



## Press Release

# TechnipFMC Reports First Quarter 2017 Diluted Earnings per Share of \$0.41; Excluding Charges and Credits, Adjusted Diluted Earnings per Share of \$0.71

- **Company reported net income of \$190.8 million and adjusted EBITDA of \$684.4 million**
- **Company announced a \$500 million share repurchase program and planning for a quarterly dividend following third quarter 2017 results**

**LONDON, PARIS, HOUSTON, April 26, 2017** – TechnipFMC plc (NYSE and Euronext: FTI) today reported first quarter 2017 revenue of \$3.4 billion.

Diluted earnings per share were \$0.41, which includes total Company pre-tax charges and credits of \$193.5 million, or \$0.30 per diluted share as detailed in the attached financial schedules. Adjusted<sup>1</sup> diluted earnings per share were \$0.71.

Total Company net income was \$190.8 million, including corporate income due to foreign exchange gains; adjusted EBITDA was \$684.4 million.

The Company also announced that its Board of Directors approved a capital allocation plan that includes the authorization of a share repurchase program of up to \$500 million of the Company's stock to be completed by the end of 2018 and planning for a quarterly dividend following third quarter 2017 results. The implementation of this capital allocation program is subject to U.K. required approval of distributable reserves, which is expected to be completed in the third quarter of 2017.

“Our merger is completed. We are now leveraging the unparalleled breadth of capabilities of TechnipFMC – from our industry-leading front-end engineering, our culture of innovation that is bringing to market next-generation solutions, to our reputation of superior project management,” said Doug Pferdehirt, CEO of TechnipFMC. “These capabilities, coupled with our unique commercial alignment to deliver efficiencies across the value chain, allow us to drive the change required for real, sustainable improvement to project economics – improvements which enable our customers to sanction more projects with greater confidence in cost and time to production.”

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<sup>1</sup> Adjusted results exclude the impact of charges and credits. See reconciliation of U.S. GAAP to non-GAAP financial measures in the attached tables.





Vessel utilization rate for the first quarter of 2017 was 68 percent, down from the 78 percent rate in the fourth quarter of 2016.

Subsea reported operating profit of \$54.2 million; adjusted EBITDA was \$238.6 million with margins of 17.3 percent. Adjusted EBITDA margins increased from the prior year pro forma results, despite the 42 percent revenue decline. Operating performance reflected the results of strong project execution, cost reductions, and restructuring.

**Onshore/Offshore**

Onshore/Offshore reported first quarter revenues of \$1.8 billion. Major projects include Yamal LNG, Shell Prelude FLNG, and SIBUR Zapsib 2.

Revenues declined 19 percent from the prior-year quarter on a pro forma basis, which includes the full consolidation of Yamal LNG. Revenues were lower as a result of reduced project activity, notably in the Middle East and Americas.

Onshore/Offshore reported operating profit of \$139.9 million; adjusted EBITDA was \$152.2 million with margins of 8.6 percent.

Adjusted EBITDA and margins improved year-over-year, compared with the pro forma results, despite the revenue decline as project profitability improved with the achievement of key construction milestones.

**Surface Technologies**

Surface Technologies reported first quarter revenue of \$248.4 million. Revenues were down 29 percent from the prior-year quarter, due in part to the exclusion of the first sixteen days of the current year quarter. In addition, the favorable impact from the continuing recovery in North America was partially offset by competitive pricing in international markets and lower product sales.

Surface Technologies reported first quarter revenue of \$248.4 million. Revenues were down 29 percent from the prior-year quarter, due in part to the exclusion of the first sixteen days of the current year quarter. In addition, the favorable impact from the continuing recovery in North America was partially offset by competitive pricing in international markets and lower product sales.



Total depreciation and amortization for the first quarter was \$154.1 million, including depreciation and amortization related to purchase price accounting for the merger of \$42.9 million.

Capital expenditures were \$51.2 million.

The Company recorded a tax provision of \$103.7 million. The reported tax rate was 34.8 percent. Excluding the effects of the liability remeasurement within net interest expense, for which there is no tax benefit, the effective tax rate was 28.4 percent for the first quarter.

## Summary

TechnipFMC reported first quarter diluted earnings per share of \$0.41, which included corporate income due to foreign exchange gains. Excluding charges and credits, adjusted diluted earnings per share were \$0.71.

Total Company operating profit was \$379.7 million; adjusted EBITDA was \$684.4 million.

Quarterly segment performance is summarized below when compared to 2016 on a pro forma basis:

- Subsea reported operating profit of \$54.2 million. Adjusted EBITDA was \$238.6 million. Subsea improved adjusted EBITDA margins to 17.3 percent, despite a 42 percent revenue decline from the prior-year quarter.
- Onshore/Offshore reported operating profit of \$139.9 million. Adjusted EBITDA was \$152.2 million with margins of 8.6 percent. Adjusted EBITDA and margins increased year-over-year, despite a 19 percent revenue decline.
- Surface Technologies reported an operating loss of \$18.6 million. Adjusted EBITDA was \$36 million with margins of 14.5 percent. Adjusted EBITDA and margins increased year-over-year, despite a 29 percent revenue decline.

Full-year 2017 guidance will be discussed on the Company's first quarter earnings conference call.

The teleconference is scheduled at 1 p.m. London time (8 a.m. New York time) on Thursday, April 27, 2017 and will be accompanied by a supporting presentation that will be made available at <http://investors.technipfmc.com> prior to the start of the teleconference.



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**About TechnipFMC**

*TechnipFMC is a global leader in subsea, onshore/offshore, and surface projects. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, .24 Tc (d) Tj0.12 Tc ( ) Tj-0.12 Tc (ptf) Tj-0.24 Tc (e) Tj0 Tc ( ) Tj-0.12 T24 Tc (e)*



- risks associated with The Depository Trust Company and Euroclear for clearance services for shares traded on the NYSE and Euronext Paris, respectively;
- results on the United Kingdom's referendum on withdrawal from the European union;
- risks associated with being an English public limited company, including the need for court approval of "distributable profits" and stockholder approval of certain capital structure decisions;
- compliance with covenants under our debt instruments and conditions in the credit markets;
- risks associated with assumptions we make in connection with our critical accounting estimates and legal proceedings;
- the risk that we may not be able to pay dividends or repurchase shares in accordance with our announced capital allocation plan, or at all;
- the risks of currency fluctuations and foreign exchange controls associated with our international operations;
- risks that the legacy businesses of FMC Technologies, Inc. and Technip S.A. will not be integrated successfully or that the combined company will not realize estimated cost savings, value of certain tax assets, synergies and growth or that such benefits may take longer to realize than expected;
- unanticipated costs of integration;
- reliance on and integration of information technology systems;
- risks associated with tax liabilities, or changes in U.S. federal or international tax laws or interpretations to which they are subject; and
- such other risk factors set forth in our filings with the United States Securities and Exchange Commission and in our filings with the Autorité des marchés financiers or the U.K. Financial Conduct Authority.

We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date of this filing.



**TECHNIPFMC plc AND CONSOLIDATED SUBSIDIARIES**  
**GAAP FINANCIAL STATEMENTS**

The U.S. GAAP financial statements for TechnipFMC plc and consolidated subsidiaries are provided on the following pages. The financial results reflect the following information:

- On January 16, 2017, TechnipFMC was created by the business combination of Technip S.A. (Technip) and FMC Technologies, Inc. (FMC Technologies).
- In December of 2016, Technip increased its ownership in the Yamal LNG Joint Venture and became the controlling shareholder. Under US GAAP, this resulted in full consolidation of the Joint Venture on the date of the transaction.

Therefore, the results for the three months ended March 31, 2017:

1. Include Technip for the full period;
2. Include the results of FMC Technologies for the period January 17 to March 31, 2017; revenues of \$112.9 million during the period from January 1 to January 16, 2017 were excluded, of which approximately 70 percent came from the Subsea segment; and
3. Fully consolidate the Yamal LNG Joint Venture for the full period, within the Onshore/Offshore segment.

The results for the three months ended March 31, 2016 only include the results of Technip, inclusive of the equity in affiliate income from the Yamal LNG Joint Venture.

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**

	(unaudited)	
	March 31	
	2017	2016
Revenue	\$ 3,388.0	\$ 2,405.7
Costs and expenses	3,345.1	2,209.3
	42.9	196.4
Other income (expense), net	336.8	11.7
Income before net interest expense and income taxes	379.7	208.1
Net interest expense	(81.7)	(13.3)
Income before income taxes	298.0	194.8
Provision for income taxes	103.7	47.5
Net income	194.3	147.3
Net (income) loss attributable to noncontrolling interests	(3.5)	0.1
Net income attributable to TechnipFMC plc	\$ 190.8	\$ 147.4
Earnings per share attributable to TechnipFMC plc:		
Basic	\$ 0.41	\$ 1.25
Diluted	\$ 0.41	\$ 1.21
Weighted average shares outstanding:		
Basic	466.6	118.2
Diluted	468.9	124.4



**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**BUSINESS SEGMENT DATA**  
(In millions)

	<b>(unaudited)</b>	
	<b>Three Months Ended</b>	
	<b>March 31</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Revenue</u></b>		
Subsea	\$ 1,376.7	\$ 1,517.2
Onshore/Offshore	1,764.0	888.5
Surface Technologies	248.4	-
Other revenue and intercompany eliminations	(1.1)	-
	\$ 3,388.0	\$ 2,405.7
 <b><u>Income before income taxes</u></b>		
 <b><u>Segment operating profit (loss)</u></b>		
Subsea	\$ 54.2	\$ 196.4
Onshore/Offshore	139.9	58.5
Surface Technologies	(18.6)	-
Total segment operating profit	175.5	254.9
 <b><u>Corporate items</u></b>		
Corporate income (expense) (1)	204.2	(46.8)
Interest expense	(81.7)	(13.3)
Total corporate items	122.5	(60.1)
 Net Income before income taxes (2)	 \$ 298.0	 \$ 194.8

(1) Corporate income (expense) primarily includes corporate staff expenses, stock-based compensation expenses, other employee benefits, certain foreign exchange gains and losses, and merger-related transaction expenses.

(2) Includes amounts attributable to noncontrolling interests.

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**

**BUSINESS SEGMENT DATA**

(Unaudited and in millions)

	Three Months Ended	
	March 31	
	<u>2017</u>	<u>2016</u>
<b><u>Inbound Orders</u></b>		
Subsea	\$ 666.0	\$ 490.4
Onshore/Offshore	682.0	530.7
Surface Technologies	241.5	-
Total inbound orders	<u>\$ 1,589.5</u>	<u>\$ 1,021.1</u>

	March 31	
	<u>2017</u>	<u>2016</u>
	<b><u>Order Backlog</u></b>	
Subsea	\$ 6,558.2	\$ 6,978.8
Onshore/Offshore	9,066.0	9,401.7
Surface Technologies	432.0	-
Total order backlog	<u>\$ 16,056.2</u>	<u>\$ 16,380.5</u>

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions)

	<b>(unaudited)</b>	
	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Cash and cash equivalents	\$ 7,041.7	\$ 6,269.3
Trade receivables, net	2,433.3	2,024.5
Costs in excess of billings	1,036.8	485.8
Inventories, net	983.5	334.7
Other current assets	2,239.5	1,822.9
Total current assets	<u>13,734.8</u>	<u>10,937.2</u>
Property, plant and equipment, net	3,975.5	2,620.1
Goodwill	9,023.6	3,718.3
Intangible assets, net	1,580.0	255.4
Other assets	1,256.6	1,168.1
Total assets	<u>\$ 29,570.5</u>	<u>\$ 18,699.1</u>
Short-term debt and current portion of long-term debt	\$ 499.0	\$ 683.6
Accounts payable, trade	4,131.5	3,837.7
Advance payments	314.9	411.1
Billings in excess of costs	3,478.7	3,364.5
Other current liabilities	3,072.9	2,633.5
Total current liabilities	<u>11,497.0</u>	<u>10,930.4</u>
Long-term debt, less current portion	3,082.8	1,869.3
Other liabilities	1,431.5	820.0
TechnipFMC plc stockholders' equity	13,552.8	5,091.1
Noncontrolling interests	6.4	(11.7)
Total liabilities and equity	<u>\$ 29,570.5</u>	<u>\$ 18,699.1</u>

**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)

	<b>(unaudited)</b>	
	<b>Three Months Ended</b>	
	<b>March 31</b>	
	<b>2017</b>	<b>2016</b>
Cash provided (required) by operating activities:		
Net income	\$ 194.3	\$ 147.3
Depreciation and amortization	154.1	74.6
Asset impairment charges	0.4	-
Trade accounts receivable, net and costs in excess of billings	267.7	8.8
Inventories, net	126.6	42.0
Accounts payable, trade	(168.8)	(84.0)
Advance payments and billings in excess of costs	(220.6)	(91.6)
Other	(202.7)	63.3
Net cash provided by operating activities	<u>151.0</u>	<u>160.4</u>
Cash provided (required) by investing activities:		
Capital expenditures	(51.2)	(25.5)
Cash acquired in merger of Technip and FMC Technologies	1,479.2	-
Other investing	14.9	0.5
Net cash provided (required) by investing activities	<u>1,442.9</u>	<u>(25.0)</u>
Cash provided (required) by financing activities:		
Net increase (decrease) in debt	(820.1)	(249.8)
Other financing	(45.4)	(19.4)
Net cash required by financing activities	<u>(865.5)</u>	<u>(269.2)</u>
Effect of changes in foreign exchange rates on cash and cash equivalents	<u>44.0</u>	<u>(97.7)</u>
Increase in cash and cash equivalents	772.4	(231.5)
Cash and cash equivalents, beginning of period	<u>6,269.3</u>	<u>3,178.0</u>
Cash and cash equivalents, end of period	<u>\$ 7,041.7</u>	<u>\$ 2,946.5</u>



**TECHNIPFMC plc AND CONSOLIDATED SUBSIDIARIES**  
**NON-GAAP FINANCIAL MEASURES**

The Reconciliation of U.S. GAAP to non-GAAP financial measures for TechnipFMC plc and consolidated subsidiaries are provided on the following page. The financial results reflect the following information:

- On January 16, 2017, TechnipFMC was created by the business combination of Technip S.A. (Technip) and FMC Technologies, Inc. (FMC Technologies).
- In December of 2016, Technip increased its ownership in the Yamal LNG Joint Venture and became the controlling shareholder. Under US GAAP, this would have resulted in full consolidation of the Joint Venture on the date of the transaction.

The Non-GAAP results for the three months ended March 31, 2017:

1. Include the results of Technip for the full period;
2. Include the results of FMC Technologies for the period January 17 to March 31, 2017; revenues of \$112.9 million during the period from January 1 to January 16, 2017 were excluded, of which approximately 70 percent from Subsea and the remainder from Surface Technologies; and
3. Fully consolidate the Yamal LNG Joint Venture for the full period, within the Onshore/Offshore segment.

The Non-GAAP pro forma results for the three months ended March 31, 2016:

1. Include the results of both Technip and FMC Technologies for the full period;
2. Combine FMC Technologies' former Surf (70) Tj1.68 Tc,Tc (th) Tj-0.36 T6 Tc ( F) Tj-0.12 TID



**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(In millions except per share amounts, unaudited)

	<b>(unaudited)</b>	
	<b>Three Months Ended</b>	
	<b>March 31</b>	
	<b>2017</b>	<b>2016</b>
(after-tax)		
Net income attributable to TechnipFMC plc, as reported	\$ 191	\$ 147
<u>Charges and (credits):</u>		
Impairment and other charges (1)	-	13
Restructuring and other severance charges (2)	7	12
Business combination transaction and integration costs (3)	39	-
Purchase price accounting adjustments (4)	95	-
Adjusted net income attributable to TechnipFMC plc	\$ 331	\$ 172
Diluted EPS attributable to TechnipFMC plc, as reported	\$ 0.41	\$ 1.21
Adjusted diluted EPS attributable to TechnipFMC plc	\$ 0.71	\$ 1.41

(1) Tax effect of nil and \$6 million during the three months ended March 31, 2017 and 2016, respectively.

(2) Tax effect of \$3 million and \$5 million during the three months ended March 31, 2017 and 2016, respectively.

(3) Tax effect of \$16 million and nil during the three months ended March 31, 2017 and 2016, respectively.

(4) Tax effect of \$35 million and nil during the three months ended March 31, 2017 and 2016, respectively.

**TECHNIPFC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(In millions, unaudited)

	Three Months Ended				
	March 31, 2017				
	Subsea	Onshore/Offshore	Surface Technologies	Corporate and Other	Total
Revenue	\$ 1,376.7	\$ 1,764.0	\$ 248.4	\$ (1.1)	\$ 3,388.0
Operating profit, as reported (pre-tax)	\$ 54.2	\$ 139.9	\$ (18.6)	\$ 204.2	\$ 379.7
Charges and (credits):					-
Impairment and other charges	0.2	-	0.2	-	0.4
Restructuring and other severance charges	6.5	(0.3)	1.2	1.9	9.3
Business combination transaction and integration costs	1.5	-	0.8	52.3	54.7
Purchase price accounting adjustments - non-amortization related	55.0	-	34.2	(3.0)	86.2
Purchase price accounting adjustments - amortization related	34.0	-	9.0	(0.1)	42.9
Subtotal	97.2	(0.3)	45.4	51.1	193.5
Adjusted Operating profit	151.4	139.6	26.8	255.3	573.2
Adjusted Depreciation and amortization	87.2	12.6	9.2	2.2	111.2
Adjusted EBITDA <sup>(1)</sup>	\$ 238.6	\$ 152.2	\$ 36.0	\$ 257.5	\$ 684.4
Operating profit margin, as reported	3.9%	7.9%	-7.5%		11.2%
Adjusted Operating profit margin	11.0%	7.9%	10.8%		16.9%
Adjusted EBITDA margin <sup>(1)</sup>	17.3%	8.6%	14.5%		20.2%

	Pro Forma Three Months Ended				
	March 31, 2016				
	Subsea	Onshore/Offshore	Surface Technologies	Corporate and Other	Total
Revenue, as pro forma	\$ 2,378.0	\$ 2,181.9	\$ 349.6	\$ (4.9)	\$ 4,904.6
Operating profit (pre-tax), as pro forma	\$ 216.9	\$ 58.4	\$ (75.1)	\$ (36.7)	\$ 163.5
Charges and (credits):					
Impairment and other charges	0.1	19.4	34.2	-	53.8
Restructuring and other severance charges	0.3	16.0	5.8	-	22.2
Purchase price accounting adjustments - non-amortization related	55.0	-	34.2	(3.0)	86.2
Purchase price accounting adjustments - amortization related	34.0	-	9.00	(0.1)	42.9
Subtotal	89.5	35.4	83.3	(3.1)	205.1
Adjusted operating profit	306.4	93.8	8.2	(39.8)	368.6
Adjusted Depreciation and Amortization	89.7	9.1	20.8	(2.0)	117.6
Adjusted EBITDA <sup>(1)</sup>	\$ 396.1	\$ 102.9	\$ 29.0	\$ (41.8)	\$ 486.2
Operating profit margin, as pro forma	9.1%	2.7%	-21.5%		3.3%
Adjusted Operating profit margin	12.9%	4.3%	2.3%		7.5%
Adjusted EBITDA margin <sup>(1)</sup>	16.7%	4.7%	8.3%		9.9%

(1) Includes amounts attributable to noncontrolling interests



**TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(In millions, unaudited)

	<b><u>March 31,</u></b> <b><u>2017</u></b>	<b><u>December 31,</u></b> <b><u>2016</u></b>
Cash and cash equivalents	\$ 7,041.7	\$ 6,269.3
Short-term debt and current portion of long-term debt	(499.0)	(683.6)
Long-term debt, less current portion	<u>(3,082.8)</u>	<u>(1,869.3)</u>
Net cash	<u>\$ 3,459.9</u>	<u>\$ 3,716.4</u>

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.