Technip Energies Capital Markets Day

Thursday, 28th January 2021

Opening Remarks

Phillip Lindsay

Director, Investor Relations, Technip Energies

Welcome

Hello, and welcome to the Technip Energies Capital Markets Day. I am Phillip Lindsay, and I will lead Investor Relations for Technip Energies and will coordinate today's event.

We are broadcasting this event live from Paris, with the stage setup following strict COVID guidelines. All of our speakers have tested negative for COVID in the last 24 hours.

Today's speakers

Technip Energies has assembled a highly capable and experienced leadership team with a demonstrated ability to deliver world-class project execution to drive innovation and to inspire a highly talented workforce. I will now let the team introduce themselves. Arnaud?

Arnaud Pieton: Hello and welcome. I am CEO-elect for Technip Energies. I have over 22 years in the energy industry: 17 of those years with Technip, then TechnipFMC and now, Technip Energies.

12 of those 17 years, I have spent abroad in the US mainly, but also in the Far East, in Asia-Pacific, leading various parts of our business. All these before joining the Executive team of TechnipFMC on day one of the formation of the new company as the Head of the Human Resources function, which we are now calling People and Culture.

I then led the Subsea business before leading Technip Energies, supported by this highly energetic and very capable team which I know very well.

Phillip Lindsay: Thank you, Arnaud. Bruno?

Bruno Vibert: Thank you, Phil. Good afternoon, everyone. Prior to joining Technip seven years ago, I have been success – I have been – I have 15 years as public – in public accounting and then as a consultant, but always with a constant focus on the energy sector.

Since joining Technip seven years ago, I have been successively in the US, then CFO for the Yamal energy joint venture. For the last three-plus years, I have been the SVP Finance for the segment. It is a real pleasure to be here today in this continuity, but also to open this new chapter as the CFO-elect.

Phillip Lindsay: Thank you, Bruno. Marco?

Marco Villa: Hello. Hello to everyone. I am Marco Villa, COO-elect. 30 years' experience – international experience in finance, business and operation, out of which 25 in Technip, where I held several roles of increasing responsibility in such a domain.

Since the merger with TechnipFMC, I have been the President of the region Europe, Middle East, India and Africa, the largest business segment for Onshore/Offshore.

Phillip Lindsay: Thank you, Marco. Stan?

Stan Knez: Hi, everyone. Stan Knez. I look after the Process Technology Business Unit, which is responsible to manage an extensive portfolio of proprietary and alliance technologies.

With more than 30 years in the industry in both upstream and downstream. Previously held technology leadership positions with KBR and Shaw Energy and Chemicals.

I joined Technip in 2012, with the acquisition of Stone and Webster. Look forward to spending a great day together.

Phillip Lindsay: Thank you, Stan. Magali?

Magali Castano: Hello to everyone. I am Magali Castano, SVP People and Culture. I have worked in the energy sector for the past 20 years, always in human resources.

I started with Shell in HR operational role, focussing on change management and supporting the evolution of the downstream business in Europe.

A bit more than ten years ago, I heard about a project named Prelude and this is one of the reasons I applied and actually joined Technip at the time. Since I joined, I had various roles in HR – in particular, the HR Lead for the business unit, Europe, Middle East, India and Africa. VP of People Development for TechnipFMC Group and since last year, Head of People and Culture for Technip Energies. I am very happy to be here today.

Phillip Lindsay: Thank you, Magali. Charles?

Charles Cessot: Thank you, Phil. Good morning. Good afternoon. I am Charles Cessot, SVP Strategy. I have nearly 15 years' experience in energies, first in consulting. Then, I joined TechnipFMC nine years ago, where I had the opportunity to evolve from Investment to Strategy in Houston and Paris. Previously to that, I was Corporate Development Head for TechnipFMC. I am, of course, delighted to join Technip Energies in my role, and delighted to report out today on growth opportunities.

Phillip Lindsay: Thank you, Charles. Last but not least, Alain.

Alain Poincheval: I am Alain Poincheval. I joined the company 30 years ago as a young process engineer, and I went through all the segments of the Company from Onshore/Offshore to Subsea.

I held many positions in Project Management, and I was the Executive Project Director for the Shell Prelude FLNG. Then, I held the position of SVP for the Paris Business Unit. Now, I am the Fellow Executive Project Director for the LNG Arctic 2.

Phillip Lindsay: Thank you, Alain.

Disclaimer

Some of the comments made today may include forward-looking statements, which are based on our best estimates with the information we currently have. Obviously, these outcomes may change and are also subject to the risks detailed in the following slides.

Agenda

In terms of schedule, the formal presentation will last approximately three hours and will be delivered in two parts.

In the first part, Arnaud will introduce Technip Energies and cover our investment case, our ESG approach and our significant market opportunity set. Then, Alain Poincheval will discuss with you our pioneering approach in downstream and gas. Then, Stan, who heads up Process Technology, will then explain our plans to accelerate the energy transition. Our Strategy

Head, Charles, will talk to you about our future expansion opportunities. We will then move into our first Q&A before taking a 15-minute break.

After the break, you will hear about our execution capabilities from Marco while Magali, Head of People and Culture, will talk to you about our key asset, our people. We will then move to the financial section with Bruno Vibert, who will present our financial strength, stability, and outlook. Then, we will return to Arnaud to close out the full presentation before arriving at our second dedicated Q&A.

In terms of the format for Q&A, participants have the opportunity to submit questions directly into the webcast, and you can submit questions at any time during today's presentation.

Transaction rationale and highlights

Create two independent companies via spin-off of 50.1% of Technip Energies

Now, before moving to the main presentation, let me first recap on the rationale behind the decision to create two industry-leading, independent, publicly traded companies. The separation will allow each company to focus on their respective strategies and provide both improved flexibility and growth opportunities.

The two companies will have distinct and expanding market opportunities and specific customer bases across the energy value chain, dedicated and enhanced focus of management resources and capital, robust backlogs supporting future revenues, and compelling and distinct investment profiles. We strongly believe that providing independence for these businesses will unlock further opportunities and value creation for all stakeholders.

In terms of transaction highlights, the intention is to distribute 50.1% of the outstanding shares in Technip Energies. Technip FMC will initially retain the remaining 49.9%. However, BpiFrance plans to invest $200 million in Technip Energies through the acquisition of shares from TechnipFMC to become a long-term reference shareholder of Technip Energies.

Over time, Technip FMC plans to conduct an orderly sale of its stake in Technip Energies, the initial lockup being 60 days. Technip Energies will be listed on the Euronext Paris Exchange and ADRs for US investors. We are targeting deal completion in the first quarter of 2021, subject to customary conditions and regulatory approvals.

With that and before passing on to our first speaker, CEO-elect Arnaud Pieton, we will now play a short video. Thank you.

[Video]

Introduction

Arnaud Pieton

CEO-elect, Technip Energies

We are Technip Energies

Wow. In October 2019 we have announced the name of our new company, Technip Energies. Today, we are incredibly excited to share with you our new company vision and branding.

The first part of our name 'Technip' will be well-known to you and is a well admired and respected name across the industry. For our people and for myself, the passion and sense of

pride of being associated with this historic name was so strong that we felt compelled to keep it. The second part of the name 'Energies' truly reflects where we are going as a company and our vision, we are sharing with you today.

We are Technip Energies, which will also be known as T.EN.

Safety at the heart of everything we do

Now, before we start diving into our investment story, allow me a few words on the very important subject of safety.

At Technip Energies, safety is and will remain at the heart of everything we do. At the beginning of every meeting, no matter where it is held in the world, we always start with safety or ESG moment. It just seemed only right that I start with our commitment to safety in today's meeting as well.

We have demonstrated a solid improvement in all our key safety performance indicators over the last three years. This is not about luck. We have developed a robust approach to quality, health, safety, environment and security (QHSES).

We have advanced programmes that apply learnings from many decades of project delivery. We and our teams are proud of our approach to safety, but we will never take it for granted. We place safety at the heart of everything we do. That means being people-centred and remaining adaptable. This is what we intend to be recognised for.

A compelling investment case

Turning now to our investment case. We believe we have a highly attractive value proposition.

Pioneer downstream and gas evolution

When you think about Technip Energies, think about the leading engineering and technology company for the energy transition – one with a 50-year history in LNG and one ideally positioned for the low-carbon LNG of the future.

Accelerate the energy transition

However, we are far more than a pure energy play or a conventional E&C business within a traditional energy industry. We have a leading position in markets such as ethylene, hydrogen, but also refining and petrochemicals. We have growing businesses in sustainable chemistry, including renewable fuels and CO_2 management.

Leverage capabilities to expand opportunity set

We are in the sweet spot for the need to accelerate an energy transition. This means that we are set up not just to navigate that transition, but to thrive in the energy transition.

Outstanding delivery

Above all, our customers trust us. Our reputation has been built on our people. We thrive on creativity and progress and their ability to deliver outstanding projects time after time.

Financial strength and stability

Together with our strong order book and our commercial selectivity, all of these support our financial strength and the stability and are the backbone for sustainable shareholder returns.

Technip Energies at a glance

Now, looking at Technip Energies at a glance. Technip Energies is a highly differentiated and leading engineering and technology company. With our broad offering of project capabilities, technologies, products and services, we are totally relevant for the energy transition.

As expressed by Phil earlier, we will be headquartered in Paris, with the legal domicile in the Netherlands. The company will have its shares listed on the Euronext Paris Stock Exchange under the ticker TE. We will also have ADRs for US investors.

With our 15,000 employees, we are truly global, operating in 34 countries. We can point to over 61 years of successful operations. We are a €6.1 billion revenue company supported by a significant and high-quality backlog of €13.2 billion. Based on indications from rating agencies, we will begin life with a BBB investment-grade rating.

Technip Energies – what we do

A diversified provider of projects, technologies, products and services

Let me give you a greater insight now into our business by giving you an overview on how we intend to manage and report the business, going forward. We are a diversified provider of projects, technologies, products and services.

Projects delivery – €5.1 billion of revenue

As shown on the left side of the slide, a large part of our business is the delivery of projects of various natures. We have a strong and iconic history, including so many world-firsts.

Our engineering and technical expertise supports a renowned project management model. We master technology integration. This is probably one of the greatest attributes of our company. We do not need to win all the technology bets to be successful. We have a diverse portfolio of projects and commercial models that differentiates our backlog position and provides balance to our enterprise risk profile.

Technology, products and services – €1.1 billion of revenue

Now, moving to the right side of the slide. In addition to our projects, we are also engaged in technologies, products and services, which will be referred to as TPS in Bruno's section later on.

We have a strong proprietary technology portfolio and licensing position accretive to our bottom line. We provide a range of services through early engagement, including feasibility and concept studies, and front end engineering. Our history of successful projects delivery makes us a credible, an ideal project management consultancy or (PMC) player. Our digital expertise is accelerating and is an enabler of growth in advisory lines.

Our ESG pledge for a sustainable future

Making a better tomorrow

Turning now to ESG and sustainability at Technip Energies. We want to be recognised as a reference in this area. We believe we can achieve this through stronger business alignment in the energy transition and in ESG principles, more broadly, and integrating a sustainability strategy throughout our newly formed company in our processes and our business development.

ESG ambitions

We have already developed our business Code of Conduct and have well-defined Health and Safety and Diversity and Inclusion policies. However, in addition to this, we are performing a materiality assessment to define the ESG and sustainability issues that matter most to our business, but also to our stakeholders.

We will use these insights to develop a Sustainability Roadmap and align our reporting process. Within the first year, we will come back to you and to the market with a sustainability strategy.

When we issue our first Sustainability Report, we will also publish a scorecard that we intend to publish annually thereafter to track our progress in ESG and sustainability.

As a best practice, we intend to support the ten principles of the United Nations Global Compact as well as the 17 UN Sustainable Development Goals.

Ultimately, myself and the Board are accountable for ESG and sustainability at Technip Energies. Let me talk about this a bit more on the next slide.

Accountability at CEO and Board level

Aligning ESG performance with management compensation

The TechnipFMC Board has structured management compensation to align us with shareholder goals. We know this will remain the case post-spin, under the Technip Energies Board.

Leadership team remuneration metrics

Taking short-term and long-term compensation structure together, the majority of our executive management compensation is performance-based and is designed to reward actions that will create shareholder value over the long-term.

Financial and ESG KPIs to be implemented in 2021

However, in 2021, in addition to the customary financial objectives, we intend to align senior management remuneration packages with ESG as well. This tangibly signals how seriously we take ESG and sustainability at Technip Energies.

Board continuity

Turning to our Board, it will comprise of eight directors, including myself, and a Non-Executive Independent Chairman, Joseph Rinaldi. Board continuity is ensured as five non-executive directors are joining from the TechnipFMC Board. We will have three committees: Audit, Compensation, as well as an ESG Committee.

A transforming energy market

More energy, less carbon: gas and renewables gaining share in the energy mix

Looking now at the macro backdrop for global energy demand. Post-pandemic, the demand outlook for energy is perhaps less clear over the long-term than previously.

The IEA Stated Policies Scenario, on one end, suggests its long-term upward trend will continue, driven by strong population and GDP growth, notably from developing economies. Whereas on the other end, its Sustainable Development Scenario depicts a scenario where

global energy demand may not even grow. This latter scenario would lead to the greatest change in energy mix.

What is clear from both scenarios, however, is that renewables and bioenergy will gain significant share of the global energy mix and continue to attract significant growth in the capital investment due to increasing competitiveness against conventional sources of energy and growing policy support. Other sources of energies are expected to either remain flat to slightly up, as is the case with natural gas and nuclear, or reduce, as is the case for either coal and, to a lesser extent, oil.

In fact, natural gas is the only fossil fuel that will at least maintain its share in primary energy demand in the next decades. With its lower carbon intensity, it is a critical transition fuel and replacement fuel for those more damaging to the environment like coal, as demonstrated by China's government-led programmes to displace coal with gas. Gas is a key fuel for connecting regional markets and delivering on the energy needs of fast-growing economies, and its role will be boosted by expanding trade in LNG.

LNG, specifically, will increase its penetration in the gas mix from 9% in 2018 to 13% in 2014, according to the latest assessment from the IEA. In this context, we see a mismatch between LNG supply and demand. Therefore, investment should increase further in the coming decade.

However, as we will explain throughout today's presentation, we, as Technip Energies, are largely agnostic to this mix. We believe we can thrive in whatever scenario plays out and that Technip Energies has a critical role to play on the journey to net-zero.

Assisting customers towards net-zero

Technip Energies has a critical role to play

Now thinking about our customers, this long road to a carbon-neutral energy system presents so many challenges and opportunities. Our customers are being faced with a very complex paradox: how to decarbonise the global energy system while simultaneously satisfying the demand for energy.

There is a growing social and political pressure on traditional industries to rise to this challenge to reduce emissions, with pressures also intensifying from the capital markets and regulations. Traditional industries are responding by laying out longer-term ambitions to reduce emissions, with many pledging to become net-zero-carbon companies in the future. This is driving more diversification. Oil companies reimagined as energy companies will move into electricity, sustainable chemistry and electric mobility.

The dilemma for our customers is how far and how fast to pivot towards building a new carbon-neutral businesses that can offer acceptable financial returns while balancing pay-outs for shareholders.

One thing, one thing, should become very clear to you today: Technip Energies is totally irrelevant and totally ready for this market.

Central capabilities throughout the energy landscape

Technip Energies full-cycle offering – target best risk-reward scope

In fact, when you think about our core capabilities, they will be central to the energy landscape regardless of the definition of this landscape, regardless of the definition of this landscape.

When you think about Technip Energies, you should not think of a company that is particularly exposed to demand for oil. In fact, we are completely agnostic to feedstock. Our focus is really on the process of the molecule transformation. The integration of technologies, whether it is gas, or oil or biomass, we are indifferent.

While natural gas is our main conventional energy chain today, our base business, if you like, that picture is evolving. Over the long-term, we would also expect oil to be gradually replaced by natural gas, hydrogen and biomass. CO_2 management will also be of critical importance. We must not forget, we must consider also the energy chain of the future, namely the electron.

However, again, regardless of this energy chain and regardless of our involvement, the fact is that we have the required skills and the flexibility in our product model to support our customers at every step of the transformation chain.

In some projects, we may have an involvement in all of these categories, which you have on the screen, from technology through services. In other scenarios, on the other hand, it may suit us to only be involved in a single aspect of the projects.

Ultimately, our role is determined by what makes the most economic sense to our company and our customers. The key concept underpinning this is selectivity – a concept you will hear repeatedly throughout this presentation today.

Energy transition is our business

Applying our core capabilities to today and tomorrow's key energy challenges

Turning to energy transition, we have defined four pillars through which we are addressing the energy transition: LNG and low-carbon LNG, sustainable chemistry, decarbonisation and carbon-free energy solutions.

We have outstanding energy molecule transformation skills and capabilities. Our strong engineering capability allows us to define the optimal architectural design from energy source to energy demand. We are able to integrate complex technologies into these projects to best match the project needs and determine the best project economics.

Often, these are proprietary technologies to Technip Energies. However, equally, we can integrate the technology of our alliance partners. We can even licence technology from a third-party technology provider.

This flexibility in our operating model clearly provides many avenues to be successful in the energy transition. This core capability set is reinforced through world-class project management and execution capabilities.

As we navigate the energy transition, we are truly equipped with the skills and the relationships and the technologies to be able to address several growth markets, including hydrogen, biofuels and the circular economy.

We will show you today several real case studies, real case studies of many of these exciting new opportunities in today's presentation. If there is one thing you take away from this presentation, it is that energy transition is not a risk to our business, energy transition is our business.

Significant and diversified market opportunity set

Leveraging capabilities to meet customer needs and energy transition challenges

Moving now to our markets, where we have a significant diversified opportunity set, present and future.

Today, the drivers of our existing and future markets are different to that of the past. I spoke about it a bit earlier. Of course, broader macroeconomic trends and demographic factors remain key. However, the global agenda to mitigate the impacts of climate change have taken centre stage. We intend to leverage our core capabilities to meet changing customer needs and help them succeed in the energy transition journey.

Base

Looking at our markets, we continue to see a solid base within our traditional markets, with a large annual addressable market of over €70 billion with growth GDP-led. We have a solid base.

Growth

We have identified growth markets that fit squarely within the energy transition domain in addition to that base. This is true notably in the areas of hydrogen, sustainable chemistry and CO_2 management.

In these markets, we see an annual addressable market of over €15 billion, and we anticipate much faster growth of up to 15% compounded. In addition, we have identified upside potential in adjacent markets to more than €15 billion per annum.

Upside

Here, in the upside, we are positioning in the carbon-free energy chain, notably in green hydrogen. However, there are other exciting opportunities, which you will hear more about from Stan Knez later on.

We plan to grow our high-end services offering as well in advisory and consulting. We will use the Genesis brand as a springboard. We plan to expand selectivity into industries such as life sciences as well.

Annual addressable market

Now, in aggregate, we have a substantial annual market opportunity set of over €100 billion with high growth potential in identified growth and upside markets and supported by a significant base in traditional markets, which themselves are evolving towards lower carbon markets.

With that as an introduction, today's presentation aims to provide you with greater insight on our market position and our strategic vision for the future of Technip Energies. There will be five segments to the presentation, which my colleagues on the leadership team with me today will take in turn to showcase.

We will begin with our pioneering position in downstream and gas with our first speaker, Alain Poincheval, Fellow Executive Project Director. Alain will explain to you the strength we see in our base markets of LNG Onshore/Offshore, our market positioning and competitive advantage and the role – the very important role that we can play in decarbonising these markets.

Alain, over to you.

Pioneer Downstream and Gas Evolution

Alain Poincheval

Fellow Executive Project Director, Technip Energies

Base – pioneer downstream and gas evolution

Highly competitive offering to address significant market opportunity

Thanks, Arnaud. Let us look at our base markets. We believe we have a highly competitive offering to address the significant market opportunities in LNG, offshore and downstream where, in aggregate, we have an identified market opportunity of €60 billion to €70 billion.

LNG and gas monetisation

We see first an annual addressable market €10 billion to €15 billion in LNG and gas monetisation – addressable because we are a market leader in LNG and proprietary technologies for gas processing and NGL recovery units.

Offshore

Second, we see also an annual market of €10 billion to €15 billion in offshore, the majority of which is in the gas domain. Here, we have the industry's most comprehensive reference list for FLNG and the pioneering position in the market for gas FPSOs.

Downstream

Then, we see an annual market for downstream of €40 billion to €45 billion. Again, here, we have a leading proprietary technologies and equipment in petrochemicals and the leading market position in ethylene.

Transition to a low-carbon world – gas displacing coal

New LNG capacity to be sanctioned to meet demand

Over the long-term, we expect gas to continue to displace coal, particularly as gas is around 40% less CO_2-intensive than coal and emits far fewer problems. While the magnitude of the displacement can be argued, we believe that gas is increasingly competitive with other forms of energy. A decarbonised version of natural gas could indeed displace coal faster than many perceive.

Following a record year in 2019 for new capacity project sanctions, 2020 was a period of low project final investment decision by our customers. However, Technip Energies was able to secure the Costa Azul project for Sempra energy – the only LNG project sanctioned in 2020. This in the year of 2017, when we captured the only project sanctioned in that year as well – LNG Coral FLNG. This is not luck. We align and engage with the best quality project with the best opportunities of success.

Looking ahead, the LNG wave is not over for Technip Energies. Far from it. Our market analysis, which is in line with forecasts from independent consultants and many of our large customers, show significant investment in new LNG infrastructure, will be required to support the LNG demand in the mid-2030s. We estimate here a supply gap of above 140 million tonnes per annum. This is equivalent to over 25% of the current capacity. This is equivalent also to around 15 mega projects that require sanctioning.

However, we do not anticipate that the supply gap will be made up exclusively of megaprojects. There are several smaller projects – brownfield expansion, debottlenecking project – that have a strong potential to move forward. We believe that modularisation and midscale will have a significant role to play. We believe that Technip Energies will have a significant role to play here.

An LNG leader and pioneer with 50+ year track record

With that as an encouraging LNG market backdrop, now let us consider our positioning. We are, for sure, a top-tier player, with our market position reinforced by recent reference and contracts awards—size matters in LNG.

Customers look to us to solve LNG engineering process technology integration with rotating equipment and put onshore for modularisation. In the future, bunkering will become increasingly important. We can use our designs and midscale expertise to play a role. We have an extensive LNG reference list dating back to the world's first LNG project in the 1960s – I was about to be born.

An onshore and floating LNG leader

We have executed the world's largest LNG development as well as midscale plants. We are a pioneer in FLNG with the industry's only references. We have expertise in applying modularisation to large-scale projects and we have project management solutions for mega projects in remote location. I will show you, for example, in Yamal.

In aggregate, we have developed about 20% of the global installed capacity that is in operation today and delivered over 100 million tonnes per year of capacity to the market. Today, we have over 20 million tonnes per year under construction.

Pioneering LNG innovations

Clearly, LNG is a core competency for Technip Energies. We have a broad offering: project delivery, products, including loading arms as well as services capability. We are present in all regions with large gas reserves.

However, we do not stand still in this market. Our pioneering approach to the LNG market continues. We are working on innovations to further differentiate in the area of low to zero-carbon LNG, modularisation, midscale and floating LNG.

Zoom on Yamal LNG and Arctic LNG 2

Moving to our first case study, let us look at two major projects in the Arctic region: Yamal LNG and my project, Arctic LNG 2.

Yamal LNG

Yamal LNG has been a tremendously successful project and one that has created significant value for our clients, our partners and for Technip Energies. I would like to touch on several of the factors that contributed to its success.

First, our mindset. I will use here the April 2013 analogy here. Failure is not an option. This demonstrates the pioneering spirit we have as a company. We inspired a younger generation of engineers to rise to the challenge. In this instance, we were fortunate that all the staffs were aligned on goals and ambitions between the customer, ourselves and the supply chain.

Second, our multicentre execution. This aspect has been critical to the success of many projects, not just Yamal. However, our ability to load different engineering centres afforded us significant flexibility and efficiency in the execution scheme.

Then, complex multi-arm management. More than ten yards to manage for this project. Module fabrication in Asia – half a million tonnes, half a million tonnes. The logistics very intensive between China and Russia. The result was the first two trains delivered in record time and the third train delivered 12 months ahead, 12 months ahead of the original schedule – an unprecedented feat in the LNG industry.

Yamal LNG has taken the engineering practices well beyond traditional boundaries. The challenges of constructing and operating in such arctic conditions – very harsh – requires innovative methodologies, out-of-the-box thinking and designs and intense scrutiny to push the usual industry solutions to a new level of success.

Arctic LNG 2

More importantly, we are honoured by the trust of our client, Novatek and the opportunity to serve on the Arctic LNG 2. Arctic LNG 2 will bring onstream nearly $20 million per annum new capacity comprising three LNG trains.

The development will utilise 42 modules – significantly larger in size and complexity. These modules will be based on a concrete gravity-based structure – what we call a GBS – an innovative engineering solution we worked on extensively with our partners during the feed.

For Arctic LNG 2, we will leverage our recent success from Yamal LNG through the continuity of leadership, execution model, and lessons learnt. Despite the challenges of COVID-19, we have made solid progress, and Arctic 2 remains very much on track.

Low-to-zero-carbon LNG

Providing cleaner solutions for brownfield and greenfield LNG projects

The future of LNG, however, is changing. This critical fuel can also decarbonise. Within the LNG value chain, we estimate that as much as 75% of emissions occur during the pre-treatment and the liquefaction. Given the breadth of our scope in this value chain, this puts Technip Energies at the heart of the solution to decarbonise energy.

We have here identified three key areas of emission.

CO_2 from feedstock

The first one being the CO_2 from the feedstock. Here, we can suppress the emissions through compression and dehydration.

CO_2 from gas turbines

The second area, typically, LNG plants are powered by gas turbines. Today, we can drive efficiency improvements in the process and power generation. However, we can move further.

We can further neutralise emissions from turbines using what we call CCUS (Carbon Capture, Utilisation and Sequestration unit) or even replace the turbines with renewable power – electricity from solar or wind. We are working with partners on new solutions, including hydrogen as a substitute for fuel gas.

CO_2 and methane leaks

The third area, there is also a potential for CO_2 and methane leaks from LNG facilities and plants. Here, we can reduce venting and flaring, and minimise fugitive emissions as well as the use of water and waste.

Unique combination of LNG, hydrogen, renewables and CCUS expertise

In summary, to achieve a low-to-zero-carbon energy scenario, expertise will be required from multiple domains, including hydrogen, CCUS and renewables – all skills that we possess. Therefore, Technip Energies is uniquely positioned to help the industry succeed in decarbonising energy.

Extensive offshore expertise and track record

Bridging customer needs for decarbonised, economical offshore solutions

Let us now consider our offshore expertise where we can leverage a 50-plus-year track record to help bridge customer needs for decarbonised yet economical offshore solutions. We believe many of these skills and competencies we have developed in offshore will also be relevant for the energy transition markets, such as floating wind, which Charles will come back to later in the presentation.

Leader in offshore LNG

We are a pioneer for floating energy, or what we call FLNG, and can boast the industry's only reference. First one, Prelude FLNG for Shell, the largest offshore facility ever constructed. I was the Executive Director for this consortium. Half a kilometre long. Imagine. Half a kilometre long. PFLNG 1, Satu, for PETRONAS. Today, we are executing Coral South FLNG in Mozambique, which I will cover in more details on the next slide.

FLNG can be an attractive opportunity for when the gas needs to be extracted faster than it will take to build an onshore liquefaction. Sometimes, however, the main hurdle is cost. That is why we continue to innovate to improve cost competitiveness and develop new solutions for a range of applications that improve flexibility and reduce environmental impacts.

We have a structured R&D programme in place aimed at achieving better economics of scale for large capacity offshore gas reserves prospects. This leverages our experience in the FLNG market to-date with new innovations, including mega modules and new installation methods and can lead to substantial CAPEX and OPEX savings for all our capacity FLNG. This is a highly promising development.

High-value module approach

We have also developed a high-value module approach. This is based on lean and standardised designs. We can utilise this to differentiate our commercial offers.

However, there is also the potential to develop alternative commercial models, including product sales. This modular approach enables flexibility on existing infrastructure and new projects, including the ability to unlock standard gas reserves. It also offers our customers optimised performance, in terms of economics as well as the environment.

Zoom on Coral South FLNG

A first for Mozambique, showcasing Technip Energies' offshore capabilities

Our latest FLNG project takes us into the new frontier of Mozambique in Africa for the Coral South project for Eni. Coral South was the first project approved in Mozambique for area for development.

Unique project

The FLNG facility will have a capacity of 3.4 million tonnes per annum. The facility will use a double hull vessel of over 400 metres in length. This is longer than the Empire State Building is tall.

Challenging conditions

Coral South will be the first FLNG deployed in water depths of 2,000 metres and the first FLNG in the African continent.

Built on experience

Collaborating with trusted partners is something we do on many projects to bring together complementary skills, technologies and experience and enabling new concepts to become reality.

For Coral, we are partnered with JGC and Samsung Heavy Industries, who we have worked extensively with in the past, to provide with a full development solution and robust execution plan for Coral.

As Eni confirmed, in November, we are now over 75% complete. All topside modules are installed, including the eight-storey accommodation module, as well as 12 gas treatment and LNG modules.

Expanding into services

We are excited about the services opportunity that our EPCIC contracting model brings on this project. Finally, as a start of our approach to the project and dedication to the region, we developed a sustainable local content plan in Mozambique to support the project, in terms of human resources and infrastructure.

A diversified and innovative downstream offering

Creating value across the downstream value chain

Turning now to downstream, where we have a rich history which includes over 40% market share for ethylene technology, over 30 grassroots refineries, another 200 modernisation and revamp projects.

Differentiated offering

We have a diverse offering with leading proprietary technologies and equipment that enables customers to achieve greater efficiencies in their plant.

Through continuous innovation, we made incredible progress in plant efficiency, in terms of reducing total installation cost per unit of production, reducing feedstock consumption per measure of pollution and reducing CO_2 emissions. This focussed R&D to drive process improvement has been part of technology for decades. This is what drives our leadership position and our differentiation.

This is providing opportunities for smart revamp to provide flexibility around feedstock. We are also driving further optimisation through digital monitoring to minimise downtime while optimising production and helping our customers better integrate their refining and petrochemical operation to lower their costs and enhance their margins.

Zoom on decarbonising ethylene

Proprietary technology and equipment innovation to reduce environmental footprint

A good example of our R&D strategy of driving market leadership is in the ethylene domain. We are seeing significant efficiency and environmental gains in our proprietary technologies. Here, we estimate that our innovation can drive a more than 30% reduction in emissions per unit of production while materially reducing fuel consumption during the production process.

New cracking furnace design: Significant modernisation contract for Shell Moerdijk

Such innovations were instrumental in the recent award by Shell of a significant modernisation contract to upgrade ethylene furnaces at their Moerdijk facility in the Netherlands.

For this revamp project, we will provide proprietary equipment and related services for eight ethylene furnaces, which will replace 16 units currently on site – and that, without reducing capacity. Our low-emission cracking furnace design reduces CO_2 emission by replacing it from fuel gas with green electricity. Importantly, for Shell, our modular approach will enable uninterrupted operations throughout the project.

This award further demonstrates our leadership in ethylene technology and contributes to a material reduction in CO_2 emissions at the Moerdijk facilities.

Key takeaways

Pioneer downstream and gas evolution

In summary, we are a partner of choice globally, with a 50-year track record and leading position in the attractive markets of LNG and ethylene.

We see robust, long-term demand, both for gas and downstream, with LNG playing a more prominent role in the energy mix and both LNG and downstream playing a critical role in the energy transition.

Our innovations around decarbonisation and efficiency are enabling sustainable solutions for greenfield and revamp projects.

Thank you for listening and back to Arnaud.

Arnaud Pieton: Well, thank you, Alain. Thank you for so much passion and for representing the very important project management discipline with so much passion at the highest level of the organisation within the Executive Committee. I cannot tell you how important it is to me to have this project management competency represented in our Executive team.

Now, to complement our decarbonisation strategy for our base market, in this next section, you will hear how Technip Energies has the process engineering capability, the agility, the appetite to accelerate the energy transition. Current initiatives combined with our flexible operating model will allow us to unlock the energy chains of tomorrow and capture our share of high-growth markets.

As our next speaker Stan Knez, SVP Process Technology, will explain, when you think about hydrogen, think Technip Energies. When you think about sustainable chemistry, think Technip Energies.

Stan, over to you.

Accelerate the Energy Transition

Stan Knez

SVP Process Technology, Technip Energies

Growth – accelerate the energy transition

Unlocking the energy chains of tomorrow

Thank you, Arnaud. Let us take a closer look at our growth markets: hydrogen, sustainable chemistry and CO_2 management – all of which resides squarely in the energy transition space. In aggregate, as Arnaud had just indicated, we have identified a double-digit market opportunity of upwards of €15 billion per annum.

Hydrogen

We are a world leader in hydrogen, having delivered our proprietary steam reforming technology to over 270 plants globally, representing over 35% of the global installed base. We are a recognised partner of choice with long-standing partnerships with the likes of Air Products, relevant for grey and blue hydrogen, while also forming new ones that improve our positioning for the green hydrogen market.

Sustainable chemistry

In sustainable chemistry, which for us includes biofuels, biochemistry and the circular economy, we see an annual addressable market of €5 billion to €10 billion. We are positioned well with established business and multiple references, most notably in biofuels, where we have a preferred alliance with market leader, Neste.

CO_2 management

Turning to CO_2 management, we see an annual addressable market of up to €5 billion. We already have over 50 references for CO_2 removal units, including a leading strategic alliance with Shell for the CANSOLV carbon capture technology.

A hydrogen leader ready to tackle new megatrend

From refinery commodity to energy transition enabler

Taking a closer look at our position in the market for hydrogen and how we expect it to develop, moving forward.

Let us not underestimate the collective knowledge and experience we have gained from our 50-year track record in hydrogen—over 35% of the installed base – that is 270 plants.

In addition, we have proprietary technology through our steam reformer, which has multiple applications. For example, today, we are utilising it in renewable fuels plants.

Hydrogen is the most widely used industrial gas in downstream today. We use it as feedstock in ammonia production for fertilisers, in petroleum refining for clean fuels, and in methanol production.

However, looking to the future, hydrogen holds significant promise as a clean energy carrier. It could be used to decarbonise industrial processes like Alain talked about decarbonisation of LNG, used as fuel for mobility, and even to provide heating in our homes and buildings.

According to the Hydrogen Council, which we are a member of, by 2050, 25% of passenger vehicles, 30% of trucks and 25% of buses will be fuelled with hydrogen, with investment dollars of several hundred billion likely required in order to reach the 2050 target on climate change.

In the long-term, hydrogen has the potential to be as important in the energy mix as natural gas is today. We see a very bright future for hydrogen. We are confident we can leverage our leading market position to remain an important and relevant player in the hydrogen market of tomorrow.

Hydrogen future is both blue and green

Leverage leading position to provide decarbonised and carbon-free hydrogen solutions

Assessing the growth opportunity in clean hydrogen. When we combine our grey hydrogen heritage with our leading carbon capture solutions, we have the in-house capabilities to fully engineer and construct blue hydrogen plants.

Blue hydrogen – extensive capabilities

We already have over 50 references for carbon capture solutions in hydrogen plants, many of which are retrofit into existing plant assets to become hydrogen with CO_2 capture. We are increasingly involved in studies and believe we are positioned well for a wave of blue hydrogen.

As key industries, including downstream and steel, increasingly aim to demonstrate CO_2 capture in their facilities, we see a positive business development pipeline consisting of up to 20 CO_2 capture units to be retrofitted on existing hydrogen plants, where Technip Energies built the original facility, plus a number of grassroots blue hydrogen plant opportunities.

We are developing our technology approach. Our strategy utilises proprietary technology through our SMR (Steam Methane Reformer) and licensed technology through an agreement for autothermal reforming.

For CO_2 capture technology, we currently have access to capture technology through our strategic alliance with Shell CANSOLV, and I will talk about this later. Access to these technologies, combined with our great hydrogen experience, will be our platform to play in the green hydrogen market.

Green hydrogen – growth opportunity

Turning to green hydrogen. Our ambition is to act as a leading indicator and EPC services provider for green hydrogen projects. Green hydrogen technologies involve electrolysis and hydrogen storage. We can bring our design execution, scale-up competencies into play to make these projects economically viable.

While historically, green hydrogen projects have stalled amid challenging economics, two aspects will be critical for this industry's development.

Firstly, government policy. Importantly, the momentum here is strong. We have seen many strong pledges for green hydrogen from governments all around the world, including major economies within the EU, as well as the UK, Japan, and Australia. Let us not forget about the United States.

Secondly, the costs of electrolytic hydrogen are expected to fall rapidly in the coming years, benefitting from innovation, improvements in the supply chain and economies of scale. The MOU and technology collaboration we have recently signed with McPhy is exactly in line with that goal.

Zoom on McPhy strategic investment and partnership

Accelerate the development of large-scale and competitive green hydrogen solutions

In October 2020, we signed a strategic partnership and investment in the green hydrogen arena with McPhy, a leading manufacturer of equipment used in the production and distribution of green hydrogen.

With McPhy, we will leverage our established brand, customer relationships and international footprint to develop large-scale and competitive green hydrogen solutions from production all the way to liquefaction, storage and distribution.

We will jointly address commercial opportunities, work on integrating our respective offerings and undertake R&D for hydrogen technology. We are also joined by Chart Industries, whose expertise in equipment development is complementary to our process technology and project capabilities.

We firmly believe that both innovative technologies and partner collaboration will be needed for the world to achieve net-zero-carbon targets. This collaboration between McPhy, Chart Industries and ourselves is a clear example of the important role that Technip Energies can play in the development of the green hydrogen industry.

In summary, when you think about Technip Energies, think Technip Energies – when you think about hydrogen, think Technip Energies – both ways.

Proprietary technology portfolio

A leading portfolio of process technologies

Our expertise in integrating process technologies, either proprietary or from third-party licensors, fosters early project engagement and can make significant impact on project

economics. From conceptual design to piloting, engineering scale-up and, ultimately, commercialisation, Technip Energies is a leading supplier of process technologies. We have built an extensive portfolio of process technologies with a consistent strategy focussed on R&D, alliances and acquisitions.

We have an active Research and Development programme. Approximately half of our R&D expenditures is deployed to improve the efficiency of our existing portfolio of process technologies. Programmes are often focussed on reducing environmental impact, capital cost reduction as well as development of add-on technologies to enhance the offering.

The balance of the investment is dedicated to the growth of the portfolio through development of new processes or products such as proprietary equipment and catalysts. This can be through open innovation with partners or through dedicated acquisitions. All of this serves to accelerate our strategy to strengthen and diversify our technology offering.

Sustainable chemistry

Biomass displacing fossil as feedstock, recycling for virtuous resource consumption

Looking in more detail at sustainable chemistry. Sustainable chemistry focusses on the environmental impact of chemistry and aims to develop more resource-efficient and inherently safer designs of molecules, materials, products and processes.

Our leading R&D centres in Europe and in the United States are currently focussing our efforts on three key areas: biofuels, bio-based chemicals and the circular economy.

Biofuels

In biofuels, our proprietary Hummingbird technology for the conversion of ethanol to ethylene was recently selected by Lanza Tech for a first commercial-scale biorefinery to manufacture sustainable aviation fuel.

We also have a preferred partnership for second-generation renewable fuels with market leader Neste, which I will come back to on the next slide.

Biochemicals

In biochemicals, we have proprietary technology, for example, with Epicerol, which offers a cost-effective, bio-based process to produce epichlorohydrin and benefits from a reduced carbon footprint, compared to traditional propylene-based processes. In fact, this is a completely green process.

We also have a promising alliance for polylactic acid (PLA) with our partners, Sulzer and Futerro. I will come back to this on a subsequent slide.

Circular economy

In the circular economy, we have several promising partnerships that provide us with access to recycling technologies. This includes the Infinia technology with BP, which enables circularity for difficult-to-recycle plastic waste as well as technology for turning plastics into bio-oil via a process called pyrolysis.

We continue to look at other potential partnerships, particularly in the area of chemical recycling. Let me now turn to a series of examples to help put this into perspective.

Zoom on Neste partnership

A collaboration for future NEXBTL renewable diesel projects

In our next case study, we illustrate our alliance with Neste. Last year, we announced a partnership with Neste for renewable fuels projects where Technip Energies will provide front end loading (FEL) services and participate in project execution.

Neste's technology allows for the conversion of second-generation feedstocks like vegetable oils or waste fat into renewable diesel and other renewable fuel products. This technology is becoming increasingly important as it provides an efficient and sustainable solution in the fuel sector while addressing environmental concerns.

Successful realisation of two world-scale renewable diesel plants in the late 2000s

This alliance builds on a long-term collaboration with Neste, illustrated by the successful delivery of two world-scale renewable fuels units in Rotterdam and in Singapore. Today, the ongoing expansion of Neste's renewable products facility in Singapore, which will increase production at that facility by over 60% to 1.3 million tonnes per annum.

Ultimately, the partnership with Neste aims to achieve industry-leading capital productivity through the highest standards of HSE, improved operability, accelerated innovation and reduced project cycle times. We are proud to be Neste's partner of choice for future renewable fuels projects.

Zoom on PLAnet alliance

Enabling sustainable bioplastics

Our next case study covers PLA (polylactic acid), a sustainable bio-plastic which also fits into the circular economy. The promotion of greener alternatives to traditional plastics needs to be backed by suitable technologies that enable the industry to produce high-quality bioplastics in an efficient manner.

PLA is a plant-based and versatile polymer that offers a sustainable alternative to traditional hydrocarbon-based plastics. For instance, consumers can now choose a PLA-based plastic cup that is not only green, but it is also biodegradable and recyclable.

The PLAnet alliance is able to offer a fully integrated package addressing the full PLA value chain to multiple industries, including chemical and agricultural. We have been making good progress. In December 2019, we signed a contract for a feasibility study for Azerbaijan's first bioplastics plant. This could ultimately lead to a significant project within two years.

CO_2 management throughout project lifestyle

Delivering innovative solutions to fulfil customer low-carbon ambitions

Turning now to CO_2 management. We believe we have an obligation to apply our skills to enable the decarbonisation of global energy.

Digital advisory services

We now proactively offer lifecycle analysis and carbon impact assessment with all of our engineering studies. This gives our customers the knowledge to consider carbon-conscious choices during early phases of engineering, where there is the biggest opportunity to minimise the carbon impact of developments.

We have a carbon assessment tool we call Gen-CAT. This tool provides an assessment of direct and indirect emissions from procurement to asset construction through to operations. The beauty of this tool is its applicability. It can be used for greenfield or brownfield, upstream or downstream, across the energy transition. In essence, it can be applied to any asset.

Energy efficiency

Through digital early engagement, innovation and collaboration, we can help our customers make a significant ecological difference and neutralise the carbon impact of their project asset on the environment.

Driving energy efficiency also has a critical role to play in decarbonisation. As Alain had mentioned earlier, we are no stranger to this. Our continuous R&D programmes are driving significant environmental gains.

CCUS

In carbon capture, utilisation and storage, our track record continues to develop. To date, we have been involved in more than 30 CCUS studies globally with more than 15 clients.

Our expertise extends across multiple disciplines, including CO_2 transportation, CO_2 for enhanced oil recovery as well as other approaches to carbon capture and storage concepts and solutions. Our lean project execution expertise is accelerating the maturity of this project portfolio. We will continue to learn, develop and evaluate this market opportunity.

We are engaged in industry-wide collaboration, including close cooperation with regulatory authorities and cross-industry focus groups. We are developing a clear understanding of where the market gaps and the market opportunities could be for Technip Energies. Today, we benefit from a preferred technology alliance with Shell CANSOLV, which is one of the few carbon capture technologies commercialised at industrial scale.

Zoom on Acorn CCS and hydrogen

Making best use of existing assets to deliver low-carbon infrastructures

Turning now to a case study for carbon capture and storage. Through Genesis and our Process Technology teams, we are involved in the feasibility and front end studies for the Acorn Carbon Capture and Storage and hydrogen project in the UK.

The Acorn CCS project aims to capture CO_2 from the central industrial belts in Scotland, then reuse existing Atlantic pipeline infrastructure to export and reinject the CO_2 into depleted reservoirs in the North Sea.

The reuse of existing oil and gas infrastructure provides substantial capital and investment advantages. The project plans to develop further to sequester CO_2 collected pre-combustion by the reforming of natural gas to hydrogen.

CCS is a viable and vital option for many countries today beyond the UK in order to meet climate change obligations. Not only does it enable swift and significant CO_2 capture from industrial sources, but it can also enable the generation of hydrogen in bulk, which can be used for low-carbon heating and transport.

Zoom on carbon capture as a product offering

Delivering high-value carbon capture module to any industrial application

Reinforcing our carbon capture credentials, our Genesis and Process Technology teams are involved in multiple studies for potential CCUS projects, including some notable recent awards.

Economics is the challenge today with carbon capture solutions. In order to tackle this, we have developed a high-value carbon capture module to enable customers to decarbonise their assets.

Our operating centre in Norway has extensive expertise in carbon capture, with references dating back more than a decade. With a product mindset, and through utilising Shell CANSOLV technology, we have designed a fully modular system utilising standard equipment that can be deployed to almost any industrial application. Not only is it significantly more competitive than existing solutions, but it also has a lead time of less than one year.

Pilot plant successfully delivered, paves way towards a full-scale solution

In fact, we delivered a pilot project for four tonnes waste-to-energy plants in Oslo in only 21 weeks. There is potential soon to move to a full-scale design for the plant of up to 400,000 tonnes of CO_2.

The example here is onshore. Subsequently, Charles will illustrate how we are working on offshore applications as well as looking across the entire chain to CO_2 treatment and liquefaction with highly promising indications.

Key takeaways

Accelerate the energy transition

To summarise the section, the energy transition is perceived as a risk by many of our peers. However, for Technip Energies, the market shift towards hydrogen, sustainable chemistry and CO_2 management plays to our strengths. This structural change in the market is an opportunity for us. It will leverage the pioneering mindset that we have ingrained in our culture.

I would even say this is business as usual for us. We are totally relevant for this market. We have the prerequisite skills to support our customers in their own energy transition. We see a rich opportunity set. We will look to leverage our differentiation to further enhance our full-cycle offering from technology to projects and beyond.

Thank you. With that, I hand it back to Arnaud.

Arnaud Pieton: Well, thank you very much, Stan. Thank you again for making the topic of the molecule and chemistry so approachable to many of us. With our base and growth market potential now established, now let us consider the upside case.

In this next section, you will hear about how we can bring our core capabilities to exploit new growth opportunities. We will discuss how we intend to grow our services and advisory business lines. We will discuss how we intend to further penetrate into energy transition markets. We will discuss the opportunity set of our expansion into adjacent markets.

Who better to present this section than Charles Cessot, our SVP Strategy? Charles?

Leverage Capabilities to Expand Opportunity Set

Charles Cessot

SVP Strategy, Technip Energies

Upside – leverage capabilities to expand opportunity set

Bring core capabilities to attractive new markets

Thank you, Arnaud. As you have already seen with Alain and Stan, Technip Energies has a proven position in its traditional markets and is positioned for growth in major low-carbon energy chains.

However, there is also a significant market opportunity beyond this. By leveraging our core competencies, we intend to grow our service business lines to expand our energy transition addressable markets and to move into adjacent industries.

In aggregate, we have identified market opportunities of up to €15 billion globally, which is largely untapped at the moment.

Services

In services, we have already established three business lines in advisory and consulting, digital plant performance and project management consulting. These services represent an asset-light, high-margin and low-risk opportunities set for us. We believe we can expand our offering and grow additional revenue lines with market opportunities of up to €10 billion.

Energy transition

In energy transition, we plan to build on our established offshore expertise to develop a greater presence in full-scale, carbon-free marine projects. We will leverage our expertise to deliver new innovations to the emerging market of offshore hydrogen and offshore wind.

We will develop innovative architecture to overcome the CO_2 management challenge through our proprietary offshore CO_2 hub concept. Combined, we aim to tap into an addressable market of up to €5 billion.

Industries

Finally, in adjacent industries, we selective grow our life science, metal and nuclear and as well as agritech businesses. These prospects have the market opportunities of up to €10 billion.

Enhance our high-value services to customers

Display our unique capabilities through advisory and project management consulting

Now, let me go through these three key areas of opportunities in more details. Turning first to our high-value service businesses, which is offered at different phases: early engagement or ultra-early engagement with Genesis or project phase with PMC, which could be seen as well as an alternative to project delivery.

Advisory services

Genesis has a strong track record of transforming project economics. Its new and expanded scope includes advisory in all of the Technip Energies markets and particularly the ones aligned with energy transition. These services will be supported by our well-established brand

to ensure success in these new markets, which Marco will take you through in his presentation.

Project Management Consultancy (PMC)

In consultancy, our rich history of successful project delivery has made us an ideal project management consultancy player. We fully integrate with our customer teams to de-risk execution from technology selection to final delivery. This work is typically delivered on a reimbursable basis, providing us with a high-value and low-risk stream.

We have grown our PMC organically from a standing start eight years ago. We have now carried out around 11 million man-hours for customers, including large roll-on projects such as RAPID complex for PETRONAS in Malaysia. Recent activity levels have been around 1.5 million man-hours a year, and we aim to double this over the medium term.

Zoom on plant Performance improvement (PPI)

Support advisory by unlocking life-of-plant opportunities with real-time process monitoring

Focus now on the upside in services. Here, the use of our state-of-the-art process capabilities in an intelligent digital tool helps deliver the most accurate diagnosis and recommendation patterns to our customers in the operation phase of a plant.

Cloud-based universal process tool enabling multiple optimisations

Plant Performance Improvement (PPI) is our proprietary process tool that leverages a common operations cloud platform to enable our process engineers to engage seamlessly with the plant sites.

Using physical base models together with machine learning and real-time data, this cutting-edge tool enables intelligent and real-time modelling of plant performance and as well energy efficiency.

With PPI, we provide software and advisory services for direct and collaborative decision-taking on the plants. The actual beauty of the tool is that it can be used on any plant, whether Technip Energies has been involved originally or not.

Plant Performance will serve as a bridge to grow our life-of-plant services, unlocking new businesses opportunities of allowing us from even a closer engagement with our customer for major improvements or revamps.

An ideal partner for floating offshore wind

Applying offshore capabilities to full-scale renewable energy projects

Turning now to floating offshore wind. We are already experienced in this market, with several other references from concept idea to project work and PMC. We were actually involved in several world-firsts: the delivery of the first world-scale floating turbine for Equinor Hywind demo in Norway in 2009, the assembly and the installation of the first floating wind park in Scotland for the same customer in 2014 and, last but not least, the first highly innovative spar designed for the Google Makani energy kite pilot, where Genesis led the design and EPC in 2019.

Positioning in offshore electron to hydrogen

Bridging offshore wind and hydrogen transformation to unlock new possibilities

Through the combination of in-house expertise and strategic partnerships, we can address the complex challenges of floating offshore wind – the main challenging being, first of all, the project economics.

To address this issue, we leverage on a 50-year track record of capabilities in offshore design, including floating structure international environment. To be clear, we have no immediate intention of owning wind installation assets.

Our key differentiator is our ability to manage risk and multi-interfaces in the marine environment. We are expecting rapid growth over the next ten years. We will be well-positioned to capitalise on these evolutions.

Hydrogen

As Stan has already highlighted, to manage energy transition on the global scale, we believe hydrogen will be required in enormous quantities. We believe as well that offshore will become the natural home for hydrogen. There is likely resistance for storage and often a proximity of a renewable source.

We see as well multiple applications for offshore hydrogen such as energy carrier, stabilisation source to deal with intermittency and, lastly, fuel for vessels or industry in hubs.

Integrating offshore, hydrogen process and architecture design capabilities

At present, we are actively looking to bridge the gap between the offshore wind and hydrogen transformation. We believe we are the right partner to deliver compelling innovation to the industry. This is particularly the case, given our process transformation capabilities, our expertise in offshore and topsides, and our integration of architectural design capabilities. Thinking ahead, we could even support the development of any other molecule as the energy carrier with our process technologies capabilities.

As we saw earlier in Stan's presentation, in our partnership with McPhy, industrialisation and scalability will be important for this market to mature. However, this energy chain represents a truly exciting development for the future. We will, of course, continue to position Technip Energies to play a central role.

Let me repeat Stan's message once again: when you think about hydrogen, think Technip Energies.

Zoom on offshore C-Hub concept

Innovative solution to overcome CO_2 management challenges

As you will hear from Magali later, our 15,000 employees are all deeply passionate about pushing technological and project boundaries to overcome the challenges of our time. This includes developing an innovative concept to overcome the challenge of CO_2 management.

Our global CO_2 management solution includes our offshore C-Hub concept. Thanks to this solution, CO_2 is captured and liquefied onshore before being sent offshore by low-carbon carriers to the injection host, the offshore C-Hub, where it is injected into reservoirs and permanently sequestrated.

Adaptable, relocatable and flexible

The concept is the best way to address emissions in various quantities for multiple emitting locations such as industrial, cement or steel facilities onshore. Our preliminary study showed that the total emission from this CO_2 management solution would represent less than 2% of the emissions that we are sequestrating. Clearly, this is a highly favourable trade-off.

Currently, the concept is being evaluated by key operators in the North Sea and is raising more and more interest from our customers as our recent MOU with Transborders Energy in Australia shows.

What also makes this solution attractive is its versatility. As a reservoir reaches full capacity, the unit is simply disconnected, relocated and connected to another reservoir. Therefore, capital investment requirements are one-off in nature.

We have developed in-depth knowhow on our CO_2 management solutions based on in-house expertise and can definitely adapt this concept to various applications. In addition, we generated intellectual property on specific elements of the concept, which is a clear indication of our creativity at the service of a major problem in an economically viable way.

Servicing other industries

Applying our core capabilities and leveraging international footprint beyond energy

Turning now to growth potential in adjacent industries. Today, we are focussed on three core areas, which is life science, metal and nuclear and agritech. We will selectively grow our services beyond energy with a low-risk reimbursable model.

Life sciences

In life science, we have been a leading provider of designing, building and validating pharma and biotech facilities for over 25 years, with over 300 references worldwide. Our knowledge and skill in this area are considered as industry benchmarks, notably in the iron pharmaceutical processes of production such as plasma or more simple vaccines. In France, we have a leading engineering service provider position, and we may pursue international growth opportunities.

Metal and nuclear

In metal and mining, we offer the highest standard of excellence, with high-value services and proprietary technologies on copper, gold and potassium. We have substantial experience across the mineral value chain from mining to processing. A foothold in this industry, together with our outstanding execution, could be critical for energy transition, given its supply of rare raw materials.

Agritech

Finally, agritech is a fast-growing market which is adapting to trends in decarbonisation and circular economy. One project that we are very proud to support is with Ynsect, a world leader in insect breeding, where we are delivering a vertical farming facility for aquaculture and pet nutrition – two non-energy markets with a very interesting growth profile in the coming decade.

Propel innovation via platforms in key ecosystems

Bringing external and internal energies together

Illustrated throughout this section of the presentation are many different innovative application. Before I close, let us take a closer look at our global innovation and lab networks throughout the world.

Incubating and developing technologies

Technip Energies is the market leader in process technology and process commercialisation – a position we sustain through continuous process improvement and R&D. We have actually a proven track record in developing first-of-a-kind process technologies and innovative process commercialisation.

In fact, technologies developed by our company can be found all over the world. However, what sets us really apart is the seamless relationship between our lab networks and the engineering centres. This allowed our licensed technology portfolio to stay ahead of the competition. It also enabled customers with IP to leverage our capabilities to turn their concepts into reality.

For example, our lab in Weymouth in the US develops petrochemicals-based technologies. Our lab in Frankfurt, Germany is principally focussed on polymer and sustainable chemistry. In the Southeast of France, in Cybernetix, we have advanced robotics expertise and as well our own incubator.

Supporting scale-up of breakthrough technologies

However, what Technip Energies excels at is the ability to help our clients in commercialising their product. This is a key part of our approach to support the scale-up of potential breakthrough technologies, often through collaboration with smaller technology companies or start-ups.

Collaborating with institutions on R&D

Last but not least, we also partner through extensive collaboration with the best R&D research institutes across the world through co-developed programmes.

Key takeaways

Leverage capabilities to expand opportunity set

To summarise, I hope you will agree with me when I say that we have a wealth of exciting growth and expansion opportunities ahead of us.

We intend to grow our advisory and service revenues and expand into new markets where we can differentiate. We will utilise our project delivery skills and energy molecule transformation technologies to expand further into carbon-free markets. We will leverage our core capabilities to expand our offering into selected markets, mostly with a service value proposition.

All of this can be only achieved with a strong dose of innovation without compromising on project selectivity.

Thank you very much. With that, I will hand back to Phil.

First Q&A Session

Phillip Lindsay: Thank you, Charles. We will now move to our first Q&A session, which will last about 30 minutes.

As a reminder, you can submit your questions directly into the webcast. We will now pause for just a few minutes while we position ourselves in the room, and the Q&A rotor gets assembled. Thank you.

Okay. Welcome to the first Q&A session. Many of you have submitted questions, which we thank you for.

Our first question comes from Sasi at Morgan Stanley. The question relates to carbon emission reductions related to LNG. 'Is this an opportunity for new greenfield projects or could it also be a brownfield opportunity as well? If yes, are you having any discussion with operators of projects that you have worked for where this could be applied?'

Arnaud Pieton: Yes. Sasi, thank you very much for a very interesting question and, actually, a very pertinent one because I am tempted to answer yes and yes.

The decarbonisation of LNG is a topic that we are discussing for both green and brownfield. Actually, it is unlocking, I would say, a new set of opportunities in brownfield that were probably underestimated or we would have underestimated two, three years ago.

However, today, these conversations are real. They are actually converting into real studies and feasibility studies and how to make that happen. We know how to make it happen and do studies I am sure will convert into real brownfield opportunities, going forward.

We may discuss that later again, but it is also very true for brownfield. Yes and yes, and really opening a new set of opportunities for us in brown and greenfield.

Phillip Lindsay: Thank you, Arnaud. The next question has come through from Michael at Citi. His question relates to Charles's section. 'Can you explain what is required to target the upside markets that you have identified? Does the company have the competencies today or will it need to acquire or organically build these capabilities to target this market opportunity?'

Charles Cessot: Thank you, Michael, for the question. Actually, I hope that my presentation would have demonstrated a little bit of what is implied through R&D and the clear access of those upside markets.

The R&D plays a tremendous role within Technip Energies. This R&D is in multiple forms: this can be small M&A, organically based, or external innovation fronted. We will never stop and we had not stopped building on R&D. This can lead to some acquisitions which is going to put some brick around the axis of the upside markets.

Now, just to be clear, the M&A is not at the service of chasing market share and the bolt-on opportunities. We developed active views and a very good understanding that we continue to cultivate. Together with Marco and Stan, we will test among the realisation and the maturity of this upside market in the future.

Phillip Lindsay: Thank you, Charles. Okay. Next question is coming in from Bertrand at Kepler Cheuvreux. I wondered when this one was going to come up. It is the Qatar LNG expansion question. Bertrand's understanding is that we are bidding in consortium with

Chiyoda. 'When can we expect Qatar Petroleum to select the winning consortium for the main liquefaction package?'

There is a supplementary to that, which is, 'Does the Qatar project include a low-carbon solution?'

There is yet another supplementary to that, which is, 'Are you currently working on LNG projects with green electricity solutions?' He was thinking in particular about a small scale bunkering project in Oman.

Arnaud Pieton: Bertrand, thank you. That is a lot of questions in one question, but very happy to answer them.

You are right. Your understanding is correct about Qatar LNG. We are in association with Chiyoda. May I take the time to remind you that together with Chiyoda, we are the incumbent. We built the first three trains or mega trains in Qatar, which are performing extremely well.

Therefore, the opportunity – and you will hear from Marco bit later on today – that opportunity really fits squarely with our disciplined approach to mega projects and mega LNG projects. We know the infrastructure. We know the country. We know the partner. We know the client. We know the technology. It is certainly, obviously, an opportunity that that is of high interest to us.

As for the 'when will we know', you have read that the latest offers are in. For the rest, really, it is down to our customer. We will follow the pace of our customers. We are engaging, maybe like others, and it is down to the customers and the customers' pace, ultimately. Obviously, however, we are offering that very closely and with a huge amount of interest.

Then, to the section or part number two of your question. Yes, Qatar LNG and the Qatar NFE project, as it is named – those include quite a large CCUS module built into the concept of the plant. It is actually opening the door to a much lower carbon LNG already. It will capture multimillion tonnes of CO_2 per annum.

A large amount of the CO_2 that would normally be emitted by this plant would be captured, thanks to this CCUS module that is actually now built into the concept on the architecture of the plant. Really, we are going a step farther when you think about LNG and the traditional way versus, I would say, the new wave.

Lastly, I believe it was about LNG plant-based or fuelled by green electricity. Here as well, I would say yes, we are competing. We are competing in more than one opportunity. When I say more than one opportunity, it is more than one real tender. That is what I can say about LNG powered by green electricity.

Phillip Lindsay: Great. Thank you, Arnaud. Okay. Next question coming in from Vlad at Bank of America. 'Previously, you described yourself as a leading engineering and construction player focussed on downstream EPC project execution. You are now describing the company as a leading engineering and technology company for the energy transition. Could you please explain the change?'

Arnaud Pieton: Vlad, thank you. Very good question. What has changed and what is new? Well, we are creating Technip Energies, to start with. Okay? We are putting that business on the forefront.

We are putting not only the business but also the high-value attributes of that business on the forefront. I have told you about projects on one side and PTS and you will – TPS, sorry. You will hear the same from Bruno a bit later on. It is important for us to put that high-value attributes or those high-value attributes on the forefront of Technip Energies.

In addition to that, we are not abandoning the construction side of things. I am sure, Vlad, you have been following us for quite some time. You know as well Technip Energies is an asset-light business model. You will hear about that a lot from Bruno later on. We are asset-light, which means that we do not own or we do not operate construction means. We do not have trucks or cranes.

However, our key competency is really with the people and the knowhow and the expertise to drive large construction projects. We have kind of always been an EMT company. Our strength in this is really in the engineering, the technology, which we have in-house or we can integrate. We can integrate technologies of many kinds. That is what we are putting forward today for you.

Phillip Lindsay: Great. Thank you, Arnaud. Okay. The next one has come through from Marc Bianchi at Cowan. Alain, this one, I think, is addressed to you. '75% of emissions from LNG that was shown on a previous slide – does that include upstream gas production and downstream power generation?'

Alain Poincheval: Thank you. When we refer to the 75% production of CO_2 into the liquefaction, we mean that the CO_2 is embedded into the pre-treatment where you need to remove the CO_2 from the feedstock. I can consider it is the upstream CO_2 capture. Unfortunately, the thermodynamics tells you that to liquefy, you need energy. Today, the energy of the liquefaction plant is coming through mainly gas turbines or power generation through gas turbines.

The game here is to try to capture the CO_2 coming from the power generation also. This is what you refer to. This is where stands the majority of the CO_2. To do that, as we explained, we have the capability to provide either CCUS directly to capture the CO_2 from the fuel gas decarbonisation or to displace the CO_2 through the fuel gas with hydrogen. This is the beauty of the solution that we are able to bring to our customer – a multi-service company able to bring the highest technology and the more valuable one.

Phillip Lindsay: Alain, thank you very much.

Alain Poincheval: Thank you.

Phillip Lindsay: Okay. The follow-on from Marc was around hydrogen. 'Technip Energies' contribution to blue hydrogen is clear.' However, the question is really – how you participate on green hydrogen is less clear to Marc. 'What could be the company's content on, say, a 10-megawatt or-100-megawatt green hydrogen facility?'

Stan, I think this one is for you.

Stan Knez: No, I will take it. Thanks, Phil. Really good question.

I talked about green hydrogen. I talked about the strategic investment we made with McPhy. We seized on that opportunity. Of course, that gives us direct access into the life of the electrolyser, which is a key building block of green hydrogen.

Of course, when we look at Technip Energies, we are looking at the complete green hydrogen plants. Clients are coming to us and asking us, 'Develop, engineer, construct a green hydrogen plant for us.' The electrolyser is one part, but we are looking at the renewable energy coming in – the dynamic response to the electrolyser.

Then, we are looking at the infrastructure, the utilities, the compression, the storage, potentially liquefaction of hydrogen, transportation. We are integrating everything, getting the value, and then the project delivery. So whether it is 10-megawatt, 100-megawatt today – of course, we are doing that today where we are looking at projects today.

However, we are also beginning to look at technology, R&D, innovation, with the intent to scale up. That is really part of our DNA. We have a track record of scaling up technologies. Once we start looking at the gigawatt facilities, we are already beginning to think about the challenges, in terms of what innovation, how you improve supply chain, economies of scale need to be brought into that equation.

Hopefully, that gives you a bigger and clearer perspective of the big picture we see around the green hydrogen opportunity.

Phillip Lindsay: Thanks, Stan. As a reminder, if you want to ask a question, you can submit it directly into the webcast.

It looks like we have another related question. This one is from Amy Wong at UBS. 'In green hydrogen, given that it is a young industry, can you give us some insight into how customers decide on the solutions, maybe how they select the supplier? What are some of the key factors that affect their decision to move a project forward?'

Again, Stan, I think it is for you.

Stan Knez: No, it is really the heart of the equation here. When a customer comes to us saying, 'I need hydrogen', the first thing we are seeing is that they do not care about colours, they want to understand their optionality on hydrogen.

We can give them a view of what is the cost-effective approach to hydrogen based on their specific conditions. For instance, some will go to blue because they have carbon capture. They want to go to that solution. However, many will go to green. If we are looking at green hydrogen, of course, the availability of renewable energy is foremost.

Then, we look at the scale that they need and, of course, what are they going to do with that hydrogen. We are also looking at a lot of projects that are going all the way to green ammonia from green hydrogen. Within that, they are looking at, 'What is it going to cost me? What are the supply constraints, for instance? How big can I build the facility? What are my operating costs? What is the maintenance?' Everything – so, similar to what we are doing today in our current business. The same questions are being asked.

That is where we, as Technip Energies, really earn our money. We can really give the customer the confidence that they are getting the best technology that will work, the best

engineering and value improvements, the scale that is there to deliver the best project for them at the end.

A lot of factors go into that conversation. However, you can come to us and we will help you walk through and understand what factors are important to you to make your project successful.

Phillip Lindsay: Great. Thank you, Stan. The next question has come through from Mick Pickup at Barclays. Mick's question is, 'Many of your peers would suggest that they have very similar skills to yourself. They all have varying overlap with your track record. What differentiates Technip Energies?'

Arnaud?

Arnaud Pieton: Well, Mick, thank you. Well, I hope that after today's presentation, there is another part that is out a bit later on, of course, you would be convinced that there is only one Technip Energies. That is okay if we do not fit exactly within a group of peers. I do not see any other company out there just like us.

Okay. We have on purpose presented – it was in my part of the presentation – on one end, the project side and, on the other side, the TPS. I think what differentiates Technip Energies is really that first of all, the extensive portfolio of technologies that we have within the company. That is first and foremost.

Then, I will come back to that is this ability to integrate any type of technologies with the level of success with which we are doing it. I think it is what truly differentiates Technip Energies from, I would say, maybe the rest of the field.

The fact that more than anyone else, thanks to our own technologies or our ability to integrate the technologies, we are so agnostic to the feedstock. I think this is a clear differentiation for Technip Energies, in addition to the very disciplined operations that we run and the strong delivery that we do day in, day out for customers through the projects.

Phillip Lindsay: Thank you, Arnaud. That is great. Okay. Mick's follow-up is, 'You say that you are feedstock-agnostic, but the scale of many renewable projects today are smaller than your traditional projects. How confident are you that you can switch from one to the other and can be balanced? Does having many smaller projects versus less bigger projects pose any problems?'

Arnaud Pieton: I will start and then I will hand over to Marco in order to develop a bit on the renewable and circular economy on renewable fuel projects.

Yes, we are feedstock-agnostic. However, I want to insist on the fact that we are not abandoning the base. I want to insist on that. We are not giving up on the base. The base is transforming. The base is decarbonising. We are not giving up on it. We are not giving up on our revenue stream.

Being feedstock-agnostic allows us to then turn to a different type of projects. We execute very large-scale projects, but also a smaller ones. I want to give Marco the opportunity to maybe tell you a bit more about what we are doing in renewable fuels, in particular, which maybe is not so obvious to you and the audience.

Marco?

Marco Villa: Thank you, Arnaud. On renewables, we started more than 15 years ago, working on it for Neste, and with a completely different approach than the traditional project. It is more an alliance and integrated project team. We have been able to fulfil successfully both the Rotterdam and Singapore refineries. This is the reason for which, now, we are working on the expansion of the Singapore refinery.

This is something that we have even in another area. For example, the alliance we have for the PTA on BP. That is even on this scheme of the line.

This is just to say that we have many operating centres in our company. We are capable to provide all what the client wants from the mega projects to smaller ones. We have an agile organisation that can be adapted to the needs of the client. We will mobilise in front of our clients which of our operating centre is most suited to the client needs.

Phillip Lindsay: Thank you both. Okay. Next question has come through from David Farrell at Credit Suisse. His question is, 'As you split from TechnipFMC and pursue your own paths, do you see any areas of dyssynergy that need to be addressed? Will there be any ongoing relationships between the two companies?'

Arnaud?

Arnaud Pieton: Yes. Thank you, David. I will start and hand over to Bruno, who you have not heard about or from just yet. He is being very patient and you are being very patient. As I know, you are anxiously waiting to hear from him on the finance section.

Well, the relationship between TechnipFMC and Technip Energies, going forward, would be ad hoc. We are creating two leading companies. Even when it is required, I think it is a good idea that these two companies would collaborate. However, there is nothing cast in stone about 'must do, do not dos', etc. I think the two companies will be allowed to live their lives so that they can have their independence and grow accordingly. I think that is an important attribute of the two companies, going forward.

Bruno, would you like to add something on –

Bruno Vibert: Sure.

Arnaud Pieton: – the recent transaction?

Bruno Vibert: Yes. In terms of dyssynergies, for sure, there will be some because you will have a Board, you will have an Audit Committee, you will have two listing entities. However, really, I think by being independent, we will have to fit for purpose companies.

The target, and I will highlight it in my part of the presentation, will be to have a structure which will be a bit more efficient that is enabled by the fit for purpose. Basically, this efficiency, this leaner organisation, simpler organisation will more than outweigh any dyssynergy that may be created by this still.

Thank you, Phil.

Phillip Lindsay: Thank you, Bruno. Okay. A question from Guillaume at Soc Gen. The question is about a future potential event. 'Obviously, we talked about ESG today. Would we be planning an ESG Investor Day within the next 12 months?'

Arnaud Pieton: Guillaume, thank you. As I expressed, ESG is a very important topic. We want to be known as a reference company for ESG as well. This is why we have taken the conscious decision to take our time to establish an ESG Strategy, an ESG roadmap and an ESG scorecard that is reflective of who we are – Technip Energies – as a company. I think this will be time well-invested.

We have not just yet decided on the timing and, I would say, the conditions for communicating back to you. However, we will do so probably within the year, coming back with our strategy and with new scorecards that are important to us. It would be important and will define Technip Energies as a company.

Phillip Lindsay: Thank you, Arnaud. Okay. The next question has come through from Sean Meakim at JP Morgan. 'There is investor scepticism regarding the need for blue hydrogen. Everyone is looking ahead to a green hydrogen economy. Can you talk about the importance of blue not only in reducing emissions, particularly in the eastern hemisphere but also as a stepping stone towards achieving the ambitious green targets laid out by many of the governments?'

Stan, I think this one is probably yours.

Stan Knez: No, a really big question. Our clients are obviously, like I said, looking at their optionality available today. In terms of hydrogen, that graph is how much hydrogen I need, at what cost and certainty of delivery.

Of course, depending on what that focus is, we see all three areas – the blueing of the existing grey hydrogen portfolio around the world, which we have a significant share and is currently in play. We have a number of technologies that we can help the blueing of the grey. We see those opportunities moving. They will do so in the context of wherever they are – a hydrogen plant, in a refinery. It will be in that context.

We do see the need for blue hydrogen. The technology solution and the scale of that is available today. It is the next level of cost competitiveness. If you have CO_2 capture and you are looking to use hydrogen, particularly, say, for decarbonisation of LNG or your asset, you could put those together. You can make a cost-effective solution relative to blue.

Of course, we know that the world needs to go to green. When we look at hydrogen, remember that we need a six, seven, eightfold increase in hydrogen to really satisfy the amount of hydrogen that we are going to need to displace the fuels and everything else we are using today. We expect green will be the answer for that. It will start from a very small place.

Today, we see a number of green hydrogen opportunities. The technology has been around for a while. We are beginning to innovate and add value to those technologies, but the cost is still higher. However, with the support of governments, with technology innovation, with improvements in the supply chain, with scale-up, which is really what Technip Energies does best, we believe we will break through that curve and get green hydrogen to where it needs to be to satisfy the world's needs.

Phillip Lindsay: Okay. Thank you, Stan. Okay. The next question has come through from Mark at Jefferies. He is asking about FLNG. 'As a leader in FLNG, how does the technology

compare to land-based solutions, in terms of CO_2 emission intensity? Are there any companies looking at full CCS capture for FLNG projects currently?'

Alain or –

Arnaud Pieton: I think I will – on this one, we have the – not the guru because I do not like the word, but the man who owns FLNG in the company because he has delivered Prelude. He is actively engaged and knowledge and following the Coral FLNG as well. I will pass it on to Alain. We will do a bit of team playing, Alain, on this one.

Alain, over to you.

Alain Poincheval: It is a question from a client to develop the –

Arnaud Pieton: It is very interesting aspect.

Alain Poincheval: All the sessions will not be sufficient. FLNG's purpose is to unlock gas reserves, first, which are not accessible today easily through onshore liquefaction units. Let us put the driver at the same pace.

Then, when you have been able to unlock these gas reserves with your FLNG concept, arriving faster on the market, producing in a more secure way, then we will be encouraged to think about how I can reduce the CO_2 footprint of my investment.

Then, we can go with solutions, which are today developed for onshore. There is no way to think differently. We have many technologies that are available to push fuel gas with hydrogen when we can generate hydrogen offshore. It is not an impossible target.

I think that this is an overall programme for our customers to think like that. I think that we are, yes, the company to help him to develop that. However, this is the future of tomorrow. I am really enthusiastic with that. Yes.

Phillip Lindsay: Thank you, Alain. That is great. Okay. His follow-on question is also around LNG. 'In terms of LNG projects, TechnipFMC has targeted selected major greenfield projects. Now, using the 15 major project equivalent supply gap that we discussed in our presentation today, how does that translate into the opportunity set in the coming years? Granted, we have already discussed Qatar. However, what proportion of these opportunities could be brownfield or debottlenecking in nature?'

Arnaud Pieton: Well, as you have heard from Alain, the LNG wave for Technip Energies is not over. It is not over. In a difficult year like we have had in 2020, we have been awarded the only LNG project that has reached FID. It is the Sempra project in Mexico. That is for Sempra Energy.

When we think about the opportunity set for LNG – so first of all, I need to tell you it is not only about mega modules and mega projects. You heard from Alain that the opportunity set is also shifting towards the LNG infrastructure – say, for refuelling, for example. We are interested in that. I think we have a competitive offering into that landscape as well.

For the rest, well, you know us. You know our presence, where we are and where we are executing LNG projects, and with which customers. I think it is important for you to keep in mind that the customers we are engaged with – from Yamal, for example, to Arctic LNG 2 – where those conversations are not over. We can imagine that subsequent phases will come after that.

Again, I have used Russia. However, I could have used other areas of the world. The important is, those conversations are ongoing. Those field studies are ongoing. Therefore, we have, I would say, all the building blocks in order to build on the visibility for the future LNG projects, going forward. However, they will be of several types and several sizes.

Phillip Lindsay: Great. Thank you, Arnaud. Okay, our last question for this section from Waqar Syed at ATB. 'What level of capital spending will be required in the intermediate-term to position Technip Energies to capture these new market opportunities in services, energy transition and adjacent industries?'

I would go to Charles, no? We should go to Charles.

Phillip Lindsay: Charles?

Charles Cessot: Yes.

Phillip Lindsay: I think this one is yours.

Charles Cessot: Yes, for sure. Yes, thank you very much for the question. There is, obviously, a capital need which is translated.

Again, if you can extract from Stan's part of the presentation, my part of the presentation, we are deeply rooted, and our DNA is focussed on R&D. Therefore, R&D is organically built by the women and the men of Technip Energies, or a little bit acquisitive, or partnerships just like open innovation or our lab network is allowing us to do.

The capital need that we benefit from over the last years will stay, hopefully speaking, at the same level, from an R&D standpoint. Since our differentiation, and notably on offshore hydrogen, now offshore wind is coming from our ability to scale up from our engineering and not necessarily technology.

Just like Arnaud was saying at the opening, we do not have to win all the technology bets. We have a nimble approach where our partnership is as well a big piece of the puzzle.

I hope it is answering the question.

Arnaud Pieton: Thank you, Charles. However, I just want to complement because you have not heard from Bruno yet. I think you will hear from Bruno a bit later on in the presentation in the session today that Technip Energies is equipped with a capital structure to answer to our own ambitions. That is an important point that Bruno will clarify for you later on.

Phillip Lindsay: Thank you, Arnaud and Charles. Okay, that concludes the first Q&A session.

We will now take a 15-minute break before the second half begins. We will reconvene at 4:25 CET. Thank you.

[Break]

Arnaud Pieton: Welcome back. Moving to our next section, we have a reputation for outstanding project execution. This makes us a partner of choice both for our customers and for our project partners on larger contracts. Selectivity is vital to our success.

In this section, Marco Villa, COO-elect, will share with you how we assess and approach projects in order to maintain the quality of our backlog. Then, we will have Magali Castano,

SVP People and Culture, share with you an insight on what makes Technip Energies a truly world-class organisation – our people.

Marco, over to you.

Outstanding Delivery: Project Selectivity

Marco Villa

COO-elect, Technip Energies

60+ years of successful delivery

Transforming energies with a pioneering spirit

Thank you, Arnaud. Let us have a look at our successful delivery. You can see over the past 60 years, we have played a key role in many of the industry's largest and most iconic projects. It was not easy to shortlist just ten projects because the list of successful projects goes way beyond what we show here.

As to the LNG, on which Alain went through previously, and the gas to liquid, our achievements are the very first LNG plant from the Camel project built in Algeria in the 1960s. The world's first floating LNG project for Satu and Prelude, where we successfully offshored the technology, making Prelude the largest floating structure on the planet. We have also developed the world's largest GTL plant for Oryx in Qatar.

We have built as well more than 30 grassroots refineries since the late 1950s, including the world's deepest conventional refinery, such as Jubail project in Saudi Arabia with a capacity for more than 400,000 barrels per day. For Neste, we have a partnership, as presented by Stan. We have built the world's largest biodiesel plant in Singapore, and we are currently expanding this plant.

These are critical references for Technip Energies in a market with a significant long-term growth potential.

We have as well historic references in the petrochemical space. We are a world leader in ethylene, delivering over 45 grassroots ethylene plants, including the Etileno XXI project in Mexico. This is Latin America's largest petrochemical project.

Our reputation is strong as well in offshore, where we have many successful references for conventional and floating platform. Despite not having any fabrication or installation assets, we can meet our customers' needs as we have the necessary skills to manage fully a PCI project.

We have been also pioneers in domains beyond floating LNG, including self-installing platform, large FPSO and spar such as Aasta Hansteen, the world's largest spar.

Our frontrunner spirit is strong as we embark on this new chapter for Technip Energies. We continue to act as a trusted and reliable project execution partner.

Proven and disciplined operating model

Selectivity, our recipe for outstanding delivery

Let me now give you some insight in our operating model and our recipe for outstanding delivery.

Selecting our project is critical to our success. We are focussed on securing the right projects – those that have the right economics for our customer and for Technip Energies, the right terms and conditions and have alignment to the right partners, both operator and project partner. There are no must-win projects. We are prepared to work away from prospects if necessary, no matter how much work has gone into the tender phase.

Most of our major projects started with early engagement, where we believe we can influence technology choices, often utilising our proprietary technologies or alliance partnered technologies, as detailed by Stan earlier. We can also help defining specifications to reduce overall investment cost and the risk upfront to set us up for successful execution.

Our mindset is one of a pioneer. We have many world-firsts. We can be considered the new frontier specialist offering a flexible contracting model and the ability to overcome many of the industry's most complex engineering challenges.

This is all supported by strong technical expertise and project management capability, with our operating model underpinned by robust risk management and control.

Digital as an enabler

Looking ahead, digital will play an increasingly relevant role in the full lifecycle of projects. We have several initiatives underway that will support our digital offering. We believe digital will have an increasing role in our execution.

Early engagement

Making projects economically viable

We believe strongly in early engagement as a route to defining and optimising a project scope. This way, we believe we can ensure economic viability and, ultimately, de-risk project execution.

Through our engagement with our client, we can evaluate the best technology solution, the best specification, the best product development solution and the best execution strategy. Our customers are demanding the best project economies and the lowest carbon footprint. We aim to deliver this through early engagement activities.

It is really at the front end of a project where we can achieve the most influence on this item. We have several early engagement routes: Genesis, one of the assets to further growth.

Our high-end services offering, as explained by Arnaud and Charles, is a leading engineering and advisory services company agnostically helping energy companies to create, realise and enhance the value of their assets. In addition, we have a significant engineering capability within Technip Energies where we perform a significant volume of front end engineering studies.

Last but not least, our 60-years' track record with thousands of references. This makes us a natural partner for early discussion on brownfield or follow-on projects where we already hold a position.

Risk management and controls: Efficient, consistent and safe execution

Project selectivity

Now, turning to our process for risk management and control. This all begins with project selectivity.

Selectivity is key for us, as outlined by Arnaud. Our risk management and control system begins at the pre-building stage with a dedicated risk assessment of the initiative, focussed on risk identification, risk analysis, risk evaluation and risk mitigation.

This is rolled out throughout all the project life, including proposal and execution phases, via dedicated risk management meetings and risk assessment workshops. This is in accordance with our proposal gates and monthly project management review processes, both chaired by the top management of the company.

Partner selection

In addition, we carefully assess who the best partner could be. In addition to the technology partner and licensor, we are partnering often with peers and construction companies in order to bridge gaps in three key areas: project sites and derisking, access to different capabilities to enable us to deliver robust project execution schemes, and access to financing, which is increasingly important today. Choosing the right partners to work with is critical to our success. This is why we focus on reputable and creditworthy partners who we can rely on to deliver a successful project.

Flexible contracting models

Our ability to set up complex and multi-partner schemes and flexible contracting models to fulfil our customer objectives is a real differentiating factor for us. We continue to develop a stable partnership network. Also key, it is our understanding of local construction capability. Our presence and track record in country ensure we understand the local capability.

Execution scheme

The project risk profile and our ability to manage that risk will determine our involvement in any given project and the type of our involvement. I cannot stress enough how important are our culture of transparency and attention to details on projects. It is rare for a major EPC project not to encounter challenges.

However, it is how we address these challenges that make the difference. Warning flags are raised early. Even the smallest of potential problems of cost overrun are escalated and discussed in our monthly project management reviews. Problems are dealt with when they are small, so they do not become a big problem. This culture truly reinforces our robust risk management processes.

Zoom on disciplined commercial approach

Project selectivity – key to delivering solid operational and financial performance

Turning now to our major project portfolio. This slide illustrates how our sophisticated and disciplined commercial approach significantly mitigates the risks associated with our projects. On this slide, we show our top projects and we show our key selectivity principles.

Early engagement

We have talked about previously of the importance of early engagement. As we illustrate here, all our major projects started with early engagement, typically through front end engineering.

Technologies

In addition, we have a technology position on the majority of our projects either through the integration of technology from our proprietary portfolio of process technologies or integration of technologies assessed through alliance partners. All these strengthen our commercial position.

Known partners

Then, we are constantly working with known project partners, from international construction to local construction companies who we have successfully worked with previously.

Known geographies

We are working in familiar geographies, in countries and regions where we are known and have a track record. Knowing who you are working with and understanding where you are working, I believe, are critical components for a successful project.

This is not an exhaustive list of selective risk criteria. However, I believe that taking the majority of these items of any given project will help mitigate risk. As a vision for the future, we also like to add a carbon-based metrics to our future selectivity criteria for Technip Energies. We are mitigating risk to our company and also mitigating environmental impact.

The last and often most critical piece is the contract. For me, this is all about discipline. It is imperative that we enter into a contractual framework in accordance with our risk management policy.

Then, we look to mitigate risk through negotiating the right terms and conditions within the right contractual structure. In other words, a framework that rewards us for the risks we are prepared to take on while giving us protection from risks that are out of our control.

As I said before, at Technip Energies, there is no such thing as a must-win project.

Digital – derisking execution, creating opportunities

Connecting proprietary solutions to optimise the full asset life cycle

Today, digital is an often-used term with different meanings depending upon who is using it, from digitalisation to digital transformation. Technip Energies is embracing digital capabilities as a core enabler of our business.

Ultra Front End Suite

Digital knowhow will enable us to contribute to a sustainable and profitable operational performance with potential to drive growth in revenues, improve internal efficiency and enhance our ability to collaborate with customers and our supply chain.

To date, we have developed in-house digital capabilities to enable our operating model from early engagement to project management expertise such as SPYRO.

SPYRO

SPYRO, this is a market-leading proprietary software for the prediction of ethylene cracking furnaces yields. Over 70% of the ethylene producers worldwide use SPYRO for optimal performance or design development. This software is also the basis of the new SPYRO assets management digital services to allow real-time plant prediction in a cloud-based application.

EASYPLANT

Then, EASYPLANT. EASYPLANT is our own trade market construction IT tool enabling the management of all the construction activities till client handover of the plant. It is a centralised data platform with multiple access configurations, enabling clients and subcontractors to monitor the planning, the progress and the execution of the construction activities.

SPEED model

Our ambition, in respect of digitalisation, is supported by the fourth pillar shown in this slide, utilising data analytics as foundations, innovative digital project execution, digital assets delivery and digital service offerings.

Zoom on Ultra Front End Suite

Digital engagement with customers during the earliest planning phase

Now, let us look specifically at front end. We are digitally engaging with our customers at the early planning phase.

Digital toolbox

Our Ultra Front End Suite within Genesis represents an open platform, a digital toolbox that enables a greater level of collaboration with our customers as they evaluate their investment opportunities.

Reduce impact of changes

By leveraging cloud computing to perform calculations and to process data at a greater speed, we can evaluate more options in less time.

Unlock value in development

These allow our engineers to focus on identifying previously undiscovered scenarios to unlock the optimal value for our customer development.

Gen-CAT

Part of the Ultra Front End Suite is our industry's leading carbon assessment tool, Gen-CAT, that has been already introduced by Stan, which will provide an assessment of direct and indirect emissions from procurement to assets construction to operation.

One of the strengths of Gen-CAT is its applicability. It can be used for any asset, be they greenfield or brownfield, upstream or downstream and now, even renewable.

Through early digital engagement, innovation and collaboration, we can help our customers make a significant environmental difference and neutralise the carbon impact on their project assets on the environment.

Zoom on SPEED model

Taking system engineering to the next level

Now, let us take a closer look at the SPEED model. The data management needs of our company, Technip Energies, are enormous. We need to structure the data efficiently and effectively so we can learn from the data and leverage our extensive track record. Digital is helping us.

Data-centric and customised approach

Our SPEED digital project tool is defining a new way of delivering assets, which leverage a standardised and optimised engineering system that maximises the reuse of past data and minimises data recreation.

In short, it promotes the single source of true concept for optimising cost and delivery time. This is strengthening our technical and project management competencies through a consistent and transparent data-centric approach.

Standardised and designed offer

This system brings huge benefits, including faster access to product information and seamless integration with the customer's system. This allows for better collaboration with customers to optimise on requirements, costs and schedules, and a faster decision-making.

We estimate a time saving of up to 20% on dedicated tasks. Ultimately, this systematic approach to engineering is helping to de-risk procurement and construction, which, as a result, strengthen our execution capability.

With that, I will hand over to Magali to discuss our workforce. Thank you.

Outstanding Delivery: People

Magali Castano

SVP People and Culture, Technip Energies

Talented global workforce across 34 countries

Passion to deliver, whatever the challenge

Thanks, Marco. Technip Energies is a truly global organisation with the highly skilled workforce located across 34 countries.

We are headquartered in Paris. Our main operating centres span multiple regions, including Europe, with Paris and Rome as main locations, the Americas, Middle East and Africa as well as Asia-Pacific and India. Over half of our workforce is outside of Europe.

While we have clear Centres of Excellence – for example, Paris for LNG and a Rome for Downstream – a key advantage of this structure is the flexibility we can bring to our execution models. In particular, as Alain illustrated while presenting the Yamal and Arctic projects, we execute utilising a multicentre model on many of our projects, depending on expertise, resource utilisation, site location and client base. It also means that we are close to our customers and we are close to our projects.

We are a people business. We like to say internally, a 'brain-intensive business'. We are really thankful for the phenomenal talents of our 15,000 employees worldwide, from our engineers and project managers to our technical experts. It is our people, our processes and our operational discipline that drives our outstanding performance on projects.

This is why it is so important we can retain our key people and bring in fresh talent to the organisation. We believe our strong alignment to the energy transition will support both talent attraction and retention, in particular towards younger people, who are excited by energy transition and motivated to contribute to the change.

We now have a video with testimonials from our employees about what Technip Energies means to them.

[Video]

Experienced, diverse and dynamic workforce

As illustrated in the video, we believe that experience and diversity matter greatly in a people organisation like Technip Energies.

Diversity brings many benefits, including increased creativity, innovation and even productivity. At Technip Energies, nearly 30% of our workforce are women, with a slightly increasing trend. Our effort on gender diversity will continue and be strengthened. As an example, we set as a target that 50% of young graduates will be women from 2021 onwards.

We have over 100 nationalities across our employees, and nearly half of our employees are millennials and Generation Z, which is up to the age of 40. This is also balanced with the level of experience in our organisation that is consistent with our strong execution and financial track record. We have a low staff turnover. On average, our workforce has been with us for nearly ten years.

Our diverse and experienced workforce provides us with significant expertise and capabilities and gives our customer confidence in terms of our execution. We are supported by a community of over 450 seasoned project managers as well as over 300 technical experts with industry leadership.

Our people are our most critical assets. We thank all of them for their diligence, their dynamism and their commitment to Technip Energies.

Human Energies – project organisation at the core

Ability to drive execution from young engineers to fellow executive project directors

As shown on the prior slide, we have an experienced workforce with a high company seniority. Now, let us look at how a typical career path could look like at Technip Energies.

We have an extensive playground in terms of job diversity. However, let us focus first on the career paths in the project management field. This goes from graduate engineers to project managers and directors to people like Jean-Marc. He delivered the Yamal project. He is one of the three fellow executive project directors – the most distinguished project role at Technip Energies.

The expertise and knowhow we have in executing projects has developed and evolved throughout our 60-year history. This knowhow cascades in the organisation through interactions shared learnings and on-the-job learning as well as structured development programmes to enable people to get to the next level. It becomes a learning loop and ensures we are constantly pushing to improve our people's abilities and our overall execution capabilities.

When I talk about learning and sharing, it is also about learning agility. The competencies and the skills are transversal. Thanks to learning agility, our people are able to be effective on projects of different type or size. There is a true transversality of our workforce.

By the way, the people you see in these slides are real employees. All of them kindly gave us their permissions so that we could share with you real examples of our talents.

This illustrates as well the diversity in the workforce, in terms of gender and nationalities. It reflects our serious effort in this area, which will be sustained and accelerated.

Human Energies – technical expertise at the core

Ability to integrate technologies from young engineers to fellow experts

We are extremely proud of our project expertise within the company. Equally, we are proud of our expertise beyond projects, especially our technical experts.

Similar to the previous slide, let us now consider a career path in the technical expertise field. In this example, we plot a path from young process engineers through to deep technology expertise.

We actually have a structure development programme for our technical experts, the Technical Expertise Programme. It is designed to recognise and reward our technical experts through a ladder of four levels up to the fellow technology expert level, as Dominique on this slide.

It also meant to make them known in the company and encourage them to be contributors and leaders externally across the industry. Through this programme, we also want to ensure we have the experts in the right disciplines for the business of today and of tomorrow.

These people are our trusted advisers, our R&D personnel, and our technical and technology experts. They are critical to our organisation and are the service of our projects and of our proprietary technology portfolio.

Technical innovation is at the core of what we do. Our technical leadership expertise enhances our capabilities, strengthens our core offering and inspires people, both within the company and across the industry.

Technip Energies leadership team

Average 25+ years of industry expertise

Our fantastic workforce will be led by a highly capable and experienced leadership team. Many of these individuals are presenting today. Not with us today are Christophe Virondaud, Head of Commercial, and Christophe Bélorgeot, Head of Communications.

There is, on average, over 25 years of diverse international experience in our industry across this team and the demonstrated ability to drive world-class project execution and lead innovation.

Key takeaways

Outstanding delivery

To conclude in this section, our value proposition is underpinned by our strong project execution that is leveraging off 60-year track record, a leading process technology portfolio and robust risk management processes.

We are enhancing our project execution capabilities through integrating digital into our project processes. We believe that the digital transformation of Technip Energies brings many other benefits, including internal efficiencies and enhanced market and service opportunities.

Selectivity will remain a key branch for us, and we will not move away from our disciplined commercial approach. Our 15,000 Human Energies really make the difference.

Thank you. Over back to Arnaud.

Arnaud Pieton: Thank you, Magali and Marco. I do not know about you, but when I hear the Head of the Human Resources or People and Culture function, as we call it within Technip Energies, talk about commercial discipline and our disciplined approach to our execution, I feel good.

As we progress towards spin-off, we would like to provide you with the relevant information on Technip Energies that illustrates our financial strength and demonstrates to you a solid foundation for sustainable shareholder returns.

Let me now introduce to you the long-awaited Bruno Vibert, CFO-elect.

Bruno, over to you.

Financial Strength and Delivery

Bruno Vibert

CFO-elect, Technip Energies

Financial strength and stability

A foundation for sustainable shareholder returns

Thank you, Arnaud. Good afternoon again. Maybe the best news of my presentation will be that yes, it is the last presentation.

From a financial standpoint, our business may sometimes be seen as complex, lumpy, but in fact, Technip Energies' specific operating model has truly many attractive features, which I will try to underline in my part of the presentation.

Strong revenue and margin visibility

First, being largely a backlog-based business, we have excellent visibility, in terms of top-line and margins. Our ability to deliver guidance in April in what were exceptional circumstances is, I believe, a strong testament of that.

Early cash conversion of earnings

Second, our contracting discipline and operating model, notably with customer advances, milestone payments, enables us to have an early cash conversion of earnings.

Asset-light and strong balance sheet

Third, we are an asset-light business with limited CAPEX. As mentioned by Magali, our assets are really our people and processes. You will see that we will start as a new company with a strong balance sheet, giving us the means to our own vision in this new chapter.

High ROIC potential and dividend commitment

Finally, the combination of those three items convert to high returns on invested capital. This supports a long-term dividend policy commitment.

I will, of course, illustrate each of these attributes as I go through my presentation.

Two leading business units

Key financial highlights

Turning to the key financial attributes of our two businesses: project delivery and technology products and services (TPS, in short).

Projects delivery

Projects delivery represents the majority of Technip Energies' revenues and generated €5 billion in the 12 months to June 2020. It is a well-diversified business, operating energy, diversified downstream and finally, to a lesser extent, in the offshore and upstream sectors.

This business is a long-cycle activity with revenue growth linked to the evolution of our backlog, which stood at just over €12 billion at the end of H1 2020. For this business, as laid out by Marco, the key is really this combination of selectivity and project execution.

We will see that while we are expecting revenue growth, given our backlog and the opportunity set, growth in itself is not a strategic objective. We are targeting work where we can differentiate. We are targeting profitable work with an acceptable risk profile and the right cash flow profile.

Technology, Products and Services (TPS)

Turning to TPS on the right. Revenues totalled €1.1 billion euros in the 12 months to June 2020.

Activities within TPS are typically shorter cycle versus project delivery. As such, TPS contribution to the total company backlog is, by design, lower than the contribution to the total company revenues. Backlog for TPS stood at just over €1.1 billion at the end of the first half 2020 which is basically one year of revenues and representative of a business which is more of a call-off, in nature.

While TPS does not provide the solid, medium-term visibility of project delivery, TPS does offer accretive margins notably through our proprietary technologies, our products and higher value service lines.

We see clear potential to deliver steady revenue growth from this business in the coming years. It will surely be one of the strategic focusses of Technip Energies.

How we report financials

Before I turn to the figures, let me first explain how we intend to report financials.

First, we intend to introduce or reintroduce rather, the concept of an adjusted IFRS framework. This is really related to the joint venture accounting. Under IFRS, a joint venture is either fully consolidated or equity accounted. In other words, we either account for 100% of the operations or 0%. None of the two really shows the true economic performance.

The most glaring example of this is with the Yamal project where our economic interest is 50% but, under IFRS, we consolidate 100% of the backlog, revenues, margins, etc., associated to the project.

The adjusted view with proportionate accounting will put us back at 50%. This economic view, we are convinced, will make it both simpler and more relevant for investors.

In addition to this adjusted framework, since we are asset-light, we feel that EBIT is more representative of our economic performance rather than our ability to generate cash. We have limited need for capital expenditure, as shown in our three-year financials. EBIT and EBITDA margins are relatively similar, especially if you take out the IFRS 16 leasing standard impact.

Delivering industry-leading performance

Selectivity and execution driving robust margins

Turning now to the information on this slide. Our industry-leading financial performance is driven by two distinct characteristics: unwavering selectivity and proven excellence in project execution.

Project delivery

This really translates in the EBIT margin expansion shown on this slide, with an improvement from 5.8% in 2017 to 7.1% in 2019, benefitting notably from successful LNG projects in their completion phase. In this period, after a trough in 2018, revenues grew by around 25% year-over-year in 2019, as activity ramped up at the back of our backlog growth, notably for the project delivery business.

TPS

For TPS, you can see less volatility and, on the contrary, a stable mid-single-digit growth from 2017 to 2019. Our backlog has increased significantly over the last three years, as shown on the right. At the end of 2019, backlog was almost four times the position at the end of 2017 – and this without lowering our selectivity criteria.

This quality backlog gives us great visibility for our future earnings. Also, it enables us to go through some more difficult periods. As we focus on the 2020 performance next slide, this will be, of course, a great proof point of this feature.

Strong earnings delivery

Financial resilience in unprecedented times

The benefits of backlog and robust project execution are, as I was saying, really demonstrated by the financial performance that we have been able to deliver in 2020 in really exceptional times.

Revenue and EBIT margin

Despite the pandemic and the highly challenging operating conditions, we delivered more than 25% revenue growth year-over-year in the first half of 2020. We also see growth on a full-year basis with high-single-digit revenue growth year-on-year, based on our estimated closing range shown on the left chart.

In a year marked by such disruption, volatility, delivering growth and an ability to provide guidance as early as April is obviously quite remarkable. However, it is also very indicative of the visibility that we can provide to investors.

Profitability has also been resilient with full-year 2020 margins anticipated to close in a 5.6% to 5.8% range – a step-down from 2019, but step-down largely anticipated and driven by lower contribution from Yamal LNG, but not yet offset by other projects, which are still in their early phases.

Backlog

Turning to the backlog. We have had no backlog cancellations during 2020. We remained fully committed to our selectivity, in principle. Without major EPC award or FID in the first half of the year, we had a low book-to-bill, explaining the decline in backlog.

However, with two major awards booked in the second half, we could anticipate a full-year book-to-bill in the region of 0.75x, which should be considered as a strong performance against a very difficult backdrop.

TPS has also shown a strong resilience. As we focussed towards more low-risk service contracts during the early phase of the pandemic, TPS actually ended the first half of the year with an increased backlog with a book-to-bill of 1.2x, another sign of the growth potential of this business.

Well-diversified and energy transition-ready backlog

Providing strong future earnings visibility

Taking now a deeper look into the backlog. Clearly, we have excellent visibility for 2021 and very solid revenue visibility for later years.

Backlog scheduling

As of the first half of 2020, we had over €10 billion to be executed from 2021 onwards, including nearly €5 billion for 2022 and beyond. Remember, this is at the end of June. This did not even include the workforce for Sempra Costa Azul LNG and the Assiut hydrocracking refinery in Egypt. These two recent announcements obviously only reinforce our position and confidence.

One point which I want to reemphasise, while our backlog has extensively grown in the last two years, backlog growth is not a target *per se*.

By project value

Management. Our commercial teams are not incentivised to grow backlog. Marco was very precise. At Technip Energies, there is no such thing as a must-win project. We are focussed on securing the right projects with the right economics, the right terms and conditions, and with the right partners.

In terms of project concentration, while there is always more spotlight on the mega projects, we have an extensive portfolio of projects beyond these. In fact, as shown in the middle pyramid, we have over 160 projects currently, with a backlog value of under €100 million, eight projects between €100 million and €500 million, five projects between €500 million and €1 billion, and one above €1 billion. Remember, this does not include Costa Azul and Assiut at the higher part of the pyramid.

By market

Looking in at the market on the right, we have around 60% of our current backlog within the energy transition space, including LNG. LNG is typically accretive to our project delivery business, given our differentiated and market leader position. We feel very, very good about this contribution.

The 60% also includes the work we have in sustainable chemistry, including the biofuels project for Neste and a growing workload in CO_2 management. The balance of 40% is

diversified across more traditional markets such as downstream, petrochemicals – so, not pure energy transition *per se*.

However, most of these traditional projects have some kind of novelty with improved efficiency, for example. There is not a project, which is looked at today, which looks like a project that would have been designed ten years ago.

Selective growth and upside potential

Clear momentum of energy transition prospects beyond LNG

Our backlog gives us a lot of visibility for future earnings. However, on top of that, we can draw even greater confidence by the breadth of our pipeline of opportunities. In aggregate, for the years 2021 and 2022, we currently see and work on an opportunity set of around €90 billion.

Please note that this only includes project opportunities that we have chosen to be actively engaged in. In other words, this is our addressed market and not the addressable market, which is much larger and was presented earlier in the CMD.

By traditional markets and geography

This pipeline clearly shows that we are not overly reliant on any single market or geography. Our three main markets are very balanced: 33% in gas, 37% in downstream, and 30% in offshore upstream and other industries. From a geographical standpoint, no single geography accounts for more than 30% pipeline – a very nice balance.

We are often asked about our concentration risk, and the angle is often through the backlog, which is fair. However, really, this can be distorted, given some of the sizes of large projects such as in LNG.

Well, for me, this opportunity set is really the best way to look at it. The key is to have a well-diversified and extended opportunity portfolio. Then, through our selectivity process, try to secure the right contracts. Afterwards, Marco and the team just need to execute the projects. Easy.

Energy transition excluding LNG

On the right, we show a very clear and specific trend in the pipeline with the exponential acceleration of prospects within the energy transition space beyond LNG.

For 2021, we see opportunities in contract value over eight times the levels we were observing in 2018 and 2019. This is the outcome both of more opportunities and of an increase in the average project size.

We see such growth throughout the three different areas of sustainable chemistry, decarbonisation as well as in carbon-free energy prospects. This trend has really accelerated during the pandemic. Based on the conversations with our customers, we feel it is really only the beginning.

If I recap, a solid background, an extensive pipeline of opportunities and, on top of that, new markets which are really soaring – a bit of a sweet spot to now move on to our outlook and financial objectives.

Financial outlook and guidance

Selective growth and upside potential

Given our backlog and the market opportunities in front of us, we are confident that maintaining our selectivity mantra and pristine project execution can really deliver growth in periods to come.

2020 guidance

On an IFRS-adjusted basis, I will start with an indication on how we expect to close 2020. We see revenues in a tight range from €5.9 billion to €6.1 billion, which indicates potential year-over-year growth of up to 10%, driven by growth in project delivery.

For EBIT, we estimate margins in the range of 5.6% to 5.8%, implying a step-down versus 2019. 2020 is indeed a transition year to a more normalised level of margins as we are in the early phase of major new contracts such as Arctic LNG 2, MIDOR refinery, BP Tortue gas FPSO and so on.

2021 guidance – revenues

Turning now to 2021 and our medium-term outlook. For 2021, we expect revenues to reach €6.5 billion to €7 billion, up from the €6 billion expected from 2020. This growth is, of course, backlog-driven, with significant contribution from key projects such as Arctic LNG 2, Bapco and MIDOR refineries and further supported, obviously, by the awards of Costa Azul and Assiut. Included in this projection is also an expected contribution from Yamal of €150 million to €200 million on an adjusted proportionate basis.

Beyond 2021, given our existing backlog and the opportunity set, we see a good potential for single-digit revenue growth for both project delivery and TPS.

A specific word on those long-term top-line projections. We will always be careful to provide our guidance – in particular, for the project delivery business – because setting targets and expectations for this specific business may lead to the wrong behaviour.

Selectivity must remain key. It does not mean that we do not see growth. As a matter of fact, we do. It is just that we need to be able to say no to any opportunities if the conditions are not there. Although we do not have the same long-term visibility, we also expect revenues from TPS to sustain a positive level of growth during this outer period.

2021 guidance – EBIT margin

Moving to profitability, we see 2021 EBIT margins in a range of 5.5% to 6%, excluding one-off costs associated with the transaction. A profitability in line with the 2020 performance, percentage-wise but, of course, with a greater top-line.

This is factoring a growing contribution from the new generation of projects as they ramp up and less reliance on the former generation, which are rolling off. We also anticipate continued revenue growth in TPS, which is accretive to our margins.

In the medium term, we see a clear upside potential to our margins, targeting 100 basis points or more, driven by cost reduction, project mix and project maturity.

I will discuss this in more detail on the next slide.

2021 guidance – effective tax rate

A word on tax. We estimate the effective tax rate to be in the range of 30% to 35% for 2020 and 2021.

Due to some of the complexities of the carve-out, the historical tax rate shown in the three-year financials may not necessarily be a good guide for the future. However, on a long-term basis, we do expect to be in the 30% to 35% range.

Finally, even though we will report mainly on EBIT, I know that many will want to compute equivalent EBITDA figures.

In the footnote to this slide, we have provided an EBITDA margin range based on the expected adjusted depreciation and amortisation, which mostly comes from the application of IFRS 16 relating to lease standards.

However, our annual CAPEX is expected to be well below this DNA in the region of €30 million with some potential increase as we deliver our technological ambition, but always remaining very disciplined.

A clear path to increased profitability

Investment focussed on growth while improving margins

As I was just saying, we believe we can materially improve our margins in the medium term. We estimate that we can improve them due to three main drivers:

- First, improvement to our cost structure, creating a leaner and simpler organisation, removing unnecessary overheads, centralising support functions. In fact, we are targeting a 20% decrease in our indirect costs. This will more than offset, as we discussed with David in the previous Q&A, the potential dyssynergies.

  This, we feel, can be achieved even with a likely increase in R&D spend both in absolute terms and as a percentage of indirect costs. We are targeting some growth through technology development. This incremental spend will be matching this ambition.

- Second driver. As I just mentioned, we see growth in margin-accretive activities, namely those in technology, products and services. This strategic growth is likely to be mainly organic, although we could make inorganic investment. This growth will be accretive and improve the bottom line.

- Third level. Strong project execution and risk mitigation on projects maturing into completion phases. Given our current portfolio, good project execution should be able to lead to future upsides as we de-risk projects, just as we have experienced in 2018 and 2019.

Through these three elements, we are confident that we can continue to deliver a best-in-class financial performance.

If I want to recap on the margin outlook, we see 2020 EBIT margins at or close to trough levels. We see potential for some margin improvement really starting from 2022. From 2023 and beyond, we see potential for 100 basis points of margin accretion.

To conclude on margins, we are often asked about the normalised level of margins for our business. Well, hopefully, the information I have just presented will provide some clarity on how we see them, going forward.

Financial principles – project cash flow curve

Key business objective – a positive cash position through project lifecycle

Before I go through the overview of our balance sheet, in this slide, I want to focus on our guiding principles, with respect to project cash flow.

When we enter into new contracts, and this is part of all bid reviews, our objective is to retain a positive cash flow throughout the life of the project. We target to start positive on day one and then to have milestones of cash, inflows largely offsetting the cash outflows.

Typical project cash flows

The chart on this slide depicts a typical project whereby cash received remains above cash payment through the life of the project, thereby remaining constantly cash-positive.

What this means is that we operate with negative working capital. We receive advance or milestones payments ahead of us physically performing the work.

This is why we say that we have an early cash conversion of earnings, which is a very specific characteristic of what we have been able to achieve and sustain over the years.

Key drivers

This positive cash flow position is a bidding principle and part of the selectivity. However, beyond that, we execute each project with a resolute cash focus. As part of the monthly project reviews, we have the visibility of the actual cash performance of each contract. Of course, all projects are different. Terms and conditions will vary. However, our aim is always to enter into a contract with positive net cash flow and then to deliver on this basis.

With this foreword on project cash flows, I can now turn on to our capital structure and balance sheet, which will be strong, very differentiated and really giving us the ability to invest and grow business in the future.

Strong balance sheet enables strategic growth

Platform for high returns on invested capital

Some key features of this balance sheet that I would like to highlight. We expect to begin life with a shareholder equity of approximately €1.2 billion, which is quite fit for purpose for a business which has very limited CAPEX requirements and which operates at a negative working capital.

In terms of working capital, as I just highlighted, and as we see on this slide, we operate with a negative working capital with, most strikingly, net contract liabilities, contract liabilities less contract assets of €2.6 billion. This discipline in our contractual and promotional model puts cash on our balance sheet on a structural basis.

As an opening balance sheet, we see an amount of gross cash of just under €3 billion and net cash of €2.2 billion if you net out the financial debt, on which I will focus in a couple of slides.

This cash does include our joint venture share. However, at the end of the day, it does not make a significant difference. For a fully owned subsidiary or a joint venture, having cash

enables to payout future operations, payout for home office services and also, include some element of profits which will stay on our balance sheet.

Clearly, in this picture, cash and net contract liabilities (NCL) are critical features of our differentiated balance sheet. As such, I will spend a bit more time on the tax paid on the next slide.

Cash flow conversion of earnings through NCL

Net contract liability includes future earnings already cashed-in

The NCL is, if I simplify, the difference between the cash received from the client from inception of the project and the revenues recognised also from inception.

In other words, the NCL corresponds to the cash that we have already received for future revenues, meaning future project costs and future profits.

Net contract liability as of 30th June 2020

At the end of June 2020, we had €2.7 billion of net contract liabilities, of which approximately 20% was attributable to the Yamal project on an adjusted basis – so two building blocks with somewhat different profiles. However, although the stages of the projects may be different, Yamal, and non-Yamal work in the same way.

We have cash on our balance sheet, today offset by NCL. This NCL will be unwound partly as cost, partly as profit, depending on how we execute the project and gradually extinguish the risks.

One shortcut which may be done by the investment community is to treat the net contract liability as a quasi-debt in the bridge from enterprise value to equity value. I would argue this to be quite conservative, given the embedded profit component in this NCL, as I just highlighted.

Yamal illustration

This is really exemplified by Yamal, on the right. As we go through the warranty phase, the NCL of just below €500 million at the end of H1 2020 will be extinguished in one of two ways: our costs incurred for potential reworks or as incremental profits for Technip Energies.

Looking ahead to 2021, we expect to reduce this liability for Yamal by approximately €150 million to €200 million. If the plant performance continues to be strong with no material reworks, then a significant portion of this amount could become incremental profit.

Remember, this is under adjusted view. With proportionate accounting, of course, there is no mandatory redeemable liability. There are no cash outflows associated with this extra profit, other than to pay our tax bill, obviously.

Differentiated capital structure

To complete the overview of our opening balance sheet, I focus now on our strong liquidity and very limited leverage of the opening capital structure, which will be reflected by the expected solid investment-grade rating from S&P.

Strong liquidity

In terms of liquidity, first and foremost, we can rely on our level of cash that we have looked at in great details. However, on top of this, we have secured a revolving credit facility of

€750 million, which will be fully available for general use as well as backstopping commercial papers.

Given the amount of CP estimated to be outstanding as of day one of the spin, €125 million, we would have a net extra liquidity provided by the ICF of €625 million, bringing up total liquidity to a total amount of €3.7 billion.

This opening position really does give us a great confidence in our ability to deliver the projects and lead the energy transition transformation without a constraint put on our ambition.

Limited leverage

Turning to leverage. Excluding liabilities associated to leases, our financial gross debt for the opening capital structure will amount to just around €750 million, which, given our €3 billion of cash, puts us in a very solid cash position.

The bridge to bond will be drawn up upon completion of the spin and is today fully committed by a group of four underwriters. We intend to issue a bond within the coming quarters with the maturity between three to five years, depending on market conditions.

This €750 million of gross debt will represent a ratio to EBIT, using the 2021 mid-range guidance which I just presented, of 1.9x. Given the specificity of our capital structure and asset-light business model, we would target on a long-term basis to trend towards a ratio of 1.0x, giving us at any moment to have the flexibility to increase our debt level as we would consider investment opportunities.

On a net debt basis, being in a net cash position, our ratio is obviously negative. Our net cash will be more than 7.0x our mid-range EBIT guidance for 2021.

Capital allocation focussed on strong balance sheet

Consistency in financial performance drives high returns on invested capital

Turning to capital allocation, the consistency of our financial performance and our capital structure will enable us to design a balanced capital allocation with a lot of flexibility. This capital allocation will have three main pillars made of shareholder dividends, investment opportunities and balance sheet strengthening.

Consistent dividend policy

Regarding shareholder returns, we believe that the consistent dividend policy can be sustained given the three key characteristics of Technip Energies:

- First, a business model that is of low capital intensity, which means an ability to generate high returns on invested capital, based on the projections that we have given.
- Second, strong free cash flow generation through the cycle with early cash conversion of earnings.
- Third, obviously, a very solid starting balance sheet.

On a medium to long-term basis and subject, of course, to the Board and shareholder meeting approvals, we intend to pay an annual dividend initially representing at least 30% of the net profits.

This prudent capital allocation, in terms of dividend, will also enable us to make additional investments for organic growth and/or selective acquisitions and as well utilising excess cash flow to strengthen our balance sheet and reserves.

Key takeaways

Financial strength and stability

To wrap up, some of the key aspects that we have seen today.

Our industry-leading financial performance is supported by commercial astuteness, robust project execution and a resolute cash focus.

Our high-quality backlog with a breadth of commercial opportunities really gives us good visibility for future earnings. We see potential for margin expansion, going forward, up from the 2020 levels.

We are an asset-light business with a strong balance sheet that is differentiated amongst our peers and also aligned with sound capital allocation principles.

All of this yields the potential for high returns on invested capital through the cycle. As importantly, it does give us the means of our collective ambition in Technip Energies to make Technip Energies the reference investment platform for the energy transition.

Thank you very much. I will now pass it over to Arnaud.

Closing Remarks: Making a Better Tomorrow

Arnaud Pieton

CEO-elect, Technip Energies

A compelling investment case

A leading engineering and technology company for the energy transition

Thank you, Bruno. Well, you have now heard from the Technip Energies team, and I know you will have many more questions for us. However, in summary, I hope that through all of today's presentations, we have demonstrated to you what we believe is a compelling and sustainable investment case.

When you think about Technip Energies, think about a leading engineering and technology company for the energy transition. We are far more than a conventionally ENC business within a traditional energy industry.

Actually, just before Christmas, I was talking with a customer about energy transition and decarbonisation. His words were, 'Arnaud, we have a dream of being part of this brave new world, when it comes to CO_2 management and decarbonisation. However, are you prepared to share that dream?' I replied, 'Of course we are.'

We are not just a bunch of engineers with everything that people understand where in the world. We are just as creative as any start-up except we have been around for a lot longer. We are progressive. We do not simply reuse the same recipe from one project to the next.

While we are supported by our strong processes, which we need, you do not deliver a project like Yamal LNG one year early, one year early, by applying all recipes. The level of creativity,

innovation within this organisation is immense. It is because of our frontrunner spirit that you see our name associated with so many world-firsts and because of our asset-light model, expressed by Bruno, we will be able to pivot in the right directions as new energy markets gather momentum.

This means that Technip Energies is set up not just to navigate the energy transition; the transition remains a normal course of business for us. We will thrive in the energy transition. At Technip Energies, we believe in better tomorrows, and we believe we can make a better tomorrow.

Thank you very much for listening. We will now turn to our closing Q&A session.

Phil, over to you.

Second Q&A Session

Phillip Lindsay: Thank you to all our speakers, and thank you for listening. We will now begin the second Q&A session, which will last approximately 30 minutes. Same format as previously. Please submit your questions directly into the webcast. Thank you for your patience while we repopulate on the stage, and the Q&A rotor gets assembled.

Okay. Welcome to the second and closing Q&A session. Our first question comes from Oystein at Fearnley Securities. His question is, 'Can you please elaborate on how much of the backlog is related to LNG and how much is related to other energy transition segments such as sustainable chemistry, hydrogen, CCUS and so on?'

Arnaud Pieton: Oystein, thank you for the question. Through Bruno's presentation, you have heard that 60% of our backlog is energy transition related today. Yes, it is today dominated by LNG. However, I would like to acknowledge that LNG is part of energy transition today, particularly as we are moving towards low-carbon. Low-carbon LNG is accelerating. I would like to insist on the fact that for us, that low-carbon energy is part of this 60% mix.

Energy transition is also growing mainly in the TPS section of our business through services and studies. You have heard from Marco about the Neste relationship and the partnerships and the fact that they are selecting Technip Energies for pretty much every other venture. However, when I think about this 60% and how it is going to evolve in the future, there are a few things and a few indicators that we track within Technip Energies that are important, in order to basically confirm our ambition and confirm the directions we are taking.

Those indicators are actually the number of early engagement front end studies, concept studies that we are currently undertaking. Those seeds that are being planted, which we know a portion of them would convert into real projects and tangible backlog in the future.

What is the timeline of those? Some of them are more or less mature. However, we are extremely encouraged by the growing number of studies that we are conducting around energy transition and around the energy transition theme. That will convert in time into strong backlog projects and tangible numbers.

Phillip Lindsay: Thank you, Arnaud. There is, well, I guess, a related follow-up here. It is from Bertrand at Kepler Cheuvreux. He is interested in the potential medium and long-term

targets here for, I guess, energy transition work, excluding LNG. 'Are you prepared to put any targets on that, in terms of what it could become as a proportion of revenues?'

Arnaud Pieton: Well, we are not going to set a target. A lot of the new energy or energy transition ventures are still maturing. This is why I think it would be probably undisciplined to set a target at this stage around the pure energy and new energy ventures.

However, again, I will come back to those seeds that we are planting, that are being planted by our customers on getting us into those early concept studies, etc. This is going to convert. We know that. A large portion of that is going to convert. That is, for us, the true indicator that we are positioning ourselves and we are taking off on that new energy road.

Phillip Lindsay: Thank you, Arnaud. Then, an unrelated follow-up from Bertrand is to Bruno. 'Bruno, the adjusted IFRS EBIT margin guidance is after corporate costs', if he understands well. 'In order to compare with the previous segment reporting margins, could you give an indication of corporate costs that we could see in 2021?'

Bruno Vibert: Yes. Thanks, Phil. As always, Bertrand, you understand perfectly well. Yes, our projections and our historicals are net of corporate costs allocated for the past and, of course, assessment for the future costs for the future.

It is difficult because, as I was saying earlier in my remark, we will not have exactly the same basis. We will have a simpler organisation, being a bit of a pure-play. We will not have a dual listing of SEC US GAAP and IFRS with Euronext listing. We will have a bit of a simpler structure. This cost reduction of corporate as well as global overheads will be part in the reduction that we target and the 20% that I was mentioning.

Phillip Lindsay: Great. Thank you, Bruno. Next question, from Amy Wong at UBS. 'During Marco's presentation, he mentioned a 20% reduction in costs due to digitalisation. How have these cost savings been allocated between yourself and the customer? Are these cost savings necessary to keep Technip Energies' solutions competitive in the medium term?'

Marco?

Marco Villa: Thanks, Amy. I apologise, maybe I was not so clear in my presentation. The first step, it is 20% on time saving in certain tasks. Of course, for those tasks referring to engineering – those mainly related to data-centric approach, it will be a saving on the engineering services.

However, it is not that this make the difference on the best economics for the project. It is the 20% of saving on timing. This saving of timing, that came as well from the data-centric approach, but as well as with the data required management with our vendors, firstly enable us to have a much robust project execution and de-risk it. Of course, it will be passed a significant part of this to our customer.

However, I cannot explain to you how it is important for evaluating the return of investment for the customer and early delivery of the plant, comparing with the traditional one. In general, what I want to say is we exist, thanks to our customer projects, and we need to do everything to making this project flying, increasing their project economy. Digital will add a lot of us on this journey.

Phillip Lindsay: Great. Thank you, Marco. Okay. The next question has come through from Jean-Luc at CM-CIC Securities. 'How do we reconcile TechnipFMC guidance for Technip Energies given in Q3 2020, TechnipFMC guided to, in dollars, sales of between $6.3 billion and $6.8 billion and an EBITDA margin of at least 10%? How does that compare with today's guidance, in euros, of €5.9 billion to €6.1 billion of sales and 5.6% to 5.8% of EBIT margin?'

Bruno?

Bruno Vibert: No. It is not a – Arnaud? Okay, let us get technical a bit. Jean-Luc, a couple of items or multi-steps. Of course, moving from the old guidance made under US GAAP.

First, you need to switch from US GAAP to IFRS. Not a lot of differences. However, if you – and mostly related to FX and lease standards and accounting.

Then, of course, you have the difference between, especially for the bottom line, segment reporting within TechnipFMC and then standalone company for Technip Energies, which is including all corporate costs allocated to Technip Energies.

Then, you have the third layer, which is adjusted. Basically, you cut back using the proportion method, which I described. You reduce your AML from 100% to 50%. However, you also put revenues and costs of other joint ventures, such as Bapco and Coral, as revenues.

Basically, you have the three steps, which make you the bridge between the previous guidance and the current lending estimate. Of course, these are relatively comparable, fully trustable.

The current guidance for Technip Energies would be fully in line, let us say, with the guidance provided after Q3 in October for Technip Energies as a segment of TechnipFMC.

Phillip Lindsay: Thank you, Bruno.

Bruno Vibert: It is okay.

Phillip Lindsay: Okay. Next question coming through from Guillaume at Soc Gen. I think this is maybe a question that relates to the accounting differences between IFRS and adjusted IFRS. His question is, 'What is the timing of the settlement of the remaining MRL?'

Bruno Vibert: Okay. Thank you, Guillaume. Well, hopefully, VI was clear. Now, with the adjusted IFRS framework, to some extent, we do not care because we report cash on a net basis. The partner share is not represented in our adjusted cash figures.

Having said that, of course, as the Yamal project continues to go through the warranty phase, we will continue, if profit comes, basically to distribute shareholder dividends, partly flowing back or staying within Technip Energies and partly being paid to our two partners, JGC and Chiyoda.

Phillip Lindsay: Great. Thank you, Bruno. Okay. Next question is from Sean Meakim at JP Morgan. Sean says, 'Energy transition is a critical component of the Technip Energies value proposition to investors. Can you compare the competitive environment – sorry, the competitive dynamics in your key energy transition channels versus your traditional downstream and LNG markets? How do those differences impact your expectations for margins and returns in the medium to long-term?'

Arnaud Pieton: Sean, thank you. Very interesting question. Obviously, there are more than I would say, a single shade of green in our ambition towards energy transition.

When you think about, for example, the low-carbon LNG opportunity, which was introduced by Alain a bit earlier on, well, I think we know that market fairly well. We know the landscape in which we compete. I would say that the competitive landscape is very much in line with what we know for LNG and maybe other types of projects.

Now, there are other energy transition opportunities. I said a bit earlier that for some of those ventures, the competitive landscape is still really maturing. It would be probably unfair for me to give a strong opinion about where it is going to land, in terms of that landscape and its competitiveness.

Of course, it is competitive. This is why I think – I do not think, I know that for as long as, at Technip Energies, we continue with our cost leadership. We continue to differentiate. We continue with our ability to integrate technologies. We accelerate – what was presented to you by Marco around digitalisation, in particular. We industrialise a bit more our engineering.

I think we will maintain that cost leadership that is necessary to compete in energy transition of whatever definition as well as in other markets. Maintaining the differentiation of that cost leadership is key, and I think we have that.

Phillip Lindsay: Super. Thank you, Arnaud. Sean's follow-up is one for Bruno. 'Can you please give some more details regarding the cash flow cycle for the different businesses – so project delivery, TPS – and maybe how investors should think about the makeup of the existing backlog and the impact on Technip Energies' free cash flow profile in the medium term?'

Bruno Vibert: Okay. Thanks, Phil. Interesting question, Sean. As I said in my presentation, two different businesses within Technip Energies: product delivery and TPS. In TPS, as I said, it is a shorter cycle. That would be a much more linear approach to cash flows and less of the lumpiness aspect I mentioned, which can be partly or more associated to project delivery.

The way we look at it for project delivery – and again, going back to my part or some of the slides in my presentation – is positive cash flows for each project, which means early cash conversion. This means, at the end of the day, that when we recognise revenues, these revenues were cashed-in to some extent prior to this recognition in this period or before.

This means that yes, we have revenues partly offset, let us say, by the unwind of the net contract liability. If everything was frozen, yes, we will have a pure reduction. Of course, we have the continuous project with milestones, plus the new generation of projects as they ramp up.

That is why in this specific industry, setting a target for cash flow can be difficult because of the cut-off and milestones from when the works come. Will these be before the end of the year, after the end of the year? What is the ramp-up? We could have very quickly some differences.

However, over the long-term, over the cycle, we have an early cash conversion and excellent because below EBIT, to some extent, we will have a limited leverage. Limited expenses below EBIT. Then, it is just about the tax rate, which we guided at 30% to 35%.

That is the way we would look at it. It is, of course, positive free cash flows, given our ability to generate cash upfront. Then, a good cash conversion over the cycle with sometimes milestones that could create some variations. However, over the cycle, not an issue.

Phillip Lindsay: Super. Thank you, Bruno. Very nice. Okay. Next question is from Vebs at Coker and Palmer. Vebs' question is, 'What project conversion is baked into 2021 revenues? Does it include orders that have been booked in the fourth quarter – so, Costa Azul and Assiut? How is the Yamal contribution expected to change in 2021 versus 2020?' The final part of his question is, 'Is Qatar also assumed within the guidance?'

I think maybe we will start with Arnaud and Bruno will complement.

Arnaud Pieton: Yes. We will Yamal complement – sorry, I will let Bruno complement on the Yamal part, in particular.

However, when you think about 2021 yes, part of the Costa Azul project that we have secured in the fourth quarter last year and the Assiut project as well. We are ramping up on this project. Naturally, you will see some revenues baked into our 2021 guidance.

However, as I said a bit earlier, when there was an earlier question on the Qatar project, we are not dictating the timing of the award of the Qatar project. We are a disciplined company. I think we are insisting a lot today on that. We are a disciplined company. Collectively, we are giving you a guidance for 2021 today.

I think what is important for you to retain is that that guidance does not change whether Qatar is awarded or not awarded. That is an important point that I want to convey.

Bruno, maybe on Yamal?

Phillip Lindsay: Okay. Thank you.

Bruno Vibert: Yes, to complete on Yamal. Of course, as a continuation of what was provided for Yamal, as part of TechnipFMC, we have continued to provide the amount, although it is under adjusted IFRS of the Yamal net contract liability plus some guidance.

Basically, I just said that we will have an expected amount of unwind of the Yamal NCL between €150 million and €200 million in 2021. We are going, let us say, through the warranty phase of this project. That is why from 2020-2021, you see this amount decreasing. As we progress, you should expect beyond 2022, to have something which becomes really insignificant versus the total company.

Phillip Lindsay: Thank you, Bruno. Okay. Next question is coming in from Sasi at Morgan Stanley. It relates to the €90 billion opportunity that we are pursuing over 2021 and 2022 – more specifically, on the €33 billion opportunity in downstream. 'Can you provide more detail on the key projects or contracts there and maybe any colour, in terms of how these opportunities are spread between refining and petchem?'

Stan?

Stan Knez: I will take it. Thank you, Phil.

Phillip Lindsay: Okay.

Stan Knez: Well, thanks for the question. I think the numbers that Bruno presented for sure are looking at a balanced picture today between petchem and refining. When you look at

some of the projects that we had indicated – Assiut in refining, Shell with Moerdijk – those you already know about. We do not comment on specific opportunities, going forward. However, I can give you a little bit of perspective on how we see those markets developing forward.

For sure, petrochemicals will grow. It will actually be more than €50 billion because we see refining as being flat. The petrochemical markets for us are worldwide. We see China is still very active. We see opportunities in the Middle East. We see opportunities if you can believe it, in Europe and, of course, in the US.

Even though refining is flat, we will continue to see specific opportunities emerge as customers – for instance, like the Assiut one, they are upgrading their refinery to be more cost-competitive with advantage feedstocks, etc. However, we will also see some integration between petrochemicals and refineries.

We see positive developments in those markets, going forward, and a lot of the geographies that Technip Energies has a strong footprint on.

Phillip Lindsay: Great. Thank you, Stan. Sasi's follow-up is on the dividend policy. 'Can you walk us through how you arrived at the 30% payout and how is the payout eventually decided? Perhaps you could touch on some of the key criteria behind this?'

Maybe Bruno, you could take this one?

Bruno Vibert: Yes. Thanks, Phil.

Essentially, of course, we are not even totally formally created. So we will – all these decisions will be discussed in due time with Technip Energies' Board of Directors and approved by the shareholders.

What we set out, and I presented is something balanced, in terms of capital allocation between shareholder dividend, some possibility for investment and balance sheet strengthening.

We feel that beyond the dividend, we feel that it is important to have this strengthening and to have this opportunity to invest as we look at the energy transition and the evolution to make investments.

That is why we felt that a first pillar representing basically 30% was consistent to also pursue, basically, the other targets that we may have as a young company in those markets.

It also gives an inclination for long-term shareholders to be able to benefit from this long-term dividend policy that will be sustained over the years. We felt that 30% was a good starting point.

Phillip Lindsay: Great. Thank you, Bruno. The next question is coming through from David Farrell at Credit Suisse. The question is that – well, David expresses surprise to hear that the margin profile is expected to consistently improve, given the roll-off of Yamal LNG, which we know is very accretive to the margins. 'Are there some poorly performing or other poorly performing contracts in the portfolio that are also rolling off or what is accounting for this margin accretion that you see, moving forward?'

Bruno Vibert: Okay. Thank you. In terms of margin recognition, some of you will know us very well, having followed us for a long time. Our margin recognition profile is not linear. It is really the outcome of 60 years of experience of project delivering.

We know that at inception of the project, you have more uncertainty. You have more risks. That is why at the very beginning of the project, to some extent, you cannot have the same margin recognition that you would have more at the tail end when you have taken out the uncertainties when you have de-risked the project.

If you took the three years back – 2017, 2018, 2019 – we had a young generation of projects. Yamal was in the completion phase, but the other projects were in their very early phase. In this kind of scenario and model, we would have a somewhat lower contribution of both margins from these new generation of project.

As they progress, as we are able to execute, even with the pandemic and the way we have been able to deliver, this project execution will lead, basically, to project derisking, which means project margin.

We are very comfortable about the portfolio and the backlog that we have. It is the strict outcome of the application of a selective process that we have been able to apply consistently over the last years. That is why we have the ability to execute. This execution will drive a sustainable level of margins beyond 2020.

Phillip Lindsay: Right. Thank you, Bruno. Questions coming fast and furious for you.

The next one is from Simon Toyne at Redburn. 'You provided the generic shape of cash inflows and outflows during a single project. However, could you perhaps clarify how that translates to the current working capital position, excluding Yamal? What is the profile of working capital movements other than Yamal over the next couple of years?'

Bruno Vibert: Good question, coming back to the cash flows. When you look at our position and when you see that Yamal is just 20%, you see that all the projects are really contributing to this position. This is just another proof of yes, we are disciplined in the way we approach and we flag and we control this cash flow curve for each project.

Of course, this position will flow over the years, depending on the project execution. As some projects may, to the tail end, reduce their working capital position, this would be offset by the ramp-up of other projects.

In the short term, as we see these good prospects, opportunities, as we see potential for growth, €90 billion of project opportunities for 2021 and 2022, this gives us the ability to see the potential for future inbound, which would regenerate, basically, net contract liabilities to be able to sustain, let us say, a stable amount over the years to come.

Phillip Lindsay: Great. Thank you, Bruno. Next question is coming from Michael at Citi. 'Can you talk about the key metrics that senior management – sorry, can you talk me through the key metrics for senior management remuneration at Technip Energies, both short-term incentives and long-term incentives?'

Arnaud, I think that one is for you.

Arnaud Pieton: Yes. Thank you, Michael. Thank you for giving a little bit of breathing time to Bruno, who is extremely – the rest of the stage room was almost gone, but he is extremely popular this afternoon here or this evening.

Back to your question. First of all, I will say that this is still a work in progress because this would be established by the Board and the Comp Committee. Those conversations are taking place, as we speak – pretty much, so to speak.

However, I think it is safe to say that on the short-term incentive for the Executive team, in particular, you will find financial indicators that are, probably unsurprisingly to you, around EBIT, cash flow from operations. The ESG metrics, in particular, are yet to be defined and will be part of the conversation with our Board and the Compensation Committee or the ESG Committee, as we as we call it.

As for the long-term incentive, well, again, still work in progress because we will need the stamp from the Board on that matter. However, expect that, unsurprisingly, it will be around TSR (Total Shareholder Return).

Phillip Lindsay: Great. Thank you, Arnaud. Our next question is coming in from Mark at Jeffries. Mark would like to know about the contribution of Loading Systems and Cybernetix, which were previously part of TechnipFMC businesses. 'What revenues do these businesses contribute, and are they margin-accretive?'

Arnaud Pieton: I will start with the answer and then hand over to Marco if he wants to complement.

You are right. You are rightly pointing out that Cybernetix and Loading System were part of different businesses and are now part of Technip Energies. Both actually fit very squarely within the offering that the new Technip Energies wants to put forward.

There is a natural fit between loading arms and Technip Energies. You will find the loading arms on our jetties, on the plants that we deliver and we architect and then deliver on the floating assets that we are currently working on and are delivering. There is a very natural match and fit for loading and Loading System within Technip Energies.

I will say to characterise loading arms, I think for many, 2020 has been maybe a difficult year. For loading arms, it has been a great year – 2020. All the building blocks are there for that to continue through innovation and the rest and, again, cost leadership throughout 2021.

On Cybernetix, at the moment, it brings a robotic content and future technologies content to Technip Energies. Cybernetix – and Marco will be able to share that with you a bit more – but we are using Cybernetix as a hub for start-ups. I think this is giving a very interesting twist to Technip Energies.

Marco, would you like to complement?

Marco Villa: Yes, thanks, Arnaud. Just two issues. Yes, they are new, but we pay a lot of attention on both. As Arnaud was saying, Loading System have registered in 2020 the record of order intake. Our plant, it is fully loaded and with a good pipeline for 2021.

As far as Cybernetix, we as well work to utilise Cybernetix to improve the performance on delivery on our plant. Together with Arnaud, we have utilised Cybernetix for the inspection of the important floating LNG, Coral for Eni.

They are both very important for Technip Energies for the future. We are dedicating a lot of efforts for the continuous growing contribution of both of them in our strategy.

Phillip Lindsay: Thank you both. Okay, I think we have time for two more questions.

This next one is from Vlad at Bank of America. His question is, 'Contract liabilities were roughly equal to 25% of backlog at the first half point of last year. What do you think is a medium-term sustainable level of contract liabilities, relative to backlog?'

I guess that is a Bruno question.

Bruno Vibert: Yes. Thank you, Phil. Thank you, Vlad. It is difficult to set a target. As I was saying, all terms and conditions vary from one contract to another. The portfolio may vary a bit. We do not really work with setting up a target to say, 'This is the trend, and we want to have this minimum amount we want.'

We look at each contract almost separately, especially for the major ones, from the bidding stage, when they are reviewed in the different gates. Then, from the monthly project reviews every month. Basically, we do not set a target, where, 'Okay, this is minimum 15% or this is minimum 20% or 25%.'

I would say not a target that we would use. We say that over the years, we have been able to maintain this discipline and consistency. I do not see any reason why we would deviate from this discipline. This would put on a long-term basis net contract liabilities positioned on our balance sheet offset with cash. Then, the amount may fluctuate, depending on some of the contracts, but maintaining very, let us say, good position.

Phillip Lindsay: Thank you, Bruno. Okay, last question of the day has come from – excuse me. It is a follow-up from Amy at UBS. 'Looking at the tendering pipeline, what are the terms and conditions as it relates to prepayments, and how could it impact Technip Energies' ability to maintain that net positive cash profile?'

Maybe Marco, you want to make a start on this one?

Marco Villa: Thanks for the question. We have focussed on the presentation of our disciplined commercial approach. One of the golden rules that we have on our discipline is that all the project should have a positive cash flow.

We are implementing the investment of the major oil company, but all should be with their own money to face all our expenses here. Yes, there will be prepayment in all the tenders that we are facing. This will enable us to continue to maintain a net cash position.

Phillip Lindsay: Super. Thank you, Marco. That brings the second Q&A to a close. There were quite a few more questions in the queue, so apologies for not getting to them all. However, please contact myself or anybody on the team, and we would be happy to follow-up. The full slide pack will be available on our website very shortly.

I will now pass on to Arnaud for some closing comments. Arnaud?

Arnaud Pieton: Thank you, Phil. Again, thank you again for spending that time with us today. Before we close, and together with the team here, I would like to leave you with a few key thoughts.

The energy transition needs smart energy engineers. You will find them at T.EN. The energy transition needs the combination of leading technologies and technology integration capabilities. You will find them at T.EN. The energy transition also needs partnership and trusted execution. You will find them at T.EN.

T.EN is the investment platform for the energy transition. Thank you.

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