



# Global Sourcing and Procurement at TechnipFMC

**Convegno ANIMP**

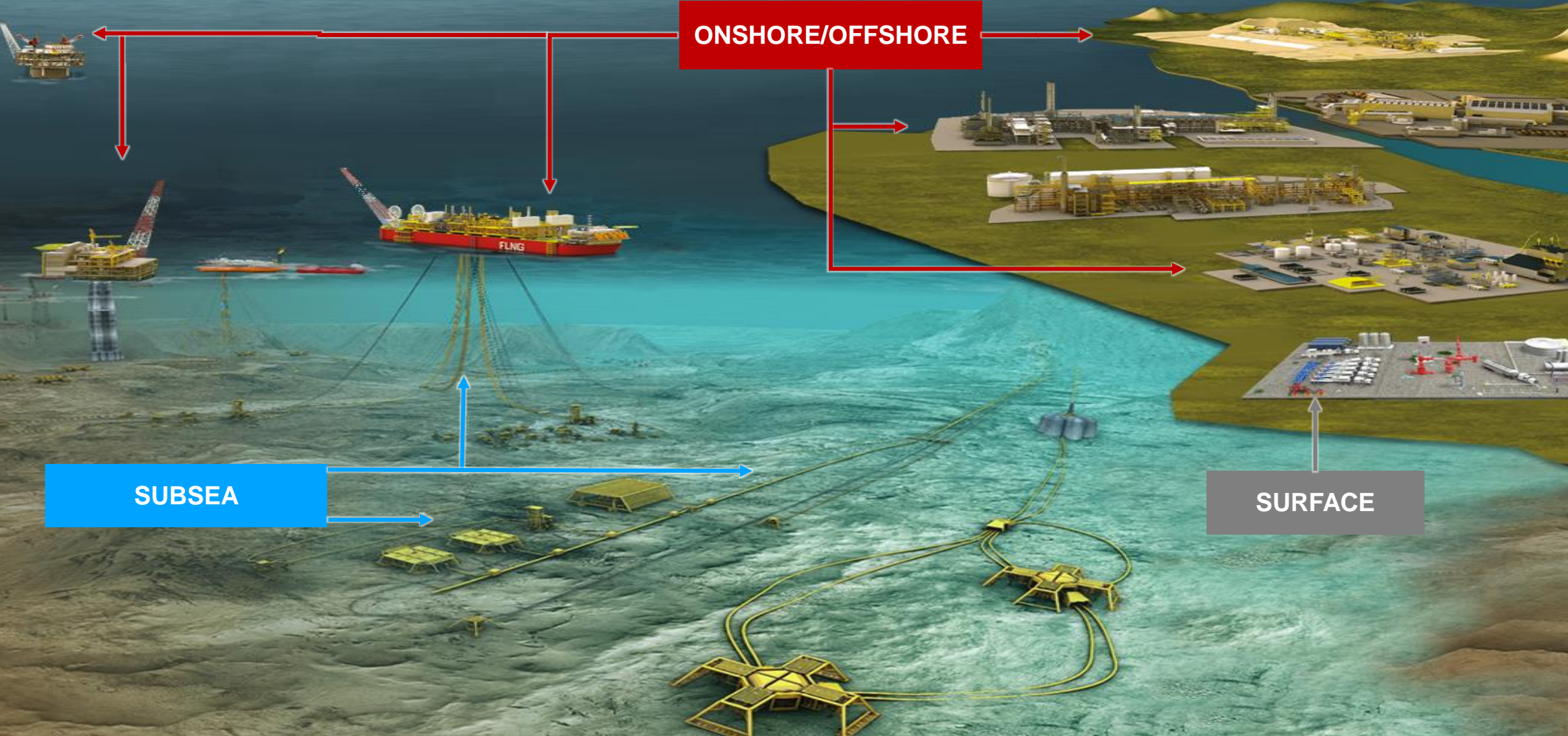
Milano, Oct. 19<sup>th</sup> 2017



- 1 Company overview
- 2 Global sourcing and Procurement at TPFMC

# Section 1: Company Overview

# Broadest portfolio of solutions for the production and transformation of oil and gas



# TechnipFMC snapshot

1

Integrated solutions provider for the oil and gas industry

2

Stock exchange listings – NYSE and Euronext Paris

\$13B

Total company market capitalization<sup>(1)</sup>

\$14B

Total company revenue<sup>(2)</sup>

\$15B

Total company backlog<sup>(3)</sup>

\$3B

Total company net cash balance<sup>(4)</sup>

Footnotes:

<sup>(1)</sup> Source: Public market quote from Bloomberg, LLP; TechnipFMC market capitalizations as of August 11, 2017

<sup>(2)</sup> Revenue for full year 2016; Source: Form 8-K filed with the SEC on Feb 24, 2017

<sup>(3)</sup> Backlog as of June 30, 2017; Source: Form 10-Q filed with the SEC on August 4, 2017

<sup>(4)</sup> Net (debt) cash as of June 30, 2017; Source: Form 10-Q filed with the SEC on August 4, 2017

# A comprehensive and flexible offering from concept to project delivery and beyond

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

## Subsea

### Subsea products

- Trees, manifolds, control, templates, flowline systems, umbilicals & flexibles
- Subsea processing
- ROVs and manipulator systems

### Subsea projects

- Field architecture, integrated design
- Engineering, procurement

### Subsea services

- Drilling systems
- Installation using high-end fleet
- Asset management & production optimization
- Field IMR and well services

## Onshore/Offshore

Project management, proprietary technology, equipment and early studies to detailed design

### ▸ Offshore

Fixed platforms (jackets, self-elevating platforms, GBS, artificial islands) and floating facilities (FPSO, semi submersibles, Spar, TLP, FLNG)

### ▸ Onshore

Gas monetization, refining, petrochemicals, onshore pipelines, furnaces, mining and metals

### ▸ Services

Project management consultancy, process technologies

## Surface

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

# Section 2: Global Sourcing and Procurement at TPFMC

# GSP Design principles and objectives

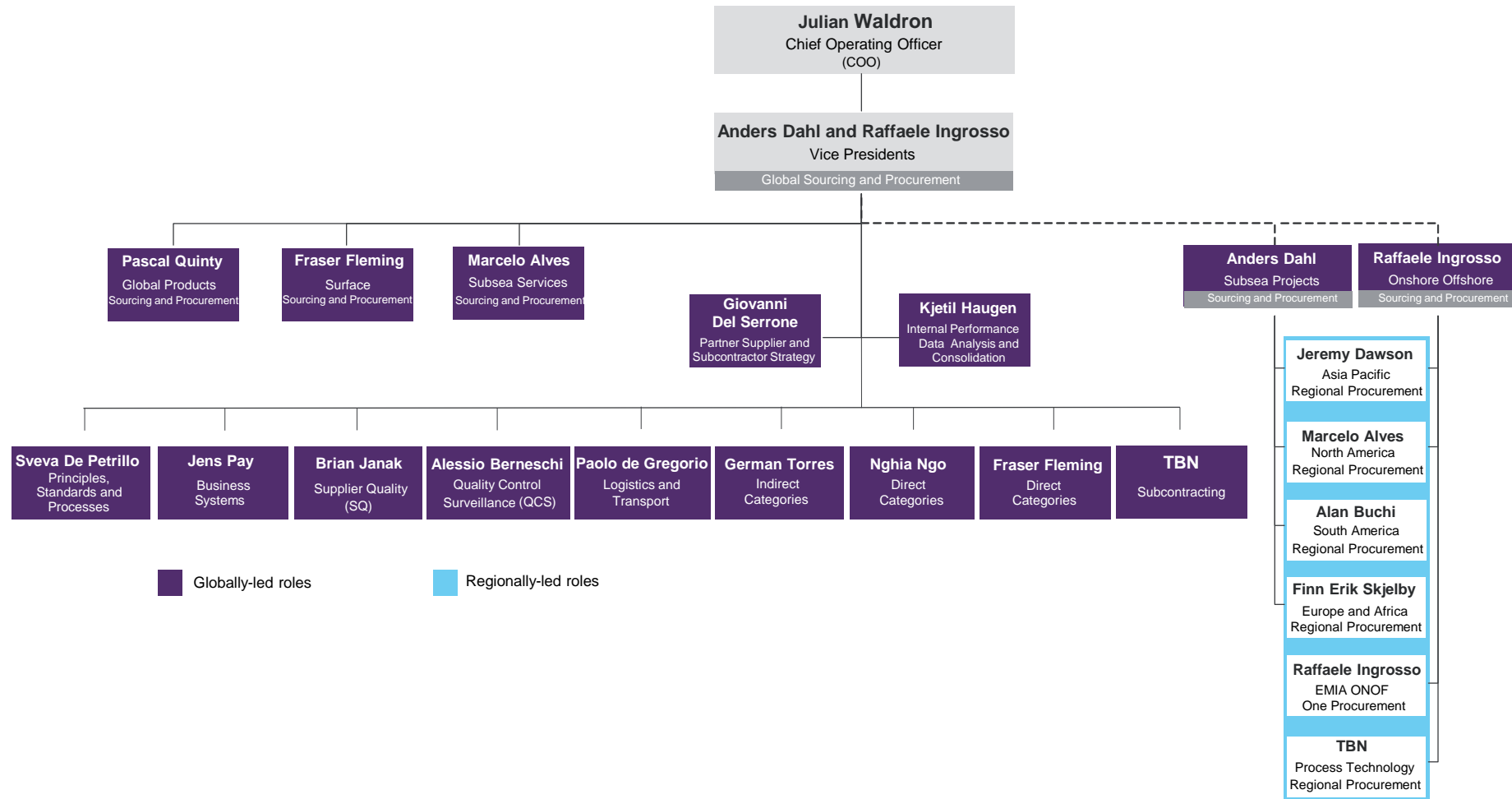
- Deliver synergies to the TechnipFMC leveraging the entire supply chain and transforming internal process and interaction with other functions
- Managing larger and more complex integrated projects, where thought-out vendor partnerships are going to be essential to deliver value
- Delivering the above without damaging the current parts of the business that are key to success today, and with a substantially lower cost of the function



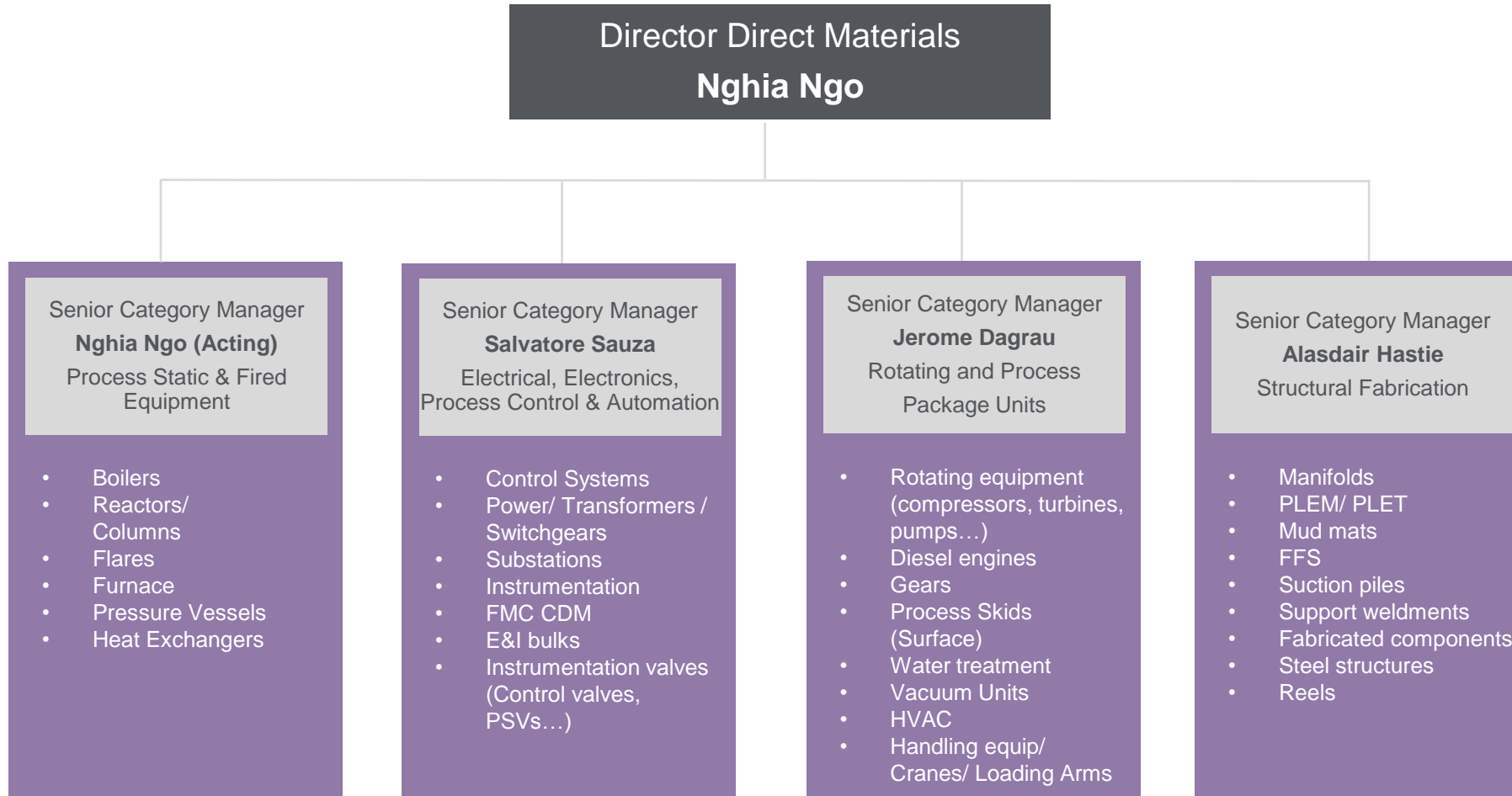
- **One single organization across TPFMC transversal to the 5 Global Business Units**
- **One voice towards Suppliers**
- **One set of principles and processes**
- **Complete the procurement transformation and interaction with other functions both at tender and execution stage**
- **Operate on a Regional basis as shared service**



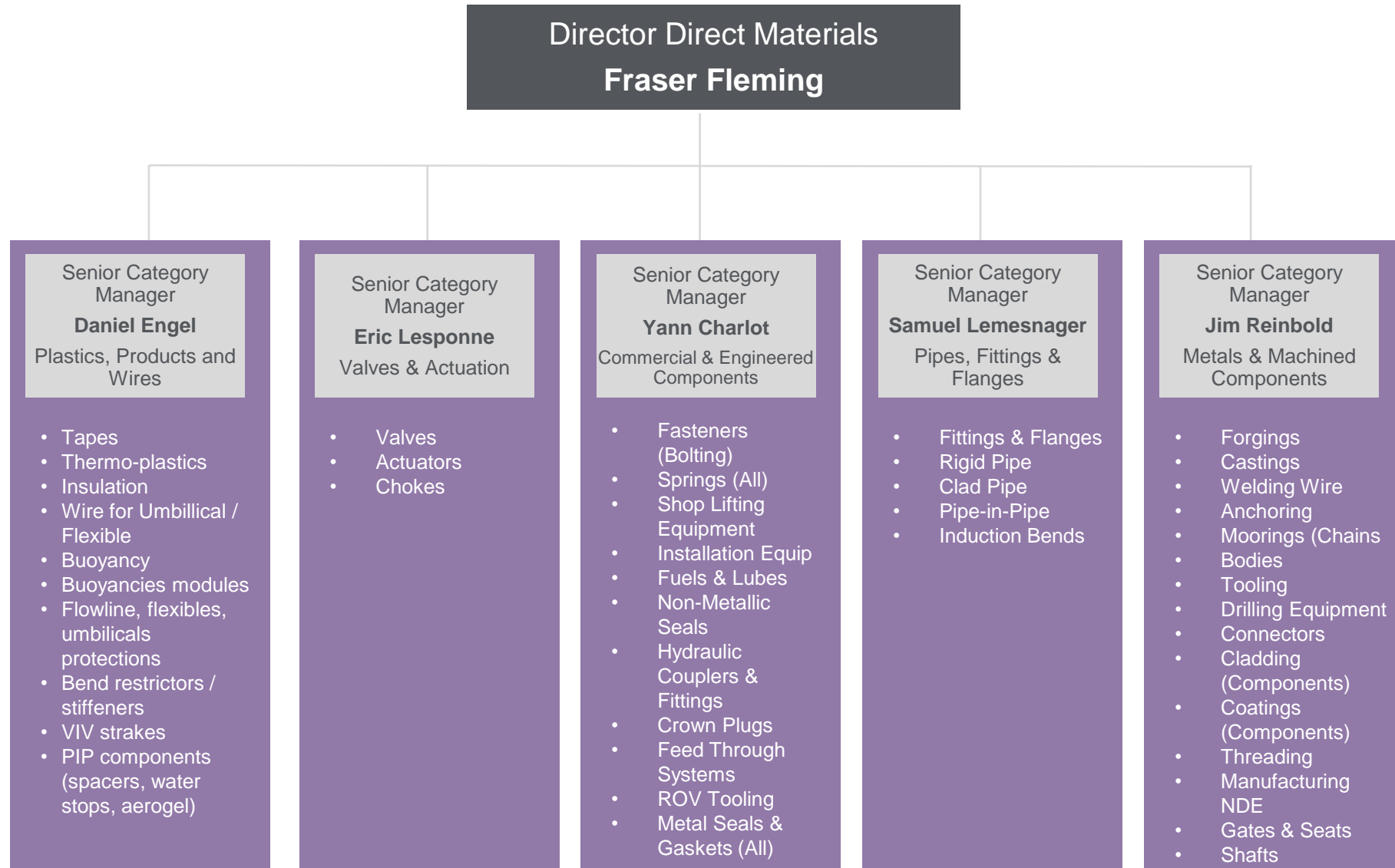
# Global Sourcing & Procurement Organization



# Direct Categories Organization (1/2)

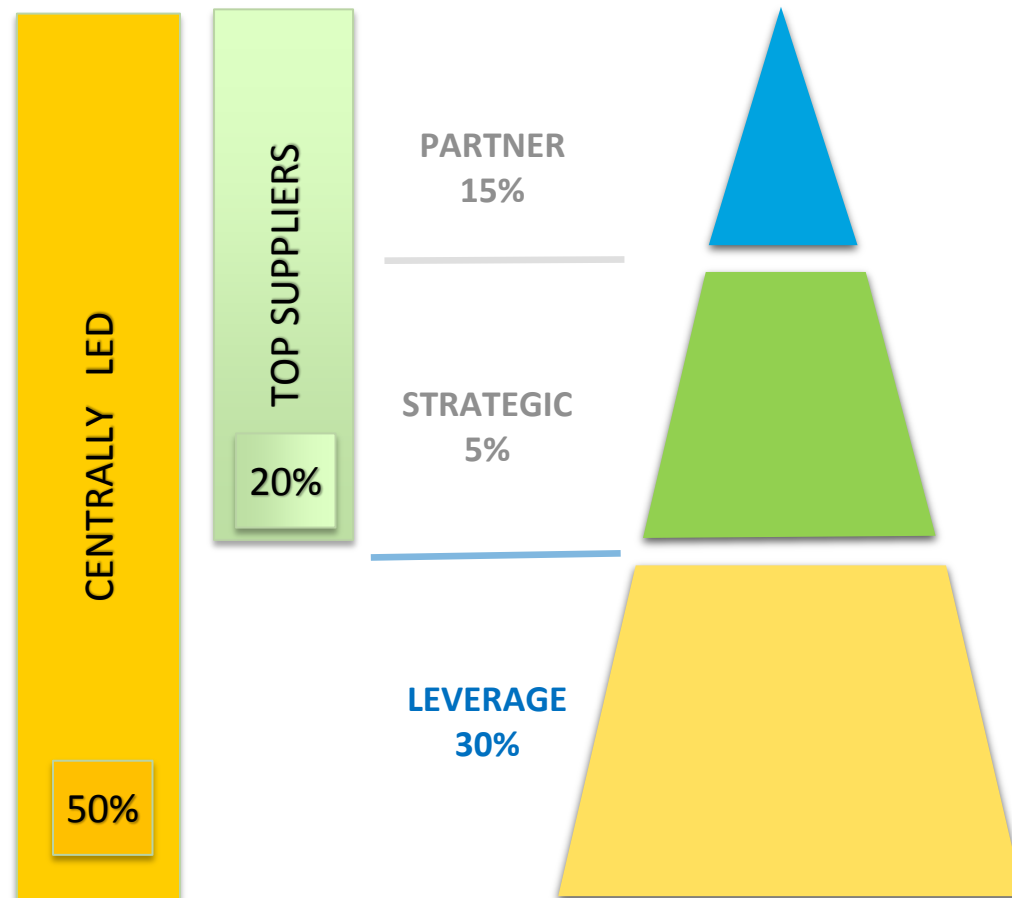


# Direct Categories Organization (2/2)



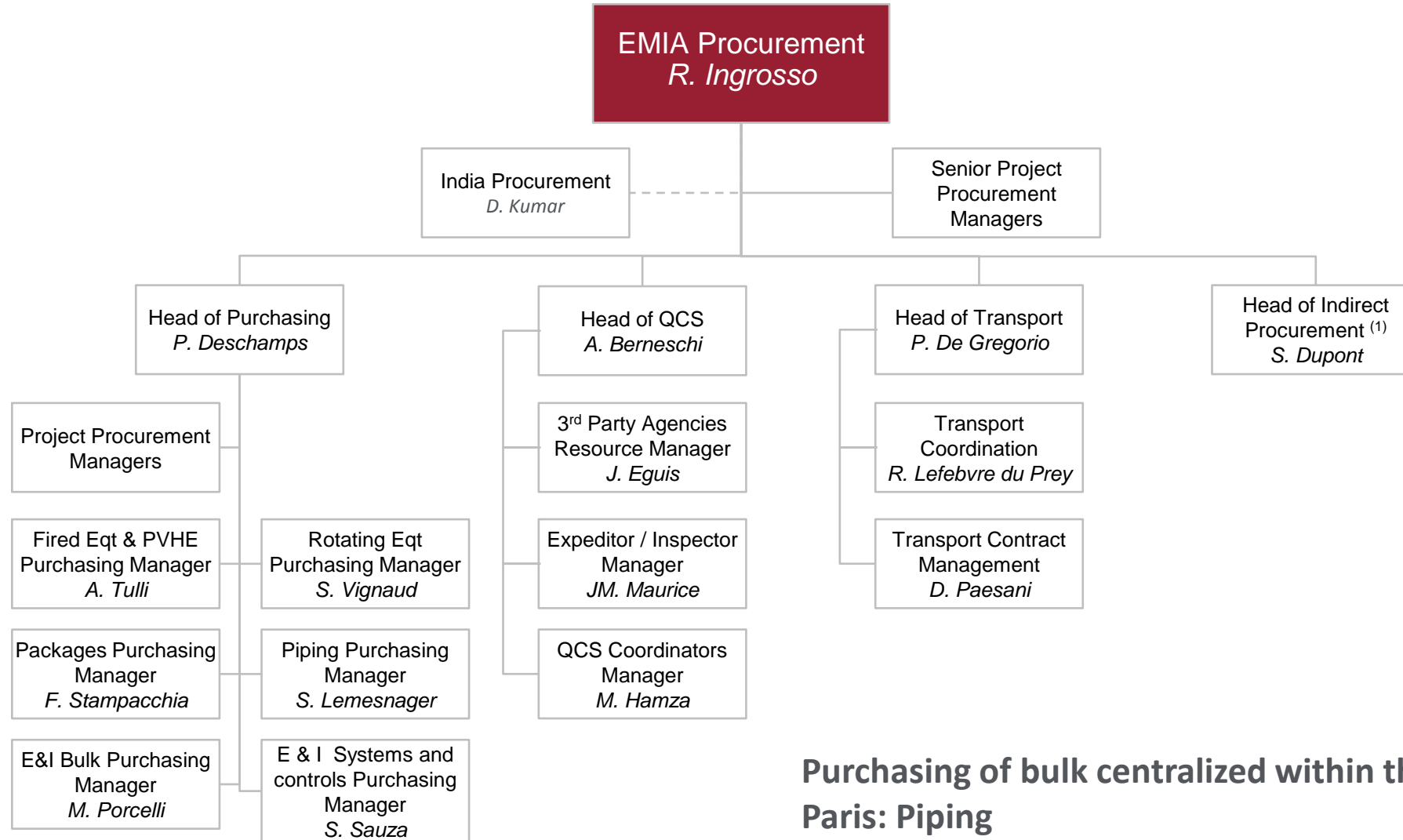
# SUPPLIERS STRATEGY

Diversified approach to priority



Reference period for % of spend: 2012 – 2015

# Shared Services Model – EMIA Case



**Purchasing of bulk centralized within the Region:**  
**Paris: Piping**  
**Rome: E&I System and bulk**

# Stay lower for longer..... Or forever

## Lower sustainably Supply Chain cost

- **Supplier' strategy consistent with execution strategy at win-it stage**
- **Customer and Internal requirement challenge**
- **Contractor- Supplier relationship**
- **Anticipation and effectiveness in execution**



Thank you