Asset Security in Oil & Gas

An opportunity for new technology and collaboration

5/13/2019

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One vision. One purpose.

Vision
To enhance the performance of the world’s energy industry

Purpose
Bringing together the scope, know-how and determination to transform our clients’ project economics
TechnipFMC snapshot

1 Integrated solutions provider for the oil and gas industry

2 Stock exchange listings – NYSE and Euronext Paris

$10B Total company market capitalization

$13B Total company revenue

$15B Total company backlog

$6B Total company cash balance

1 Public market quote from Bloomberg, LLP; TechnipFMC market capitalization as of February 21, 2019.
2 Revenue as of December 31, 2018; Source: Form 8-K filed with the SEC on February 20, 2019.
3 Backlog as of December 31, 2018; Source: individual company data as found in Form 8-K filed with the SEC on February 20, 2019.
4 Cash and cash equivalents as of December 31, 2018; Source: Form 8-K filed with the SEC on February 20, 2019.
## 2018 Results

### Total Company

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Adjusted EBITDA</th>
<th>Inbound orders</th>
<th>Year-end backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$12.6bn</td>
<td>$1.5bn</td>
<td>$14.3bn</td>
<td>$14.6bn</td>
</tr>
</tbody>
</table>

### Subsea

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Adjusted EBITDA</th>
<th>Inbound orders</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4.8bn</td>
<td>$700m</td>
<td>$5.2bn</td>
<td>$6bn</td>
</tr>
</tbody>
</table>

### Onshore/Offshore

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Adjusted EBITDA</th>
<th>Inbound orders</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6.1bn</td>
<td>$830m</td>
<td>$7.4bn</td>
<td>$8.1bn</td>
</tr>
</tbody>
</table>

### Surface Technologies

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
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<th>Inbound orders</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1.6bn</td>
<td>$260m</td>
<td>$1.7bn</td>
<td>$470m</td>
</tr>
</tbody>
</table>

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*Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA as presented excludes the impact of charges and credits from continuing operations as related to the recognition of a liability and non-GAAP financial schedules. A Charge or Liability category between $100 million and $1 billion is non-GAAP financial schedule.*

### Business Segment Highlights

- We successfully delivered three iEPCI™ projects, two for Equinor and one for Shell’s Kaikias development.
- Our services business returned to growth and was awarded a master services agreement by Petrobras in Brazil.
- A strong execution performance helped us deliver Trains 2 and 3 early for Yamal LNG in Russia. Train 3 was 12 months ahead of schedule.
- 2018 was the second highest inbound level for Onshore/Offshore in the last decade and our competitive advantage drives industry-leading returns.
- Total segment orders grew by 36 percent, driven by 70 percent growth outside the Americas.
- Our frame agreement with Chevron leverages the value we create through our integrated drilling and completion offering.
Unique worldwide footprint
Broadest portfolio of solutions for the oil & gas industry

- **Products and systems used in deepwater exploration and production of crude oil and natural gas**
- **Systems used to control the flow of crude oil and natural gas from the reservoir to a host processing facility**
- **Integrated design, engineering, manufacturing and installation services for infrastructure and subsea pipe systems**

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**SUBSEA**

- **Onshore/offshore**
  - **Onshore facilities related to the production, treatment and transportation of crude oil and natural gas, as well as transformation of petrochemicals such as ethylene, polymers and fertilizers**
  - **Combines engineering, procurement, construction and project management within the entire range of fixed and floating offshore crude oil and natural gas facilities**

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**SURFACE**

- **Products and systems used in offshore exploration and production of crude oil and natural gas**
- **Wellhead systems and high pressure valves and pumps used in stimulation activities for oilfield service companies**
- **Full range of drilling, completion and production wellhead systems**
Comprehensive offering – from concept to project delivery and beyond

### A unique global leader in oil and gas projects, technologies, systems and services

#### Subsea
- **Subsea products**
  - Trees, manifolds, control, templates, flowline systems, umbilicals & flexibles
  - Subsea processing
  - ROVs and manipulator systems
- **Subsea projects**
  - Field architecture, integrated design
  - Engineering, procurement
- **Subsea services**
  - Drilling systems
  - Installation using high-end fleet
  - Asset management & production optimization
  - Field IMR and well services

#### Onshore/Offshore
- Project management, proprietary technology, equipment and early studies to detailed design
  - **Offshore**
    - Fixed platforms (jackets, self-elevating platforms, GBS, artificial islands) and floating facilities (FPSO, semi submersibles, Spar, TLP, FLNG)
  - **Onshore**
    - Gas monetization, refining, petrochemicals, onshore pipelines, furnaces, mining and metals
- **Services**
  - Project management consultancy, process technologies

#### Surface
- Drilling, completion and production wellhead equipment, chokes, compact valves, manifolds and controls
- Treating iron, manifolds, and reciprocating pumps for stimulation and cementing
- Advanced separation and flow-treatment systems
- Flow metering products and systems
- Marine, truck, and railcar loading systems
- Installation and maintenance services
- Frac-stack and manifold rental and operation services
- Flowback and well testing services
Subsea competitive strengths

Market leading positions built upon innovation and deep industry knowledge

Differentiated offering of integrated products, services: iFEED\textsuperscript{TM}, iEPCI\textsuperscript{TM} and iLoF\textsuperscript{TM}

Technology advancements to drive greater efficiency and simplification

FEED Studies | Subsea Production Systems | Flexibles | Umbilicals | Installation | iEPCI\textsuperscript{TM} | Field Services
Subsea assets
Threats to asset security

1. Piracy
2. Terrorism
3. Insurgency
4. Organized crime
5. Civil protest
6. Inter-state hostilities
7. Vandalism
8. Internal sabotage

Perpetrators

Insurgents  Terrorists  Pirates  Activists  Hostile States  Unidentified

Breakdown of 60 incidents

### Type of Facility
- Drilling Rigs: 32%
- Production Platforms: 12%
- FPSOs: 9%
- Export Terminals: 9%
- Storage: 7%
- Other: 7%
- Unspecified: 24%

### Location
- Africa: 65%
- Middle East: 13%
- Europe: 8%
- Americas: 9%
- Asia: 5%

What’s at stake?
Asset distribution
Vulnerability - widely distributed
Vulnerability – low awareness
Vulnerability – poor connectivity
Protection - remote
Protection - robust design

VS

Maximum Speed
Bollard Pull

2.5 knots
1,000 kgf

3.2 knots
1,200 kgf

3.2 knots
1,200 kgf

3.2 knots
1,200 kgf

2.5 knots
1,000 kgf
Right-sized production equipment – more vulnerable?
What can we do to better protect our subsea assets?
Pan industry effort to develop a subsea wireless network

Awareness
• More ubiquitous sensing

Coverage & Response
• Enables dynamic assets (supervisory controlled robots)