

2023

2022

$

%

September 30,

Change

Three Months Ended

THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC

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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

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

80.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full

Our provision for income taxes for the three months ended September 30, 2023 and 2022 reflected effective tax rates of 17.2% and

Provision for Income Taxes

same period in 2022, due to movement in outstanding debt and fluctuation in interest rates.

Net interest expense of $26.7 million decreased by $4.2 million in the three months ended September 30, 2023, compared to the

Net Interest Expense

$13.8 million, respectively, resulting from an increase in operational activity of our joint ventures.

For the three months ended September 30, 2023 and 2022, we recorded income from equity method affiliates of $20.6 million and

Income (Loss) from Equity Affiliates

expense is driven by the impact of net foreign exchange losses in the quarter.

on sales of property, plant and equipment and non-operating gains and losses. The $31.2 million year-over-year increase in net

Other income (expense), net, includes gains and losses associated with the remeasurement of net cash positions, gains and losses

Other Income (Expense), Net

34

segments.

Selling, general and administrative expense increased by $33.1 million year-over-year, in support of increased activities in both

Selling, General and Administrative Expense

higher activity in the Middle East.

by $43.9 million, of which $23.4 million is driven by North America’s improved operational performance and $21.3 million due to

due to volume increase and $124.5 million due to favorable activity mix. Surface Technologies gross profit increased year-over-year

to $674.0 million in the prior-year period. Subsea gross profit increased year-over-year by $199.9 million, of which $75.4 million is

Gross profit (revenue less cost of sales) increased to $920.5 million during the nine months ended September 30, 2023, compared

Gross Profit

which $79.5 million and $26.9 million are due to increase in operator activity in the Middle East and North America, respectively.

an increase of $530.2 million in project revenues. Surface Technologies revenue increased by $144.9 million, year-over-year, of

Subsea revenue increase was driven by 24.5% higher backlog as of December 31, 2021, than December 31, 2022, converting into

Revenue increased by $740.5 million during the nine months ended September 30, 2023, compared to the same period in 2022.

Revenue

Net income (loss) attributable to TechnipFMC plc

$

3.2

$

(69.9)

$

73.1

104.6

Loss from discontinued operations

—

(34.7)

34.7

100.0

Income (loss) from continuing operations attributable to TechnipFMC plc

3.2

(35.2)

38.4

109.1

(Income) from continuing operations attributable to non-controlling interests

(2.0)

(19.4)

17.4

89.7

Income (loss) from continuing operations

5.2

(15.8)

21.0

132.9

Provision for income taxes

100.2

91.0

9.2

10.1

Income before income taxes

105.4

75.2

30.2

40.2

Net interest expense

(75.7)

(92.5)

16.8

18.2

Loss on early extinguishment of debt

—

(29.8)

29.8

100.0

Loss from investment in Technip Energies

—

(27.7)

27.7

100.0

Income from equity affiliates

35.9

23.5

12.4

52.8

Other income (expense), net

(225.1)

33.5

(258.6)

(771.9)

Total costs and expenses

5,376.2

4,837.8

538.4

11.1

Impairment, restructuring and other expenses

10.0

15.1

(5.1)

(33.8)

Research and development expense

49.7

45.1

4.6

10.2

Selling, general and administrative expense

487.7

454.6

33.1

7.3

Cost of sales

4,828.8

4,323.0

505.8

11.7

Costs and expenses

Revenue

$

5,746.5

$

5,006.0

$

740.5

14.8

(In millions, except %)

2023

2022

$

%

September 30,

Change

Nine Months Ended

NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC

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Note 17 for further details.

Loss from discontinued operations, net of income taxes, was $34.7 million for the nine months ended September 30, 2022. See

Discontinued Operations

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

valuation allowance, a change in other discrete adjustments and in geographical profit mix year over year.

121.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full

Our provision for income taxes for the nine months ended September 30, 2023 and 2022 reflected effective tax rates of 95.1% and

Provision for Income Taxes

same period in 2022, due to the reduction in outstanding debt.

Net interest expense of $75.7 million decreased by $16.8 million in the nine months ended September 30, 2023, compared to the

Net Interest Expense

further details.

related to premium paid and write-off of bond issuance costs in connection with the repurchase of the 2021 Notes. See Note 11 for

For the nine months ended September 30, 2022, we recognized a loss of $29.8 million on early extinguishment of debt which

Loss on Early Extinguishment of Debt

investment. See Note 9 for further details.

Energies. The amounts recognized represent fair value revaluation gains (losses) of our investment and the result of the sale of the

During the nine months ended September 30, 2022, we recorded a loss of $27.7 million as a result of our investment in Technip

Loss from Investment in Technip Energies

$23.5 million, respectively, resulting from an increase in operational activity of our joint ventures.

For the nine months ended September 30, 2023 and 2022, we recorded income from equity method affiliates of $35.9 million and

Income from Equity Affiliates

gains on sales of property, plant and equipment.

by $65.1 million year-over-year, which is the result of $79.6 million increase in net foreign exchange losses compensated by higher

net foreign exchange gains and losses. Excluding the non-recurring legal settlement charge, Other income (expense) net increase

recognized a $126.5 million non-recurring legal settlement charge and the remaining increase is mainly the year-over-year impact of

on sales of property, plant and equipment and non-operating gains and losses. For the nine months ended September 30, 2023, we

Other income (expense), net, includes gains and losses associated with the remeasurement of net cash positions, gains and losses

Other Income (Expense), Net

operations in Russia and Canada.

ended September 30, 2022, we incurred impairment, restructuring and other expenses, primarily associated with exiting our

from the closure of a site in Mexico. Additionally, we incurred $1.8 million of asset impairment in the U.K. During the nine months

we incurred $6.6 million of restructuring and severance expenses, primarily associated with exiting operations in Canada and costs

compared, to $15.1 million during the nine months ended September 30, 2022. During the nine months ended September 30, 2023,

We incurred $10.0 million of impairment, restructuring and other expenses during the nine months ended September 30, 2023,

Impairment, Restructuring and Other Expenses

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

Corporate expense of $24.7 million for the three months ended September 30, 2023 is related to costs associated with our support

Corporate expense

$

(24.7)

$

(25.2)

0.5

2.0

(In millions, except %)

2023

2022

$

%

September 30,

Change

Three Months Ended

Corporate Expense

America’s improved operational performance and $5.3 million due to higher Middle East activity.

Surface Technologies operating profit increased versus the prior year by $14.3 million, of which $7.2 million is due to North

generated outside of North America, of which the Middle East represented 25.2% and 20.6%, respectively.

East. During the three months ended September 30, 2023 and 2022, 60.6% and 54.0% of total segment revenue, respectively, was

Surface Technologies revenue increased by $30.6 million, $22.2 million of which is attributable to increased activity in the Middle

Operating profit as a percentage of revenue

9.6 %

6.0 %

3.6 pts.

Operating profit

$

33.3

$

19.0

14.3

75.3

Revenue

$

348.6

$

318.0

30.6

9.6

(In millions, except % and pts.)

2023

2022

$

%

September 30,

Change

Three Months Ended

Surface Technologies

volume, combined with $52.7 million in favorable activity mix, partially offset by a $22.0 million increase in operating expense.

Subsea operating profit for the three months ended September 30, 2023, increased by $72.7 million. $42.0 million comes from

million decrease from the rest of the world.

$143.6 million increase comes from Brazil, $116.9 million from Norway and $54.1million from the United States, offset by net $20.9

Subsea revenue increased $293.3 million, as a continued positive impact of the backlog increase in 2022, compared to prior year.

Operating profit as a percentage of revenue

10.4 %

7.4 %

3.0 pts.

Operating profit

$

177.7

$

105.0

72.7

69.2

Revenue

$

1,708.3

$

1,415.0

293.3

20.7

(In millions, except % and pts.)

2023

2022

$

%

September 30,

Change

Three Months Ended

Subsea

in computing segment operating profit and are included in corporate items. See Note 4 for further details.

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

THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC

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of $126.5 million incurred during the nine months ended September 30, 2023.

Corporate expense increased by $128.9 million, or 168.1%, year-over-year, mostly due to the non-recurring legal settlement costs

Corporate expense

$

(205.6)

$

(76.7)

(128.9)

(168.1)

(In millions, except %)

2023

2022

$

%

September 30,

Change

Nine Months Ended

Corporate Expense

operational performance and $27.4 million is the result of higher activity in international markets.

Surface Technologies operating profit increased year-over-year by $48.7 million. $21.3 million is due to North America’s improved

and 2022, 58% and 54% of total segment revenue, respectively, was generated outside of North America.

East and $26.9 million is due to increased operator activity in North America. During the nine months ended September 30, 2023

Surface Technologies revenue increased by $144.9 million, $79.5 million of which is the result of increased activity in the Middle

Operating profit as a percentage of revenue

7.9 %

3.7 %

4.2 pts.

Operating profit

$

81.4

$

32.7

48.7

148.9

Revenue

$

1,032.2

$

887.3

144.9

16.3

(In millions, except %)

2023

2022

$

%

September 30,

Change

Nine Months Ended

Surface Technologies

combined with $124.5 million in favorable activity mix, partially offset by a $58.1 million increase in operating expense.

Subsea operating profit for the nine months ended September 30, 2023, increased by $141.8 million, $75.4 million from volume,

in Asia Pacific as projects reached completion in the region.

$168.5 million from Norway, $172.9 million from the United States and $100.1 million from Guyana, offset by $321.8 million decline

Subsea revenue increased by $595.6 million, driven by increased backlog during 2022. $410.2 million increase comes from Brazil,

Operating profit as a percentage of revenue

8.4 %

6.2 %

2.2 pts.

Operating profit

$

397.9

$

256.1

141.8

55.4

Revenue

$

4,714.3

$

4,118.7

595.6

14.5

(In millions, except %)

2023

2022

$

%

September 30,

Change

Nine Months Ended

Subsea

NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC

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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, our total debt as determined in accordance

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

non-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 total debt, net of cash and cash equivalents. Management uses this

globally and in many operating jurisdictions to best meet the liquidity needs of our global operations.

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

LIQUIDITY AND CAPITAL RESOURCES

December 31, 2022.

Surface Technologies - Order backlog for Surface Technologies as of September 30, 2023 decreased by $64.4 million compared to

Wintershall Maria and Dvalin; and Harbour Talbot.

Jackdaw and Dover; Husky West White Rose; Equinor BM-C33, Rosebank and Irpa, Verdande; Tullow Jubilee South East;

Mozambique LNG, Lapa North East and Clov 3; ExxonMobil Yellowtail and Uaru; AkerBP Utsira; Azule Energy Agogo; Shell

Subsea backlog was composed of various subsea projects, including Petrobras Buzios 6, Mero I, Mero II and Marlim; Total Energies

Subsea - Subsea backlog of $12.1 billion as of September 30, 2023 increased by $3.9 billion compared to December 31, 2022.

Total order backlog

$

13,230.7

$

9,353.0

Surface Technologies

1,157.1

1,221.5

Subsea

$

12,073.6

$

8,131.5

(In millions)

2023

2022

September 30,

December 31,

Order Backlog

performed. See Note 3 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

$

2,145.1

$

1,850.0

$

9,451.3

$

6,236.6

Surface Technologies

317.1

449.2

972.3

1,014.2

Subsea

$

1,828.0

$

1,400.8

$

8,479.0

$

5,222.4

(In millions)

2023

2022

2023

2022

Three Months Ended

Nine Months Ended September 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

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September 30, 2023.

September 30, 2022, partially offset by an increase of $100.0 million in share repurchases during the nine months ended

used by financing activities was driven by long-term debt pay down activity of $451.7 million during the nine months ended

million of cash during the nine months ended September 30, 2023 and 2022, respectively. The decrease of $350.1 million in cash

Financing cash flows from continuing operations - Financing activities from continuing operations used $276.7 million and $626.8

$54.4 million was related to the sale of Apache II pipelay vessel.

required of $59.4 million for capital expenditures. This cash need was offset by $61.9 million cash from sale of assets, of which

due to $288.5 million proceeds received from sales of our investment in Technip Energies during 2022 and an increase in cash

continuing operations during the same period in 2022. The decrease of $276.8 million in cash from investing activities was primarily

during the nine months ended September 30, 2023 as compared to $213.3 million cash generated in investing cash flows from

Investing cash flows from continuing operations - We used $63.5 million of cash in investing activities from continuing operations

inventory, and fluctuations in derivative assets and liabilities.

operating activities from continuing operations was primarily due to timing differences on project milestones, vendor payments for

continuing operations during the nine months ended September 30, 2023 and 2022. The decrease of $206.2 million in cash used by

Operating cash flows from continuing operations - We used $8.1 million and $214.3 million of cash in operating activities from

Cash Flows

Net debt

$

(649.9)

$

(309.5)

Long-term debt, less current portion

(933.5)

(999.3)

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

(407.3)

(367.3)

Cash and cash equivalents

$

690.9

$

1,057.1

(In millions)

2023

2022

September 30,

December 31,

consolidated balance sheets:

The following table provides a reconciliation of our total debt to net debt, utilizing details of classifications from our condensed

40

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

repurchase shares and may be suspended or discontinued at any time at our discretion.

plans, and any other means in accordance with applicable securities laws. The share repurchase program does not obligate us to

We expect to repurchase shares from time to time through open market purchases, privately negotiated transactions, Rule 10b5-1

be subject to repurchase.

authority of $549.7 million and the closing stock price as of September 30, 2023, approximately 27.0 million ordinary shares could

aggregate amount of $250.3 million of ordinary shares through September 30, 2023. Based upon the remaining repurchase

three months ended September 30, 2023, Since the initial share repurchase authorization in July 2022, we have purchased an

share repurchase program. Pursuant to this share repurchase program, we repurchased $50.1 million of ordinary shares during the

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

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

$21.8 million. We intend to pay dividends on a quarterly basis, and this dividend represents $0.20 per share on an annualized basis.

Exchange on August 22, 2023. Cash dividends paid during the three and nine months ended September 30, 2023 was

of $0.05 per share was paid on September 6, 2023, to shareholders of record as of the close of business on the New York Stock

On July 26, 2023, our Board of Directors authorized and declared a quarterly cash dividend of $0.05 per share. The cash dividend

long-term unsecured, guaranteed debt. See Note 11 for further details regarding our debt.

Notes) and BB for our long-term unsecured debt (the Private Placement notes). Our credit ratings with Moody’s are Ba1 for our

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

Facility was $1,195.8 million.

As of September 30, 2023, there were $54.2 million letters of credit outstanding, and our availability under the Revolving Credit

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

basis.

covenants as the Credit Agreement and benefits from the same guarantees and security as the Credit Agreement on a pari passu

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

the contracting activities with counterparties that require or request a performance or similar guarantee. It contains substantially the

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

$1.0 billion, subject to the satisfaction of certain customary conditions precedent. The Performance LC Credit Agreement permits

(the “Performance LC Credit Agreement”). The commitments under the Performance LC Credit Agreement may be increased to

On April 24, 2023, the Company also entered into a new $500 million five-year senior secured performance letters of credit facility

provides for a $250.0 million letter of credit sub-facility.

Agreement to $1.25 billion and extends the term to five years from the date of the Amendment No. 5. The Credit Agreement also

“Credit Agreement”), dated February 16, 2021, which increases the commitments available to the Company under the Credit

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

Debt and Liquidity

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our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

CGU/AGU to resolve these anti-corruption investigations. We were not required to have a monitor and, instead, provided reports on

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF and the

with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these matters.

the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and also contacted and cooperated

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

cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted

projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We

DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ also inquired about

and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also raised with the

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003

cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

Corrupt Practices Act (“FCPA”). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We

investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (“DOJ”) related to the DOJ's

OTHER MATTERS

estimates.

estimates. During the nine months ended September 30, 2023, there were no changes to our identified critical accounting

Refer to our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of our critical accounting

CRITICAL ACCOUNTING ESTIMATES

free cash flow available for investment in growth and distribution to shareholders through the business cycle.

contract awards. In maintaining our commitment to sustainable leverage and liquidity, we expect to be able to continue to generate

approximately $250 million. Projected capital expenditures do not include any contingent capital that may be needed to respond to

Based on current market conditions and our future expectations, our capital expenditures for 2023 are estimated to be

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 Note 15 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

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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 September 30, 2023 that have

Changes in Internal Controls over Financial Reporting

procedures were effective as of September 30, 2023.

Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and

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

As of September 30, 2023, under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated the

Evaluation of Disclosure Controls and Procedures

ITEM 4. CONTROLS AND PROCEDURES

exposure to market risk has not changed materially since December 31, 2022.

Qualitative Disclosures About Market Risk,” in our Annual Report on Form 10-K for the year ended December 31, 2022. 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

balance sheet as of September 30, 2023.

outstanding balance, after foreign exchange impact, of $164.0 million in other current liabilities in our condensed consolidated

incremental to our existing provision. After making a scheduled installment payment of €24.7 million on July 13, 2023, we have an

responsible for the remaining €29.45 million. During the three months ended June 30, 2023, we recorded a $126.5 million liability

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

public interest fine of €154.8 million and €54.1 million, respectively, for a total of €208.9 million. Under the companies’ separation

does not involve any admission of liability or guilt. Under the terms of the CJIP, Technip UK and Technip Energies France will pay a

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

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

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

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

Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an

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

corruption program during the term of the DPA.

guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We also provided the DOJ reports on our anti-

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

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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 $50.1 million at an average price of $18.70 per share.

share repurchase authorization was increased to $800.0 million. For the three months ended September 30, 2023, we repurchased 2,673,621 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 existing program, the Company’s total

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

Total

$

18.70

27,025,139

2,673,621

2,673,621

September 1, 2023 to September 30, 2023

462,217 $

20.50

462,217

27,025,139

August 1, 2023 to August 31, 2023

2,051,404 $

18.32

2,051,404

29,368,163

July 1, 2023 to July 31, 2023

160,000 $

18.38

160,000

32,539,540

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 September 30, 2023:

We had no unregistered sales of equity securities during the three months ended September 30, 2023.

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, 2022.

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

cash flows.

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

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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Securities and Exchange Commission upon request.

+ Certain schedules or exhibits to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided to the

\* 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).

Report on Form 8-K filed on July 31, 2023) (File No. 001-37983)

10.1\*

Separation, Release and Waiver of Claims and Restrictive Covenant Agreement (incorporated by reference from Exhibit 10.1 to the Current

Exhibit Number

Exhibit Description

ITEM 6. EXHIBITS

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Date: October 26, 2023

(Chief Accounting Officer and a Duly Authorized Officer)

Senior Vice President, Controller and Chief Accounting Officer

Krisztina Doroghazi

/s/ Krisztina Doroghazi

(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: October 26, 2023

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 September 30, 2023 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: October 26, 2023

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 September 30, 2023 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: October 26, 2023

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 September 30, 2023, 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: October 26, 2023

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 September 30, 2023, 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