

FMC TECHNOLOGIES INC  
 Form 10-Q  
 April 24, 2015  
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UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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FORM 10-Q

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Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
 For the quarterly period ended March 31, 2015  
 or  
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
 For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
 Commission File Number 001-16489

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FMC Technologies, Inc.  
 (Exact name of registrant as specified in its charter)

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|  |                                      |
|--|--------------------------------------|
| Delaware   | 36-4412642                           |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

|  |            |
|--|------------|
| 5875 N. Sam Houston Parkway W., Houston, Texas       | 77086      |
| (Address of principal executive offices)             | (Zip Code) |
| (281) 591-4000                                       |            |
| (Registrant's telephone number, including area code) |            |

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

|   |                                     |                           |                          |
|---|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer   | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer (Do not check if a smaller reporting company) | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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

|  |                               |
|--|-------------------------------|
| Class                                    | Outstanding at April 21, 2015 |
| Common Stock, par value \$0.01 per share | 230,911,690                   |



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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this report are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements usually relate to future events and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook” and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate.

All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements include those set forth in Part II, Item 1A, “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q and Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as well as the following:

- Demand for our systems and services, which is affected by changes in the price of, and demand for, crude oil and natural gas in domestic and international markets;
- Potential liabilities arising out of the installation or use of our systems;
- U.S. and international laws and regulations, including environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations;
- Disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business;
- Fluctuations in currency markets worldwide;
- Cost overruns that may affect profit realized on our fixed price contracts;
- Disruptions in the timely delivery of our backlog and its effect on our future sales, profitability and our relationships with our customers;
- The cumulative loss of major contracts or alliances;
- Rising costs and availability of raw materials;
- A failure of our information technology infrastructure or any significant breach of security;
- Our ability to develop and implement new technologies and services, as well as our ability to protect and maintain critical intellectual property assets;
- The outcome of uninsured claims and litigation against us;
- Deterioration in future expected profitability or cash flows and its effect on our goodwill;
- Continuing consolidation within our customers’ industries; and
- Downgrade in the ratings of our debt could restrict our ability to access the debt capital markets.

We wish to caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

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## PART I—FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

| (In millions, except per share data)                                | Three Months Ended |            |
|---|--------------------|------------|
|   | March 31,<br>2015  | 2014       |
| Revenue:  |                    |            |
| Product revenue   | \$ 1,362.3         | \$ 1,449.1 |
| Service revenue   | 266.7              | 302.5      |
| Lease and other income  | 66.2               | 72.8       |
| Total revenue   | 1,695.2            | 1,824.4    |
| Costs and expenses:   |                    |            |
| Cost of product revenue   | 1,040.5            | 1,119.2    |
| Cost of service revenue   | 206.3              | 224.4      |
| Cost of lease and other revenue                                     | 46.2               | 59.9       |
| Selling, general and administrative expense                         | 174.0              | 182.8      |
| Research and development expense                                    | 29.6               | 25.3       |
| Total costs and expenses  | 1,496.6            | 1,611.6    |
| Other expense, net  | (6.3)              | (1.1)      |
| Income before net interest expense and income taxes                 | 192.3              | 211.7      |
| Net interest expense  | (7.3)              | (8.2)      |
| Income before income taxes  | 185.0              | 203.5      |
| Provision for income taxes  | 36.9               | 67.0       |
| Net income  | 148.1              | 136.5      |
| Net income attributable to noncontrolling interests                 | (0.5)              | (1.3)      |
| Net income attributable to FMC Technologies, Inc.                   | \$ 147.6           | \$ 135.2   |
| Earnings per share attributable to FMC Technologies, Inc. (Note 3): |                    |            |
| Basic   | \$0.63             | \$0.57     |
| Diluted   | \$0.63             | \$0.57     |
| Weighted average shares outstanding (Note 3):                       |                    |            |
| Basic   | 233.0              | 237.4      |
| Diluted   | 233.9              | 237.8      |

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

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## FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

| (In millions)   | Three Months Ended |         |   |
|---|--------------------|---------|---|
|   | March 31,          |         |   |
|   | 2015               | 2014    |   |
| Net income  | \$148.1            | \$136.5 |   |
| Other comprehensive income (loss), net of tax:  |                    |         |   |
| Foreign currency translation adjustments <sup>(1)</sup>                                     | (101.0             | ) 9.3   |   |
| Net gains (losses) on hedging instruments:  |                    |         |   |
| Net losses arising during the period  | (41.4              | ) (0.2  | ) |
| Reclassification adjustment for net losses (gains) included in net income                   | 13.0               | (2.4    | ) |
| Net losses on hedging instruments <sup>(2)</sup>  | (28.4              | ) (2.6  | ) |
| Pension and other post-retirement benefits:   |                    |         |   |
| Reclassification adjustment for amortization of prior service credit included in net income | —                  | (0.1    | ) |
| Reclassification adjustment for amortization of net actuarial loss included in net income   | 5.3                | 2.8     |   |
| Net pension and other post-retirement benefits <sup>(3)</sup>                               | 5.3                | 2.7     |   |
| Other comprehensive income (loss), net of tax   | (124.1             | ) 9.4   |   |
| Comprehensive income  | 24.0               | 145.9   |   |
| Comprehensive income attributable to noncontrolling interest                                | (0.5               | ) (1.3  | ) |
| Comprehensive income attributable to FMC Technologies, Inc.                                 | \$23.5             | \$144.6 |   |

(1) Net of income tax (expense) benefit of \$8.3 and \$(1.0) for the three months ended March 31, 2015 and 2014, respectively.

(2) Net of income tax (expense) benefit of \$9.8 and \$(3.8) for the three months ended March 31, 2015 and 2014, respectively.

(3) Net of income tax (expense) benefit of \$(2.5) and \$(1.9) for the three months ended March 31, 2015 and 2014, respectively.

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

|  | March 31, 2015 | December 31,<br>2014 |
|--|----------------|----------------------|
| (In millions, except par value data)                                     |                |                      |
| Assets   |                |                      |
| Cash and cash equivalents  | \$695.1        | \$638.8              |
| Trade receivables, net of allowances of \$13.0 in 2015 and \$9.4 in 2014 | 1,751.7        | 2,127.0              |
| Inventories, net (Note 4)  | 1,013.1        | 1,021.2              |
| Derivative financial instruments (Note 11)                               | 272.0          | 197.6                |
| Prepaid expenses   | 69.8           | 48.5                 |
| Deferred income taxes  | 70.0           | 70.8                 |
| Other current assets   | 370.8          | 332.5                |
| Total current assets   | 4,242.5        | 4,436.4              |