



## 2017 Analyst Day

# Real change creates value

Maryann Mannen, EVP and Chief Financial Officer

# Disclaimer

## Forward-looking statements

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

Such forward-looking statements involve significant risks, uncertainties and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections, including the following known material factors: demand for our products and services, which is affected by changes in the price of and demand for crude oil and gas; our ability to develop and implement new technologies and services and protect and maintain critical intellectual property assets; potential liabilities arising out of the installation or use of our products; cost overruns related to our fixed price contracts or asset construction projects that may affect revenue; disruptions in the timely delivery of our backlog; risks related to our reliance on subcontractors, suppliers and joint venture partners; piracy risks; the cumulative loss of major contracts or alliances; failure of our information technology infrastructure or any significant breach of security; ability to pay dividends or repurchase shares in accordance with our announced capital allocation plan; tax-related risks; risks related to integration; risks related to our clientele; unanticipated changes relating to competitive factors in our industry; ability to hire and retain key personnel; changes in legislation or governmental regulations affecting us; international, national or local economic, social or political conditions; conditions in the credit markets; risks associated with accounting estimates, currency fluctuations and foreign exchange controls; and such other risk factors as set forth in our filings with the United States Securities and Exchange Commission, which include our Registration Statement on Form S-4, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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

# Financial strategy – delivering on plan

**Solid operational EBITDA performance**  
despite revenue decline

**Investment grade balance sheet**  
\$3.3b net cash

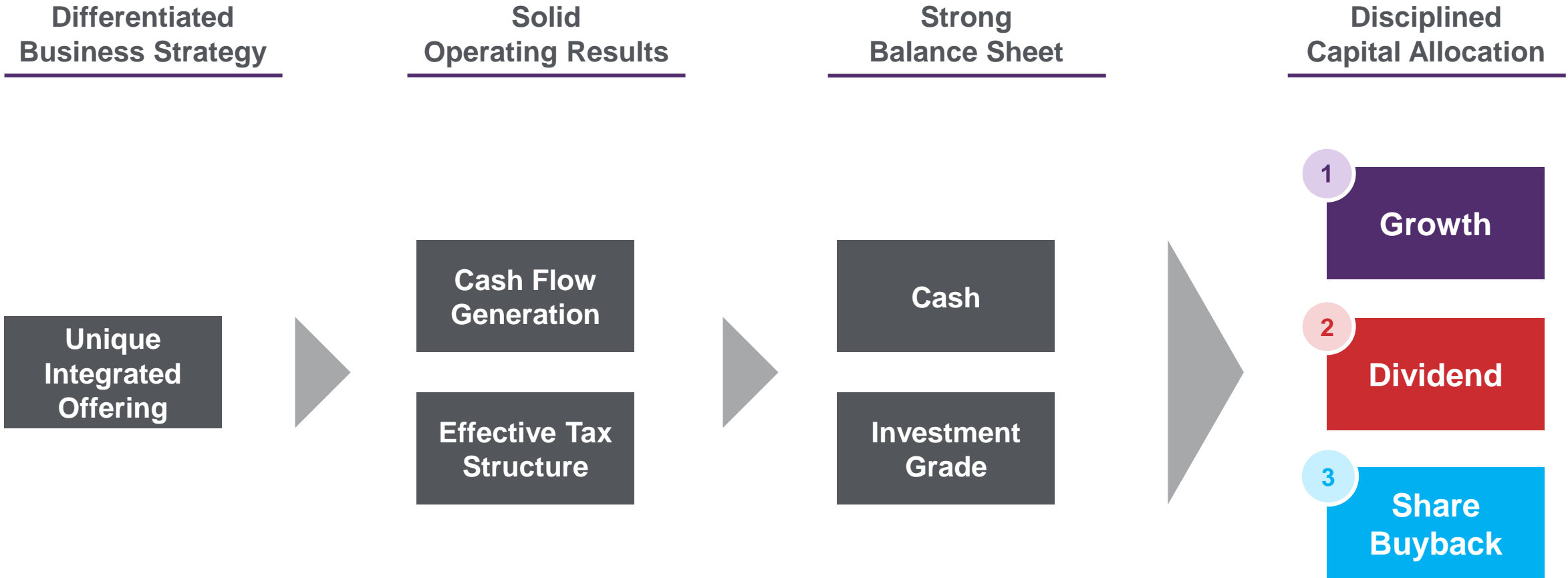
**Merger synergies**  
meaningful contribution to sustained ROIC improvement

**Quarterly dividend**  
initiated at ~2% yield

**Share repurchase**  
\$500m program to be completed no later than end of 2018

**Initial 2018 outlook**  
conveying confidence in our operating plan

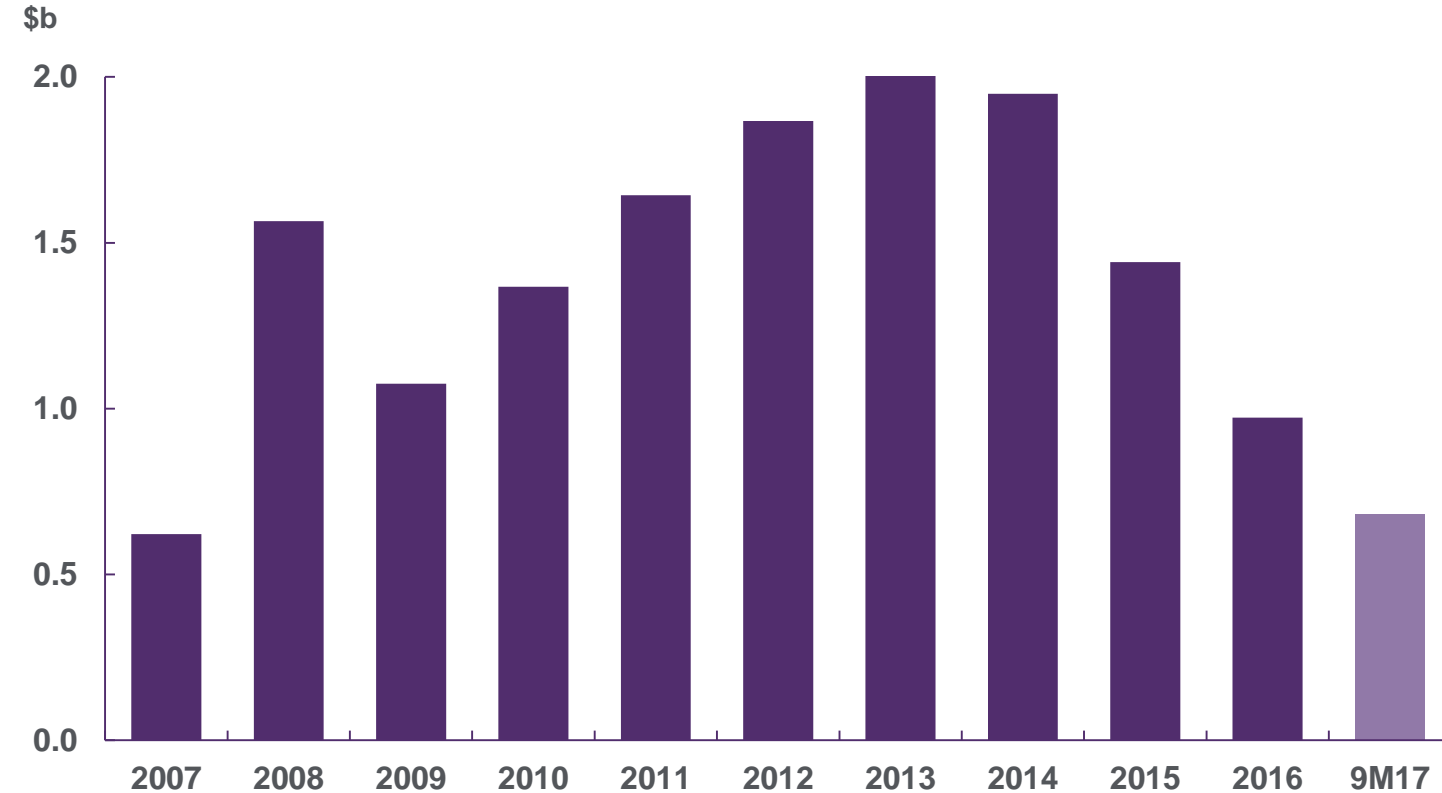
# Financial framework – our approach to value creation



# Solid operational performance – strong cash flow generation

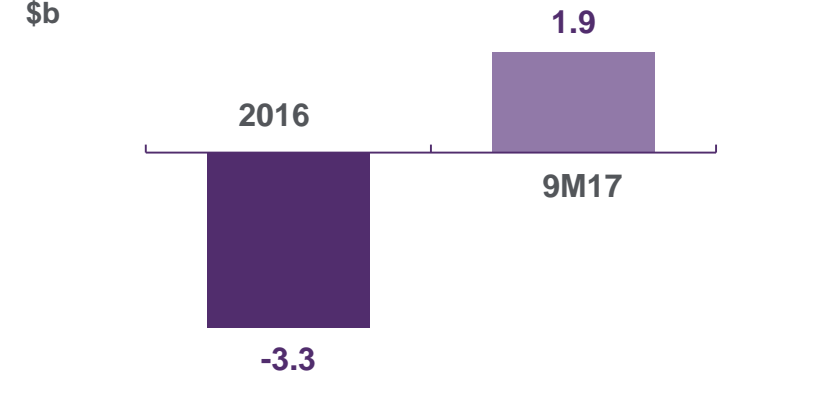
## Cash flow from operations<sup>1</sup>

(excluding changes in operating assets and liabilities)



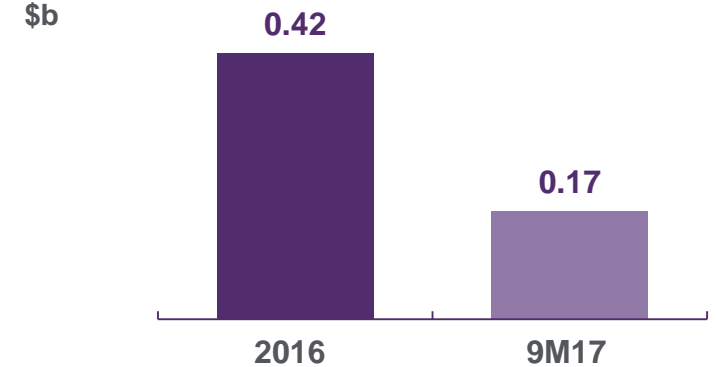
## Working capital<sup>2</sup> changes, ex. cash

\$b



## Capital expenditures<sup>3</sup>

\$b



<sup>1</sup> Calculated as cash flow from operations less changes in operating assets and liabilities. For 2007 through 2016, cash flow from operations was calculated as the sum of historical cash flow figures for FMC Technologies, Inc. and Technip S.A. Technip S.A.'s historical cash flow figures were converted from euros to U.S. dollars using the average of daily EUR/USD exchange rates for each respective year.

<sup>2</sup> Calculated as total current assets less total current liabilities. For 2016, the working capital change was calculated as the sum of applicable historical balance sheet figures for FMC Technologies, Inc. and Technip S.A. Technip S.A.'s historical balance sheet figures were converted from euros to U.S. dollars using the average of daily EUR/USD exchange rates for each respective year.

<sup>3</sup> For 2016, the capital expenditure amount was calculated as the sum of historical capital expenditure figures for FMC Technologies, Inc. and Technip S.A. Technip S.A.'s historical capital expenditure figures were converted from euros to U.S. dollars using the average of daily EUR/USD exchange rates for each respective year.

# Optimizing the tax structure

Targeting 300 bps reduction in effective tax rate

## Tax structure to yield significant benefits over time

- Generate incremental cash flow as a result of lower effective tax rate
- Repatriate cash at more favorable cost
- Fund shareholder distributions in a more tax-efficient manner

## Benefits of optimized tax structure take time to enact

- Modest impact to 2017e earnings due to timing of implementing new structure
- Incremental tax savings in 2018e, with full benefit in 2019e and beyond
- Earnings mix plus other discreet items impacting near-term effective tax rate

# Strong balance sheet – stability through business cycle

\$m, unaudited	As of Sep 30, 2017
Cash and cash equivalents	\$ 6,896.1
<b>Total Debt:</b>	
Short-term debt and current portion of long-term debt	(473.2)
Long term debt, less current portion	(3,167.4)
Total short-term and long-term debt	\$ (3,640.6)
Net Cash <sup>1</sup>	\$ 3,255.5

## Yamal LNG joint venture

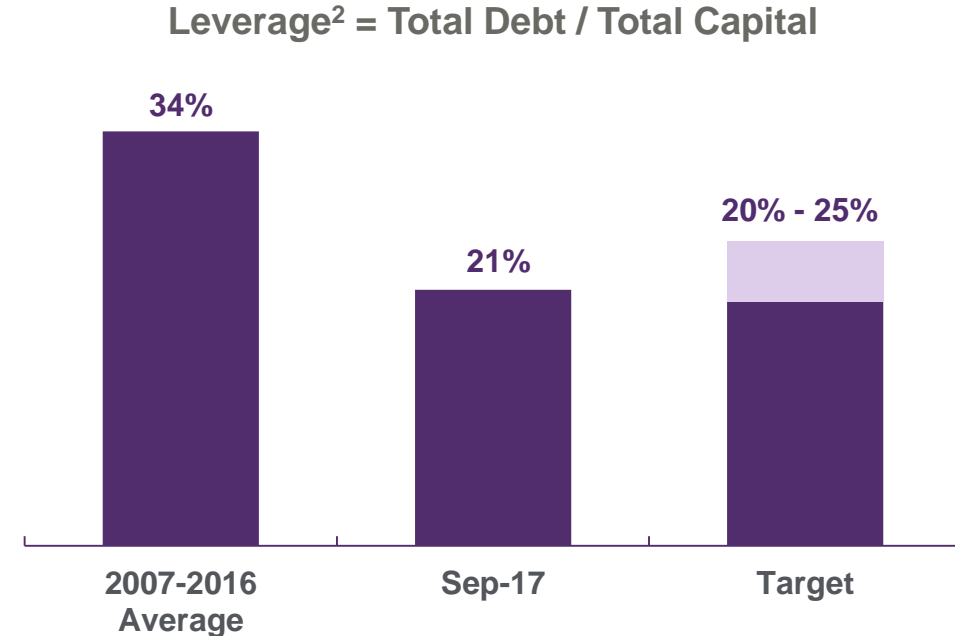
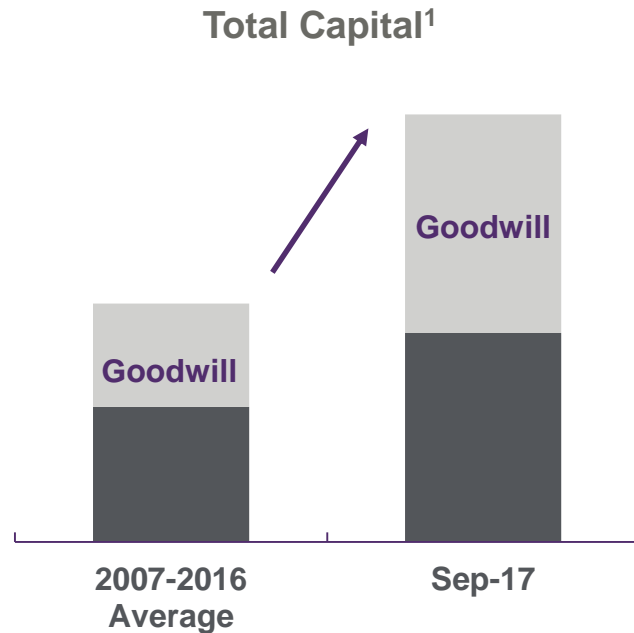
- Fully consolidated on balance sheet – both assets and liabilities
- Cash and cash equivalents include ~\$1b of partners' cash to be distributed through project completion
- Redeemable financial liability of \$301m represents financial obligation to joint venture partners

<sup>1</sup> Net cash (debt) is a non-GAAP financial measure reflecting cash and cash equivalents, net of debt.

Management uses this non-GAAP financial measure to evaluate TechnipFMC's capital structure and financial leverage.

Management believes net cash (debt) is a meaningful financial measure that may also assist investors in understanding TechnipFMC's financial condition and underlying trends in its capital structure.

# Capital structure – reflects needs of our business mix



- Post merger leverage of ~21% driven by step-up in goodwill due to merger accounting
- Intent to maintain target leverage in 20% - 25% range as business outlook further develops through 2018 - 2019

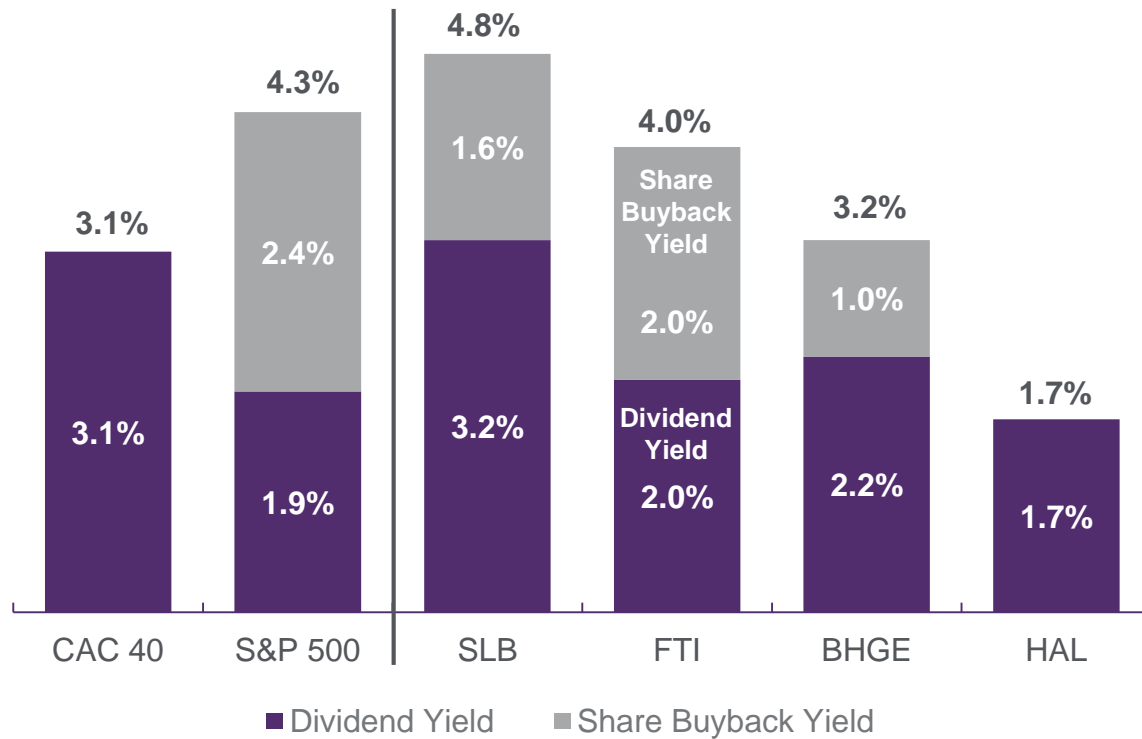
<sup>1</sup> The 2007 through 2016 average total capital reflects the average of the historical total capital figures for FMC Technologies, Inc. and Technip S.A. Technip S.A. historical total capital figures were converted from euros to U.S. dollars using the average of daily EUR/USD exchange rates for each respective year.

<sup>2</sup> Calculated as total debt divided by total capital; total debt includes both short-term and long term debt. The 2007 through 2016 average leverage reflects the average of the historical leverage figures for FMC Technologies, Inc. and Technip S.A. Technip S.A. historical leverage figures were converted from euros to U.S. dollars using the average of daily EUR/USD exchange rates for each respective year.



# Shareholder returns – commitment to return capital

## Total Shareholder Yield<sup>1</sup>



- Committed to return capital through dividends and share buybacks
- Quarterly cash dividend \$0.13/share; sustainable through cycle, potential to grow
- \$500m share repurchase program to be completed by end of 2018; repurchased \$37m as of November 22
- Attractive total shareholder yield of ~4%

<sup>1</sup> Total Shareholder Yield = Dividend Yield + Share Buyback Yield

Dividend Yield: annualized rate of most recently declared quarterly dividend divided by closing stock price as of 11/15/2017

Share Buyback Yield – SLB, BHGE, HAL: 3-year average (trailing 12 quarters, as of 9/30/2017) of total share repurchase in 4 quarter period divided by average market capitalization in the same period

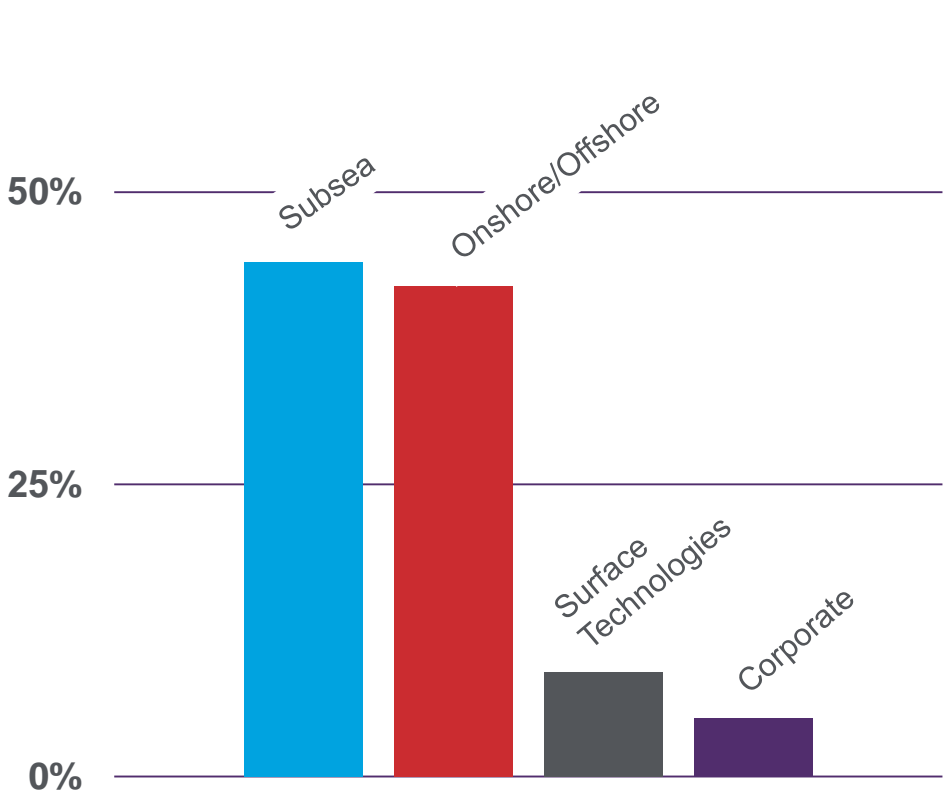
Share Buyback Yield – FTI: assumes \$500m share buyback program executed \$250m per year

# Merger synergies – target increased to \$450m

## Delivering ahead of plan

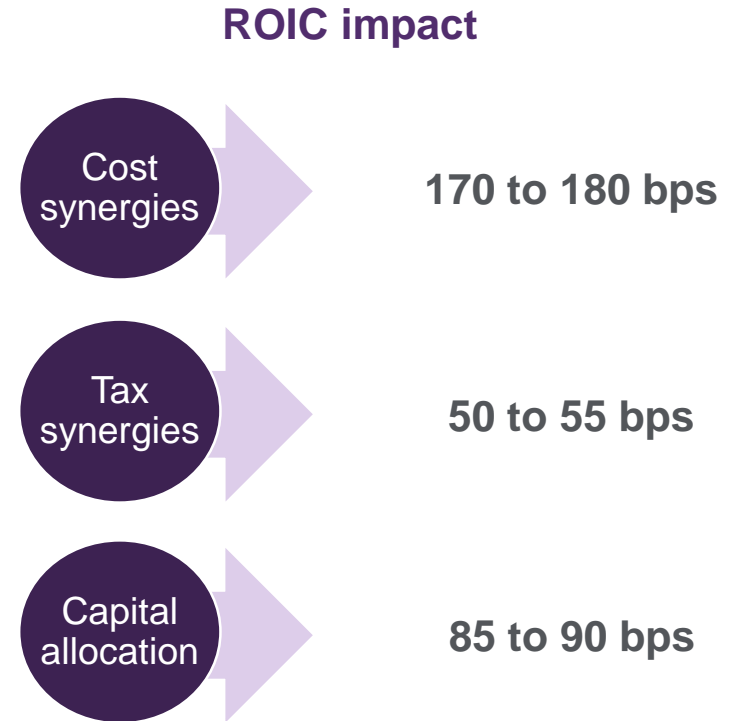


## Allocation by reporting segment



# Merger benefits – to deliver sustained ROIC improvement

- Multiple value drivers to expand return on invested capital
- Executing towards >300 bps improvement by end of 2019
- Market environment a near-term headwind

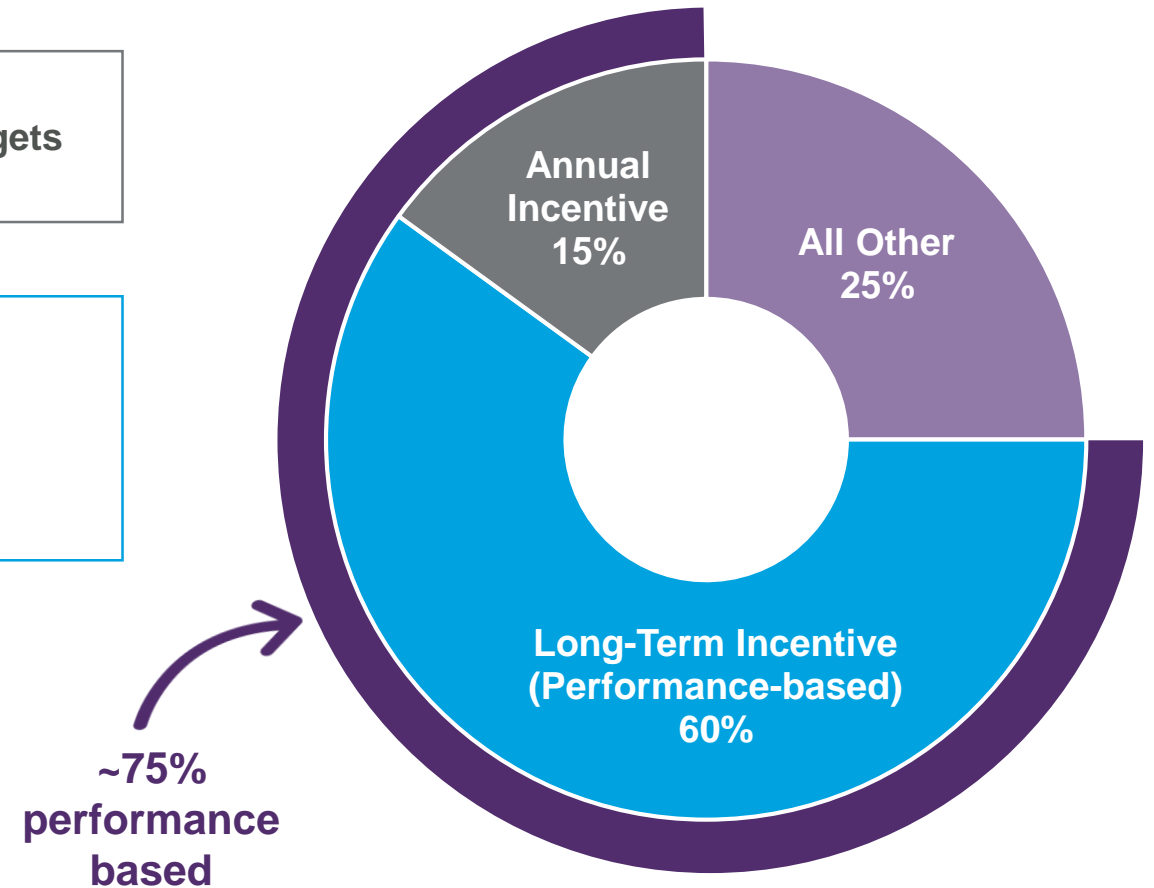


# Management compensation – aligned with shareholder goals

Both short-term and long-term elements of management compensation provide alignment

<b>Annual Incentive</b>	Based on working capital days, EBITDA, synergy targets
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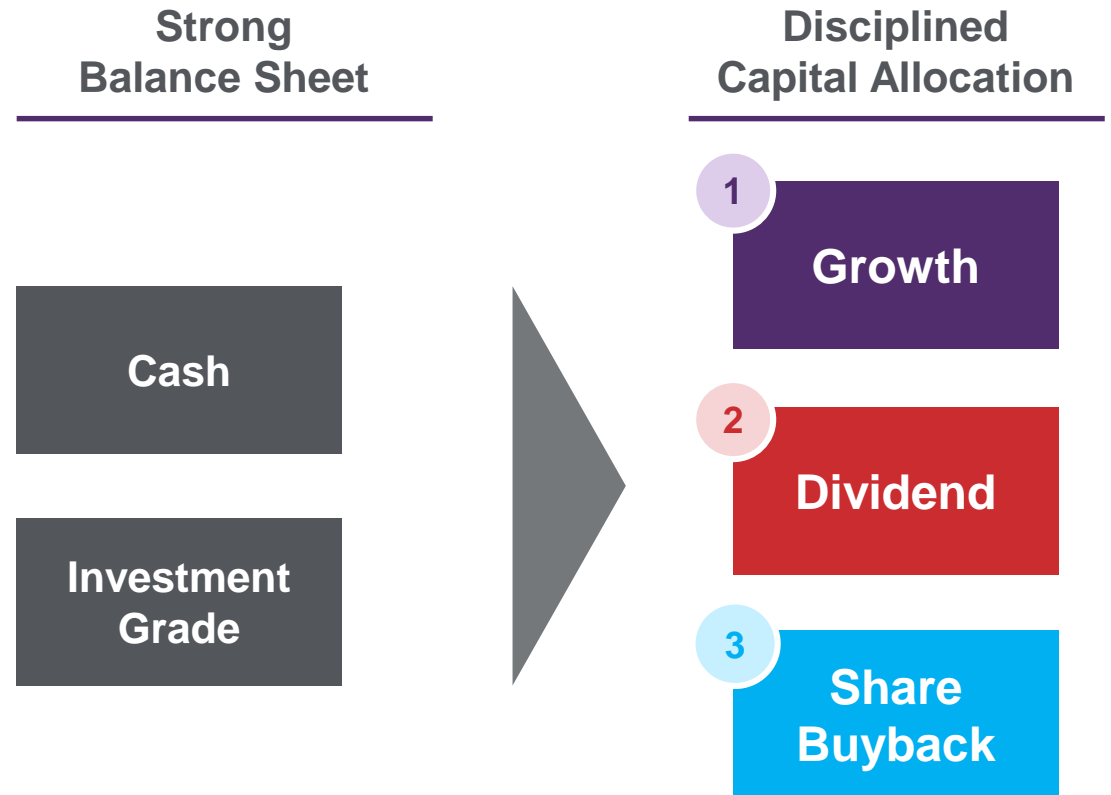
<b>Long-Term Incentive</b>	Based on achievement of challenging performance goals relating to: <ul style="list-style-type: none"><li>• Total shareholder return versus peer<sup>1</sup> group</li><li>• ROIC</li></ul>
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<sup>1</sup> Includes global peers (US and European sector and adjacent industry peers) and sector peers (US and European Oilfield peers and broader sector peers).

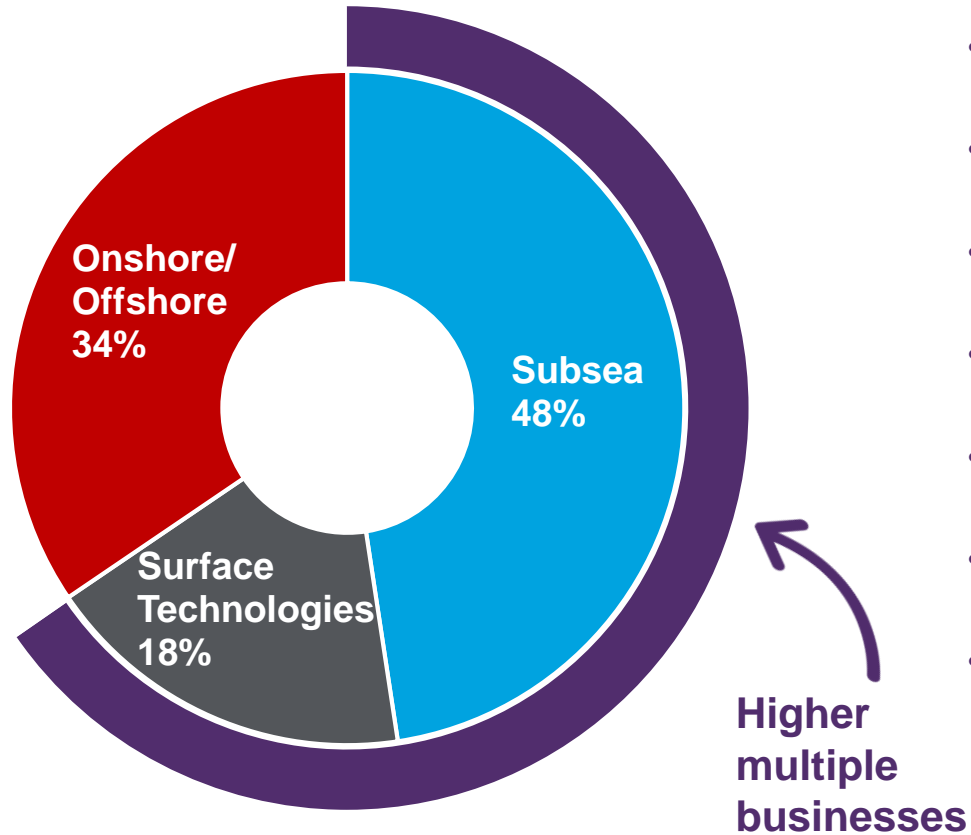
# Capital allocation – focused on increasing shareholder return

- Investment grade balance sheet – flexibility to support growth and drive value
- Invest in attractive organic growth opportunities, value creating acquisitions
- Committed to returning cash to shareholders



# TechnipFMC – real change creates value

2018e Adjusted EBITDA<sup>1</sup> Mix



- Industry leader with unique, differentiated business model
- New commercial model penetration
- EBITDA mix weighted to higher multiple / margin businesses
- Synergy target increased to \$450m run rate
- Balance sheet offers flexibility
- Declining capital intensity
- Management incentivized to drive ROIC higher
- Integration drives value-enhancing growth opportunities

<sup>1</sup> Excludes corporate items, and calculated by applying "at least" EBITDA margin to mid-point of revenue guidance range for each of the segments from 2018 preliminary segment guidance issued on 10/25/2017.



Thank you

# Appendix



# 2017 Guidance \*Items updated October 25, 2017

## Subsea

- ▶ **Revenue** at least \$6.1b
- ▶ **EBITDA margin**<sup>1</sup> at least 17% (excluding amortization related impact of purchase price accounting, and other charges and credits)

## Onshore/Offshore\*

- ▶ **Revenue** at least \$7.7b
- ▶ **EBITDA margin**<sup>1</sup> at least 9.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)

## Surface Technologies\*

- ▶ **Revenue** at least \$1.3b
- ▶ **EBITDA margin**<sup>1</sup> at least 16.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)

## TechnipFMC

- ▶ **Corporate expense** \$50-\$55m per quarter (excluding the impact of foreign currency fluctuations)
- ▶ **Net interest expense** approximately \$15m in Q4\*
- ▶ **Tax rate** 30%-32% in Q4\*
- ▶ **Capital expenditures** approximately \$250m for the full year\*
- ▶ **Merger integration and restructuring costs** approximately \$75m in Q4\*
- ▶ **Cost synergies** \$400m annual savings (\$200m exit run-rate 12/31/17, \$400m exit run-rate 12/31/18)

\* Items updated October 25, 2017

<sup>1</sup> Our guidance measure, segment EBITDA margin, is a non-GAAP financial measure. We are unable to provide a reconciliation to a comparable GAAP measure on a forward-looking basis without unreasonable effort because of the unpredictability of the individual components of the most directly comparable GAAP financial measure and the variability of items excluded from such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

# 2018 Preliminary segment guidance *Issued as of October 25, 2017*

## Subsea

- ▶ **Revenue** in a range of \$5.0-5.3b
- ▶ **EBITDA margin**<sup>1</sup> at least 14% (excluding amortization related impact of purchase price accounting, and other charges and credits)

## Onshore/Offshore

- ▶ **Revenue** in a range of \$5.3-5.7b
- ▶ **EBITDA margin**<sup>1</sup> at least 9.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)

## Surface Technologies

- ▶ **Revenue** in a range of \$1.5-1.6b
- ▶ **EBITDA margin**<sup>1</sup> at least 17.5% (excluding amortization related impact of purchase price accounting, and other charges and credits)

- **Anticipated merger synergies are included in the 2018 preliminary guidance**
- **Complete guidance for 2018 to be provided in the Q4 earnings release**

<sup>1</sup> Our guidance measure, segment EBITDA margin, is a non-GAAP financial measure. We are unable to provide a reconciliation to a comparable GAAP measure on a forward-looking basis without unreasonable effort because of the unpredictability of the individual components of the most directly comparable GAAP financial measure and the variability of items excluded from such measure. Such information may have a significant, and potentially unpredictable, impact on our future financial results.