



# Technip Fourth Quarter and Full Year 2016 Results

February 24, 2017

# Safe Harbour

This presentation contains both historical and forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “likely”, “should”, “planned”, “may”, “estimates”, “potential” or other similar words. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Risks that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: our ability to successfully continue to originate and execute large services contracts, and construction and project risks generally; the level of production-related capital expenditure in the oil and gas industry as well as other industries; currency fluctuations; interest rate fluctuations; raw material, especially steel as well as maritime freight price fluctuations; the timing of development of energy resources; armed conflict or political instability in the Arabian-Persian Gulf, Africa or other regions; the strength of competition; control of costs and expenses; the reduced availability of government-sponsored export financing; losses in one or more of our large contracts; U.S. legislation relating to investments in Iran or elsewhere where we seek to do business; changes in tax legislation, rules, regulation or enforcement; intensified price pressure by our competitors; severe weather conditions; our ability to successfully keep pace with technology changes; our ability to attract and retain qualified personnel; the evolution, interpretation and uniform application and enforcement of International Financial Reporting Standards, IFRS, according to which we prepare our financial statements as of January 1, 2005; political and social stability in developing countries; competition; supply chain bottlenecks; the ability of our subcontractors to attract skilled labor; the fact that our operations may cause the discharge of hazardous substances, leading to significant environmental remediation costs; our ability to manage and mitigate logistical challenges due to underdeveloped infrastructure in some countries where we are performing projects.

Some of these risk factors are set forth and discussed in more detail in our Annual Report. Should one of these known or unknown risks materialize, or should our underlying assumptions prove incorrect, our future results could be adversely affected, causing these results to differ materially from those expressed in our forward-looking statements. These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this release are made only as of the date of this release. We cannot assure you that projected results or events will be achieved. We do not intend, and do not assume any obligation to update any industry information or forward looking information set forth in this release to reflect subsequent events or circumstances.

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In 2015, Technip applied inter alia IFRS 11 – Joint Arrangements. In its full year financial statements, Technip has incorporated the interpretation of the guidelines concerning this standard issued by IFRIC in which all single project joint arrangements structured through incorporated entities can be only accounted as joint ventures. Technip will continue to report and provide forward-looking information on an adjusted basis which corresponds to its previous framework, in order to ensure consistency and comparability between periods and projects, and to the financial reporting framework used for management purposes.

The full year adjusted financial statements (those generally referred to in this press release) can be found in Annex I to III. The IFRS consolidated financial statements and a reconciliation to the adjusted basis can be found in Annex VI.

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# Technip Fourth Quarter and Full Year 2016 Highlights

# 2016 Technip Highlights



## PROJECT EXECUTION

**Subsea:** completion of T.E.N. and Block 15/06 in Ghana  
**Onshore/Offshore:** Etileno XXI in Mexico, Malikai TLP and Petronas FLNG Satu in Malaysia  
**Yamal:** 83 modules delivered to site



## COST REDUCTION

**Over €900 million savings delivered:** plan execution complete



## BALANCE SHEET

**IFRS net cash at €3.5 billion<sup>(1)</sup>**

**Adjusted net cash at €3.6 billion<sup>(1)</sup>**



## ORDER INTAKE

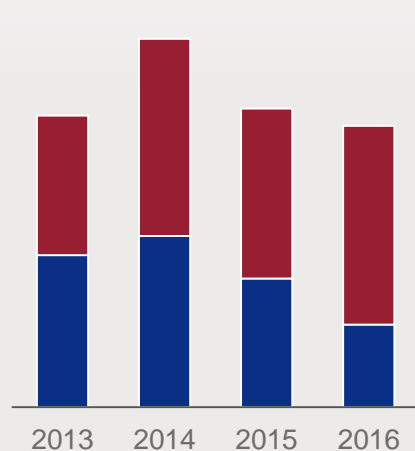
**€5.5 billion FY16; €1.6 billion 4Q16 for €16 billion backlog**

<sup>(1)</sup> Including €1.7 billion of cash acquired net of acquisition costs as a consequence of the main variation in the scope of consolidation

# Main Elements of Full-year 2016 Results

**Backlog**

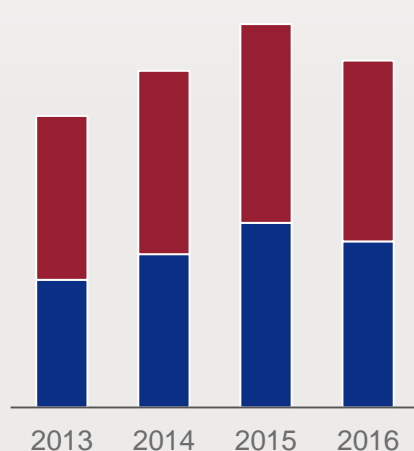
**€16.0 billion**



**FY16 IFRS: €16.0 billion**

**Adjusted Revenue**

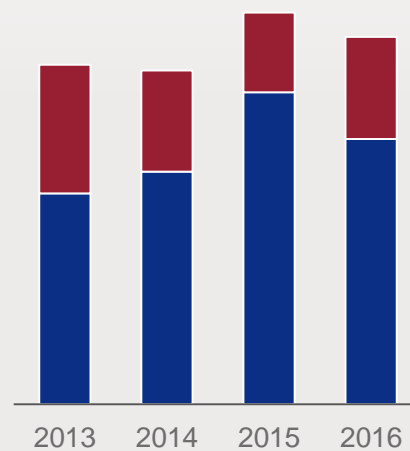
**€11.1 billion**



**FY16 IFRS: €8.3 billion**

**Adjusted OIFRA<sup>(1)</sup>**

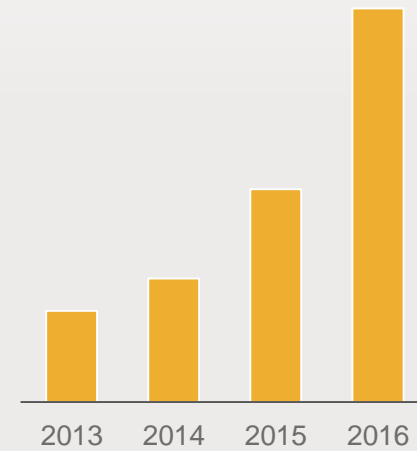
**€934 million**



**FY16 IFRS: €893 million**

**Adjusted Net Cash**

**€3.6 billion<sup>(2)</sup>**



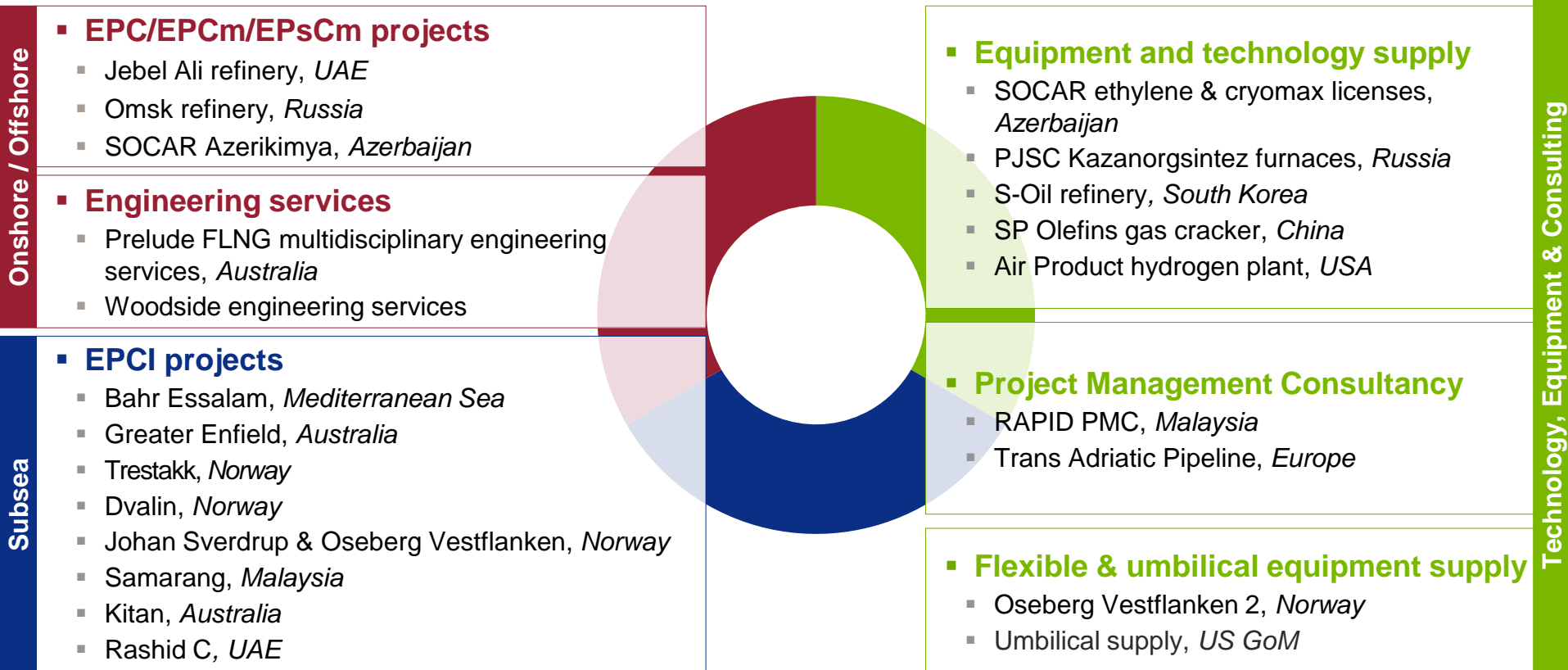
**FY16 IFRS: €3.5 billion**

■ Onshore / Offshore   ■ Subsea   ■ Group

<sup>(1)</sup> Adjusted Underlying Operating Income from Recurring Activities after Income/(Loss) of Equity Affiliates

<sup>(2)</sup> Including €1.7 billion of cash acquired net of acquisition costs as a consequence of the main variation in the scope of consolidation

# 2016 Order Intake at €5.5 Billion



# Full-Year 2016 P&L Highlights

€ million	FY 16 <sup>(1)</sup>	Y-o-Y Change
<b>Revenue</b>	11,051	(9)%
EBITDA <sup>(2)</sup>	1,241	8%
<i>EBITDA Margin</i>	<b>11.2%</b>	<b>182bp</b>
<b>Underlying OIFRA<sup>(3)</sup></b>	934	(5)%
<i>Underlying Operating Margin</i>	<b>8.5%</b>	<b>37bp</b>
Underlying Financial Result	(71)	(44)%
<b>Underlying Net income of the Parent Company<sup>(4)</sup></b>	<b>637</b>	<b>9%</b>
Non-current and one-off charges <sup>(5)</sup>	<b>(441)</b>	n.a.

## FY16 Revenue in line with guidance

- **Subsea at €5.3 billion**
  - 81% vessel utilization
- **Onshore/Offshore at €5.8 billion**
  - Prelude FLNG and Yamal LNG progress

## FY16 OIFRA<sup>(3)</sup>

- **Subsea above guidance at €724 million**
  - Margin at 13.7%
- **Onshore/Offshore in line at €279 million**
  - Margin at 4.8%
- **SG&A reduced by 16% YoY**

<sup>(1)</sup> Adjusted figures

<sup>(2)</sup> Adjusted OIFRA after Income / (Loss) of Equity Affiliates excluding exceptional items, depreciation and amortization

<sup>(3)</sup> Adjusted OIFRA after Income / (Loss) of Equity Affiliates excluding exceptional items

<sup>(4)</sup> Net income of the Parent Company excluding exceptional items

<sup>(5)</sup> Restructuring and transaction costs



# Fourth Quarter 2016 P&L Highlights

€ million	4Q 16 <sup>(1)</sup>	Y-o-Y Change
<b>Revenue</b>	2,556	(18)%
EBITDA <sup>(2)</sup>	259	(20)%
<i>EBITDA Margin</i>	<b>10.1%</b>	<b>(24)bp</b>
<b>Underlying OIFRA<sup>(3)</sup></b>	153	(37)%
<i>Underlying Operating Margin</i>	<b>6.0%</b>	<b>(175)bp</b>
Underlying Financial Result	(12)	(75)%
<b>Underlying Net income of the Parent Company<sup>(4)</sup></b>	113	1%
Non-current and one-off charges <sup>(5)</sup>	<b>(315)</b>	n.a.

## 4Q Revenue

- **Subsea at €1.1 billion**
  - 78% vessel utilization
- **Onshore/Offshore at €1.4 billion**

## 4Q OIFRA<sup>(3)</sup>

- **Subsea at €114 million**
  - Margin at 10.0%
- **Onshore/Offshore at €65 million**
  - Margin at 4.6%

**Note: costs relating to the merger, merger integration and restructuring were taken full year and fourth quarter**

<sup>(1)</sup> Adjusted figures

<sup>(2)</sup> Adjusted OIFRA after Income / (Loss) of Equity Affiliates excluding exceptional items, depreciation and amortization

<sup>(3)</sup> Adjusted OIFRA after Income / (Loss) of Equity Affiliates excluding exceptional items

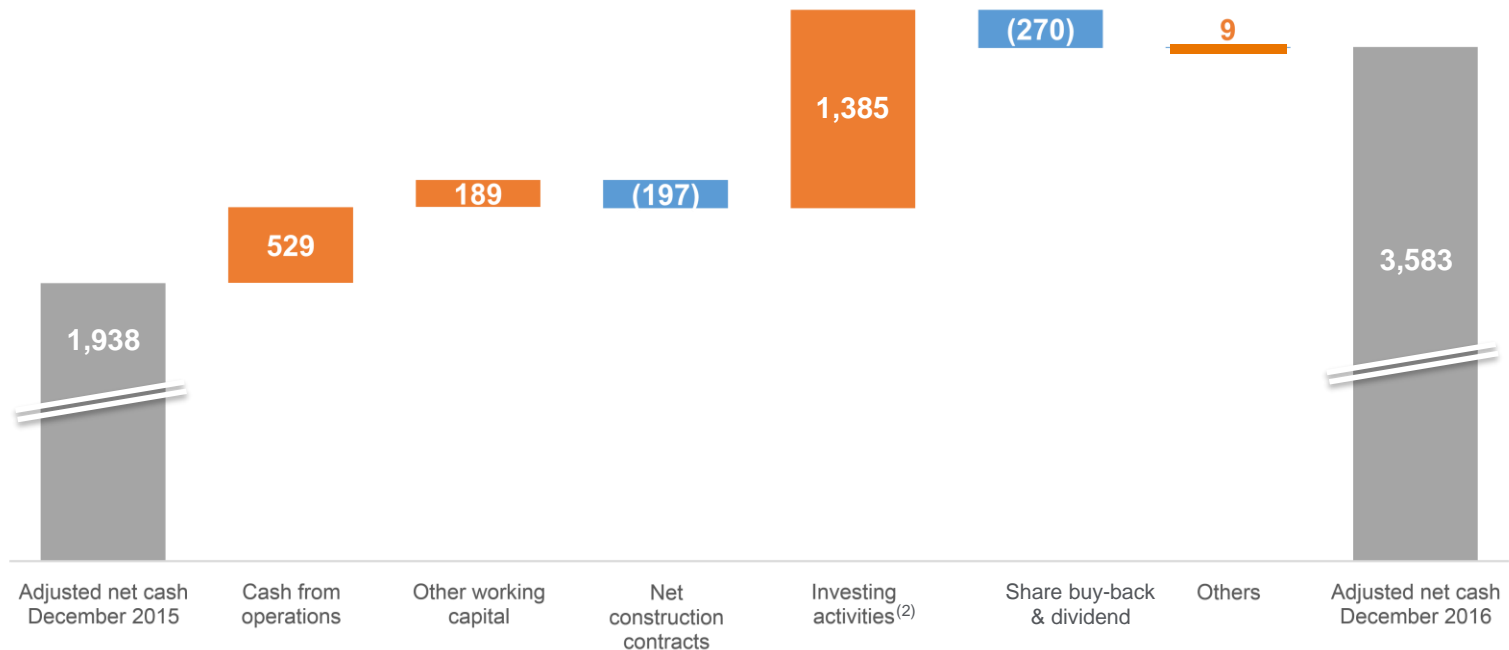
<sup>(4)</sup> Net income of the Parent Company excluding exceptional items

<sup>(5)</sup> Restructuring and transaction costs

# Cash Flow

## Cash Flow Evolution Includes Impacts of Changes to Consolidation scope

€ million

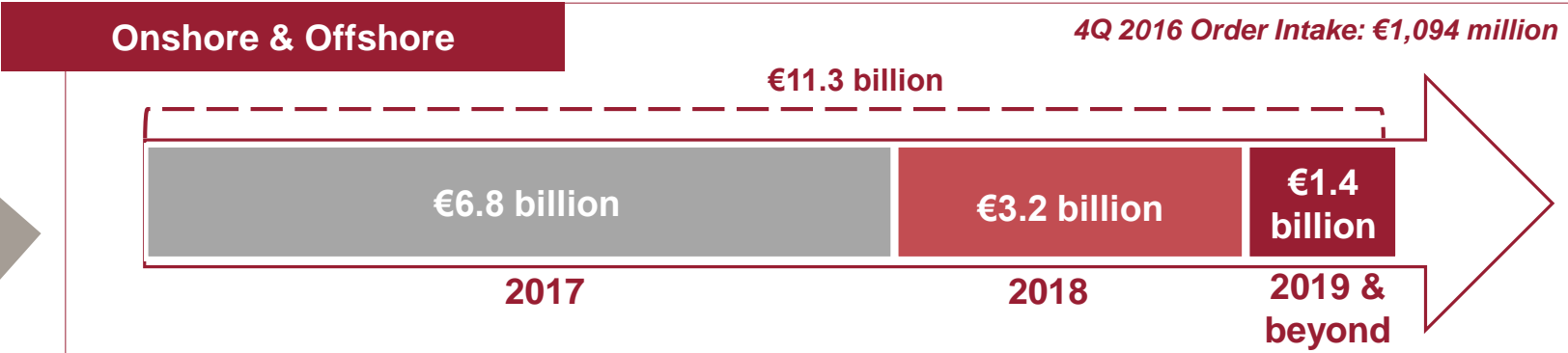
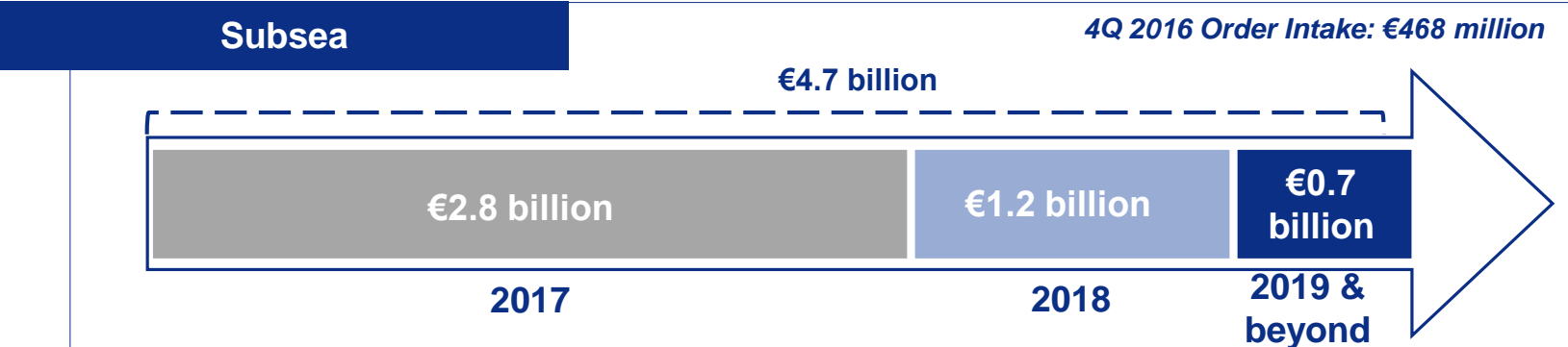


> **IFRS and Adjusted net cash now show minimal differences**

<sup>(1)</sup> Including €1.7 billion of cash acquired net of acquisition costs as a consequence of the main variation in the scope of consolidation

<sup>(2)</sup> Net capex and acquired and divested companies

# Backlog at €16 Billion



# Yamal Project: 2016 Objectives Achieved

➤ Progress on Train 2 modules delivery with 28 modules sail-away

## KEY FACTS

- 83 modules delivered and installed in Sabetta, Russia
- On-site construction ramping-up with 77,000 tons of erected steel
- Largest fleet of heavy carriers making successive shipments through the Northern Sea Route
- Growing mobilization in Sabetta with 27,000 people on-site

# Reconciliation from IFRS to Adjusted Framework

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## Consolidated Statement of Income

€ in million	2015 IFRS	2016 IFRS	Change	Adjustments	2016 Adjusted
Revenue	10,337.9	8,313.4	-20%	2,737.2	11,050.6
<b>Gross Margin</b>	<b>1,445.7</b>	<b>1,418.2</b>	<b>-2%</b>	<b>119.6</b>	<b>1,537.8</b>
Research and Development Expenses	(86.1)	(95.3)	11%	-	(95.3)
SG&A and Other	(613.6)	(532.2)	-13%	(0.1)	(532.3)
Share of Income/(Loss) of Equity Affiliates	54.6	102.1	nm	(78.1)	24.0
<b>OIFRA after Income/(Loss) of Equity Affiliates</b>	<b>800.6</b>	<b>892.8</b>	<b>12%</b>	<b>41.4</b>	<b>934.2</b>
Non-Current Operating Result	(469.8)	(441.0)	-6%	-	(441.0)
<b>Operating Income after Non-Current Items</b>	<b>330.8</b>	<b>451.8</b>	<b>37%</b>	<b>41.4</b>	<b>493.2</b>
Financial Result	(157.6)	(71.0)	-55%	(4.1)	(75.1)
<b>Income/(Loss) before Tax</b>	<b>173.2</b>	<b>380.8</b>	<b>nm</b>	<b>37.3</b>	<b>418.1</b>
Income Tax Expense	(117.0)	(130.7)	12%	(37.3)	(168.0)
Non-Controlling Interests	(11.1)	31.2	nm	-	31.2
<b>NET INCOME/(LOSS) OF THE PARENT COMPANY</b>	<b>45.1</b>	<b>281.3</b>	<b>nm</b>	<b>-</b>	<b>281.3</b>

# Reconciliation from IFRS to Adjusted Framework

## Consolidated Statement of Financial Position

€ in million	Dec. 31 2015 IFRS	Dec. 31 2016 IFRS	Adjustments	Dec. 31 2016 Adjusted
Fixed Assets	6,539.0	6,661.4	(11.1)	6,650.3
Deferred Tax Assets	430.4	560.7	(1.0)	559.7
<b>Non-Current Assets</b>	<b>6,969.4</b>	<b>7,222.1</b>	<b>(12.1)</b>	<b>7,210.0</b>
Construction Contracts - Amount in Assets	637.6	460.8	-	460.8
Inventories, Trade Receivables and Other	3,116.5	4,146.4	5.7	4,152.1
Cash & Cash Equivalents	2,919.1	5,947.6	57.7	6,005.3
<b>Current Assets</b>	<b>6,673.2</b>	<b>10,554.8</b>	<b>63.4</b>	<b>10,618.2</b>
<b>Assets Classified as Held for Sale</b>	<b>26.4</b>	<b>2.1</b>	<b>-</b>	<b>2.1</b>
<b>TOTAL ASSETS</b>	<b>13,669.0</b>	<b>17,779.0</b>	<b>51.3</b>	<b>17,830.3</b>
Shareholder's Equity (Parent Company)	4,536.4	4,804.6	-	4,804.6
Non-Controlling Interests	8.5	(11.1)	-	(11.1)
<b>Shareholder's Equity</b>	<b>4,544.9</b>	<b>4,793.5</b>	<b>-</b>	<b>4,793.5</b>
Non-Current Financial Debts	1,626.0	1,573.4	-	1,573.4
Non-Current Provisions	242.0	276.2	1.2	277.4
Deferred Tax Liabilities and Other Non-Current Liabilities	207.6	172.7	0.3	173.0
<b>Non-Current Liabilities</b>	<b>2,075.6</b>	<b>2,022.3</b>	<b>1.5</b>	<b>2,023.8</b>
Current Financial Debts	937.1	848.5	-	848.5
Current Provisions	433.7	658.9	2.0	660.9
Construction Contracts - Amount in Liabilities	908.4	3,191.3	-	3,191.3
Trade Payables & Others	4,769.3	6,264.5	47.8	6,312.3
<b>Current Liabilities</b>	<b>7,048.5</b>	<b>10,963.2</b>	<b>49.8</b>	<b>11,013.0</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>13,669.0</b>	<b>17,779.0</b>	<b>51.3</b>	<b>17,830.3</b>



# Reconciliation from IFRS to Adjusted Framework

## Consolidated Statement of Cash Flows

€ in million	2015 IFRS	2016 IFRS	Adjustments	2016 Adjusted
Net Income/(Loss) of the Parent Company	45.1	281.3	-	281.3
Depreciation & Amortization of Fixed Assets	346.0	306.2	0.8	307.0
Stock Options and Performance Share Charges	40.5	19.9	-	19.9
Non-Current Provisions (including Employee Benefits)	136.4	63.3	-	63.3
Deferred Income Tax	(63.8)	(188.0)	33.2	(154.8)
Net (Gains)/Losses on Disposal of Assets and Investments	(31.8)	23.7	0.1	23.8
Non-Controlling Interests and Other	5.6	(50.1)	38.6	(11.5)
<b>Cash Generated from/(used in) Operations</b>	<b>478.0</b>	<b>456.3</b>	<b>72.7</b>	<b>529.0</b>
Change in Working Capital Requirements	153.0	(10.1)	2.2	(7.9)
<b>Net Cash Generated from/(used in) Operating Activities</b>	<b>631.0</b>	<b>446.2</b>	<b>74.9</b>	<b>521.1</b>
Capital Expenditures	(293.3)	(282.7)	(0.9)	(283.6)
Proceeds from Non-Current Asset Disposals	24.5	(45.1)	0.2	(44.9)
Acquisitions of Financial Assets	(2.3)	(6.7)	-	(6.7)
Acquisition Costs of Consolidated Companies, Net of Cash Acquired	(30.7)	3,288.9	(1,656.4)	1,632.5
<b>Net Cash Generated from/(used in) Investing Activities</b>	<b>(301.8)</b>	<b>2,954.4</b>	<b>(1,657.1)</b>	<b>1,297.3</b>
Net Increase/(Decrease) in Borrowings	(113.4)	(215.1)	-	(215.1)
Capital Increase	94.3	1.5	-	1.5
Dividends Paid	(88.9)	(100.8)	-	(100.8)
Share Buy-Back and Other	(5.8)	(168.8)	-	(168.8)
<b>Net Cash Generated from/(used in) Financing Activities</b>	<b>(113.8)</b>	<b>(483.2)</b>	<b>-</b>	<b>(483.2)</b>
<b>Net Effects of Foreign Exchange Rate Changes</b>	<b>18.9</b>	<b>111.1</b>	<b>57.6</b>	<b>168.7</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>234.3</b>	<b>3,028.5</b>	<b>(1,524.6)</b>	<b>1,503.9</b>
Cash and Cash Equivalents at Period Beginning	2,685.6	2,919.1	1,582.3	4,501.4
Bank Overdrafts at Period Beginning	(0.9)	(0.1)	-	(0.1)
Cash and Cash Equivalents at Period End	2,919.1	5,947.6	57.7	6,005.3
Bank Overdrafts at Period End	(0.1)	(0.1)	-	(0.1)



