UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-37983

TechnipFMC plc

(Exact name of registrant as specified in its charter)

United Kingdom	**98-1283037**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Hadrian House, **Wincomblee Road** **Newcastle Upon Tyne** **United Kingdom**	**NE6 3PL**
(Address of principal executive offices)	(Zip Code)

+44 191-295-0303

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Ordinary shares, $1.00 par value per share	FTI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of the registrant's ordinary shares held by non-affiliates of the registrant, determined by multiplying the outstanding shares on June 30, 2022, by the closing price on such day of $6.73 as reported on the New York Stock Exchange, was $2.0 billion.

Class	Outstanding at February 20, 2023
Ordinary shares, $1.00 par value per share	**442,208,014**

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement relating to its 2023 Annual General Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2023 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements” as defined in Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements usually relate to future events, market growth and recovery, growth of our new energies business and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook” and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on us. While management believes these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate.

All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements include unpredictable trends in the demand for and price of crude oil and natural gas; competition and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation; the COVID-19 pandemic and any resurgence thereof; our inability to develop, implement and protect new technologies and services and intellectual property related thereto, including new technologies and services for our New Energy business; the cumulative loss of major contracts, customers or alliances and unfavorable credit and commercial terms of certain contracts; disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business; the refusal of DTC to act as depository agency for our shares; the impact of our existing and future indebtedness and the restrictions on our operations by terms of the agreements governing our existing indebtedness; the risks caused by our acquisition and divestiture activities; additional costs or risks from increasing scrutiny and expectations regarding ESG matters; uncertainties related to our investments in New Energy business; the risks caused by fixed-price contracts; our failure to timely deliver our backlog; our reliance on subcontractors, suppliers and our joint venture partners; a failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks; risks of pirates endangering our maritime employees and assets; any delays and cost overruns of new capital asset construction projects for vessels and manufacturing facilities; potential liabilities inherent in the industries in which we operate or have operated; our failure to comply with existing and future laws and regulations, including those related to environmental protection, climate change, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, taxation, privacy, data protection and data security; the additional restrictions on dividend payouts or share repurchases as an English public limited company; uninsured claims and litigation against us; tax laws, treaties and regulations and any unfavorable findings by relevant tax authorities; potential departure of our key managers and employees; adverse seasonal and weather conditions and unfavorable currency exchange rates; risk in connection with our defined benefit pension plan commitments; and our inability to obtain sufficient bonding capacity for certain contracts, as well as those set forth in Part I, Item 1A, “Risk Factors” and elsewhere in this Annual Report on Form 10-K. We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

PART I

ITEM 1. BUSINESS

Company Overview

TechnipFMC plc, a public limited company incorporated and organized under the laws of England and Wales, with registered number 09909709, and with registered office at Hadrian House, Wincomblee Road, Newcastle Upon Tyne, NE6 3PL, United Kingdom ("TechnipFMC," the "Company," "we," or "our") is a global leader in the energy industry, delivering projects, products, technologies, and services. With our proprietary technologies and production systems, integrated expertise, and comprehensive solutions, we are transforming our customers' project economics. We have operational headquarters in Houston, Texas, United States, and in 2022 we operated across two business segments: Subsea and Surface Technologies.

We are uniquely positioned to deliver greater efficiency across project lifecycles, from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, our offering unlocks new possibilities for our customers in developing their energy resources and in their positioning to meet the energy transition challenge.

Enhancing our performance and competitiveness is a key component of our strategy, which is achieved through technology and innovation differentiation, seamless execution, and reliance on simplification to drive costs down. We are targeting profitable and sustainable growth by seizing market growth opportunities and expanding our range of services, including opportunities arising through the energy transition. We are managing our assets efficiently to ensure we are well-prepared to drive and benefit from the opportunities in many of the markets we serve.

Each of our more than 20,000 employees is driven by a steady commitment to clients and a culture of project execution, purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved. This leads to fresh thinking, streamlined decisions, and smarter results, enabling us to achieve our vision of enhancing the performance of the world's energy industry.

History

In March 2015, FMC Technologies, Inc., a U.S. Delaware corporation ("FMC Technologies"), and Technip S.A., a French société anonyme ("Technip"), signed an agreement to form an exclusive alliance and to launch Forsys Subsea, a 50/50 joint venture, that would unite the subsea skills and capabilities of two industry leaders.

Forsys Subsea brought the industry's most-talented subsea professionals together early in operators' project concept phase with the technical capabilities to design and integrate products, systems, and installation to significantly reduce the cost of subsea field development and enhance overall project economics.

Based on the success of the Forsys Subsea joint venture and its innovative approach to integrated solutions, in May 2016 Technip and FMC Technologies announced that the companies would combine through a merger of equals to create a global subsea leader, TechnipFMC, that would drive change by redefining the production of oil and gas. The business combination was completed on January 16, 2017 (the "Merger"), and on January 17, 2017, TechnipFMC began operating as a unified, combined company trading on the New York Stock Exchange ("NYSE") and on the Euronext Paris Stock Exchange ("Euronext Paris") under the symbol "FTI."

In 2017, our first year as a merged company, TechnipFMC secured several project awards as many operators moved forward with final investment decisions for major onshore projects and subsea developments. Several of the subsea awards incorporated the use of our integrated approach to project delivery, validating our unique business model aimed at lowering project costs and accelerating the delivery of initial hydrocarbon production. This was made possible by bringing together the complementary subsea work scopes of the merged companies.

In 2018, TechnipFMC delivered the industry's first three full-cycle, integrated projects and realized considerable growth in Subsea order inbound, driven in part by its unique integrated offering, integrated Engineering, Procurement, Construction, and Installation, iEPCI™ ("iEPCI"). For all of 2019, the value of integrated subsea awards to TechnipFMC more than doubled versus the prior year, representing more than 50% of all Subsea project order inbound. The increase was driven by a wider adoption of the integrated business model, particularly by those clients with whom we have unique alliances. With the industry's most comprehensive and only truly integrated subsea market offering, we have continued to expand the deepwater opportunity set for our clients.
On August 26, 2019, we announced our intention to separate into two diversified pure-play market leaders - TechnipFMC and Technip Energies.

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a spin-off (the "Spin-off"), which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1 percent of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., New York City time on the record date, February 17, 2021. Immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. As of December 31, 2022, we have fully divested our remaining ownership stake in Technip Energies.

On January 10, 2022, we announced that following a comprehensive review of the Company's strategic objectives and proceeded with the voluntary delisting of our shares from Euronext Paris. The delisting was completed on February 18, 2022.

BUSINESS SEGMENTS

Subsea

We are driving change in subsea energy production by safely providing innovative technologies and integrated solutions that improve economics, enhance performance, and reduce emissions. As a fully integrated technology and services provider, we continue to drive responsible energy development.

Our Subsea segment provides integrated design, engineering, procurement, manufacturing, fabrication, installation, and life of field services for subsea systems, subsea field infrastructure, and subsea pipeline systems used in oil and gas production and transportation.

We are an industry leader in front-end engineering and design ("FEED"), subsea production systems ("SPS"), subsea flexible pipe, subsea umbilicals, risers, and flowlines ("SURF") and subsea robotics. We also have the capability to install these products and related subsea infrastructure using our fleet of highly specialized vessels. By integrating the SPS and SURF work scopes, we are able to drive greater value to our clients through more efficient field layout and execution of the installation campaign. This capability, in conjunction with our strong commercial focus, has enabled the successful market introduction of an integrated subsea business model, iEPCI, which spans a project's early phase design through life of field services.

Through integrated FEED studies, or iFEED™ ("iFEED"), we are uniquely positioned to influence project concept and design. Using innovative solutions for field architecture, including standardized configurable equipment, new technologies, digital services, and simplified installation, we can significantly reduce subsea development costs and accelerate time to first production.

iEPCI is our unique, fully integrated approach to designing, managing, and executing subsea projects. By combining complementary skills with innovative technologies, we boost efficiency, lower costs, and accelerate time to first oil and gas for our clients. As the first subsea provider to integrate SPS with SURF and a fleet of installation vessels, we successfully created a new market opportunity in 2016 through our iEPCI offering. iEPCI projects are partnerships based on knowledge sharing and mutual trust. Success is based on early engagement and a collaborative, cooperative approach, both internally and with our clients.

Our first-mover advantage and ability to convert iFEED studies into iEPCI contracts, often as direct awards, creates a unique set of opportunities for us that are not available to our peers. This allows us to deliver a fully integrated – and technologically differentiated – subsea system, and to better manage the complete work scope through a single contracting mechanism and a single interface, yielding meaningful improvements in project economics and time to first oil.

We continue to support our clients following project delivery by offering aftermarket and life of field services. Our wide range of capabilities and solutions, including integrated life of field iLOF™ ("iLOF"), allows us to help clients increase oil and gas recovery and equipment uptime while reducing overall cost. Our iLOF offering is designed to unlock the full potential of subsea infrastructures during operations by transforming the way subsea services are delivered and proactively addressing the challenges operators face over the life of subsea fields. We provide production optimization, asset life extension insight, proactive debottlenecking, and condition-based maintenance.

Our Subsea business depends on our ability to maintain a cost-effective and efficient production system, achieve planned equipment production targets, successfully develop new products, and meet or exceed stringent performance and reliability standards.

Subsea Segment Products and Services

Subsea Production Systems. Our SPS are used in the offshore production of crude oil and natural gas. Systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host processing facility, such as a floating production facility, a fixed platform, or an onshore facility.

Our systems and products include subsea trees, chokes and flow modules, manifold pipeline systems, controls and automation systems, well access systems, multiphase and wet-gas flow meters, and additional technologies. The design and manufacture of our subsea systems requires a high degree of technical expertise and innovation. Some of our systems are designed to withstand exposure to the extreme hydrostatic pressure of deepwater environments, as well as internal pressures of up to 20,000 pounds per square inch (“psi”) and temperatures of up to 400º F. The development of our integrated subsea production systems includes initial engineering design studies and field development planning, and considers all relevant aspects and project requirements, including optimization of drilling programs and subsea architecture.

Subsea Processing Systems. Our subsea processing systems, which include subsea boosting, subsea gas compression, and subsea separation, are designed to accelerate production, increase recovery, extend field life, lower greenhouse gas emissions, and/or lower operators’ production costs for greenfield, subsea tie-back and brownfield applications. To provide these products, systems, and services, we utilize our engineering, project management, procurement, manufacturing, and assembly and test capabilities.

Subsea Umbilicals, Risers and Flowlines. We are a leading provider of SURF infrastructure. We develop, engineer, manufacture and install umbilicals, rigid pipelines and flexible pipes, connections and tie-ins for subsea systems. Our rigid pipes are installed using our fleet of differentiated rigid pipelay vessels and are designed to optimize flow assurance through innovative insulation coatings, electric trace heating, plastic liners, and pipe-in-pipe systems.

Our vessels will typically perform the installation of our flexible pipes and umbilicals, but we also sell these products directly to energy companies or to other vessel operators. We offer a comprehensive range of umbilical systems including steel tube umbilicals, thermoplastic hose umbilicals, power and communication systems and hybrid umbilicals. We are also qualifying a new hybrid flexible pipe technology, which is highly resistant to corrosive compounds, and will extend the operating envelope of flexible systems while reducing cost and weight.

Vessels. We have a fleet of 17 vessels. These are used for the installation and servicing of our products. We have sole ownership of nine vessels, ownership of six vessels as part of joint ventures, and two vessels operated under charter agreements.

Subsea Services. Subsea Services provides a portfolio of well and asset services that drive value and efficiency throughout the life of our clients' subsea development cycle. Our vision is to deliver customer service excellence every day, with the purpose of maximizing the performance of our clients’ well and asset operations. Well Services include all service offerings for the well:

- ROV Services: remotely operated vehicle ("ROV") drill support services, enabled by Schilling Robotics, TechnipFMC’s underwater robotics group;
- Drilling Services: exploration and production wellhead systems and services; and
- Installation Services: Installation of trees and tubing hangers and completion of the well.

Asset Services include all service offerings for the asset:

- Maintenance Services: test, modification, refurbishment and upgrade of subsea equipment and tooling;
- Asset Integrity Services: optimizing the performance of the subsea asset through product and field data, including inspection, maintenance and repair ("IMR"); and
- Production Management Services: enhanced well and field production, including real-time virtual metering and flow assurance services.

Intervention and Plug and Abandonment Services:

- Rig and vessel-based well intervention services and subsea plug and abandonment.

GEMINI® ROV System. To support our ROV Services offering, GEMINI® is a fully integrated, next generation ROV intervention system that provides unprecedented subsea productivity for our clients. The integration of ROV, manipulators and tooling, advanced automation, and computer vision technology, enables a transition to highly-automated subsea robotics, which reduces task time from hours to minutes, ensuring predictable results every time. GEMINI® transforms ROV remote intervention, enabling deepwater rigs to be more productive, reducing the cost and time to drill and complete wells, thereby reducing the carbon footprint. GEMINI® is an integral part of TechnipFMC's vision to deliver subsea energy by safely providing innovative solutions that improve economics, enhance performance and reduce emissions.

Subsea Studio™ Digital Platform. Through Subsea Studio™, we connect data, technology, and expertise to optimize the development, execution, and operation of current and future subsea fields. Our open and connected ecosystem can exchange data efficiently with suppliers, partners, and clients, providing immediate access to relevant information, and improving efficiency and quality of decisions and planning. Subsea Studio™ establishes a data flow, or a "digital thread," that connects applications using common data models throughout a project's lifecycle. Each decision is data-driven and each piece of actionable data is made readily available. We utilize this data to create value for our clients through efficiency gains, optimized productivity, and increased reliability.

Our Subsea Studio™ portfolio of digital solutions will be commercialized over time, beginning with Subsea Studio™ FD, which combines our subsea expertise and digital technologies to design, optimize, and select the best field development, thereby increasing quality and reliability and accelerating time to first oil.

Research, Engineering, Manufacturing and Supply Chain ("REMS"). REMS is an organization formed in 2019 to support accelerated technology development and manufacturing innovation. We accomplish this by reducing the cycle-time of engineering and manufacturing our products, including working with our suppliers to reduce their costs, and optimizing our processes and workflow management. Through REMS, we are focused on challenging existing technologies and implementing world-class manufacturing practices, including LEAN and process automation, to improve reliability while reducing total product cost and lead time to delivery. Our REMS organization supports both our Subsea and Surface Technologies segments, and New Energy business.

Dependence on Key Customers

Generally, our customers in the Subsea segment are major integrated oil companies, national oil companies, and independent exploration and production companies. Petrobras accounted for more than 10 percent of our 2022 consolidated revenue.

We actively pursue alliances with companies engaged in the subsea development of oil and natural gas to promote our integrated systems for subsea production. These alliances are typically related to the procurement of subsea production equipment, although some of them are related to engineering, procurement, construction, and installation ("EPCI") services. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments. Operators have also sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide integrated solutions to meet their needs.

Our alliances establish important ongoing relationships with our customers. While these alliances do not contractually commit our customers to purchase our systems and services, they have historically led to, and we expect that they would continue to result in, such purchases.

The commitment to our customers goes beyond project delivery, and we nurture these alliances with transparency and collaboration to better understand their needs to ensure customer success.

Competition

We are the only fully integrated company that can provide the complete suite of subsea production equipment, umbilicals, and flowlines with the complete portfolio of installation and LOF services, enabling us to develop a subsea field as a single company. We compete with companies that supply some of the components, as well as installation companies. Our competitors include Aker Solutions ASA, Baker Hughes Company ("Baker Hughes"), Dril-Quip, Inc., McDermott International, Inc. ("McDermott"), National Oilwell Varco, Oceaneering International, Inc., SLB, and Subsea 7 S.A.

Seasonality

Seasonal weather conditions generally subdues drilling activity, reducing vessel utilization and demand for subsea services as certain activities cannot be performed. As a result, the level of offshore activity in our Subsea segment is negatively impacted during such periods.

Market Environment

Our Subsea inbound orders in 2022 increased more than 35 percent versus the prior year, reflecting the continued offshore market recovery and expansion. Innovative approaches to subsea projects, such as our iEPCI solution, have improved project economics, and many offshore discoveries can be developed economically well below today's crude oil prices. We have also seen an increase in direct awards, which account for more than 60 percent of inbound in 2022 as a result of our strong alliance partnerships. We believe deepwater development is likely to remain a significant part of many of our customers' portfolios.

As the subsea industry continues to evolve, we have taken actions to further streamline our organization, achieve standardization and reduce cycle times. The rationalization of our global footprint will also further leverage the benefits of our integrated offering. We aim to continuously align our operations with activity levels, while preserving our core capacity in order to deliver current projects in backlog and fulfill future orders.

Economic activity improved over the course of 2022. Increased global demand and production curtailments by the OPEC+ countries have resulted in improved oil prices, which in turn supports market supply growth. Addressing the essential need for energy security is an increasing priority, which has grown in prominence as a result of the war in Ukraine.

Long-term demand for energy is forecast to rise, and we believe this outlook provides our customers with the confidence to increase investments in new sources of oil and natural gas production. We see Brazil and Guyana as key growth areas, in addition to the North Sea.

Strategy

We are driving change in subsea energy production by safely providing innovative technologies and integrated solutions that improve economics, enhance performance, and reduce emissions.

The energy landscape is evolving rapidly, yet oil and gas will remain important to the energy mix in the decades to come. Our vision for Subsea, which is focused on our integrated offering and enabled by our digital solutions and innovative products, unlocks new possibilities for growth in both oil and gas and in new energy sources. By capitalizing on our subsea expertise, core competencies, and integration capabilities, we will empower the production of oil and gas and new energies, while reducing carbon emissions.

Through our established Subsea services and our transformative offerings including iEPCI and the Subsea 2.0™ ("Subsea 2.0"). Configure to Order ("CTO") platform, we are making all types of energy produced offshore more sustainable, economical, and competitive.

As we look to the future, we remain focused on our innovative technologies and solutions, client relationships, and execution excellence. We will accomplish this by:

- Developing and empowering our people;
- Becoming a data-centric organization;
- Advancing automation and robotics; and
- Working towards all-electric fields.

Product Development

We are industrializing our Subsea business with Subsea 2.0 by using pre-engineered modular architectures to achieve a fully flexible suite of product offerings, while making an evolutionary shift from unique project requirements to a CTO execution model.

Our Subsea 2.0 configurable product platform consists of pre-engineered products designed to provide the flexibility to accommodate customer needs and functional requirements, combining field-proven and new technologies.

Our CTO execution model requires no product engineering work to deliver these configurable products to our clients, ensuring quality, manufacturing, supply chain, and services are fully industrialized to deliver the value offered with Subsea 2.0.

Our CTO Subsea 2.0 program attributes include:

- Pre-engineered standard configurations;
- Pre-approved and qualified supply chain;
- Pre-defined quality, code, and surveillance requirements;
- Optimized manufacturing with dedicated capacity; and
- Pre-defined and developed services.

By pivoting from bespoke Engineer to Order ("ETO") solutions unique to every project to pre-engineered CTO products, we can leverage the efficiencies our execution model creates and bring value to our clients through reduced lead time, an optimized execution model, and improved predictability and reliability for delivery. CTO also allows us to drive manufacturing efficiency, improving throughput and increasing capacity of the existing manufacturing assets.

Acquisitions, Investments and Partnerships

Acquisitions

In 2022, we did not have any material acquisitions.

In 2018, we entered into a joint venture with Island Offshore Management AS ("Island Offshore") called TIOS AS. In August 2021, we acquired the remaining 49% interest in TIOS AS at a total price of $48.6 million. This will accelerate the development of TechnipFMC's integrated service model focused on maximizing value to our clients.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. (“Magma Global”) to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global. In October 2021, we purchased the remaining ownership interest in Magma Global for $64.0 million.

Investments

As part of our commitment to advancing the country's emerging energy industry, in April 2022, we officially opened our new service base in Georgetown, Guyana. More than 85 Guyanese women and men are at the heart of our world-class Service Center, with this number projected to grow in response to the increased activity in the area over the next several years. The Guyana Service Base consists of a low bay, storage, and testing capabilities for both drilling and completion activities.

In the third quarter of 2022, we renewed our TechnipFMC and Halliburton technology alliance. This extends our agreement signed in 2017 with a focus on the development of innovative technologies for use in All-Electric Wells, Subsea Interventions, Subsea Fiber Optics and Carbon Capture and Storage. By teaming up on certain field domains, we are able to develop disruptive technologies to improve productivity, reduce cost, and lower emissions of our clients. We believe the alliance has a superior value proposition, leveraging TechnipFMC's pioneering integrated ecosystems (such as iEPCI) and technology leadership with Halliburton's subsurface, well completion, and production knowledge and service offering.

Partnerships

Refer to the Other Business Information Relevant to Our Business Segments section of this Annual Report on Form 10-K for information about our partnerships.

Surface Technologies

The Surface Technologies segment designs, manufactures, and services products and systems used by companies involved in land and shallow water exploration and production of crude oil and natural gas, as well as some specialized equipment supporting carbon capture and storage ("CCS"), hydrogen storage, and geothermal. Our Surface Technologies product families include drilling, stimulation, production, measurement, digital and services. We manufacture most of our products internally in facilities located worldwide.

Principal Products and Services

Drilling. We provide a full range of drilling and completion systems for both standard and custom engineered applications. The customer base of our drilling and completion offerings is energy production, transportation and storage companies.

Surface Wellheads and Production Trees. Our products are used to control and regulate the flow of crude oil and natural gas from the well. The wellhead is a system of spools and sealing devices from which the entire downhole well string hangs and provides the structural support for surface production trees. Production trees are comprised of valves, actuators and chokes which can be combined into various configurations, depending on customer-specific requirements.

Surface wellheads and production trees are systems which are designed for onshore unconventional, onshore conventional, and offshore platform applications, and are typically sold directly to exploration and production operators during the drilling and completion phases of the well lifecycle. Our surface wellhead and production tree systems are used worldwide, and provide global coverage and a full range of system configurations from conventional wellheads, Unihead® drill-thru wellheads designed for faster installation and drill-time optimization, to high-pressure, high-temperature (“HPHT”) systems for extreme production applications.

We also provide services associated with our surface wellhead and production tree portfolio, including service personnel and rental tooling life of field maintenance, repair, and refurbishment as well as digital monitoring and remote operational control and automation.

Our products are also used for the geothermal production, CO_2 injection for CCS projects, and we have recently qualified designs to support underground hydrogen storage solutions.

Stimulation and Pressure Pumping. Our iComplete™ (“iComplete”) offering is the first integrated pressure control system for the onshore conventional stimulation market. Extensive knowledge in flexible pipes, manifold and check valve technology has been adapted to make this a very reliable and predictable system. This is combined with our digital offering CyberFrac™ to improve safety by reducing manpower in the red zone, and boost efficiency in the field by automating operations and reducing unplanned stoppages by providing predictive analytics. Our system can also manage continuous pumping, multi-well operations, and ties in data from adjacent wells to monitor potential breakthroughs. All of this significantly reduces safety risk as well as the cost of operations for our customers.

Fracturing Tree and Manifold Systems. During the completion of a shale well, the well undergoes hydraulic fracturing. During this phase, durable and wear-resistant wellsite equipment is temporarily deployed. Our equipment is designed to sustain the high pressure and highly erosive fracturing fluid which is pumped through the well into the formation.

Our equipment (fracturing tree systems, fracturing valve greasing systems, hydraulic control units, fracturing manifold systems, and rigid and flexible flowlines) is temporarily laid out between the wellhead and the fracturing pump truck during hydraulic fracturing. Exploration and production operators typically rent this equipment directly from us during the hydraulic fracturing activities. Associated with our fracturing equipment rental is fracturing rig-up/rig-down field service personnel as well as oversight and operation of the equipment during the multiple fracturing stages for a shale well.

Pressure Pumping. We design and manufacture equipment used in well completion and stimulation activities by major oilfield service and drilling companies, as well as by oil and gas exploration and production operators directly.

Flexibles. We have been a leading supplier of flexible lines since the 1970s and our Coflexip® product is an industry standard for drilling and stimulation operations offshore. We have adapted this product for use in high pressure, high volume stimulation and our PumpFlex™ and WellFlex™ products are being incorporated into most shale operations and are an integral part of our iComplete™ system. Our product is the only mechanical solution available today and has shown excellent wear resistance and durability in this very onerous application. The

Coflexip® product is also used for specialty projects – refinery gas tanks, subsea production tie-in lines, tension leg platforms ("TLPs") and has recently been adapted for use in liquefied natural gas ("LNG") offloading in response to the new demands in Europe.

Flowline. We are a leading supplier of flowline products and services to the oilfield industry. From the original Chiksan® and Weco® products to our revolutionary equipment designs and integrated services, our family of flowline products and services provides our customers with reliable and durable pressure pumping equipment. Our facilities stock flowline products in the specific sizes, pressures, and materials common to each region. Our commitment is to help our customers worldwide attain maximum value from their pressure pumping assets by guaranteeing that the right products arrive at the job site in top working condition. Our total solutions approach includes the InteServ tracking and management system, mobile inspection and repair, strategically located service centers, and genuine Chiksan® and Weco® spare parts.

Production. Our upstream production offering includes well control, safety and integrity systems, multiphase meter modules, in-line separation and processing systems, compact ball valves for manifolds, and standard pumps. These offerings are differentiated by our comprehensive portfolio of in-house compact, modular, and digital technologies, and are designed to enhance field project economics and reduce operating expenditures with an integrated system that spans from wellhead to pipeline.

Our E-Mission™ suite addresses ways to reduce carbon intensity in the production of oil and gas products. By leveraging digital solutions to optimize the performance of assets on the production site, E-Mission™ helps to reduce flaring and CO_2 emissions, predicting methane escape events by using artificial intelligence, thereby preventing such events ever happening.

Our iProduction™ system is the first automated integrated production platform for onshore unconventionals. Components of this may be deployed at existing customer sites to upgrade their technology, improving safety and operating costs and reducing carbon emissions. We continue to work towards improved solutions in this space to render old and new projects better.

Our digital systems leverage two very specific core software products: UCOS for control and automation of assets, and InsiteX for data visualization and analytics. These are deployed in small standalone applications which address real customer issues and can be integrated seamlessly to form an ecosystem or system level Digital Twin. These technologies help customers improve health and safety, reduce carbon intensity, reduce operating expense, reduce unplanned shutdowns, and increase productivity.

Well Control and Integrity Systems. We supply both hydraulic and electrical control components and safety systems designed to safely and efficiently run a wellpad, modules on an offshore platform, or a production facility. Our systems are based on standard, field-proven building blocks and designed for minimal maintenance during life of field operations.

Separation and Processing Systems. TechnipFMC provides industry-leading technology for the separation of oil, gas, sand, and water. These solutions are used in onshore production facilities and on offshore platforms worldwide. Our family of separation products delivers client success by increasing efficiency and throughput and reducing the footprint of processing facilities. Our separation systems offering includes internal components for oil and gas multiphase separation, in-line deliquidizers, and solids removal, as well as fully assembled separation modules and packages designed and fabricated for oil and gas separation, fracturing flowback treatment, solids removal, and primary produced water treatment.

Standard Pumps and Skid Systems. We provide complete skid solutions, from design consultation through startup and commissioning. We offer a diverse line of reciprocating pumps, customized according to the application with pressure ranges available up to 10,000 psi and flow rates up to 1,500 gallons per minute.

Measurement. We are making measurement smarter with integrated flow measurement and automation solutions, from the wellhead to the final point of sale. We deliver accurate and reliable measurement for the transportation, distribution, and storage of energy products by truck, rail, vessel, aircraft, and pipeline. We have the right products and systems to help with any application challenge. Our customers can reduce complexity by dealing with one supplier as we bring together reliable and accurate measurement and control systems, automation, and key data insights.

Our systems are an industry standard in mechanical custody metering and we are focusing now on adapting technology for the emerging harsh gas environment in metering CO_2 and hydrogen, which will be critical to the energy transition.

Services. We offer our customers a comprehensive suite of service packages to ensure optimal performance and reliability of our equipment, upstream and midstream. These service packages include all phases of the asset's life cycle: from the early planning stages through testing and installation, commissioning, and operations, replacement and upgrade, maintenance, storage, preservation, intervention, integrity, decommissioning, and abandonment.

Dependence on Key Customers

Generally, Surface Technologies' customers are major integrated oil companies, national oil companies, independent exploration and production companies and oil and gas service companies. No single Surface Technologies customer accounted for 10 percent or more of our 2022 consolidated revenue.

Competition

We are the only pure-play global supplier in the Surface Technologies market space and are a market leader for many of our products and services. Some of the factors that distinguish us from other companies in the same sector include our technological innovation, reliability, product quality, and our problem solving capability. Surface Technologies competes with other companies that supply surface production equipment and pressure control products. Some of our major competitors include Baker Hughes, Cactus, Inc., Forum Energy Technologies, Inc., Gardner Denver, Inc., SLB, Halliburton Co, and SPM Oil & Gas.

Market Environment

2022 saw higher drilling and completion activity than in 2021. Activity in North America recovered close to pre-pandemic levels. Outside of North America represented 55 percent of total segment revenue in 2022, and activity remained resilient. We continued to benefit from our exposure and investment to local content in the Middle East, which remains a strategic and growing market in context of the current global energy outlook.

We are well positioned to benefit from ongoing opportunities in both North America and the Middle East, and in other international onshore and shallow water markets.

Strategy

We serve the onshore, platform, and shallow water subsea markets from well to export pipeline, providing our customers with breakthrough reductions in cost, lead time, and carbon intensity. We distinguish our offerings by three key strengths:

Core Technology. We are committed to applying technology within our core products to solve real customer problems, leveraging the benefits of smarter designs.

Decarbonization. We see it as our duty as an industry leader to develop ways for our customers to make the production of oil and gas less carbon intensive.

Digital and Automation. We are leveraging simple, pragmatic digital solutions to improve health and safety, reduce carbon, reduce operating cost, reduce non-productive time, and increase production.

Acquisitions, Investments and Partnerships

We did not have any acquisitions and did not enter into any partnership agreements during 2022 or 2021.

In December 2021, we officially inaugurated our new facility in Dhahran, Saudi Arabia, and in 2022, started the manufacture of our first in-country orders. The facility is part of our continued investment in the Middle East to reinforce our leading position in delivering local solutions that extend asset life and improve project returns. The new facility positions us to respond to the expected increase in activity in the area while strengthening our capabilities, providing a solid platform for us to grow in what is a strategic market for our Surface Technologies business. The new facility will offer a broader range of capabilities and greater in-country value-add, supporting our full portfolio with high technology equipment in the drilling, completion, production, and pressure control sectors.

In 2022, we also committed to investing in a new manufacturing space at our ICAD facility in Abu Dhabi, and in September became the first company to be API6A qualified.

To support our developments in the Middle East, we are investing heavily in hiring, training, and developing personnel in the region. These investments position us to respond to the increasing demand for local content and increasing opportunity in the region. They strengthen our capabilities, providing a solid platform for us to grow in what is a strategic market for our Surface Technologies business, recognized by our record inbound award from Saudi Aramco and our 10-year framework agreement with ADNOC from which we received the first $128 million commitment in the fourth quarter of 2022.

OTHER BUSINESS INFORMATION RELEVANT TO OUR BUSINESS SEGMENTS

Capitalizing on Energy Transition

Since our inception as an integrated company in 2017, TechnipFMC has been pursuing innovation to reduce emissions within the conventional energy space. We have also been exploring ways to position ourselves in the energy transition by delivering differentiated solutions and leveraging our core competencies and existing resources. We believe offshore will be the next frontier of the energy transition and are ready to accelerate and grow our contribution. This is the role of New Energy business at TechnipFMC.

Our goal is to be a key enabler of the carbon transportation and storage and offshore renewables industry. To get there, we will leverage our subsea and surface expertise, our technology know-how, our collaborative and innovative mindset and our demonstrated capabilities in project integration.

We will continue collaborating with energy companies and technology providers to bring to market innovative solutions that are best-suited for offshore applications, while leveraging our company’s existing assets, technologies and installation expertise. Utilizing our expertise in integrated projects, we are able to serve as a system architect, from technology development to project delivery and life of field services.

As a result of our evolution in the new energies arena, we are further refining our approach, which we define within three main markets:

- Greenhouse gas removal;
- Offshore floating renewables; and
- Hydrogen.

Project integration, associated with proprietary technology leadership, is perhaps TechnipFMC’s strongest point of differentiation. We see strong integration potential across offshore renewable markets. For example, by combining wind and hydrogen, we could maximize energy generation and efficiency, since the incremental capital expenditure and operational expenditure needed is much lower than a standalone product for the same energy generation. We will approach these new integration opportunities in renewable energies with a new execution model, which is integrated Offshore Novel Energies, or iONE™(“iONE”). iONE builds on the success of our iEPCI model in oil and gas, and leverages that experience in the new energy space. By acting as system integrator in a complex and rapidly changing environment, we can play a meaningful role in enabling offshore renewable solutions.

The Markets

We believe one of the safest and most efficient storage locations for greenhouse gases is offshore, in naturally occurring reservoirs and saline aquifers.

TechnipFMC is applying a configure-to-order model in its traditional and New Energy businesses to create superior value for its clients through robust project execution performance. This effort is eliminating product and process development work from the project, producing execution stability and ensuring product cost, quality and lead time targets are consistently met.

Configurability and simplification are being applied to our integrated carbon transportation and storage solutions. Standard configure-to-order modules for onshore carbon treatment and compression will minimize project-specific engineering while enabling custom system solutions to be built from pre-engineered products. Standard all-electric control systems for offshore carbon transportation and storage will also be configurable to meet project-specific needs. These control systems will have the flexibility to manage a wide range of functionalities, from manifold/tree valve and choke actuation to downhole and seabed reservoir monitoring systems.

Existing equipment developed by our Surface Technologies and Subsea businesses can be leveraged to achieve this aim. Our efforts in this area include:

- Development of our Integrated Carbon Transportation and Storage System, ("iCTS™");
- A strategic alliance with Talos Energy to accelerate carbon transportation and storage ("CTS");
- The acquisition of Magma Global, manufacturer of the key gas transportation technologies thermoplastic composite pipe and hybrid flexible pipe; and
- An agreement to commercialize PETRONAS' unique natural gas processing membrane which reduces emissions of CO_2 and hydrogen sulfide by integrating the technology into our onshore and offshore production portfolio.

TechnipFMC aspires to lead the offshore floating renewables industry by leveraging our differentiated technologies, product standardization, and system integration approach. This emerging market is predicted to grow from very limited today, to an installed base of 15 gigawatts by 2030. Our efforts in this area include:

- A partnership with Magnora ASA, Magnora Offshore Wind, to develop floating offshore wind projects. The partnership secured an Option Agreement for area N3 in the United Kingdom's Western Isles from the Crown Estate Scotland in the ScotWind leasing round in January 2022;

- A partnership with Floating Power Plant, a renewable energy technology company, for an offshore green hydrogen pilot for the Canary Islands which will leverage Deep Purple™ (see below);

- A strategic investment in Orbital Marine Power, the world's most powerful floating tidal energy turbine, which we believe to be the most mature tidal technology. In July 2022, our collaboration with Orbital Marine Power was awarded two Contracts for Difference to generate 7.2MW of predictable clean energy in Orkney as part of UK Government renewable energy auction; and

- Development of best in class 66KV dynamic inter array cables ("IAC") – a key component of offshore floating renewables infrastructure used to transmit electricity generated offshore to the grid. System engineering, cable engineering, supply and installation will be provided by our existing manufacturing plant in the UK and our vessel fleet.

We believe hydrogen will become a crucial carrier for the storage and transportation of energy, as well as bringing reliability, stability, and efficiency to renewable sources. Our strategy covers two main areas: green hydrogen produced offshore by the electrolysis of water using renewable energy, and off-grid energy systems delivering renewable, stable power to traditional energy installations and remote islands. Our efforts in this area include:

- Deep Purple™ is our system to provide sustainable offshore renewable energy production by integrating wind energy and hydrogen production and storage. A pilot production began in Norway in January 2023;

- The Hardanger Hydrogen Project, with several partners including Statkraft, where TechnipFMC will qualify its subsea H_2 storage and provide subsea storage for the next commercial phases of the project;

- Offering separate hydrogen solutions and the combination/system integration of those; infrastructure including pipeline and storage (both subsea storage and underground storage) and hydrogen wellhead products; and

- Participation in Storengy's HyPSTER (Hydrogen Pilot STorage for large Ecosystem Replication) pilot project in France, where we have re-engineered and repurposed a Surface Technologies wellhead to facilitate the large-scale storage of green hydrogen in underground salt caverns.

Sources and Availability of Raw Materials

Our business segments purchase carbon steel, stainless steel, aluminum, steel castings and forgings, polymers, micro-processors, integrated circuits and various other materials from the global marketplace. We typically do not use single source suppliers for the majority of our raw material purchases; however, certain geographic areas of our businesses, or a project or group of projects, may heavily depend on certain suppliers for raw materials or supply of semi-finished goods. We believe the available supplies of raw materials are adequate to meet our needs, leveraging our CTO strategy.

Research and Development

We are engaged in research and development ("R&D") activities directed toward the improvement of existing products and services, the design of specialized products to meet customer needs, and the development of new products, processes, and services. A large part of our product development spending has focused on the improved design and standardization of our Subsea products to meet our customer needs.

Patents, Trademarks, and Other Intellectual Property

We own a number of patents, trademarks, and licenses that are cumulatively important to our businesses. As part of our ongoing R&D focus, we seek patents when appropriate for new products, product improvements, and related service innovations. We have approximately 3,800 issued patents and pending patent applications worldwide. Further, we license intellectual property rights to or from third parties. We also own numerous trademarks and trade names and have approximately 410 registrations and pending applications worldwide.

We protect and promote our intellectual property portfolio and take actions we deem appropriate to enforce and defend our intellectual property rights. We do not believe, however, that the loss of any one patent, trademark, or license, or group of related patents, trademarks, or licenses would have a material adverse effect on our overall business.

Segment and Geographic Financial Information

The majority of our consolidated revenue and segment operating profits is generated in markets outside of the United States. Each segment's revenue is dependent upon worldwide oil and gas exploration and production activity. Financial information about our segments and geographic areas is incorporated herein by reference from Note 6 to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

Order Backlog

Information regarding order backlog is incorporated herein by reference from the section entitled "Inbound Orders and Order Backlog" in Part II, Item 7 of this Annual Report on Form 10-K.

Website Access to Reports and Proxy Statement

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements, and Forms 3, 4, and 5 filed on behalf of directors and executive officers, and amendments to each of those reports and statements, are available free of charge through our website at www.technipfmc.com, under "Investors" as soon as reasonably practicable after such material is electronically filed with, or furnished to, the U.S. Securities and Exchange Commission (the "SEC"). Alternatively, our reports may be accessed through the website maintained by the SEC at www.sec.gov. Unless expressly noted, the information on our website or any other website is not incorporated by reference in this Annual Report on Form 10-K and should not be considered part of this Annual Report on Form 10-K or any other filing we make with the SEC.

HUMAN CAPITAL

Our people are at the heart of everything we do, and they drive our culture of strong execution, purposeful innovation and challenging industry conventions. We are committed to the development of our employees, and our employee guidelines are specified in our Code of Business Conduct, which applies to all employees, regardless of their roles, and no matter where they work.

We believe that all our employees are entitled to fair treatment, courtesy, and respect, wherever they work: in the office, on vessels, on industrial and construction sites, or in client offices. We do not tolerate any form of abuse or harassment, and we will not tolerate any action, conduct, or behavior that is humiliating, intimidating, or hostile.

Furthermore, our hiring and employee development decisions are fair and objective. Employment decisions are based only on relevant qualifications, performance, demonstrated skills, experience, and other job-related factors, with our goal of creating a diverse, tolerant, equitable and inclusive workforce.

Workforce Overview

Our workforce consists of the following:

	As of December 31,		
	2022	2021	2020
Permanent employees	20,301	19,103	19,078
Temporary employees (fixed-term)	1,671	1,507	1,054
Employees on payroll	21,972	20,610	20,132
Contracted workforce	1,374	1,392	635
Total workforce	23,346	22,002	20,767

Attracting Talent

In 2022, we revisited our Employee Value Proposition ("EVP") with active involvement of leaders, new employees and a cross-section of experienced employees to ensure it resonates with everyone and aligns with Company ambitions.

We encouraged and included more people from our business to share their inspiring experiences and stories that truly reflect the diversity and plurality we have in the Company. People from different cultures, generations, genders, races, disabilities, and sexual preferences are represented by what they all have in common: inspiring experiences lived at TechnipFMC. We continue to explore how best we can share these experiences with external candidates as well as internally through different channels. Significant effort was put into improving candidate experiences when accessing our website’s new career page as well as on our internal EVP-dedicated web page.

Our global recruitment system is being optimized to provide a more dynamic, modern and attractive experience with relevant content. Our onboarding program will be further simplified, with better global alignment and more efficient communication to make the experience of new employees and line managers more streamlined and connected.

Key performance indicators linked to talent acquisition are now available and accessible to key stakeholders through our internal tracking platform. In 2022, we achieved a reduction in recruiting lead times, even in a year of increased hiring volume.

Developing and Keeping Talent

In 2022, we continued to mature “Talking Talents” (launched in 2020) a process where leaders meet to talk about their employees and identify key talents. This then becomes the basis for developing employees into our three main career pathways, Leadership, Project Management and Technology. We continued to see an improvement in our Leadership Succession Planning, both in terms of depth and in representation of underrepresented nationalities and gender. In 2022, 82 percent of our succession plans up to three levels below CEO had at least one female successor compared to 79 percent in 2021.

In 2022, we also launched the Check-In process, where managers and employees meet at least quarterly to discuss goals, share feedback and have in-depth discussion about the employee’s development. This replaced the annual Performance Appraisal process and has been a success since its implementation, as evidenced by employee perception surveys and positive feedback from employees and managers. The Check-In process is designed to build trust, improve engagement and performance at work. It gets employees to stay future focused, own their careers and gets leaders to focus on the development of people on their team.

Leadership You, introduced in 2021, is our internal leadership development initiative which provides development opportunities not only for our leaders, but for all our employees. It is driven by a global, enterprise-wide learning and knowledge management ecosystem. We have also made other development tools available for all employees. Examples include Individual Development Plan, Continuous Multi Source Feedback, Employee Development Guide, Check-in Conversations Workshops and Inclusive Leadership Training.

Employee attrition in 2022 was marginally higher than in 2021 at 8.9 percent reflective of trends across the industry and beyond. However, key talent attrition was lower at 7.7 percent as a result of dedicated efforts on providing learning and development opportunities and key talent moves identified in succession plans. Our internal hiring rate that refers to the number of jobs posted were filled internally, improved from 14 percent in 2021 to 19 percent in 2022. We continue to focus on internal talent mobility in 2023.

As we see a potential up-cycle in our industry, sharpening our focus on talent attraction and retention by enabling our people to grow, develop, and share knowledge will be imperative. The importance of being able to offer learning and knowledge-sharing opportunities in a digital and global environment has been key to our success. Building on our solid foundations, we delivered impactful courses, initiatives, and solutions across all of our business segments, in addition to being particularly focused on leadership, technology, and project management.

Technical Expertise Program

The global Technical Expertise Program ("TEP") recognizes and rewards employees ("Technical Fellows") who have demonstrated technical mastery in their discipline, as well as:

- Technical impact, whether it is operational performance, product development, or project management;
- People development, by inspiring others, enabling the full potential of people and teams, mentoring, sharing knowledge and expertise, and attracting other technical talent;
- Business impact, by developing business with existing or new customers, new solutions in existing markets, or new markets altogether; and
- Industry leadership: through internal and external professional visibility as a thought leader, both individually and as a representative of the Company's technical leadership.

The Technical Expertise Program currently has about 640 members, and in 2022, we added various resources to support these experts and enable other employees to connect with them, including:

- A Find the Expert search tool which has filters to select experts by level, scientific expertise, discipline, sub-discipline, location and organization, as well as a free text search;
- A public (internal) calendar for program events;
- Home pages for each of the seven major disciplines where their members are displayed along with content from their TEP Talks; and
- An open community of practice for members (and aspiring members) of the program where employees can reach out to them.

We took a more intentional approach to supporting and leveraging our Technology Fellows, who are the highest tier in the Company's Technical Expertise Program, in 2022, facilitating conventions for them in which they collaborate on business and technical problems and prioritize opportunities to add value for the Company, the members of the Technical Expertise Program, and the technical community in general. A new Fellows Blog was created for them to share their knowledge in an informal format. They identified and are sponsoring a major new global initiative on intellectual property called "Think IP."

As champions of "Think IP," they will share their knowledge broadly across the Company's learning ecosystem, using knowledge management platforms such as The Bridge to connect with employees. The Bridge has 44 chartered global knowledge-sharing networks. The related knowledge repository, The Well, has more than 5,100 pages (up from 4,000 in 2021), which received more than 824,000 visits in 2022 (up from 650,000 in 2021). The Well is connected with the Company's competency management platform and provides direct access to competency-based content. Employees in all regions access these and other knowledge management social learning tools such as an Experts Explain webinar series and Illuminate podcasts to increase their knowledge about business and technical topics, and to share their own knowledge.

Learning and Training

Engagement in our iLearn learning platform continues to see significant growth and use, as we continue to embrace our digital transformation and more engaging content. In 2022, there were almost 28,000 pieces of creative and innovative learning content available, with ongoing releases of new and meaningful courses, to support skills development for our employees and enhance their performance in their roles. In 2022, almost 418,000 training hours (doubled from 2020) and 374,000 course completions (up 2x from 2020) were completed with 90 percent of completions being done online, which resulted in 20.5 training hours per employee (up from 5.9 hours per employee in 2020). The top areas of learning in 2022 were Health, Safety, Environment, and Security, Quality, Our Company, Human Resources, and Engineering.

Employee Networks and Resource Groups ("ENRGs")

TechnipFMC’s ENRGs aim to engage and reinforce our commitment to creating an environment where all employees can achieve their full potential. We continue to promote ENRGs globally by improving participation and sponsorship. ENRGs contribute in three ways:

- Encouraging meaningful employee engagement and development of future leaders;
- Acting as a resource for attraction and retention of talent; and
- Sharing new ideas and perspectives for a changing workforce.

Equal opportunity and fair representation

Three of our Foundational Beliefs – integrity, respect, and sustainability – are tangibly embedded in our commitment to diversity, equity, inclusion and fair representation. Our employment decisions related to recruitment, selection, evaluation, compensation, and development, among others, are not influenced by unlawful or unfair discrimination on the basis of race, religion, gender, age, ethnic origin, nationality, sexual orientation, gender identity or gender reassignment, marital status, or disability.

There are three Social commitments on our ESG scorecard which drive intentional actions in support of our inclusion and diversity journey – Awareness & Culture, Fair Representation, and Community.

TechnipFMC is committed to improving the recruitment of female graduates and the proportion of underrepresented populations in senior management. In 2021 and 2022, we recruited 43 percent female participants to our graduate program. We also aim to increase underrepresented populations in senior management: our target is to increase the percentage of females in senior management to 26 percent by the end of 2023. As of the end of 2022, female representation in senior management is at 21 percent. We further aim to increase the percentage of underrepresented nationalities (nationalities outside North American and European countries) and U.S. minorities in senior management to 20 percent by the end of 2023, and as of 2022 we have exceeded our target, with 25 percent. We have maintained 38 percent representation of females in our Executive Leadership Team and this year TechnipFMC was named for the first time, one of the World's Top 400 Female-Friendly Companies by Forbes.

In February 2021, our Inclusive Leadership Learning journey began for all managers. The launch of this curriculum focused on the development of inclusive behaviors, the importance of allyship, and unconscious biases. This initiative was recognized by employees by winning the Company's internal 2021 Driving Change Awards in the Employee Development and Engagement category. 90 percent of our managers have completed this curriculum.

It is our policy to encourage and give full and fair consideration to applications for employment from disabled people, and to assist with their training and development in light of their aptitudes and abilities. If an existing employee becomes disabled, it is the Company’s policy wherever practicable to provide continuing employment under our usual terms and conditions, and to provide training, career development, promotion opportunities and a safe work environment based on the requested, reasonable needs to disabled employees to the fullest extent possible.

In December 2022, we celebrated International Day of Persons with Disabilities. We had various initiatives to promote inclusion and respect featuring our colleagues throughout the globe, including:

- Inspiring stories featuring perspectives from leadership, people with disabilities, and careers of disabled children;
- Creating awareness of invisible disabilities in a podcast; and
- Webcast with paralympian, Andy Barrow sharing his story after suffering a life-changing spinal cord injury while playing rugby.

Other global days marked by TechnipFMC in 2022 include International Women's Day, PRIDE month, and International Women in Engineering Day, among others.

Giving back to the community

TechnipFMC is focused on making a long-term, positive impact in the communities where we live and work. We encourage our employees to actively engage in ‘doing something good'' through active engagement in health, education, and local employment. Initiatives include our global volunteering program, which encourages employees to perform four hours of volunteering each year at the Company’s expense, and promoting science, technology, engineering and mathematics (“STEM”) careers.

We are working towards participating in 800 volunteering initiatives and 150 STEM initiatives during the 2021-2023 period. As at the end of 2022, we exceeded our targets with 559 volunteering and 118 STEM initiatives, being 70 percent and 79 percent, respectively, of our three-year target. Whether it is building a new soccer field for school children, opening their homes to those displaced by conflict, or walking in an event to raise charitable donations, the efforts of our employees have helped us exceed our targets.

Employee Engagement and Well-being

In 2022, we continued to implement actions identified through the global employee engagement survey conducted in 2021. Through a combination of global as well as local actions and communications, we kept employees involved and engaged. The key actions we took in 2022 are captured below:

- **Greater connection to senior leadership**
    - The ELT Connect series was successfully established with ten sessions having taken place since October of 2021. This series continues to be offered to all employees every other month.
    - ELT members are participating in and seeking out employee feedback via town halls and other global business unit/function meetings as well as increased Yammer participation.
    - Most local leaders have begun hosting quarterly town hall meetings.

- **Increase in wellbeing and recognition**
    - A safe return to premises has taken place at all locations. Workplace Options, a wellbeing program was established and is available for most of our employees.
    - ELT and leadership are working to recognize employees’ efforts through quarterly meetings, recognition programs as well as through regular check-ins and use of the continuous feedback platform.
    - Managers were asked to make development of employees a top priority and encourage teams to establish development goals. Crucial learning opportunities through iLearn including Leadership You and the Inclusive Leadership program are available.

- **Provide awareness on business prospects and clear direction on long-term strategy**
    - TechnipFMC continues to strengthen and demonstrate our leadership in the energy transition as the New Energy business builds and seeks out opportunities to expand our portfolio greenhouse gas removal, floating offshore renewables and hydrogen.
    - New business and progress are communicated using internal channels – PoP, Yammer, webcasts, and podcasts.
    - Quarterly updates regarding our business earnings and long-term strategy are sent out via email, PoP and podcasts and Managers' packs sent out on a quarterly basis include a shareable document detailing an overview of Company performance. In addition, dedicated external and internal websites pertaining to analysts have been developed.

Our next global engagement survey is scheduled for middle of 2023.

We launched a program called “Your Wellbeing Program” from Workplace Options in 2021, which provides all our employees with access to mental health resources, counselling and health coaching. As committed by our Chair and CEO in 2020, we annually mark the month of October as mental health awareness month with several activities to promote awareness. The 2022 activities included Take 5 Moments, webinars, employees podcasts, a virtual yoga event and a Global Wellbeing Questionnaire, which allows people to learn more about their physical, emotional, and practical wellbeing. A new Global Wellbeing & Mental Health yammer page was created for employees to stimulate discussions around the topic. Employees around the world are able to share their own stories to better assist and educate us as we continue to push the message that “it’s okay not to be okay.”

Internal Communication

We have a robust internal communications strategy and support communication channels that ensure that we communicate with our employees in a timely and effective manner. The effectiveness of internal communication is continually monitored and adjusted based on a focus group feedback program that reaches multiple levels across the Company. New digital tools help us gauge the effectiveness of our digital communication platforms. Employees are regularly consulted and provided with information on changes and events that may affect them through channels such as regular meetings, employee representatives, and the Company’s intranet site. These consultations and meetings ensure that employees are kept informed of the financial and economic factors affecting the Company’s performance and matters of concern to them.

Labor Relations and Collective Agreements

We seek to maintain constructive relationships and regular dialogue and consultation with works councils and trade unions, and to comply with relevant local laws and collective agreements in relation to collective or individual labor relations. The Company’s European Works Council (“EWC”) meets at least twice a year with management and all of our eligible European entities joined the EWC by the end of 2019.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Information regarding our executive officers called for by Item 401(b) of Regulation S-K is hereby included in Part I, Item 1 "Business" of this Annual Report on Form 10-K.

The following table indicates the names and ages of our executive officers as of February 24, 2023, including all offices and positions held by each in the past five years:

Name	Age	Current Position and Business Experience (Start Date)
Douglas J. Pferdehirt [a]	59	Chair and Chief Executive Officer (2019) Chief Executive Officer (2017)
Alf Melin [a]	53	Executive Vice President and Chief Financial Officer (2021) Senior Vice President, Finance Operations (2017) Senior Vice President, Surface Americas (2017)
Victoria Lazar [a]	57	Executive Vice President, Chief Legal Officer and Secretary (2020) Senior Vice President, General Counsel and Corporate Secretary of Bristow Group (2020) Executive Counsel, M&A of General Electric (2019) Associate General Counsel of Baker Hughes, a GE Company (2018)
Luana Duffé [a]	41	Executive Vice President, New Energy business (2021) Vice President, Subsea Projects & Commercial and Country Manager for Brazil (2020) Vice President, Subsea Projects and Brazil Country Manager (2019) Vice President, Subsea Strategy (2018) Corporate Development Director (2018)
Nisha Rai [a]	47	Executive Vice President, People and Culture (2021) Vice President of Total Rewards (2020) Vice President Head of Human Resources of MRC Global (2017)
Justin Rounce [a]	56	Executive Vice President and Chief Technology Officer (2018) President, Valves & Measurement of Schlumberger Limited (2018)
Jonathan Landes [a]	50	President, Subsea (2020) Senior Vice President, Subsea Commercial (2017) President, Subsea Projects North America (2017)
Thierry Conti [a]	39	President, Surface Technologies (2022) Senior Vice President, Subsea Commercial & Strategy (2020) Senior Vice President, Subsea Product Management (2019)
Krisztina Doroghazi [b]	51	Senior Vice President, Controller, and Chief Accounting Officer (2018)

(a) Member of the Executive Leadership Team and a Rule 3b-7 executive officer and Section 16 officer under the Exchange Act.
(b) Section 16 officer under the Exchange Act.

No family relationships exist among any of the above-listed officers, and there are no arrangements or understandings between any of the above-listed officers and any other person pursuant to which they serve as an officer. During the past 10 years, none of the above-listed officers was involved in any legal proceedings as defined in Item 401(f) of Regulation S-K. All officers are appointed by the Board of Directors to hold office until their successors are appointed.

ITEM 1A. RISK FACTORS

Important risk factors that could impact our ability to achieve our anticipated operating results and growth plan goals are presented below. The following risk factors should be read in conjunction with discussions of our business and the factors affecting our business located elsewhere in this Annual Report on Form 10-K and in our other filings with the SEC.

Summary Risk Factors

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Our Business and Industry

- Demand for our products and services depends on oil and gas industry activity and expenditure levels and the demand for and price of crude oil and natural gas.
- Competition and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.
- Our success depends on our ability to develop, implement, and protect new technologies and services and intellectual property related thereto.
- Cumulative loss of several major contracts, customers, or alliances may have an adverse effect on us, and the credit and commercial terms of certain contracts may subject us to further risks.
- The COVID-19 pandemic, and any resurgence thereof, and disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business, could adversely affect our business or results of operations.
- The Depository Trust Company ("DTC") may cease to act as a depository and clearing agency for our shares.
- Our existing and future debt may limit cash flows available to our operations and to service our outstanding debt, and the terms thereof may restrict our ability to access the capital markets.
- Our acquisition and divestiture activities involve substantial risks.
- Increasing scrutiny and expectations regearing Environmental, Social and Governance ("ESG") matters could result in additional costs or risks or otherwise adversely affect our business.
- Uncertainties with respect to the energy transition may adversely affect our business.

Risks Related to Our Operations

- We may lose money on fixed-price contracts.
- Our failure to timely deliver our backlog could affect future sales, profitability, and customer relationships.
- We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.
- A failure or breach of our IT infrastructure or that of our subcontractors, suppliers, or joint venture partners, including as a result of cyber-attacks, could adversely impact our business and results of operations.
- Pirates endanger our maritime employees and assets.
- New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns.

Risks Related to Legal Proceedings, Tax, and Regulatory Matters

- The industries in which we operate or have operated expose us to potential liabilities, including the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.
- Our operations require us to comply with existing and future laws and regulations, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.
- As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure.
- Uninsured claims and litigation against us could adversely impact our financial condition, results of operations, or cash flows.

- The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.
- U.S. tax laws and/or guidance could also affect our ability to engage in certain acquisition strategies and certain internal restructurings.
- We are subject to the tax laws of numerous jurisdictions; and challenges to the interpretation of, or future changes to, such laws could adversely affect us.
- We intend to be treated exclusively as a resident of the United Kingdom for tax purposes, but other tax authorities may seek to treat us as a tax resident of another jurisdiction, and we may not qualify for benefits under tax treaties entered into between the United Kingdom and other countries.

General Risk Factors

- Our businesses are dependent on the continuing services of our key managers and employees.
- Seasonal and weather conditions could adversely affect demand for our services and operations.
- Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.
- We are exposed to risks in connection with our defined benefit pension plan commitments.
- We may be unable to obtain sufficient bonding capacity for certain contracts, and the need for performance and surety bonds could reduce availability under our credit facility.
- Our revenues and earnings could be adversely affected by high levels of inflation resulting in increased supply costs and impacts on pricing and demand.
- Our operating results, sales, profits, cash flows, liquidity, financial position, wage expenses, employee retention and capital expenditures could be adversely affected by rising interest rates, which have increased the cost of borrowing and increased volatility in the capital markets.

Risks Related to Our Business and Industry

Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.

We are substantially dependent on conditions in the oil and gas industry, including (i) the level of exploration, development and production activity and (ii) capital spending. Any substantial or extended decline in these expenditures may result in the reduced pace of discovery and development of new reserves of oil and gas and the reduced exploration of existing wells, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification, or re-scheduling of existing orders in our backlog. These factors could have an adverse effect on our revenue and profitability. The level of exploration, development, and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future.

Factors affecting the prices of oil and natural gas include, but are not limited to, the following:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates, and general economic and business conditions;
- costs of exploring for, producing, and delivering oil and natural gas;
- political and economic uncertainty, socio-political unrest and geopolitical conflicts, including the continued conflict between Russia and Ukraine, which has resulted in substantial reduction of natural gas imports from Russia to Europe and significant volatility in the costs of both wholesale gas and power;
- governmental laws, policies, regulations and subsidies related to or affecting the production, use, and exportation/importation of oil and natural gas;

- the ability or willingness of the Organization of Petroleum Exporting Countries and the 10 other oil producing countries, including Russia, Mexico and Kazakhstan ("OPEC+") to set and maintain production level for oil;

- oil refining and transportation capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;

- technological advances affecting energy consumption;

- development, exploitation, relative price, and availability of alternative sources of energy and our customers' shift of capital to the development of these sources;

- volatility in, and access to, capital and credit markets, which may affect our customers' activity levels, and spending for our products and services;

- decrease in investors' interest in hydrocarbon producers because of environmental and sustainability initiatives; and

- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The oil and natural gas market remains quite volatile, and price recovery and business activity levels are dependent on variables beyond our control, such as geopolitical stability, increasing attention to global climate change resulting in pressure upon shareholders, financial institutions and/or financial markets to modify their relationships with oil and gas companies and to limit investments and/or funding to such companies, increasing likelihood of governmental regulations, enforcement, and investigations and private litigation due to increasing attention to global climate change, OPEC+'s actions to regulate its production capacity, changes in demand patterns, and international sanctions and tariffs. Continued volatility or any future reduction in demand for oilfield services could further adversely affect our financial condition, results of operations, or cash flows.

We operate in a highly competitive environment and unanticipated changes relating to competitive factors in our industry, including ongoing industry consolidation, may impact our results of operations.

We compete on the basis of a number of different factors, such as product offerings, project execution, customer service, and price. In order to compete effectively we must develop and implement innovative technologies and processes, and execute our clients' projects effectively. We can give no assurances that we will continue to be able to compete effectively with the products and services or prices offered by our competitors.

Our industry, including our customers and competitors, has experienced unanticipated changes in recent years. Moreover, the industry is undergoing consolidation to create economies of scale and to control the value chain, which may affect demand for our products and services because of price concessions from our competitors or decreased customer capital spending. This consolidation activity could impact our ability to maintain market share, maintain or increase pricing for our products and services or negotiate favorable contract terms with our customers and suppliers, which could have a significant negative impact on our financial condition, results of operations or cash flows. We are unable to predict what effect consolidations and other competitive factors in the industry may have on pricing, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers and suppliers.

The COVID-19 pandemic, and any resurgence thereof, have had, and may continue to have, an adverse impact on our financial condition, results of operations, and cash flows.

The COVID-19 pandemic, and any resurgence thereof, have had, and may continue to have an adverse impact on the economies and financial markets of many countries and our financial condition, operating results, and cash flows. These effects may be compounded by actions taken by governments and businesses, and may include adverse revenue and net income effects; disruptions to our operations; potential project delays or cancellations; downward revisions to customer budgets; impacts from illness, school closures, and other community response measures, which may lead to disruptions and decreased productivity of our employees, subcontractors, partners, and vendors; temporary closures of our facilities or the facilities of our customers and suppliers, and other risk factors discussed in this Risk Factors section, including risks related to the demand for oil and gas. The pandemic has led to global supply chain challenges, which could adversely impact our ability to acquire certain equipment and materials, impact our ability complete projects and cause delays in completing projects, and materially and negatively impact our business results, operations, revenue, growth and overall financial condition. Additionally, shift from the pandemic-led contraction to economic growth has resulted in and may continue to cause high inflation and logistical bottlenecks.

Our success depends on our ability to develop, implement, and protect new technologies and services and the intellectual property related thereto.

Our success depends on the ongoing development and implementation of new product designs, including the processes used by us to produce and market our products.

We continually attempt to develop new technologies for use in our business. However, there is no guarantee of future demand for those technologies because customers may be reluctant or unwilling to adopt our new technologies. In addition, we may also have difficulty negotiating satisfactory terms that would provide acceptable returns on our investment in the research and development of new technologies.

Development of new technology is critical to maintaining our competitiveness. However, we cannot assure that we will be able to successfully develop technology that our customers demand. Demand for our products and services may decline if we cannot keep pace with technological advances. Technology that is unavailable to us or that does not work as we expect, could adversely affect us. New technologies, services or standards could render some of our products and services obsolete, which could reduce our competitiveness and have a material adverse impact on our business, financial condition, cash flows and results of operation.

Additionally, we are exploring opportunities in greenhouse gas removal, offshore floating renewables (wind, wave and tidal energy), and hydrogen. Many technologies involved in those projects are novel and will need to be further developed before we can determine whether a renewable energy project is technologically feasible.

Our success also depends on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patents, maintain trade secrets or obtain other protection of our intellectual property rights, if our patents are unenforceable or the claims allowed under our patents are not sufficient to protect our technology, or if we are not able to adequately protect our patents or trade secrets, we may not be able to continue to develop our services, products and related technologies. Additionally, our competitors may be able to independently develop technology that is similar to ours without infringing on our patents or gaining access to our trade secrets. If any of these events occurs, we may be unable to meet evolving industry requirements or do so at prices acceptable to our customers, which could adversely affect our financial condition, results of operations, or cash flows.

Due to the types of contracts we enter into and the markets in which we operate, the cumulative loss of several major contracts, customers, or alliances may have an adverse effect on our results of operations, and the credit and commercial terms of certain contracts may subject us to further risks.

We often enter into large, long-term contracts that, collectively, represent a significant portion of our revenue. These agreements, if terminated or breached, may have a larger impact on our operating results or our financial condition than shorter-term contracts due to the value at risk. Moreover, the global market for the production, transportation, and transformation of hydrocarbons and by-products, as well as the other industrial markets in which we operate, is dominated by a small number of companies. As a result, our business relies on a limited number of customers. If we were to lose several key contracts, customers, or alliances over a relatively short period of time, we could experience a significant adverse impact on our financial condition, results of operations, or cash flows.

Additionally, certain of our customers may require us to provide extended payment terms or other forms of financial support as a condition to obtaining commercial contracts. We have long-term contracts involving significant amounts to be paid by our customers toward the later stage of a project. Pursuant to these contracts, we may deliver products and services representing an important portion of the contract price before receiving any significant payment from the customer. Such arrangements could restrict the use of our cash and other resources for other projects and opportunities and our business could also be adversely affected if the financial condition of our customers erodes.

Disruptions in the political, regulatory, economic, and social conditions of the countries in which we conduct business could adversely affect our business or results of operations.

We operate in various countries across the world. Instability and unforeseen changes in any of the markets in which we conduct business, including economically and politically volatile areas or conflict or rumor of conflict could have an adverse effect on the demand for our services and products, our financial condition, or our results of operations. These factors include, but are not limited to, the following:

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- volatility in economic conditions including tightening of credit markets, inflation, rising interest rates, and currency exchange rate fluctuations and devaluations;
- civil unrest, labor issues, political instability, disease outbreaks, terrorist attacks, cyber terrorism, military activity, and wars, including the continued conflict between Russia and Ukraine;
- increasing attention to global climate change resulting in pressure from shareholders, financial institutions and/or financial markets;
- supply disruptions in key oil producing countries;
- the ability of OPEC+ to set and maintain production levels and pricing;
- trade restrictions, trade protection measures, price controls, or trade disputes;
- sanctions, such as prohibitions or restrictions by the United States against countries that are the targets of economic sanctions, or are designated as state sponsors of terrorism;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners (including as a result of the United Kingdom's withdrawal from the European Union), and investment decisions resulting from domestic and foreign laws, and regulations;
- regime changes;
- changes in, and the administration of, treaties, laws, and regulations including in response to public health issues;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

DTC may cease to act as the depository and clearing agency for our shares.

Our shares were issued into the facilities of The Depository Trust Company ("DTC") with respect to shares listed on the NYSE. DTC is a widely used mechanism that allows for rapid electronic transfers of securities between the participants in their respective systems, which include many large banks and brokerage firms. DTC has general discretion to cease to act as the depository and clearing agency for our shares. If DTC determines at any time that our shares are not eligible for continued deposit and clearance within its facilities, then we believe that our shares would not be eligible for continued listing on the NYSE, and trading in our shares would be disrupted. Any such disruption could have a material adverse effect on the trading price of our shares.

Our existing and future debt may limit cash flows available to invest in the ongoing needs of our business and could prevent us from fulfilling our obligations under our outstanding debt.

We have substantial existing debt. As of December 31, 2022, our total debt was $1.4 billion. We also have the capacity under our debt agreements to incur substantial additional debt.

Our level of debt could have important consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flows from operations to the payment of debt service, reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions, distributions, and other general partnership purposes;
- increase our vulnerability to adverse economic or industry conditions;
- limit our ability to obtain additional financing to react to changes in our business; or
- place us at a competitive disadvantage compared to businesses in our industry that have less debt.

Additionally, any failure to meet required payments on our debt or to comply with any covenants in the instruments governing our debt, could result in an event of default under the terms of those instruments. In the event of such default, the holders of such debt could elect to declare all the amounts outstanding under such instruments to be due and payable. Such default could also trigger a cross default on our other debt.

Our loans denominated in United States dollars ("USD"), at our option, under our Revolving Credit Facility bear interest at an adjusted rate linked to the London Interbank Offered Rate ("LIBOR") and our euro-denominated loans under the Revolving Credit Facility bear interest at an adjusted rate linked to the Euro Interbank Offered Rate ("EURIBOR"). LIBOR, EURIBOR and certain other interest "benchmarks" may be subject to further regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to perform differently than in the past or cause other unanticipated consequences. The United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, has announced that the publication of LIBOR on the current basis would cease and no longer be representative immediately after December 31, 2021 (in the case of all sterling, euro, Swiss franc and Japanese yen settings, and one-week and two-month USD settings) and immediately after June 30, 2023 (in the case of all remaining USD settings). Despite this deferral in regard to USD, the FCA has confirmed that use of USD LIBOR will not be permitted in most new contracts after December 31, 2021 and while the FCA is requiring the LIBOR administrator to publish one-, three- and six-month sterling and Japanese yen LIBOR rates for a limited time following December 31, 2021 using a synthetic methodology, such synthetic LIBOR rates are also only permitted for legacy use. If the methods of calculating LIBOR change from their current form while we continue to rely on LIBOR, or if we adopt alternative benchmarks for our current or future debt, interest rates on our debt obligations may be adversely affected.

The terms of the agreements governing our existing indebtedness restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The terms of the agreements governing our indebtedness contain a number of restrictive covenants that limit our flexibility in conducting our business and restrict our ability to take specific actions, including (subject to various exceptions) restrictions on incurring indebtedness, paying dividends, making certain loans and investments, selling assets or incurring liens which may limit our ability to compete effectively, or to take advantage of new business opportunities. In addition, the restrictive covenants in the credit agreement, dated February 16, 2021, (as amended) that governs our $1.0 billion three-year senior secured multi-currency revolving credit facility (the "Revolving Credit Facility") require us to maintain specified financial ratios and satisfy other financial condition tests.

A breach of the covenants or restrictions under our existing indebtedness could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. An event of default under our Revolving Credit Facility would also permit the lenders to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our Revolving Credit Facility, lenders thereunder could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, our substantial indebtedness and our credit ratings could adversely affect the availability and terms of our financing.

Our acquisition and divestiture activities involve substantial risks.

We have made and expect to continue to pursue acquisitions, dispositions, or other investments that may strategically fit our business and/or growth objectives. We cannot provide assurances that we will be able to locate suitable acquisitions, dispositions, or investments, or that we will be able to consummate any such transactions on terms and conditions acceptable to us. Even if we do successfully execute such transactions, they may not result in anticipated benefits, which could have a material adverse effect on our financial results. If we are unable to successfully integrate and develop acquired businesses, we could fail to achieve anticipated synergies and cost savings, including any expected increases in revenues and operating results. We may not be able to successfully cause a buyer of a divested business to assume the liabilities of that business or, even if such liabilities are assumed, we may have difficulties enforcing our rights, contractual or otherwise, against the buyer. We may invest in companies or businesses that fail, causing a loss of all or part of our investment. In addition, if we determine that an other-than-temporary decline in the fair value exists for a company in which we have invested, we may have to write down that investment to its fair value and recognize the related write-down as an investment loss.

In connection with the Spin-off, we agreed to indemnify Technip Energies for certain liabilities, and Technip Energies agreed to indemnify us for certain liabilities. If we are required to act on these indemnities to Technip Energies, our financial results could be negatively impacted. Additionally, any indemnity from Technip Energies may not be sufficient to insure us against the full amount of liabilities for which we are responsible and Technip Energies may not be able to satisfy its indemnification obligations in the future.

Increasing scrutiny and expectations regarding ESG matters could result in additional costs or risks or otherwise adversely affect our business.

There has been increasing attention from stakeholders, investors, customers, regulators on renewable energy and ESG practices and disclosures, including practices and disclosures related to greenhouse gases and climate change, and diversity and inclusion initiatives and governance standards. If we are unable to meet the ESG standards, investment and/or lending criteria, or current and future regulatory requirements set by these investors, regulators, customers, or other stakeholders, we may lose investment and our ability to raise capital and our reputation may be negatively affected. In addition, negative attitudes toward or perceptions of fossil fuel products and their relationship to the environment and climate change may reduce the demand for production of oil and gas in areas of the world where our customers operate or otherwise limit our customers' access to capital or ability to conduct operations, including via new regulation, and reduce future demand for our products and services. Any of these trends may, in turn, adversely affect our financial condition, results of operations and cash flows.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) or commitments to improve the ESG profile of our company and/or products, such initiatives or achievements of such commitments may be costly and may not have the desired effect. For example, expectations around company's management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. In addition, we may commit to certain initiatives or goals and we may not ultimately be able to achieve such commitments or goals, either on the timeframes or costs initially anticipated or at all, due to factors that are within or outside of our control. Moreover, actions or statements that we may take based on based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders, and we may be subject to investor or regulator engagement on our ESG initiatives and disclosures, even if such initiatives are currently voluntary. The increasing attention and pressure from the shareholders, financial institutions and/or financial markets could also increase the likelihood of governmental investigations and private litigation.

Additionally, certain market participants, including major institutional investors and capital providers, use third-party benchmarks and scores to assess companies' ESG profiles in making investment or voting decisions. Unfavorable ESG ratings could lead to increased negative investor sentiment towards us or our industry, which could negatively impact our share price as well as our access to and cost of capital. To the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to attract and retain employees or customers, which may adversely impact our operations. We also expect there to be increasing ESG-related regulations, disclosure-related and otherwise, which could magnify any of the risks identified in this risk factor. For more information, see our risk factor titled "Compliance with environmental and climate change-related laws and regulations may adversely affect our business and results of operations." Our customers and suppliers may be subject to similar risks, which may also result in augmented or additional risks.

We are exploring investments in energy transition, and uncertainties with respect to these markets may adversely affect our business.

Uncertainties with respect to the energy transition may adversely affect our business. As a result of our evolution in the renewable energies arena, we are exploring opportunities in greenhouse gas removal, offshore floating renewables, and hydrogen. While we have subsea and surface expertise, as well as capabilities in project integration, we are exploring opportunities that are new to us, and therefore involve uncertainties and risks.

The market for renewable energy is also intensively competitive and rapidly evolving. If the demand for renewable energy fails to grow sufficiently, if new geopolitical, legislative or regulatory initiatives emerge and governments around the world reduce subsidies and economic incentives on renewable energy projects, or if market opportunities manifest themselves in areas that we do not focus on, our New Energy business may not succeed.

Limited operating experience or limited brand recognition in new energy markets may also limit our goals and targets on business expansion.

Risks Related to Our Operations

We may lose money on fixed-price contracts.

As is customary for some of our projects, we often agree to provide products and services under fixed-price contracts. We are subject to material risks in connection with such fixed-price contracts, including bearing greater risk of paying some, if not all, of any cost overruns. It is not possible to estimate with complete certainty the final cost or margin of a project at the time of bidding or during the early phases of its execution. Actual expenses incurred in executing these fixed-price contracts can vary substantially from those originally anticipated for several reasons including, but not limited to, the following:

- unforeseen additional costs related to the purchase of substantial equipment, material, and components necessary for contract fulfillment or labor shortages in the markets where the contracts are performed;
- increasing costs from inflation, rising interest rates as well as supply chain disruptions;
- mechanical failure of our production equipment and machinery;
- delays caused by local weather conditions and/or natural disasters (including earthquakes, floods and public health crises such as the COVID-19 pandemic), which may become more frequent or severe as a result of climate change; and
- a failure of suppliers, subcontractors, or joint venture partners to perform their contractual obligations.

The realization of any material risks and unforeseen circumstances could also lead to delays in the execution schedule of a project. We may be held liable to a customer should we fail to meet project milestones or deadlines or to comply with other contractual provisions. Additionally, delays in certain projects could lead to delays in subsequent projects that were scheduled to use equipment and machinery still being utilized on a delayed project.

Pursuant to the terms of fixed-price contracts, we are not always able to increase the price of the contract to reflect factors that were unforeseen at the time our bid was submitted, and this risk may be heightened for projects with longer terms. Depending on the size of a project, variations from estimated contract performance, or variations in multiple contracts, could have a significant impact on our financial condition, results of operations or cash flows.

Our failure to timely deliver our backlog could affect future sales, profitability, and relationships with our customers.

Many of the contracts we enter into with our customers require long manufacturing lead times due to complex technical and logistical requirements. These contracts may contain clauses related to liquidated damages or financial incentives regarding on-time delivery, and a failure by us to deliver in accordance with customer expectations could subject us to liquidated damages or loss of financial incentives, reduce our margins on these contracts, or result in damage to existing customer relationships. The ability to meet customer delivery schedules for this backlog is dependent upon a number of factors, including, but not limited to, access to raw materials required for production, an adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity, and appropriate planning and scheduling of manufacturing resources. Failure to deliver backlog in accordance with expectations could negatively impact our financial performance.

We face risks relating to our reliance on subcontractors, suppliers, and our joint venture partners.

We generally rely on subcontractors, suppliers, and our joint venture partners for the performance of our contracts. Although we are not dependent upon any single supplier, certain geographic areas of our business or a project or group of projects may depend heavily on certain suppliers for raw materials or semi-finished goods.

Any difficulty in engaging suitable subcontractors or acquiring equipment and materials could compromise our ability to generate a significant margin on a project or to complete such project within the allocated time frame. If subcontractors, suppliers or joint venture partners refuse to adhere to their contractual obligations with us, or are unable to do so due to a deterioration of their financial condition, we may be unable to find a suitable replacement at a comparable price, or at all. Moreover, the failure of one of our joint venture partners to perform their obligations in a timely and satisfactory manner could lead to additional obligations and costs being imposed on us as we may be obligated to assume our defaulting partner's obligations or compensate our customers.

Any delay, failure to meet contractual obligations, or other event beyond our control or not foreseeable by us, that is attributable to a subcontractor, supplier or joint venture partner, could lead to delays in the overall progress of the project and/or generate significant extra costs. Even if we are entitled to make a claim for these extra costs against the defaulting supplier, subcontractor or joint venture partner, we may be unable to recover the entirety of these costs and this could materially adversely affect our business, financial condition or results of operations.

A failure or breach of our IT infrastructure or that of our subcontractors, suppliers or joint venture partners, including as a result of cyber-attacks, could adversely impact our business and results of operations.

The efficient operation of our business is dependent on the security and integrity of our IT systems, physical assets, and data that we process and maintain. Accordingly, we rely upon the capacity, reliability, and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to changing needs and evolving threats. We have been and are continuously subject to cyber-attacks, including phishing, malware, ransomware and other security incidents. No such attack has had a material adverse effect on our business, however, this may not be the case with future attacks. Our systems and physical assets may be vulnerable to damages from such attacks, as well as from natural disasters, failures or security vulnerabilities in hardware or software, power fluctuations, unauthorized access to data and systems, theft, loss or destruction of data (including confidential customer, employee or contractor information), human error, and other similar disruptions, and we cannot give assurance that any security measures we have implemented or may in the future implement will be sufficient to identify and prevent or mitigate such disruptions. Hybrid working arrangements also present increased cybersecurity risks due to the prevalence of social engineering and other attacks in relation to non-corporate and home workers. If a cyber-attack, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time.

We rely on third parties to support the operation of our IT hardware, software infrastructure, and cloud services, and in certain instances, utilize web-based and software-as-a-service applications, across a broad array of services and functions (e.g., human resources, finance, data transmission, communications, risk compliance, among others). The security and privacy measures implemented by such third parties, as well as the measures implemented by any entities we acquire or with whom we do business, may not be sufficient to identify or prevent cyber-attacks, and any such attacks may have a material adverse effect on our business. While our agreements with third parties, such as vendors, typically contain provisions that seek to eliminate or limit our exposure to liability for damages from a cyber-attack, we cannot ensure such provisions will withstand legal challenges or cover all or any such damages.

Threats to our IT systems and to those of our subcontractors, suppliers and joint venture partners arise from numerous sources, not all of which are within our or their control, including fraud or malice on the part of insiders or third parties, accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to our property or assets, outbreaks of hostilities, terrorist acts, and social engineering (e.g., phishing). The frequency and magnitude of cyberattacks and other security incidents is expected to increase in the future and attackers are becoming more sophisticated. We, as well as other critical business partners, may be unable to anticipate, detect or prevent future attacks, particularly because the methodologies utilized by attackers change frequently or are not recognized until launched, and attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. The failure of our or others' security controls and measures to prevent, detect, contain or remediate cyberattacks or other significant security incidents could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, including personal data, litigation or regulatory investigations, actions and fines included for a breach of data protection laws, reputational harm, increased overhead costs including due to compliance requirements, and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against or to mitigate damage caused by these attacks, disruptions or other security incidents in the future. Our insurance coverage may not cover all of the costs and liabilities we incur as the result of these events, and if our business continuity and/or disaster recovery plans do not effectively and timely resolve issues resulting from a cyber-attack, we may suffer material adverse effects on our business.

Pirates endanger our maritime employees and assets.

We face material piracy risks in the Gulf of Guinea, the Somali Basin, and the Gulf of Aden, and, to a lesser extent, in Southeast Asia, Malacca, and the Singapore Straits. Piracy represents a risk for both our projects and our vessels, which operate and transport through sensitive maritime areas. Such risks have the potential to significantly harm our crews and to negatively impact the execution schedule for our projects. If our maritime employees or assets are endangered, additional time may be required to find an alternative solution, which may delay project realization and negatively impact our business, financial condition, or results of operations.

New capital asset construction projects for vessels and manufacturing facilities are subject to risks, including delays and cost overruns, which could have a material adverse effect on our financial condition, or results of operations.

From time to time, we carry out capital asset construction projects to maintain, upgrade, and develop our asset base, and such projects are subject to risks of delay and cost overruns that are inherent in any large construction project, resulting from numerous factors including, but not limited to, the following:

- shortages of key equipment, materials or skilled labor;
- inflation, including rising costs of labor;
- delays in the delivery of ordered materials and equipment;
- design and engineering issues; and
- shipyard delays and performance issues.

Failure to complete construction in time, or the inability to complete construction in accordance with design specifications, may result in the loss of revenue. Additionally, capital expenditures for construction projects could materially exceed the initially planned investments, or there could be delays in putting such assets into operation.

Risks Related to Legal Proceedings, Tax and Regulatory Matters

The industries in which we operate or have operated expose us to potential liabilities, including as a result of the installation or use of our products, which may not be covered by insurance or may be in excess of policy limits, or for which expected recoveries may not be realized.

We are subject to potential liabilities arising from, among other possibilities, equipment malfunctions, equipment misuse, personal injuries, and natural disasters, any of which may result in hazardous situations, including uncontrollable flows of oil, gas or well fluids, or other sources of energy, fires, and explosions. Our insurance against these risks may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we were not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Our operations require us to comply with numerous regulations, violations of which could have a material adverse effect on our financial condition, results of operations, or cash flows.

Our operations and manufacturing activities are governed by international, regional, transnational, and national laws and regulations in every place where we operate relating to matters such as environmental protection, health and safety, labor and employment, import/export controls, currency exchange, bribery and corruption, and taxation.

These laws and regulations are complex, frequently change, and have tended to become more stringent over time. In the event the scope of these laws and regulations expand in the future, the incremental cost of compliance could adversely impact our financial condition, results of operations, or cash flows.

Our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act of 2010 (the "Bribery Act"), the anti-corruption provisions of French law n° 2016-1691 dated December 9, 2016 relating to Transparency, Anti-corruption and Modernization of the Business Practice ("Sapin II Law"), the Brazilian law nº 12,846/13, or the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act), and economic and trade sanctions, including those administered by the United Nations, the European Union, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("U.S. Treasury"), and the U.S. Department of State. The FCPA prohibits corruptly providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. We may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments, and penalties. Economic and trade sanctions restrict our transactions or dealings with certain sanctioned countries, territories, and designated persons.

As a result of doing business in countries throughout the world, including through partners and agents, we are exposed to a risk of violating anti-corruption laws and sanctions regulations. Some of the international locations in which we currently operate or may operate, in the future, have developing legal systems and may have higher levels of corruption than more developed nations. Our continued expansion and worldwide operations, including in developing countries, our development of joint venture relationships worldwide, and the employment of local agents in the countries in which we operate increase the risk of violations of anti-corruption laws and economic and trade sanctions. Violations of anti-corruption laws and economic and trade sanctions are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts), and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and, consequently, on our ability to win future business.

We have implemented policies and procedures designed to minimize and detect potential violations of laws and regulations in a timely manner but we can provide no assurance that such policies and procedures will be followed at all times or will effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents, or partners. The occurrence of any such violation could subject us to penalties and material adverse consequences on our business, financial condition, results of operations, or cash flows.

Compliance with environmental and climate change-related laws and regulations may adversely affect our business and results of operations.

Environmental laws and regulations in various countries affect the equipment, systems, and services we design, market, and sell, as well as the facilities where we manufacture our equipment and systems, and any other operations we undertake. We are required to invest financial and managerial resources to comply with environmental laws and regulations, and believe that we will continue to be required to do so in the future. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties, the imposition of remedial obligations, the issuance of orders enjoining our operations, or other claims and complaints. Additionally, our insurance and compliance costs may increase as a result of changes in environmental laws and regulations or changes in enforcement. These laws and regulations, as well as any new laws and regulations affecting exploration and development of drilling for crude oil and natural gas, are becoming increasingly strict and could adversely affect our business and operating results by increasing our costs, limiting the demand for our products and services, or restricting our operations.

Regulatory requirements related to ESG (including sustainability) matters have been, and are being, implemented in the European Union in particular, in relation to financial market participants. Such regulatory requirements are being implemented on a phased basis. We expect regulatory requirements related to, and investor focus on, ESG (including sustainability) matters to continue to expand in the EU, the United States, and more globally. For example, in the United States, the SEC has proposed climate-related disclosure requirements addressing governance, strategy, risk management, emissions metrics, and financial impacts, among other things, which could require us to incur additional costs for monitoring and compliance.

Existing or future laws and regulations relating to greenhouse gas emissions and climate change may adversely affect our business.

Climate change continues to attract considerable public and scientific attention. As a result, numerous laws, regulations, and proposals have been made and are likely to continue to be made at the international, national, regional, and state levels of government to monitor and limit emissions of carbon dioxide, methane, and other "greenhouse gases" ("GHGs"). These efforts have included cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources. Such existing or future laws, regulations, and proposals concerning the release of GHGs or that concern climate change (including laws, regulations, and proposals that seek to mitigate the effects of climate change) may adversely impact demand for the equipment, systems and services we design, market and sell. For example, oil and natural gas exploration and production may decline as a result of such laws, regulations, and proposals, and as a consequence, demand for our equipment, systems and services may also decline. In addition, such laws, regulations, and proposals may also result in more onerous obligations with respect to our operations, including the facilities where we manufacture our equipment and systems. Such decline in demand for our equipment, systems and services and such onerous obligations in respect of our operations may adversely affect our financial condition, results of operations, or cash flows.

As an English public limited company, we must meet certain additional financial requirements before we may declare dividends or repurchase shares and certain capital structure decisions may require stockholder approval which may limit our flexibility to manage our capital structure. We may not be able to pay dividends or repurchase our ordinary shares in accordance with our announced intent, or at all.

Under English law, we will only be able to declare dividends, make distributions, or repurchase shares (other than out of the proceeds of a new issuance of shares for that purpose) out of "distributable profits." Distributable profits are a company's accumulated, realized profits, to the extent that they have not been previously utilized by distribution or capitalization, less its accumulated, realized losses, to the extent that they have not been previously written off in a reduction or reorganization of capital duly made. In addition, as a public limited company incorporated in England and Wales, we may only make a distribution if the amount of our net assets is not less than the aggregate of our called-up share capital and non-distributable reserves, to the extent that the distribution does not reduce the amount of those assets to less than that aggregate.

Our articles of association permit us by ordinary resolution of the stockholders to declare dividends, provided that the directors have made a recommendation as to its amount. The dividend shall not exceed the amount recommended by the Board of Directors. The directors may also decide to pay interim dividends if it appears to them that the profits available for distribution justify such payment. When recommending or declaring payment of a dividend, the directors are required under English law to comply with their duties, including considering our future financial requirements.

In addition, the Board of Directors' determinations regarding dividends and share repurchases will depend on a variety of other factors, including our net income, cash flows generated from operations or other sources, liquidity position, and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Our ability to declare and pay future dividends and make future share repurchases will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical, general economic conditions, demand and selling prices for our products and services, and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate cash depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, regulatory changes, capital expenditures, or debt servicing requirements.

Any failure to pay dividends or repurchase shares of our ordinary shares could negatively impact our reputation, harm investor confidence in us, and cause the market price of our ordinary shares to decline.

Uninsured claims and litigation against us, including product liability and personal injury claims and intellectual property litigation, could adversely impact our financial condition, results of operations, or cash flows.

We could be impacted by the outcome of pending litigation, as well as unexpected litigation or proceedings. We have insurance coverage against operating hazards, including product liability claims and personal injury claims related to our products or operating environments in which our employees operate, to the extent deemed prudent by our management and to the extent insurance is available. However, our insurance policies are subject to exclusions, limitations, and other conditions and may not apply in all cases, for example, where willful wrongdoing on our part is alleged. Additionally, the nature and amount of that insurance may not be sufficient to fully indemnify us against liabilities arising out of pending and future claims and litigation. Additionally, in individual circumstances, certain proceedings or cases may also lead to our formal or informal exclusion from tenders or the revocation or loss of business licenses or permits. Our financial condition, results of operations, or cash flows could be adversely affected by unexpected claims not covered by insurance.

In addition, the tools, techniques, methodologies, programs, and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs. The resolution of these claims could require us to pay damages, enter into license agreements or develop alternative technologies. The development of these technologies or the payment of royalties under licenses from third parties, if available, would increase our costs. If a license were not available, or we are not able to develop alternative technologies, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations, or cash flows.

We are subject to governmental regulation and other legal obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could harm our business.

We are subject to international data protection laws, such as the General Data Protection Regulation 2016/679, or GDPR, in the European Economic Area, or EEA, and the UK equivalent (“UK GDPR”). The GDPR, UK GDPR and implementing legislation in the EEA and UK impose several stringent requirements for controllers and processors of personal data which have increased our obligations, including, for example, by requiring more robust disclosures to individuals, notifications, in some cases, of data breaches to regulators and data subjects, and a record of processing and other policies and procedures to be maintained to adhere to the accountability principle.

In addition, we are subject to the GDPR and UK GDPR’s rules on transferring personal data outside of the EEA and UK (including to the United States), and recent legal developments in Europe have created complexity and uncertainty regarding such transfers. On July 16, 2020, the Court of Justice of the European Union (“CJEU”) invalidated the EU-US Privacy Shield Framework (“Privacy Shield”) under which personal data could be transferred from the EEA (and the UK) to US entities who had self-certified under the Privacy Shield scheme, and the decision cast uncertainly on when transfers could be made under the standard contractual clauses; compliance with such may require us to change processes by which we transfer data outside of the EEA and United Kingdom, including to the United States. We currently rely on the standard contractual clauses to transfer personal data outside the EEA and UK. The European Commission has published revised standard contractual clauses for data transfers from the EEA: the revised clauses have been mandatory for relevant, new transfers since September 27, 2021 and for relevant, existing transfers, since December 27, 2022. The U.K.’s Information Commissioner’s Office has published new data transfer standard contracts for transfers from the U.K. under the UK GDPR. This new documentation has been mandatory for relevant, new data transfers since September 21, 2022; existing standard contractual clauses arrangements must be migrated to the new documentation by March 21, 2024. We will be required to implement the latest UK data transfer documentation for data transfers subject to the UK GDPR within the relevant time frames. As the enforcement landscape further develops, and supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

We are also subject to evolving EU and UK privacy laws on cookies and e-marketing. Recent European court and regulator decisions are driving increased attention to cookies and tracking technologies, regulators are also increasingly focusing on compliance with requirements in the online behavioral advertising ecosystem, and current national laws that implement the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation which will significantly increase fines for non-compliance. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, and require significant systems changes. Failure to comply with the requirements of GDPR, UK GDPR and the local laws implementing or supplementing the GDPR could result in fines (for example, non-compliance with the GDPR or UK GDPR, specifically, may result in administrative fines or monetary penalties, by each regime, up to the greater of €20,000,000/ £17,000,000 or up to 4 percent of the total worldwide annual turnover of the preceding financial year). In addition, we may also face regulatory investigations and enforcement action, reputational damage, and civil claims including representative actions and other class action type litigation, potentially amounting to significant compensation or damages liabilities, as well as associated costs, diversion of internal resources, and reputational harm.

We are likely to be required to expend significant capital and other resources to ensure ongoing compliance with the GDPR, UK GDPR and other applicable data protection legislation, and we may be required to put in place additional control mechanisms which could be onerous and adversely affect our business, financial condition, results of operations, or cash flows.

The IRS may not agree that we should be treated as a foreign corporation for U.S. federal tax purposes and may seek to impose an excise tax on gains recognized by certain individuals.

Although we are incorporated in the United Kingdom, the U.S. Internal Revenue Service (the "IRS") may assert that we should be treated as a U.S. "domestic" corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). For U.S. federal income tax purposes, a corporation (i) is generally considered a "domestic" corporation (or U.S. tax resident) if it is organized in the United States or of any state or political subdivision therein, and (ii) is generally considered a "foreign" corporation (or non-U.S. tax resident) if it is not considered a domestic corporation. Because we are a U.K. incorporated entity, we would be considered a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code ("Section 7874") provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a domestic corporation for U.S. federal income tax purposes.

We do not believe this exception applies. However, the Section 7874 rules are complex and subject to detailed regulations, the application of which is uncertain in various respects. It is possible that the IRS will not agree with our position. Should the IRS successfully challenge our position, it is also possible that an excise tax under Section 4985 of the Code (the "Section 4985 Excise Tax") may be assessed against certain "disqualified individuals" (including former officers and directors of FMC Technologies, Inc.) on certain stock-based compensation held thereby. We may, if we determine that it is appropriate, provide disqualified individuals with a payment with respect to the Section 4985 Excise Tax, so that, on a net after-tax basis, they would be in the same position as if no such Section 4985 Excise Tax had been applied.

In addition, there can be no assurance that there will not be a change in law or interpretation, including with retroactive effect, that might cause us to be treated as a domestic corporation for U.S. federal income tax purposes.

U.S. tax laws and/or guidance could affect our ability to engage in certain acquisition strategies and certain internal restructurings.

Even if we are treated as a foreign corporation for U.S. federal income tax purposes, Section 7874, U.S. Treasury regulations, and other guidance promulgated thereunder may adversely affect our ability to engage in certain future acquisitions of U.S. businesses or to restructure the non-U.S. members of our group. These limitations, if applicable, may affect the tax efficiencies that otherwise might be achieved in such potential future transactions or restructurings.

In addition, the IRS and the U.S. Treasury have issued final and temporary regulations providing that, even if we are treated as a foreign corporation for U.S. federal income tax purposes, certain intercompany debt instruments issued on or after April 4, 2016 will be treated as equity for U.S. federal income tax purposes, therefore limiting U.S. tax benefits and resulting in possible U.S. withholding taxes. Although the U.S. Treasury, through guidance, removes certain documentation requirements that would otherwise be imposed with respect to covered debt instruments, announces an intention to further modify and possibly withdraw certain classification rules relating to covered debt instruments, and further indicates that these rules generally are the subject of continuing study and may be further materially modified, the current regulations may adversely affect our future effective tax rate and could also impact our ability to engage in future restructurings if such transactions cause an existing intercompany debt instrument to be treated as reissued for U.S. federal income tax purposes.

We are subject to the tax laws of numerous jurisdictions; challenges to the interpretation of, or future changes to, such laws could adversely affect us.

We and our subsidiaries are subject to tax laws and regulations in the United Kingdom, the United States, France, and numerous other jurisdictions in which we and our subsidiaries operate. These laws and regulations are inherently complex, and we are, and will continue to be, obligated to make judgments and interpretations about the application of these laws and regulations to our operations and businesses. The interpretation and application of these laws and regulations could be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions, or sanctions, which could be material.

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law in the United States, which made extensive changes to the U.S. taxation of multinational companies, and is subject to continuing regulatory and possible legislative changes, especially given the new Administration and Congress in the United States. In addition, the U.S. Congress, the U.K. Government, the European Union, the Organization for Economic Co-operation and Development (the “OECD”), and other government agencies in jurisdictions where we and our affiliates do business have an extended focus on issues related to the taxation of multinational corporations. For instance, in October 2021, the OECD released additional proposals under Base Erosion and Profit Shifting that provide for a global minimum tax of 15 percent, and to date approximately 140 countries have tentatively signed a framework agreeing in principle to this initiative. The implementation of this global minimum tax, however, is contingent upon the independent actions of participating countries and is subject to further negotiation among OECD member states. New tax initiatives, directives, and rules, such as the U.S. Tax Cuts and Jobs Act, the OECD’s Base Erosion and Profit Shifting initiative, and the European Union’s Anti-Tax Avoidance Directives, may increase our tax burden and require additional compliance-related expenditures. As a result, our financial condition, results of operations, or cash flows may be adversely affected. Moreover, the U.S. government, and other jurisdictions in which we do business, may enact significant changes to the taxation of business entities including, among others, the imposition of minimum taxes or surtaxes on certain types of income. The likelihood of these changes being enacted or implemented is unclear. Further changes, including with retroactive effect, in the tax laws of the United States (such as the recent United States Inflation Reduction Act which, among other changes, introduced a 15 percent corporate minimum tax on certain United States corporations and a 1 percent excise tax on certain stock redemptions by United States corporations, which the U.S. Treasury indicated may also apply to certain stock redemptions by a foreign corporation funded by certain United States affiliates), the United Kingdom, the European Union, or other countries in which we and our affiliates do business could adversely affect us.

We may not qualify for benefits under tax treaties entered into between the United Kingdom and other countries.

We operate in a manner such that we believe we are eligible for benefits under tax treaties between the United Kingdom and other countries. However, our ability to qualify for such benefits will depend on whether we are treated as a U.K. tax resident, the requirements contained in each treaty and applicable domestic laws, on the facts and circumstances surrounding our operations and management, and on the relevant interpretation of the tax authorities and courts. For example, because of Brexit, we may lose some or all of the benefits of tax treaties between the United States and the remaining members of the European Union, and face higher tax liabilities, which may be significant. Another example is the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the “MLI”), which entered into force for participating jurisdictions on July 1, 2018. The MLI recommends that countries adopt a “limitation-on-benefit” (“LOB”) rule and/or a “principal purpose test” (“PPT”) rule with regards to their tax treaties. The application of the LOB rule or the PPT rule could deny us treaty benefits (such as a reduced rate of withholding tax) that were previously available and as such there remains uncertainty as to whether and, if so, to what extent such treaty benefits will continue to be available. The position is likely to remain uncertain for a number of years.

The failure by us or our subsidiaries to qualify for benefits under tax treaties entered into between the United Kingdom and other countries could result in adverse tax consequences to us (including an increased tax burden and increased filing obligations) and could result in certain tax consequences of owning and disposing of our shares.

We intend to be treated exclusively as a resident of the United Kingdom for tax purposes, but French or other tax authorities may seek to treat us as a tax resident of another jurisdiction.

We are incorporated in the United Kingdom. English law currently provides that we will be regarded as a U.K. resident for tax purposes from incorporation and shall remain so unless (i) we are concurrently a resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the United Kingdom and (ii) there is a tiebreaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

In this regard, we had a permanent establishment in France to satisfy certain French tax requirements imposed by the French Tax Code with respect to the Merger. The assets and liabilities pertaining to this permanent establishment were contributed on December 27, 2022 to one of our French subsidiaries with retroactive effect as of January 1, 2022, in accordance with a tax ruling issued by the French tax authorities, as a result of which this permanent establishment has been deregistered before the close of the 2022 fiscal year. Although it is intended that we will be treated as having our exclusive place of tax residence in the United Kingdom, the French tax authorities may claim, for the period prior to the reorganization, that we were a tax resident of France if we were to have failed to maintain our "place of effective management" in the United Kingdom over that period as a result of the activities of such permanent establishment. Any such claim would be settled between the French and U.K. tax authorities pursuant to the mutual assistance procedure provided for by the tax treaty concluded between France and the United Kingdom. There is no assurance that these authorities would reach an agreement that we will remain exclusively a U.K. tax resident; an adverse determination could materially and adversely affect our business, financial condition, results of operations, or cash flows. A failure to maintain exclusive tax residency in the United Kingdom could result in adverse tax consequences to us and our subsidiaries and could result in certain adverse changes in the tax consequences of owning and disposing of our shares.

General Risk Factors

Our businesses are dependent on the continuing services of our key managers and employees.

We depend on key personnel. The loss of any key personnel could adversely impact our business if we are unable to implement key strategies or transactions in their absence. The loss of qualified employees or failure to retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our operation and expansion, as well as our ability to successfully conduct research activities and develop marketable products and services.

Seasonal and weather conditions could adversely affect demand for our services and operations.

Our business may be materially affected by variation from normal weather patterns, such as cooler or warmer summers and winters. Adverse weather conditions, such as tropical storms in the Gulf of Mexico or Indo-Pacific or extreme winter conditions in Canada, and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity, and may result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. In addition, acute or chronic physical impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall and hurricane-strength winds may damage our facilities or the facilities of key third parties. Increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that increase variation from normal weather patterns, such as increased frequency and severity of storms, floods, droughts, and other climatic events, as well as changes to temperature and precipitation patterns, which could further impact our operations. Significant physical effects of climate change could also have a direct effect on our operations and an indirect effect on our business by interrupting the operations of those with whom we do business. Any of these events or outcomes could have a material adverse effect on our business, financial condition, cash flows, or results of operations.

Currency exchange rate fluctuations could adversely affect our financial condition, results of operations, or cash flows.

We conduct operations around the world in many different currencies. Because significant portions of our revenue and expenses are denominated in currencies other than our reporting currency, the U.S. dollar, changes in exchange rates will produce fluctuations in our revenue, costs, and earnings, and may also affect the book value of our assets and liabilities and related equity. We hedge transaction impacts on margins and earnings where a transaction is not in the functional currency of the business unit, but we do not hedge translation impacts on earnings. Our efforts to minimize our currency exposure through such hedging transactions may not be successful depending on market and business conditions. Moreover, our ability to hedge certain currencies in which we conduct operations, specifically currencies in countries such as Angola and Nigeria, may be limited; therefore, we may be subject to increased foreign currency exposures. As a result, fluctuations in foreign currency exchange rates may adversely affect our financial condition, results of operations, or cash flows.

We are exposed to risks in connection with our defined benefit pension plan commitments.

We have funded and unfunded defined benefit pension plans, which provide defined benefits based on years of service and salary. We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated balance sheet and recognize changes in that funded status in comprehensive income in the year in which the changes occur. Further, we are required to measure each plan's assets and its obligations that determine its funded status as of the date of the consolidated balance sheet. Each defined benefit pension plan's assets are invested in different asset classes and their value may fluctuate in accordance with market conditions. Any deterioration in the value of the defined benefit pension plan assets could therefore increase our obligations. Any such increases in our net pension obligations could adversely affect our financial condition due to increased additional outflow of funds to finance the pension obligations.

In addition, applicable law and/or the terms of the relevant defined benefit pension plan may require us to make cash contributions or provide financial support upon the occurrence of certain events. We cannot predict whether, or to what extent, changing market or economic conditions, regulatory changes or other factors will further increase our pension expense or funding obligations. For further information regarding our pension liabilities, see Note 22 for further information.

We may be unable to obtain sufficient bonding capacity for certain contracts, and the need for performance and surety bonds could reduce availability under our credit facility.

In line with industry practice, we are often required to post standby letters of credit to customers or enter into surety bond arrangements in favor of customers. Those letters of credit and surety bond arrangements generally protect customers against our failure to perform our obligations under the applicable contracts. If we are unable to renew or obtain a sufficient level of bonding capacity in the future, we may be precluded from bidding for certain contracts or contracting with certain customers. Additionally, even if we are able to successfully renew or obtain performance or payment bonds, we may be required to post letters of credit in connection with the bonds. The letters of credit would reduce availability under our credit facility. Furthermore, under standard terms in the surety market, sureties issue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on projects that require bonding.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters is in Newcastle, England. We also maintain corporate offices in Houston, Texas, where significant worldwide global support activity occurs. In addition, we own or lease numerous properties throughout the world.

We believe our properties and facilities are suitable for their present and intended purposes and are operating at a level consistent with the requirements of the industry in which we operate. We also believe that our leases are at competitive or market rates and do not anticipate any difficulty in leasing suitable additional space upon expiration of our current lease terms.

The following table shows our principal properties by reporting segment at December 31, 2022:

Location	Segment
Africa	
Hassi Messaoud, Algeria	Surface
Lagos, Nigeria	Subsea
Lobito, Angola	Subsea
Luanda, Angola	Subsea
Malabo, Equatorial Guinea	Subsea
Port Harcourt, Nigeria	Subsea
Takoradi, Ghana	Subsea
Asia	
Chennai, India	Subsea
Hyderabad, India	Subsea, Surface
Jakarta, Indonesia	Surface
Johor, Malaysia	Subsea
Kuala Lumpur, Malaysia	Subsea
Noida, India	Subsea, Surface
Nusajaya, Malaysia	Subsea, Surface
Singapore	Subsea, Surface
Australia	

Location	Segment
Henderson, Australia	Subsea
Perth, Australia	Subsea
Europe	
Aberdeen, United Kingdom	Surface
Aktau, Kazakhstan	Subsea, Surface
Arnhem, The Netherlands	Surface
Atyrau, Kazakhstan	Subsea, Surface
Bergen, Norway	Subsea
Courbevoie (Paris - La Défense), France	Subsea
Dunfermline, United Kingdom	Subsea, Surface
Ellerbek, Germany	Surface
Evanton, United Kingdom	Subsea
Horten, Norway	Subsea
Kongsberg, Norway	Subsea, Surface
Krakow, Poland	Subsea
Le Trait, France	Subsea
Lisbon, Portugal	Subsea
Lysaker, Norway	Subsea
Newcastle, United Kingdom	Subsea
Orkanger, Norway	Subsea
Sens, France	Surface
Stavanger, Norway	Subsea, Surface
Veenoord, Netherlands	Surface
Westhill, United Kingdom	Subsea
Middle East	
Abu Dhabi, United Arab Emirates	Surface
Dhahran, Saudi Arabia	Surface
Doha, Qatar	Surface
North America	
Brighton (Colorado), United States	Surface
Charleroi (Pennsylvania), United States	Surface
Davis (California), United States	Subsea
Erie (Pennsylvania), United States	Surface
Houston (Texas), United States	Subsea, Surface
Odessa (Texas), United States	Surface
San Antonio (Texas), United States	Surface
St. John’s (Newfoundland), Canada	Subsea
Stephenville (Texas), United States	Surface
Theodore (Alabama), United States	Subsea
South America	
Georgetown, Guyana	Subsea
Macaé, Brazil	Subsea
Neuquén, Argentina	Surface
Rio de Janeiro, Brazil	Subsea, Surface
São João da Barra, Brazil	Subsea
Veracruz, Mexico	Surface
Vitória, Brazil	Subsea
Yopal, Columbia	Surface

The following table shows marine vessels in which we held an interest or operated as of December 31, 2022:

Vessel Name	Vessel Type	Special Equipment
Deep Blue	PLSV	Reeled pipelay/flexible pipelay/umbilical systems
Deep Energy	PLSV	Reeled pipelay/flexible pipelay/umbilical systems
Apache II	PLSV	Reeled pipelay/umbilical systems
Deep Orient	HCV	Construction/installation systems
North Sea Atlantic	HCV	Construction/installation systems
Skandi Africa	HCV	Construction/installation systems
Deep Arctic	DSV/HCV	Diver support systems
Deep Discoverer	DSV/HCV	Diver support systems
Deep Explorer	DSV/HCV	Diver support systems
Skandi Vitória	PLSV	Flexible pipelay/umbilical systems
Skandi Niterói	PLSV	Flexible pipelay/umbilical systems
Coral do Atlantico	PLSV	Flexible pipelay/umbilical systems
Deep Star	PLSV	Flexible pipelay/umbilical systems
Skandi Açu	PLSV	Flexible pipelay/umbilical systems
Skandi Búzios	PLSV	Flexible pipelay/umbilical systems
Skandi Olinda	PLSV	Flexible pipelay/umbilical systems
Skandi Recife	PLSV	Flexible pipelay/umbilical systems

PLSV: Pipelay Support Vessel
HCV: Heavy Duty Construction Vessel
DSV: Diving Support Vessel

ITEM 3. LEGAL PROCEEDINGS

We are involved in various pending or potential legal actions or disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and join venture partners and can include claims related to payment of fees, service quality, and ownership arrangements, including certain put or call options. Management is unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our ordinary shares are listed on the NYSE and are traded under the symbol “FTI.”

For information about dividends, see Note 17 “Stockholders’ Equity” to the Consolidated Financial Statements in Item 8. The Company intends to initiate a quarterly dividend in the second half of 2023.

As of February 20, 2023, according to data provided by our transfer agent, there were 3,640 shareholders of record. However, many of our shareholders hold their shares in "street name" by a nominee of Depository Trust Company, which is a single shareholder of record. We estimate that there were approximately 53,200 shareholders whose shares were held in “street name” by banks, brokers, or other financial institutions as of December 31, 2022.

We had no unregistered sales of equity securities during the year ended December 31, 2022.

Issuer Purchases of Equity Securities

The following table summarizes repurchases of our ordinary shares during the three months ended December 31, 2022:

ISSUER PURCHASES OF EQUITY SECURITIES

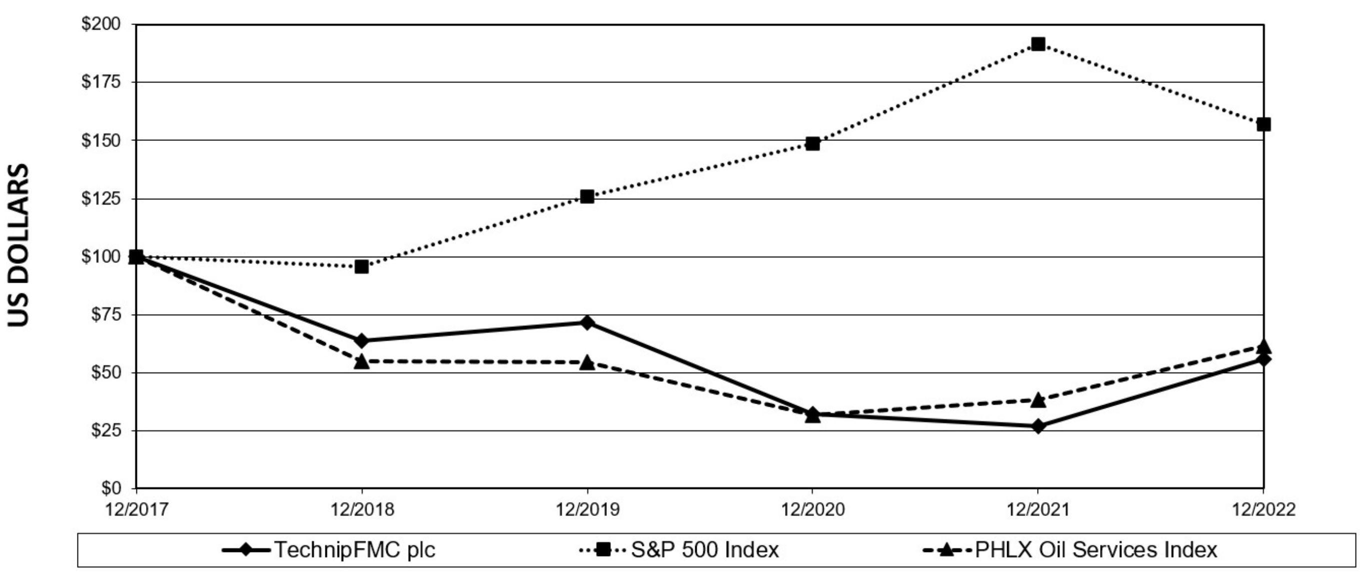
Period	Total Number of Shares Purchased [(a)]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
October 1, 2022—October 31, 2022	175,000	$ 10.60	175,000	32,863,490
November 1, 2022—November 30, 2022	2,975,000	$ 11.77	2,975,000	25,238,165
December 1, 2022—December 31, 2022	1,082,047	$ 12.14	1,082,047	24,593,823
Total	4,232,047	$ 11.81	4,232,047	24,593,823

(a) In July 2022, we announced a repurchase plan approved by our Board of Directors authorizing up to $400.0 million to repurchase shares of our issued and outstanding ordinary shares through open market purchases. For the three months ended December 31, 2022, we repurchased 4,232,047 shares for a total cost of $50.1 million at an average price of $11.81 per share.

Performance Graph

The graph below compares the cumulative total shareholder return on our ordinary shares for the period from January 1, 2018 to December 31, 2022 with the Standard & Poor's 500 Index ("S&P 500 Index") and PHLX Oil Services Index. The comparison assumes $100 was invested, including reinvestment of dividends, if any, in our ordinary shares on January 1, 2018 and in both of the indexes on the same date. The results shown in the graph below are not necessarily indicative of future performance.

COMPARISON OF CUMULATIVE TOTAL RETURN
AMONG TECHNIPFMC PLC, S&P 500 INDEX AND PEER GROUP INDEX



ASSUMES $100 INVESTED ON DEC. 31, 2017
ASSUMES DIVIDEND REINVESTED IN SECURITY
FISCAL YEAR ENDING DEC. 31, 2022

Source: Bloomberg L.P. The PHLX Oil Services Index has been chosen as it is a modified market weighted index composed of companies involved in the oil services.

	As of December 31,				
	2018	2019	2020	2021	2022
TechnipFMC plc	$ 63.68	$ 71.37	$ 31.94	$ 27.03	$ 55.67
S&P 500 Index	95.61	125.70	148.82	191.50	156.78
PHLX Oil Services Index	54.78	54.48	31.56	38.10	61.53

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EXECUTIVE OVERVIEW

We are a global leader in energy projects, technologies, systems and services. We have manufacturing operations worldwide, strategically located to facilitate efficient delivery of these products, technologies, systems and services to our customers. We report our results of operations in two segments: Subsea and Surface Technologies. Management's determination of our reporting segments was made on the basis of our strategic priorities and corresponds to the manner in which our Chief Executive Officer reviews and evaluates operating performance to make decisions about resource allocations to each segment.

A summarized description of our products and services and annual financial data for each segment can be found in Note 6 to our consolidated financial statements.

We focus on economic and industry-specific drivers and key risk factors affecting our business segments as we formulate our strategic plans and make decisions related to allocating capital and human resources. The results of our segments are primarily driven by changes in capital spending by oil and gas companies, which largely depend upon current and anticipated future crude oil and natural gas demand, production volumes, and consequently, commodity prices. We use crude oil and natural gas prices as an indicator of demand. Additionally, we use both onshore and offshore rig count as an indicator of demand, which consequently influences the level of worldwide production activity and spending decisions. We also focus on key risk factors when determining our overall strategy and making decisions for capital allocation. These factors include risks associated with the global economic outlook, product obsolescence and the competitive environment. We address these risks in our business strategies, which incorporate continuing development of leading edge technologies and cultivating strong customer relationships.

Our Subsea segment is affected by changes in commodity prices and trends in deepwater oil and natural gas production and benefits from the current market fundamentals supporting the demand for new liquefied natural gas facilities.

Our Surface Technologies segment is primarily affected by changes in commodity prices and trends in land-based and shallow water oil and natural gas production. We have developed close working relationships with our customers. Our results reflect our ability to build long-term alliances with oil and natural gas companies and to provide solutions for their needs in a timely and cost-effective manner. We believe that by closely working with our customers, we enhance our competitive advantage, improve our operating results and strengthen our market positions.

As we evaluate our operating results, we consider business segment performance indicators like segment revenue, operating profit and capital employed, in addition to the level of inbound orders and order backlog. A significant proportion of our revenue is recognized under the percentage of completion method of accounting. Cash receipts from such arrangements typically occur at milestones achieved under stated contract terms. Consequently, the timing of revenue recognition is not always correlated with the timing of customer payments. We aim to structure our contracts to receive advance payments that we typically use to fund engineering efforts and inventory purchases. Working capital (excluding cash) and net debt, are therefore, key performance indicators of cash flows.

In both of our segments, we serve customers from around the world. During 2022, approximately 80 percent of our total sales were recognized outside of the United States. We evaluate international markets and pursue opportunities that fit our technological capabilities and strategies.

The Spin-off

On February 16, 2021, we completed the separation of the Technip Energies business segment. The transaction was structured as a Spin-off, which occurred by way of a Distribution to our shareholders of 50.1 percent of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. 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 N.V. is now an independent public company and its shares are traded under the ticker symbol "TE" on the Euronext Paris stock exchange. As of December 31, 2022, we fully divested our remaining ownership interest in Technip Energies.

Beginning in the first quarter of 2021, Technip Energies' historical financial results for periods prior to the Distribution are reflected in our consolidated financial statements as discontinued operations. For the year ended December 31, 2022, we recorded expense from discontinued operations due to a change in estimate of liabilities recognized in connection with the Spin-off and an income tax expense related to a change in estimate in the French tax group.

BUSINESS OUTLOOK

Overall Outlook – The global economy is forecast to grow in 2023. The pace of growth expected to be slower than the prior year, and rate hikes by central banks aimed at slowing high inflation will increase the risk of a mild recession in some economies. However, strength in Asia Pacific will likely offset any regional weakness and lead global growth higher, driven in part by the easing of pandemic restrictions in China. Higher global gross domestic product (GDP) will in turn support growth in energy demand.

Oil prices continue to be supported by regional geopolitical tensions and the industry's more disciplined capital spend, particularly for OPEC+ countries focused on realizing a price that supports both economic growth and energy investment. An extended period of underinvestment has contributed to a current supply deficit that will ultimately require increased upstream spending, lending support to a constructive view on the longer-term outlook for oil prices.

With long-term energy demand forecast to increase, the conflict in Ukraine has highlighted the need for greater energy security across the globe. As a result, the energy industry has accelerated its efforts to address the essential need for hydrocarbons today to ensure the continuity of affordable energy while also playing an essential role in the energy transition.

We are in the midst of a multi-year growth cycle for energy demand. We believe that investment in new sources of oil and natural gas production will increase over the intermediate-term, fueled by an expansion of activity in international markets – largely offshore and the Middle East. Investment in the Middle East occurs in both offshore and surface environments, with capital spending expected to accelerate in support of longer-term production targets. TechnipFMC has leading positions in many of these international markets and is uniquely positioned to take full advantage of this growth opportunity. We are confident that conventional resources will remain an important part of the energy mix for an extended period.

We are also committed to the energy transition, where we believe that offshore will play a meaningful role in the transition to renewable energy resources and reduction of carbon emissions. We are making real progress through our three main pillars of greenhouse gas removal, offshore floating renewables and hydrogen.

We have been successful in building on our partnerships and alliances to further position ourselves as the leading offshore energy architect, with several notable developments in 2022.

- We signed the Option to Lease Agreement for the ScotWind N3 area through our partnership in offshore renewables, Magnora Offshore Wind. The proposed development project will install 33 floating wind turbines with total capacity of approximately 500 megawatts – which could power more than 600,000 homes in the United Kingdom.

- We also signed an agreement with Shell to explore synergies with a shared goal of enabling offshore renewable energy generation and reducing total CO_2 emissions – another example of how our long-standing partnerships extend to all areas of our business.

- Orbital Marine Power, which is collaborating with TechnipFMC to accelerate the global commercialization of its tidal stream turbine, was awarded two contracts for difference in the UK Allocation Round 4 multi-turbine projects in Eday, Orkney. Capable of delivering 7.2 megawatts of predictable clean energy to the grid once completed, these Orbital tidal stream energy projects will support the United Kingdom's security of supply, energy transition and broader climate change objectives.

Subsea – Innovative approaches to subsea projects, like our iEPCI solution, have improved project economics, and many offshore discoveries can be developed economically well below today's crude oil prices. We believe deepwater development is likely to remain a significant part of many of our customers' portfolios.

Over the last several years, offshore economics have materially improved, and subsea cycle-times have become significantly shorter. This has resulted in new subsea investments coming much earlier in the cycle and more in parallel with U.S. land markets. We believe these changes are fundamental and sustainable as a result of new business models and technology pioneered by our company.

As the subsea industry continues to evolve, we are driving simplification, standardization, and industrialization to reduce cycle times. The industrialization of our project business through the introduction of configure-to-order (CTO) is another way in which we are driving real change in our industry that further improves the economics of our customer's projects while driving greater efficiencies for TechnipFMC.

With CTO, we have designed an environment, process, culture and tools which are scalable and, more importantly, are transformational to the future of our company. Our customers require a product platform that provides them with choices which meet their unique and evolving needs, but also provides them with the significant speed, cost and efficiency benefits that come with product and process standardization. CTO has allowed us to redefine our sourcing strategy and transform our manufacturing flow, resulting in up to 25 percent lower product cost and a shortened 12-month delivery time for subsea production equipment – savings that are both real and sustainable. This has paved the way for other products to adopt a similar operating model, enabling an enterprise-wide way of working.

We continue to experience increased operator confidence in advancing subsea activity in response to both improved project economics and concerns regarding the security of energy supply. Brent crude oil averaged just under $100 per barrel in 2022. While closer to $80 per barrel at the start of the new year, prices are projected to stay elevated in the intermediate-term. The opportunity set of large subsea projects to be sanctioned over the next 24 months remains robust. The average project size has also risen due to an increasing number of large, greenfield opportunities in Brazil, Guyana, and Africa. We also expect increased tie-back activity, with growth from these smaller projects to come primarily from the North Sea, Gulf of Mexico and West Africa – all regions in which we have a strong presence and are well-positioned due to our extensive installed base.

There is also exploration activity occurring in new offshore frontiers. Recent oil and gas discoveries have been announced by operators in basins near countries such as Suriname, Namibia and Colombia, and we believe additional countries will become producers of deepwater resources during this decade. These examples demonstrate the strength of the current investment cycle and support our view that investment in conventional energy resources will continue.

Our Subsea inbound orders grew to $6.7 billion in 2022, an increase of 36 percent versus the prior year. We see further growth in the year ahead, with inbound orders expected to exceed $8 billion. Growth in the current year is expected to include a significant increase in the value of integrated project awards. We also anticipate growth in Subsea Services revenue to $1.3 billion given the continued expansion in our installed base. When taken together, we expect direct awards, iEPCI and Subsea Services to represent more than 70 percent of inbound orders in 2023.

Surface Technologies – Our performance is typically driven by variations in global drilling activity, creating a dynamic environment. Operating results can be further impacted by stimulation activity and the completions intensity of shale applications in North America.

Activity in North America increased in 2022 due to higher drilling and completion activity and an improved pricing environment. We continue to progress well on our E-Mission solution for onshore production facilities. The digital offering uses proprietary process automation to provide the industry's only real-time monitoring and control system that both reduces methane flaring by up to 50 percent and maximizes oil production.

International markets continued to represent a significant portion of total segment revenue in 2022, totaling 55 percent. Our growing backlog also provides us with greater visibility for growth in 2023. TechnipFMC's unique capabilities in these markets, which demand higher specification equipment, global services and local content, provide a platform for us to extend our leadership positions.

Drilling activity in international markets is less cyclical than North America as most activities are undertaken by national oil companies which tend to maintain a longer-term view that exhibits less variability in capital spend. Additionally, we continue to benefit from our exposure to the North Sea, Asia Pacific and the Middle East.

We have commenced work on a 10-year framework agreement awarded by Abu Dhabi National Oil Company in 2021 to provide wellheads, trees and associated services. We have also added new manufacturing capabilities in Saudi Arabia, where the country is expected to increase its sustainable oil capacity and significantly expand its natural gas production over the next decade. Our new facility also supports our commitment to develop a diverse and capable workforce as part of Aramco's In-Kingdom Total Value Add Program and Saudi Vision 2030. The Middle East remains one of our largest market opportunities in the current decade.

CONSOLIDATED RESULTS OF OPERATIONS

This section of this Annual Report on Form 10-K generally discusses 2022 and 2021 items and year-to-year comparisons between 2022 and 2021. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 that are not included in this Annual Report on Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021.

We report our results of operations in U.S. dollars; however, our earnings are generated in various currencies worldwide. In order to provide worldwide consolidated results, the earnings of subsidiaries functioning in their local currencies are translated into U.S. dollars based upon the average exchange rate during the period. While the U.S. dollar results reported reflect the actual economics of the period reported upon, the variances from prior periods include the impact of translating earnings at different rates.

	Year Ended December 31,			Change			
(In millions, except percentages)	2022	2021	2020	2022 vs. 2021		2021 vs. 2020	
Revenue	$ 6,700.4	$ 6,403.5	$ 6,530.6	$ 296.9	4.6 %	$ (127.1)	(1.9)%
Costs and expenses							
Cost of sales	5,804.1	5,579.6	5,835.8	224.5	4.0 %	(256.2)	(4.4)%
Selling, general and administrative expense	616.8	644.9	724.1	(28.1)	(4.4)%	(79.2)	(10.9)%
Research and development expense	67.0	78.4	75.3	(11.4)	(14.5)%	3.1	4.1 %
Impairment, restructuring and other expense	15.2	66.7	3,402.0	(51.5)	(77.2)%	(3,335.3)	(98.0)%
Total costs and expenses	6,503.1	6,369.6	10,037.2	133.5	2.1 %	(3,667.6)	(36.5)%
Other income, net	5.4	46.6	25.1	(41.2)	(88.4)%	21.5	85.7 %
Income from equity affiliates	44.6	0.6	64.6	44.0	7,333.3 %	(64.0)	(99.1)%
Income (loss) from investment in Technip Energies	(27.7)	322.2	—	(349.9)	(108.6)%	322.2	— %
Loss on early extinguishment of debt	(29.8)	(61.9)	—	32.1	51.9 %	(61.9)	— %
Net interest expense	(120.9)	(143.3)	(81.8)	22.4	15.6 %	(61.5)	(75.2)%
Income (loss) before income taxes	68.9	198.1	(3,498.7)	(129.2)	(65.2)%	3,696.8	105.7 %
Provision for income taxes	105.4	111.1	19.4	(5.7)	(5.1)%	91.7	472.7 %
Income (loss) from continuing operations	(36.5)	87.0	(3,518.1)	(123.5)	(142.0)%	3,605.1	102.5 %
(Income) loss from continuing operations attributable to non-controlling interests	(25.4)	0.8	(34.5)	(26.2)	(3,275.0)%	35.3	102.3 %
Income (loss) from continuing operations attributable to TechnipFMC plc	(61.9)	87.8	(3,552.6)	(149.7)	(170.5)%	3,640.4	102.5 %
Loss from discontinued operations	(45.3)	(72.6)	280.2	27.3	37.6 %	(352.8)	(125.9)%
Income from discontinued operations attributable to non-controlling interests	—	(1.9)	(15.2)	1.9	100.0 %	13.3	87.5 %
Net income (loss) attributable to TechnipFMC plc	$ (107.2)	$ 13.3	$ (3,287.6)	$ (120.5)	(906.0)%	$ 3,300.9	100.4 %

Results of Operations in 2022 Compared to 2021

Revenue

Revenue increased by $296.9 million in 2022, compared to 2021. Subsea revenue increased year-over-year, as a result of higher project and services activity. Surface Technologies revenue increased, as a result of the increase in operator activity in North America, driven by an increase in U.S. rig count year-over-year.

Gross Profit

Gross profit (revenue less cost of sales) as a percentage of sales increased to 13.4% in 2022 compared to 12.9% in 2021. Subsea gross profit increased year over year due to improved margins in backlog and an increase in installation and services activity. Surface Technologies gross profit increased year-over-year, mostly due to an increase in volume of activities and increases in pricing in North America.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased by $28.1 million year-over-year, driven by a decrease in costs associated with our support functions.

Impairment, Restructuring and Other Expense

We incurred $15.2 million of restructuring, impairment and other expenses in 2022, compared to $66.7 million in 2021, largely related to exiting our operations in Russia and Canada. Impairment, restructuring and other charges incurred in 2021 included $49.1 million of impairment charges relating to our operating lease right-of-use assets and property, plant and equipment. See Note 19 to our consolidated financial statements for further details.

Other Income, Net

Other income, and losses, including gains and losses associated with the remeasurement of net cash positions, gains and losses on sales of property, plant and equipment and non-operating gains and losses. Other income decreased by $41.2 million year-over-year, due to impact of foreign currency, which was a net loss of $23.9 million in 2022 and a net gain of $15.8 million in 2021. The change in foreign exchange gains and losses is due to various factors, including exposure to certain currencies with limited derivative hedging markets.

Income from Equity Affiliates

For the years ended December 31, 2022 and 2021, we recorded an income of $44.6 million and $0.6 million, respectively, from equity method affiliates. Income generated by our equity method investments during 2022 increased year-over-year, driven by an increase in operational activity of our equity method investments. Income generated by our equity method investments during 2021 was offset by a $36.7 million impairment of our Magma Global equity method investment. See Note 3 to our consolidated financial statements for further details.

Income (Loss) from Investment in Technip Energies

For the years ended December 31, 2022 and 2021, we recorded a $27.7 million loss and $322.2 million of income, respectively, as a result of our investment in Technip Energies. The amounts recognized represent fair value revaluation gains (losses) of our investment. See Note 12 to our consolidated financial statements for further details.

Loss on Early Extinguishment of Debt

We recognized $29.8 million of loss on early extinguishment of debt during the year ended December 31, 2022, which related to premium paid and write-off of debt issuance costs in connection with the repurchase of the 2021 Notes. We recognized $61.9 million of loss on early extinguishment of debt for the year ended December 31, 2021, which related to premium paid and write-off of debt issuance costs in connection with the repurchase of the 2021 Notes and the repayment of our 3.45% Senior Notes due 2022. See Note 16 to our consolidated financial statements for further details.

Net Interest Expense

Net interest expense decreased by $22.4 million in 2022, compared to 2021, largely due to the reduction in outstanding debt.

Provision for Income Taxes

Our provision for income taxes for 2022 and 2021 reflected effective tax rates of 153.0% and 56.1%, respectively. The year-over-year increase in the effective tax rate was largely due to the change in geographical profit mix year over year.

Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to higher tax rates than in the United Kingdom.

Discontinued Operations

Loss from discontinued operations, net of income taxes, was $45.3 million and $72.6 million for the years ended December 31, 2022 and 2021, respectively. See Note 25 to our consolidated financial statements for further details.

OPERATING RESULTS OF BUSINESS SEGMENTS

Segment operating profit is defined as total segment revenue less segment operating expenses. Certain items have been excluded in computing segment operating profit and are included in corporate items. See Note 6 to our consolidated financial statements for further details.

Subsea

	Year Ended December 31,			Favorable/(Unfavorable)			
(In millions, except %)	**2022**	**2021**	**2020**	**2022 vs. 2021**		**2021 vs. 2020**	
Revenue	$ 5,461.2	$ 5,329.1	$ 5,471.4	$ 132.1	2.5 %	$ (142.3)	(2.6) %
Operating profit (loss)	$ 317.6	$ 141.4	$ (2,815.5)	$ 176.2	124.6 %	$ 2,956.9	105.0 %
Operating profit (loss) as a percentage of revenue	5.8 %	2.7 %	(51.5)%		3.1 pts.		54.2 pts.

Subsea revenue increased by $132.1 million, due to higher project installation activity in Brazil and the United Kingdom, which was partially offset by the negative impact of foreign exchange.

Subsea operating profit for the year ended December 31, 2022, increased versus the prior year, due to the improved margins in backlog and an increased mix of installation and service activities.

Surface Technologies

	Year Ended December 31,			Favorable/(Unfavorable)			
(In millions, except %)	**2022**	**2021**	**2020**	**2022 vs. 2021**		**2021 vs. 2020**	
Revenue	$ 1,239.2	$ 1,074.4	$ 1,059.2	$ 164.8	15.3 %	$ 15.2	1.4 %
Operating profit (loss)	$ 58.3	$ 42.0	$ (429.3)	$ 16.3	38.8 %	$ 471.3	109.8 %
Operating profit (loss) as a percentage of revenue	4.7 %	3.9 %	(40.5)%		0.8 pts.		44.4 pts.

Surface Technologies revenue increased by $164.8 million, or 15.3% year-over-year, driven by an increase in North America activity. Approximately 55% of total segment revenue was generated outside of North America for the year ended December 31, 2022.

Surface Technologies operating profit increased versus the prior year, due to an increase in volume of activities and increase in pricing in North America.

Corporate Items

	Year Ended December 31,			Favorable/(Unfavorable)			
(In millions, except %)	**2022**	**2021**	**2020**	**2022 vs. 2021**		**2021 vs. 2020**	
Corporate expense	$ (104.7)	$ (118.1)	$ (131.9)	$ 13.4	11.3 %	$ 13.8	10.5 %

Corporate expense decreased by $13.4 million or 11.3% year-over-year, driven by the decreased costs associated with our support functions.

INBOUND ORDERS AND ORDER BACKLOG

Inbound orders - Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period.

	Inbound Orders Year Ended December 31,	
(In millions)	**2022**	**2021**
Subsea	$ 6,738.3	$ 4,960.9
Surface Technologies	1,340.8	1,793.3
Total inbound orders	$ 8,079.1	$ 6,754.2

Order backlog - Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Backlog reflects the current expectations for the timing of project execution. See Note 5 to our consolidated financial statements for further details.

	Order Backlog December 31,	
(In millions)	**2022**	**2021**
Subsea	$ 8,131.5	$ 6,533.0
Surface Technologies	1,221.5	1,124.7
Total order backlog	$ 9,353.0	$ 7,657.7

Subsea - Order backlog for Subsea as of December 31, 2022, increased by $1.6 billion from December 31, 2021. Subsea backlog of $8.1 billion as of December 31, 2022, was composed of various subsea projects, including Petrobras Buzios 6, Mero I, Mero II and Marlim; Total Energies Mozambique LNG, Lapa North East and Clov 3; ExxonMobil Yellowtail and Payara; Shell Jackdaw and Gumusut; Husky West White Rose; Equinor Halten East; Tullow Jubilee South East; Wintershall Maria and Dvalin; and Harbour Talbot.

Surface Technologies - Order backlog for Surface Technologies as of December 31, 2022 increased by $96.8 million, compared to December 31, 2021.

LIQUIDITY AND CAPITAL RESOURCES

Most of our cash is managed centrally and flows through bank accounts controlled and maintained by TechnipFMC globally in various jurisdictions to best meet the liquidity needs of our global operations.

Net Debt - Net debt, is a non-GAAP financial measure reflecting cash and cash equivalents, net of debt. Management uses this non-GAAP financial measure to evaluate our capital structure and financial leverage. We believe net debt is a meaningful financial measure that may assist investors in understanding our financial condition and recognizing underlying trends in our capital structure. Net debt should not be considered an alternative to, or more meaningful than, cash and cash equivalents as determined in accordance with GAAP or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our cash and cash equivalents to net debt, utilizing details of classifications from our consolidated balance sheets.

	Year Ended December 31,	
(In millions)	**2022**	**2021**
Cash and cash equivalents	$ 1,057.1	$ 1,327.4
Short-term debt and current portion of long-term debt	(367.3)	(277.6)
Long-term debt, less current portion	(999.3)	(1,727.3)
Net debt	$ (309.5)	$ (677.5)

Cash Flows

Cash flows for the years ended December 31, 2022, 2021 and 2020 were as follows:

(In millions)	Year Ended December 31, 2022	2021	2020
Cash provided by operating activities from continuing operations	$ 352.1	$ 715.0	$ 772.4
Cash provided (required) by investing activities from continuing operations	162.2	821.8	(120.8)
Cash required by financing activities from continuing operations	(796.7)	(1,447.3)	(651.9)
Net cash attributable to discontinued operations	—	(3,555.9)	(605.6)
Effect of exchange rate changes on cash and cash equivalents	12.1	(14.0)	223.5
Decrease in cash and cash equivalents	$ (270.3)	$ (3,480.4)	$ (382.4)
(Increase) decrease in working capital from continuing operations	$ (81.1)	$ 497.5	$ 717.7
Free cash flow from continuing operations	$ 194.2	$ 523.3	$ 516.3

Operating cash flows from continuing operations - During 2022 and 2021, we generated $352.1 million and $715.0 million, respectively, in operating cash flows from continuing operations. The decrease of $362.9 million in cash generated by operating activities from continuing operations in 2022, as compared to 2021, was due to timing differences on project milestones, vendor payments for inventory, and timing of income tax refund.

Investing cash flows from continuing operations - Investing activities from continuing operations provided $162.2 million in 2022 and $821.8 million of cash in 2021. The decrease of $659.6 million in cash provided by investing activities was due to a $612.4 million decrease in proceeds received from sales of our investment in Technip Energies and a decrease in proceeds from sales of assets, partially offset by a decrease in capital expenditures during 2022.

Financing cash flows from continuing operations - Financing activities from continuing operations used $796.7 million and $1,447.3 million in 2022 and 2021, respectively. The decrease of $650.6 million in cash used for financing activities was due to the decreased debt pay down and issuance activity of $742.9 million, partially offset by $100.2 million of share repurchases during 2022.

The change in working capital represents total changes in operating current assets and liabilities.

Free cash flow from continuing operations is defined as operating cash flows from continuing operations less capital expenditures. The following table reconciles cash provided by operating activities from continuing operations, which is the most directly comparable financial measure determined in accordance with GAAP, to free cash flow (non-GAAP measure).

(In millions)	Year Ended December 31, 2022	2021	2020
Cash provided by operating activities from continuing operations	$ 352.1	$ 715.0	$ 772.4
Capital expenditures	(157.9)	(191.7)	(256.1)
Free cash flow from continuing operations	$ 194.2	$ 523.3	$ 516.3

Debt and Liquidity

We are committed to maintaining a capital structure that provides sufficient cash resources to support future operating and investment plans. During 2022, we reduced our total debt position as follows:

- We repaid $161.0 million of our 3.40% 2012 Private placement notes; and
- We completed a tender offer and purchased for cash $430.2 million of the outstanding 2021 Notes. We paid a cash premium of $21.5 million to the tendering note holders and wrote-off $8.3 million of debt issuance costs. Concurrent with the tender offer, the Company obtained consents of holders with respect to the 2021 Notes to certain proposed amendments (“Proposed Amendments”) to the indenture governing these notes. The Proposed Amendments, among other things, eliminated substantially all of the restrictive covenants and certain event of default triggers in the indenture.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2022 there were $45.4 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $954.6 million.

As of December 31, 2022 TechnipFMC was in compliance with all debt covenants. See Note 16 to our consolidated financial statements for further detail.

Credit Ratings - Our credit ratings with Standard and Poor's ("S&P") are BB+ for our long-term unsecured, guaranteed debt (2021 Notes) and BB for our long-term unsecured debt (the Private Placement notes). Our credit rating with Moody's is Ba1 for our long-term unsecured, guaranteed debt. See Note 16 for further details regarding our debt.

Credit Risk Analysis

For the purposes of mitigating the effect of the changes in exchange rates, we hold derivative financial instruments. Valuations of derivative assets and liabilities reflect the fair value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including the valuation of the derivative instrument and the value of the net credit differential between the counterparties to the derivative contract. Adjustments to our derivative assets and liabilities related to credit risk were not material for any period presented.

The income approach was used as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used.

Our credit spread, and the credit spread of other counterparties not publicly available, are approximated using the spread of similar companies in the same industry, of similar size, and with the same credit rating. See Notes 23 and 24 to our consolidated financial statements for further details.

At this time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position.

Contractual and Other Obligations

The Company's principal contractual commitments include purchase obligations, repayments of long-term debt and related interest, and payments under operating leases. As of December 31, 2022, we had $1.2 billion of purchase obligations, more than 90 percent of which is short-term. Substantially all of these commitments are associated with purchases made to fulfill our customer's orders, the costs associated with these agreements will ultimately be reflected in cost of sales in our consolidated statement of income.

Refer to respective notes to the consolidated financial statements for further information about our share repurchase program (Note 18), long-term debt obligations (Note 16), guarantees (Notes 12 and 20) and lease payments obligations (Note 4).

Financial Position Outlook

We are committed to a strong balance sheet. We continue to maintain sufficient liquidity to support the needs of the business through growth, cyclicality and unforeseen events. We continue to maintain and drive sustainable leverage to preserve access to capital throughout the cycle. Our capital expenditures can be adjusted and managed to match market demand and activity levels. Based on current market conditions and our future expectations, our capital expenditures for 2023 are estimated to be approximately $250 million. Projected capital expenditures do not include any contingent capital that may be needed to respond to contract awards. In maintaining our commitment to sustainable leverage and liquidity, we expect to be able to continue to generate free cash flow available for investment in growth and distribution to shareholders through the business cycle.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make certain estimates, judgments and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses during the periods presented and the related disclosures in the accompanying notes to the financial statements. Management has reviewed these critical accounting estimates with the Audit Committee of our Board of Directors. We believe the following critical accounting estimates used in preparing our financial statements address all important accounting areas where the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change. See Note 1 to our consolidated financial statements for further details.

Revenue Recognition

The majority of our revenue is derived from long-term contracts that can span several years. We account for revenue in accordance with Accounting Standard Codification ("ASC") Topic 606, Revenues from Contracts with Customers. The unit of account in ASC Topic 606 is a performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Our performance obligations are satisfied over time as work progresses or at a point in time.

A significant portion of our total revenue recognized over time relates to our Subsea segment, for the subsea exploration and production equipment projects that involve the design, engineering, manufacturing, construction, and assembly of complex systems. Because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer that occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionally as costs are incurred.

Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables, and requires significant judgment. It is common for our long-term contracts to contain award fees, incentive fees, or other provisions that can either increase or decrease the transaction price. We include estimated amounts in the transaction price when we believe we have an enforceable right to the modification, the amount can be estimated reliably, and its realization is probable. The estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

We execute contracts with our customers that clearly describe the equipment, systems, and/or services. After analyzing the drawings and specifications of the contract requirements, our project engineers estimate total contract costs based on their experience with similar projects and then adjust these estimates for specific risks associated with each project, such as technical risks associated with a new design. Costs associated with specific risks are estimated by assessing the probability that conditions arising from these specific risks will affect our total cost to complete the project. After work on a project begins, assumptions that form the basis for our calculation of total project cost are examined on a regular basis and our estimates are updated to reflect the most current information and management's best judgment.

Adjustments to estimates of contract revenue, total contract cost, or extent of progress toward completion are often required as work progresses under the contract and as experience is gained, even though the scope of work required under the contract may not change. The nature of accounting for long-term contracts is such that refinements of the estimating process for changing conditions and new developments are continuous and characteristic of the process. Consequently, the amount of revenue recognized over time is sensitive to changes in our estimates of total contract costs. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with our customers' expectations, the availability and costs of labor and material resources, productivity, and weather, all of which can affect the accuracy of our cost estimates, and ultimately, our future profitability.

Our operating income for the year ended December 31, 2022 was positively impacted by approximately $104.9 million, as a result of changes in contract estimates related to projects that were in progress as of December 31, 2021. During the year ended December 31, 2022, we recognized changes in our estimates that had an impact on our margin in the amounts of $104.6 million and $0.3 million in our Subsea and Surface Technologies segments, respectively. The changes in contract estimates are attributed to improved performance throughout our execution of our projects.

Accounting for Income Taxes

Our income tax expense, deferred tax assets and liabilities, and reserves for uncertain tax positions reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes in the United Kingdom and numerous foreign jurisdictions. Significant judgments and estimates are required in determining our consolidated income tax expense.

In determining our current income tax provision, we assess temporary differences resulting from differing treatments of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are recorded in our consolidated balance sheets. When we maintain deferred tax assets, we must assess the likelihood that these assets will be recovered through adjustments to future taxable income. To the extent we believe recovery is not likely, we establish a valuation allowance. We record a valuation allowance to reduce the asset to a value we believe will be recoverable based on our expectation of future taxable income. We believe the accounting estimate related to the valuation allowance is a critical accounting estimate because it is highly susceptible to change from period to period, requires management to make assumptions about our future income over the lives of the deferred tax assets, and finally, the impact of increasing or decreasing the valuation allowance is potentially material to our results of operations.

Forecasting future income requires us to use a significant amount of judgment. In estimating future income, we use our internal operating budgets and long-range planning projections. We develop our budgets and long-range projections based on recent results, trends, economic and industry forecasts influencing our segments' performance, our backlog, planned timing of new product launches and customer sales commitments. Significant changes in our judgment related to the expected realizability of a deferred tax asset results in an adjustment to the associated valuation allowance.

As of December 31, 2022, we have provided a valuation allowance against the related deferred tax assets where we believe it is not more likely than not that we will generate future taxable income sufficient to realize such assets.

The calculation of our income tax expense involves dealing with uncertainties in the application of complex tax laws and regulations in numerous jurisdictions in which we operate. We recognize tax benefits related to uncertain tax positions when, in our judgment, it is more likely than not that such positions will be sustained on examination, including resolutions of any related appeals or litigation, based on the technical merits. We adjust our liabilities for uncertain tax positions when our judgment changes as a result of new information previously unavailable. Due to the complexity of some of these uncertainties, their ultimate resolution may result in payments that are materially different from our current estimates. Any such differences will be reflected as adjustments to income tax expense in the periods in which they are determined.

Accounting for Pension and Other Post-retirement Benefit Plans

The determination of the projected benefit obligations of our pension and other post-retirement benefit plans are important to the recorded amounts of such obligations in our consolidated balance sheets and to the amount of pension expense in our consolidated statements of income. In order to measure the obligations and expense associated with our pension benefits, management must make a variety of estimates, including discount rates used to value certain liabilities, expected return on plan assets set aside to fund these costs, rate of compensation increase, employee turnover rates, retirement rates, mortality rates and other factors. We update these estimates on an annual basis or more frequently upon the occurrence of significant events. These accounting estimates bear the risk of change due to the uncertainty and difficulty in estimating these measures. Different estimates used by management could result in our recognition of different amounts of expense over different periods of time.

Due to the specialized and statistical nature of these calculations which attempt to anticipate future events, we engage third-party specialists to assist management in evaluating our assumptions as well as appropriately measuring the costs and obligations associated with these pension benefits. The discount rate and expected long-term rate of return on plan assets are based on investment yields available and the historical performance of our plan assets, respectively. The timing and amount of cash outflows related to the bonds included in the indices matches estimated defined benefits payments. These measures are critical accounting estimates because they are subject to management's judgment and can materially affect net income.

The actuarial assumptions and estimates made by management in determining our pension benefit obligations may materially differ from actual results as a result of changing market and economic conditions and changes in plan participant assumptions. While we believe the assumptions and estimates used are appropriate, differences in actual experience or changes in plan participant assumptions may materially affect our financial position or results of operations.

The following table illustrates the sensitivity of changes in the discount rate and expected long-term return on plan assets on pension expense and the projected benefit obligation:

(In millions, except basis points)	Increase (Decrease) in 2022 Pension Expense Before Income Taxes		Increase (Decrease) in Projected Benefit Obligation as of December 31, 2022	
25 basis point decrease in discount rate	$	1.4	$	—
25 basis point increase in discount rate	$	(1.4)	$	—
25 basis point decrease in expected long-term rate of return on plan assets	$	2.8		N/A
25 basis point increase in expected long-term rate of return on plan assets	$	(2.8)		N/A

Impairment of Long-Lived and Intangible Assets

Long-lived assets, including vessels, property, plant and equipment, identifiable intangible assets being amortized and capitalized software costs are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the long-lived asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If it is determined that an impairment loss has occurred, the loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. The determination of future cash flows as well as the estimated fair value of long-lived assets involves significant estimates on the part of management. Because there usually is a lack of quoted market prices for long-lived assets, fair value of impaired assets is typically determined based on the present values of expected future cash flows using discount rates believed to be consistent with those used by principal market participants, or based on a multiple of operating cash flows validated with historical market transactions of similar assets where possible. The expected future cash flows used for impairment reviews and related fair value calculations are based on judgmental assessments of revenue, forecasted utilization, operating costs and capital decisions and all available information at the date of review. If future market conditions deteriorate beyond our current expectations and assumptions, impairments of long-lived assets may be identified if we conclude that the carrying amounts are no longer recoverable.

OTHER MATTERS

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice ("DOJ") related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the FCPA. On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also raised with the DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service ("MPF"), the Comptroller General of Brazil ("CGU") and the Attorney General of Brazil ("AGU")) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier ("PNF")) with their investigation about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We were not required to have a monitor and instead, provided reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement (“DPA”) with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We also provided the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, on June 25, 2019 our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We made, as part of those agreements, certain enhancements to the compliance programs in Brazil during the two-year self-reporting period, which aligned with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

On December 8, 2022, the Company received notice of the official release from all obligations and charges by CGU, having successfully completed all of the self-reporting requirements in the leniency agreements and the case was closed. On December 27, 2022, the DOJ filed a Motion to Dismiss the charges against TechnipFMC related to conspiracy to violate the FCPA, noting to the Court that the Company had fully met and completed all of its obligations under the DPA. The Dismissal Order was signed by the Court on January 4, 2023, thereby closing the case. All obligations to regulatory authorities related to the enforcement matters in the United States and Brazil have been completed and the Company has been unconditionally released by both jurisdictions.

To date, the investigation by the PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. Additionally, the PNF informed us that it is reviewing other historical projects in Angola. We are not aware of any evidence that would support a finding of liability with respect to these projects, or whether the PNF would seek to impose any additional penalty. As we continue our discussions with PNF towards a potential resolution of all of these matters, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anti-corruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, confiscations and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 2 to our consolidated financial statements for further details.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments for speculative purposes. As of December 31, 2022 and 2021, substantially all of our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

These disclosures only address potential impacts from market risks as they affect our financial instruments and do not include other potential effects that could impact our business as a result of changes in foreign currency exchange rates, interest rates, commodity prices or equity prices.

Foreign Currency Exchange Rate Risk

We conduct operations around the world in a number of different currencies. Many of our significant foreign subsidiaries have designated the local currency as their functional currency. Our earnings are, therefore, subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. We do not hedge this translation impact on earnings. A 10% increase or decrease in the average exchange rates of all foreign currencies as of December 31, 2022, would have changed our revenue and income before income taxes attributable to TechnipFMC by approximately $318.6 million and $2.1 million, respectively.

When transactions are denominated in currencies other than our subsidiaries' respective functional currencies, we manage these exposures through the use of derivative instruments. We use foreign currency forward contracts to hedge the foreign currency fluctuation associated with firmly committed and forecasted foreign currency denominated payments and receipts. The derivative instruments associated with these anticipated transactions are usually designated and qualify as cash flow hedges, and as such the gains and losses associated with these instruments are recorded in other comprehensive income until such time that the underlying transactions are recognized. Unless these cash flow contracts are deemed to be ineffective or are not designated as cash flow hedges at inception, changes in the derivative fair value will not have an immediate impact on our results of operations since the gains and losses associated with these instruments are recorded in other comprehensive income. When the anticipated transactions occur, these changes in value of derivative instrument positions will be offset against changes in the value of the underlying transaction. When an anticipated transaction in a currency other than the functional currency of an entity is recognized as an asset or liability on the balance sheet, we also hedge the foreign currency fluctuation of these assets and liabilities with derivative instruments after netting our exposures worldwide. These derivative instruments do not qualify as cash flow hedges.

For our foreign currency forward contracts hedging anticipated transactions that are accounted for as cash flow hedges, a 10% increase in the value of the U.S. dollar would have resulted in an additional loss of $61.9 million in the net fair value of cash flow hedges reflected in our consolidated balance sheet as of December 31, 2022.

Interest Rate Risk

We assess effectiveness of forward foreign currency contracts designated as cash flow hedges based on changes in fair value attributable to changes in spot rates. We exclude the impact attributable to changes in the difference between the spot rate and the forward rate for the assessment of hedge effectiveness and recognize the change in fair value of this component immediately in earnings. To the extent any one interest rate increases by 10% across all tenors and other countries' interest rates remain fixed, and assuming no change in discount rates, we would expect to recognize a decrease of $1.2 million in unrealized earnings in the period of change. Based on our portfolio as of December 31, 2022, we have material positions with exposure to interest rates in the United States, Brazil, the United Kingdom, Singapore, the European Community, and Norway.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of TechnipFMC plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of TechnipFMC plc and its subsidiaries (the “Company”) as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of changes in stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Determination of Estimated Costs to Complete for Long-Term Contracts

As described in Note 1 to the consolidated financial statements, approximately 63% of the total revenue of $6.7 billion for the year ended December 31, 2022 is generated from long-term contracts. As disclosed by management, for the Company's long-term contracts, because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. The Company generally uses the cost-to-cost measure of progress for its contracts because it best depicts the transfer of control to the customer that occurs as the Company incurs costs on the contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionally as costs are incurred. Due to the nature of the work required to be performed on many of the performance obligations, management's estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. There are many factors, including, but not limited to, the ability to properly execute the engineering and design phases consistent with customers' expectations, the availability and costs of labor and materials resources, productivity, and weather, all of which can affect the accuracy of cost estimates, and ultimately, future profitability.

The principal considerations for our determination that performing procedures relating to revenue recognition - determination of estimated costs to complete for long-term contracts is a critical audit matter are the significant judgment by management when determining the estimated costs to complete for long-term contracts, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions related to the estimated costs to complete.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of estimated costs to complete for long-term contracts. These procedures also included, among others, testing management's process for determining the estimated costs to complete for a selection of long-term contracts by (i) obtaining executed purchase orders and agreements; (ii) evaluating the appropriateness of the method to measure progress towards completion; (iii) testing the completeness and accuracy of the underlying data used by management; and (iv) evaluating the reasonableness of significant assumptions related to the estimated costs to complete. Evaluating the reasonableness of significant assumptions involved assessing management's ability to reasonably estimate costs to complete long-term contracts, as applicable, by (i) performing procedures to assess the reasonableness of estimated costs to complete; (ii) testing management's process to evaluate the timely identification of circumstances which may warrant a modification to a previous cost estimate; (iii) testing management's process to evaluate contract contingencies relative to the contractual terms and actual progress of contracts; and (iv) performing procedures to assess the reasonableness of changes in life of project margin.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
February 24, 2023

We have served as the Company’s auditor since 2017.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)	Year Ended 2022	2021	2020
Revenue			
Service revenue	$ 3,628.3	$ 3,440.7	$ 3,266.8
Product revenue	2,857.0	2,804.4	3,121.8
Lease revenue	215.1	158.4	142.0
Total revenue	6,700.4	6,403.5	6,530.6
Costs and expenses			
Cost of service revenue	3,042.2	3,084.7	2,946.9
Cost of product revenue	2,595.7	2,366.5	2,772.2
Cost of lease revenue	166.2	128.4	116.7
Selling, general and administrative expense	616.8	644.9	724.1
Research and development expense	67.0	78.4	75.3
Impairment, restructuring and other expense (Note 19)	15.2	66.7	3,402.0
Total costs and expenses	6,503.1	6,369.6	10,037.2
Other income, net	5.4	46.6	25.1
Income from equity affiliates (Note 12)	44.6	0.6	64.6
Income (loss) from Investment in Technip Energies	(27.7)	322.2	—
Income (loss) before net interest expense and income taxes	219.6	403.3	(3,416.9)
Interest income	17.8	14.0	52.3
Interest expense	(138.7)	(157.3)	(134.1)
Loss on early extinguishment of debt	(29.8)	(61.9)	—
Income (loss) before income taxes	68.9	198.1	(3,498.7)
Provision for income taxes (Note 21)	105.4	111.1	19.4
Income (loss) from continuing operations	(36.5)	87.0	(3,518.1)
(Income) loss from continuing operations attributable to non-controlling interests	(25.4)	0.8	(34.5)
Income (loss) from continuing operations attributable to TechnipFMC plc	(61.9)	87.8	(3,552.6)
Income (loss) from discontinued operations (Note 25)	(45.3)	(72.6)	280.2
Income from discontinued operations attributable to non-controlling interests	—	(1.9)	(15.2)
Net income (loss) attributable to TechnipFMC plc	$ (107.2)	$ 13.3	$ (3,287.6)
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc			
Basic and diluted	$ (0.14)	$ 0.19	$ (7.92)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC			
Basic	$ (0.10)	$ (0.17)	$ 0.59
Diluted	$ (0.10)	$ (0.16)	$ 0.59
Total earnings (loss) per share attributable to TechnipFMC plc			
Basic and diluted	$ (0.24)	$ 0.03	$ (7.33)
Weighted average shares outstanding (Note 7)			
Basic	449.5	450.5	448.7
Diluted	449.5	454.6	448.7

The accompanying notes are an integral part of the consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended		
(In millions)	2022	2021	2020
Net income (loss) attributable to TechnipFMC plc	$ (107.2)	$ 13.3	$ (3,287.6)
(Income) loss from continuing operations attributable to non-controlling interests	(25.4)	0.8	(34.5)
Income from discontinued operations attributable to non-controlling interests	—	(1.9)	(15.2)
Net income (loss) attributable to TechnipFMC plc, including non-controlling interests	(81.8)	14.4	(3,237.9)
Foreign currency translation adjustments			
Net gains (losses) arising during the period	(20.2)	27.6	(169.1)
Reclassification adjustment for net gains included in net loss	(3.2)	—	—
Foreign currency translation adjustments [(a)]	(23.4)	27.6	(169.1)
Net gains (losses) on hedging instruments			
Net gains (losses) arising during the period	(25.1)	(19.8)	25.4
Reclassification adjustment for net (gains) losses included in net income	25.3	(11.8)	13.0
Net gains (losses) on hedging instruments [(b)]	0.2	(31.6)	38.4
Pension and other post-retirement benefits			
Net gains (losses) arising during the period	13.3	71.2	(88.3)
Prior service cost arising during the period	—	(0.4)	(4.6)
Reclassification adjustment for settlement losses included in net income	0.6	2.7	1.4
Reclassification adjustment for amortization of prior service cost included in net income	0.2	0.4	0.9
Reclassification adjustment for amortization of net actuarial loss included in net income	8.3	14.9	6.9
Net pension and other post-retirement benefits [(c)]	22.4	88.8	(83.7)
Other comprehensive income (loss), net of tax	(0.8)	84.8	(214.4)
Comprehensive income (loss)	(82.6)	99.2	(3,452.3)
Comprehensive (income) loss attributable to non-controlling interests	(21.3)	0.5	(50.3)
Comprehensive income (loss) attributable to TechnipFMC plc	$ (103.9)	$ 99.7	$ (3,502.6)

(a) Net of income tax (expense) benefit of nil for each of the years ended December 31, 2022, 2021 and 2020.

(b) Net of income tax (expense) benefit of $(8.0) million, $8.8 million and $(9.7) million for the years ended December 31, 2022, 2021 and 2020, respectively.

(c) Net of income tax (expense) benefit of $(9.6) million, $(19.6) million and $25.5 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The accompanying notes are an integral part of the consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In millions, except par value data)	**December 31,**	
Assets	**2022**	**2021**
Cash and cash equivalents	$ 1,057.1	$ 1,327.4
Trade receivables, net of allowances of $34.1 in 2022 and $38.1 in 2021	966.5	911.9
Contract assets, net of allowances of $1.1 in 2022 and 2021	981.6	966.0
Inventories, net (Note 9)	1,039.7	1,031.9
Derivative financial instruments (Note 23)	282.7	110.3
Income taxes receivable	125.3	85.0
Advances paid to suppliers	80.8	79.4
Other current assets (Note 10)	455.0	512.3
Investment in Technip Energies	—	317.3
Total current assets	4,988.7	5,341.5
Investments in equity affiliates (Note 12)	325.0	292.4
Property, plant and equipment, net (Note 14)	2,354.9	2,597.2
Operating lease right-of-use assets (Note 4)	801.9	707.9
Finance lease right-of-use assets (Note 4)	51.6	52.2
Intangible assets, net (Note 15)	716.0	813.7
Deferred income taxes (Note 21)	72.5	74.3
Derivative financial instruments (Note 23)	7.2	10.5
Other assets	126.5	130.4
Total assets	$ 9,444.3	$ 10,020.1
Liabilities and equity		
Short-term debt and current portion of long-term debt (Note 16)	$ 367.3	$ 277.6
Operating lease liabilities (Note 4)	136.1	126.2
Finance lease liabilities (Note 4)	51.9	0.7
Accounts payable, trade	1,282.8	1,294.3
Contract liabilities	1,156.4	1,012.9
Accrued payroll	175.6	194.1
Derivative financial instruments (Note 23)	346.6	161.0
Income taxes payable	96.7	124.6
Other current liabilities (Note 10)	560.9	660.4
Total current liabilities	4,174.3	3,851.8
Long-term debt, less current portion (Note 16)	999.3	1,727.3
Operating lease liabilities, less current portion (Note 4)	735.7	646.8
Finance lease liabilities (Note 4)	1.4	51.1
Deferred income taxes (Note 21)	55.5	47.5
Accrued pension and other post-retirement benefits, less current portion (Note 22)	59.7	113.4
Derivative financial instruments (Note 23)	3.6	15.5
Other liabilities	138.1	148.3
Total liabilities	6,167.6	6,601.7
Commitments and contingent liabilities (Note 20)		
Stockholders' equity (Note 17)		
Ordinary shares, $1 par value; 618.3 shares authorized in 2022 and 2021; 442.2 shares and 450.7 shares issued and outstanding in 2022 and 2021, respectively	442.2	450.7
Capital in excess of par value of ordinary shares	9,109.7	9,160.8
Accumulated deficit	(5,010.0)	(4,903.8)
Accumulated other comprehensive loss	(1,301.7)	(1,305.0)
Total TechnipFMC plc stockholders' equity	3,240.2	3,402.7
Non-controlling interests	36.5	15.7
Total equity	3,276.7	3,418.4
Total liabilities and equity	$ 9,444.3	$ 10,020.1

The accompanying notes are an integral part of the consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended December 31, 2022	2021	2020
Cash provided (required) by operating activities			
Net income (loss)	$ (81.8)	$ 14.4	$ (3,237.9)
Net (income) loss from discontinued operations	45.3	72.6	(280.2)
Adjustments to reconcile net loss to cash provided (required) by operating activities			
Depreciation and amortization	377.2	385.4	412.1
Impairments (Note 19)	4.7	49.1	3,273.8
Employee benefit plan and share-based compensation costs	33.5	34.3	36.4
Deferred income tax benefit	(13.0)	(95.1)	(31.8)
(Income) loss from investment in Technip Energies	27.7	(322.2)	—
Unrealized (gain) loss on derivative instruments and foreign exchange	54.0	30.8	(13.3)
Income from equity affiliates, net of dividends received	(31.9)	(0.6)	(58.2)
Loss on early extinguishment of debt	29.8	61.9	—
Other	6.7	(5.5)	(32.7)
Changes in operating assets and liabilities, net of effects of acquisitions			
Trade receivables, net and contract assets	(160.2)	(73.1)	433.4
Inventories, net	(35.0)	197.7	87.4
Accounts payable, trade	52.1	93.8	(236.4)
Contract liabilities	164.5	0.9	(61.8)
Income taxes payable (receivable), net	(62.1)	214.7	(56.1)
Other current assets and liabilities, net	(40.4)	63.5	551.2
Other non-current assets and liabilities, net	(19.0)	(7.6)	(13.5)
Cash provided by operating activities from continuing operations	352.1	715.0	772.4
Cash provided (required) by operating activities from discontinued operations	—	66.3	(115.5)
Cash provided by operating activities	352.1	781.3	656.9
Cash provided (required) by investing activities			
Capital expenditures	(157.9)	(191.7)	(256.1)
Payment to acquire debt securities	—	(29.1)	(3.9)
Proceeds from sale of debt securities	9.7	27.4	51.5
Acquisitions, net of cash acquired	—	(15.3)	—
Proceeds from sale of assets	30.2	104.6	45.5
Proceeds from sales of investment in Technip Energies	288.5	900.9	—
Proceeds from repayment of advance to joint venture	12.5	25.0	26.7
Other	(20.8)	—	15.5
Cash provided (required) by investing activities from continuing operations	162.2	821.8	(120.8)
Cash required by investing activities from discontinued operations	—	(4.5)	(59.8)
Cash provided (required) by investing activities	162.2	817.3	(180.6)
Cash required by financing activities			
Decrease in short-term debt	(200.4)	(62.0)	(31.9)
Cash settlement for derivative hedging debt	(80.5)	—	—
Net decrease in commercial paper	—	(974.3)	(340.9)
Proceeds from issuance of long-term debt	60.9	1,164.4	223.2
Repayments of long-term debt	(451.7)	(1,462.2)	(423.9)
Payments for debt issuance cost	—	(60.4)	—
Share repurchases	(100.2)	—	—
Dividends paid	—	—	(59.2)
Acquisition of non-controlling interest	—	(48.6)	—
Other	(24.8)	(4.2)	(19.2)
Cash required by financing activities from continuing operations	(796.7)	(1,447.3)	(651.9)
Cash required by financing activities from discontinued operations	—	(3,617.7)	(430.3)
Cash required by financing activities	(796.7)	(5,065.0)	(1,082.2)
Effect of changes in foreign exchange rates on cash and cash equivalents	12.1	(14.0)	223.5
Decrease in cash and cash equivalents	(270.3)	(3,480.4)	(382.4)
Cash and cash equivalents in the statement of cash flows, beginning of year	1,327.4	4,807.8	5,190.2
Cash and cash equivalents in the statement of cash flows, end of year	$ 1,057.1	$ 1,327.4	$ 4,807.8

(In millions)	Year Ended December 31, 2022	2021	2020
Supplemental disclosures of cash flow information attributable to continuing operations			
Cash paid for interest (net of interest capitalized)	$ 109.2	$ 104.1	$ 96.0
Cash paid for income taxes (net of refunds received)	$ 189.2	$ 25.1	$ 107.8

The following table provides a reconciliation of cash and cash equivalents reported in the consolidated balance sheets to the total of the amounts in the consolidated statements of cash flows:

(In millions)	Year Ended December 31, 2022	2021	2020
Cash and cash equivalents	$ 1,057.1	$ 1,327.4	$ 1,269.2
Cash and cash equivalents attributable to discontinued operations	—	—	3,538.6
Total cash and cash equivalents in the statement of cash flows	$ 1,057.1	$ 1,327.4	$ 4,807.8

The accompanying notes are an integral part of the consolidated financial statements.

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In millions)	Ordinary Shares	Capital in Excess of Par Value of Ordinary Shares	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2019	$ 447.1	$ 10,182.8	$ (1,563.1)	$ (1,407.5)	$ 28.8	$ 7,688.1
Adoption of accounting standards	—	—	(7.8)	—	—	(7.8)
Net income (loss)	—	—	(3,287.6)	—	49.7	(3,237.9)
Other comprehensive income (loss)	—	—	—	(215.0)	0.6	(214.4)
Issuance of ordinary shares	2.4	(9.4)	—	—	—	(7.0)
Cash dividends declared ($0.13 per share) (Note 17)	—	—	(59.2)	—	—	(59.2)
Share-based compensation (Note 18)	—	69.0	—	—	—	69.0
Distributions to non-controlling interest	—	—	(9.4)	—	(2.1)	(11.5)
Other	—	—	11.9	—	(16.9)	(5.0)
Balance as of December 31, 2020	$ 449.5	$ 10,242.4	$ (4,915.2)	$ (1,622.5)	$ 60.1	$ 4,214.3
Net income	—	—	13.3	—	1.1	14.4
Other comprehensive income (loss)	—	—	—	86.4	(1.6)	84.8
Issuance of ordinary shares	1.2	—	—	—	—	1.2
Share-based compensation (Note 18)	—	26.8	—	—	—	26.8
Spin-off of Technip Energies (Note 25)	—	(1,108.4)	—	231.1	(19.9)	(897.2)
Accrued distributions to non-controlling interest	—	—	—	—	(15.0)	(15.0)
Other	—	—	(1.9)	—	(9.0)	(10.9)
Balance as of December 31, 2021	$ 450.7	$ 9,160.8	$ (4,903.8)	$ (1,305.0)	$ 15.7	$ 3,418.4
Net income (loss)	—	—	(107.2)	—	25.4	(81.8)
Other comprehensive income (loss)	—	—	—	3.3	(4.1)	(0.8)
Issuance of ordinary shares	1.6	(1.5)	—	—	—	0.1
Share-based compensation (Note 18)	—	40.5	—	—	—	40.5
Shares repurchased and cancelled	(10.1)	(90.1)	—	—	—	(100.2)
Other	—	—	1.0	—	(0.5)	0.5
Balance as of December 31, 2022	$ 442.2	$ 9,109.7	$ (5,010.0)	$ (1,301.7)	$ 36.5	$ 3,276.7

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations - TechnipFMC plc and consolidated subsidiaries (“TechnipFMC,” “we,” “us” or “our”) is a global leader in oil and gas projects, technologies, systems and services through our business segments: Subsea and Surface Technologies. We have manufacturing operations worldwide, strategically located to facilitate delivery of our products, systems and services to our customers.

Basis of presentation - Our consolidated financial statements were prepared in U.S. dollars and in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and rules and regulations of the Securities and Exchange Commission (“SEC”) pertaining to annual financial information. The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ from our estimates.

Principles of consolidation - The consolidated financial statements include the accounts of TechnipFMC and its majority-owned subsidiaries and affiliates. Intercompany accounts and transactions are eliminated in consolidation.

Use of estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Such estimates include, but are not limited to, estimates of total contract profit or loss on long-term construction-type contracts; estimated realizable value on excess and obsolete inventory; estimates related to pension accounting; estimates related to fair value for purposes of assessing long-lived assets and intangible assets for impairment and estimates related to income taxes.

Investments in the common stock of unconsolidated affiliates - The equity method of accounting is used to account for investments in unconsolidated affiliates where we have the ability to exert significant influence over the affiliates’ operating and financial policies. We measure equity investments not accounted for under the equity method at fair value and recognize any changes in fair value in net income. Intercompany balances and transactions have been eliminated in preparing the consolidated financial statements.

Investments in unconsolidated affiliates are assessed for impairment whenever events or changes in facts and circumstances indicate the carrying value of the investments may not be fully recoverable. When such a condition is subjectively determined to be other than temporary, the carrying value of the investment is written down to fair value. Management’s assessment as to whether any decline in value is other than temporary is based on our ability and intent to hold the investment and whether evidence indicating the carrying value of the investment is recoverable within a reasonable period of time outweighs evidence to the contrary. Management generally considers our investments in equity method investees to be strategic, long-term investments and completes its assessments for impairment with a long-term viewpoint.

Investments in which ownership is less than 20% or that do not represent significant investments are reported in other assets in the consolidated balance sheets. Where no active market exists and where no other valuation method can be used, these financial assets are maintained at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

We determine whether investments involve a variable interest entity (“VIE”) based on the characteristics of the subject entity. If the entity is determined to be a VIE, then management determines if we are the primary beneficiary of the entity and whether or not consolidation of the VIE is required. The primary beneficiary consolidating the VIE must normally have both (i) the power to direct the activities that most significantly affect the VIE’s economic performance and (ii) the obligation to absorb significant losses of or the right to receive significant benefits from the VIE. If we are deemed to be the primary beneficiary, the VIE is consolidated and the other party’s equity interest in the VIE is accounted for as a non-controlling interest. Our unconsolidated VIEs are accounted for using the equity method of accounting.

Leases - The majority of our leases are operating leases. We account for leases in accordance with Accounting Standard Codification (“ASC”)Topic 842, *Leases,* which we adopted on January 1, 2019 using the modified retrospective method.

We determine if an arrangement is a lease at inception by assessing whether an identified asset exists and if we have the right to control the use of the identified asset. Operating leases are included in Operating lease right-of-use assets, Operating lease liabilities (current), and Operating lease liabilities (non-current) in our consolidated balance sheets. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of the remaining lease payments over the lease term. With the exception of rare cases in which the implicit rate is readily determinable, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Lease terms within our lessee arrangements may include options to extend/renew or terminate the lease and/or purchase the underlying asset when it is reasonably certain that we will exercise that option. TechnipFMC applies a portfolio approach by asset class to determine lease term renewals. The leases within these portfolios are categorized by asset class and have initial lease terms that vary depending on the asset class. The renewal terms range from 1 year to 5 years for asset classes such as temporary residential housing, forklifts, vehicles, vessels, office and IT equipment, and tool rentals, and up to 15 years or more for commercial real estate. Short-term leases with an initial term of 12 months or less that do not include a purchase option are not recorded on the balance sheet. Lease costs for short-term leases are recognized on a straight-line basis over the lease term and amounts related to short-term leases are disclosed within our financial statements.

TechnipFMC has variable lease payments, including adjustments to lease payments based on an index or rate (such as the Consumer Price Index), fair value adjustments to lease payments, and common area maintenance, real estate taxes, and insurance payments in triple-net real estate leases. Variable lease payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are included when measuring consideration within our lease arrangements using the payments with a fixed increase amount or an index provided in the contract. Variable payments are recognized in the consolidated income statements and are disclosed as “variable lease costs” in the period during which they are incurred.

We adopted the practical expedient to not separate lease and non-lease components for all asset classes except for vessels, which have significant non-lease components. See Note 4 for further details.

Revenue recognition - The majority of our revenue is derived from long-term contracts that can span several years. We account for revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*.

<u>Allocation of transaction price to performance obligations</u> - A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; certain of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct.

<u>Variable consideration</u> - Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for our long-term contracts to contain variable considerations that can either increase or decrease the transaction price. Variability in the transaction price arises due to liquidated damages. We consider our experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which we will be entitled, and determining whether the estimated variable consideration should be constrained. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us.

Payment terms - Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (e.g., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognized in excess of billings which we present as contract assets on the balance sheet. Amounts billed and due from our customers are classified as receivables in the consolidated balance sheets. The portion of the payments retained by the customer until the final contract settlement is not considered a significant financing component because the intent is to protect the customer. For some contracts, we may be entitled to receive an advance payment. We recognize a liability for these advance payments in excess of revenue recognized and present it as contract liabilities in the consolidated balance sheets. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Warranty - Certain contracts include an assurance-type warranty clause, typically between 18 to 36 months, to guarantee that the products comply with agreed specifications. A service-type warranty may also be provided to the customer; in such a case, management allocates a portion of the transaction price to the warranty based on the estimated stand-alone selling price of the service-type warranty.

Revenue recognized over time - Our performance obligations are satisfied over time either as work progresses or at a point in time. Revenue from products and services transferred to customers over time accounted for approximately 63%, 68% and 72% of our revenue for the years ended December 31, 2022, 2021 and 2020, respectively. Typically, revenue is recognized over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

Cost-to-cost method - For our long-term contracts, because of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. We generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionally as costs are incurred. Any expected losses on construction-type contracts in progress are charged to earnings, in total, in the period during which the losses are identified.

Right to invoice practical expedient - The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time if we have a right to invoice the customer for an amount that corresponds directly with the value transferred to the customer for our performance completed to date. When this practical expedient is used, we do not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes. We have contracts which have payment terms dictated by daily or hourly rates where some contracts may have mixed pricing terms which include a fixed fee portion. For contracts in which we charge the customer a fixed rate based on the time or materials spent during the project that correspond to the value transferred to the customer, we recognize revenue in the amount to which we have the right to invoice.

Contract modifications - Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Contract costs to obtain a contract - Our incremental direct costs of obtaining a contract are deferred and amortized over the period of contract performance or a longer period, generally the estimated life of the customer relationship.

See Note 5 for further details.

Cash equivalents - Cash equivalents are highly liquid, short-term investments with original maturities of three months or less from their date of purchase.

Trade receivables, net of allowances - An allowance for credit losses is provided on receivables equal to the estimated uncollectible amounts and is calculated based on loss rates from historical data. We develop loss-rate statistics on the basis of the amount written off over the life of the receivable and adjust these historical credit loss trends for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

Inventories - Inventories are stated at the lower of cost or net realizable value, except as it relates to inventory measured using the last-in, first-out ("LIFO") method, for which the inventories are stated at the lower of cost or market. Inventory costs include those costs directly attributable to products, including all manufacturing overhead, but excluding costs to distribute. Cost for a significant portion of the U.S. domiciled inventories is determined on the LIFO method. The first-in, first-out ("FIFO") or weighted average methods are used to determine the cost for the remaining inventories. Write-down of inventories is recorded when the net realizable value of inventories is lower than their net book value.

Property, plant and equipment - Property, plant, and equipment is recorded at cost. Depreciation is principally provided on the straight-line basis over the estimated useful lives of the assets (vessels - 10 to 30 years; buildings - 10 to 50 years; and machinery and equipment - 3 to 20 years). Gains and losses are realized upon the sale or retirement of assets and are recorded in other income (expense), net on our consolidated statements of income. Maintenance and repair costs are expensed as incurred. Expenditures that extend the useful lives of property, plant and equipment are capitalized and depreciated over the estimated new remaining life of the asset.

Impairment of property, plant and equipment - Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of the long-lived asset may not be recoverable. The carrying value of an asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If it is determined that an impairment loss has occurred, the impairment loss is measured as the amount by which the carrying value of the long-lived asset exceeds its fair value.

Long-lived assets classified as held for sale are reported at the lower of carrying value or fair value less cost to sell.

Intangible assets - Our acquired intangible assets are generally amortized on a straight-line basis over their estimated useful lives, which generally range from 2 to 20 years. Our acquired intangible assets do not have indefinite lives. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the intangible asset may not be recoverable. The carrying amount of an intangible asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If it is determined that an impairment loss has occurred, the loss is measured as the amount by which the carrying amount of the intangible asset exceeds its fair value.

Capitalized software costs are recorded at cost. Capitalized software costs include purchases of software and internal and external costs incurred during the application development stage of software projects. These costs are amortized on a straight-line basis over the estimated useful lives. For internal use software, the useful lives range from 3 to 10 years. For Internet website costs, the estimated useful lives do not exceed 3 years.

Research and development expense is expensed as incurred. Research and development expense includes improvement of existing products and services, design and development of new products and services and test of new technologies.

Debt instruments - Debt instruments include senior and private placement notes and other borrowings. Issuance fees and redemption premium on debt instruments are included in the cost of debt in the consolidated balance sheets, as an adjustment to the nominal amount of the debt. Loan origination costs for revolving credit facilities are recorded as an asset and amortized over the life of the underlying debt.

Fair value measurements - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The fair value framework requires the categorization of assets and liabilities measured at fair value into three levels based upon the assumptions (inputs) used to price the assets or liabilities, with the exception of certain assets and liabilities measured using the net asset value practical expedient, which are not required to be leveled. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- *Level 1*: Unadjusted quoted prices in active markets for identical assets and liabilities.
- *Level 2*: Observable inputs other than quoted prices included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- *Level 3*: Unobservable inputs reflecting management's own assumptions about the assumptions market participants would use in pricing the asset or liability.

Income taxes - Current income taxes are provided on income reported for financial statement purposes, adjusted for transactions that do not enter into the computation of income taxes payable in the same year. Deferred tax assets and liabilities are measured using enacted tax rates for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance is established whenever management believes that it is more likely than not that deferred tax assets may not be realizable.

Income taxes are not provided on our equity in undistributed earnings of foreign subsidiaries or affiliates to the extent we have determined that the earnings are indefinitely reinvested. Income taxes are provided on such earnings in the period in which we can no longer support that such earnings are indefinitely reinvested.

Tax benefits related to uncertain tax positions are recognized when it is more likely than not, based on the technical merits, that the position will be sustained upon examination.

We classify interest expense and penalties recognized on underpayments of income taxes as income tax expense.

Share-based compensation - The measurement of share-based compensation expense on restricted share awards and performance share awards is based on the market price at the grant date and the number of shares awarded. We use Black-Scholes options pricing model to measure the fair value of stock options granted on or after January 1, 2017. The stock-based compensation expense for each award is recognized ratably over the applicable service period or the period beginning at the start of the service period and ending when an employee becomes eligible for retirement, after taking into account estimated forfeitures.

Earnings per ordinary share ("EPS") - Basic EPS is computed using the weighted-average number of ordinary shares outstanding during the year. We use the treasury stock method to compute diluted EPS which gives effect to the potential dilution of earnings that could have occurred if additional shares were issued for awards granted under our incentive compensation and stock plan. The treasury stock method assumes proceeds that would be obtained upon exercise of awards granted under our incentive compensation and stock plan are used to purchase outstanding ordinary shares at the average market price during the period.

Foreign currency - Financial statements of operations for which the U.S. dollar is not the functional currency, and which are located in non-highly inflationary countries, are translated into U.S. dollars prior to consolidation. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date, while income statement accounts are translated at the average exchange rate for each period. For these operations, translation gains and losses are recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity until the foreign entity is sold or liquidated. For operations in highly inflationary countries and where the local currency is not the functional currency, inventories, property, plant and equipment, and other non-current assets are converted to U.S. dollars at historical exchange rates, and all gains or losses from conversion are included in net income. Foreign currency effects on cash, cash equivalents and debt in highly inflationary economies are included in interest income or expense.

For certain committed and anticipated future cash flows and recognized assets and liabilities which are denominated in a foreign currency, we may choose to manage our risk against changes in the exchange rates, when compared against the functional currency, through the economic netting of exposures instead of derivative instruments. Cash outflows or liabilities in a foreign currency are matched against cash inflows or assets in the same currency, such that movements in exchange rates will result in offsetting gains or losses. Due to the inherent unpredictability of the timing of cash flows, gains and losses in the current period may be economically offset by gains and losses in a future period. All gains and losses are recorded in our consolidated statements of income in the period in which they are incurred. Gains and losses from the remeasurement of assets and liabilities are recognized in other income (expense), net.

Derivative instruments - Derivatives are recognized on the consolidated balance sheets at fair value, with classification as current or non-current based upon the maturity of the derivative instrument. Changes in the fair value of derivative instruments are recorded in current earnings or deferred in accumulated other comprehensive income (loss), depending on the type of hedging transaction and whether a derivative is designated as, and is effective as, a hedge. Each instrument is accounted for individually and assets and liabilities are not offset.

Hedge accounting is only applied when the derivative is deemed to be highly effective at offsetting changes in anticipated cash flows of the hedged item or transaction. Changes in fair value of derivatives that are designated as cash flow hedges are deferred in accumulated other comprehensive income (loss) until the underlying transactions are recognized in earnings. At such time, related deferred hedging gains or losses are recorded in earnings on the same line as the hedged item. Effectiveness is assessed at the inception of the hedge and on a quarterly basis. Effectiveness of forward contract cash flow hedges are assessed based solely on changes in fair value attributable to the change in the spot rate. The change in the fair value of the contract related to the change in forward rates is excluded from the assessment of hedge effectiveness. Changes in this excluded component of the derivative instrument, along with any ineffectiveness identified, are recorded in earnings as incurred. We document our risk management strategy and hedge effectiveness at the inception of, and during the term of, each hedge.

We also use forward contracts to hedge foreign currency assets and liabilities, for which we do not apply hedge accounting. The changes in fair value of these contracts are recognized in other income (expense), net on our consolidated statements of income, as they occur and offset gains or losses on the remeasurement of the related asset or liability.

Reclassifications - Certain prior-year amounts have been reclassified to conform to the current year’s presentation.

NOTE 2. NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Standards under GAAP

In August 2020, the FASB issued ASU No. 2020-06, “*Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815 – 40).*” This update simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity’s own equity. The amendments to this update are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption permitted no earlier than fiscal years beginning after December 15, 2020. We adopted this amendment as of January 1, 2022, which did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Standards under GAAP

In March 2020, the FASB issued ASU No. 2020-04, “Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848).” In addition, in January 2021, FASB issued ASU No. 2021-01, “Reference Rate Reform (Topic 848): Scope” and in December 2022 issued ASU 2022-06, “Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848” which clarifies the scope of Topic 848 and defers the sunset date of Topic 848 to December 31, 2024. The amendments in these updates apply only to contracts, hedging relationships, and other transactions that reference the London interbank offered rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. We do not anticipate the adoption of this update to have a material impact on our consolidated financial statements.

In October 2021, the FASB issued ASU No. 2021-08, “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers.” This ASU requires entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination. The amendments are effective for public business entities for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2022. The amendment in this update should be applied with early adoption permitted. We do not anticipate the adoption of this update to have a material impact on our consolidated financial statements.

We consider the applicability and impact of all ASUs. We assessed ASUs not listed above and determined that they either were not applicable or were not expected to have a material impact on our financial statements.

NOTE 3. BUSINESS COMBINATION AND OTHER TRANSACTIONS

During the year ended December 2022, we did not have any significant transactions.

2021

Magma Global Ltd.

In 2018, we entered into a collaboration agreement with Magma Global Ltd. (“Magma Global”) to develop a new generation of hybrid flexible pipe for use in the traditional and new energy industries. As part of the collaboration, we purchased a minority ownership interest in Magma Global.

In October 2021, we entered into a transaction to purchase the remaining ownership interest in Magma Global for $64.0 million. The cash consideration is being paid to the shareholders of Magma Global in three annual installments. The first payment of $23.9 million was paid on October 12, 2021 and the second payment of $18.5 million was paid on October 12, 2022. Magma technology enables the manufacture of Thermoplastic Composite Pipe (TCP) using Polyether Ether Ketone (PEEK) polymer, which is highly resistant to corrosive compounds, such as CO_2.

With the step acquisition of the remaining outstanding shares of Magma Global and our resulting control of the company, we recorded a $36.7 million impairment during the third quarter of 2021 to adjust our equity method investment to its estimated fair market value. The impairment charge is included in income/loss from equity affiliates line in our consolidated statement of income.

As a result of the purchase price allocation of the remaining interest, we recognized $50.2 million of intangible assets consisting of in-process research and development and trademarks, which are being amortized on a straight-line basis over 15 years. The fair value of the identifiable intangible assets has been estimated using an income approach.

TIOS

In accordance with the Share Purchase Agreement between Technip-Coflexip UK Holdings Limited (“TUK”) and Island Offshore Management AS (“Island Offshore”) that was executed on March 12, 2018, whereby TUK initially purchased 51% of the shares of TIOS AS (“TIOS”), a joint venture between TUK and Island Offshore, TUK acquired the remaining 49% interest in TIOS at a total price of $48.6 million during the third quarter of 2021.

NOTE 4. LEASES

Lessee Arrangements

We lease real estate, including land, buildings and warehouses, machinery/equipment, vessels, vehicles, and various types of manufacturing and data processing equipment, from a lessee perspective. Leases of real estate generally provide for payment of property taxes, insurance, and repairs by us. Substantially all our leases are classified as operating leases.

The following table is a summary of the Company’s components of net lease cost for the years ended December 31, 2022, 2021, and 2020:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Operating and Finance lease costs	$ 177.9	$ 175.9	$ 195.6
Short-term lease costs	14.0	5.2	11.0
Less: sublease income (1)	3.6	2.4	2.8
Net lease cost	$ 188.3	$ 178.7	$ 203.8

(1) TechnipFMC currently subleases certain of its leased real estate and vessels to third parties.

Supplemental cash flow information related to leases for the years ended December 31, 2022, and 2021 is as follows:

(In millions)	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from leases	$ 171.0	$ 176.5
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	$ 279.4	$ 114.9
Finance leases	$ 8.6	$ 24.6

Supplemental balance sheet information related to leases as of December 31, 2022 and 2021 is as follows:

(In millions, except lease term and discount rate)	December 31, 2022	December 31, 2021
Weighted average remaining lease term		
Operating leases	11.5 years	13.3 years
Finance leases	0.6 years	1.1 years
Weighted average discount rate		
Operating leases	5.8 %	5.9 %
Finance leases	3.2 %	1.2 %

Maturities of operating and finance lease liabilities as of December 31, 2022 are as follows:

(In millions)	Maturity of Operating Lease Liabilities	Maturity of Finance Lease Liabilities
2023	$ 184.3	$ 105.3
2024	148.7	2.7
2025	118.9	2.7
2026	96.2	1.9
2027	84.9	0.3
Thereafter	640.6	—
Total lease payments	1,273.6	112.9
Less: Imputed interest	401.8	59.6
Total lease liabilities [(a)]	$ 871.8	$ 53.3

(a) Includes the current portion of $188.0 million.

Lessor Arrangements

We lease real estate including land, buildings and warehouses, machinery/equipment, and vessels from a lessor perspective. We determine if an arrangement is a lease at inception by assessing whether an identified asset exists and if the customer has the right to control the use of the identified asset. We use our implicit rate for our lessor arrangements. We have elected the practical expedient available for lessors to not separate lease and non-lease components for vessels. If the non-lease component is predominant in our contracts, we account for the contracts under the revenue recognition guidance in ASU 2014-09, "*Revenue from Contracts with Customers"* (Topic 606). If the lease component is predominant in our contracts, we account for the contracts under the lease guidance in Topic 842. We estimate the amount we expect to derive from the underlying asset following the end of the lease term based on remaining economic life. Our lessor arrangements generally do not include any residual value guarantees. We recognize lessee payments of lessor costs such as taxes and insurance on a net basis when the lessee pays those costs directly to a third party or when the amount paid by the lessee is not readily determinable.

Our operating lease revenue, including variable revenue, was $215.1 million, $158.4 million and $142.0 million for the years ended December 31, 2022, 2021 and 2020, respectively. During the next five years, we expect to receive

$36.6 million in total undiscounted cash flows, of which $23.8 million is expected to be received in 2023 and $3.0 million is expected to be received in 2024.

NOTE 5. REVENUE

The majority of our revenue is from long-term contracts associated with designing and manufacturing products and systems and providing services to customers involved in exploration and production of crude oil and natural gas.

Revenue Recognition by Segment

The following is a description of principal activities separated by reportable segments from which TechnipFMC generates its revenue. See Note 6 for more detailed information about reportable segments.

Subsea

Our Subsea segment manufactures and designs products and systems, performs engineering, procurement and project management and provides services used by oil and gas companies involved in offshore exploration and production of crude oil and natural gas. Systems and services may be sold separately or as combined integrated systems and services offered within one contract. Many of the systems and products TechnipFMC supplies for subsea applications are engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years prior to installation. We often receive advance payments and progress billings from our customers in order to fund initial development and working capital requirements.

Under Subsea engineering, procurement, construction and installation contracts, revenue is principally generated from long-term contracts with customers. We have determined these contracts generally have one performance obligation as the delivered product is highly customized to customer and field specifications. We generally recognize revenue over time for such contracts as the customized products do not have an alternative use for TechnipFMC and we have an enforceable right to payment plus a reasonable profit for performance completed to date.

Our Subsea segment also performs an array of subsea services including (i) installation services, (ii) asset management services (iii) product optimization, (iv) inspection, maintenance and repair services, and (v) well access and intervention services, where revenue is generally earned through the execution of either installation-type or maintenance-type contracts. For either contract type, management has determined that the performance of the service generally represents one single performance obligation. We have determined that revenue from these contracts is recognized over time as the customer simultaneously receives and consumes the benefit of the services.

Surface Technologies

Our Surface Technologies segment designs, manufactures and supplies technologically advanced wellhead systems and high pressure valves and pumps used in stimulation activities for oilfield service companies and provides installation, flowback and other services for exploration and production companies.

We provide a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Under pressure control product contracts, we design and manufacture flowline products, under the Weco®/Chiksan® trademarks, articulating frac arm manifold trailers, well service pumps, compact valves and reciprocating pumps used in well completion and stimulation activities by major oilfield service companies. Performance obligations within these systems are satisfied either through delivery of a standardized product or equipment or the delivery of a customized product or equipment.

For contracts with a standardized product or equipment performance obligation, management has determined that because there is limited customization to products sold within such contracts and the asset delivered can be resold to another customer, revenue should be recognized as of a point in time, upon transfer of control to the customer and after the customer acceptance provisions have been met.

For contracts with a customized product or equipment performance obligation, the revenue is recognized over time, as the manufacturing of our product does not create an asset with an alternative use for us and we have an enforceable right to payment plus a reasonable profit for performance completed to date.

This segment also designs, manufactures and services measurement products globally. Contract types include standard product or equipment and maintenance-type services where we have determined that each contract under this product line represents one performance obligation.

Revenue from standard measurement equipment contracts is recognized at a point in time, while maintenance-type contracts are typically priced at a daily or hourly rate. We have determined that revenue for these contracts is recognized over time because the customer simultaneously receives and consumes the benefit of the services.

Disaggregation of Revenue

We disaggregate revenue by geographic location and contract type. The following table presents total revenue by geography for each reportable segment for the years ended December 31, 2022, 2021 and 2020:

	Reportable Segments					
	Year Ended December 31,					
	2022		2021		2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies	Subsea	Surface Technologies
Europe, Central Asia	$ 1,550.1	$ 166.7	$ 1,404.4	$ 191.5	1,664.1	192.7
Latin America	1,460.1	112.1	1,157.7	86.7	1,042.4	76.6
Africa	865.6	37.6	1,057.3	44.0	908.6	46.9
North America	780.6	552.0	753.6	372.7	899.7	367.9
Asia Pacific	687.5	97.2	927.4	104.2	772.1	131.0
Middle East	117.3	273.6	28.7	275.3	184.5	244.1
Total revenue	$ 5,461.2	$ 1,239.2	$ 5,329.1	$ 1,074.4	$ 5,471.4	$ 1,059.2

The following table represents revenue by contract type for each reportable segment for the years ended December 31, 2022, 2021 and 2020:

	Reportable Segments					
	Year Ended December 31,					
	2022		2021		2020	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 3,410.4	$ 217.9	$ 3,282.0	$ 158.7	$ 3,121.1	$ 150.2
Products	1,993.8	863.2	2,002.5	801.9	2,295.4	821.9
Lease[(a)]	57.0	158.1	44.6	113.8	54.9	87.1
Total revenue	$ 5,461.2	$ 1,239.2	$ 5,329.1	$ 1,074.4	$ 5,471.4	$ 1,059.2

(a) Represents revenue not subject to ASC Topic 606.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts (contract assets), and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) in the consolidated balance sheets. Any expected contract losses are recorded in the period in which they become probable.

Contract Assets - Contract Assets include unbilled amounts typically resulting from sales under long-term contracts when revenue is recognized over time and revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Amounts may not exceed their net realizable value. Costs and estimated earnings in excess of billings on uncompleted contracts are generally classified as current.

Contract Liabilities - We sometimes receive advances or deposits from our customers, before revenue is recognized, resulting in contract liabilities.

The following table provides information about net contract assets (liabilities) as of December 31, 2022 and 2021:

(In millions)	December 31, 2022	December 31, 2021	$ change	% change
Contract assets	$ 981.6	$ 966.0	$ 15.6	1.6
Contract (liabilities)	(1,156.4)	(1,012.9)	(143.5)	(14.2)
Net contract (liabilities)	$ (174.8)	$ (46.9)	$ (127.9)	(272.7)

The increase in our contract assets from December 31, 2021 to December 31, 2022 was due to the timing of project milestones.

The increase in our contract liabilities was driven from an overall portfolio and client mix enabling an acceleration of cash payments in advance.

In order to determine revenue recognized in the period from contract liabilities, we first allocate revenue to the individual contract liability balance outstanding at the beginning of the period until the revenue exceeds that balance. Any subsequent revenue we recognize increases contract asset balance. Revenue recognized for the years ended December 31, 2022 and 2021 that were included in the contract liabilities balance as of December 31, 2021 and 2020 was $607.4 million and $305.3 million, respectively.

In addition, net revenue recognized for the years ended December 31, 2022 and 2021 from our performance obligations satisfied in previous periods had favorable impacts of $160.8 million and $25.9 million, respectively. This primarily relates to the changes in the estimate of the stage of completion that impacted revenue.

Transaction Price Allocated to the Remaining Unsatisfied Performance Obligations

Remaining unsatisfied performance obligations ("RUPO" or "order backlog") represent the transaction price for products and services for which we have a material right, but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The order backlog table does not include contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of December 31, 2022, the aggregate amount of the transaction price allocated to order backlog was $9,353.0 million. TechnipFMC expects to recognize revenue on approximately 47.6% of the order backlog through 2023 and 52.4% thereafter.

The following table details the order backlog for each business segment as of December 31, 2022:

(In millions)	2023	2024	Thereafter
Subsea	$ 3,919.0	$ 2,900.6	$ 1,311.9
Surface Technologies	537.4	126.8	557.3
Total remaining unsatisfied performance obligations	$ 4,456.4	$ 3,027.4	$ 1,869.2

NOTE 6. BUSINESS SEGMENTS

Management's determination of our reporting segments was made on the basis of our strategic priorities within each segment and the differences in the products and services we provide, which corresponds to the manner in which our Chair and Chief Executive Officer, as our chief operating decision maker, reviews and evaluates operating performance to make decisions about resources to be allocated to the segment. We now operate under two reportable segments: Subsea and Surface Technologies.

- *Subsea* - designs and manufactures products and systems, performs engineering, procurement and project management, and provides services used by oil and gas companies involved in offshore exploration and production of crude oil and natural gas.

- *Surface Technologies* - designs and manufactures products and systems and provides services used by oil and gas companies involved in land and shallow water exploration and production of crude oil and natural gas; designs, manufactures, and supplies technologically advanced high-pressure valves and fittings for oilfield service companies; and also provides flowback and well testing services.

Segment operating profit (loss) is defined as total segment revenue less segment operating expenses. Income (loss) from equity method investments is included in computing segment operating profit. The following items have been excluded in computing segment operating profit (loss): corporate staff expense, foreign exchange gains (losses), income (loss) from investment in Technip Energies, loss on early extinguishment of debt, net interest income (expense) associated with corporate debt facilities and income taxes.

Our customers are the major integrated oil companies, national oil companies and independent exploration and production companies that are active in the geographic areas in which we operate. For the year ended December 31, 2022, the largest Subsea segment client Petrobras accounted for more than 10 percent of our 2022 consolidated revenue.

Information by business segment

Segment revenue and segment operating profit (loss) were as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Segment revenue			
Subsea	$ 5,461.2	$ 5,329.1	$ 5,471.4
Surface Technologies	1,239.2	1,074.4	1,059.2
Total revenue	$ 6,700.4	$ 6,403.5	$ 6,530.6
Segment operating profit (loss)			
Subsea	$ 317.6	$ 141.4	$ (2,815.5)
Surface Technologies	58.3	42.0	(429.3)
Total segment operating profit (loss)	375.9	183.4	(3,244.8)
Corporate items			
Corporate expense [(a)]	(104.7)	(118.1)	(131.9)
Net interest expense	(120.9)	(143.3)	(81.8)
Loss on early extinguishment of debt	(29.8)	(61.9)	—
Income (loss) from investment in Technip Energies	(27.7)	322.2	—
Foreign exchange gains (losses)	(23.9)	15.8	(40.2)
Total corporate items	(307.0)	14.7	(253.9)
Income (loss) before income taxes[(b)]	$ 68.9	$ 198.1	$ (3,498.7)

(a) Corporate expense includes corporate staff expenses, share-based compensation expenses and other employee benefits.

(b) Includes amounts attributable to non-controlling interests.

Segment assets were as follows:

	December 31,	
(In millions)	**2022**	**2021**
Segment assets		
Subsea	$ 6,455.1	$ 6,532.5
Surface Technologies	1,334.5	1,420.0
Total segment assets	7,789.6	7,952.5
Corporate [(a)]	1,654.7	2,067.6
Total assets	$ 9,444.3	$ 10,020.1

(a) Corporate includes cash, investment in Technip Energies, LIFO adjustments, deferred income tax balances, property, plant and equipment and intercompany eliminations not associated with a specific segment, pension assets and the fair value of derivative financial instruments.

Other business segment information is as follows:

	Capital Expenditures			Depreciation and Amortization			Research and Development Expense		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Subsea	$ 120.2	$ 149.4	$ 213.6	$ 304.3	$ 317.2	$ 324.9	$ 62.2	$ 73.2	$ 66.5
Surface Technologies	31.9	36.8	38.5	70.0	64.8	70.1	4.8	5.2	8.8
Corporate	5.8	5.5	4.0	2.9	3.4	17.1	—	—	—
Total	$ 157.9	$ 191.7	$ 256.1	$ 377.2	$ 385.4	$ 412.1	$ 67.0	$ 78.4	$ 75.3

Information by geography

Revenue by geography was identified based on the country where our products and services were delivered, and is as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Revenue			
United States	$ 1,348.4	$ 1,137.2	$ 1,320.1
Brazil	1,047.3	767.8	600.6
Norway	907.6	979.9	1,216.6
United Kingdom	710.3	542.5	489.0
Guyana	369.1	314.7	330.1
Australia	295.4	419.8	122.5
Mozambique	284.4	472.0	320.4
Angola	247.9	406.3	482.8
Malaysia	228.5	206.9	190.0
Ghana	184.7	73.4	34.0
Singapore	126.5	216.3	219.9
India	121.4	109.8	26.8
United Arab Emirates	117.8	49.4	39.2
Israel	117.3	26.8	179.3
Indonesia	42.6	224.9	280.0
Trinidad	6.7	78.1	106.3
All other countries	544.5	377.7	573.0
Total revenue	$ 6,700.4	$ 6,403.5	$ 6,530.6

Long-lived assets by geography represent property, plant and equipment, net, and are as follows:

	December 31,	
(In millions)	**2022**	**2021**
Long-lived assets		
United Kingdom	$ 741.6	$ 882.9
Netherlands	387.0	414.7
United States	357.2	383.4
Brazil	306.4	265.5
Norway	225.3	271.9
All other countries	337.4	378.8
Total long-lived assets	$ 2,354.9	$ 2,597.2

NOTE 7. EARNINGS (LOSS) PER SHARE

A reconciliation of the number of shares used for the basic and diluted earnings (loss) per share calculation was as follows:

	Year Ended December 31,		
(In millions, except per share data)	**2022**	**2021**	**2020**
Income (loss) from continuing operations attributable to TechnipFMC plc	$ (61.9)	$ 87.8	$ (3,552.6)
Income (loss) from discontinued operations attributable to TechnipFMC plc	(45.3)	(74.5)	265.0
Net income (loss) attributable to TechnipFMC plc	$ (107.2)	$ 13.3	$ (3,287.6)
Weighted average number of shares outstanding	449.5	450.5	448.7
Dilutive effect of restricted stock units	—	4.1	—
Total shares and dilutive securities	449.5	454.6	448.7
Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:			
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc			
Basic and diluted	$ (0.14)	$ 0.19	$ (7.92)
Earnings (loss) per share from discontinued operations attributable to TechnipFMC plc			
Basic	$ (0.10)	$ (0.17)	$ 0.59
Diluted	$ (0.10)	$ (0.16)	$ 0.59
Total earnings (loss) per share attributable to TechnipFMC plc			
Basic and diluted	$ (0.24)	$ 0.03	$ (7.33)

For the years ended December 31, 2022 and 2020, we incurred a net loss; therefore, the impact of any incremental shares from our share-based compensation awards would be anti-dilutive. For the years ended December 31, 2022 and 2020, 8.9 million and 3.8 million shares, respectively, were anti-dilutive due to a net loss position.

Weighted average shares of the following share-based compensation awards were excluded from the calculation of diluted weighted average number of shares where the assumed proceeds exceed the average market price from the calculation of diluted weighted average number of shares, because their effect would be anti-dilutive:

	Year Ended December 31,		
(millions of shares)	**2022**	**2021**	**2020**
Share option awards	1.5	1.7	4.6
Restricted share units	—	0.1	1.8
Performance shares	—	—	1.9
Total	1.5	1.8	8.3

NOTE 8. RECEIVABLES

We manage our receivables portfolios using published default risk as a key credit quality indicator for our loans and receivables. Our loans receivable and security deposits were related to sales of long-lived assets or businesses, loans to related parties for capital expenditure purposes, or security deposits for lease arrangements.

We manage our held-to-maturity debt securities using published credit ratings as a key credit quality indicator as our held-to-maturity debt securities consist of government bonds.

The table below summarizes the amortized cost basis of financial assets by years of origination and credit quality. The key credit quality indicator is updated as of December 31, 2022.

(In millions)	December 31, 2022 Credit rating	Year of origination	Balance	December 31, 2021 Credit rating	Year of origination	Balance
Loans receivables and other	Moody's rating Aa3 - Ba2	2020-2022	$ 51.0	Moody's rating Ba2	2019-2020	$ 50.9
Debt securities at amortized cost	Moody's rating B3	2021	16.2	Moody's rating B3	2019-2021	24.0
Total financial assets			$ 67.2			$ 74.9

Credit Losses

For contract assets and trade receivables we have elected to calculate an expected credit loss based on loss rates from historical data. We develop loss-rate statistics on the basis of the amount written-off over the life of the financial assets and contract assets and adjust these historical credit loss trends for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected losses.

For loans receivable, held-to-maturity debt securities at amortized cost, and security deposits and other, we evaluate whether these securities are considered to have low credit risk at the reporting date using available, reasonable and supportable information.

The table below shows the roll-forward of allowance for credit losses as of December 31, 2022 and 2021, respectively.

(In millions)	Balance as of December 31, 2022 Trade receivables	Contract assets	Loans receivables and other	Held-to-maturity debt securities
Allowance for credit losses at December 31, 2021	$ 38.1	$ 1.1	$ 0.6	$ 2.7
Current period provision (release) for expected credit losses	0.7	—	(0.3)	(2.5)
Recoveries	(4.7)	—	—	—
Allowance for credit losses at December 31, 2022	$ 34.1	$ 1.1	$ 0.3	$ 0.2

(In millions)	Balance as of December 31, 2021 Trade receivables	Contract assets	Loans receivables and other	Held-to-maturity debt securities
Allowance for credit losses at December 31, 2020	$ 40.2	$ 2.4	$ 7.9	$ 0.5
Current period provision (release) for expected credit losses	3.5	(1.3)	(7.3)	2.2
Recoveries	(5.6)	—	—	—
Allowance for credit losses at December 31, 2021	$ 38.1	$ 1.1	$ 0.6	$ 2.7

Certain trade receivables are due in one year or less.

NOTE 9. INVENTORIES

Inventories consisted of the following:

(In millions)	December 31, 2022	2021
Raw materials	$ 317.4	$ 250.1
Work in process	152.0	178.7
Finished goods	570.3	603.1
Inventories, net	$ 1,039.7	$ 1,031.9

All amounts in the table above are reported net of obsolescence reserves of $108.2 million and $116.6 million as of December 31, 2022 and 2021, respectively.

Net inventories accounted for under the LIFO method totaled $391.7 million and $350.1 million as of December 31, 2022 and 2021, respectively. The current replacement costs of LIFO inventories exceeded their recorded values by $16.6 million and $10.9 million as of December 31, 2022 and 2021, respectively.

NOTE 10. OTHER CURRENT ASSETS & OTHER CURRENT LIABILITIES

Other current assets consisted of the following:

	December 31,	
(In millions)	**2022**	**2021**
Value - added tax receivables	$ 185.6	$ 222.4
Withholding tax and other receivables	137.8	176.7
Prepaid expenses	61.9	50.7
Assets held for sale	18.6	5.0
Held-to-maturity investments	15.1	8.8
Current financial assets at amortized cost	12.4	21.9
Other	23.6	26.8
Total other current assets	$ 455.0	$ 512.3

Other current liabilities consisted of the following:

	December 31,	
(In millions)	**2022**	**2021**
Legal provisions	$ 116.7	$ 121.7
Warranty accruals and project contingencies	87.6	119.5
Social security liability	70.9	70.4
Compensation accrual	70.8	85.7
Value - added tax and other taxes payable	65.3	71.0
Provisions	9.1	23.6
Current portion of accrued pension and other post-retirement benefits	2.5	5.2
Other accrued liabilities	138.0	163.3
Total other current liabilities	$ 560.9	$ 660.4

NOTE 11. WARRANTY OBLIGATIONS

Warranty obligations are included within other current liabilities in our consolidated balance sheets as of December 31, 2022 and 2021. Warranty obligations for the period are estimated to equate the actual costs incurred over the prior three years.

A reconciliation of warranty obligations for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Balance at beginning of period	$ 86.2	$ 109.6	$ 121.7
Warranty expenses	18.2	54.0	52.0
Adjustment to existing accruals	(19.0)	(56.5)	(48.2)
Claims paid	(11.2)	(20.9)	(15.9)
Balance at end of period	$ 74.2	$ 86.2	$ 109.6

NOTE 12. INVESTMENTS

Equity Method Investments

The equity method of accounting is used to account for investments in unconsolidated affiliates where we can have the ability to exert significant influence over the affiliates operating and financial policies.

Our equity investments were as follows as of December 31, 2022 and 2021:

		December 31,	
		2022	2021
(In millions, except %)	Percentage Owned	Carrying Value	
Dofcon Brasil AS	50.0 %	312.8	276.9
Serimax Holdings SAS	20.0 %	8.6	15.0
Other		3.6	0.5
Investments in equity affiliates		$ 325.0	$ 292.4

Our income from equity affiliates for the years ended December 31, 2022, 2021 and 2020, was $44.6 million, $0.6 million and $64.6 million, respectively and included within our Subsea segment.

We assess investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. During 2022, we did not record any impairments of our equity method investments. During 2021, we recorded a $36.7 million impairment, in connection with the step acquisition of the remaining outstanding shares of Magma Global and our resulting control of the company. See Note 3 for further details.

Our major equity method investments are as follows:

Dofcon Brasil AS - is an affiliated company in the form of a joint venture between TechnipFMC and DOF Subsea and was founded in 2006. Dofcon Brasil AS is a holding company, which owns and controls TechDof Brasil AS and Dofcon Navegacao Ltda, collectively referred to as “Dofcon.” Dofcon provides Pipe-Laying Support Vessels (PLSVs) for work in oil and gas fields offshore Brazil. Dofcon is considered a VIE because it does not have sufficient equity to finance its activities without additional subordinated financial support from other parties. We are not the primary beneficiary of the VIE. As such, we have accounted for our 50% investment using the equity method of accounting with results reported in our Subsea segment.

Dofcon has debt related to loans on its vessels. TechnipFMC and DOF ASA, the parent of DOF Subsea, provide guarantees for the debt and our share of the guarantees was $441.0 million as of December 31, 2022. DOF ASA is in the process of restructuring its debt (unrelated and outside of the joint venture) which triggered cross default provisions in certain credit facilities within the joint venture associated with the guarantees provided by the Company and DOF Subsea. The lenders have made no claims under the guarantees and the acceleration clauses within the debt instruments are not currently enforceable as TechnipFMC obtained waivers or consents from the lenders. Dofcon continues to service the credit facilities as per the terms of the agreements. As a result, TechnipFMC has not recognized a liability related to its guarantees.

Serimax Holdings SAS (“Serimax”) - is an affiliated company in the form of a joint venture between TechnipFMC and Vallourec SA and was founded in 2016. Serimax is headquartered in Paris, France and provides rigid pipes welding services for work in oil and gas fields around the world. We have accounted for our 20% investment using the equity method of accounting with results reported in our Subsea segment.

Other includes Magnora Offshore Wind AS -During the first quarter of 2022, we entered into Magnora Offshore Wind AS, a partnership with Magnora ASA, in order to develop floating offshore wind projects. As of December 31, 2022, the equity method investment balance was $3.4 million and represented approximately 20% ownership.

Investment in Technip Energies

As discussed in Note 25, immediately following the completion of the Spin-off, we owned 49.9% of the outstanding shares of Technip Energies. At the Spin-off date, on initial recognition of the investment, we elected to account for our investment in Technip Energies at fair value with all subsequent changes in fair value for the investment reported in our consolidated statement of income.

As of December 31, 2022, we have fully divested our remaining ownership in Technip Energies. For the years ended December 31, 2022 and 2021, we recognized $27.7 million loss and $322.2 million income, respectively, related to our investment in Technip Energies. The amounts recognized include purchase price discounts on the sales of shares and a fair value revaluation gains and losses of our investment.

NOTE 13. RELATED PARTY TRANSACTIONS

Receivables, payables, revenues and expenses which are included in our consolidated financial statements for all transactions with related parties, defined as entities related to our directors and main shareholders as well as the partners of our consolidated joint ventures, were as follows:

Trade receivables consisted of trade receivables due from the following related parties:

	December 31,	
(In millions)	**2022**	**2021**
Dofcon	$ 16.6	$ 27.2
Others	1.3	2.5
Total trade receivables	$ 17.9	$ 29.7

Dofcon is our equity method investment. As of December 31, 2021, we had a note receivable of $12.6 million with Dofcon, which was included in other assets in our consolidated balance sheet. During 2022, this note was repaid.

As of December 31, 2022 and 2021, we did not have any material accounts payable outstanding with our related parties.

Revenue consisted of amounts from the following related parties:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Dofcon	$ 21.3	$ 25.7	$ 14.6
Equinor ASA	—	—	119.6
Others	7.8	14.0	18.5
Total revenue	$ 29.1	$ 39.7	$ 152.7

Expenses consisted of amounts to following related parties:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Dofcon	$ 14.4	$ 26.7	$ 24.0
Jumbo Shipping	11.5	—	16.0
Serimax Holdings SAS	—	7.6	0.4
Magma Global Limited	—	8.8	14.0
Others	20.3	22.3	22.7
Total expenses	$ 46.2	$ 65.4	$ 77.1

In October 2020, we added a new member to our Board of Directors who was an executive of Equinor ASA up through January 2021. Serimax Holdings SAS is an equity method affiliate. Member of our Board of Directors serves on the Board of Directors for Jumbo Shipping. Magma Global Limited was an equity method affiliate through September 30, 2021. In October 2021, we purchased the remaining ownership interest in Magma Global, see Note 3 for further details.

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

(In millions)	December 31, 2022	December 31, 2021
Land and land improvements	$ 68.2	$ 79.4
Buildings	441.6	471.6
Vessels	1,854.7	1,979.0
Machinery and equipment	1,810.0	1,849.0
Office fixtures and furniture	119.2	121.9
Construction in process	116.7	110.5
Other	200.0	189.8
	4,610.4	4,801.2
Accumulated depreciation	(2,255.5)	(2,204.0)
Property, plant and equipment, net	$ 2,354.9	$ 2,597.2

Depreciation expense was $285.2 million, $291.3 million and $308.7 million in 2022, 2021 and 2020, respectively. The amount of interest cost capitalized was not material for the years presented.

During 2022 and 2021, we determined the carrying amount of certain of our long-lived assets exceeded their fair value and recorded impairments. See Note 19 for further details.

NOTE 15. INTANGIBLE ASSETS

The components of intangible assets were as follows:

	December 31,			
	2022		2021	
(In millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Acquired technology	$ 246.3	$ 146.5	$ 247.0	$ 122.4
Customer relationships	285.4	171.6	285.4	142.9
Licenses, patents and trademarks	692.1	250.9	694.6	220.7
Software	107.0	89.2	108.2	84.8
Other	49.0	5.6	54.0	4.7
Total intangible assets	$ 1,379.8	$ 663.8	$ 1,389.2	$ 575.5

We recorded $92.0 million, $94.1 million and $103.4 million in amortization expense related to intangible assets during the years ended December 31, 2022, 2021 and 2020, respectively. During the years 2023 through 2026, annual amortization expense is expected to be $87.4 million in each of the four years, $35.1 million for 2027.

NOTE 16. DEBT

Overview

Long-term debt consisted of the following:

(In millions)	December 31, 2022	2021
3.40% 2012 Private placement notes due 2022	$ —	$ 169.9
3.15% 2013 Private placement notes due 2023	272.2	288.8
5.75% 2020 Private placement notes due 2025	213.5	226.5
6.50% Senior notes due 2026	202.9	633.1
4.00% 2012 Private placement notes due 2027	80.1	84.9
4.00% 2012 Private placement notes due 2032	106.7	113.3
3.75% 2013 Private placement notes due 2033	106.7	113.3
Bank borrowings and other	394.9	397.4
Unamortized debt issuance costs and discounts	(10.4)	(22.3)
Total debt	1,366.6	2,004.9
Less: current borrowings	367.3	277.6
Long-term debt	$ 999.3	$ 1,727.3

Debt maturities as of December 31, 2022, are as follows:

(In millions)	Payments Due by Period Total payments	Less than 1 year	1-3 years	3-5 years	After 5 years
Total debt	$ 1,366.6	$ 367.3	$ 386.1	$ 360.4	$ 252.8

Credit Facilities and Debt

Revolving Credit Facility - On February 16, 2021, we entered into a credit agreement, which provides for a $1.0 billion three-year senior secured multi-currency Revolving Credit Facility including a $450.0 million letter of credit sub-facility. We incurred $34.8 million of debt issuance costs in connection with the Revolving Credit Facility. These debt issuance costs are deferred and are included in other assets in our consolidated balance sheets. The deferred debt issuance costs are amortized to interest expense over the term of the Revolving Credit Facility.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of December 31, 2022, there were $45.4 million letters of credit outstanding and availability of borrowings under the Revolving Credit Facility was $954.6 million.

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 Company’s option, at a base rate or an adjusted rate linked to the London interbank offered rate (“Adjusted LIBOR”); and

- Euro-denominated loans bear interest on an 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 Revolving Credit Facility is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

2021 Notes - On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026. The interest on the 2021 Notes is paid semi-annually on February 1 and August 1 of each year, beginning on August 1, 2021. The 2021 Notes are senior unsecured obligations and are guaranteed on a senior unsecured basis by substantially all of our wholly owned U.S. subsidiaries and non-U.S. subsidiaries in Brazil, the Netherlands, Norway, Singapore and the United Kingdom. We incurred $25.7 million of debt issuance costs in connection with issuance of the 2021 Notes. These debt issuance costs are deferred and are included in long-term debt in our consolidated balance sheets. The deferred debt issuance costs are amortized to interest expense over the term of the 2021 Notes, which approximates the effective interest method.

During 2022, we completed a tender offer and purchased for cash $430.2 million of the outstanding 2021 Notes. We paid a cash premium of $21.5 million to the tendering note holders and wrote off $8.3 million of debt issuance costs. Concurrent with the tender offer, the Company obtained consents of holders with respect to the 2021 Notes to certain proposed amendments (“Proposed Amendments”) to the indenture governing these notes. The Proposed Amendments, among other things, eliminated substantially all of the restrictive covenants and certain event of default triggers in the indenture.

During 2021, we completed two tender offers and purchased for cash $366.9 million of the outstanding 2021 Notes. We paid a cash premium of $29.5 million to the note holders who tendered and wrote off $8.9 million of bond issuance costs.

As of December 31, 2022, TechnipFMC was in compliance with all debt covenants.

Private Placement Notes

2020 Issuance:

During 2020, we completed the private placement of €200 million aggregate principal amount of the 2020 Private Placement Notes. The 2020 Private Placement Notes bear interest of 5.75% and are due June 2025. Interest on the notes is payable annually in arrears on June 30 of each year beginning June 30, 2020. The 2020 Private Placement Notes contain usual and customary covenants and events of default for notes of this type.

2013 Issuances:

In October 2013, we completed the private placement of €355.0 million aggregate principal amount of senior notes. The notes were issued in three tranches with €100.0 million bearing interest at 3.75% and due October 2033 (the “Tranche A 2033 Notes”), €130.0 million bearing interest of 3.15% and due October 2023 (the “Tranche B 2023 Notes) and €125.0 million bearing interest of 3.15% and due October 2023 (the “Tranche C 2023 Notes” and, collectively with the “Tranche A 2033 Notes” and the “Tranche B 2023 Notes”, the “2013 Private Placement Notes”).

Interest on the Tranche A 2033 Notes is payable annually in arrears on October 7 each year, beginning October 7, 2014. Interest on the Tranche B 2023 Notes is payable annually in arrears on October 16 of each year beginning October 16, 2014. Interest on the Tranche C 2023 Notes is payable annually in arrears on October 18 of each year, beginning October 18, 2014.

2012 Issuances:

In June 2012, we completed the private placement of €325.0 million aggregate principal amount of notes. The notes were issued in three tranches with €150.0 million bearing interest at 3.40% and due June 2022 (the “Tranche A 2022 Notes”), €75.0 million bearing interest of 4.0% and due June 2027 (the “Tranche B 2027 Notes”) and €100.0 million bearing interest of 4.0% and due June 2032 (the “Tranche C 2032 Notes” and, collectively with the “Tranche A 2022 Notes” and the “Tranche B 2027 Notes,” the “2012 Private Placement Notes”). Interest on the Tranche A 2022 Notes and the Tranche C 2032 Notes is payable annually in arrears on June 14 of each year beginning on June 14, 2013. Interest on the Tranche B 2027 Notes is payable annually in arrears on June 15 of each year, beginning on June 15, 2013. During 2022, we repaid $161.0 million of our 3.40% 2012 Private placement notes.

The 2013 and 2012 Private Placement Notes contain usual and customary covenants and events of default for notes of this type. In the event of a change of control resulting in a downgrade in the rating of the notes below BBB-, the 2013 and 2012 Private Placement Notes may be redeemed early at the request of any bondholder, at its sole discretion. The 2013 and 2012 Private Placement Notes are our unsecured obligations. The 2013 and 2012 Private Placement Notes will rank equally in right of payment with all of our existing and future unsubordinated debt.

Term loan - In December 2016, we entered into a £160.0 million term loan agreement to finance the Deep Explorer, a diving support vessel ("DSV"), maturing in December 2028. Under the loan agreement, interest accrues at an annual rate of 2.813%. This loan agreement contains usual and customary covenants and events of default for loans of this type.

Bank borrowings - In January 2019, we executed a sale-leaseback transaction to finance the purchase of a deepwater dive support vessel, Deep Discoverer (the "Vessel") for the full transaction price of $116.8 million. The sale-leaseback agreement ("Charter") was entered into with a French joint-stock company, owned by Credit Industrial et Commercial ("CIC") which was formed for the sole purpose to purchase and act as the lessor of the Vessel. It is a variable interest entity, which is fully consolidated in our consolidated financial statements. The transaction was funded through debt of $96.2 million and expiring on January 8, 2031.

Foreign committed credit - We have committed credit lines at many of our international subsidiaries for immaterial amounts. We utilize these facilities for asset financing and to provide a more efficient daily source of liquidity. The effective interest rates depend upon the local national market.

NOTE 17. STOCKHOLDERS' EQUITY

Cash dividends paid during the years ended December 31, 2022, 2021 and 2020 were nil, nil and $59.2 million, respectively.

As an English public limited company, we are required under U.K. law to have available "distributable reserves" to conduct share repurchases or pay dividends to shareholders. Distributable reserves are a statutory requirement and are not linked to a GAAP reported amount (e.g., retained earnings). The declaration and payment of dividends require the authorization of our Board of Directors, provided that such dividends on issued share capital may be paid only out of our "distributable reserves" on our statutory balance sheet. Therefore, we are not permitted to pay dividends out of share capital, which includes share premium. On November 27, 2019, we redeemed 50,000 redeemable shares of £1 each and cancelled one deferred ordinary share of £1 in the capital of TechnipFMC.

The following is a summary of our capital stock activity for the years ended December 31, 2022, 2021 and 2020:

(Number of shares in millions)	Ordinary Shares Issued
December 31, 2019	447.1
Stock awards	2.4
December 31, 2020	449.5
Stock awards	1.2
December 31, 2021	450.7
Stock awards	1.6
Shares repurchased and cancelled	(10.1)
December 31, 2022	442.2

In July 2022, the Board of Directors authorized the repurchase of up to $400.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $100.2 million of ordinary shares during the year ended December 31, 2022. Based upon the remaining repurchase authority of $299.8 million and the closing stock price as of December 31, 2022, approximately 24.6 million ordinary shares could be subject to repurchase. All shares repurchased were immediately cancelled.

Accumulated other comprehensive income (loss) consisted of the following:

(In millions)	Foreign Currency Translation	Hedging	Defined Pension and Other Post-Retirement Benefits	Accumulated Other Comprehensive Loss Attributable to TechnipFMC plc	Accumulated Other Comprehensive Loss Attributable to Non-Controlling Interest
December 31, 2020	$ (1,401.2)	$ 34.0	$ (255.3)	$ (1,622.5)	$ (4.1)
Other comprehensive income (loss) before reclassifications, net of tax	29.2	(19.8)	70.8	80.2	(1.6)
Reclassification adjustment for net (gains) losses included in net income, net of tax	—	(11.8)	18.0	6.2	—
Other comprehensive income (loss), net of tax	29.2	(31.6)	88.8	86.4	(1.6)
Spin-off of Technip Energies	213.6	(19.7)	37.2	231.1	$ —
December 31, 2021	$ (1,158.4)	$ (17.3)	$ (129.3)	$ (1,305.0)	$ (5.7)
Other comprehensive income (loss) before reclassifications, net of tax	(16.1)	(25.1)	13.3	(27.9)	(4.1)
Reclassification adjustment for net (gains) losses included in net income, net of tax	(3.2)	25.3	9.1	31.2	—
Other comprehensive income (loss), net of tax	(19.3)	0.2	22.4	3.3	(4.1)
December 31, 2022	$ (1,177.7)	$ (17.1)	$ (106.9)	$ (1,301.7)	$ (9.8)

Reclassifications out of accumulated other comprehensive income (loss) consisted of the following:

(In millions)	Year Ended December 31, 2022	2021	2020	
Details about Accumulated Other Comprehensive Loss Components	**Amount Reclassified out of Accumulated Other Comprehensive Loss**			**Affected Line Item in the Consolidated Statement of Income**
Gains on foreign currency translation	$ (3.2)	$ —	$ —	Other income (expense), net
Gains (losses) on hedging instruments				
Foreign exchange contracts	$ (7.4)	$ (29.7)	$ (83.7)	Revenue
	(14.5)	10.7	68.5	Costs of sales
	(0.3)	0.2	(0.4)	Selling, general and administrative expense
	(13.1)	32.9	(4.4)	Other Income (expense), net
	(35.3)	14.1	(20.0)	Income (loss) before income taxes
	(10.0)	2.3	(7.0)	Provision (benefit) for income taxes
	$ (25.3)	$ 11.8	$ (13.0)	Net income (loss)
Pension and other post-retirement benefits				
Settlements and curtailments	$ (0.8)	$ (3.3)	$ (2.2)	Other income (expense), net (a)
Amortization of actuarial gain (loss)	(11.8)	(18.2)	(9.0)	Other income (expense), net (a)
Amortization of prior service credit (cost)	(0.3)	(0.5)	(1.2)	Other income (expense), net (a)
	(12.9)	(22.0)	(12.4)	Income (loss) before income taxes
	(3.8)	(4.0)	(3.2)	Provision (benefit) for income taxes
	$ (9.1)	$ (18.0)	$ (9.2)	Net income (loss)

(a) These accumulated other comprehensive income components are included in the computation of net periodic pension cost (See Note 22 for further details).

NOTE 18. SHARE-BASED COMPENSATION

Under the Amended and Restated TechnipFMC plc Incentive Award Plan (the “2017 Plan”), we were able to grant certain incentives and awards to our officers, employees, non-employee directors and consultants of the Company and its subsidiaries. Awards included share options, share appreciation rights, performance stock units, restricted stock units, restricted shares or other awards authorized under the 2017 Plan. On April 28, 2022, we adopted the TechnipFMC plc 2022 Incentive Award Plan (the “Plan”), which replaces the 2017 Plan. Under the Plan, 8.9 million ordinary shares were authorized for awards, and the remaining available shares from the 2017 Plan were added to the authorized amount under the Plan.

The exercise price for options is determined by the Committee but cannot be less than the fair market value of our ordinary shares at the grant date. Restricted share and performance share unit grants generally vest after three years of service.

Under the Plan, our Board of Directors has the authority to grant non-employee directors share options, restricted shares, restricted share units and performance shares. Unless otherwise determined by our Board of Directors, awards to non-employee directors generally vest one year from the date of grant. All restricted share units awarded prior to 2020 will be settled when a non-executive director ceases services on the Board of Directors. Beginning with the 2020 equity award, non-executive directors now have the opportunity to elect the year in which they will take receipt of the equity grants from either (a) a period of 1 to 10 years from the grant date or (b) upon their separation from Board service. The elections are made prior to the beginning of the grant year and are irrevocable after December 31 of the year prior to grant. Restricted share units are settled when a director ceases services to the Board of Directors. As of December 31, 2022, outstanding awards to active and retired non-employee directors included 177.7 thousand of share units.

The measurement of share-based compensation expense on restricted share awards is based on the market price and fair value at the grant date and the number of shares awarded. The fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. We use the Black-Scholes options pricing model to measure the fair value of stock options granted on or after January 1, 2017.

The share-based compensation expense for each award is recognized ratably over the applicable service period or the period beginning at the start of the service period and ending when an employee becomes eligible for retirement (currently age 62 under the Plan), after taking into account estimated forfeitures.

We recognize compensation expense and the corresponding tax benefits for awards under the Plan. The compensation expense under the Plan for continuing operations was as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Share-based compensation expense	$ 40.5	$ 26.8	$ 38.3
Income tax benefits related to share-based compensation expense	8.8	7.2	10.3

As of December 31, 2022, the portion of share-based compensation expense related to outstanding awards to be recognized in future periods is as follows:

	December 31, 2022
Share-based compensation expense not yet recognized (in millions)	$ 52.6
Weighted-average recognition period (in years)	1.3

Restricted Share Units

A summary of the non-vested restricted share units’ activity is as follows:

(Shares in thousands)	**Shares**	**Weighted-Average Grant Date Fair Value**
Non-vested as of December 31, 2021	9,589.5	$ 11.35
Granted	2,874.1	$ 7.89
Vested	(2,193.8)	$ 16.57
Cancelled/forfeited	(548.1)	$ 7.99
Non-vested as of December 31, 2022	9,721.7	$ 7.81

The total grant date fair value of restricted stock share units vested during the years ended December 31, 2022, 2021 and 2020 was $36.4 million, $25.1 million and $51.8 million, respectively.

Performance Share Units

The Board of Directors has granted certain employees, senior executives and directors performance share units that vest subject to achieving satisfactory performances. For performance share units issued on or after January 1, 2017, performance is based on results of return on invested capital and total shareholder return ("TSR").

For the performance share units which vest based on TSR, the fair value of performance shares is estimated using a combination of the closing stock price on the grant date and the Monte Carlo simulation model. The weighted-average fair value and the assumptions used to measure the fair value of performance share units subject to performance-adjusted vesting conditions in the Monte Carlo simulation model were as follows:

	Year Ended December 31,		
	2022	**2021**	**2020**
Weighted-average fair value [a]	$11.34	$11.50	$10.02
Expected volatility [b]	65.90 %	62.70 %	38.30 %
Risk-free interest rate [c]	1.78 %	0.35 %	0.40 %
Expected performance period in years [d]	3.0	2.9	3.0

(a) The weighted-average fair value was based on performance share units granted during the period.

(b) Expected volatility is based on normalized historical volatility of our shares over a preceding period commensurate with the expected term of the performance share units.

(c) The risk-free rate for the expected term of the performance share units is based on the U.S. Treasury yield curve in effect at the time of grant.

(d) For awards subject to service-based vesting, due to the lack of historical exercise and post-vesting termination patterns of the post-Merger employee base, the expected term was estimated using a simplified method for all awards granted in 2022, 2021 and 2020.

A summary of the non-vested performance share units' activity is as follows:

(Shares in thousands)	Shares	Weighted-Average Grant Date Fair Value
Non-vested as of December 31, 2021	2,309.6	$ 13.26
Granted	2,427.0	$ 11.10
Cancelled/forfeited	(223.6)	$ 11.46
Non-vested as of December 31, 2022	4,513.0	$ 11.29

The total grant date fair value of performance share units vested during years ended December 31, 2021 and 2020 was $3.4 million and $43.2 million, respectively.

Share Option Awards

The fair value of each share option award is estimated as of the date of grant using the Black-Scholes options pricing model.

Share options awarded prior to 2017 were granted subject to performance criteria based upon certain targets, such as TSR, return on capital employed, and operating income from recurring activities. Subsequent share options granted are time-based awards vesting over three years.

There were no share option awards granted in 2022, 2021 or 2020.

The following is a summary of share option transactions during the year ended December 31, 2022:

	Number of Shares	Weighted average exercise price	Weighted average remaining life (in years)
Balance as of December 31, 2021	1,576.1	$ 20.17	6.3
Cancelled	(134.9)	$ 20.84	
Balance as of December 31, 2022	1,441.2	$ 20.31	5.3
Exercisable as of December 31, 2022	1,441.2	$ 20.31	5.3

The aggregate intrinsic value of stock options outstanding and stock options exercisable as of December 31, 2022 was nil and nil, respectively.

Cash received from the share option exercises was nil, during each of the years ended December 31, 2022, 2021 and 2020. The total intrinsic value of share options exercised during each of the years ended December 31, 2022, 2021 and 2020 was nil. To exercise share options, an employee may choose (1) to pay, either directly or by way of the group savings plan, the share option strike price to obtain shares, or (2) to sell the shares immediately after having exercised the share option (in this case, the employee does not pay the strike price but instead receives the intrinsic value of the share options in cash).

The following summarizes significant ranges of outstanding and exercisable share options as of December 31, 2022:

	Options Outstanding and Exercisable		
Exercise Price Range	Number of options (in thousands)	Weighted average remaining life (in years)	Weighted average exercise price
$16.00-$19.00	578.0	6.2	$ 16.46
$20.00-$24.00	678.7	4.6	$ 22.22
$25.00-$26.00	184.5	4.7	$ 25.31
Total	1,441.2	5.3	$ 20.31

NOTE 19. IMPAIRMENT, RESTRUCTURING AND OTHER EXPENSES

Impairment, restructuring and other expenses were as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Subsea	$ 1.1	$ 53.5	$ 2,957.5
Surface Technologies	10.4	7.6	440.2
Corporate and other	3.7	5.6	4.3
Total impairment, restructuring and other expenses	$ 15.2	$ 66.7	$ 3,402.0

Goodwill and Long-Lived Assets Impairments

Goodwill and long-lived assets impairments were as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Subsea	$ 1.9	$ 44.2	$ 2,854.5
Surface Technologies	2.8	1.9	419.3
Corporate and other	—	3.0	—
Total impairments	$ 4.7	$ 49.1	$ 3,273.8

2022

During the year ended December 31, 2022, we recorded $4.7 million of impairment charges for property, plant and equipment and right-of-use operating lease assets, related to exiting our operations in Russia and Canada.

2021

During the year ended December 31, 2021, subsequent to the Spin-off, certain real estate rationalization actions were taken, and as a result, we recorded $49.1 million of impairment charges relating to our operating lease right-of-use assets and property, plant and equipment.

2020

During the year ended December 31, 2020, we recorded $3,083.4 million and $190.4 million related to goodwill and long-lived assets impairments, respectively. As of December 31, 2020, goodwill balance was fully written-off. Due to the substantial decline in global demand for oil caused by the COVID-19 pandemic in 2020, we reviewed the future utilization of our vessels and service potential of our subsea service and surface equipment and determined that the carrying amount of our goodwill and some of our long-lived assets exceeded their respective fair values. As a result, we recorded $2,747.5 million and $335.9 million of goodwill impairment charges in our Subsea and Surface Technologies segments, respectively. The $190.4 million of long-lived asset impairments consisted of $88.4 million attributable to plant, equipment and various machinery infrastructure in our Subsea segment; $82.0 million mainly related to building and surface equipment in our Surface Technologies segment; and $20.0 million of operating lease right-of-use assets impairments.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable. Assessing the recoverability of assets to be held and used requires the use of unobservable inputs, which involves significant judgment. Such judgments include expected future asset utilization while taking into account reduced future capital spending by certain customers in response to market conditions.

Restructuring and Other Expenses

Restructuring and other expenses were as follows:

	Year Ended December 31,			
	2022	2021	2020	
(In millions)	Restructuring and other charges	Restructuring and other charges	Restructuring and other charges	COVID-19 expenses
Subsea	$ (0.8)	$ 9.3	$ 52.9	$ 50.1
Surface Technologies	7.6	5.7	13.2	7.7
Corporate and other	3.7	2.6	4.3	—
Total	$ 10.5	$ 17.6	$ 70.4	$ 57.8

2022

During the year ended December 31, 2022, we recorded $10.5 million of restructuring and other charges, mostly related to exiting our operations in Russia and Canada and consisted of severance and other employee related costs.

2021

During the year ended December 31, 2021, we recorded $17.6 million of restructuring and other charges, which consisted of severance and other employee related costs.

2020

During the year ended December 31, 2020, we recorded $70.4 million of restructuring and other charges and $57.8 million of COVID-19 expenses. COVID-19 related expenses represented unplanned, one-off, incremental and non-recoverable costs incurred solely as a result of the COVID-19 pandemic situation, which would not have been incurred otherwise. COVID-19 related expenses primarily included (a) employee payroll and travel, operational disruptions associated with quarantining, personnel travel restrictions to job sites, and shutdown of manufacturing plants and sites; (b) supply chain and related expediting costs of accelerated shipments for previously ordered and undelivered products; (c) costs associated with implementing additional information technology to support remote working environments; and (d) facilities-related expenses to ensure safe working environments.

We will continue to take actions designed to mitigate the adverse effects of the rapidly changing market environment and expect to continue to adjust our cost structure to market conditions. If market conditions deteriorate, we may record additional restructuring charges and additional impairments of our long-lived assets, operating lease right-of-use assets and equity method investments.

NOTE 20. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities associated with guarantees - In the ordinary course of business, we enter into standby letters of credit, performance bonds, surety bonds, and other guarantees with financial institutions for the benefit of our customers, vendors, and other parties. The majority of these financial instruments expire within five years. Management does not expect any of these financial instruments to result in losses that would have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Guarantees made by our consolidated subsidiaries consisted of the following:

(In millions)	**December 31, 2022**
Financial guarantees [(a)]	$ 170.2
Performance guarantees [(b)]	1,458.2
Maximum potential undiscounted payments	$ 1,628.4

(a) Financial guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on changes in an underlying agreement that is related to an asset, a liability or an equity security of the guaranteed party. These tend to be drawn down only if there is a failure to fulfill our financial obligations.

(b) Performance guarantees represent contracts that contingently require a guarantor to make payments to a guaranteed party based on another entity's failure to perform under a nonfinancial obligating agreement. Events that trigger payment are performance-related, such as failure to ship a product or provide a service.

We believe the ultimate resolution of our known contingencies will not materially adversely affect our consolidated financial position, results of operations, or cash flows.

Contingent liabilities associated with legal and tax matters - We are involved in various pending or potential legal and tax actions or disputes in the ordinary course of our business. These actions and disputes can involve our agents, suppliers, clients, and venture partners, and can include claims related to payment of fees, service quality, and ownership arrangements, including certain put or call options. We are unable to predict the ultimate outcome of these actions because of their inherent uncertainty. However, we believe that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

On March 28, 2016, FMC Technologies received an inquiry from the U.S. Department of Justice (“DOJ”) related to the DOJ's investigation of whether certain services Unaoil S.A.M. provided to its clients, including FMC Technologies, violated the U.S. Foreign Corrupt Practices Act (“FCPA”). On March 29, 2016, Technip S.A. also received an inquiry from the DOJ related to Unaoil. We cooperated with the DOJ's investigations and, with regard to FMC Technologies, a related investigation by the SEC.

In late 2016, Technip S.A. was contacted by the DOJ regarding its investigation of offshore platform projects awarded between 2003 and 2007, performed in Brazil by a joint venture company in which Technip S.A. was a minority participant, and also raised with the DOJ certain other projects performed by Technip S.A. subsidiaries in Brazil between 2002 and 2013. The DOJ also inquired about projects in Ghana and Equatorial Guinea that were awarded to Technip S.A. subsidiaries in 2008 and 2009, respectively. We cooperated with the DOJ in its investigation into potential violations of the FCPA in connection with these projects. We contacted and cooperated with the Brazilian authorities (Federal Prosecution Service (“MPF”), the Comptroller General of Brazil (“CGU”) and the Attorney General of Brazil (“AGU”)) with their investigation concerning the projects in Brazil and have also contacted and are cooperating with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these existing matters.

On June 25, 2019, we announced a global resolution to pay a total of $301.3 million to the DOJ, the SEC, the MPF, and the CGU/AGU to resolve these anti-corruption investigations. We were not required to have a monitor and, instead, provided reports on our anti-corruption program to the Brazilian and U.S. authorities for two and three years, respectively.

As part of this resolution, we entered into a three-year Deferred Prosecution Agreement ("DPA") with the DOJ related to charges of conspiracy to violate the FCPA related to conduct in Brazil and with Unaoil. In addition, Technip USA, Inc., a U.S. subsidiary, pled guilty to one count of conspiracy to violate the FCPA related to conduct in Brazil. We also provided the DOJ reports on our anti-corruption program during the term of the DPA.

In Brazil, on June 25, 2019 our subsidiaries Technip Brasil - Engenharia, Instalações E Apoio Marítimo Ltda. and Flexibrás Tubos Flexíveis Ltda. entered into leniency agreements with both the MPF and the CGU/AGU. We made, as part of those agreements, certain enhancements to the compliance programs in Brazil during the two-year self-reporting period, which aligned with our commitment to cooperation and transparency with the compliance community in Brazil and globally.

In September 2019, the SEC approved our previously disclosed agreement in principle with the SEC Staff and issued an Administrative Order, pursuant to which we paid the SEC $5.1 million, which was included in the global resolution of $301.3 million.

On December 8, 2022, the Company received notice of the official release from all obligations and charges by CGU, having successfully completed all of the self-reporting requirements in the leniency agreements and the case was closed. On December 27, 2022, the DOJ filed a Motion to Dismiss the charges against TechnipFMC related to conspiracy to violate the FCPA, noting to the Court that the Company had fully met and completed all of its obligations under the DPA. The Dismissal Order was signed by the Court on January 4, 2023, thereby closing the case. All obligations to regulatory authorities related to the enforcement matters in the United States and Brazil have been completed and the Company has been unconditionally released by both jurisdictions.

To date, the investigation by the PNF related to historical projects in Equatorial Guinea and Ghana has not reached resolution. We remain committed to finding a resolution with the PNF and will maintain a $70.0 million provision related to this investigation. Additionally, the PNF informed us that it is reviewing other historical projects in Angola. We are not aware of any evidence that would support a finding of liability with respect to these projects, or whether the PNF would seek to impose any additional penalty. As we continue our discussions with PNF towards a potential resolution of all of these matters, the amount of a settlement could exceed this provision.

There is no certainty that a settlement with PNF will be reached or that the settlement will not exceed current accruals. The PNF has a broad range of potential sanctions under anti-corruption laws and regulations that it may seek to impose in appropriate circumstances including, but not limited to, fines, penalties, confiscations and modifications to business practices and compliance programs. Any of these measures, if applicable to us, as well as potential customer reaction to such measures, could have a material adverse impact on our business, results of operations, and financial condition. If we cannot reach a resolution with the PNF, we could be subject to criminal proceedings in France, the outcome of which cannot be predicted.

Contingent liabilities associated with liquidated damages - Some of our contracts contain provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other commercial and legal analysis, management believes we have appropriately recognized probable liquidated damages as of December 31, 2022 and 2021, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations, or cash flows.

NOTE 21. INCOME TAXES

Components of income (loss) from continuing operations before income taxes - U.S. and outside U.S. components of income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
United States	$ (148.8)	$ (288.2)	$ (2,169.3)
Outside United States	217.7	486.3	(1,329.4)
Income (loss) from continuing operations before income taxes	$ 68.9	$ 198.1	$ (3,498.7)

Provision (benefit) for income tax - The provision for income taxes consisted of:

	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Current			
United States	$ (0.5)	$ 0.2	$ (18.3)
Outside United States	118.9	206.0	69.5
Total current income taxes	118.4	206.2	51.2
Deferred			
United States	—	—	(2.8)
Outside United States	(13.0)	(95.1)	(29.0)
Total deferred income taxes	(13.0)	(95.1)	(31.8)
Provision for income taxes	$ 105.4	$ 111.1	$ 19.4

Deferred tax assets and liabilities - Significant components of deferred tax assets and liabilities were as follows:

	December 31,	
(In millions)	**2022**	**2021**
Deferred tax assets attributable to		
Accrued expenses	$ 166.8	$ 173.0
Capital loss	21.1	21.1
Non-deductible interest	87.7	95.4
Foreign tax credit carryforwards	136.5	136.5
Other tax credits	159.2	146.0
Net operating loss carryforwards	487.5	455.5
Research and development credit	13.7	3.8
Foreign exchange	21.7	17.2
Provisions for pensions and other long-term employee benefits	23.5	31.9
Contingencies	45.3	38.3
Leases	208.9	183.4
Other	6.4	24.6
Deferred tax assets	1,378.3	1,326.7
Valuation allowance	(999.1)	(935.5)
Deferred tax assets, net of valuation allowance	379.2	391.2
Deferred tax liabilities attributable to		
Contract liabilities	23.1	32.2
Tax on undistributed earnings not indefinitely reinvested	13.4	—
Property, plant and equipment, intangibles and other assets	117.2	162.8
Leases	203.5	169.4
Other	5.0	—
Deferred tax liabilities	362.2	364.4
Net deferred tax assets	$ 17.0	$ 26.8

At December 31, 2022 and 2021, the carrying amount of net deferred tax assets and the related valuation allowance included the impact of foreign currency translation adjustments.

Non-deductible interest. At December 31, 2022, deferred tax assets include tax benefits related to certain intercompany interest costs which are not currently deductible, but which may be deductible in future periods. If not utilized, these costs will become permanently non-deductible beginning in 2025. Management believes that it is more likely than not that we will not be able to deduct these costs before expiration of the carry forward period; therefore, we have established an uncertain tax position and valuation allowance against the related deferred tax assets.

Foreign tax credit carryforwards. At December 31, 2022, deferred tax assets included U.S. foreign tax credit carryforwards of $136.5 million, which, if not utilized, will begin to expire in 2023. Realization of these deferred tax assets is dependent on the generation of sufficient U.S. taxable income prior to the above date. Based on long-term forecasts of operating results, management believes that it is more likely than not that our U.S. earnings over the forecast period will not result in sufficient U.S. taxable income to fully realize these deferred tax assets; therefore, we have established a valuation allowance against the related deferred tax assets. In its analysis, management has considered the effect of deemed dividends and other expected adjustments to U.S. earnings that are required in determining U.S. taxable income. Non-U.S. earnings subject to U.S. tax, including deemed dividends for U.S. tax purposes, were $0.3 million in 2022, $19.5 million in 2021 and $0.1 million in 2020.

Net operating loss carryforwards. At December 31, 2022, we had $487.5 million of tax-effected net operating loss carryforwards, with approximately $21.5 million estimated to be utilized against our unrecognized tax benefits. The ultimate realization of these deferred tax assets depends on our ability to generate sufficient taxable income in the appropriate taxing jurisdiction. Our deferred tax assets from net operating losses will expire as follows:

(In millions)	Net Operating Loss
2023 – 2026	$ 61.1
2027 – 2031	58.7
2032 – 2042	74.4
Non-Expiring	293.3
	$ 487.5

Unrecognized tax benefits - The following table presents a summary of changes in our unrecognized tax benefits:

(In millions)	Federal,State and Foreign Tax
Balance at December 31, 2020	$ 46.2
Reductions for tax positions related to prior years	(15.2)
Additions for tax positions related to current year	39.9
Reductions for tax positions due to settlements	(2.1)
Balance at December 31, 2021	68.8
Reductions for tax positions related to prior years	(22.8)
Additions for tax positions related to current year	16.8
Additions for tax positions due to settlements	0.8
Balance at December 31, 2022	$ 63.6

The amounts reported above for uncertain tax positions excludes interest and penalties of $1.1 million, $0.2 million, and $0.6 million for the years ended December 31, 2022, 2021, and 2020, respectively. Interest and penalties relating to these uncertain tax positions were included in income tax expense in our consolidated statements of income. It is reasonably possible that within twelve months, $8.9 million of assets for unrecognized tax benefits will be settled. This amount is reflected in income taxes payable, the remaining balance of the unrecognized tax benefit is recorded in other long term liabilities. As of December 31, 2022, a net $35.3 million unrecognized tax benefit, without a net operating loss carryforward or other deferred tax asset to offset, would positively impact the effective tax rate and be recognized as additional tax benefits in our statement of operations if resolved in our favor.

We operate in numerous jurisdictions around the world and could be subject to multiple tax audits at any given time. Most notably, the following tax years and thereafter remain subject to examination: 2013 for Norway, 2016 for Nigeria, 2018 for Brazil, 2020 for France, 2019 for United States, and 2020 for United Kingdom.

TechnipFMC plc is a public limited company incorporated under the laws of England and Wales. Therefore, our earnings are subject to the U.K. statutory rate which is 19.0% for 2022, 2021, and 2020.

Effective income tax rate reconciliation - The effective income tax rate was different from the statutory U.K. income tax rate due to the following:

	Year Ended December 31,		
	2022	2021	2020
Statutory income tax rate	19.0 %	19.0 %	19.0 %
Net difference resulting from			
Foreign earnings subject to different tax rates	114.0 %	24.4 %	1.3 %
Adjustments to prior year taxes	(56.5)%	(52.4)%	(1.2)%
Net change in unrecognized tax benefits	7.4 %	12.3 %	— %
Changes in valuation allowance	100.1 %	65.4 %	(0.9)%
Deferred tax asset/liability revaluation for tax rate change	(29.0)%	(12.2)%	0.3 %
Impairments	— %	— %	(19.5)%
Other	(1.9)%	(0.4)%	0.4 %
Effective income tax rate	153.1 %	56.1 %	(0.6)%

Income tax holidays. We did not benefit from income tax holidays in 2022.

NOTE 22. PENSION AND OTHER POST-RETIREMENT BENEFIT PLANS

We have funded and unfunded defined benefit pension plans, which provide defined benefits based on years of service and final average salary.

On December 31, 2017, we amended the U.S. retirement plans (the "Plans") to freeze benefit accruals for all participants of the Plans as of December 31, 2017. After that date, participants in the Plans will no longer accrue any further benefits and participants' benefits under the Plans will be determined based on credited service and eligible earnings as of December 31, 2017.

Foreign-based employees are eligible to participate in TechnipFMC-sponsored or government-sponsored benefit plans to which we contribute. Several of the foreign defined benefit pension plans sponsored by us provide for employee contributions; the remaining plans are noncontributory. The most significant of these plans are in the Netherlands, France, and the United Kingdom.

We have other post-retirement benefit plans covering substantially all of our U.S. unionized employees. The post-retirement health care plans are contributory; the post-retirement life insurance plans are noncontributory.

We are required to recognize the funded status of defined benefit post-retirement plans as an asset or liability in the consolidated balance sheet and recognize changes in that funded status in comprehensive income (loss) in the year in which the changes occur. Further, we are required to measure the plan's assets and its obligations that determine its funded status as of the date of the consolidated balance sheet. We have applied this guidance to our domestic pension and other post-retirement benefit plans as well as for many of our non-U.S. plans, including those in the United Kingdom, Germany, France and Canada. Pension expense measured in compliance with GAAP for the other non-U.S. pension plans is not materially different from the locally reported pension expense.

The funded status of our U.S. Pension Plans, certain foreign pension plans and U.S. post-retirement health care and life insurance benefit plans, together with the associated balances recognized in our consolidated balance sheets as of December 31, 2022 and 2021, were as follows:

(In millions)	Pensions 2022 U.S.	Pensions 2022 Int'l	Pensions 2021 U.S.	Pensions 2021 Int'l	Other Post-retirement Benefits 2022	Other Post-retirement Benefits 2021
Accumulated benefit obligation	$ 465.1	$ 330.0	$ 653.6	$ 589.1		
Projected benefit obligation at January 1	$ 653.6	$ 601.6	$ 684.7	$ 656.4	$ 8.4	$ 9.4
Service cost	—	4.1	—	10.0	—	—
Interest cost	18.5	10.4	18.0	9.8	0.3	0.3
Actuarial (gain) loss	(173.3)	(197.8)	7.1	(32.5)	(1.5)	(0.7)
Settlements	(1.5)	(1.0)	(22.6)	—	—	—
Foreign currency exchange rate changes	—	(55.5)	—	(11.9)	(0.1)	(0.2)
Plan participants' contributions	—	—	—	0.9	—	—
Benefits paid	(32.2)	(21.6)	(33.6)	(22.0)	(0.4)	(0.4)
Other	—	(0.5)	—	(9.1)	—	—
Projected benefit obligation as of December 31	465.1	339.7	653.6	601.6	6.7	8.4
Fair value of plan assets at January 1	517.5	627.5	483.7	591.5	—	—
Actual return on plan assets	(110.6)	(186.5)	61.1	46.4	—	—
Company contributions	4.1	14.3	28.9	19.6	—	—
Foreign currency exchange rate changes	—	(61.6)	—	(8.9)	—	—
Settlements	(1.5)	(1.1)	(22.6)	—	—	—
Plan participants' contributions	—	—	—	0.9	—	—
Benefits paid	(32.2)	(21.6)	(33.6)	(22.0)	—	—
Other	—	1.0	—	—	—	—
Fair value of plan assets as of December 31	377.3	372.0	517.5	627.5	—	—
Funded status of the plans (liability) as of December 31	$ (87.8)	$ 32.3	$ (136.1)	$ 25.9	$ (6.7)	$ (8.4)

(In millions)	Pensions 2022 U.S.	Pensions 2022 Int'l	Pensions 2021 U.S.	Pensions 2021 Int'l	Other Post-retirement Benefits 2022	Other Post-retirement Benefits 2021
Current portion of accrued pension and other post-retirement benefits	$ (0.5)	$ (1.4)	$ (2.9)	$ (1.7)	$ (0.6)	$ (0.6)
Accrued pension and other post-retirement benefits, net of current portion	(87.3)	33.7	(133.2)	27.6	(6.1)	(7.8)
Funded status as of December 31	$ (87.8)	$ 32.3	$ (136.1)	$ 25.9	$ (6.7)	$ (8.4)

The following table summarizes the pre-tax amounts in accumulated other comprehensive (income) loss as of December 31, 2022 and 2021 that have not been recognized as components of net periodic benefit cost:

	Pensions				Other Post-retirement Benefits	
	2022		2021		2022	2021
(In millions)	**U.S.**	**Int'l**	**U.S.**	**Int'l**		
Pre-tax amounts recognized in accumulated other comprehensive (income) loss						
Unrecognized actuarial loss	$ 116.3	$ 26.5	$ 156.6	$ 15.9	$ (1.1)	$ 0.4
Unrecognized prior service cost	—	3.0	—	3.4	—	—
Accumulated other comprehensive (income) loss as of December 31	$ 116.3	$ 29.5	$ 156.6	$ 19.3	$ (1.1)	$ 0.4

The following tables summarize the projected and accumulated benefit obligations and fair values of plan assets where the projected or accumulated benefit obligation exceeds the fair value of plan assets as of December 31, 2022 and 2021:

	Pensions				Other Post-retirement Benefits	
	2022		2021		2022	2021
(In millions)	**U.S.**	**Int'l**	**U.S.**	**Int'l**		
Plans with underfunded or non-funded projected benefit obligation						
Aggregate projected benefit obligation	$ 464.3	$ 42.0	$ 652.2	$ 57.9	$ 6.7	$ 8.4
Aggregate fair value of plan assets	$ 376.1	$ —	$ 516.0	$ —	$ —	$ —

	Pensions				Other Post-retirement Benefits	
	2022		2021		2022	2021
(In millions)	**U.S.**	**Int'l**	**U.S.**	**Int'l**		
Plans with underfunded or non-funded accumulated benefit obligation						
Aggregate accumulated benefit obligation	$ 464.3	$ 33.9	$ 652.2	$ 46.7	$ —	$ —
Aggregate fair value of plan assets	$ 376.1	$ —	$ 516.0	$ —	$ —	$ —

The following table summarizes the components of net periodic benefit cost (income) for the years ended December 31, 2022, 2021 and 2020:

	Pensions						Other Post-retirement Benefits		
	2022		2021		2020		2022	2021	2020
(In millions)	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l			
Components of net periodic benefit cost (income)									
Service cost	$ —	$ 4.1	$ —	$ 10.0	$ —	$ 10.4	$ —	$ —	$ —
Interest cost	18.5	10.4	18.0	9.8	22.2	11.3	0.3	0.3	0.4
Expected return on plan assets	(35.2)	(24.3)	(31.9)	(25.0)	(45.4)	(36.5)	—	—	—
Settlement cost	0.8	—	2.8	—	1.4	0.5	—	—	—
Curtailment benefit	—	—	—	0.4	—	—	—	—	—
Amortization of net actuarial loss (gain)	12.0	(0.2)	16.8	1.4	6.9	0.6	—	0.1	0.1
Amortization of prior service cost	—	0.3	—	0.5	—	0.6	—	—	—
Net periodic benefit cost (income)	$ (3.9)	$ (9.7)	$ 5.7	$ (2.9)	$ (14.9)	$ (13.1)	$ 0.3	$ 0.4	$ 0.5

The following table summarizes changes in plan assets and benefit obligations recognized in other comprehensive income (loss) for the years ended December 31, 2022, 2021 and 2020:

	Pensions						Other Post-retirement Benefits		
	2022		2021		2020		2022	2021	2020
(In millions)	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l			
Changes in plan assets and benefit obligations recognized in other comprehensive income (loss)									
Net actuarial gain (loss) arising during period	$ (27.5)	$ 12.9	$ (22.1)	$ (58.4)	$ (85.1)	$ (26.8)	$ —	$ —	$ —
Prior service (cost) credit arising during period	—	0.1	—	0.6	—	—	—	—	—
Settlements and curtailments	(0.8)	—	(2.8)	(0.4)	1.4	0.4	—	—	—
Amortization of net actuarial loss (gain)	(12.0)	0.2	(16.8)	(1.4)	6.9	0.6	—	—	(0.1)
Amortization of prior service cost (credit)	—	(0.3)	—	(0.5)	—	0.6	—	—	—
Other	—	—	—	—	—	(7.5)	(1.5)	(0.9)	(0.6)
Total recognized in other comprehensive income (loss)	$ (40.3)	$ 12.9	$ (41.7)	$ (60.1)	$ (76.8)	$ (32.7)	$ (1.5)	$ (0.9)	$ (0.7)

Included in accumulated other comprehensive income (loss) as of December 31, 2022, are noncash, pre-tax charges which have not yet been recognized in net periodic benefit cost (income). The estimated amounts expected to be amortized from the portion of each component of accumulated other comprehensive income (loss) as a component of net period benefit cost (income), during the next fiscal year are as follows:

	Pensions		Other Post-retirement Benefits
(In millions)	U.S.	Int'l	
Net actuarial losses	$ 9.2	$ —	$ (0.1)
Prior service cost	$ —	$ 0.4	$ —

Key assumptions - The following weighted-average assumptions were used to determine the benefit obligations:

	Pensions				Other Post-retirement Benefits	
	2022		2021		2022	2021
	U.S.	Int'l	U.S.	Int'l		
Discount rate	5.60 %	9.97 %	2.90 %	1.99 %	7.32 %	5.26 %
Rate of compensation increase	N/A	5.75 %	N/A	3.15 %	4.00 %	4.00 %

The following weighted-average assumptions were used to determine net periodic benefit cost:

	Pensions						Other Post-retirement Benefits		
	2022		2021		2020		2022	2021	2020
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l			
Discount rate	2.90 %	4.39 %	2.70 %	3.09 %	3.40 %	2.01 %	5.26 %	4.46 %	4.48 %
Rate of compensation increase	N/A	4.67 %	N/A	3.15 %	N/A	3.84 %	4.00 %	4.00 %	4.00 %
Expected rate of return on plan assets	6.75 %	3.65 %	6.75 %	2.22 %	7.75 %	7.27 %	N/A	N/A	N/A

Our estimate of expected rate of return on plan assets is based on the historical performance of plan assets, current market conditions, our asset allocation and long-term growth expectations.

Plan assets - We actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. We have not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Our pension investment strategy emphasizes maximizing returns consistent with balancing risk. Excluding our international plans with insurance-based investments, 98.6% of our total pension plan assets represent the U.S. qualified plan and the U.K. plan. These plans are primarily invested in equity securities to maximize the long-term returns of the plans. The investment managers of these assets, including the hedge funds and limited partnerships, use Graham and Dodd fundamental investment analysis to select securities that have a margin of safety between the price of the security and the estimated value of the security. This value-oriented approach tends to mitigate the risk of a large equity allocation.

The following is a description of the valuation methodologies used for the pension plan assets. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

- Cash is valued at cost, which approximates fair value.
- Equity securities are comprised of common stock and preferred stock. The fair values of equity securities are valued at the closing price reported on the active market on which the securities are traded.
- Fair values of registered investment companies and common/collective trusts are valued based on quoted market prices, which represent the net asset value ("NAV") of shares held. Registered investment companies include investments in emerging market bonds. Common/collective trusts primarily includes money market instruments with short maturities.
- Insurance contracts are valued at book value, which approximates fair value, and is calculated using the prior-year balance plus or minus investment returns and changes in cash flows.
- The fair values of hedge funds are valued using the NAV as determined by the administrator or custodian of the fund. The funds primarily invest in U.S. and international equities, debt securities and other hedge funds.
- The fair values of limited partnerships are valued using the NAV as determined by the administrator or custodian of the fund. The partnerships primarily invest in U.S. and international equities and debt securities.

- Real estate and other investments consist of real estate investment trusts and other investments. These investments are measured at quoted market prices, which represent the NAV of the securities held in such funds at year end.

Our pension plan assets measured at fair value on a recurring basis are as follows as of December 31, 2022 and 2021. Refer to “Fair value measurements” in Note 1 to these consolidated financial statements for a description of the levels.

(In millions)	**U.S.**					**International**				
December 31, 2022	**Total**	**Level 1**	**Level 2**	**Level 3**	**Net Asset Value [(a)]**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Net Asset Value [(a)]**
Cash and cash equivalents	$ 36.9	$ 36.9	$ —	$ —	$ —	$ 49.4	$ 49.4	$ —	$ —	$ —
Equity securities										
U.S. companies	67.0	67.0	—	—	—	—	—	—	—	—
International companies	—	—	—	—	—	9.1	9.1	—	—	—
Registered investment companies	28.4	—	—	—	28.4	42.7	—	—	—	42.7
Hedge funds	108.8	—	—	—	108.8	221.1	—	—	—	221.1
Limited partnerships	136.2	—	—	—	136.2	2.3	—	—	—	2.3
Real estate and other investments	—	—	—	—	—	48.1	48.1	—	—	—
Total assets	$ 377.3	$ 103.9	$ —	$ —	$ 273.4	$ 372.7	$ 106.6	$ —	$ —	$ 266.1
December 31, 2021										
Cash and cash equivalents	$ 43.4	$ 43.4	$ —	$ —	$ —	$ 40.5	$ 40.5	$ —	$ —	$ —
Equity securities										
U.S. companies	102.1	102.1	—	—	—	45.5	45.5	—	—	—
International companies	2.1	2.1	—	—	—	143.4	143.4	—	—	—
Registered investment companies	37.9	—	—	—	37.9	36.0	—	—	—	36.0
Hedge funds	138.8	—	—	—	138.8	291.0	—	—	—	291.0
Limited partnerships	192.5	—	—	—	192.5	3.6	—	—	—	3.6
Real estate and other investments	0.6	0.6	—	—	—	69.7	69.7	—	—	—
Total assets	$ 517.4	$ 148.2	$ —	$ —	$ 369.2	$ 629.7	$ 299.1	$ —	$ —	$ 330.6

(a) Certain investments that are measured at fair value using net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

Contributions - We do not expect to make any contributions to our U.S. Qualified Pension Plan and our U.S. Non-Qualified Defined Benefit Pension Plan in 2023. In 2022 and 2021, we contributed $11.9 million and $34.3 million to all pension plans, respectively.

Estimated future benefit payments - The following table summarizes expected benefit payments from our various pension and post-retirement benefit plans through 2031. Actual benefit payments may differ from expected benefit payments.

	Pensions		Other Post-retirement Benefits
(In millions)	**U.S.**	**International**	
2023	$ 31.3	$ 20.0	$ 0.6
2024	31.6	20.0	0.6
2025	32.0	21.3	0.6
2026	32.4	22.0	0.5
2027	32.7	23.5	0.5
2028-2032	165.9	135.9	2.2

Savings plans - The TechnipFMC Retirement Savings Plan ("Qualified Plan"), a qualified salary reduction plan under Section 401(k) of the Internal Revenue Code, is a defined contribution plan. Additionally, we have a non-qualified deferred compensation plan, the Non-Qualified Plan, which allows certain highly compensated employees the option to defer the receipt of a portion of their salary. We match a portion of the participants' deferrals to both plans. Both plans relate to FMC Technologies, Inc.

Participants in the Non-Qualified Plan earn a return based on hypothetical investments in the same options as our 401(k) plan. Changes in the market value of these participant investments are reflected as an adjustment to the deferred compensation liability with an offset to other income (expense), net. As of December 31, 2022 and 2021, our liability for the Non-Qualified Plan was $18.5 million and $24.1 million, respectively, and was recorded in other liabilities in our consolidated balance sheets. We hedge the financial impact of changes in the participants' hypothetical investments by purchasing the investments that the participants have chosen. Changes in the fair value of these investments are recognized as an offset to other income (expense), net in our consolidated statements of income. As of December 31, 2022 and 2021, we had investments for the Non-Qualified Plan totaling $18.5 million and $24.1 million at fair market value, respectively.

During the years ended December 31, 2022, and 2021 we recognized expense of $19.8 million and $21.5 million, respectively for matching contributions to these plans in 2022 and 2021, respectively. Additionally, during the years ended December 31, 2022 and 2021, we recognized expense of $8.7 million and $9.0 million, respectively, for non-elective contributions.

NOTE 23. DERIVATIVE FINANCIAL INSTRUMENTS

For purposes of mitigating the effect of changes in exchange rates, we hold derivative financial instruments to hedge the risks of certain identifiable and anticipated transactions and recorded assets and liabilities in our consolidated balance sheets. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates. Our policy is to hold derivatives only for the purpose of hedging risks associated with anticipated foreign currency purchases and sales created in the normal course of business, and not for speculative purposes.

Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of other comprehensive income ("OCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. For derivative instruments not designated as hedging instruments, any change in the fair value of those instruments is reflected in earnings in the period such change occurs.

We hold the following types of derivative instruments:

Foreign exchange rate forward contracts – The purpose of these instruments is to hedge the risk of changes in future cash flows of anticipated purchase or sale commitments denominated in foreign currencies and recorded assets and liabilities in our consolidated balance sheets. As of December 31, 2022, we held the following material net positions:

(In millions)	Net Notional Amount Bought (Sold)	USD Equivalent
Euro	1,119.0	1,195.0
Norwegian krone	3,615.0	367.0
Australian dollar	279.0	189.0
Singapore dollar	174.0	130.0
Indonesian rupiah	1,312,560.0	84.0
Canadian dollar	40.0	30.0
Indian rupee	1,074.0	13.0
Mexican peso	70.0	4.0
Kuwaiti Dinar	(4.0)	(14.0)
Czech Koruna	200.0	9.0
Malaysian ringgit	(365.0)	(83.0)
Brazilian real	(784.0)	(150.0)
British pound	(233.0)	(280.0)
U.S. dollar	(1,558.0)	(1,558.0)

Foreign exchange rate instruments embedded in purchase and sale contracts – The purpose of these instruments is to match offsetting currency payments and receipts for particular projects, or comply with government restrictions on the currency used to purchase goods in certain countries. As of December 31, 2022, our portfolio of these instruments included the following material net positions:

(In millions)	Net Notional Amount Bought (Sold)	USD Equivalent
Brazilian real	97.3	18.7
Euro	(1.9)	(2.0)
Norwegian krone	(24.6)	(2.5)
U.S. dollar	(12.5)	(12.5)

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. See Note 24 for further details. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts are settled.

The following table presents the location and fair value amounts of derivative instruments reported in the consolidated balance sheets:

	December 31, 2022		December 31, 2021	
(In millions)	Assets	Liabilities	Assets	Liabilities
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 254.8	$ 332.5	$ 106.4	$ 139.5
Long-term - Derivative financial instruments	7.2	3.6	10.5	15.5
Total derivatives designated as hedging instruments	262.0	336.1	116.9	155.0
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	27.9	14.1	3.9	21.5
Long-term - Derivative financial instruments	—	—	—	—
Total derivatives not designated as hedging instruments	27.9	14.1	3.9	21.5
Total derivatives	$ 289.9	$ 350.2	$ 120.8	$ 176.5

Cash flow hedges of forecasted transactions, net of tax, which qualify for hedge accounting, resulted in accumulated other comprehensive losses of $18.5 million and $18.7 million as of December 31, 2022 and 2021, respectively. We expect to transfer an approximately $9.4 million gain from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the second half of 2025.

The following tables present the location of gains (losses) in the consolidated statements of income related to derivative instruments designated as cash flow hedges.

	Gain (Loss) Recognized in OCI		
	Year Ended December 31,		
(In millions)	**2022**	**2021**	**2020**
Foreign exchange contracts	$ (55.7)	$ (26.3)	$ 3.8

The following represents the effect of cash flow hedge accounting on the consolidated statements of income for the year ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,										
(In millions)	**2022**				**2021**				**2020**		
Total amount of income (expense) presented in the consolidated statements of income associated with hedges and derivatives	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Selling, general and administrative expense**	**Other income (expense), net**	**Revenue**	**Cost of sales**	**Other income (expense), net**
Amounts reclassified from accumulated OCI to income (loss)	$ (7.4)	$ (14.5)	$ (0.3)	$ (13.1)	$ (29.7)	$ 10.7	$ 0.2	$ 32.9	$ (83.7)	$ 68.5	$ (0.2)
Amounts excluded from effectiveness testing	13.7	(15.1)	0.5	(82.0)	(1.8)	(3.3)	—	3.8	7.7	(9.8)	0.3
Total cash flow hedge gain (loss) recognized in income	6.3	(29.6)	0.2	(95.1)	(31.5)	7.4	0.2	36.7	(76.0)	58.7	0.1
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.3)	(0.7)	—	78.1	1.3	0.3	—	(13.3)	(0.8)	3.4	35.9
Total	$ 6.0	$ (30.3)	$ 0.2	$ (17.0)	$ (30.2)	$ 7.7	$ 0.2	$ 23.4	$ (76.8)	$ 62.1	$ 36.0

Balance Sheet Offsetting - We execute derivative contracts with counterparties that consent to a master netting agreement which permits net settlement of the gross derivative assets against gross derivative liabilities. Each instrument is accounted for individually and assets and liabilities are not offset. As of December 31, 2022 and 2021, we had no collateralized derivative contracts. The following tables present both gross information and net information of recognized derivative instruments:

	December 31, 2022			December 31, 2021		
(In millions)	**Gross Amount Recognized**	**Gross Amounts Not Offset Permitted Under Master Netting Agreements**	**Net Amount**	**Gross Amount Recognized**	**Gross Amounts Not Offset Permitted Under Master Netting Agreements**	**Net Amount**
Derivative assets	$ 289.9	$ (142.5)	$ 147.4	$ 120.8	$ (78.6)	$ 42.2
Derivative liabilities	$ 350.2	$ (142.5)	$ 207.7	$ 176.5	$ (78.6)	$ 97.9

NOTE 24. FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis were as follows:

	December 31, 2022				December 31, 2021			
(In millions)	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets								
Investments								
Investment in Technip Energies	$ —	$ —	$ —	$ —	$ 317.3	$ 317.3	$ —	$ —
Equity securities	19.8	19.8	—	—	25.0	25.0	—	—
Money market and stable value funds	1.9	—	1.5	—	2.7	—	2.4	—
Held-to-maturity debt securities	16.0	—	16.0	—	24.0	—	24.0	—
Derivative financial instruments								
Foreign exchange contracts	289.9	—	289.9	—	120.8	—	120.8	—
Total assets	$ 327.6	$ 19.8	$ 307.4	$ —	$ 489.8	$ 342.3	$ 147.2	$ —
Liabilities								
Derivative financial instruments								
Foreign exchange contracts	350.2	—	350.2	—	176.5	—	176.5	—
Total liabilities	$ 350.2	$ —	$ 350.2	$ —	$ 176.5	$ —	$ 176.5	$ —

Investment in Technip Energies - The fair value of our investment in Technip Energies was based on quoted prices that we had the ability to access in public markets. As of December 31, 2022, we have fully divested our remaining ownership in Technip Energies. See Note 12 for further details.

Equity securities and Available-for-sale Securities - The fair value measurement of our traded securities is based on quoted prices that we have the ability to access in public markets.

Stable value and Money market funds - These funds are valued at the net asset value of the shares held at the end of the year, which is based on the fair value of the underlying investments using information reported by our investment advisor at quarter-end. These funds include fixed income and other investments measured at fair value. Certain investments that are measured at fair value using net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

Held-to-maturity debt securities - Held-to-maturity debt securities consist of government bonds. These investments are stated at amortized cost, which approximates fair value.

Derivative financial instruments - We use the income approach as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available, are approximated by using the spread of similar companies in the same industry, of similar size and with the same credit rating.

We currently have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position. See Note 23 for further details.

Nonrecurring Fair Value Measurements

Fair value of long-lived, non-financial assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts of such assets may not be recoverable.

We did not record any material impairments during the year ended December 31, 2022. The following summarizes impairments of long-lived assets and related post-impairment fair value for the year ended December 31, 2021 and 2020:

	Year Ended December 31,			
	2021		2020	
(In millions)	Impairment	Fair Value	Impairment	Fair Value
Long-lived assets[(a)]	$ 49.1	$ 25.5	$ 190.4	$ 452.5

(a) Measuring these asset groups for recoverability required the use of unobservable inputs that require significant judgment. Such judgments include expected future asset utilization while taking into account reduced future capital spending by certain customers in response to market conditions.

Other fair value disclosures

The carrying amounts of cash and cash equivalents, trade receivables, accounts payable, short-term debt, commercial paper, debt associated with our bank borrowings, credit facilities, as well as amounts included in other current assets and other current liabilities that meet the definition of financial instruments, approximate fair value.

Fair value of debt - We use a market approach to determine the fair value of our fixed-rate debt using observable market data, which results in a Level 2 fair value measurement. The estimated fair value of our private placement notes and senior notes was $916.3 million and $1,706.1 million as of December 31, 2022 and December 31, 2021, respectively.

Credit risk - By their nature, financial instruments involve risk, including credit risk, for non-performance by counterparties. Financial instruments that potentially subject us to credit risk consist of trade receivables and derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. Allowances for losses on trade receivables are established based on collectability assessments. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of gross derivative assets against gross derivative liabilities.

NOTE 25. DISCONTINUED OPERATIONS

The Spin-off

On February 16, 2021, we completed our separation of the Technip Energies business segment. The transaction was structured as a spin-off (the "Spin-off"), which occurred by way of a pro rata dividend (the "Distribution") to our shareholders of 50.1% of the outstanding shares in Technip Energies N.V. Each of our shareholders received one ordinary share of Technip Energies N.V. for every five ordinary shares of TechnipFMC held at 5:00 p.m., Eastern Standard Time, on the record date, February 17, 2021. Technip Energies N.V. is now an independent public company and its shares are traded under the ticker symbol "TE" on the Euronext Paris Stock Exchange.

In connection with the Spin-off, TechnipFMC and Technip Energies entered into a separation and distribution agreement, as well as various other agreements, including, among others, a tax matters agreement, an employee matters agreement and a transition services agreement and certain agreements relating to intellectual property. These agreements provide for the allocation between TechnipFMC and Technip Energies of assets, employees, taxes, liabilities and obligations attributable to periods prior to, at and after the Spin-off.

Discontinued Operations

The Spin-off represented a strategic shift that had a major impact on our operations and consolidated financial statements. Historical results of Technip Energies prior to the Distribution on February 16, 2021 have been presented as discontinued operations in our consolidated statements of income and consolidated statements of cash flows for the years ended December 31, 2021 and 2020. Our consolidated statements of income and consolidated statements of cash flows and notes to the consolidated financial statements have been updated to reflect continuing operations only.

The following table summarizes the components of income (loss) from discontinued operations:

	Year Ended		
(In millions)	**2022**	**2021**	**2020**
Revenue	$ —	$ 906.0	$ 6,520
Costs and expenses	(26.4)	(932.0)	(5,899)
Other income and (expense), net	—	(18.6)	(206.8)
Income (loss) from discontinued operations before income taxes	$ (26.4)	$ (44.6)	$ 414.2
Income tax expense	18.9	28.0	134.0
Income (loss) from discontinued operations, net of income taxes	$ (45.3)	$ (72.6)	$ 280.2

For the year ended December 31, 2022, we recorded $26.4 million in expense from discontinued operations due to a change in estimate of liabilities recognized in connection with the Spin-off. Also, for the year ended December 31, 2022, we recorded $18.9 million in income tax expense from discontinued operations related to a change in estimate in the French tax group.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2022, and under the direction of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) or 15d-15(e)under the Exchange Act. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded as of December 31, 2022, that our disclosure controls and procedures were effective.

Management’s Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act.

Management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2022 based on the framework in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2022.

The effectiveness of our internal control over financial reporting as of December 31, 2022, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

See Part I, Item 1 “Executive Officers of the Registrant” of this Annual Report on Form 10-K for information regarding our executive officers. The information set forth under the sections “Corporate Governance,” “Proposal 1 - Election of Directors”, and if applicable, “Delinquent Section 16(a) Reports” in the Proxy Statement for the 2023 Annual General Meeting of Shareholders is incorporated herein by reference.

We have adopted a Code of Business Conduct, which is applicable to our directors, officers, and employees, including our principal executive officer, financial and accounting officers, and persons performing similar functions. Our Code of Business Conduct may be found on our website at www.technipfmc.com under “About us-Ethics and Compliance” and is available in print to shareholders without charge by submitting a request to 13460 Lockwood Rd., Houston, Texas 77044, Attention: Corporate Secretary. We intend to satisfy the disclosure requirements under the Securities and Exchange Act of 1934, as amended, regarding an amendment to or waiver from a provision of our Code of Business Conduct by posting such information on our website.

The table below sets forth our directors and their current principal occupations as of February 24, 2023.

Name	Principal Occupation
Douglas J. Pferdehirt	Chair and Chief Executive Officer of TechnipFMC.
Eleazar de Carvalho Filho	Founding Partner of Virtus BR Partners Assessoria Corporativa Ltda. and Founding Partner of Sinfonia Consultoria Financeira e Participações Ltda., financial advisory and consulting firms.
Claire S. Farley	Former Vice Chairman in the Energy business of KKR & Co. L.P., a global investment firm.
Robert G. Gwin	Former President of Anadarko Petroleum Corporation, an oil and natural gas exploration and production company.
Peter Mellbye	Former Executive Vice President, Development & Production, International, of Statoil ASA, an international oil and gas company.
John O’Leary	Chief Executive Officer of Strand Energy, a Dubai-based company specializing in business development in the oil and gas industry.
Margareth Øvrum	Former Executive Vice President of Development and Production Brazil of Equinor ASA, an international oil and gas company.
Kay G. Priestly	Former Chief Executive Officer of Turquoise Hill Resources Ltd., an international mining company.
John Yearwood	Former Chief Executive Officer, President, and Chief Operating Officer of Smith International, Inc., a supplier of services and manufactured products to oil and gas exploration and production companies.
Sophie Zurquiyah	Chief Executive Officer of CGG S.A., a global geoscience technology leader.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated herein by reference from the sections entitled “Director Compensation,” “Corporate Governance - Compensation Committee Interlocks and Insider Participation,” “Executive Compensation Discussion and Analysis” and “Compensation and Talent Committee Report” of our Proxy Statement for the 2023 Annual General Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

Information required by this item is incorporated herein by reference from the section entitled "Security Ownership of Certain Beneficial Owners and Management" of our Proxy Statement for the 2023 Annual General Meeting of Shareholders.

As of December 31, 2022, our securities authorized for issuance under equity compensation plans were as follows:

(shares in thousands)	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity compensation plans approved by security holders	1,441.2	$ 20.31	—

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated herein by reference from the sections entitled "Transactions with Related Persons" and "Corporate Governance - Director Independence" of our Proxy Statement for the 2023 Annual General Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item is incorporated herein by reference from the sections entitled "Proposal 5 — Ratification of U.S. Auditor" of our Proxy Statement for the 2023 Annual General Meeting of Shareholders.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. The following consolidated financial statements of TechnipFMC plc and subsidiaries are filed as part of this Annual Report on Form 10-K under Part II, Item 8:

   Reports of Independent Registered Public Accounting Firm on Consolidated Financial Statements (PCAOB ID: 238)

   Consolidated Statements of Income for the Years Ended December 31, 2022, 2021 and 2020

   Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2022, 2021, and 2020

   Consolidated Balance Sheets as of December 31, 2022 and 2021

   Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2021 and 2020

   Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2022, 2021 and 2020

   Notes to Consolidated Financial Statements

2. Financial Statement Schedule:

   See "Schedule II - Valuation and Qualifying Accounts" included herein. All other schedules are omitted because of the absence of conditions under which they are required or because information called for is shown in the consolidated financial statements and notes thereto in Part II, Item 8 of this Annual Report on Form 10-K.

3. Exhibits:

   See "Index of Exhibits" filed as part of this Annual Report on Form 10-K.

Part IV

Item 15 (a) (2), Financial Statement Schedule

Schedule II—Valuation and Qualifying Accounts

(In millions)		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts [a]	Deductions and Adjustments [b]	Balance at End of Period
Year Ended December 31, 2020					
Trade receivables allowance for credit losses[c]	$ 57.4	$ 38.0	$ 1.3	$ (56.5)	$ 40.2
Valuation allowance for deferred tax assets	$ 729.1	$ 104.4	$ (11.3)	$ (7.1)	$ 815.1
Year Ended December 31, 2021					
Trade receivables allowance for credit losses	$ 40.2	$ 17.0	$ (10.8)	$ (8.3)	$ 38.1
Valuation allowance for deferred tax assets	$ 815.1	$ 129.7	$ (12.0)	$ 2.7	$ 935.5
Year Ended December 31, 2022					
Trade receivables allowance for credit losses	$ 38.1	$ 1.3	$ 9.1	$ (14.4)	$ 34.1
Valuation allowance for deferred tax assets	$ 935.5	$ 79.4	$ (15.8)	$ —	$ 999.1

(a) "Additions charged to other accounts" includes translation adjustments.

(b) "Deductions and adjustments" includes write-offs, net of recoveries, increases in allowances offset by increases to deferred tax assets, and reductions in the allowances credited to expense.

(c) On January 1, 2020, we adopted ASU 2016-13, resulting in a $2.0 million increase to our trade receivables allowance for credit losses.

See accompanying Report of Independent Registered Public Accounting Firm.

ITEM 16. SUMMARY

None.

INDEX OF EXHIBITS

Exhibit Number	Exhibit Description
2.1	Business Combination Agreement, dated as of June 14, 2016, by and among FMC Technologies, Inc., TechnipFMC plc (f/k/a FMC Technologies SIS Limited) and Technip S.A. (incorporated by reference from Annex A-1 to the Registration Statement on Form S-4, as amended, filed on October 21, 2016) (File No. 333-213067)
2.1.a	Amendment No. 1 to Business Combination Agreement, dated as of December 14, 2016, by and among FMC Technologies, Inc., TechnipFMC plc (f/k/a TechnipFMC Limited) and Technip S.A. (incorporated by reference from Exhibit 2.1 to the Current Report on Form 8-K filed on December 14, 2016) (File No. 333-213067)
2.2	Joinder Agreement, dated as of December 14, 2016, by and among FMC Technologies, Inc., TechnipFMC plc (f/k/a TechnipFMC Limited), Technip S.A., TechnipFMC Holdings Limited, TechnipFMC US Holdings LLC and TechnipFMC US Merger Sub LLC (incorporated by reference from Exhibit 2.2 to the Current Report on Form 8-K filed on December 14, 2016) (File No. 333-213067)
3.1	Articles of Association of TechnipFMC plc (incorporated by reference from Exhibit 3.1 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
4.1	Indenture, dated March 29, 2017, between TechnipFMC plc and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K filed on March 30, 2017) (File No. 001-37983)
4.2	Indenture, dated January 29, 2021, between TechnipFMC plc and U.S. Bank National Association, as trustee (including the form of 6.500% Senior Note due 2026) (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K filed on January 29, 2021 (File No. 001-37983)
4.2.a	Supplemental Indenture, dated February 16, 2021, by and among TechnipFMC plc, the guarantors party thereto, and U.S. Bank National Association, as trustee (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
4.3	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (incorporated by reference from Exhibit 4.2 to the Annual Report on Form 10-K filed on March 3, 2020) (File No. 001-37983)
4.4	Supplemental Indenture, dated May 4, 2022, by and among TechnipFMC plc and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as trustee (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K filed on May 10, 2022) (File No. 001-37983).
10.1*	Amended and Restated FMC Technologies, Inc. Non-Qualified Savings and Investment Plan, dated July 31, 2008 (incorporated by reference from Exhibit 10.9 to the Annual Report on Form 10-K of FMC Technologies, Inc. filed on March 1, 2010) (File No. 001-16489)
10.1a*	First Amendment of FMC Technologies, Inc. Non-Qualified Savings and Investment Plan, dated October 29, 2009 (incorporated by reference from Exhibit 10.9 to the Quarterly Report on Form 10-Q of FMC Technologies, Inc. filed on November 3, 2009) (File No. 001-16489)
10.1b*	Second Amendment of FMC Technologies, Inc. Non-Qualified Savings and Investment Plan, dated December 18, 2015 (incorporated by reference from Exhibit 10.14.b to the Annual Report on Form 10-K of FMC Technologies, Inc. filed on February 24, 2016) (File No. 001-16489)
10.2*	Amended and Restated TechnipFMC plc Incentive Award Plan (incorporated by reference from Exhibit 10.2 to the Annual Report on Form 10-K filed on March 11, 2019) (File No. 001-37983)
10.3*	Form of Restricted Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on August 4, 2017) (File No. 001-37983)
10.3a*	Form of Restricted Stock Unit Agreement pursuant to the Amended and Restated TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on May 9, 2019) (File No. 001-37983)
10.3b*	Form of Restricted Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on May 4, 2020) (File No. 001-37983)
10.4*	Form of Restricted Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (Non-Employee Director) (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on August 4, 2017) (File No. 001-37983)
10.5*	Form of Performance Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.3 to the Quarterly Report on Form 10-Q filed on August 4, 2017) (File No. 001-37983)
10.5a*	Form of Performance Stock Unit Agreement pursuant to the Amended and Restated TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on May 9, 2019) (File No. 001-37983)
10.5b*	Form of Performance Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on May 4, 2020) (File No. 001-37983)
10.6*	Form of Nonqualified Stock Option Agreement pursuant to the TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.4 to the Quarterly Report on Form 10-Q filed on August 4, 2017) (File No. 001-37983)
10.6a*	Form of Nonqualified Stock Option Agreement pursuant to the Amended and Restated TechnipFMC plc Incentive Award Plan (Employee) (incorporated by reference from Exhibit 10.3 to the Quarterly Report on Form 10-Q filed on May 9, 2019) (File No. 001-37983)
10.7*	2013 Technip Incentive and Reward Plan (Rules of the Performance Shares Plan) June 14, 2013 allocation (incorporated by reference from Exhibit 99.4 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.8*	2013 Technip Incentive and Reward Plan (Stock Option Plan Rules) June 14, 2013 allocation (incorporated by reference from Exhibit 99.5 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.9*	2013 Technip Incentive and Reward Plan (Rules of the Performance Shares Plan) January 10, 2014 allocation (incorporated by reference from Exhibit 99.6 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)

Exhibit Number	Exhibit Description
10.10*	2013 Technip Incentive and Reward Plan (Stock Option Plan Rules) January 10, 2014 allocation (incorporated by reference from Exhibit 99.7 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.11*	2014 Technip Incentive and Reward Plan (Rules of the Performance Shares Plan) December 10, 2014 allocation (incorporated by reference from Exhibit 99.8 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.12*	2015 Technip Incentive and Reward Plan (Stock Option Plan Rules) September 7, 2015 allocation (incorporated by reference from Exhibit 99.9 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.13*	2016 Technip Incentive and Reward Plan (Rules of the Performance Shares Plan) July 1, 2016 allocation (incorporated by reference from Exhibit 99.10 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.14*	2016 Technip Incentive and Reward Plan (Stock Option Plan Rules) July 1, 2016 allocation (incorporated by reference from Exhibit 99.11 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.15*	2016 Technip Incentive and Reward Plan (Rules of the Performance Shares Plan) December 6, 2016 allocation (incorporated by reference from Exhibit 99.12 to the Registration Statement on Form S-8 of TechnipFMC plc, filed on February 27, 2017) (File No. 333-216289)
10.16*	Form of TechnipFMC plc Executive Severance Agreement (incorporated by reference from Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on November 2, 2020) (File No. 001-37983)
10.17*	Service Agreement between TechnipFMC plc and Thierry Pilenko dated January 16, 2017 (incorporated by reference from Exhibit 10.21 to the Annual Report on Form 10-K filed on April 2, 2018) (File No. 001-37983)
10.18*	Letter Agreement between TechnipFMC plc and Thierry Pilenko dated September 20, 2017 (incorporated by reference from Exhibit 10.22 to the Annual Report on Form 10-K filed on April 2, 2018) (File No. 001-37983)
10.19*	Form of Executive Director Appointment Letter (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
10.20	Form of Non-Executive Director Appointment Letter (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
10.21	Form of Director Deed of Indemnity (Directors) (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
10.22*	Form of Deed of Indemnity (Executive Officers) (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
10.23	Form of Director Deed of Indemnity (Executive Directors) (incorporated by reference from Exhibit 10.4 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
10.24*	TechnipFMC plc Directors Deferred Compensation Plan (incorporated by reference from Exhibit 10.25 to the Annual Report on Form 10-K filed on March 5, 2021) (File No. 001-37983)
10.25	US$2,500,000,000 Facility Agreement, dated January 12, 2017, by and among FMC Technologies, Inc., Technip Eurocash SNC and TechnipFMC plc, as borrowers; JPMorgan Chase Bank, N.A., as agent; SG Americas Securities, LLC as syndication agent; and the other lenders party thereto (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on January 17, 2017) (File No. 001-37983)
10.26	Form of Commercial Paper Dealer Agreement, by and among FMC Technologies, Inc., as Issuer, TechnipFMC plc, as Guarantor, and the Dealer party thereto (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on September 20, 2017) (File No. 001-37983)
10.27	Separation and Distribution Agreement, dated as of January 7, 2021, by and between the Company and Technip Energies B.V. (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on January 12, 2021) (File No. 001-37983)
10.28	Share Purchase Agreement, dated as of January 7, 2021, by and between the Company and Bpifrance Participations SA (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed on January 12, 2021) (File No. 001-37983)
10.28a	Amendment No. 1, dated March 31, 2021, to the Share Purchase Agreement, dated as of January 7, 2021, by and between the Company and Bpifrance Participations SA (incorporated by reference from Exhibit 99.5 to the Schedule 13D/A filed on April 1, 2021) (File No. 005-89993)
10.29	Relationship Agreement, dated as of January 7, 2021, by and among the Company, Technip Energies B.V. and Bpifrance Participations SA (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K filed on January 12, 2021) (File No. 001-37983)
10.29a	Amendment No. 1, dated May 6, 2021, to the Relationship Agreement, dated as of January 7, 2021, by and among the Company, Technip Energies B.V. and Bpifrance Participations SA (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on July 29, 2021) (File No. 001-37983)
10.30	Commitment Letter, dated as of January 7, 2021, by and among the Company and the financial institutions party thereto (incorporated by reference from Exhibit 10.4 to the Current Report on Form 8-K filed on January 12, 2021) (File No. 001-37983)
10.31	Dealer Agreement, dated as of May 19, 2020 between TechnipFMC plc, as Issuer; FMC Technologies, Inc., as Guarantor; and Bank of America Merrill Lynch International DAC, as Arranger and Dealer (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on May 21, 2020) (File No. 001-37983)
10.32	Issuing and Paying Agency Agreement, dated as of May 19, 2020 between TechnipFMC plc, as Issuer; FMC Technologies, Inc., as Guarantor; and Bank of America, National Association, London Branch, as Issue and Paying Agent and Calculation Agent (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed on May 21, 2020) (File No. 001-37983)

Exhibit Number	Exhibit Description
10.33	€500,000,000 Facility Agreement dated as of May 19, 2020 between TechnipFMC plc and Technip Eurocash SNC, as borrowers; HSBC France, as Agent; and the lenders party thereto (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K filed on May 21, 2020) (File No. 001-37983)
10.34	Amendment and Restatement Agreement to €500,000,000 Facility Agreement dated as of June 12, 2020 between TechnipFMC plc and Technip Eurocash SNC, as borrowers; HSBC France, as Agent; and the lenders party thereto (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed on June 15, 2020) (File No. 001-37983)
10.35	Amendment No. 1 to $2,500,000,000 Facility Agreement, dated as of June 12, 2020, by and among TechnipFMC plc, FMC Technologies, Inc. and Technip Eurocash SNC, as borrowers; JPMorgan Chase Bank, N.A., as agent and an arranger; SG Americas Securities LLC as an arranger; and the other lenders party thereto (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on June 15, 2020) (File No. 001-37983)
10.36	Tax Matters Agreement, dated as of February 16, 2021 by and between TechnipFMC plc and Technip Energies B.V. (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
10.37	Employee Matters Agreement, dated as of February 15, 2021, by and between TechnipFMC plc and Technip Energies B.V. (incorporated by reference from Exhibit 10.2 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
10.38	Transition Services Agreement, dated as of February 15, 2021 by and between TechnipFMC plc and Technip Energies B.V. (incorporated by reference from Exhibit 10.3 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
10.39	Patent License Agreement, dated as of February 15, 2021 by and between TechnipFMC plc and Technip Energies B.V. (incorporated by reference from Exhibit 10.4 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
10.40	Coexistence and Trademark Matters Agreement, dated as of February 15, 2021 by and between TechnipFMC plc and Technip Energies B.V. (incorporated by reference from Exhibit 10.5 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
10.41	Credit Agreement, dated February 16, 2021, by and among TechnipFMC plc, 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 (incorporated by reference from Exhibit 10.6 to the Current Report on Form 8-K filed on February 16, 2021) (File No. 001-37983)
10.41a	First Amendment, dated April 29, 2021, to the Credit Agreement, dated February 16, 2021, by and among TechnipFMC plc, 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 (incorporated by reference from Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on July 29, 2021) (File No. 001-37983)
10.41b	Second Amendment, dated October 6, 2021, to the Credit Agreement, dated February 16, 2021, by and among TechnipFMC plc, 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 (incorporated by reference from Exhibit 10.1 to the Quarterly Report on Form 10-Q filed on October 27, 2021) (File No. 001-37983)
10.42	Form of Share Purchase Contract (filed as Appendix A to TechnipFMC plc's Definitive Proxy Statement on Schedule 14A filed on April 9, 2021, File No. 001-37983, and incorporated herein by reference)
10.43	Form of Rule 10b-5 Share Repurchase Contract (filed as Appendix B to TechnipFMC plc's Definitive Proxy Statement on Schedule 14A filed on April 9, 2021, File No. 001-37983, and incorporated herein by reference)
10.44*	Separation, Release and Waiver of Claims and Restrictive Covenant Agreement, dated March 28, 2022 (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on April 1, 2022) (File No. 001-37983).
10.45*	TechnipFMC plc 2022 Incentive Award Plan (incorporated by reference from Appendix A to the Definitive Proxy Statement on Schedule 14A filed on March 18, 2022) (File No. 001-37983).
10.46*	Form of Restricted Stock Unit Agreement for Directors pursuant to the TechnipFMC plc Incentive Award Plan (incorporated by reference from Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on July 29, 2022) (File No. 001-37983)
10.47*	Form of Restricted Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (incorporated by reference from Exhibit 10.3 to the Quarterly Report on Form 10-Q filed on July 29, 2022) (File No. 001-37983)
10.48*	Form of Performance Stock Unit Agreement pursuant to the TechnipFMC plc Incentive Award Plan (incorporated by reference from Exhibit 10.4 to the Quarterly Report on Form 10-Q filed on July 29, 2022) (File No. 001-37983)
10.49*	Form of Performance Stock Unit Agreement (Magma) (incorporated by reference from Exhibit 10.5 to the Quarterly Report on Form 10-Q filed on July 29, 2022) (File No. 001-37983)
21.1**	List of Significant Subsidiaries
23.1**	Consent of PricewaterhouseCoopers LLP
31.1**	Certification of Chief Executive Officer
31.2**	Certification of Chief Financial Officer
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C.
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.

Exhibit Number	Exhibit Description
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Indicates a management contract or compensatory plan or arrangement.

** Filed with this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TechnipFMC plc
(Registrant)

By: /s/ KRISZTINA DOROGHAZI

Krisztina Doroghazi
Senior Vice President, Controller and Chief Accounting Officer
(Principal Accounting Officer and a Duly Authorized Officer)

Date: February 24, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ DOUGLAS J. PFERDEHIRT Douglas J. Pferdehirt	Chair and Chief Executive Officer (Principal Executive Officer)	February 24, 2023
/S/ ALF MELIN Alf Melin	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 24, 2023
/S/ ELEAZAR DE CARVALHO FILHO Eleazar de Carvalho Filho	Director	February 24, 2023
/S/ CLAIRE S. FARLEY Claire S. Farley	Director	February 24, 2023
/S/ ROBERT G. GWIN Robert G. Gwin	Director	February 24, 2023
/S/ PETER MELLBYE Peter Mellbye	Director	February 24, 2023
/S/ JOHN O’LEARY John O’Leary	Director	February 24, 2023
/S/ MARGARETH ØVRUM Margareth Øvrum	Director	February 24, 2023
/S/ KAY G. PRIESTLY Kay G. Priestly	Director	February 24, 2023
/S/ JOHN YEARWOOD John Yearwood	Director	February 24, 2023
/S/ SOPHIE ZURQUIYAH Sophie Zurquiyah	Director	February 24, 2023