

TechnipFMC Announces Fourth Quarter 2018 Results

February 20, 2019

- Full-year Company orders of \$14.3 billion, up 40 percent year-over-year
- Strong project execution drives early delivery of Yamal LNG Train 3
- Non-cash after-tax asset impairment charges of \$1.7 billion
- Full-year distributions of \$681 million from dividends and share repurchase

LONDON & PARIS & HOUSTON--(BUSINESS WIRE)--Feb. 20, 2019-- Regulatory News:

TechnipFMC plc (NYSE: FTI) (Paris: FTI) (ISIN:GB00BDSFG982) today reported fourth quarter 2018 results.

Total Company revenue was \$3,323 million. The Company reported a net loss of \$2,259.3 million, or \$5.00 per diluted share. These results included total after-tax charges and credits of \$2,220.3 million, or \$4.91 per diluted share. Adjusted net loss was \$39 million, or \$0.09 per diluted share.

Total after-tax charges and credits in the quarter of \$2,220.3 million were as follows:

- 1) After-tax charges and credits impacting operating results of \$2,006.1 million, which included the following (Exhibit 8):
 - Asset impairments totaling \$1,688.8 million for goodwill and other fixed assets;
 - A provision of \$280 million as a probable estimate for the aggregate settlement of investigations regarding historical projects; and
 - Restructuring charges, business combination costs, and purchase price accounting adjustments totaling \$37.3 million.
- 2) Charges and credits impacting the tax provision of \$214.2 million, which included the following (Exhibit 8):

A tax provision for the true-up of U.S. tax reform of \$11.8 million

| year-over-year. In Surface Technologies, strength outside the Americas drove orders 36 percent higher than the previous year." |
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| "During the quarter, we progressed on outstanding investigations of historical projects and took a \$280 million provision as a probable estimate for the aggregate settlement. We continue to cooperate with all authorities in order to conclude this matter." |
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2019 Financial Guidance¹

The Company's full-year guidance for 2019 can be found in the table below. The following update is reflected in the outlook:

• Capital expenditures of approximately \$350 million for the full year, a decrease from the previous guidance of approximately \$400 million for the full year.

2019 Guidance *Updated February 20, 2019

| Subsea | Onshore/Offshore | Surface Technologies | | |
|------------------------|------------------------|------------------------|--|--|
| Revenue in a range of | Revenue in a range of | Revenue in a range of | | |
| \$5.4 – 5.7 billion | \$5.7 – 6.0 billion | \$1.7 – 1.8 billion | | |
| EBITDA margin at least | EBITDA margin at least | EBITDA margin at least | | |
| 11% (excluding | 12% (excluding | 17% (excluding | | |
| amortization related | amortization related | amortization related | | |
| impact of purchase | impact of purchase | impact of purchase | | |
| price accounting, and | price accounting, and | price accounting, and | | |
| other charges and | other charges and | other charges and | | |
| credits) | credits) | credits) | | |

TechnipFMC

Corporate expense, net \$160 – 170 million for the full year (excluding the impact of foreign currency fluctuations)

Net interest expense \$40 - 60 million for the full year (excluding the impact of revaluation of partners' redeemable financial liability)

Tax rate 28 – 32% for the full year (excluding the impact of discrete items)

Capital expenditures* approximately \$350 million for the full year

Cash flow from operating activ3 (t) 4

"anticipate," "plan," "intend," "foresee," "should," "would," "could," "may," "will," "likely," "predicated," "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,

| | | (Una | udited) | | | |
|--------------------------------------|--------------|------------|--------------|------------|--|--|
| | | nths Ended | | Year Ended | | |
| | | nber 31, | | ber 31, | | |
| D | 2018 | 2017 | 2018 | 2017 | | |
| Revenue | | | | | | |
| Subsea | \$ 1,233.3 | \$1,292.2 | \$ 4,840.0 | \$ 5,877.4 | | |
| Onshore/Offshore | 1,672.4 | | 6,120.7 | 7,904.5 | | |
| Surface Technologies | 417.3 | 372.3 | 1,592.2 | 1,274.6 | | |
| Other revenue | | (1.0) | | 0.4 | | |
| | \$ 3,323.0 | \$3,683.0 | \$12,552.9 | \$15,056.9 | | |
| Income before income taxes | | | | | | |
| Segment operating profit (loss) | | | | | | |
| Subsea | \$ (1,739.5) | \$ 67.4 | \$ (1,529.5) | \$ 460.5 | | |
| Onshore/Offshore | 206.4 | 257.2 | 824.0 | 810.9 | | |
| Surface Technologies | 38.8 | | 172.8 | 82.7 | | |
| Total segment operating profit (loss | | | (532.7) | | | |
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| | (Unaudited) | | | |
|---|-------------|--------------------|-----|--------------------|
| | De | cember 31, 2018 | Dec | cember 31, 2017 |
| Cash and cash equivalents | \$ | 5,540.0 | \$ | 6,737.4 |
| Trade receivables, net | | 2,644.7 | | 1,484.4 |
| Contract assets | | 1,295.0 | | 1,755.5 |
| Inventories, net | | 1,251.2 | | 987.0 |
| Other current assets | | 1,270.1 | | 2,012.8 |
| Total current assets | | 12,001.0 | | 12,977.1 |
| Property, plant and equipment, net | | 3,259.8 | | 3,871.5 |
| Goodwill | | 7,607.6 | | 8,929.8 |
| Intangible assets, net | | 1,176.7 | | 1,333.8 |
| Other assets | | 959.2 | | 1,151.5 |
| Total assets | \$ | 25,004.3 | \$ | 28,263.7 |
| Short-term debt and current portion of long-term debt | \$ | 67.4 | \$ | 77.1 |
| Accounts payable, trade | | 2,600.3 | | 3,958.7 |
| Contract liabilities | | 4,260.1 | | 3,314.2 |
| Other current liabilities | | 2,426.4 | | 2,479.4 |
| Total current liabilities | | 9,354.2 | | 9,829.4 |
| Long-term debt, less current portion | | 4,124.3 | | 3,777.9 |
| Other liabilities | | 1,056.4 | | 1,247.0 |
| Redeemable noncontrolling interest | | 38.5 | | _ |
| TechnipFMC plc stockholders' equity | | 10,399.6 | | 13,387.9 |
| Noncontrolling interests | | 31.3 | | 21.5 |
| Total liabilities and equity | \$ | 25,004.3 | \$ | 28,263.7 |

Exhibit 5

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

| | (Unau | dited) |
|--|--------------|----------|
| | Year Ended | |
| | December 31, | |
| | 2018 | 2017 |
| Cash provided (required) by operating activities | · | |
| Net income (loss) | \$(1,910.8) | \$ 134.2 |
| Adjustments to reconcile net income (loss) to cash provided (required) by operating activities | | |
| Depreciation | 367.8 | 370.2 |
| Amortization | 182.6 | 244.5 |
| Employee benefit plan and share-based compensation costs | 22.4 | 18.7 |
| Deferred income tax provision (benefit), net | 48.8 | 141.6 |
| Unrealized loss (gain) on derivativ 0 0 RG 0 54iv -1 1 6.7rg BT 3 ()I 3 | | |

(loss) before net Net income interest (loss) attributable **Net loss** expense and **Provision** (income) income to attributable to taxes for Net TechnipFMC noncontrolling income interest (Operating interests profit) plc taxes expense

Income

Year Ended December 31, 2018

| | | | | | Dec | ember 31, 20 | 18 | | |
|-----------------------------|----|--|---------------|---------|-------------------------------------|----------------------------|---|-------------------------------------|---|
| | at | et income (loss) tributable to chnipFMC plc | (ii attril | terests | Provision for income taxes | Net interest expense | Income (loss) before net interest expense and income taxes (Operating profit) | Depreciation and amortization | Earnings (loss) before net interest expense, income taxes, depreciation and amortization (EBITDA) |
| TechnipFMC plc, as reported | \$ | (1,921.6) | | (10. W | | | F: 3.1.9 | | (==::-, |
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| Business combination transaction and integration costs — — — 15.6 15.6 Legal provision — — — 280.0 280.0 Purchase price accounting adjustments - non-amortization related (3.3) — 1.4 0.1 (1.8) Purchase price accounting adjustments - amortization related 23.6 — 0.4 — 24.0 Subtotal 1,803.1 2.4 7.6 303.3 2,116.4 Adjusted Operating profit (loss) 63.6 208.8 46.4 (90.3) 228.5 Adjusted Depreciation and amortization 84.9 8.4 18.5 2.1 113.9 Adjusted EBITDA \$ 148.5 \$ 217.2 \$ 64.9 \$ (88.2) \$ 342.4 Operating profit margin, as reported -141.0% 12.3% 9.3% -56.8% |
|--|
| Purchase price accounting adjustments - non-amortization related (3.3) — 1.4 0.1 (1.8) Purchase price accounting adjustments - amortization related 23.6 — 0.4 — 24.0 Subtotal 1,803.1 2.4 7.6 303.3 2,116.4 Adjusted Operating profit (loss) 63.6 208.8 46.4 (90.3) 228.5 Adjusted Depreciation and amortization 84.9 8.4 18.5 2.1 113.9 Adjusted EBITDA \$ 148.5 \$ 217.2 \$ 64.9 \$ (88.2) \$ 342.4 |
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| |
| Operating profit margin, as reported -141.0% 12.3% 9.3% -56.8% |
| |
| Adjusted Operating profit margin 5.2% 12.5% 11.1% 6.9% |
| Adjusted EBITDA margin 12.0% 13.0% 15.6% 10.3% |
| Three Months Ended |
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| Impairment and other charges | 1,784.2 | _ | 4.5 | 3.9 | 1,792.6 | |
|---|--------------------------|--------------------------------|---------------------------------|-----------------------------------|---------------------------------|--|
| Restructuring and other severance charges | 17.7 | (3.4) | 9.3 | 15.0 | 38.6 | |
| Business combination transaction and integration costs | _ | _ | _ | 36.5 | 36.5 | |
| Legal provision | _ | _ | _ | 280.0 | 280.0 | |
| Gain on divestitures | (3.3) | (28.3) | _ | _ | (31.6) | |
| Purchase price accounting adjustments - non-amortization related | (9.4) | _ | 7.1 | (0.2) | (2.5) | |
| Purchase price accounting adjustments - amortization related | 91.3 | _ | _ | ` _ | 91.3 | |
| Subtotal | 1,880.5 | (31.7) | 20.9 | 335.2 | 2,204.9 | |
| Adjusted Operating profit (loss) | 351.0 | 792.3 | 193.7 | (259.3) | 1,077.7 | |
| Adjusted Depreciation and amortization | 349.2 | 38.1 | 66.6 | 5.2 | 459.1 | |
| Adjusted EBITDA | \$ 77080T2h | \$ 2 83 0. 9 9 1 | \$ 17 r@26101/3n q | \$ 6(12/54).10 | 0\$0 1 8,6 36080 0 rg | |
| Operating profit margin, as reported | -31.6% | 13.5% | 10.9% | | -9.0% | |
| Adjusted Operating profit margin | 7.3% | 12.9% | 12.2% | | 8.6% | |
| Adjusted EBITDA margin | 14.5% | 13.6% | 16.3% | | 12.2 <u>%</u> | |
| | Year Ended | | | | | |
| | December 31, 2017 | | | | | |
| | | 0 | C | C | | |
| | Subsea | Onshore/ | Surface Technologies | Corporate | | |
| Zevenue. | Subsea \$ 5.877.4 | Offshore | Technologies | and Other | Total | |
| Revenue | Subsea \$ 5,877.4 | | | and Other | | |
| | | Offshore \$7,904.5 | Technologies | and Other | Total \$15,056.9 | |
| Operating profit, as reported (pre-tax) Charges and (credits): | \$ 5,877.4 \$ 460.5 | Offshore \$7,904.5 | Technologies \$ 1,274.6 \$ 82.7 | and Other \$ 0.4 \$ (359.2) | Total \$15,056.9 \$ 994.9 | |
| | \$ 5,877.4 | Offshore \$7,904.5 | Technologies \$ 1,274.6 | \$ 0.4 | Total \$15,056.9 | |
| Operating profit, as reported (pre-tax) Charges and (credits): Impairment and other charges | \$ 5,877.4 \$ 460.5 | Offshore \$7,904.5 | Technologies \$ 1,274.6 \$ 82.7 | and Other \$ 0.4 \$ (359.2) | Total \$15,056.9 \$ 994.9 | |
| perating profit, as reported (pre-tax) harges and (credits): Impairment and other charges | \$ 5,877.4 \$ 460.5 | Offshore \$7,904.5 | Technologies \$ 1,274.6 \$ 82.7 | and Other \$ 0.4 \$ (359.2) | Total \$15,056.9 \$ 994.9 | |

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.

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