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

FORM 10-Q

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

For the quarterly period ended September 30, 2023

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.)
One Subsea Lane **Houston, Texas** **United States of America**	**77044**
(Address of principal executive offices)	(Zip Code)

+1 281-591-4000
(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

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 23, 2023
Ordinary shares, $1.00 par value per share	**435,460,168**

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of TechnipFMC plc (the “Company,” “we,” “us,” or “our”) 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 those set forth in Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and Part II, Item 1A, “Risk Factors” and elsewhere of this Quarterly Report on Form 10-Q, including 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. 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 — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2023**	**2022**	**2023**	**2022**
Revenue				
Service revenue	$ 1,180.7	$ 902.0	$ 3,098.2	$ 2,773.6
Product revenue	793.1	778.6	2,447.0	2,074.9
Lease revenue	83.1	52.4	201.3	157.5
Total revenue	2,056.9	1,733.0	5,746.5	5,006.0
Costs and expenses				
Cost of service revenue	916.6	684.1	2,589.1	2,288.5
Cost of product revenue	716.4	753.5	2,096.7	1,914.5
Cost of lease revenue	57.5	36.8	143.0	120.0
Selling, general and administrative expense	183.8	151.9	487.7	454.6
Research and development expense	17.5	19.0	49.7	45.1
Impairment, restructuring and other expenses	4.3	6.9	10.0	15.1
Total costs and expenses	1,896.1	1,652.2	5,376.2	4,837.8
Other income (expense), net (Note 13)	(41.5)	(10.3)	(225.1)	33.5
Income from equity affiliates (Note 9)	20.6	13.8	35.9	23.5
Loss from investment in Technip Energies	—	—	—	(27.7)
Income before net interest expense and income taxes	139.9	84.3	181.1	197.5
Interest income	4.0	4.2	16.4	12.2
Interest expense	(30.7)	(35.1)	(92.1)	(104.7)
Loss on early extinguishment of debt	—	—	—	(29.8)
Income before income taxes	113.2	53.4	105.4	75.2
Provision for income taxes (Note 14)	19.5	42.7	100.2	91.0
Income (loss) from continuing operations	93.7	10.7	5.2	(15.8)
(Income) from continuing operations attributable to non-controlling interests	(3.7)	(5.7)	(2.0)	(19.4)
Income (loss) from continuing operations attributable to TechnipFMC plc	90.0	5.0	3.2	(35.2)
Loss from discontinued operations	—	(15.3)	—	(34.7)
Net income (loss) attributable to TechnipFMC plc	$ 90.0	$ (10.3)	$ 3.2	$ (69.9)
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc				
Basic	$ 0.21	$ 0.01	$ 0.01	$ (0.08)
Diluted	$ 0.20	$ 0.01	$ 0.01	$ (0.08)
Loss per share from discontinued operations attributable to TechnipFMC plc				
Basic and diluted	$ 0.00	$ (0.03)	$ 0.00	$ (0.08)
Total earnings (loss) per share attributable to TechnipFMC plc				
Basic	$ 0.21	$ (0.02)	$ 0.01	$ (0.16)
Diluted	$ 0.20	$ (0.02)	$ 0.01	$ (0.16)
Weighted average shares outstanding (Note 5)				
Basic	436.9	450.1	439.7	451.1
Diluted	450.3	458.1	452.9	451.1

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

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2023**	**2022**	**2023**	**2022**
Net income (loss) attributable to TechnipFMC plc	$ 90.0	$ (10.3)	$ 3.2	$ (69.9)
(Income) from continuing operations attributable to non-controlling interests	(3.7)	(5.7)	(2.0)	(19.4)
Net income (loss) attributable to TechnipFMC plc, including non-controlling interests	93.7	(4.6)	5.2	(50.5)
Foreign currency translation adjustments[a]	(50.5)	(100.0)	(0.6)	(104.3)
Net gains (losses) on hedging instruments				
Net gains (losses) arising during the period	5.6	(33.4)	(19.3)	(92.0)
Reclassification adjustment for net (gains) losses included in net income (loss)	(12.4)	6.7	(3.8)	18.5
Net losses on hedging instruments[b]	(6.8)	(26.7)	(23.1)	(73.5)
Pension and other post-retirement benefits				
Net gains (losses) arising during the period	0.5	(1.5)	0.7	(3.0)
Reclassification adjustment for amortization of prior service cost included in net income (loss)	0.1	0.1	0.2	0.3
Reclassification adjustment for amortization of net actuarial loss included in net income (loss)	2.2	2.9	6.6	8.9
Net pension and other post-retirement benefits[c]	2.8	1.5	7.5	6.2
Other comprehensive loss, net of tax	(54.5)	(125.2)	(16.2)	(171.6)
Comprehensive income (loss)	39.2	(129.8)	(11.0)	(222.1)
Comprehensive (income) attributable to non-controlling interest	(10.7)	(2.9)	(5.8)	(12.2)
Comprehensive income (loss) attributable to TechnipFMC plc	$ 28.5	$ (132.7)	$ (16.8)	$ (234.3)

(a) Net of income tax of nil for the three and nine months ended September 30, 2023 and 2022.

(b) Net of income tax benefit of $11.4 million and $8.1 million for the three months ended September 30, 2023 and 2022, respectively, and $0.4 million and $8.2 million for the nine months ended September 30, 2023 and 2022, respectively.

(c) Net of income tax (expense) benefit of $(0.5) million and $(2.9) million for the three months ended September 30, 2023 and 2022, respectively, and $1.5 million and $(6.0) million for the nine months ended September 30, 2023 and 2022, respectively.

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

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In millions, except par value data)	**September 30, 2023**	**December 31, 2022**
Assets		
Cash and cash equivalents	$ 690.9	$ 1,057.1
Trade receivables, net of allowances of $35.7 in 2023 and $34.1 in 2022	1,324.4	966.5
Contract assets, net of allowances of $1.6 in 2023 and $1.1 in 2022	1,204.6	981.6
Inventories, net (Note 7)	1,158.5	1,039.7
Derivative financial instruments (Note 15)	139.9	282.7
Income taxes receivable	119.8	125.3
Advances paid to suppliers	80.0	80.8
Other current assets (Note 8)	577.2	455.0
Total current assets	5,295.3	4,988.7
Investments in equity affiliates (Note 9)	280.0	325.0
Property, plant and equipment, net of accumulated depreciation of $2,639.1 in 2023 and $2,255.5 in 2022	2,240.0	2,354.9
Operating lease right-of-use assets	759.0	801.9
Finance lease right-of-use assets	60.5	51.6
Intangible assets, net of accumulated amortization of $729.3 in 2023 and $663.8 in 2022	650.1	716.0
Deferred income taxes	85.3	72.5
Derivative financial instruments (Note 15)	12.7	7.2
Other assets	141.4	126.5
Total assets	$ 9,524.3	$ 9,444.3
Liabilities and equity		
Short-term debt and current portion of long-term debt (Note 11)	$ 407.3	$ 367.3
Operating lease liabilities	135.1	136.1
Finance lease liabilities	3.5	51.9
Accounts payable, trade	1,537.7	1,282.8
Contract liabilities	1,237.9	1,156.4
Derivative financial instruments (Note 15)	188.2	346.6
Income taxes payable	127.9	96.7
Other current liabilities (Note 8)	818.6	736.5
Total current liabilities	4,456.2	4,174.3
Long-term debt, less current portion (Note 11)	933.5	999.3
Operating lease liabilities, less current portion	688.9	735.7
Financing lease liabilities, less current portion	60.6	1.4
Deferred income taxes	47.3	55.5
Accrued pension and other post-retirement benefits, less current portion	54.4	59.7
Derivative financial instruments (Note 15)	25.6	3.6
Other liabilities	147.8	138.1
Total liabilities	6,414.3	6,167.6
Commitments and contingent liabilities (Note 13)		
Stockholders' equity (Note 12)		
Ordinary shares, $1.00 par value; 618.3 shares authorized in 2023 and 2022; 435.5 shares and 442.2 shares issued and outstanding in 2023 and 2022, respectively	435.5	442.2
Capital in excess of par value of ordinary shares	8,979.9	9,109.7
Accumulated deficit	(5,025.5)	(5,010.0)
Accumulated other comprehensive loss	(1,321.7)	(1,301.7)
Total TechnipFMC plc stockholders' equity	3,068.2	3,240.2
Non-controlling interests	41.8	36.5
Total equity	3,110.0	3,276.7
Total liabilities and equity	$ 9,524.3	$ 9,444.3

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

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30,	
(In millions)	**2023**	**2022**
Cash provided (required) by operating activities		
Net income (loss)	$ 5.2	$ (50.5)
Net loss from discontinued operations	—	34.7
Adjustments to reconcile income (loss) from continuing operations to cash provided (required) by operating activities		
Depreciation and amortization	283.3	284.4
Loss from investment in Technip Energies	—	27.7
Income from equity affiliates, net of dividends received	(35.9)	(23.1)
Loss on early extinguishment of debt	—	29.8
Other non-cash items, net	32.1	79.9
Changes in operating assets and liabilities, net of effects of acquisitions		
Trade receivables, net and Contract assets, net	(587.6)	(375.1)
Inventories, net	(112.9)	(27.4)
Accounts payable, trade	275.7	134.7
Contract liabilities	89.4	(242.7)
Income taxes payable, net	46.0	(19.0)
Other current assets and liabilities, net	42.7	(93.5)
Other non-current assets and liabilities, net	(46.1)	25.8
Cash required by operating activities	(8.1)	(214.3)
Cash provided (required) by investing activities		
Capital expenditures	(153.7)	(94.3)
Proceeds from sales of assets	75.3	13.4
Proceeds from sale of investment in Technip Energies	—	288.5
Other investing activities	14.9	5.7
Cash provided (required) by investing activities	(63.5)	213.3
Cash required by financing activities		
Net decrease in short-term debt	(38.2)	(204.7)
Cash settlement for derivative hedging debt	(30.1)	(64.4)
Net increase in revolving credit facility	—	150.0
Repayments of long-term debt	—	(451.7)
Share repurchases	(150.1)	(50.1)
Dividends paid	(21.8)	—
Other financing activities	(36.5)	(5.9)
Cash required by financing activities	(276.7)	(626.8)
Effect of changes in foreign exchange rates on cash and cash equivalents	(17.9)	11.9
Change in cash and cash equivalents	(366.2)	(615.9)
Cash and cash equivalents, beginning of period	1,057.1	1,327.4
Cash and cash equivalents, end of period	$ 690.9	$ 711.5

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

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2023 and 2022

(In millions)	Ordinary Shares	Capital in Excess of Par Value of Ordinary Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders' Equity
Balance as of June 30, 2022	$ 452.2	$ 9,178.2	$ (4,964.0)	$ (1,347.0)	$ 25.0	$ 3,344.4
Net income (loss)	—	—	(10.3)	—	5.7	(4.6)
Other comprehensive loss	—	—	—	(122.4)	(2.8)	(125.2)
Share-based compensation	—	9.9	—	—	—	9.9
Shares repurchased and cancelled	(5.8)	(44.3)	—	—	—	(50.1)
Other	—	—	0.4	—	(0.5)	(0.1)
Balance as of September 30, 2022	$ 446.4	$ 9,143.8	$ (4,973.9)	$ (1,469.4)	$ 27.4	$ 3,174.3
Balance as of June 30, 2023	$ 438.1	$ 9,018.1	$ (5,096.4)	$ (1,260.2)	$ 31.6	$ 3,131.2
Net income	—	—	90.0	—	3.7	93.7
Other comprehensive income (loss)	—	—	—	(61.5)	7.0	(54.5)
Issuance of ordinary shares, net of shares withheld for tax	0.1	0.1	—	—	—	0.2
Share-based compensation	—	9.1	—	—	—	9.1
Shares repurchased and cancelled	(2.7)	(47.4)	—	—	—	(50.1)
Dividends declared and paid	—	—	(21.8)	—	—	(21.8)
Other	—	—	2.7	—	(0.5)	2.2
Balance as of September 30, 2023	$ 435.5	$ 8,979.9	$ (5,025.5)	$ (1,321.7)	$ 41.8	$ 3,110.0

TECHNIPFMC PLC AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2023 and 2022

(In millions)	Ordinary Shares	Capital in Excess of Par Value of Ordinary Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total Stockholders' Equity
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)	—	—	(69.9)	—	19.4	(50.5)
Other comprehensive loss	—	—	—	(164.4)	(7.2)	(171.6)
Issuance of ordinary shares	1.5	(1.6)	—	—	—	(0.1)
Share-based compensation	—	28.9	—	—	—	28.9
Shares repurchased and cancelled	(5.8)	(44.3)	—	—	—	(50.1)
Other	—	—	(0.2)	—	(0.5)	(0.7)
Balance as of September 30, 2022	$ 446.4	$ 9,143.8	$ (4,973.9)	$ (1,469.4)	$ 27.4	$ 3,174.3
Balance as of December 31, 2022	$ 442.2	$ 9,109.7	$ (5,010.0)	$ (1,301.7)	$ 36.5	$ 3,276.7
Net income	—	—	3.2	—	2.0	5.2
Other comprehensive income (loss)	—	—	—	(20.0)	3.8	(16.2)
Issuance of ordinary shares, net of shares withheld for tax	2.9	(20.0)	—	—	—	(17.1)
Share-based compensation	—	30.7	—	—	—	30.7
Shares repurchased and cancelled	(9.6)	(140.5)	—	—	—	(150.1)
Dividends declared and paid	—	—	(21.8)	—	—	(21.8)
Other	—	—	3.1	—	(0.5)	2.6
Balance as of September 30, 2023	$ 435.5	$ 8,979.9	$ (5,025.5)	$ (1,321.7)	$ 41.8	$ 3,110.0

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

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

The accompanying unaudited condensed consolidated financial statements of TechnipFMC plc and its consolidated subsidiaries (“TechnipFMC,” the “Company,” “we,” “us,” or “our”) have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) and the rules and regulations of the Securities and Exchange Commission (“SEC”) pertaining to interim financial information. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP have been condensed or omitted. These unaudited condensed consolidated financial statements should be read together with our audited consolidated financial statements contained in our Annual Report on Form 10-K (“Form 10-K”) for the year ended December 31, 2022.

Our accounting policies are in accordance with GAAP. 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.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments necessary for a fair statement of our financial condition and operating results as of and for the periods presented. Revenue, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these condensed consolidated financial statements may not be representative of the results that may be expected for the year ending December 31, 2023.

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 September 2022, the Financial Accounting Standards Board (the “FASB”) issued ASU No. 2022-04, "Disclosure of Supplier Finance Program Obligations," which is intended to enhance the transparency surrounding the use of supplier finance programs. Supplier finance programs may also be referred to as reverse factoring, payables finance, or structured payables arrangements. The amendments require a buyer that uses supplier finance programs to make annual disclosures about the program’s key terms, the balance sheet presentation of related amounts, the confirmed amount outstanding at the end of the period and associated roll forward information.

We adopted the standard as of January 1, 2023. We facilitate a supply chain finance program (“SCF”) that is administered by a third-party financial institution which allows qualifying suppliers to sell their receivables from the Company to the SCF bank. These participating suppliers negotiate their outstanding receivable directly with the SCF bank. We are not a party to those agreements and the terms of our payment obligations are not impacted by a supplier’s participation in the SCF. We agree to pay the SCF bank based on the original invoice amounts and maturity dates as consistent with our other Accounts payables.

All outstanding amounts related to suppliers participating in the SCF are recorded within Accounts payable, trade in our condensed consolidated balance sheets, and the associated payments are included in operating activities within our condensed consolidated statements of cash flows. As of September 30, 2023 and December 31, 2022, the amounts due to suppliers participating in the SCF and included in Accounts payable were approximately $135.9 million and $101.8 million, respectively.

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. 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 the exploration and production of crude oil and natural gas.

__Disaggregation of Revenue__

Revenues are disaggregated by geographic location and contract types.

The following tables present total revenue by geography for each reportable segment for the three and nine months ended September 30, 2023 and 2022:

	Reportable Segments Three Months Ended			
	September 30, 2023		September 30, 2022	
(In millions)	**Subsea**	**Surface Technologies**	**Subsea**	**Surface Technologies**
Latin America	$ 653.1	$ 29.8	$ 411.7	$ 30.1
Europe and Central Asia	520.0	54.8	395.0	42.1
North America	269.2	137.5	205.1	146.2
Africa	187.6	15.2	216.5	7.6
Asia Pacific	77.1	23.5	162.7	26.4
Middle East	1.3	87.8	24.0	65.6
Total revenue	$ 1,708.3	$ 348.6	$ 1,415.0	$ 318.0

	Reportable segments Nine Months Ended			
	September 30, 2023		September 30, 2022	
(In millions)	**Subsea**	**Surface Technologies**	**Subsea**	**Surface Technologies**
Latin America	$ 1,652.4	$ 90.5	$ 1,069.0	$ 78.9
Europe and Central Asia	1,419.0	150.0	1,154.6	121.6
North America	771.3	433.8	582.3	406.9
Africa	614.2	35.9	653.3	25.7
Asia Pacific	208.8	58.9	586.3	70.6
Middle East	48.6	263.1	73.2	183.6
Total revenue	$ 4,714.3	$ 1,032.2	$ 4,118.7	$ 887.3

The following tables present total revenue by contract type for each reportable segment for the three and nine months ended September 30, 2023 and 2022:

	Reportable Segments Three Months Ended			
	September 30, 2023		September 30, 2022	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 1,126.0	$ 54.7	$ 845.0	$ 57.0
Products	542.6	250.5	556.0	222.6
Lease	39.7	43.4	14.0	38.4
Total revenue	$ 1,708.3	$ 348.6	$ 1,415.0	$ 318.0

	Reportable segments Nine Months Ended			
	September 30, 2023		September 30, 2022	
(In millions)	Subsea	Surface Technologies	Subsea	Surface Technologies
Services	$ 2,937.5	$ 160.7	$ 2,611.0	$ 162.6
Products	1,711.7	735.3	1,463.4	611.5
Lease	65.1	136.2	44.3	113.2
Total revenue	$ 4,714.3	$ 1,032.2	$ 4,118.7	$ 887.3

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) on the condensed 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 September 30, 2023 and December 31, 2022:

(In millions)	September 30, 2023	December 31, 2022	$ change	% change
Contract assets	$ 1,204.6	$ 981.6	$ 223.0	22.7
Contract liabilities	(1,237.9)	(1,156.4)	(81.5)	(7.0)
Net contract assets (liabilities)	$ (33.3)	$ (174.8)	$ 141.5	80.9

The increase in our contract assets from December 31, 2022 to September 30, 2023 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 the contract asset balance. Revenue recognized for the three months ended September 30, 2023 and 2022 that was included in the contract liabilities balance as of December 31, 2022 and 2021 was $90.3 million and $256.0 million, respectively, and $592.9 million and $471.7 million for the nine months ended September 30, 2023 and 2022, respectively.

Net revenue recognized from our performance obligations satisfied in prior periods had unfavorable impact of $8.8 million and favorable impact of $97.2 million for the three months ended September 30, 2023 and 2022, respectively, from changes in the estimate of the stage of completion that impacted revenue. For the nine months ended September 30, 2023 and 2022, we had unfavorable impact of $12.5 million and favorable impact of $119.2 million, respectively, from 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 transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of September 30, 2023, the aggregate amount of the transaction price allocated to order backlog was $13.2 billion. TechnipFMC expects to recognize revenue on approximately 11.2% of the order backlog through 2023 and 88.8% thereafter.

The following table details the order backlog for each business segment as of September 30, 2023:

(In millions)	2023	2024	Thereafter
Subsea	$ 1,146.0	$ 4,475.0	$ 6,452.6
Surface Technologies	340.4	261.1	555.6
Total order backlog	$ 1,486.4	$ 4,736.1	$ 7,008.2

NOTE 4. 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 operate under two reporting 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 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: non-recurring legal settlement charges, corporate staff expense, foreign exchange gains (losses), loss from investment in Technip Energies, net interest income (expense) associated with corporate debt facilities and income taxes.

Segment revenue and segment operating profit were as follows:

(In millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Segment revenue				
Subsea	$ 1,708.3	$ 1,415.0	$ 4,714.3	$ 4,118.7
Surface Technologies	348.6	318.0	1,032.2	887.3
Total segment revenue	$ 2,056.9	$ 1,733.0	$ 5,746.5	$ 5,006.0
Segment operating profit				
Subsea	$ 177.7	$ 105.0	$ 397.9	$ 256.1
Surface Technologies	33.3	19.0	81.4	32.7
Total segment operating profit	$ 211.0	$ 124.0	$ 479.3	$ 288.8
Corporate items				
Corporate expense[(a)]	(24.7)	(25.2)	(205.6)	(76.7)
Net interest expense	(26.7)	(30.9)	(75.7)	(92.5)
Loss on early extinguishment of debt	—	—	—	(29.8)
Loss from investment in Technip Energies	—	—	—	(27.7)
Foreign exchange gains (losses)	(46.4)	(14.5)	(92.6)	13.1
Total corporate items	(97.8)	(70.6)	(373.9)	(213.6)
Income (loss) before income taxes[(b)]	$ 113.2	$ 53.4	$ 105.4	$ 75.2

(a) Corporate expense includes a non-recurring legal settlement charge for the nine months ended September 30, 2023, corporate staff expenses, share-based compensation expenses, and other employee benefits.

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

NOTE 5. 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2023**	**2022**	**2023**	**2022**
Income (loss) from continuing operations attributable to TechnipFMC plc	$ 90.0	$ 5.0	$ 3.2	$ (35.2)
Loss from discontinued operations attributable to TechnipFMC plc	—	(15.3)	—	(34.7)
Net income (loss) attributable to TechnipFMC plc	$ 90.0	$ (10.3)	$ 3.2	$ (69.9)
Weighted average number of shares outstanding	436.9	450.1	439.7	451.1
Dilutive effect of restricted stock units	5.3	5.4	5.6	—
Dilutive effect of performance shares	8.1	2.6	7.6	—
Total shares and dilutive securities	450.3	458.1	452.9	451.1
Basic and diluted earnings (loss) per share attributable to TechnipFMC plc:				
Earnings (loss) per share from continuing operations attributable to TechnipFMC plc				
Basic	$ 0.21	$ 0.01	$ 0.01	$ (0.08)
Diluted	$ 0.20	$ 0.01	$ 0.01	$ (0.08)
Loss per share from discontinued operations attributable to TechnipFMC plc				
Basic and diluted	$ 0.00	$ (0.03)	$ 0.00	$ (0.08)
Total earnings (loss) per share attributable to TechnipFMC plc				
Basic	$ 0.21	$ (0.02)	$ 0.01	$ (0.16)
Diluted	$ 0.20	$ (0.02)	$ 0.01	$ (0.16)

For the nine months ended September 30, 2022, we incurred a loss from continuing operations; therefore, the impact of 6.6 million shares was anti-dilutive.

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(millions of shares)	**2023**	**2022**	**2023**	**2022**
Share option awards	0.8	1.6	1.4	1.6
Total	0.8	1.6	1.4	1.6

NOTE 6. RECEIVABLES

We manage our receivables portfolios using published default risk as a key credit quality indicator for our loans and receivables. Our loans receivables and other are related to dividends receivable, 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.

(In millions)	September 30, 2023				December 31, 2022			
	Credit rating	Year of origination	Balance		Credit rating	Year of origination	Balance	
Loans receivables and other	Moody's rating A3 - Ba2	2020-2023	$	139.4	Moody's rating Aa3 -Ba2	2020-2022	$	51.0
Debt securities at amortized cost	Moody's rating B3	2021		1.4	Moody's rating B3	2021		16.2
Total financial assets			$	140.8			$	67.2

Credit Losses

To calculate an expected credit loss for contract assets and trade receivables, 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 and held-to-maturity debt securities at amortized cost, 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 September 30, 2023 and 2022, respectively.

(In millions)	Balance as of September 30, 2023							
	Trade receivables		Contract assets		Loans receivable and other		Held-to-maturity debt securities	
Allowance for credit losses at December 31, 2022	$	34.2	$	1.1	$	0.3	$	0.2
Current period provision (release) for expected credit losses		2.1		0.5		0.1		(0.2)
Recoveries		(0.6)		—		—		—
Allowance for credit losses at September 30, 2023	$	35.7	$	1.6	$	0.4	$	—

(In millions)	Balance as of September 30, 2022							
	Trade receivables		Contract assets		Loans receivable 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		—		0.1		(0.1)		(1.5)
Recoveries		(2.2)		—		—		—
Allowance for credit losses at September 30, 2022	$	35.9	$	1.2	$	0.5	$	1.2

Trade receivables are due in one year or less. We do not have any financial assets that are past due or are on non-accrual status.

NOTE 7. INVENTORIES

Inventories consisted of the following:

(In millions)	September 30, 2023		December 31, 2022	
Raw materials	$	413.8	$	317.4
Work in process		167.6		152.0
Finished goods		577.1		570.3
Inventories, net	$	1,158.5	$	1,039.7

NOTE 8. OTHER CURRENT ASSETS & OTHER CURRENT LIABILITIES

Other current assets consisted of the following:

(In millions)	September 30, 2023	December 31, 2022
Value-added tax receivables	$ 195.0	$ 185.6
Withholding tax and other receivables	139.0	137.8
Prepaid expenses	98.5	61.9
Current financial assets at amortized cost	91.8	12.4
Assets held for sale	2.6	18.6
Held-to-maturity investments	1.3	15.1
Other	49.0	23.6
Total other current assets	$ 577.2	$ 455.0

Other current liabilities consisted of the following:

(In millions)	September 30, 2023	December 31, 2022
Compensation accrual	$ 259.4	$ 246.4
Legal settlement liability[(a)]	164.0	—
Value-added tax and other taxes payable	79.0	65.3
Social security liability	58.9	70.9
Legal provisions	57.0	116.7
Warranty accruals and project contingencies	56.6	87.6
Provisions	7.9	9.1
Current portion of accrued pension and other post-retirement benefits	4.5	2.5
Other accrued liabilities	131.3	138.0
Total other current liabilities	$ 818.6	$ 736.5

(a) See Note 13 for additional details.

NOTE 9. INVESTMENTS

Our income from equity affiliates is included in our Subsea segment. During the three and nine months ended September 30, 2023, our income from equity affiliates was $20.6 million and $35.9 million, respectively. Our income from equity affiliates during the three and nine months ended September 30, 2022 was $13.8 million and $23.5 million, respectively.

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. In June 2023, Dofcon Brasil declared a $170.0 million dividend. TechnipFMC’s 50% share of this dividend is included in other current assets as of September 30, 2023.

Dofcon and Techdof, two 50%-50% legal entities owned in partnership with DOF Group have debts related to loans on its vessels. During 2022, DOF ASA, the parent company of DOF Subsea, underwent a bankruptcy process that triggered cross default provisions in the credit facilities of certain joint ventures associated with the parent company guarantees provided by itself and its wholly owned subsidiary DOF Subsea. During March 2023, DOF ASA completed the process of restructuring (unrelated and outside of the joint venture), and DOF Services AS is the new holding company of DOF Group. The lenders made no claims under the guarantees, and the acceleration clauses within the debt instruments were not enforceable as Dofcon and Techdof obtained waivers or consents from the lenders. Dofcon and Techdof continue to service the credit facilities as per the terms of the agreements. As a result of the restructure within DOF Group, the cross default provisions ceased to exist and therefore waivers and consents are no longer required. Accordingly, TechnipFMC has not recognized a liability related to its guarantees. TechnipFMC and DOF provide guarantees for the debts and our share of the guarantees was $397.3 million as of September 30, 2023.

TechDof Brasil AS owns and operates the Skandi Buzios vessel. During June 2023, a fire occurred onboard the vessel alongside Porto do Açu in Brazil. The fire was brought under control after efforts by the crew and local authorities, and no serious injuries were sustained. TechDof Brasil AS and TechnipFMC have cooperated in the investigation of the fire and its cause, and in the process to get the vessel back in operations. Repairs on the vessel are expected to start during the fourth quarter of 2023. The time of the repairs is dependent on various factors and the vessel will not be on-hire before 2024. As a result of the incident, the Company did not note any impairment indicators, which were other than temporary, and thus no impairment has been recorded on the carrying value of our investment.

Investment in Technip Energies

During 2022, we fully divested our remaining ownership in Technip Energies.

For the nine months ended September 30, 2022, we recognized a $27.7 million loss related to our investment in Technip Energies. The amounts recognized include purchase price discounts on the sales of shares and fair value revaluation gains (losses) of our investment.

NOTE 10. RELATED PARTY TRANSACTIONS

Receivables, payables, revenues and expenses, which are included in our condensed 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.

Accounts receivable due from related parties consisted of the following:

(In millions)	September 30, 2023	December 31, 2022
Dofcon	$ 8.8	$ 16.6
Others	1.1	1.3
Total accounts receivable	$ 9.9	$ 17.9

As of September 30, 2023 and December 31, 2022, we did not have material accounts payable outstanding with our related parties.

Revenue from related parties consisted of the following amounts:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2023	2022	2023	2022
Dofcon	$ 0.5	$ 1.6	$ 6.4	$ 7.0
Others	1.2	3.6	5.2	6.6
Total revenue	$ 1.7	$ 5.2	$ 11.6	$ 13.6

Expenses associated with related parties consisted of the following amounts:

(In millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Dofcon	$ 6.8	$ 6.3	$ 20.1	$ 12.4
Others	1.7	7.9	15.3	26.0
Total expenses	$ 8.5	$ 14.2	$ 35.4	$ 38.4

NOTE 11. DEBT

Overview

Long-term debt consisted of the following:

(In millions)	September 30, 2023	December 31, 2022
3.15% 2013 Private placement notes due 2023	270.1	272.2
5.75% 2020 Private placement notes due 2025	211.9	213.5
6.50% Senior notes due 2026	202.9	202.9
4.00% 2012 Private placement notes due 2027	79.5	80.1
4.00% 2012 Private placement notes due 2032	106.0	106.7
3.75% 2013 Private placement notes due 2033	106.0	106.7
Bank borrowings and other	372.8	394.9
Unamortized debt issuance costs and discounts	(8.4)	(10.4)
Total debt	1,340.8	1,366.6
Less: current borrowings	407.3	367.3
Long-term debt	$ 933.5	$ 999.3

Credit Facilities and Debt

Revolving Credit Facility - On February 16, 2021, we entered into a credit agreement, which provided 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 condensed consolidated balance sheets. The deferred debt issuance costs are amortized to interest expense over the term of the Revolving Credit Facility.

On April 24, 2023, we entered into a fifth amendment (the “Amendment No. 5”) to the Revolving Credit Facility (as amended, the “Credit Agreement”), dated February 16, 2021, which increases the commitments available to the Company to $1.25 billion and extends the term to five years from the date of the Amendment No. 5. The Credit Agreement also provides for a $250.0 million letter of credit sub-facility.

Availability of borrowings under the Credit Agreement is reduced by the outstanding letters of credit issued against the facility. As of September 30, 2023, there were $54.2 million letters of credit outstanding, and our availability under the Credit Agreement was $1,195.8 million.
Borrowings under the Credit Agreement 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 Secured Overnight Financing Rate (“Adjusted Term SOFR”); and

- Euro-denominated loans bear interest on an adjusted rate linked to the Euro interbank offered rate.

The applicable margin for borrowings under the Credit Agreement ranges from 2.50% to 3.50% for Term Benchmark (as defined in the Credit Agreement) loans and 1.50% to 2.50% for base rate loans, depending on a total leverage ratio. The Credit Agreement is subject to customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants.

Letter of Credit Facility - On April 24, 2023, the Company entered into a new $500 million five-year senior secured performance letters of credit facility (the “Performance LC Credit Agreement”). The commitments under the Performance LC Credit Agreement may be increased to $1.0 billion, subject to the satisfaction of certain customary conditions precedent. The Performance LC Credit Agreement permits the Company and its subsidiaries to have access to performance letters of credit denominated in a variety of currencies to support the contracting activities with counterparties that require or request a performance or similar guarantee. It contains substantially the same customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants as the Credit Agreement and benefits from the same guarantees and security as the Credit Agreement on a pari passu basis.

Upon the occurrence of an Investment Grade Debt Rating by any two of three Rating Agencies and the satisfaction of certain other conditions precedent, the collateral securing the Credit Agreement and the Performance LC Credit Agreement and the guarantees provided by certain subsidiaries of the Company shall be automatically released (“fall-away”) and certain negative covenants will no longer apply to the Company.

2021 Notes - On January 29, 2021, we issued $1.0 billion of 6.50% senior notes due 2026 (the “2021 Notes”). 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.

As of September 30, 2023, we were in compliance with all debt covenants.

Bank borrowings - Include term loans issued in connection with financing for certain of our vessels and amounts outstanding under our foreign committed credit lines.

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 12. STOCKHOLDERS’ EQUITY

On July 26, 2023, the Company announced that its Board of Directors authorized and declared a quarterly cash dividend of $0.05 per share. The cash dividend of $0.05 per share was paid on September 6, 2023, to shareholders of record as of the close of business on the New York Stock Exchange on August 22, 2023. The Company intends to pay dividends on a quarterly basis, and this dividend represents $0.20 per share on an annualized basis. Cash dividends paid during the three and nine months ended September 30, 2023 was $21.8 million.

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 July 26, 2023, the Board of Directors authorized additional share repurchase of up to $400.0 million. Together with the existing program, the Company’s total share repurchase authorization was increased to $800.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $50.1 million of ordinary shares during the three months ended September 30, 2023. Since the initial share repurchase authorization in July 2022, we have purchased an aggregate amount of $250.3 million of ordinary shares through September 30, 2023. Based upon the remaining repurchase authority of $549.7 million and the closing stock price as of September 30, 2023, approximately 27.0 million ordinary shares could be subject to repurchase. All repurchased shares were immediately cancelled.

Accumulated other comprehensive income (loss) for three and nine months ended September 30, 2023 and 2022 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
June 30, 2023	$ (1,124.6)	$ (33.4)	$ (102.2)	$ (1,260.2)	$ (13.0)
Other comprehensive income (loss) before reclassifications, net of tax	(57.6)	5.7	0.5	(51.4)	7.0
Reclassification adjustment for net (gains) losses included in net income (loss), net of tax	—	(12.4)	2.3	(10.1)	—
Other comprehensive income (loss), net of tax	(57.6)	(6.7)	2.8	(61.5)	7.0
September 30, 2023	$ (1,182.2)	$ (40.1)	$ (99.4)	$ (1,321.7)	$ (6.0)
June 30, 2022	$ (1,158.3)	$ (64.1)	$ (124.6)	$ (1,347.0)	$ (10.1)
Other comprehensive loss before reclassifications, net of tax	(97.2)	(33.4)	(1.5)	(132.1)	(2.8)
Reclassification adjustment for net losses included in net income, net of tax	—	6.7	3.0	9.7	—
Other comprehensive income (loss), net of tax	(97.2)	(26.7)	1.5	(122.4)	(2.8)
September 30, 2022	$ (1,255.5)	$ (90.8)	$ (123.1)	$ (1,469.4)	$ (12.9)

(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, 2022	$ (1,177.7)	$ (17.1)	$ (106.9)	$ (1,301.7)	$ (9.8)
Other comprehensive income (loss) before reclassifications, net of tax	(4.4)	(19.2)	0.7	(22.9)	3.8
Reclassification adjustment for net (gains) losses included in net income (loss), net of tax	(0.1)	(3.8)	6.8	2.9	—
Other comprehensive income (loss), net of tax	(4.5)	(23.0)	7.5	(20.0)	3.8
September 30, 2023	(1,182.2)	(40.1)	(99.4)	(1,321.7)	(6.0)
December 31, 2021	$ (1,158.4)	$ (17.3)	$ (129.3)	$ (1,305.0)	$ (5.7)
Other comprehensive loss before reclassifications, net of tax	(97.1)	(92.0)	(3.0)	(192.1)	(7.2)
Reclassification adjustment for net losses included in net income (loss), net of tax	—	18.5	9.2	27.7	—
Other comprehensive income (loss), net of tax	(97.1)	(73.5)	6.2	(164.4)	(7.2)
September 30, 2022	(1,255.5)	(90.8)	(123.1)	(1,469.4)	(12.9)

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

(In millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	
Details about Accumulated Other Comprehensive Income (loss) Components	**Amount Reclassified out of Accumulated Other Comprehensive Income (Loss)**				**Affected Line Item in the Condensed Consolidated Statements of Income**
Gains (losses) on hedging instruments					
Foreign exchange contracts	$ (0.5)	$ (1.4)	$ (9.0)	$ (1.9)	Revenue
	21.7	(5.6)	22.4	(12.6)	Cost of sales
	(0.1)	—	(0.2)	(0.3)	Selling, general and administrative expense
	(2.1)	(2.2)	(6.5)	(11.1)	Other income (expense), net
	19.0	(9.2)	6.7	(25.9)	Income (loss) before income taxes
	6.6	(2.5)	2.9	(7.4)	Provision for income taxes
	$ 12.4	$ (6.7)	$ 3.8	$ (18.5)	Net income (loss)
Pension and other post-retirement benefits					
Amortization of prior service credit (cost)	$ (0.1)	$ (0.1)	$ (0.2)	$ (0.3)	Other income (expense), net (a)
Amortization of net actuarial loss	(2.7)	(5.8)	(5.1)	(14.9)	Other income (expense), net (a)
	(2.8)	(5.9)	(5.3)	(15.2)	Income (loss) before income taxes
	(0.5)	(2.9)	1.5	(6.0)	Provision for income taxes
	$ (2.3)	$ (3.0)	$ (6.8)	$ (9.2)	Net income (loss)

(a) These accumulated other comprehensive income components are included in the computation of net periodic pension cost.

NOTE 13. 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 condensed consolidated financial position, results of operations or cash flows.

Guarantees made by our consolidated subsidiaries consisted of the following:

(In millions)	September 30, 2023	December 31, 2022
Financial guarantees [(a)]	$ 185.3	$ 170.2
Performance guarantees [(b)]	1,793.3	1,458.2
Maximum potential undiscounted payments	$ 1,978.6	$ 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 non-financial 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 also contacted and cooperated with French authorities (the Parquet National Financier (“PNF”)) with their investigation about these 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 1 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.

On June 22, 2023, the Company, through its subsidiary Technip UK Limited, along with Technip Energies SAS, a subsidiary of Technip Energies NV, reached a resolution with the PNF of all outstanding matters, including its investigations into historical projects in Equatorial Guinea, Ghana, and Angola. The resolution took the form of a convention judiciaire d'interet public, (“CJIP”), which does not involve any admission of liability or guilt.

Under the terms of the CJIP, Technip UK and Technip Energies France will pay a public interest fine of €154.8 million and €54.1 million, respectively, for a total of €208.9 million. Under the companies' separation agreements, TechnipFMC is responsible for €179.45 million to be paid in installments through July 2024, and Technip Energies is responsible for the remaining €29.45 million. During the three-months ended June 30, 2023, we recorded a $126.5 million liability incremental to our existing provision. After making a scheduled installment payment of €24.7 million on July 13, 2023, we have an outstanding balance, after foreign exchange impact, of $164.0 million in other current liabilities in our condensed consolidated balance sheet as of September 30, 2023.

TechnipFMC fully cooperated with the PNF and was not required to retain a monitor. The CJIP received final approval by the President of the Tribunal Judiciaire of Paris at a hearing on June 28, 2023.

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 at September 30, 2023 and December 31, 2022, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations or cash flows.

NOTE 14. INCOME TAXES

Our provision for income taxes for the three months ended September 30, 2023 and 2022 reflected effective tax rates of 17.2% and 80.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full valuation allowance and a change in geographical profit mix year over year.

Our provision for income taxes for the nine months ended September 30, 2023 and 2022 reflected effective tax rates of 95.1% and 121.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full valuation allowance, a change in other discrete adjustments and 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.

NOTE 15. 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 condensed 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. Cash flows related to derivatives designated as cash flow and fair value hedges are classified consistently with the cash flows of the associated hedged item.

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 condensed consolidated balance sheets. As of September 30, 2023, we held the following material net positions:

	Net Notional Amount Bought (Sold)	
(In millions)		**USD Equivalent**
Euro	1,472.6	1,560.2
Norwegian krone	4,250.1	400.0
Australian dollar	349.0	226.2
Brazilian real	1,061.8	212.1
Indonesian rupiah	2,006,373.6	129.6
Singapore dollar	84.1	61.6
Canadian dollar	66.3	49.3
Czech koruna	372.1	16.2
Malaysian ringgit	64.7	13.8
Indian rupee	1,111.5	13.4
Swedish krona	114.1	10.5
British pound	(48.0)	(58.8)
U.S. dollar	(2,711.1)	(2,711.1)

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 September 30, 2023, our portfolio of these instruments included the following material net positions:

	Net Notional Amount Bought (Sold)	
(In millions)		**USD Equivalent**
Brazilian real	28.4	5.7
Norwegian krone	3.3	0.3
Euro	(16.9)	(17.9)
U.S. dollar	12.9	12.9

Fair value amounts for all outstanding derivative instruments have been determined using available market information and commonly accepted valuation methodologies. See Note 16 for further details. Accordingly, the estimates presented may not be indicative of the amounts 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 condensed consolidated balance sheets:

	September 30, 2023		December 31, 2022	
(In millions)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	$ 123.1	$ 164.5	$ 254.8	$ 332.5
Long-term - Derivative financial instruments	12.6	25.6	7.2	3.6
Total derivatives designated as hedging instruments	135.7	190.1	262.0	336.1
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Current - Derivative financial instruments	16.8	23.7	27.9	14.1
Long-term - Derivative financial instruments	0.1	—	—	—
Total derivatives not designated as hedging instruments	16.9	23.7	27.9	14.1
Total derivatives	$ 152.6	$ 213.8	$ 289.9	$ 350.2

Cash flow hedges of forecasted transactions, net of tax, which qualify for hedge accounting, resulted in accumulated other comprehensive loss of $41.6 million and accumulated other comprehensive income of $18.5 million as of September 30, 2023 and December 31, 2022, respectively. We expect to transfer an approximate $2.3 million loss 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 2026.

The following table presents the gains (losses) recognized in other comprehensive income related to derivative instruments designated as cash flow hedges:

	Gain (Loss) Recognized in OCI			
	Three Months Ended		**Nine Months Ended September 30,**	
(In millions)	**2023**	**2022**	**2023**	**2022**
Foreign exchange contracts	$ 1.4	$ (43.9)	$ (16.3)	$ (107.6)

The following table represents the effect of cash flow hedge accounting in the condensed consolidated statements of income for the three and nine months ended September 30, 2023 and 2022:

(In millions)	Three Months Ended September 30, 2023				Three Months Ended September 30, 2022			
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**
Amounts reclassified from accumulated OCI to income (loss)	$ (0.6)	$ 21.7	$ (0.1)	$ (1.6)	$ (1.4)	$ (5.6)	$ —	$ (2.2)
Amounts excluded from effectiveness testing	6.5	(6.8)	(0.4)	(8.5)	5.2	(4.8)	(0.1)	(11.7)
Total cash flow hedge gain (loss) recognized in income	5.9	14.9	(0.5)	(10.1)	3.8	(10.4)	(0.1)	(13.9)
Total hedge gain (loss) recognized in income	$ 5.9	$ 14.9	$ (0.5)	$ (10.1)	$ 3.8	$ (10.4)	$ (0.1)	$ (13.9)
Loss recognized in income on derivatives not designated as hedging instruments	—	(0.5)	—	(29.6)	0.1	0.6	—	(22.0)
Total	$ 5.9	$ 14.4	$ (0.5)	$ (39.7)	$ 3.9	$ (9.8)	$ (0.1)	$ (35.9)

(In millions)	Nine Months Ended September 30, 2023				Nine Months Ended September 30, 2022			
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**
Amounts reclassified from accumulated OCI to income (loss)	$ (9.0)	$ 22.4	$ (0.2)	$ (6.0)	$ (1.9)	$ (12.6)	$ (0.3)	$ (11.1)
Amounts excluded from effectiveness testing	15.1	(27.4)	(1.0)	69.8	8.2	(8.6)	0.4	(31.3)
Total cash flow hedge gain (loss) recognized in income	6.1	(5.0)	(1.2)	63.8	6.3	(21.2)	0.1	(42.4)
Total hedge gain (loss) recognized in income	6.1	(5.0)	(1.2)	63.8	6.3	(21.2)	0.1	(42.4)
Gain (loss) recognized in income on derivatives not designated as hedging instruments	(0.1)	(0.8)	—	(33.1)	—	(0.8)	—	(8.0)
Total	$ 6.0	$ (5.8)	$ (1.2)	$ 30.7	$ 6.3	$ (22.0)	$ 0.1	$ (50.4)

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 September 30, 2023 and December 31, 2022, we had no collateralized derivative contracts. The following tables present both gross information and net information of recognized derivative instruments:

	September 30, 2023			December 31, 2022		
(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	$ 152.6	$ (98.5)	$ 54.1	$ 289.9	$ (142.5)	$ 147.4
Derivative liabilities	$ 213.8	$ (98.5)	$ 115.3	$ 350.2	$ (142.5)	$ 207.7

NOTE 16. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis were as follows:

	September 30, 2023				December 31, 2022			
(In millions)	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets								
Investments								
Equity securities	22.1	22.1	—	—	19.8	19.8	—	—
Money market and stable value funds	2.0	—	1.6	—	1.9	—	1.5	—
Held-to-maturity debt securities	1.3	—	1.3	—	16.0	—	16.0	—
Derivative financial instruments								
Foreign exchange contracts	152.6	—	152.6	—	289.9	—	289.9	—
Total assets	$ 178.0	$ 22.1	$ 155.5	$ —	$ 327.6	$ 19.8	$ 307.4	$ —
Liabilities								
Derivative financial instruments								
Foreign exchange contracts	213.8	—	213.8	—	350.2	—	350.2	—
Total liabilities	$ 213.8	$ —	$ 213.8	$ —	$ 350.2	$ —	$ 350.2	$ —

Equity securities - The fair value measurement of our traded securities is based on quoted prices that we have the ability to access in public markets.

Money market and stable value funds - These funds are valued at the net asset value of the shares held at the end of the quarter, 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 15 for further details.

Other fair value disclosures

The carrying amounts of cash and cash equivalents, trade receivables, accounts payable, short-term debt, 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 $912.8 million and $916.3 million as of September 30, 2023 and December 31, 2022, 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 primarily 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 17. DISCONTINUED OPERATIONS

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.

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, 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.

For both the three and nine months ended September 30, 2022, we recorded $15.8 million in expense from discontinued operations due to a change in estimate of liabilities recognized in connection with the Spin-off. Also for the three and nine months ended September 30, 2022, we recorded $(0.5) million and $18.9 million, respectively, in income tax (benefit) expense from discontinued operations related to a change in estimate in the French tax group.

NOTE 18. SUBSEQUENT EVENTS

On October 24, 2023, the Company announced that its Board of Directors authorized and declared a quarterly cash dividend of $0.05 per share, payable on December 6, 2023 to shareholders on record as of the close of business on the New York Stock Exchange on November 21, 2023. The ex-dividend date is November 20, 2023.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS OUTLOOK

Overall Outlook – The global economy is forecast to grow in 2023. Increased lending rates by central banks aimed at slowing inflation and reduced availability of credit related to regional banking concerns have increased the risk of a mild recession in some economies. Still, higher global gross domestic product (GDP) in aggregate is anticipated to support growth in energy demand this year.

Oil prices continue to be supported by regional geopolitical tensions and the industry's more disciplined capital spend. This is evident for OPEC+ countries who are focused on realizing a price that supports both economic growth and energy investment, as seen by production cuts that are expected to remain in place through the end of 2024. An extended period of underinvestment has contributed to a current supply deficit that has resulted in 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 also been successful in building on our partnerships and alliances to further position ourselves as the leading architect for offshore energy.

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.

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 we are driving real change in our industry that further improves the economics of our customers' projects while driving greater efficiencies for TechnipFMC.

With CTO, we have designed an environment, a process, a culture and tools that are scalable and, more importantly, are transformational to the future of our Company. Our customers require a product platform that provides them with choices that 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% 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 drive further adoption of our Subsea 2.0™ configurable product platform, with Equinor and ExxonMobil both utilizing Subsea 2.0™ for the first time in the second quarter. In the same period, we also signed a 20-year frame agreement with Chevron to provide Subsea 2.0™ production systems for gas field developments offshore Australia. As evidenced by the addition of these three new adopters, more clients are recognizing the benefits of our CTO product portfolio.

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. Crude is currently priced above $80 per barrel and is projected to stay at or above this level in the intermediate term, supported in part by the extension of OPEC+ production cuts through the end of next year.

The pipeline of front-end engineering and design studies continues to expand. More projects in advanced stages are moving towards final investment decision, resulting in a robust set of large subsea projects that we anticipate could be sanctioned over the next 24 months. The average project size has also risen due to an increased 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.

The Company's order momentum continued in the third quarter, with year-to-date Subsea inbound of $8.5 billion exceeding our total orders in all of 2022. We now believe that Subsea orders will exceed $9 billion for the full year, an increase of at least 34% year-over-year. Growth in the current year is expected to be driven by a significant increase in iEPCI awards, which represented approximately 50% of Subsea inbound orders year-to-date. We also anticipate growth in Subsea Services revenue to $1.3 billion, supported by the continued expansion in our installed base. When taken together, we expect direct awards, iEPCI and Subsea Services to represent more than 70% of inbound orders in 2023.

Surface Technologies – Our performance typically is 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.

In the third quarter, operating profit in North America benefited from strategic actions taken in prior quarters that helped offset lower revenue in the period. 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% and maximizes oil production.

International markets represented approximately 61% of total segment revenue in the third quarter. Our backlog provides us with visibility for international 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 in 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. We continue to benefit from our exposure to the Middle East, the North Sea and Asia Pacific.

We continue to execute on our multi-year framework agreement with Abu Dhabi National Oil Company 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 OF TECHNIPFMC PLC
THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

	Three Months Ended September 30,		Change	
(In millions, except %)	**2023**	**2022**	**$**	**%**
Revenue	$ 2,056.9	$ 1,733.0	$ 323.9	18.7
Costs and expenses				
Cost of sales	1,690.5	1,474.4	216.1	14.7
Selling, general and administrative expense	183.8	151.9	31.9	21.0
Research and development expense	17.5	19.0	(1.5)	(7.9)
Impairment, restructuring and other expenses	4.3	6.9	(2.6)	(37.7)
Total costs and expenses	1,896.1	1,652.2	243.9	14.8
Other income (expense), net	(41.5)	(10.3)	(31.2)	(302.9)
Income from equity affiliates	20.6	13.8	6.8	49.3
Net interest expense	(26.7)	(30.9)	4.2	13.6
Income before income taxes	113.2	53.4	59.8	112.0
Provision for income taxes	19.5	42.7	(23.2)	(54.3)
Income from continuing operations	93.7	10.7	83.0	775.7
(Income) from continuing operations attributable to non-controlling interests	(3.7)	(5.7)	2.0	35.1
Income (loss) from continuing operations attributable to TechnipFMC plc	90.0	5.0	85.0	1,700.0
Loss from discontinued operations	—	(15.3)	15.3	100.0
Net Income (loss) attributable to TechnipFMC plc	$ 90.0	$ (10.3)	$ 100.3	973.8

Revenue

Revenue increased $323.9 million during the three months ended September 30, 2023, compared to the same period in 2022. Subsea revenue increased by $293.3 million, primarily driven by a 24.5% higher backlog as of December 31, 2021, than December 31, 2022, converting into an increase in project revenues over the period. Surface Technologies revenue increased by $30.6 million, out of which $22.2 million is due to increased activity in the Middle East.

Gross Profit

Gross profit (revenue less cost of sales) increased to $366.9 million during the three months ended September 30, 2023, compared to $256.0 million in the prior-year period. Subsea gross profit increased year over year by $94.7 million, of which $42.0 million is due to volume increase and $52.7 million in favorable activity mix. Surface Technologies gross profit increased year-over-year by $13.1 million, of which $9.4 million due to North America’s improved operational performance and $6.4 million due to higher Middle East activity.

Selling, General and Administrative Expense

Selling, general and administrative expense increased $31.9 million year-over-year, in support of increased business activities in both segments.

Impairment, Restructuring and Other Expenses

We incurred $4.3 million of impairment, restructuring and other expenses during the three months ended September 30, 2023, of which $1.9 million was impairment of equipment and right-of-use assets and $1.8 million restructuring costs from the closure of a site in Mexico. During the three months ended September 30, 2022, we incurred $3.6 million impairment and $3.3 million restructuring expenses mainly associated with impairment of assets and exiting our operations in Canada and Russia.

Other Income (Expense), Net

Other income (expense), net, includes 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. The $31.2 million year-over-year increase in net expense is driven by the impact of net foreign exchange losses in the quarter.

Income (Loss) from Equity Affiliates

For the three months ended September 30, 2023 and 2022, we recorded income from equity method affiliates of $20.6 million and $13.8 million, respectively, resulting from an increase in operational activity of our joint ventures.

Net Interest Expense

Net interest expense of $26.7 million decreased by $4.2 million in the three months ended September 30, 2023, compared to the same period in 2022, due to movement in outstanding debt and fluctuation in interest rates.

Provision for Income Taxes

Our provision for income taxes for the three months ended September 30, 2023 and 2022 reflected effective tax rates of 17.2% and 80.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full valuation allowance and a 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 those of the United Kingdom.

CONSOLIDATED RESULTS OF OPERATIONS OF TECHNIPFMC PLC
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

	Nine Months Ended September 30,		Change	
(In millions, except %)	**2023**	**2022**	**$**	**%**
Revenue	$ 5,746.5	$ 5,006.0	$ 740.5	14.8
Costs and expenses				
Cost of sales	4,828.8	4,323.0	505.8	11.7
Selling, general and administrative expense	487.7	454.6	33.1	7.3
Research and development expense	49.7	45.1	4.6	10.2
Impairment, restructuring and other expenses	10.0	15.1	(5.1)	(33.8)
Total costs and expenses	5,376.2	4,837.8	538.4	11.1
Other income (expense), net	(225.1)	33.5	(258.6)	(771.9)
Income from equity affiliates	35.9	23.5	12.4	52.8
Loss from investment in Technip Energies	—	(27.7)	27.7	100.0
Loss on early extinguishment of debt	—	(29.8)	29.8	100.0
Net interest expense	(75.7)	(92.5)	16.8	18.2
Income before income taxes	105.4	75.2	30.2	40.2
Provision for income taxes	100.2	91.0	9.2	10.1
Income (loss) from continuing operations	5.2	(15.8)	21.0	132.9
(Income) from continuing operations attributable to non-controlling interests	(2.0)	(19.4)	17.4	89.7
Income (loss) from continuing operations attributable to TechnipFMC plc	3.2	(35.2)	38.4	109.1
Loss from discontinued operations	—	(34.7)	34.7	100.0
Net income (loss) attributable to TechnipFMC plc	$ 3.2	$ (69.9)	$ 73.1	104.6

Revenue

Revenue increased by $740.5 million during the nine months ended September 30, 2023, compared to the same period in 2022. Subsea revenue increase was driven by 24.5% higher backlog as of December 31, 2021, than December 31, 2022, converting into an increase of $530.2 million in project revenues. Surface Technologies revenue increased by $144.9 million, year-over-year, of which $79.5 million and $26.9 million are due to increase in operator activity in the Middle East and North America, respectively.

Gross Profit

Gross profit (revenue less cost of sales) increased to $920.5 million during the nine months ended September 30, 2023, compared to $674.0 million in the prior-year period. Subsea gross profit increased year-over-year by $199.9 million, of which $75.4 million is due to volume increase and $124.5 million due to favorable activity mix. Surface Technologies gross profit increased year-over-year by $43.9 million, of which $23.4 million is driven by North America’s improved operational performance and $21.3 million due to higher activity in the Middle East.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by $33.1 million year-over-year, in support of increased activities in both segments.

Impairment, Restructuring and Other Expenses

We incurred $10.0 million of impairment, restructuring and other expenses during the nine months ended September 30, 2023, compared, to $15.1 million during the nine months ended September 30, 2022. During the nine months ended September 30, 2023, we incurred $6.6 million of restructuring and severance expenses, primarily associated with exiting operations in Canada and costs from the closure of a site in Mexico. Additionally, we incurred $1.8 million of asset impairment in the U.K. During the nine months ended September 30, 2022, we incurred impairment, restructuring and other expenses, primarily associated with exiting our operations in Russia and Canada.

Other Income (Expense), Net

Other income (expense), net, includes 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. For the nine months ended September 30, 2023, we recognized a $126.5 million non-recurring legal settlement charge and the remaining increase is mainly the year-over-year impact of net foreign exchange gains and losses. Excluding the non-recurring legal settlement charge, Other income (expense) net increase by $65.1 million year-over-year, which is the result of $79.6 million increase in net foreign exchange losses compensated by higher gains on sales of property, plant and equipment.

Income from Equity Affiliates

For the nine months ended September 30, 2023 and 2022, we recorded income from equity method affiliates of $35.9 million and $23.5 million, respectively, resulting from an increase in operational activity of our joint ventures.

Loss from Investment in Technip Energies

During the nine months ended September 30, 2022, we recorded a loss of $27.7 million as a result of our investment in Technip Energies. The amounts recognized represent fair value revaluation gains (losses) of our investment and the result of the sale of the investment. See Note 9 for further details.

Loss on Early Extinguishment of Debt

For the nine months ended September 30, 2022, we recognized a loss of $29.8 million on early extinguishment of debt which related to premium paid and write-off of bond issuance costs in connection with the repurchase of the 2021 Notes. See Note 11 for further details.

Net Interest Expense

Net interest expense of $75.7 million decreased by $16.8 million in the nine months ended September 30, 2023, compared to the same period in 2022, due to the reduction in outstanding debt.

Provision for Income Taxes

Our provision for income taxes for the nine months ended September 30, 2023 and 2022 reflected effective tax rates of 95.1% and 121.0%, respectively. The year-over-year change in the effective tax rate was primarily related to losses in jurisdictions with a full valuation allowance, a change in other discrete adjustments and 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 $34.7 million for the nine months ended September 30, 2022. See Note 17 for further details.

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC
THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

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 4 for further details.

Subsea

	Three Months Ended September 30,		Change	
(In millions, except % and pts.)	**2023**	**2022**	**$**	**%**
Revenue	$ 1,708.3	$ 1,415.0	293.3	20.7
Operating profit	$ 177.7	$ 105.0	72.7	69.2
Operating profit as a percentage of revenue	10.4 %	7.4 %		3.0 pts.

Subsea revenue increased $293.3 million, as a continued positive impact of the backlog increase in 2022, compared to prior year. $143.6 million increase comes from Brazil, $116.9 million from Norway and $54.1million from the United States, offset by net $20.9 million decrease from the rest of the world.

Subsea operating profit for the three months ended September 30, 2023, increased by $72.7 million. $42.0 million comes from volume, combined with $52.7 million in favorable activity mix, partially offset by a $22.0 million increase in operating expense.

Surface Technologies

	Three Months Ended September 30,		Change	
(In millions, except % and pts.)	**2023**	**2022**	**$**	**%**
Revenue	$ 348.6	$ 318.0	30.6	9.6
Operating profit	$ 33.3	$ 19.0	14.3	75.3
Operating profit as a percentage of revenue	9.6 %	6.0 %		3.6 pts.

Surface Technologies revenue increased by $30.6 million, $22.2 million of which is attributable to increased activity in the Middle East. During the three months ended September 30, 2023 and 2022, 60.6% and 54.0% of total segment revenue, respectively, was generated outside of North America, of which the Middle East represented 25.2% and 20.6%, respectively.

Surface Technologies operating profit increased versus the prior year by $14.3 million, of which $7.2 million is due to North America’s improved operational performance and $5.3 million due to higher Middle East activity.

Corporate Expense

	Three Months Ended September 30,		Change	
(In millions, except %)	**2023**	**2022**	**$**	**%**
Corporate expense	$ (24.7)	$ (25.2)	0.5	2.0

Corporate expense of $24.7 million for the three months ended September 30, 2023 is related to costs associated with our support functions, such as corporate staff expenses, share-based compensation expense and other employee benefits.

SEGMENT RESULTS OF OPERATIONS OF TECHNIPFMC PLC
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

Subsea

(In millions, except %)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change $	Change %
Revenue	$ 4,714.3	$ 4,118.7	595.6	14.5
Operating profit	$ 397.9	$ 256.1	141.8	55.4
Operating profit as a percentage of revenue	8.4 %	6.2 %		2.2 pts.

Subsea revenue increased by $595.6 million, driven by increased backlog during 2022. $410.2 million increase comes from Brazil, $168.5 million from Norway, $172.9 million from the United States and $100.1 million from Guyana, offset by $321.8 million decline in Asia Pacific as projects reached completion in the region.

Subsea operating profit for the nine months ended September 30, 2023, increased by $141.8 million, $75.4 million from volume, combined with $124.5 million in favorable activity mix, partially offset by a $58.1 million increase in operating expense.

Surface Technologies

(In millions, except %)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change $	Change %
Revenue	$ 1,032.2	$ 887.3	144.9	16.3
Operating profit	$ 81.4	$ 32.7	48.7	148.9
Operating profit as a percentage of revenue	7.9 %	3.7 %		4.2 pts.

Surface Technologies revenue increased by $144.9 million, $79.5 million of which is the result of increased activity in the Middle East and $26.9 million is due to increased operator activity in North America. During the nine months ended September 30, 2023 and 2022, 58% and 54% of total segment revenue, respectively, was generated outside of North America.

Surface Technologies operating profit increased year-over-year by $48.7 million. $21.3 million is due to North America’s improved operational performance and $27.4 million is the result of higher activity in international markets.

Corporate Expense

(In millions, except %)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change $	Change %
Corporate expense	$ (205.6)	$ (76.7)	(128.9)	(168.1)

Corporate expense increased by $128.9 million, or 168.1%, year-over-year, mostly due to the non-recurring legal settlement costs of $126.5 million incurred during the nine months ended September 30, 2023.

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			
	Three Months Ended		Nine Months Ended September 30,	
(In millions)	2023	2022	2023	2022
Subsea	$ 1,828.0	$ 1,400.8	$ 8,479.0	$ 5,222.4
Surface Technologies	317.1	449.2	972.3	1,014.2
Total inbound orders	$ 2,145.1	$ 1,850.0	$ 9,451.3	$ 6,236.6

Order backlog - Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Backlog reflects the transaction price for products and services for which we have a material right, but work has not been performed. See Note 3 for further details.

	Order Backlog	
(In millions)	September 30, 2023	December 31, 2022
Subsea	$ 12,073.6	$ 8,131.5
Surface Technologies	1,157.1	1,221.5
Total order backlog	$ 13,230.7	$ 9,353.0

Subsea - Subsea backlog of $12.1 billion as of September 30, 2023 increased by $3.9 billion compared to December 31, 2022. Subsea backlog 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 Uaru; AkerBP Utsira; Azule Energy Agogo; Shell Jackdaw and Dover; Husky West White Rose; Equinor BM-C33, Rosebank and Irpa, Verdande; Tullow Jubilee South East; Wintershall Maria and Dvalin; and Harbour Talbot.

Surface Technologies - Order backlog for Surface Technologies as of September 30, 2023 decreased by $64.4 million compared to December 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

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

Net Debt - Net debt, is a non-GAAP financial measure reflecting total debt, net of cash and cash equivalents. 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, our total debt as determined in accordance with GAAP or as an indicator of our operating performance or liquidity.

The following table provides a reconciliation of our total debt to net debt, utilizing details of classifications from our condensed consolidated balance sheets:

(In millions)	September 30, 2023	December 31, 2022
Cash and cash equivalents	$ 690.9	$ 1,057.1
Short-term debt and current portion of long-term debt	(407.3)	(367.3)
Long-term debt, less current portion	(933.5)	(999.3)
Net debt	$ (649.9)	$ (309.5)

Cash Flows

Operating cash flows from continuing operations - We used $8.1 million and $214.3 million of cash in operating activities from continuing operations during the nine months ended September 30, 2023 and 2022. The decrease of $206.2 million in cash used by operating activities from continuing operations was primarily due to timing differences on project milestones, vendor payments for inventory, and fluctuations in derivative assets and liabilities.

Investing cash flows from continuing operations - We used $63.5 million of cash in investing activities from continuing operations during the nine months ended September 30, 2023 as compared to $213.3 million cash generated in investing cash flows from continuing operations during the same period in 2022. The decrease of $276.8 million in cash from investing activities was primarily due to $288.5 million proceeds received from sales of our investment in Technip Energies during 2022 and an increase in cash required of $59.4 million for capital expenditures. This cash need was offset by $61.9 million cash from sale of assets, of which $54.4 million was related to the sale of Apache II pipelay vessel.

Financing cash flows from continuing operations - Financing activities from continuing operations used $276.7 million and $626.8 million of cash during the nine months ended September 30, 2023 and 2022, respectively. The decrease of $350.1 million in cash used by financing activities was driven by long-term debt pay down activity of $451.7 million during the nine months ended September 30, 2022, partially offset by an increase of $100.0 million in share repurchases during the nine months ended September 30, 2023.

Debt and Liquidity

On April 24, 2023, we entered into a fifth amendment (the “Amendment No. 5”) to the Revolving Credit Facility (as amended, the “Credit Agreement”), dated February 16, 2021, which increases the commitments available to the Company under the Credit Agreement to $1.25 billion and extends the term to five years from the date of the Amendment No. 5. The Credit Agreement also provides for a $250.0 million letter of credit sub-facility.

On April 24, 2023, the Company also entered into a new $500 million five-year senior secured performance letters of credit facility (the “Performance LC Credit Agreement”). The commitments under the Performance LC Credit Agreement may be increased to $1.0 billion, subject to the satisfaction of certain customary conditions precedent. The Performance LC Credit Agreement permits the Company and its subsidiaries to have access to performance letters of credit denominated in a variety of currencies to support the contracting activities with counterparties that require or request a performance or similar guarantee. It contains substantially the same customary representations and warranties, covenants, events of default, mandatory repayment provisions and financial covenants as the Credit Agreement and benefits from the same guarantees and security as the Credit Agreement on a pari passu basis.

Availability of borrowings under the Revolving Credit Facility is reduced by the outstanding letters of credit issued against the facility. As of September 30, 2023, there were $54.2 million letters of credit outstanding, and our availability under the Revolving Credit Facility was $1,195.8 million.

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 ratings with Moody’s are Ba1 for our long-term unsecured, guaranteed debt. See Note 11 for further details regarding our debt.

On July 26, 2023, our Board of Directors authorized and declared a quarterly cash dividend of $0.05 per share. The cash dividend of $0.05 per share was paid on September 6, 2023, to shareholders of record as of the close of business on the New York Stock Exchange on August 22, 2023. Cash dividends paid during the three and nine months ended September 30, 2023 was $21.8 million. We intend to pay dividends on a quarterly basis, and this dividend represents $0.20 per share on an annualized basis.

On July 26, 2023, our Board of Directors authorized additional share repurchase of up to $400.0 million. Together with the existing program, our total share repurchase authorization was increased to $800.0 million of our outstanding ordinary shares under our share repurchase program. Pursuant to this share repurchase program, we repurchased $50.1 million of ordinary shares during the three months ended September 30, 2023, Since the initial share repurchase authorization in July 2022, we have purchased an aggregate amount of $250.3 million of ordinary shares through September 30, 2023. Based upon the remaining repurchase authority of $549.7 million and the closing stock price as of September 30, 2023, approximately 27.0 million ordinary shares could be subject to repurchase.

We expect to repurchase shares from time to time through open market purchases, privately negotiated transactions, Rule 10b5-1 plans, and any other means in accordance with applicable securities laws. The share repurchase program does not obligate us to repurchase shares and may be suspended or discontinued at any time at our discretion.

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 Note 15 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.

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

Refer to our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of our critical accounting estimates. During the nine months ended September 30, 2023, there were no changes to our identified critical accounting estimates.

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 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 also contacted and cooperated with French authorities (the Parquet National Financier ("PNF")) with their investigation about these 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.

On June 22, 2023, the Company, through its subsidiary Technip UK Limited, along with Technip Energies SAS, a subsidiary of Technip Energies NV, reached a resolution with the PNF of all outstanding matters, including its investigations into historical projects in Equatorial Guinea, Ghana, and Angola. The resolution took the form of a convention judiciaire d'interet public, (“CJIP”), which does not involve any admission of liability or guilt. Under the terms of the CJIP, Technip UK and Technip Energies France will pay a public interest fine of €154.8 million and €54.1 million, respectively, for a total of €208.9 million. Under the companies’ separation agreements, TechnipFMC is responsible for €179.45 million to be paid in installments through July 2024, and Technip Energies is responsible for the remaining €29.45 million. During the three months ended June 30, 2023, we recorded a $126.5 million liability incremental to our existing provision. After making a scheduled installment payment of €24.7 million on July 13, 2023, we have an outstanding balance, after foreign exchange impact, of $164.0 million in other current liabilities in our condensed consolidated balance sheet as of September 30, 2023.

TechnipFMC fully cooperated with the PNF and was not required to retain a monitor. The CJIP received final approval by the President of the Tribunal Judiciaire of Paris at a hearing on June 28, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk affecting the Company, see Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in our Annual Report on Form 10-K for the year ended December 31, 2022. Our exposure to market risk has not changed materially since December 31, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2023, under the direction of our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2023.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. 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 joint 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 1A. RISK FACTORS

As of the date of this filing, there have been no material changes or updates to our risk factors that were previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We had no unregistered sales of equity securities during the three months ended September 30, 2023.

The following table summarizes repurchases of our ordinary shares during the three months ended September 30, 2023:

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 (b)
July 1, 2023 to July 31, 2023	160,000	$ 18.38	160,000	32,539,540
August 1, 2023 to August 31, 2023	2,051,404	$ 18.32	2,051,404	29,368,163
September 1, 2023 to September 30, 2023	462,217	$ 20.50	462,217	27,025,139
Total	2,673,621	$ 18.70	2,673,621	27,025,139

____

(a) In July 2023, the Board of Directors authorized additional share repurchase of up to $400.0 million. Together with the existing program, the Company's total share repurchase authorization was increased to $800.0 million. For the three months ended September 30, 2023, we repurchased 2,673,621 shares for a total cost of $50.1 million at an average price of $18.70 per share.

(b) Based upon the remaining repurchase authority and the closing stock price as of the last trading date of the respective period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
10.1*	Separation, Release and Waiver of Claims and Restrictive Covenant Agreement (incorporated by reference from Exhibit 10.1 to the Current Report on Form 8-K filed on July 31, 2023) (File No. 001-37983)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
32.1*	Certification of Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
32.2*	Certification of Chief Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
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.
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).

* Furnished herewith.

+ Certain schedules or exhibits to this exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements 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)

/s/ Krisztina Doroghazi

Krisztina Doroghazi
Senior Vice President, Controller and Chief Accounting Officer
(Chief Accounting Officer and a Duly Authorized Officer)

Date: October 26, 2023

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Douglas J. Pferdehirt, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2023 of TechnipFMC plc (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 26, 2023

/s/ DOUGLAS J. PFERDEHIRT
Douglas J. Pferdehirt
Executive Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Alf Melin, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2023 of TechnipFMC plc (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 26, 2023

/s/ ALF MELIN

Alf Melin
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002, 18 U.S.C. SECTION 1350

I, Douglas J. Pferdehirt, Executive Chairman and Chief Executive Officer of TechnipFMC plc (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2023, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2023

/s/ DOUGLAS J. PFERDEHIRT

Douglas J. Pferdehirt
Executive Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
UNDER SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002, 18 U.S.C. SECTION 1350

I, Alf Melin, Executive Vice President and Chief Financial Officer of TechnipFMC plc (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(a) The Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2023, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2023

/s/ ALF MELIN

Alf Melin

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)