TechnipFMC plc Announces Filing of Current Report on Form 8-K Disclosing Entry Into Certain Material Agreements Relating to TechnipFMC plc's Previously Announced Separation Into Two Industry-leading, Independent, Publicly Traded Companies

February 16, 2021

LONDON & PARIS & HOUSTON--(BUSINESS WIRE)--Feb. 16, 2021-- Regulatory News:

TechnipFMC plc ("**TechnipFMC"**) (NYSE: FTI) (Paris: FTI) (ISIN: GB00BDSFG982) announces that on 16 February 2021, it filed a Current Report on Form 8-K (the "**Form 8-K**") under the U.S. Securities Exchange Act of 1934, as amended, with the U.S. Securities and Exchange Commission (the "**SEC**") disclosing TechnipFMC's entry into certain material agreements relating to TechnipFMC's previously announced separation into two industry-leading, independent, publicly traded companies.

On February 15 and 16, 2021, TechnipFMC plc (the "Company") entered into certain agreements related to its separation into two industry-leading, independent, publicly traded companies: the Company, a fully integrated technology and services provider; and Technip Energies N.V., a leading engineering and technology player ("Technip Energies"). The transaction is structured as a spin-off (the "Spin-off") of a majority stake in the Company's Technip Energies segment in the form of a share dividend pursuant to which holders of TechnipFMC shares will receive ordinary shares, €0.01 nominal value per share, of Technip Energies (the "Technip Energies Shares"). The agreements include the following:

- a Tax Matters Agreement (the "TMA") with Technip Energies;
- an Employee Matters Agreement (the "EMA") with Technip Energies;
- a Transition Services Agreement (the "TSA") with Technip Energies;
- a Patent License Agreement and a Co-Existence and Trademark Matters Agreement, each with Technip Energies (collectively, the "Intellectual Property Agreements");
- a Credit Agreement with JPMorgan Chase Bank, N.A., Citigroup Global Markets Inc. or an affiliate, DNB Capital, LLC or an affiliate, Société Générale, Sumitomo Mitsui Banking Corporation, Wells Fargo Securities, LLC and BofA Securities, Inc., collectively, as lead arrangers, JPMorgan Chase Bank, N.A., as administrative agent, Standard Chartered Bank, as documentation agent, and the lenders party thereto (the "Credit Agreement"); and
- a Supplemental Indenture with the guarantors named therein and U.S. Bank National Association, as trustee (the "Supplemental Indenture").

The descriptions below of the TMA, EMA, TSA, the Intellectual Property Agreements, the Credit Agreement and the Supplemental Indenture, and the transactions contemplated thereby, do not purport to be complete and are subject to, and qualified in their entirety by reference to, the complete terms and conditions of the TMA, EMA, TSA, the Intellectual Property Agreements, the Credit Agreement and the Supplemental Indenture, copies of which are attached as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6 and 4.1 respectively, to the Form 8-K and are incorporated by reference as though fully set forth therein.

Tax Matters Agreement

The TMA governs the Company's and Technip Energies' respective rights, responsibilities, and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings, and certain other matters regarding taxes.

Generally, the Company is liable for all pre-Spin-off taxes attributable to the business of Technip Energies required to be reported on either combined, consolidated, unitary or similar returns that include one or more of the Company and its subsidiaries (other than Technip Energies and its subsidiaries) and one or more of Technip Energies and its subsidiaries or returns that include only one or more of the Company and its subsidiaries (other than Technip Energies and its subsidiaries). Technip Energies is generally liable for all taxes attributable to the Technip Energies business required to be reported on returns that include only one or more of Technip Energies and its subsidiaries. In addition, the TMA addresses the allocation of liability for taxes that are incurred as a result of the separation undertaken to effectuate the Spin-off.

Employee Matters Agreement

Allocation of employment liabilities. Subject to certain exceptions, the general principle for the allocation of employment and service-related liabilities is that (i) Technip Energies assumes all such liabilities relating to Technip Energies' employees and former employees of the Company who worked wholly or substantially in the business of Technip Energies as of the date of the termination of their employment ("former Technip Energies employees") and (ii) the Company retains all such liabilities relating to all other current and former employees of the Company (including employees who are identified as Technip Energies employees, but do not in fact transfer to Technip Energies), in each case, regardless of when such liabilities arise.

Terms and conditions of Technip Energies employees. As of the completion of the Spin-off, Technip Energies will provide each of its current employees with the same basic salary and contractual benefits that he or she received prior to the date of his or her transfer to Technip Energies.

Employee benefit and cash bonus plans. The employees of Technip Energies will generally, as of the date of the Spin-off or as of the date of such employee's applicable employment transfer date, be eligible to participate in Technip Energies employee benefit plans that are substantially similar to those that apply to them prior to the date of the Spin-off. Technip Energies will establish a cash bonus plan for the 2021 performance period.

Share-based incentive schemes. Awards granted under share-based incentive schemes will be treated as follows:

- Generally, the restricted stock units of the Company (the "RSUs") that were scheduled to vest in less than one year from the closing of the Spin-off, to the extent not previously vested, were accelerated, and were settled into the Company shares prior to the Spin-off and are eligible to receive the dividend in kind resulting from the Spin-off if such shares continue to be held on February 17, 2021 (the "Record Date"). This acceleration did not apply to Company executives.
- The performance restricted stock units of the Company (the "PSUs") that were scheduled to vest in less than one year from the closing of the Spin-off, to the extent not previously accelerated, and were settled into the Company shares prior to the Spin-off based on actual performance as of immediately prior to the acceleration and are eligible to receive the dividend in kind resulting from the Spin-off if such shares continue to be held on the Record Date. This acceleration did not apply to Company executives.
- Holders of the Company unvested options, RSUs, and PSUs will not receive the dividend in kind resulting from the Spin-off, and such awards will be treated as described in Technip Energies' registration statement on Form F-1 (the "Form F-1") depending upon whether the holder is employed by or is a director of the Company or Technip Energies following the Spin-off.

In addition, Technip Energies will establish, and employees may be eligible to participate in, the incentive plan described in the Form F-1 following the Spin-off.

Long-term employee benefits. As of the date of the Spin-off or as of the date of the applicable employment transfer date of the employees of Technip Energies, Technip Energies will generally assume sponsorship of and responsibility for any stand-alone employee benefit arrangements relating to its employees and former Technip Energies employees. Further, subject to certain exceptions, the accrued (past service) liabilities, as well as any associated assets, relating to Technip Energies employees and former Technip Energies employees under the plans of the Company providing retirement, disability or death, old-age or jubilee benefits, will transfer to Technip Energies. However, any liabilities for Technip Energies' employees under the FMC Technologies Employees' Retirement Program will be specifically retained by the Company.

Transition Services Agreement

The Company and Technip Energies will, to the extent that shared business functions have not been separated prior to the Spin-off, each provide to the other various services and support on an interim transitional basis until such time as Technip Energies (or the Company in the case of services Technip Energies will provide to the Company) have developed the capability to provide the relevant services and support themselves or have appointed a third-party provider to provide those services and support.

The TSA is reciprocal with approximately 33% of services being provided by the Company to Technip Energies, and 67% being reverse services provided by Technip Energies to the Company. Services and support will be provided with the same standard of care, quality, priority, timeliness and skill as during the one-year period prior to the Spin-off. The Company anticipates that the charges for the services will be on a cost-plus basis (with a mark-up to reflect the management and administrative cost of providing the services). The services generally commenced on the date of the Spin-off and are generally intended to terminate between three and twelve months after the date of the Spin-off. The recipient of the services will generally have the ability to: (i) extend the term that a service is provided for by up to six months, subject to a maximum aggregate service term of 24 months; and (ii) terminate any or all services early subject to a 30-day notice period. Each party, as provider, has standard termination rights for unremedied material breach or non-payment of charges by the recipient.

Neither Technip Energies nor the Company are liable under the TSA for any claim or cause of action arising thereunder except to the extent that claims arise from a provider's gross negligence or willful misconduct, and consequential damages are excluded to the extent permitted under applicable law.

The services and support to be provided by the Company to Technip Energies include: IT, administration, human resources, real estate and facilities, non-strategic corporate services, procurement services, enterprise management services, rental and facility management services, tax, treasury and financial reporting and accounting services.

Intellectual Property Agreements

Patent License Agreement. The Company and Technip Energies have each been granted the right to continue to use patent rights that are owned by the Company or Technip Energies in connection with their respective businesses and which are used or anticipated to be used by both the Company and Technip Energies in our and their respective businesses following the completion of the Spin-off. The licenses are on a perpetual, worldwide, and royalty-free basis, each limited to the field of the respective licensee's business. The licenses contain a termination right for the licensor in the event of assignment by licensee to a competitor of licensor. The Patent License Agreement also contains royalty-free licenses in favor of Technip Energies with respect to certain patents related to flexibles and fixed offshore platform technologies.

Coexistence and Trademark Matters Agreement. The Company and Technip Energies entered into a perpetual Coexistence and Trademark Matters Agreement regulating each party's use of its own trademarks containing or consisting of the name "Technip," including Technip Energies' use of "Technip Energies" trademarks. Under the agreement, if either of the Company or Technip Energies is acquired by a competitor of the other party, the non-acquired party may require the acquired party to cease all use of any trademarks containing or consisting of the name "Technip" within twelve months of the date of completion of the acquisition. The Coexistence and Trademark Matters Agreement also contains a transitional license in favor of Technip Energies with respect to ongoing use by Technip Energies of certain marks related to the loading systems business unit.

Credit Agreement

The Company entered into the Credit Agreement on February 16, 2021, which is a $1,000,000,000 three-year senior secured multicurrency revolving credit facility. The Credit Agreement provides for a $450,000,000 letter of credit subfacility.

The Company will access funding of $400 million of the revolving credit facility established by the Credit Agreement in conjunction with the Spin-off and plans to use the proceeds of the draw to fund short-term needs associated with the Spin-off. The need for short-term funding is primarily due to:

- Acceleration of the effective date of the Spin-off relative to the timing of ongoing restructuring of the Company's global portfolio of cash and liquidity in a manner suitable for the needs of the Company following the Spin-off;
- Timing of the receipt of Bpifrance Participations SA's ("BPI") $200 million investment, for which BPI is awaiting final regulatory approval from one competition authority beyond the European Union; and
- Maturity of $80 million in fixed but not yet realized foreign exchange gains, associated with hedges of debt borrowings repaid at the time of separation.

Pro forma for the events of the Transactions through the effective date of the Spin-off, including the aforementioned draw, we expect our cash and debt profile to consist of the following:

- Cash and cash equivalents of approximately $600 million;
- Debt of approximately $2,800 million; and
- Net debt of approximately $2,200 million, which is modestly above the Company's previous guidance of $1,700 million when excluding the temporary draw on the revolving credit facility due to the items discussed above.

Borrowings under the revolving credit facility bear interest at the following rates, plus an applicable margin, depending on currency:

- U.S. dollar denominated loans bear interest, at the Borrowers' option, at a base rate or an adjusted rate linked to the London interbank offered rate ("Adjusted LIBOR");
- Sterling denominated loans bear interest at Adjusted LIBOR; and
- Euro-denominated loans bear interest on adjusted rate linked to the Euro interbank offered rate.

The applicable margin for borrowings under the revolving credit facility ranges from 2.50% to 3.50% for eurocurrency loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Credit Agreement is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

Supplemental Indenture

As previously announced, on January 29, 2021, the Company closed its offering of $1,000,000,000 in aggregate principal amount of 6.500% senior notes due 2026 (the "Notes"). The Notes were issued pursuant to, and are governed by, an indenture, dated as of January 29, 2021 (the "Indenture"), between the Company, the guarantors named therein and U.S. Bank National Association, as trustee. The Notes and related guarantees were issued in a private offering exempt from the Securities Act of 1933, as amended (the "Securities Act") and have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws.

In connection with the closing of the Spin-off, the Company and certain of its non-U.S. subsidiaries entered into the Supplemental Indenture, pursuant to which the Company and such subsidiaries became guarantors of the Notes under the Indenture. Pursuant to the Supplemental Indenture, the Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Company and substantially all of the Company's non- U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom (subject to applicable limitations contained in the Indenture).

In addition, in connection with the closing of the Spin-Off, the Company used the net proceeds from the issuance of the Notes, together with cash on hand, to repay, discharge, repurchase, retire and/or redeem certain existing indebtedness of the Company, including the $500.0 million 3.45% Senior Notes due 2022, the $2.5 billion revolving senior unsecured revolving credit facility agreement dated January 17, 2017 and €500.0 million revolving credit facility dated May 19, 2020.

Completion of Acquisition or Disposition of Assets

On February 16, 2021, the Company completed the Spin-off. Technip Energies' business consists of those activities that previously comprised the Company's Technip Energies business segment, as described in the Form F-1. Technip Energies is now an independent public company and its shares trade on the Euronext Paris stock exchange.

The Spin-off occurred by way of a pro rata dividend to the Company's shareholders of 50.1% of Technip Energies Shares. Each of the Company's shareholders received one Technip Energies Share for every five shares of the Company held at 5:00 p.m., New York City time, on the Record Date, and cash in lieu of any fractional Technip Energies Shares.

The Form F-1 was filed by Technip Energies with the Securities and Exchange Commission and was declared effective on February 12, 2021.

Departure of Directors or Certain Officers

In connection with the Spin-off, effective on February 16, 2021, (i) Arnaud Pieton resigned as an officer of the Company and (ii) Arnaud Caudoux, Pascal Colombani, Marie Ange Debon, Didier Houssin, Olivier Piou and Joseph Rinaldi resigned from the board of directors of the Company and any respective committees of the board to which they belonged, which resignations were not the result of any disagreements with the Company relating to the Company's operations, policies or practices.

TECHNIPFMC PLC

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On February 16, 2021, TechnipFMC plc ("TechnipFMC" or "we") completed the previously announced separation into two industry-leading, independent, publicly traded companies: Technip FMC, a fully integrated technology and service provider, and Technip Energies N.V., a leading engineering and technology player ("Technip Energies"). The transaction was structured as a spin-off (the "Spin-off"), which occurred by way of a pro rata dividend (the "Distribution") to TechnipFMC's shareholders of 50.1 percent of the outstanding shares of Technip Energies. Each of the TechnipFMC shareholders received one ordinary share of Technip Energies for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Technip Energies is now an independent public company and its shares trade under the ticker symbol "TE" on the Euronext Paris stock exchange. Technip Energies intends to establish a sponsored American Depositary Receipt program in the United States as of February 23, 2021.

In connection with the Spin-off, on January 7, 2021, Bpifrance Participations SA ("BPI"), which has been a substantial shareholder of TechnipFMC since 2009, entered into the share purchase agreement with TechnipFMC pursuant to which BPI will purchase from TechnipFMC a portion of TechnipFMC's retained stake in Technip Energies (the "BPI Investment") for $200.0 million (the "Purchase Price"). The Purchase Price is subject to adjustment, and BPI's ownership stake will be determined based upon a thirty day volume-weighted average price of Technip Energies shares (with BPI's ownership collared between an 11.82 percentage floor and a 17.25 percentage cap), less a six percent discount. The BPI Investment is subject to customary conditions and regulatory approval. Following completion of the Distribution, TechnipFMC intends to significantly reduce its shareholding in Technip Energies over the 18 months following the Spin-off, including in connection with the sale of shares to BPI pursuant to the BPI Investment.

The following unaudited pro forma condensed consolidated financial statements consist of unaudited pro forma condensed consolidated statements of income (loss) for the years ended December 31, 2019, 2018 and 2017 and for the nine months ended September 30, 2020, and an unaudited pro forma condensed consolidated balance sheet as of September 30, 2020. The unaudited pro forma condensed consolidated balance sheet assumes that the Spin-off and the Distribution had occurred on September 30, 2020, and the unaudited pro forma condensed consolidated statements of income (loss) assume that the Spin-off and the Distribution had occurred on January 1, 2017.

The transaction accounting adjustments for the Spin-off consist of those necessary to account for the separation of the Technip Energies business segment. Separately, in connection with the Spin-off, TechnipFMC issued $1.0 billion of its 6.50% Senior Notes due 2026. The adjustments related to the issuance of this debt and repayment of certain existing debts are shown in a separate column as "Financing Adjustments". The unaudited pro forma condensed consolidated financial statements do not include any management's adjustments that include forward-looking information.

The unaudited pro forma condensed consolidated financial statements have been prepared based upon available information and management estimates and are subject to assumptions and adjustments described below and in the accompanying notes to those financial statements. The unaudited pro forma condensed consolidated financial statements are not intended to represent or be indicative of the financial condition or results of operations that might have occurred had the Spin-off and Distribution occurred as of the dates stated below, and further should not be taken as representative of future financial condition or results of operations of the reorganized entity. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. Management believes these assumptions and adjustments are reasonable under the circumstances, given the information available at the filing date.

The unaudited pro forma condensed consolidated financial statements and the accompanying notes should be read in conjunction with:

– the audited consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in TechnipFMC's Form 10-K for the fiscal year ended December 31, 2019 and

– the unaudited condensed consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in TechnipFMC's Form 10-Q for the nine months ended September 30, 2020.

The Historical column in the unaudited pro forma condensed consolidated financial statements reflects TechnipFMC's historical financial statements for the periods presented and does not reflect any adjustments related to the Distribution and related events.

The Technip Energies Separation column in the unaudited pro forma condensed consolidated financial statements was derived from the audited combined financial statements for the years ended December 31, 2019, 2018 and 2017 included in Technip Energies' registration statement on Form F-1 filed with the Securities and Exchange Commission on January 19, 2021, and from the unaudited combined financial statements as of and for the nine months ended September 30, 2020. The combined financial statements were adjusted to exclude certain items which are relevant to the continuing operations of TechnipFMC and to reflect certain insignificant IFRS to US GAAP conversion differences.

TECHNIPFMC PLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In millions, except per share data)

	Historical	Technip Energies Separation	Transaction Accounting Adjustments	Notes	Pro Forma TechnipFMC plc after Spin-off	Financing Adjustments	Notes	Pro Forma TechnipFMC plc
Revenue								
Service revenue	$ 7,101.9	$ (4,694.8)	$ —		$ 2,407.1	$ —		$ 2,407.1
Product revenue	2,416.9	—	—		2,416.9	—		2,416.9
Lease revenue	105.7	—	—		105.7	—		105.7
Total revenue	9,624.5	(4,694.8)	—		4,929.7	—		4,929.7
Costs and expenses								

Cost of service revenue	6,158.0	(3,855.4)	—		2,302.6	—		2,302.6
Cost of product revenue	1,970.0	—	—		1,970.0	—		1,970.0
Cost of lease revenue	90.3	—	—		90.3	—		90.3
Selling, general and administrative expense	780.8	(252.6)	—		528.2	—		528.2
Research and development expense	108.8	(36.8)	—		72.0	—		72.0
Impairment, restructuring and other expense	3,440.7	(84.5)	—		3,356.2	—		3,356.2
Separation costs	27.1	(27.1)	—		—	—		—
Merger transaction and integration costs	—	—	—		—	—		—
Total costs and expenses	12,575.7	(4,256.4)	—		8,319.3	—		8,319.3
Other income (expense), net	(9.3)	11.4	—		2.1	—		2.1
Income from equity affiliates	52.9	(2.8)	—		50.1	—		50.1
Income (loss) before net interest expense and income taxes	(2,907.6)	(429.8)	—		(3,337.4)	—		(3,337.4)
Net interest expense	(238.5)	136.6	—		(101.9)	(22.9)	**(h)**	(124.8)
Income (loss) before income taxes	(3,146.1)	(293.2)	—		(3,439.3)	(22.9)		(3,462.2)
Provision for income taxes	77.9	(100.4)	—		(22.5)	—	**(i)**	(22.5)
Net income (loss)	(3,224.0)	(192.8)	—		(3,416.8)	(22.9)		(3,439.7)
Net profit attributable to noncontrolling interests	(24.3)	9.5	—		(14.8)	—		(14.8)
Net income (loss) attributable to TechnipFMC plc	$(3,248.3)	$ (183.3)	$ —		$ (3,431.6)	$ (22.9)		$ (3,454.5)
Earnings (loss) per share attributable to TechnipFMC plc								
Basic	$ (7.24)							$ (7.70)
Diluted	$ (7.24)							$ (7.70)
Weighted average shares outstanding								
Basic	448.4							448.4
Diluted	448.4							448.4

TECHNIPFMC PLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019
(In millions, except per share data)

	Historical	Technip Energies Separation	Transaction Accounting Adjustments	Notes	Pro Forma TechnipFMC plc after Spin-off	Financing Adjustments	Notes	Pro Forma TechnipFMC plc
Revenue								
Service revenue	$ 9,789.7	$ (6,458.9)	$ —		$ 3,330.8	$ —		$ 3,330.8
Product revenue	3,352.9	—	—		3,352.9	—		3,352.9
Lease revenue	266.5	—	—		266.5	—		266.5
Total revenue	13,409.1	(6,458.9)	—		6,950.2	—		6,950.2
Costs and expenses								
Cost of service revenue	7,767.2	(5,071.4)	—		2,695.8	—		2,695.8
Cost of product revenue	3,015.6	—	—		3,015.6	—		3,015.6
Cost of lease revenue	167.9	—	—		167.9	—		167.9
Selling, general and administrative expense	1,228.1	(406.1)	—		822.0	—		822.0
Research and development expense	162.9	(47.0)	—		115.9	—		115.9
Impairment, restructuring and other expense	2,490.8	(30.0)	—		2,460.8	—		2,460.8
Separation costs	72.1	(72.1)	—		—	—		—
Merger transaction and integration costs	31.2	(17.0)	—		14.2	—		14.2
Total costs and expenses	14,935.8	(5,643.6)	—		9,292.2	—		9,292.2
Other income (expense), net	(220.7)	39.0	—		(181.7)	—		(181.7)
Income from equity affiliates	62.9	(3.2)	—		59.7	—		59.7
Income (loss) before net interest expense and income taxes	(1,684.5)	(779.5)	—		(2,464.0)	—		(2,464.0)
Net interest expense	(451.3)	360.4	—		(90.9)	(6.1)	**(h)**	(97.0)
Income (loss) before income taxes	(2,135.8)	(419.1)	—		(2,554.9)	(6.1)		(2,561.0)
Provision for income taxes	276.3	(216.3)	—		60.0	—	**(i)**	60.0

Net income (loss)	(2,412.1)	(202.8)	—		(2,614.9)	(6.1)		(2,621.0)
Net profit attributable to noncontrolling interests	(3.1)	7.7	—		4.6	—		4.6
Net income (loss) attributable to TechnipFMC plc	$(2,415.2)	$ (195.1)	$ —		$ (2,610.3)	$ (6.1)		$ (2,616.4)
Earnings (loss) per share attributable to TechnipFMC plc								
Basic	$ (5.39)							$ (5.84)
Diluted	$ (5.39)							$ (5.84)
Weighted average shares outstanding								
Basic	448.0							448.0
Diluted	448.0							448.0

TECHNIPFMC PLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018
(In millions, except per share data)

	Historical	Technip Energies Separation	Transaction Accounting Adjustments	Notes	Pro Forma TechnipFMC plc after Spin-off	Financing Adjustments	Notes	Pro Forma TechnipFMC plc
Revenue								
Service revenue	$ 9,057.6	$ (6,281.2)	$ —		$ 2,776.4	$ —		$ 2,776.4
Product revenue	3,272.6	—	—		3,272.6	—		3,272.6
Lease revenue	222.7	—	—		222.7	—		222.7
Total revenue	12,552.9	(6,281.2)	—		6,271.7	—		6,271.7
Costs and expenses								
Cost of service revenue	7,452.7	(5,193.0)	—		2,259.7	—		2,259.7
Cost of product revenue	2,676.9	—	—		2,676.9	—		2,676.9
Cost of lease revenue	143.4	—	—		143.4	—		143.4
Selling, general and administrative expense	1,140.6	(400.8)	—		739.8	—		739.8
Research and development expense	189.2	(31.6)	—		157.6	—		157.6
Impairment, restructuring and other expense	1,831.2	(9.6)	—		1,821.6	—		1,821.6
Merger transaction and integration costs	36.5	(18.1)	—		18.4	—		18.4
Total costs and expenses	13,470.5	(5,653.1)	—		7,817.4	—		7,817.4
Other income (expense), net	(323.9)	244.4	—		(79.5)	—		(79.5)
Income from equity affiliates	114.3	(34.2)	—		80.1	—		80.1
Income (loss) before net interest expense and income taxes	(1,127.2)	(417.9)	—		(1,545.1)	—		(1,545.1)
Net interest expense	(360.9)	245.5	—		(115.4)	—		(115.4)
Income (loss) before income taxes	(1,488.1)	(172.4)	—		(1,660.5)	—		(1,660.5)
Provision for income taxes	422.7	(230.8)	—		191.9	—		191.9
Net income (loss)	(1,910.8)	58.4	—		(1,852.4)	—		(1,852.4)
Net profit attributable to noncontrolling interests	(10.8)	(0.2)	—		(11.0)	—		(11.0)
Net income (loss) attributable to TechnipFMC plc	$(1,921.6)	$ 58.2	$ —		$ (1,863.4)	$ —		$ (1,863.4)
Earnings (loss) per share attributable to TechnipFMC plc								
Basic	$ (4.20)							$ (4.07)
Diluted	$ (4.20)							$ (4.07)
Weighted average shares outstanding								
Basic	458.0							458.0
Diluted	458.0							458.0

TECHNIPFMC PLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(In millions, except per share data)

	Historical	Technip Energies	Transaction Accounting	Notes	Pro Forma TechnipFMC	Financing Adjustments	Notes	Pro Forma TechnipFMC

		Separation	Adjustments		plc after Spin-off			plc
Revenue								
Service revenue	$11,445.9	$ (8,078.7)	$ —		$ 3,367.2	$ —		$ 3,367.2
Product revenue	3,416.4	—	—		3,416.4	—		3,416.4
Lease revenue	194.6	—	—		194.6	—		194.6
Total revenue	15,056.9	(8,078.7)	—		6,978.2	—		6,978.2
Costs and expenses								
Cost of service revenue	9,433.1	(7,012.8)	—		2,420.3	—		2,420.3
Cost of product revenue	2,954.3	—	—		2,954.3	—		2,954.3
Cost of lease revenue	137.2	—	—		137.2	—		137.2
Selling, general and administrative expense	1,060.9	(328.3)	—		732.6	—		732.6
Research and development expense	212.9	(35.9)	—		177.0	—		177.0
Impairment, restructuring and other expense	191.5	(56.4)	—		135.1	—		135.1
Merger transaction and integration costs	101.8	(53.4)	—		48.4	—		48.4
Total costs and expenses	14,091.7	(7,486.8)	—		6,604.9	—		6,604.9
Other income (expense), net	(25.9)	(47.9)	—		(73.8)	—		(73.8)
Income from equity affiliates	55.6	(0.3)	—		55.3	—		55.3
Income (loss) before net interest expense and income taxes	994.9	(640.1)	—		354.8	—		354.8
Net interest expense	(315.2)	231.5	—		(83.7)	—		(83.7)
Income (loss) before income taxes	679.7	(408.6)	—		271.1	—		271.1
Provision for income taxes	545.5	(271.4)	—		274.1	—		274.1
Net income (loss)	134.2	(137.2)	—		(3.0)	—		(3.0)
Net profit attributable to noncontrolling interests	(20.9)	(0.3)	—		(21.2)	—		(21.2)
Net income (loss) attributable to TechnipFMC plc	$ 113.3	$ (137.5)	$ —		$ (24.2)	$ —		$ (24.2)
Earnings (loss) per share attributable to TechnipFMC plc								
Basic	$ 0.24							$ (0.05)
Diluted	$ 0.24							$ (0.05)
Weighted average shares outstanding								
Basic	466.7							466.7
Diluted	468.3							466.7

TECHNIPFMC PLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2020
(In millions, except par value data)

	Historical	Technip Energies Separation	Transaction Accounting Adjustments	Notes	Pro Forma TechnipFMC plc after Spin-off	Financing Adjustments	Notes	Pro Forma TechnipFMC plc
Assets								
Cash and cash equivalents	$ 4,244.0	$ (3,650.4)	$ 1,042.3	**(a)**	$ 1,635.9	$ (1,185.9)	**(b)**	$ 450.0
Trade receivables, net	2,127.8	(995.7)	—		1,132.1	—		1,132.1
Contract assets, net	1,470.0	(420.4)	—		1,049.6	—		1,049.6
Inventories, net	1,339.1	(12.6)	—		1,326.5	—		1,326.5
Derivative financial instruments	310.7	(12.5)	(16.3)	**(a)**	281.9	—		281.9
Income taxes receivable	285.4	(93.3)	—		192.1	—		192.1
Advances paid to suppliers	219.2	(119.2)	—		100.0	—		100.0
Other current assets	1,037.9	(415.9)	204.1	**(c)**	826.1	—		826.1
Total current assets	11,034.1	(5,720.0)	1,230.1		6,544.2	(1,185.9)		5,358.3
Investments in equity affiliates	351.2	(56.3)	—		294.9	—		294.9
Property, plant and equipment, net	2,806.4	(116.8)	—		2,689.6	—		2,689.6
Operating lease right-of-use assets	742.1	(240.3)	—		501.8	—		501.8
Goodwill	2,488.7	(2,488.7)	—		—	—		—
Intangible assets, net	1,002.3	(122.9)	—		879.4	—		879.4
Deferred income taxes	228.1	(178.2)	—		49.9	—		49.9

Derivative financial instruments	22.9	(2.2)	—		20.7	—		20.7
Investment in Technip Energies	—	—	678.4	**(d)**	678.4	—		678.4
Other assets	235.4	(49.5)	—		185.9	—		185.9
Total assets	$18,911.2	$ (8,974.9)	$ 1,908.5		$ 11,844.8	$ (1,185.9)		$ 10,658.9
Liabilities and equity								
Short-term debt and current portion of long-term debt	$ 612.2	$ (2.7)	$ —		$ 609.5	$ (522.8)	**(e)**	$ 86.7
Operating lease liabilities	206.1	(50.0)	—		156.1	—		156.1
Accounts payable, trade	2,498.4	(1,386.3)	—		1,112.1	—		1,112.1
Contract liabilities	4,643.4	(3,649.1)	—		994.3	—		994.3
Accrued payroll	384.5	(211.3)	—		173.2	—		173.2
Derivative financial instruments	280.2	(26.2)	—		254.0	—		254.0
Income taxes payable	65.7	(48.6)	—		17.1	—		17.1
Other current liabilities	1,326.7	(612.8)	131.9	**(c)**	845.8	—		845.8
Total current liabilities	10,017.2	(5,987.0)	131.9		4,162.1	(522.8)		3,639.3
Long-term debt, less current portion	3,248.0	(416.8)	—		2,831.2	(613.1)	**(e)**	2,218.1
Operating lease liabilities, less current portion	626.2	(251.5)	—		374.7	—		374.7
Deferred income taxes	78.5	(30.7)	—		47.8	—		47.8
Accrued pension and other post-retirement benefits, less current portion	320.4	(164.1)	—		156.3	—		156.3
Derivative financial instruments	35.7	(6.1)	—		29.6	—		29.6
Other liabilities	309.4	(180.5)	—		128.9	—		128.9
Total liabilities	14,635.4	(7,036.7)	131.9		7,730.6	(1,135.9)		6,594.7
Commitments and contingent liabilities								
Mezzanine equity								
Redeemable non-controlling interest	42.1	—	—		42.1	—		42.1
Stockholders' equity								
Ordinary shares, $1.00 par value; 618.3 shares authorized; 449.4 shares issued and outstanding	449.4	—	—		449.4	—		449.4
Capital in excess of par value of ordinary shares	10,227.8	—	—		10,227.8	—		10,227.8
Accumulated deficit/ Parent Company investment in Technip Energies	(4,879.0)	(2,032.1)	1,776.6	**(f)**	(5,134.5)	(50.0)	**(g)**	(5,184.5)
Accumulated other comprehensive loss	(1,609.1)	108.1	—		(1,501.0)	—		(1,501.0)
Total TechnipFMC plc stockholders' equity	4,189.1	(1,924.0)	1,776.6		4,041.7	(50.0)		3,991.7
Non-controlling interests	44.6	(14.2)	—		30.4	—		30.4
Total equity	4,233.7	(1,938.2)	1,776.6		4,072.1	(50.0)		4,022.1
Total liabilities and equity	$18,911.2	$ (8,974.9)	$ 1,908.5		$ 11,844.8	$ (1,185.9)		$ 10,658.9

TECHNIPFMC PLC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

(a) Pursuant to the Separation and Distribution Agreement signed between TechnipFMC and Technip Energies, pro forma adjustment to cash reflects proceeds received from BPI for its proportionate share of the investment in Technip Energies and cash retained by TechnipFMC, including proceeds from settlement of hedging instruments, after the deconsolidation of Technip Energies. The adjustment is comprised of the following (in millions):

	September 30, 2020
Technip Energies' cash retained	$ 842.3
Cash proceeds from BPI	200.0
Pro forma adjustment to cash	$ 1,042.3

(b) Reflects the adjustment to cash for the retirement of certain of TechnipFMC's debt, issuance of new 6.50% Senior Notes due 2026 and payment of estimated cost of debt issuance and financing. The adjustment is comprised of the following (in millions):

	September 30, 2020
Repayment of TechnipFMC's debt	$ (2,113.4)
Issuance of 6.50% Senior Notes due 2026	1,000.0
Debt issuance costs	(22.5)
Other financing costs related to the Spin-off	(50.0)
Pro forma adjustment to cash	$ (1,185.9)

(c) Reflects the settlement of the outstanding intercompany accounts receivables (payables) pursuant to the Separation and Distribution Agreement.

(d) Reflects the remaining non-controlling equity interest in Technip Energies, calculated by applying the ownership percentage, assuming that the BPI Investment is purchased at the midpoint of the 11.82 percentage floor and 17.25 percentage cap, to the historical carrying value of Technip Energies. It is management's belief that the historical carrying value of Technip Energies approximates its fair value. BPI's $200.0 million investment in Technip Energies is subject to adjustment, and the incremental ownership stake will be determined based upon the first thirty day volume-weighted average price of Technip Energies' shares, less a six percent discount.

Following the completion of the Spin-off, TechnipFMC elected to apply a fair value option to account for its equity method investment in the remaining ownership interest in Technip Energies. The pro forma adjustments related to the changes in the fair value of the equity method investment are not reflected in these financial statements, because they are not meaningful.

(e) Reflects pro forma adjustment related to repayment of certain debts and issuance of new 6.50% Senior Notes due 2026 as follows (in millions):

		September 30, 2020
Repayment of commercial paper	$	(1,090.6)
Repayment of 3.45% Senior Notes due 2022		(500.0)
Repayment of Synthetic bonds due 2021 (classified as short-term debt)		(522.8)
Issuance of 6.50% Senior Notes due 2026		1,000.0
Debt issuance costs		(22.5)
Pro forma adjustment to total debt	$	(1,135.9)

(f) Represents pro forma adjustment to retained earnings to reflect the net impact of amounts as a result of the pro forma Spin-off adjustments as follows (in millions):

		September 30, 2020
Technip Energies' cash retained	$	826.0
Investment in Technip Energies		678.4
Cash proceeds from BPI		200.0
Settlement of intercompany receivables (payables)		72.2
Accumulated deficit	$	1,776.6

(g) Represents pro forma adjustment to accumulated deficit to reflect the net impact of payments for other financing and transaction costs.

(h) Reflects pro forma interest expense adjustments for the nine months ended September 30, 2020 as follows (in millions):

		Nine Months Ended September 30, 2020
Interest expense on new 6.50% Senior Notes due 2026	$	52.1
Eliminate interest expense associated with retirement of TechnipFMC's debt(i)		(29.2)
Pro forma adjustment to interest expenses	$	22.9

Reflects pro forma interest expense adjustments for the year ended December 31, 2019:

		Year Ended December 31, 2019
Interest expense on new 6.50% Senior Notes due 2026	$	69.5
Eliminate interest expense associated with retirement of TechnipFMC's debt(i)		(63.4)
Pro forma adjustment to interest expenses	$	6.1

Pro forma adjustments for interest expense associated with retirement of TechnipFMC's debt was calculated based on the historical debt balances of the commercial paper, Synthetic bonds and 3.45% Senior Notes outstanding at each applicable balance sheet date.

(i) Reflects income tax expense (benefit) related to income (loss) from operations before income taxes generated by the pro forma adjustments based upon an estimate of the effective tax rate. There is no tax benefit related to the pro forma adjustments for the nine months ended September 30, 2020 and for the year ended December 31, 2019, due to the overall net deferred tax asset position and corresponding full valuation allowances which were recorded during these periods.

A copy of the Form 8-K can be found on the SEC website (www.sec.gov) and on the TechnipFMC website (investors.technipfmc.com).

Category: UK regulatory

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