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PRESENTATION

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

Good morning, and welcome to day 2 of the Barclays 34th Annual Energy Conference.

This morning, we're very pleased to kick off the day with Mr. Doug Pferdehirt, Chairman and CEO of TechnipFMC.

Doug has been CEO since the merger of FMC Technologies and Technip in 2017 and was CEO of FMC Technologies since 2016 after joining the company in 2012, after spending the prior 26 years at Schlumberger.

Doug, thank you very much for joining us today. Hope all is well in these strange times we're in.

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

Thank you, Dave. We're well, and thank you very much for having us today.

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

So I believe you have a few minutes, you're going to give us a quick update on the business here, and then we all will go into Q&A. So please, the floor is yours.

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

Okay. Thank you, Dave. Thank you, Mick, and thanks to the entire Barclays team. We're excited to be back again and appreciate the opportunity to provide you with an update on our company.

While the landscape looks very different from this time last year, TechnipFMC continues to execute well in a very challenging market.

We have swiftly adapted to the changing marketing environment and accelerated the transformation of our business to unlock new possibilities for our customers in both developing their energy resources and meeting their carbon reduction ambitions.

We have made solid progress in three core areas: strengthening our balance sheet, progressing our backlog scheduling and accelerating our business transformation.

Starting with the balance sheet. We have nearly $7 billion of cash and liquidity to help us navigate these challenging times. This includes an increase in our liquidity of $1.2 billion that was secured during the second quarter.

In addition, our updated guidance highlights our expectation for second half free cash flow to exceed $240 million. At the end of the second quarter, we had nearly $21 billion of total company backlog, approximately $15 billion of which is scheduled for 2021 and beyond, providing us significant revenue visibility for future years.

In this period of uncertainty, we are more deeply engaged with our customers. There is much greater collaboration enabled by our innovative solutions and demonstrated excellence and execution and supported by our financial strength.

Additionally, our second quarter ending backlog does not include the recently announced Subsea EPCI award for the Mero 2 project from Petrobras. The resilience of our backlog and ability to secure future projects, driven by strong client relationships and direct awards, provides us flexibility as we reshape our business to thrive beyond 2020.

We continue to progress our business transformation through a series of both operational and financial actions. These initiatives are driven by changes and opportunities created from the successful introduction of new business models, innovative technologies and digital solutions across our portfolio. We have global actions underway to generate annualized run rate savings in excess of $350 million by year-end, and we have already achieved a significant portion of these savings.

I am incredibly proud of how our teams have responded throughout this challenging period. Through their actions, we continue to advance projects and meet customer requirements, while optimizing our operations and assets across geographies to drive real change and maintain our market leading position.

On our second quarter earnings call, we issued 2020 guidance for all 3 operating segments, something very few companies in our space could provide, and we remain confident in this outlook. We continue to expect an increase in total company revenue in the second half, largely supported by background. Importantly, we already exceed the low end of our revenue guidance range for both Subsea and Technip Energy, when considering our first half reported revenue and our backlog scheduled for execution in the second half of the year. And for Subsea, this includes the subsea services revenue anticipated for the remainder of the year.

It is evident that our resilient backlog provides us confidence in our revenue assumptions, but it also provides us visibility on margin progression. In Subsea, we expect EBITDA margins to improve in the second half of the year. This is supported by the increased clarity we now have from our customers regarding project scheduling.

We will also benefit from higher operating efficiency due to less COVID-19 impact and the continued return to more normalized operations as well as additional cost reduction.

In Technip Energies, our EBITDA margin reflects the strong contribution from Yamal LNG, which more than offsets the impact from growth in early stage projects, such as Arctic LNG 2. These projects tend to carry a more conservative margin profile during this early stage of the project cycle.

And in Surface Technologies, the anticipated revenue decline in 2020, primarily driven by the sharp reduction in operator activity in North America has been moderated by favorable business mix outside of North America.

We continue to anticipate that revenue outside North America will represent around 60% of total Surface Technologies revenue for the year. And our aggressive cost reductions are expected to provide sustainable benefits, particularly in North America, where we anticipate EBITDA to be positive for the full year.

This operational momentum should also drive strong cash generation in the second half of the year, supported by our expectations for the increase in total company revenue and the increase in total company adjusted EBITDA at the midpoint of our full year guidance.

Taken together, this provides us the confidence that we will meet our full year free cash flow guidance. As we look ahead, we view the back half of this year as a better representation of the free cash flow conversion that you should expect in a more normalized environment.

Now let me turn to the energy transition. Most companies have adopted at least some elements of the vision for a carbon-neutral energy system. But this long-term goal is one that will take many decades to fully play out and one that presents both challenges and opportunities for the industry. There is one overarching paradox in the energy space. How does the world meet rising energy demand while simultaneously decarbonizing the global energy system.

The energy industry is responding by laying out ambitions to reduce emissions with many pledging to become net 0 carbon companies by decarbonizing their oil and gas production and increasing their exposure to clean energy solutions. And with growing emphasis being placed on decarbonization from our communities in the capital markets, the industry is progressing efforts on a more accelerated time line, TechnipFMC included.

As the industry strives to provide reliable sources of energy supply that are affordable, the paradox is further impacted by the desire to rapidly pivot towards building new carbon neutral businesses, while also generating acceptable financial returns. No one has all the answers today, but we strongly believe that TechnipFMC has the core competencies and capabilities needed to successfully assist in this transition. Our strong culture of engineering, technology and innovation and project execution demonstrates our ability to adapt and stay at the forefront of our industry.

This makes us an ideal partner to transition with our customers, helping them to decarbonize their oil and gas production over time, while also delivering sustainable energy solutions. We have many lower and no carbon solutions today. In Technip Energies, this is evident to our growing business in biofuels, biochemicals and this circular economy. And in Surface Technologies, we offer high-efficiency solutions that enable our clients to recharge the carbons faster with fully optimized and environmentally compact systems.

Our integrated production system, eye production, allows us for the capture of over 50% of the greenhouse gases that are typically released into the atmosphere during the production phase of unconventional development.

We also know that natural gas is a critical role to play in the transition story, and we will leverage our leading capability to capitalize on the positive outlook we see for LNG, both in Technip Energies and Subsea.

Next, we have strategic decarbonization initiatives across our portfolio that have the potential to deliver new, sustainable solutions to our clients. Here, we will leverage our core competencies in engineering, manufacturing and project management. Skills that are transferable and can be applied beyond traditional market segments.

Our vision for Subsea, includes an all-electric system powered by renewable energy. This will further simplify the Subsea infrastructure and reduce, if not eliminate, environmental emissions. We will leverage our extensive automation and robotics expertise to further enhance the economic and environmental attractiveness of our offering.

In longer term, we see exciting potential in carbon-free energy opportunities, notably in the area of hydrogen, where we already have proven technology and references for blue hydrogen and are well positioned for the emerging market for green hydrogen. We firmly believe TechnipFMC is and will remain a highly relevant player in the energy transition, and our expertise across all segments will support our clients' efforts to meet their carbon reduction ambitions.

And finally, I want to provide a brief update on our planned separation into 2 diversified pure-play companies. The decision to postpone the transaction earlier this year was very difficult, particularly given the late-stage of the separation activities.

However, the strategic rationale remains unchanged. We continue to believe it is the right move for our company, our customers and our shareholders. And we are fully committed to the separation, which we are confident can be completed within 90 days of announcement once a decision has been reached.

Dave, Mick and the Barclays team, thank you, and thanks to everyone who dialed in today for your interest and support of TechnipFMC. Dave, I'll turn it back to you.

QUESTIONS AND ANSWERS

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

Great. Doug, thank you very much for the update. That was greatly appreciate. I definitely want to touch on the -- some of those more -- the carbon friendly initiatives in the second here. But let's just talk -- let's step back a little bit here and just talk big picture on the offshore markets. The last 5 years have been pretty tough for offshore market you -- that you started as CEO and It's been a tough slog last few years. So the good news is, I think, in a market like this, there's less to fall. But the bad news is any type of offshore recovery kind of gets pushed out a year, if not, too.

I was wondering if you could just talk about your portfolio and -- which is very unique in this type of markets, specifically how you see that recovery playing out across your 3 main businesses? How do you see that unfolding, over the next couple of years? So we kind of get a sense as to kind of where this troughs and where that recovery ends up?

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

Okay. Sure, Dave. So let me start since you started on the offshore market, let me start there. I'll remind you that in 2019, we had quite an exceptional year of around $8 billion of Subsea inbound, something we haven't seen in quite some time. So we've seen some tough years, and we've seen some really strong years.

We're benefiting, obviously from 2019 being such a strong year. Now you are correct in saying the overall market, it was not that strong. But what you saw in 2019 was the real impact of the creation of TechnipFMC. It was our ability to be able to transform Subsea project economics by delivering integrated FEED studies and being direct awarded integrated EPCI projects. You may recall almost 50% of our inbound in that very significant $8 billion of 2019 came from these integrated projects, where almost all were direct awarded to our company.

So you're right to say that the overall market in Subsea has been, let's say, suppressed. But our position and our ability to be able to unlock or to create that unique market opportunity that is specific to TechnipFMC and is direct awarded to TechnipFMC, up to 50% of our total revenue in case -- in the case of 2019, is really the important takeaway here, Dave.

So we'll continue to do that. We've done that with the IPCI model through the creation of TechnipFMC, the only integrated model that exists today.

We've done that through Subsea 2.0 and innovative technologies, and we'll continue to do those things because the resources are there, Dave. And the economics are attractive even at lower oil prices if we can drive down that cost curve.

If we can continue to show our clients that we are committed to the innovation that's required to allow them to bring these resources online. In many cases, the infrastructure already exists. So it's really just about decreasing the total cycle time, which has the greatest impact on project economics and optimizing the Subsea infrastructure. And you're seeing us do that today. As we look forward, the next step will be very much to focus on how do we take that 50% reduction in cycle time, like we did on the execution phase. And how do we do that on the front end phase of the project. That we talked about a couple of quarters ago on our earnings call, we call Subsea Studio. That is our new digital platform that allows us to drive all the learnings we have from around the world using an AI platform and really simplifying the -- or reducing the cycle time on that front-end engineering phase. So we have the -- we've attacked the project phase. We're now addressing the front end phase, and we're doing things as well on the life of field. So that's the way we're going to continue to bring these resources in -- quite prolific resources into the marketplace.

And if we if we had not created TechnipFMC, if we did not have the only integrated, fully integrated model in the industry today, and we didn't have the ability and access to that 50% of the market that was not accessible to others in 2019 that we secured for our company. Yes, it would be a very different marketplace. But that's what continues to give us the optimism, Dave. As we're in there, we have a seat at the table. We're talking early with our clients. We're helping them unlock these future opportunities by driving real change and the necessary change. But again, first in the project phase, now in the front end phase and subsequently in the life of field phase. And you'll be hearing more from us in all of those areas, including the next-generation of technology, including the next-generation of digital applications as well as some further reshaping of the industry that we think is necessary as we go for like we did when we created TechnipFMC.

In terms of the other markets and Surface Technologies, clearly, the North American market remains challenged and will be challenging for some period of time. For us, that's partially offset by the resiliency of the international market that we serve, and it continues to be quite strong.

It's a market that requires a much higher technical specification for the equipment and a much higher requirement in terms of the services and aftermarket support around that equipment. And that's what makes that market more fit, and we excel better in that international market, which is more technology driven than the North America market.

And specific to Technip Energies, you've heard us recently announce the award of a very significant over $1 billion downstream award. So we continue to see some activity in the downstream sector. In the LNG sector of the 2 awards that have been announced, not yet FID, but announced we received both of those awards. That's for the separate coastal Azul project in Mexico. And the Rovuma project for ExxonMobil and Mozambique. I repeat, they have not been FID jet, and therefore, we have not inbound them into our backlog, but we expect at least one of those projects to move forward in the near future.

At the same time, there's a very large LNG opportunity in the Middle East that we consider ourselves to be well positioned for. That being said, it is a competitive project, and we will remain very disciplined. So when we look across the portfolio, Dave, there's lots of challenges. But there's also lots of opportunities, and that's what continues to give us the level of optimism that we have.

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

I think it's -- it has been fascinating to see how your order book has picked up even in a down market. And you're right, the iEPCI model has been extremely effective, especially with the direct awards. It also makes me seem-- seems to me like this type of market is sort of your sweet spot for that model. Correct me if I'm wrong, but it certainly looks to me like you're going to see a big pullback in the exploration side from a lot of the IOCs and NOCs out there. And big FID on big projects, that probably gets pushed out. But you're going to see a lot more step out and field extension, brownfield activity. Is that how you see that market picking up? And that tends to be your sweet spot for those iEPCI projects. Is it not?

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

Well, clearly, the application for the integrated model makes sense in the market that you're describing. But it's important to note, and it was actually at your conference a couple of years ago that we actually laid out all of our IP activity. And we actually show there's a fairly -- it's fairly balanced between Greenfield and Brownfield. So if you will, tiebacks and new field developments, geographically, it's fairly distributed and by clients. And since then, the number of repeat clients, numbers of new orders and the number of new geographies that we've entered with this model pretty much covers the math, Dave.

So I would say, yes, it's a sweet spot. And it's an application for the iEPCI model, but we're also seeing that model very successful in $1 billion-plus Greenfield projects that we've been awarded with this model as well.

So not specific to anyone. In regards to your comment on exploration, I don't disagree with your comment. That being said, it's very important that we go back and recall what we've been talking about for the last several years, which is the number of offshore deals that have already been explored, have already been, in some cases, delineated, but have not yet been fully developed. And we're -- so there's a backlog, if you will, of offshore fields that are ready to move into the development phase, if and when, our clients determine that it's the right time to economically move in that direction.

Exploration's important, but there's a huge backlog from an offshore perspective. There's a significant backlog out there today, plus the emerging markets and emerging countries, like what we're seeing in Brazil, what we're seeing in Guyana, what we're seeing in Mozambique that really strongly supports many years of offshore activity regardless of the cadence of the exploration.

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

So Doug, I'm curious about the breakevens we're seeing on these projects. We've seen a lot of these lower -- continually push lower and lower, particularly in Norway. But you just brought in a really interesting point about cycle time. So I'm wondering, in order to get projects to move ahead, is it really about lowering the breakeven or is it more, in your mind, of reducing that cycle time? Because if you're in the chair of the IOC try and make that decision, if I have a project that's not going to come on for 5 years. That's one decision. If you're talking a couple of years, that's a very, very different decision. So is it more about the cycle time that's more important? Or is it the project breakeven that's more important to get projects to move ahead?

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

Yes. No, Dave, you hit the nail on the head. When we sit there in our integrated FEED studies that we do exclusively with our clients, we're looking at the project returns. And you're right. The time to first oil and the ability to be able to accelerate the time to first production is the key driver in those project returns. And that's what we continue to see, and our ability to be able to take projects like we've demonstrated in the Gulf of Mexico and take a cycle time that used to be almost 3 years to have it design, engineered, manufactured, delivered and commissioned on the cebit in 14 months. That client actually called it the most successful Subsea project economically that they had ever done.

Similarly in Norway to take a project to reduce the cycle time by 60% from the initial early phase engineering through the commission field is quite an accomplishment. So that's a big element of it. But I also want to point out there's -- the life of the old activity or the OpEx portion of the project as well.

And in the past, even though Subsea has been obviously very sophisticated. We talk about digitalization and automatic -- automation and control. Subsea has been that way since the beginning. Except for the very, very shallow fields, which are diver assisted, and there's very few of those globally. It's all been driven by automation and control. So we have that knowledge, we have that leverage. And now what we're really doing is driving robotics. So we're putting -- we're doing robotics in place of doing physical interventions, putting robotics on the C4 that can do things today that they have not been used for or able to do in the past. That will increase the overall uptime performance, and that will reduce the operating cost over the life of the field.

So shorten the cycle time, address the life of field, which nobody's addressing, but that's where we're focused right now. And being able to address that life of field, that's what really drives the project returns.

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

Yes. And I think it's also important to note that you couldn't have done that without the merger of Technip or -- and FMC Technology that was absolutely crucial for that for that merger (inaudible).

So Doug, I want to get a little bit on the ESG side. Your company is unique and that your investor base is roughly -- I don't know what it is today, but it's roughly 50-50 European, U.S. The Europeans have been really pushed in the ESG side very, very hard over the last 12 months. I'd just like to get your take in terms of how that trend has been playing out from an investor base and all the applications that you talked about in your presentation, is that addressing all of those concerns? Because some of them are pretty far out, like hydrogen and all that, that's pretty far down the road. Of course, LNG is part of the energy transition. So I'm just curious, do you think that kind of allows you to check the box, if you will, on the ESG side? And just kind of talk about your push into more kind of the -- more carbon friendly solutions that clearly is becoming a bigger, bigger part of your portfolio.

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

So look a very interesting and intriguing question, Dave. So let me just share with you from our perspective. A few of -- where our driving principles. First of all, it's the right thing to do. This has nothing to do with a European or a U.S. view or an investor base, it's the right thing to do. And it's something that we've been committed to for some time, and we've been investing in green technologies, in green chemistry and different applications, looking at ways to reduce future to greenhouse gas emissions in the unconventionals. When no one else was looking at those.

So for us, this has always been in our DNA. We believe fundamentally that it's the right thing to do, Dave. So this isn't about the transition or what are we going to do over the long-term for sustainability of the business, you have to start with the foundational principle that it's the right thing to do. Then you move on and you say, okay, how can we leverage our core competencies and our skills to really make a difference, okay? And to me, really making a difference is what I try to touch on just -- just obviously a brief presentation here, but we'll be sharing much more about what we're doing and what we intend to do with real tangible results.

Yes, the ambitions and the ambitious statements are important, I recognize that. But many of those are 10 years away. That's too far away. We need to be talking about what are we doing as companies today, what are we doing today to make a difference. And I talked about in our presentation today in the unconventionals, the technology is there, the know-how is there. We brought it from Subsea and we've repackaged it, and we were able to apply it now into the unconventional applications, reducing feature to greenhouse gas emissions by 50% during the production phase.

That will go a long way in helping our customers meet their ambitions. We talked about hydrogen, as you pointed out. Yes, it's further out. But we're doing a lot around blue hydrogen today. Today, we have many, many projects and we have many proven references in the area of blue hydrogen. And we're investing in green hydrogen. Our approach as has been in everything we do is to be open and collaborative. No one has the answer. And if we keep waiting for that 1 person to develop the answer, Dave, we're going to miss the -- we're not going to get where we need to get.

So instead, we're going to use the culture and the DNA of our company as we have in every other part of our business. To work in an open and collaborative way with our customers, with academia, with startups and even with our competitors to do what is right. And to drive the necessary change, it's going to have a real impact. And over time, yes, we'll meet those ambitions. But what are we doing today as companies and hold us accountable for what we're doing today and make us stand up and show you the impact that we're having, both in our own businesses obviously, in reducing greenhouse gas emissions within our own companies, but also what are we doing as a company to help others to drive the industry and the communities in which we serve.

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

Okay, I think that's a great place to end right there just in terms of what your ambitions are going forward. I want to really thank you for your time today, Doug, and I hope all is well. And I look forward to seeing you in person again, hopefully soon.

Douglas J. Pferdehirt - *TechnipFMC plc - Chairman of the Board & CEO*

Me too. Stay safe, stay healthy. Thank you all very much.

John David Anderson - *Barclays Bank PLC, Research Division - Director and Senior North America Oilfield Services & Equipment Analyst*

Thank you, Doug.
