



# SAIPEM CAPITAL MARKETS DAY

## NINE MONTHS 2021 RESULTS AND NEW STRATEGIC PLAN

October 28<sup>th</sup>, 2021

# Forward-looking statements

Forward-looking statements contained in this presentation regarding future events and future results are based on current expectations, estimates, forecasts and projections about the industries in which Saipem S.p.A. (the “Company”) operates, as well as the beliefs and assumptions of the Company’s management.

These forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other factors beyond the Company’s control that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. These include, but are not limited to: forex and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil and gas industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), the Coronavirus outbreak (including its impact across our business, worldwide operations and supply chain); in addition to changes in stakeholders’ expectations and other changes affecting business conditions.

Therefore, the Company’s actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. The Company therefore cautions against relying on any of these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political and economic developments in the countries in which the Company operates, and regulatory developments in Italy and internationally. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. The Company undertakes no obligation to update any forward-looking statements to reflect any changes in the Company’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Financial Reports contain analyses of some of the aforementioned risks.

Forward-looking statements neither represent nor can be considered as estimates for legal, accounting, fiscal or investment purposes. Forward-looking statements are not intended to provide assurances and/or solicit investment.

## Today's Speakers



**Francesco Caio**

*Chief Executive Officer  
and General Manager*



**Antonio Paccioretti**

*Chief Financial Officer*

# Agenda

- 9M 2021 results
  - Group strategic guidelines
  - Group financial highlights
  - Closing remarks
  - Q&A

## 9M 2021 highlights

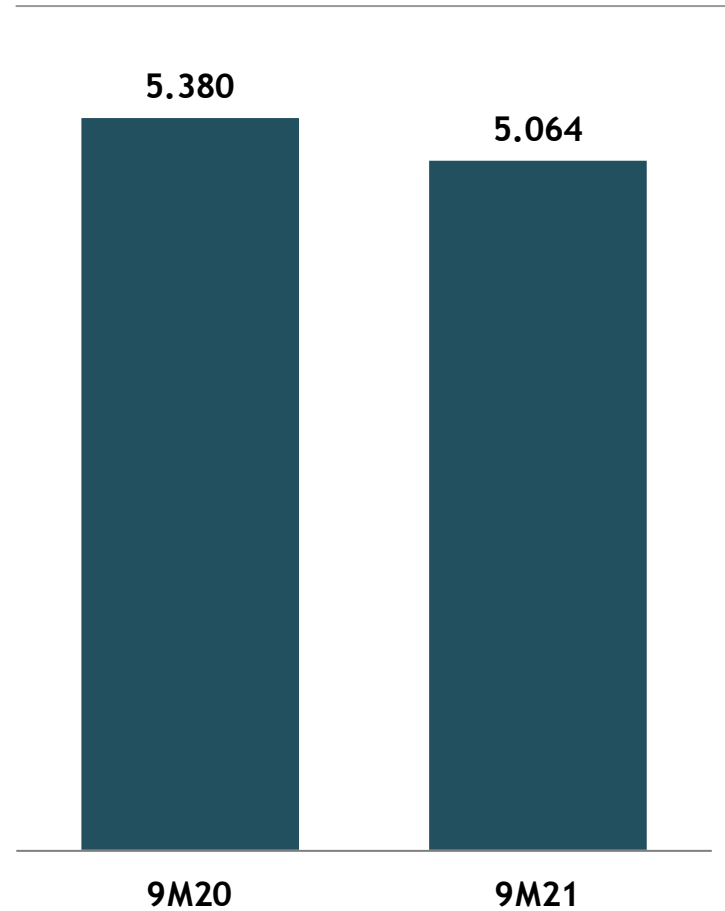
- 3Q adjusted EBITDA material enhancement vs 2Q (-25 M€ in 3Q vs -354 M€ in 2Q)
- Continuing signs of drilling activity recovery
- For the nine months revenues -6% YoY and adjusted EBITDA at -291 M€
- Business environment still conditioned by pandemic:
  - Delays and cost overruns adding to challenges in offshore wind
  - Longer client investment decisions for new projects
  - Continued impact from covid direct costs
- Mozambique project suspension
- Order intake of 4.9 B€, book-to-bill c.1x in 9M
  - c. 24.5 B€<sup>1</sup> backlog provides support for the mid-term
- Net debt post IFRS-16 c. 1.7 B€, trending as expected in 3Q

1. Of which c. 2.3 B€ non-consolidated

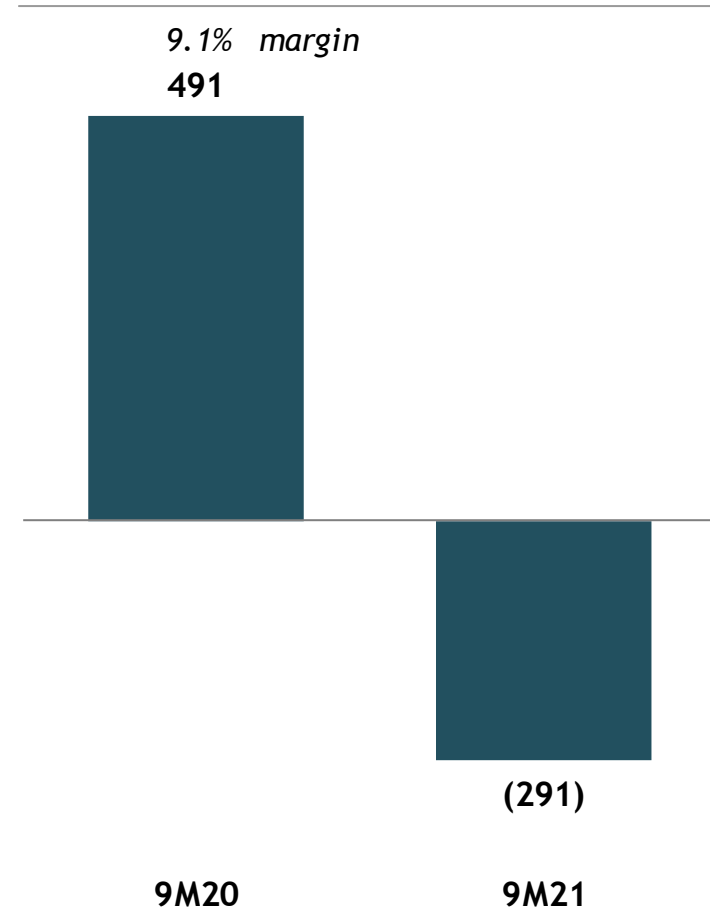
# 9M 2021 results

YoY comparison (M€)

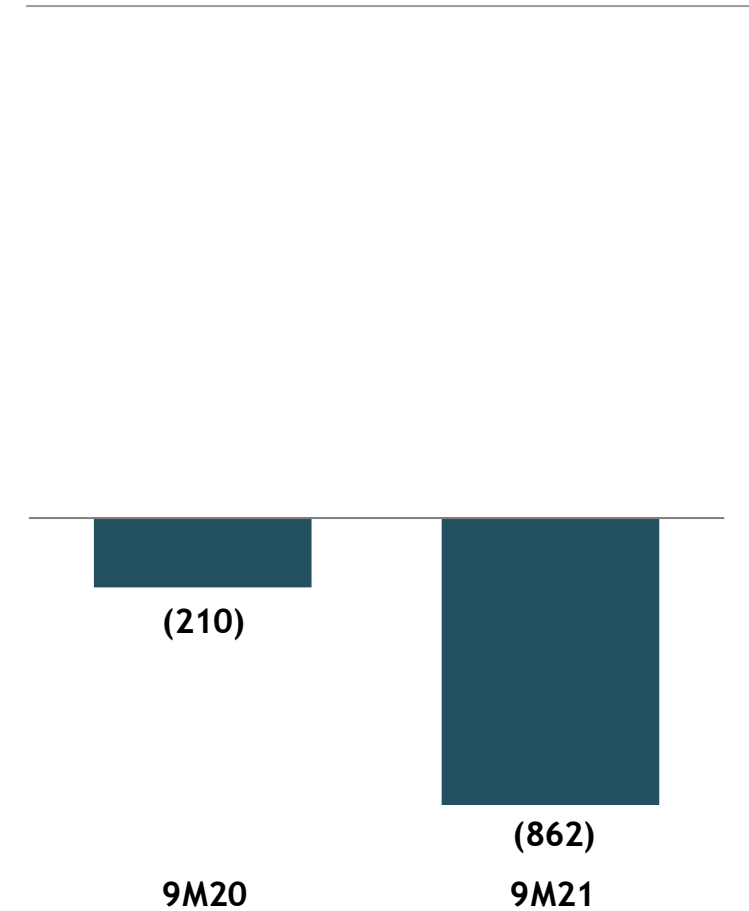
## Revenue



## Adjusted EBITDA<sup>1</sup>



## Adjusted net result<sup>1</sup>



1. Excluding special items



# 9M 2021 results

P&L YoY (M€)

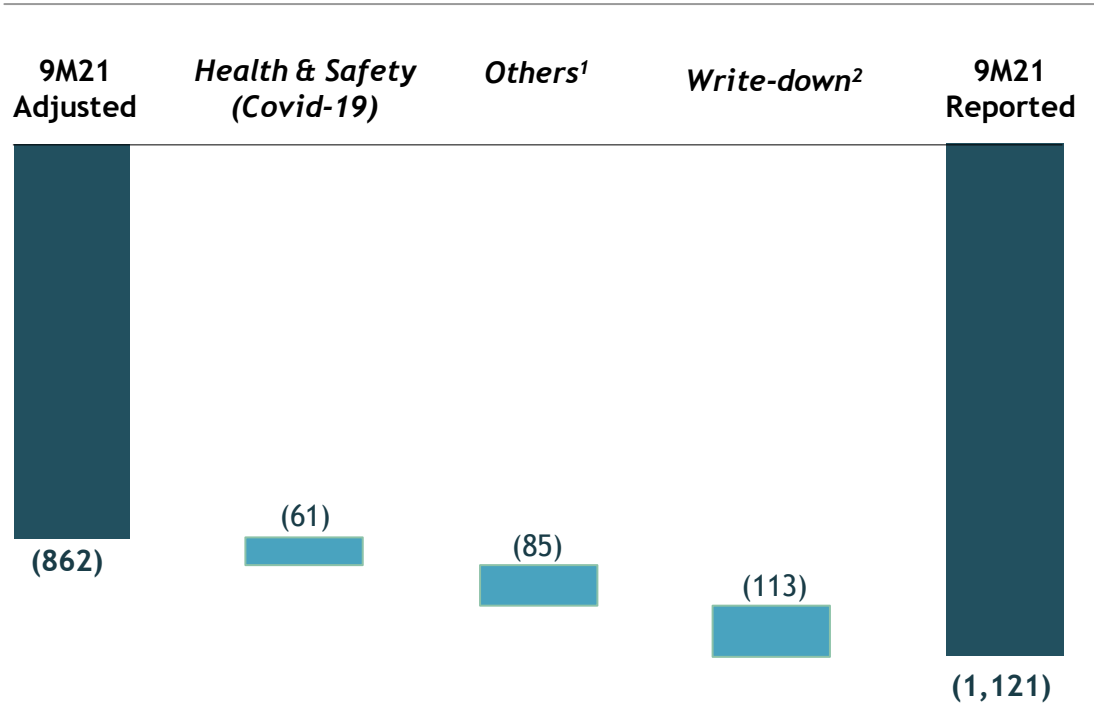
M€	Adjusted <sup>1</sup>		Var.	
	9M 20	9M 21		
<b>Revenue</b>	<b>5,380</b>	<b>5,064</b>	<b>(316)</b>	
Total costs	(4,889)	(5,355)	(466)	
<b>EBITDA</b>	<b>491</b>	<b>(291)</b>	<b>(782)</b>	
<i>margin</i>	9.1%	<i>n.m.</i>		
D&A	(457)	(383)	(74)	Driven by the termination of contract on a leased vessel and asset impairments of 2020
<b>EBIT</b>	<b>34</b>	<b>(674)</b>	<b>(708)</b>	
Financial expenses	(133)	(88)	45	Costs for bond buyback in 2020, lower expenses for FX derivatives and leasing in 2021
Result from equity investments	10	(10)	(20)	Loss from projects in JV
<b>EBT</b>	<b>(89)</b>	<b>(772)</b>	<b>(683)</b>	
Income taxes	(106)	(90)	16	Lower taxable profits
Minorities	(15)	0	15	No contribution from entities with minority partners
<b>Net result</b>	<b>(210)</b>	<b>(862)</b>	<b>(652)</b>	

1. Excluding special items

# 9M 2021 net result

Reconciliation adjusted vs reported

## Net Result (M€)



### Costs from Covid-19, safety first

Cost mainly related to management of pandemic and safeguarding people's health:

- Cost of personnel on stand-by (e.g. quarantine, extraordinary charter flights)
- Personal protective equipment in excess of the standard quantities
- Sanitising work areas

### Asset write-down mainly in E&C offshore and onshore in connection with competitiveness program

1. Others include provisions for redundancy and for litigation on a project already completed  
2. Of which 95 M€ of assets (included in D&A) and 18 M€ of inventories (included in operating costs)

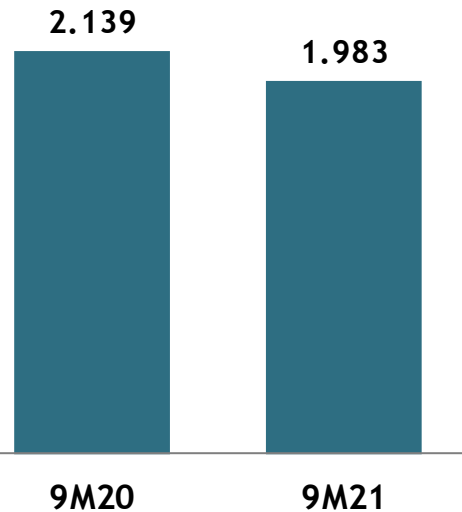


# 9M 2021 results - E&C

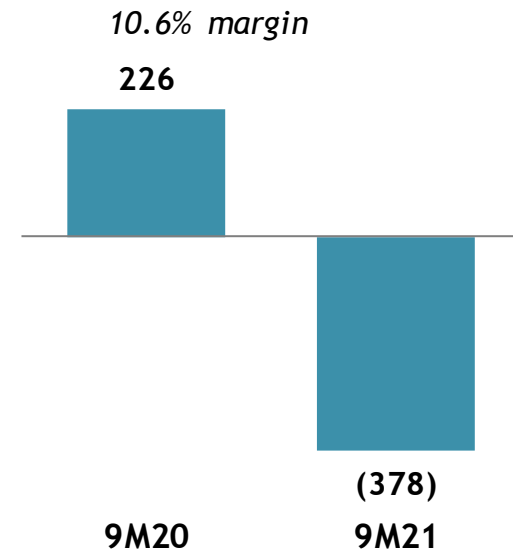
YoY comparison (M€)

## E&C offshore

### Revenue

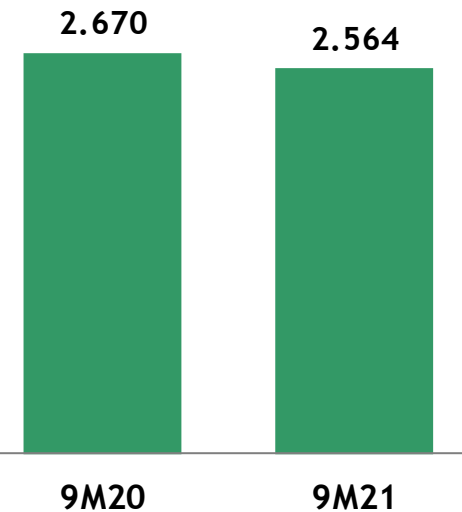


### Adjusted EBITDA

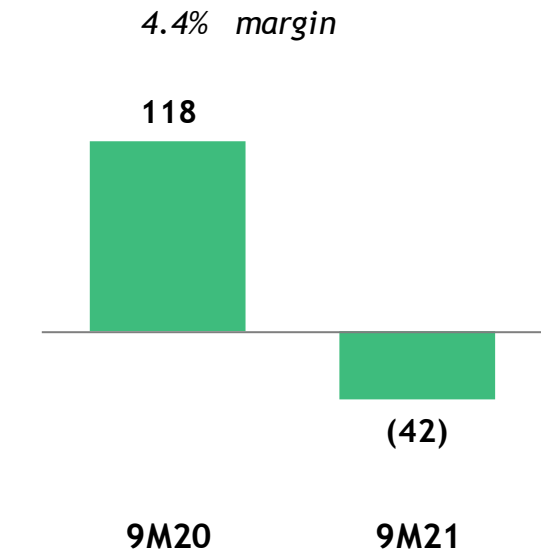


## E&C onshore<sup>1</sup>

### Revenue



### Adjusted EBITDA



- Lower volumes in Middle East, North Africa and Italy partially offset by Europe and Americas
- Results further impacted by challenges in offshore wind projects and fabrication bottlenecks in Far East also due to pandemic
- Projects in traditional O&G business progressing well

- Revenue decrease in Middle East not entirely offset by increase in Sub-Saharan Africa
- Margin affected by impact of Mozambique project and project extra-costs in Middle East
- Mozambique project still suspended with residual backlog at 3.6 B€

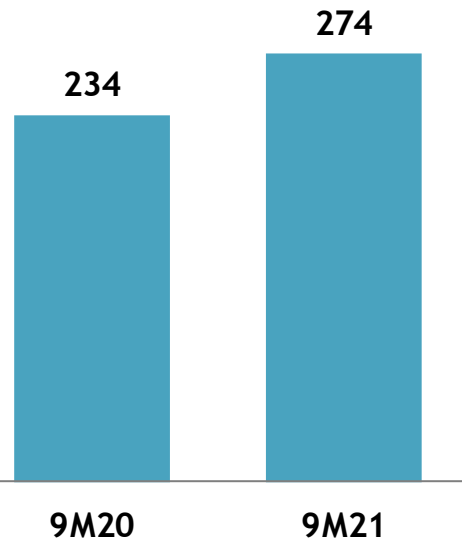
1. E&C Onshore including floaters business and XSIGHT and not including results from investments

# 9M 2021 results - drilling

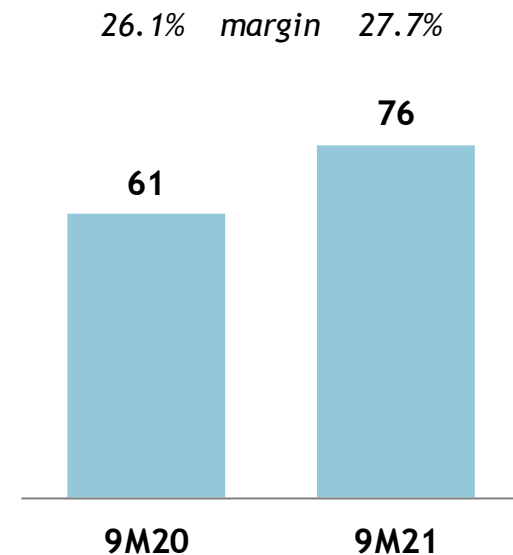
YoY comparison (M€)

## Drilling offshore

### Revenue

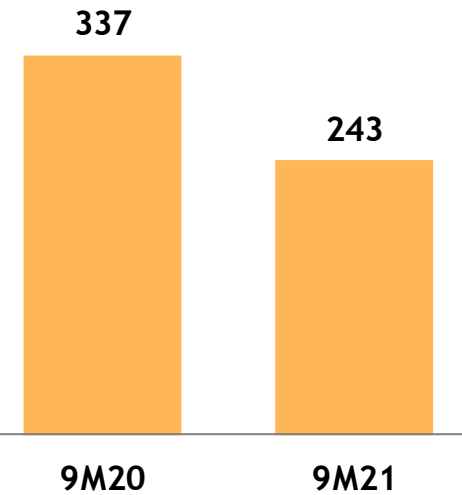


### Adjusted EBITDA

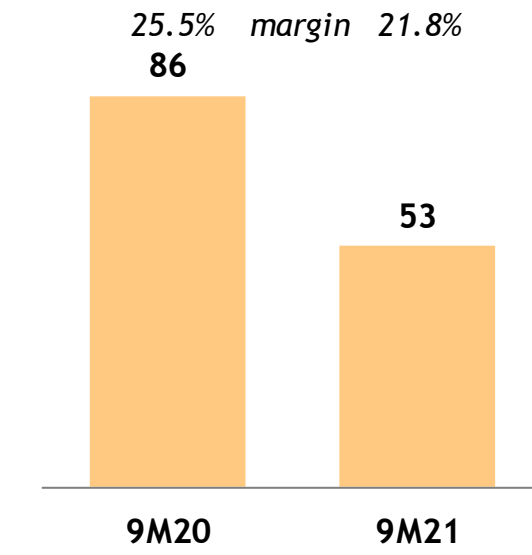


## Drilling onshore

### Revenue



### Adjusted EBITDA

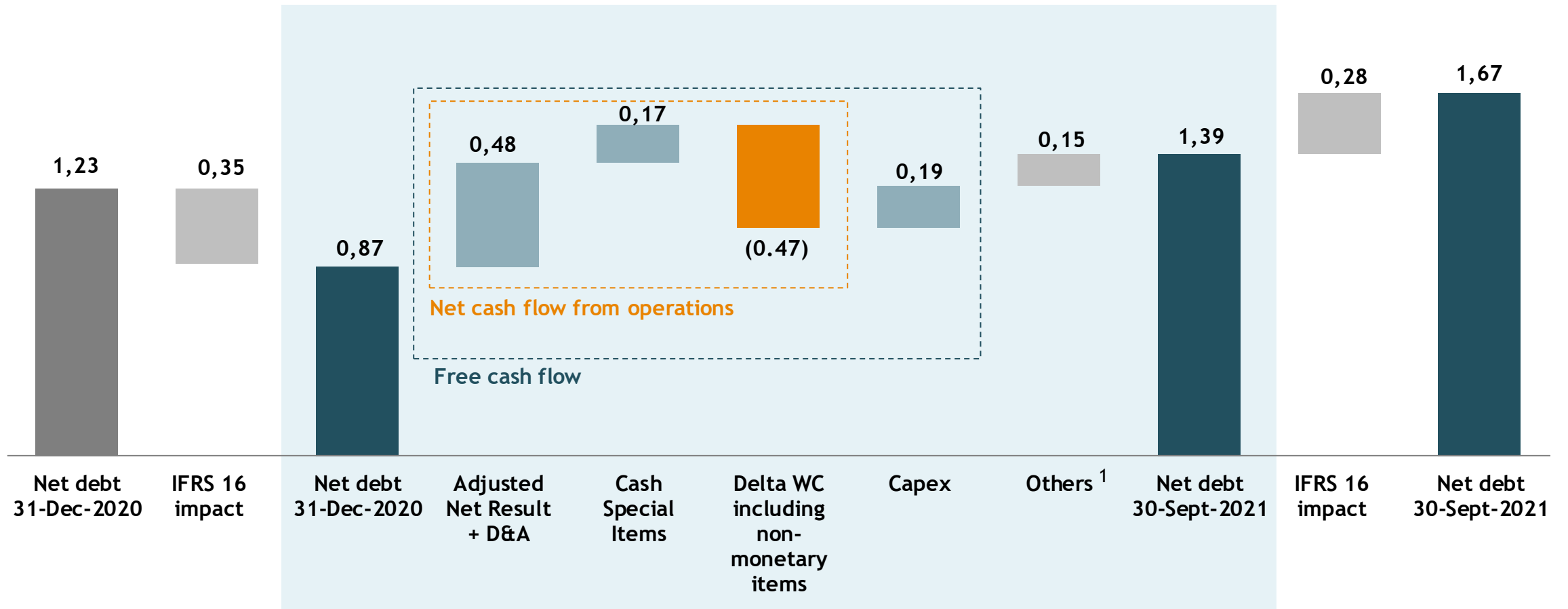


- Revenue increase mainly driven by Saipem 12000, Saipem 10000 and Scarabeo 8
- Continuing recovery on revenues and margin driven by market recovery and improving utilization

- Lower activity in Middle East resulting from rig suspensions
- EBITDA and EBITDA margin impacted by lower volumes
- Restart of activity in Middle East supporting margin in 3Q

# 9M 2021 net debt evolution (B€)

Operating cashflow partly offset by positive working capital dynamic

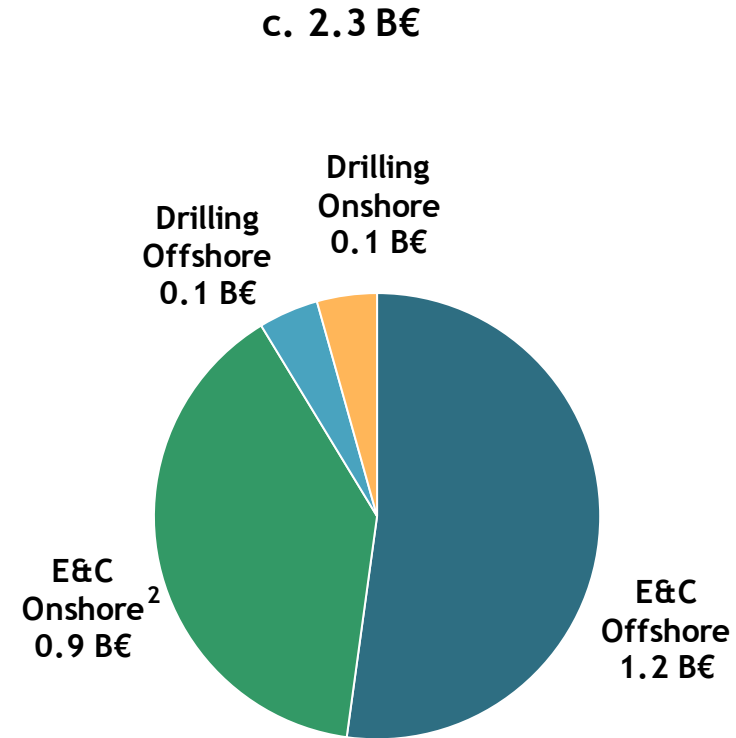


1. Others including buy-back of treasury shares/exercise of stock grant, cash flow from own funds, repayment of lease liabilities, exchange differences and other changes

# 2H 2021 outlook<sup>1</sup>

Metrics	2H 2021
Revenue	<ul style="list-style-type: none"> <li>c. 4.5 B€</li> </ul>
CAPEX	<ul style="list-style-type: none"> <li>c. 250 M€</li> </ul>
Adjusted EBITDA	<ul style="list-style-type: none"> <li>Confirmed back to positive</li> </ul>
Net debt	<ul style="list-style-type: none"> <li>c. 1.7 B€</li> </ul>

## Residual backlog to be executed in 2021



1. Outlook for 2H does not factor further and possible material macro and business deterioration (e.g. from Covid-19)  
 2. E&C Onshore including floaters business and XSIGHT

# Agenda

9M 2021 results

➤ **Group strategic guidelines**

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Closing remarks

Q&A

Towards the new Saipem...what to leverage...what to change

## Saipem extraordinary potential is confirmed

*People*



*Heritage*



*Technologies*



*Assets*



*Customers Trust*



**But, a step change is now required**

*Risk discipline  
from commercial  
to execution*

*Tailored approach  
by project type*

*Simplification  
and streamlining*

*One Saipem*

# Building a growing profitable and cash generating Saipem

*Low-carbon energy eco-system*

Investment  
Cycle  
in the  
core

Reducing costs and de-risking portfolio

Fostering a green supply chain as an ESG leader

Partnering with clients in their net zero journey



*Accelerating Technology & Innovation*



Saipem has always been the «partner of choice» for the most complex technology challenges of energy industry ...

*Saipem's cutting-edge solutions have always made the difference*



**Blue Stream  
Pipeline**



**Ultra deep-  
water  
projects**



**Jazan  
Gasification  
Plant**

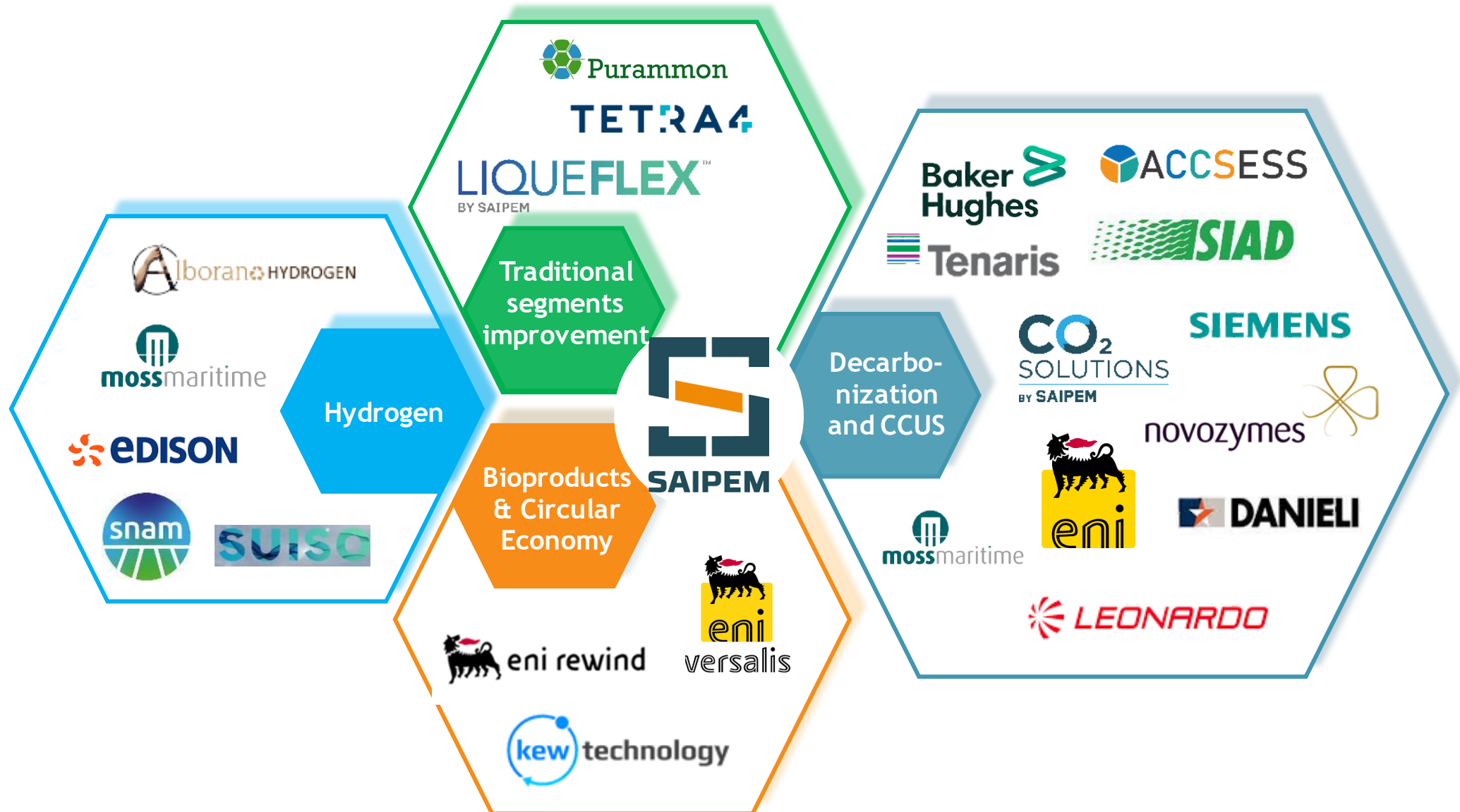


**Subsea  
technologies**

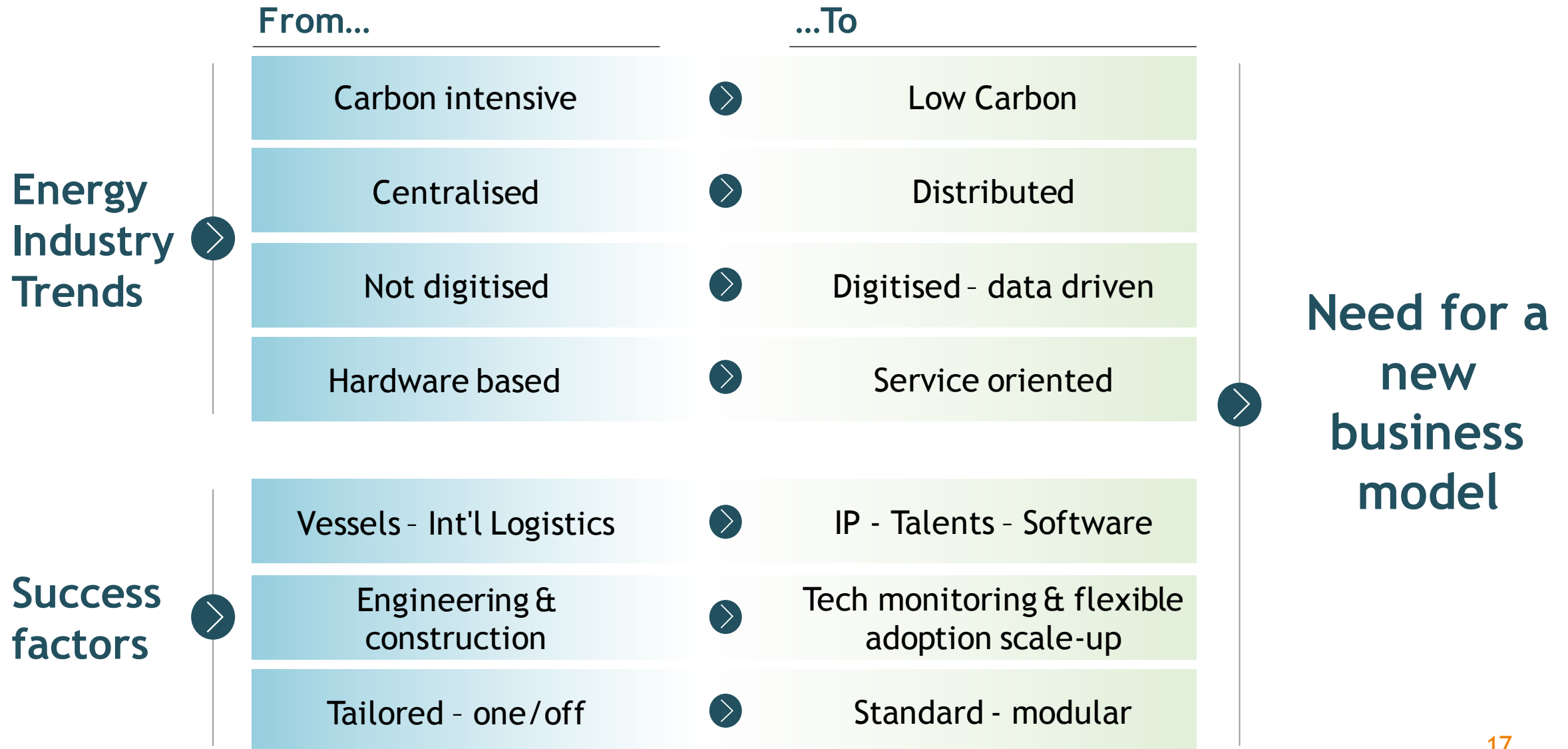


**Energy  
Transition**

...and is already pioneering technologies for the energy transition



...but a radically new energy eco-system calls for a discontinuity..



# Oil Companies are executing different and polarized strategies



- Capital efficiency
- De-carbonization
- Managing portfolio

- Investing & managing risk
- Building new capabilities
- Setting the pace



The depth of structural changes in market dynamics are redefining the content and the borders of our industry



**Multiple emerging technologies on new energy carriers to be challenged and engineered into bankable and executable projects**



**New players and evolving client base**



**Growing appetite for advanced digital solutions and services aimed at reducing Total Cost of Ownership and Carbon Footprint**



**Sustainable infrastructure systems acquiring a critical role**

**Flexible strategy and differentiated go-to-market models**

We need to clearly address our core business through a dual strategy...

## Saipem dual strategy for the energy transition



Technical Sparring Partner of Energy Co's in complex projects



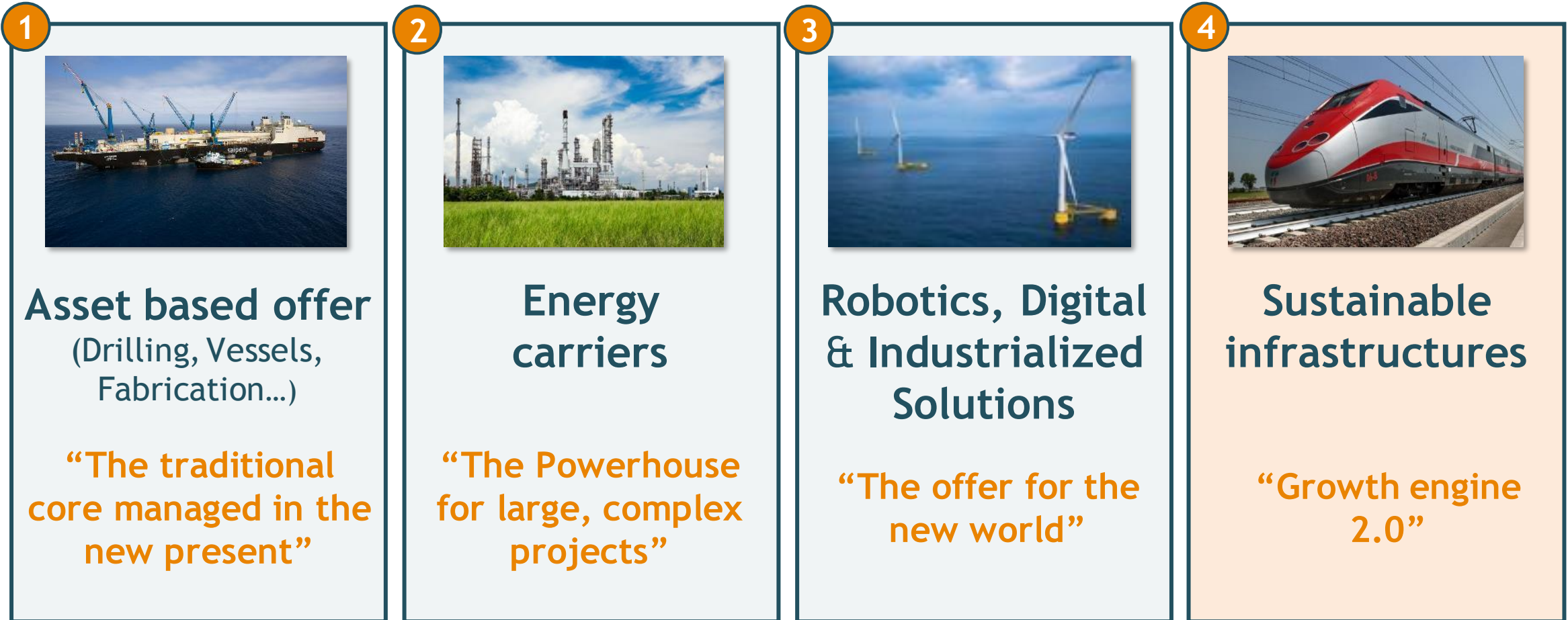
Provider of modular and scalable solutions and digitally-enabled services

+



Integrator of sustainable infrastructural systems

... evolving accordingly our business model around four pillars



← *...embedding transition technology in all areas* →



# 1 Asset based offer (1/2)

## Strategic actions

Capture growth cycle with key accounts in core geos

Optimize mix of own / leased assets and utilization rate

Gradual exit from vertically integrated fabrication model

Strengthen offering through partnerships and/or alliances

Reduce fleet carbon footprint

## Examples



*Long-term drilling contracts*



*SURF*



*Transport & Installation*

## 1 Asset based offer (2/2)

### Key Figures

>90%

'22-'25 revenues from top 3 geos

5

Vessels to be scrapped

3

Fabrication yards to be discontinued

↓ 85%

'25 vs. '20 Drilling Idleness costs

↓ 50%

'25 vs. '20 Vessels Idleness costs

Comm. agreement announced today w/ **Technip FMC**

1



**Asset based offer**  
(Drilling, Vessels,  
Fabrication...)

“The traditional  
core managed in the  
new present”

2



**Energy  
carriers**

“The Powerhouse  
for large, complex  
projects”

3



**Robotics, Digital  
& Industrialized  
Solutions**

“The offer for the  
new world”

4



**Sustainable  
infrastructures**

“Growth engine  
2.0”

## 2 Energy carriers (1/2)

### Key Figures

**300+**

Refining, Pet-Chem & Fertilizer plants built by Saipem

**~€100B**

Addressable market (LNG, Regasification, Fertilizers...)

**50+**

Pre-FEED / FEED/ concept studies already in pipeline to tackle addressable market

## 2 Energy carriers (2/2)

### Strategic actions

Focus on backlog execution with increased discipline on cost and risk

Shift Order Intake from volume to value

Accelerating  
new  
paradigm

Proactive marketing

Tech innovation ... Venture Capital ... own patents

Digitalization of processes ... and plants

### Examples



*LNG & Regasification*

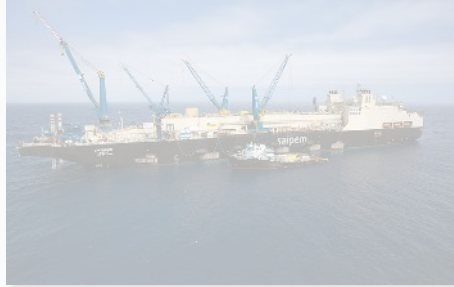


*Biorefinery & Biochem*



*Green fertilizer*

1



**Asset based offer**  
(Drilling, Vessels,  
Fabrication...)

“The traditional  
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2



**Energy  
carriers**

“The Powerhouse  
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3



**Robotics, Digital  
& Industrialized  
Solutions**

“The offer for the  
new world”

4



**Sustainable  
infrastructures**

“Growth engine  
2.0”

### 3 Robotics, Digital and Industrialized solutions (1/4)

#### A new kind of demand

— Reference project size —

Floating Wind / Solar Modular Solutions	Concentrated Solar Power Systems	Green Hydrogen Plant Packages <i>(Electrolizer + Renewables)</i>	Small-scale CCS units for hard-to-abate applications	Plastic Recycling Industrialized Solutions
				
30 ÷ 450 MW	50 ÷ 200 MW	10 ÷ 100 MW*	200 ÷ 400 CO2 Mtpa	50 ÷ 100 Ktpa
250 M€ ÷ 1.5 B€	300 M€ ÷ 1 B€	30 ÷ 800 M€	50 ÷ 150 M€	70 ÷ 250 M€

Note: (\*) electrolizer capacity  
CCS: Carbon Capture and Storage



### 3 Robotics, Digital and Industrialized solutions (2/4)

#### Strategic actions

Develop modular, scalable, industrialized technological solutions

Exploit digitally-enabled service platforms (e.g. subsea robots)...

...to grow recurring monitoring and maintenance services

Build the execution model for the new world

#### Examples



*Industrialized solutions*



*Digital & advanced services*



*Robotics*

### 3 Robotics, Digital and Industrialized solutions (3/4)

#### Key Figures

70+

CO<sub>2</sub> removal plants designed and built worldwide

150+

engineers already engaged in new solutions offering

€200M+

total annual existing service revenues

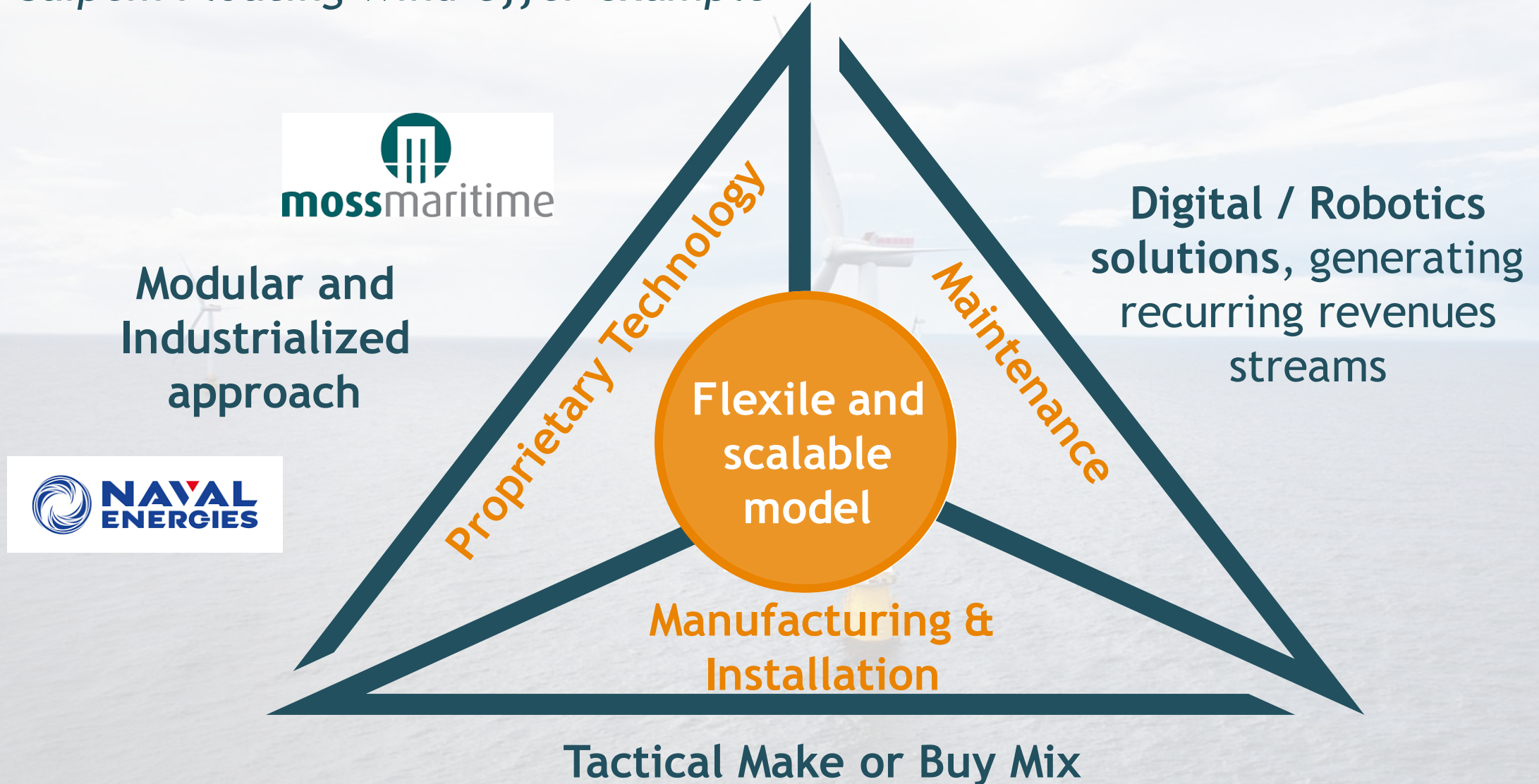
30+

years of experience in subsea ROV; world's first provider of subsea drone services

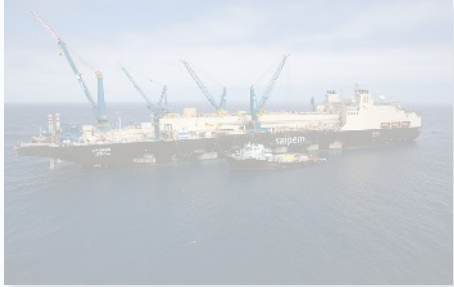
€100M+

robotics service recurring revenues opportunities in today's pipeline

3 Robotics, Digital and Industrialized solutions (4/4)  
*Saipem Floating Wind Offer example*



1



**Asset based offer**  
(Drilling, Vessels,  
Fabrication...)

“The traditional  
core managed in the  
new present”

2



**Energy  
carriers**

“The Powerhouse  
for large, complex  
projects”

3



**Robotics, Digital  
& Industrialized  
Solutions**

“The offer for the  
new world”

4



**Sustainable  
infrastructures**

“Growth engine  
2.0”



## 4 Sustainable Infrastructures (1/2)

### Strategic actions

Exploit **PNRR** as a launch pad to create a **solid backlog**

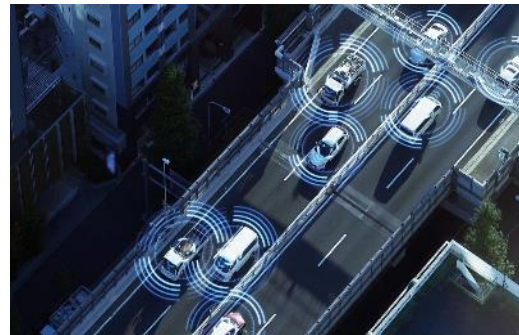
Focus on **digitalized, interconnected and sustainable infrastructures**

**Diversify from energy industry cycles**

### Examples



*High Speed/High Capacity Rail Infrastructures*



*Integrated, Digitized, Interconnected, Smart, Safe mobility solutions*



*Infrastructures Technological upgrade*

## 4 Sustainable Infrastructures (2/2)

### Key Figures

€20B

Addressable PNRR Transportation Infrastructure

€6B

Addressable PNRR Energy Transition

€3B

'22-'25 Expected Order Intake

4

Partnerships under discussion

# New Saipem strategy will capture ST cash generating growth, while creating value in the LT addressing the energy transition opportunities

## Evolutionary trajectory

Asset based	<ul style="list-style-type: none"> <li>• Cycle driven cash generation</li> <li>• Active portfolio management</li> <li>• CAPEX discipline</li> </ul>		S/MT Growth driven by cycle
Energy carriers	<ul style="list-style-type: none"> <li>• Value over volume &amp; de-risking</li> <li>• Hybridization and new energy carriers</li> <li>• Tech-based proposition</li> </ul>		Stable with significant re-mix
Robotics, Digital & Industrialized Solutions	<ul style="list-style-type: none"> <li>• Growth and superior resilience</li> <li>• Modular solutions</li> <li>• High-end recurring service revenues</li> </ul>		Growth, fast evolving
Sustainable infrastructure	<ul style="list-style-type: none"> <li>• Italy PNRR launch pad</li> <li>• Long-term diversification driver</li> <li>• Focus on integrated systems</li> </ul>		Growth

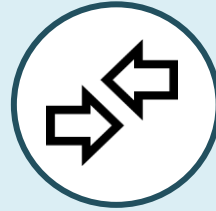
**Towards a more resilient portfolio with an higher value revenue mix**

# Evolutionary path toward the new Saipem: how we get there

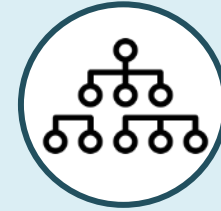
## Evolutionary path toward the new Saipem



**Competitive cost structure**



**Active business portfolio strategy**



**New Operating Model**



**Future-ready culture (D&I)**



**ESG leadership**



# Saipem strategy on one page

1



## Asset based offer

- Short-term value generation
- Active portfolio management
- CAPEX diligence
- Green fleet

2



## Energy carriers

- Value over volume & de-risking
- Backlog execution
- Shift to new energy carriers
- Tech-based proposition

3



## Robotics, Digital and Industrial Solutions

- Growth and resilience
- Modular solutions & high-end services
- Robotics full potential

4



## Sustainable infrastructures

- Long-term growth
- Differentiation driver
- Integrated systems
- Italy PNRR launch pad

# Agenda

9M 2021 results

Group strategic guidelines

➤ **Group financial highlights**

Closing remarks

Q&A

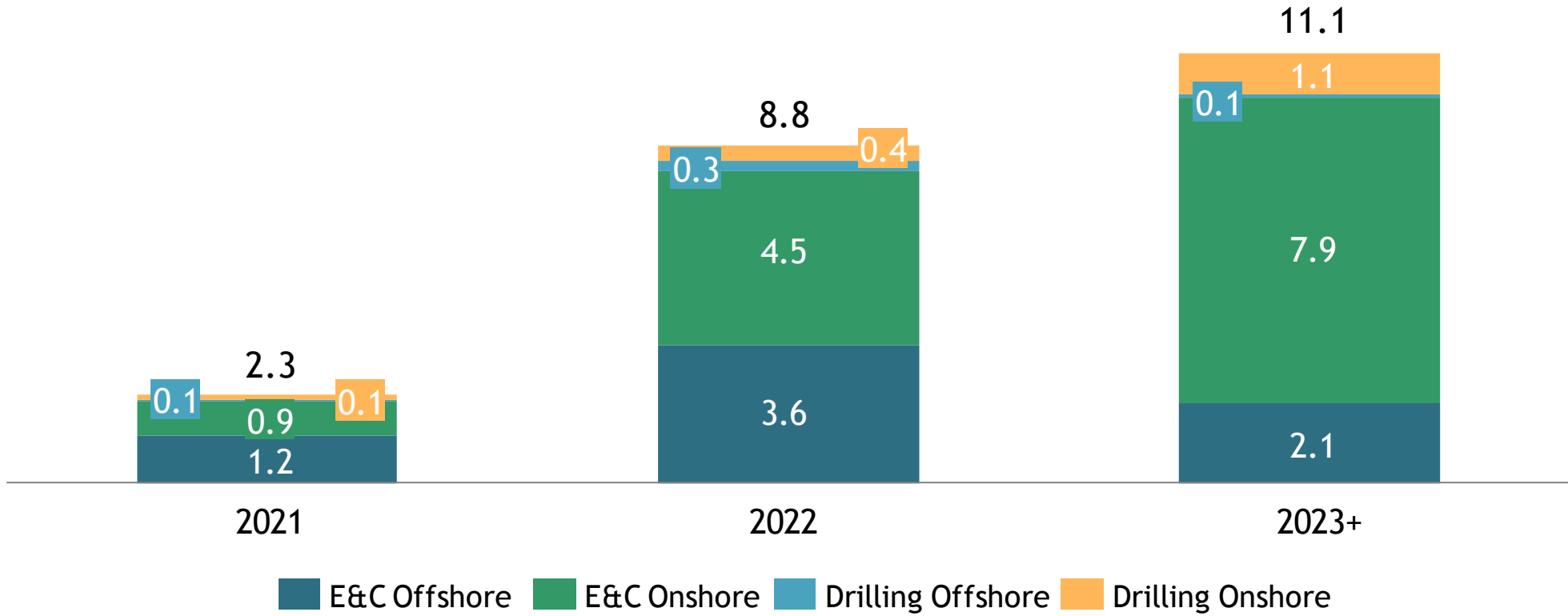
## From a challenging present to a resilient future

- Solid revenue **growth**
- Cash costs **reduction**
- Recouping pre-pandemic **profitability**
- **CAPEX** plan sustained by **cash generation** after 2022

# Current backlog provides high future revenue coverage...

Backlog as of 30.09.21

B€

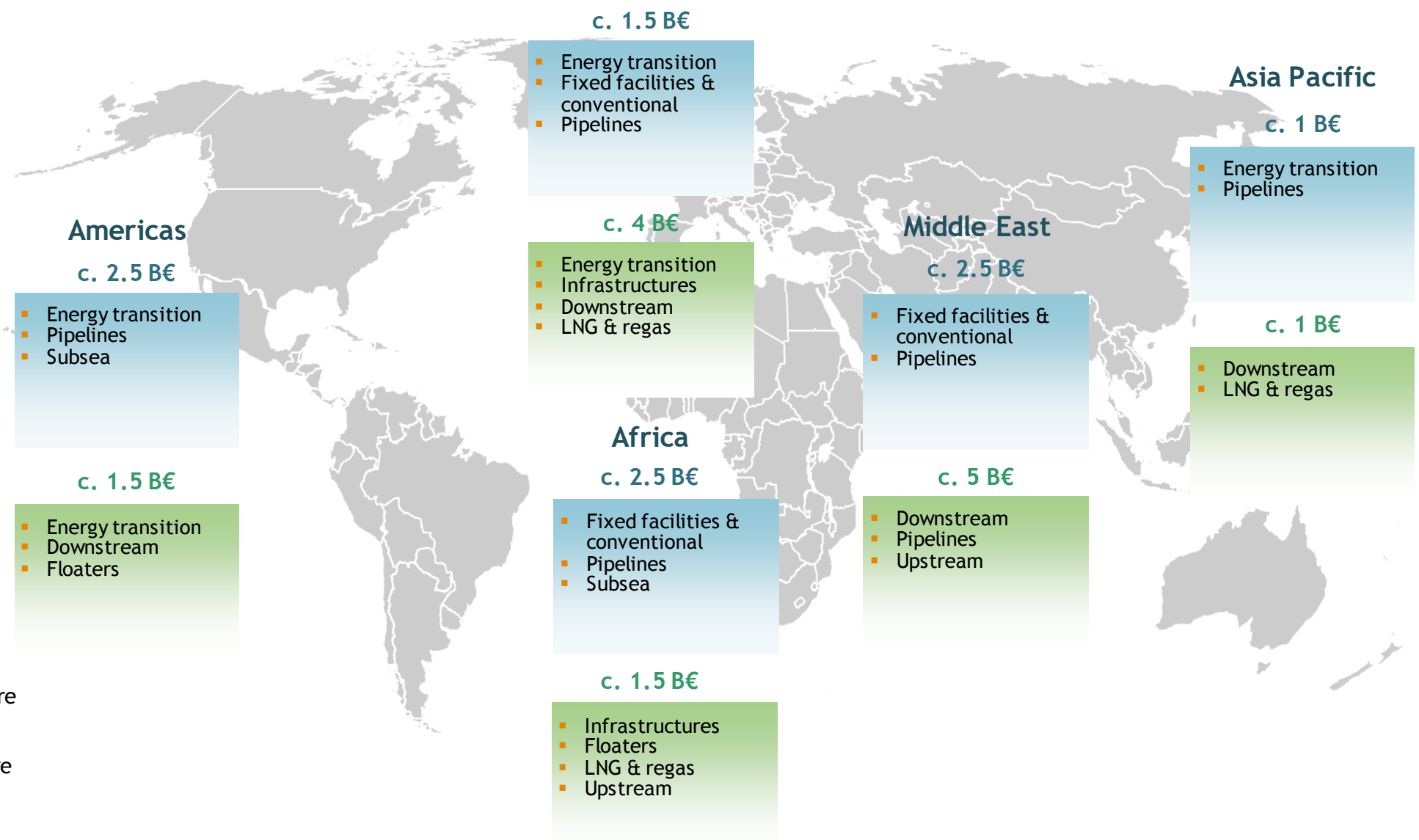


**High backlog coverage 2022-onwards**

Note: E&C Onshore including Floaters business and XSIGHT; non consolidated backlog 0.3 M€ in 2021, 0.9 M€ in 2022, 1.1 M€ in 2023+

# ...complemented with 23 B€ of selected commercial opportunities

## Europe, CIS & Central Asia



E&C Offshore  
E&C Onshore

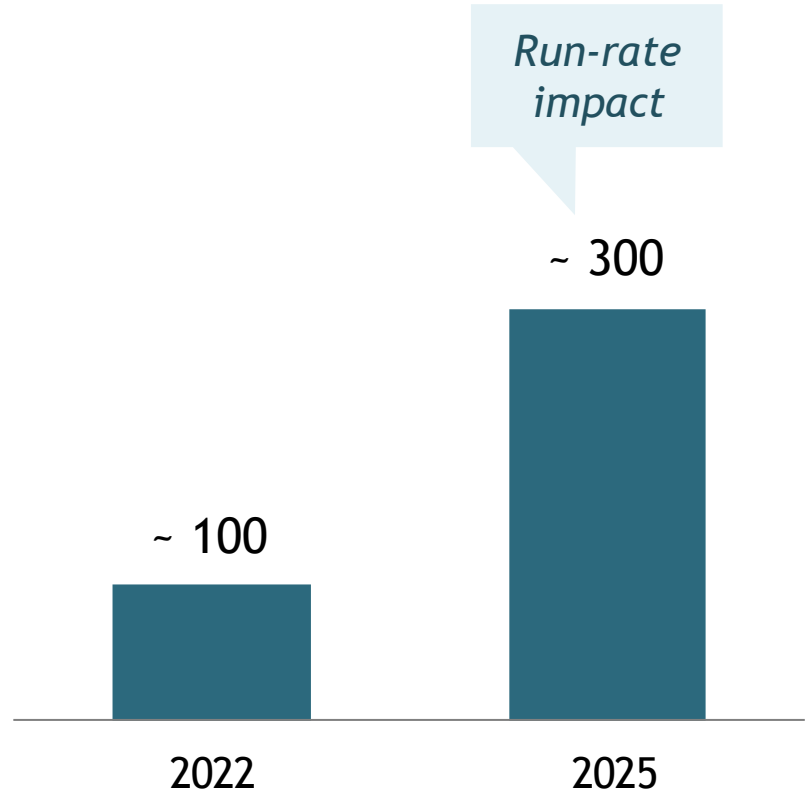
# Overview of cost competitiveness program

## Net target savings<sup>1</sup> by nature and initiatives examples

Assets c. 15% <i>of Run-rate impact</i>	<b>5</b> <b>Vessels planned to be scrapped</b> <i>of which 3 already in 2022</i>
Op. model c. 55%	<b>3</b> <b>Yards planned to be closed</b> <i>of which 2 already in 2022</i>
G&A c. 30%	<b>14</b> <b>Office closures<sup>2</sup> already planned</b> <i>of which 10 already in 2022</i>

1. Savings net of implementation costs  
2. Non-strategic international offices

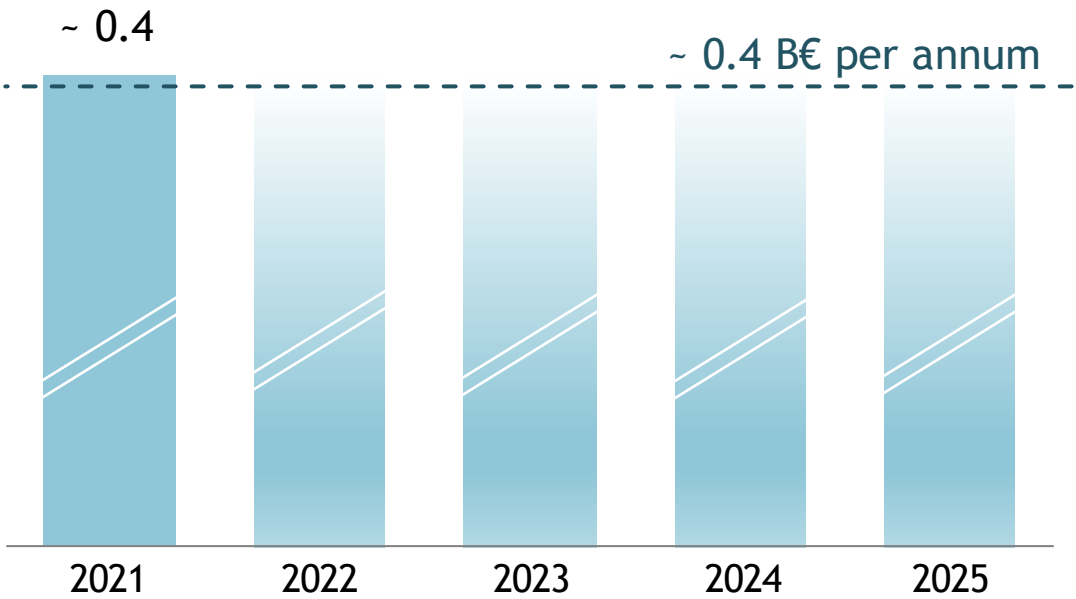
## Net target savings<sup>1</sup> by year M€



# Strategy enabled by new CAPEX plan with expected deleverage towards 2025

CAPEX evolution

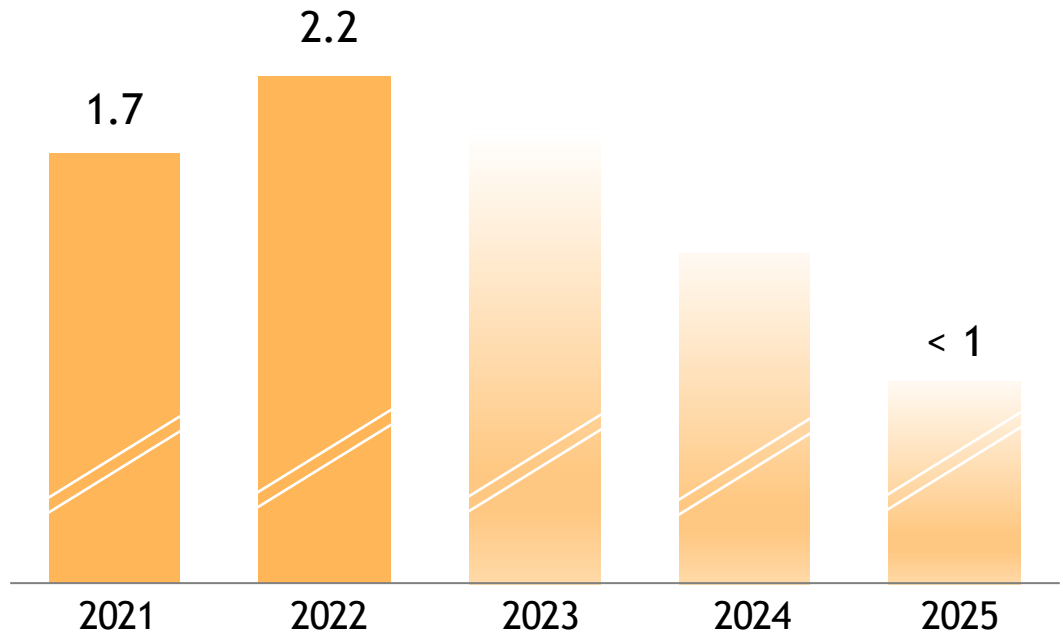
B€, illustrative



Capex mix shifting towards new asset-lighter segments, with c. 1.5 B€ cumulated 2022-25

Net Debt Evolution<sup>1</sup>

B€, illustrative



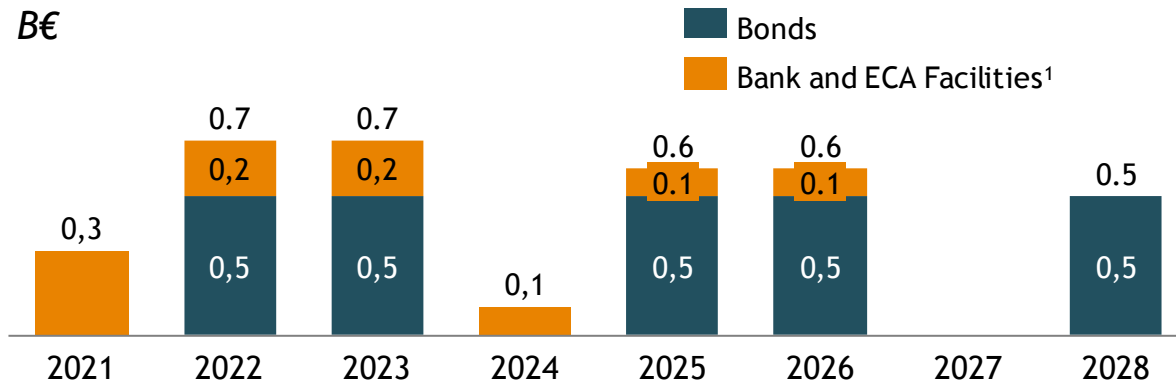
Deleveraging through c. 0.8 B€ cumulative FCF generation 2022-2025

1. Including IFRS 16

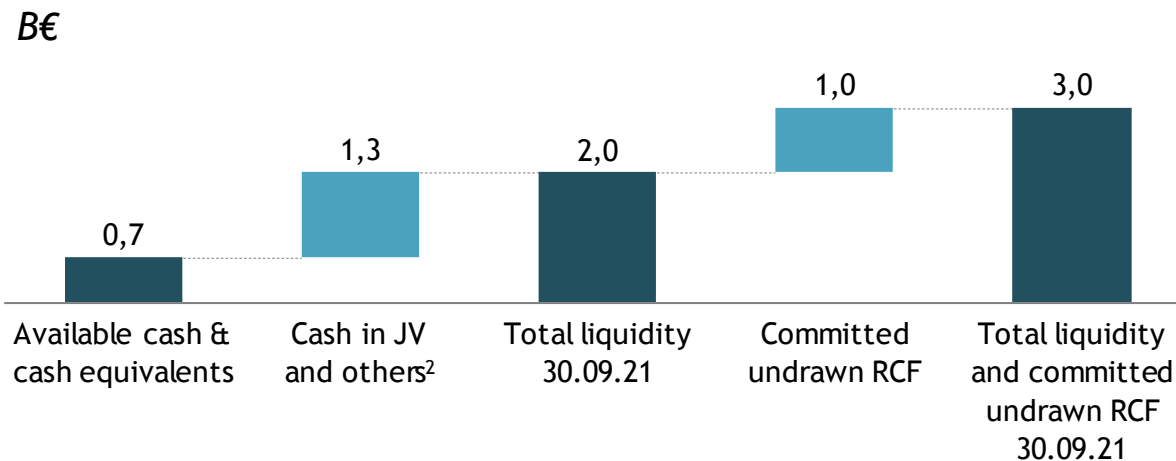


# Balance sheet and liquidity: strong liquidity and well-balanced debt structure

## Debt maturity profile



## Liquidity



1. Including c.0.2 B€ of rolled-over credit lines in local currencies
2. Restricted liquidity mainly related to projects and local currencies

Well-balanced debt maturity profile

First significant maturity in 2022, covered by existing liquidity

Monitoring debt capital markets

Strategic plan as basis to access sustainability-linked funding pools

# Towards a resilient profitable future

- Solid revenue **growth**



- Growth driven by offshore and drilling
- c.15% CAGR 21-25

- Cash costs **reduction**



- c.100 M€ net savings in 2022
- c.300 M€ per year by 2025 (run-rate)

- Recouping pre-pandemic **profitability**



- Close to pre-pandemic EBITDA<sup>1</sup> from 2023
- Double-digit profitability by 2024<sup>1</sup>

- **CAPEX** plan sustained by **cash generation** after 2022



- c.1.5 B€ cumulated CAPEX in 2022-25
- Net debt c.2.2 B€ in 2022
- Targeting < 1 B€ net debt in 2025

1. Refers to Adjusted EBITDA

# Agenda

9M 2021 results

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➤ Closing remarks

Q&A

# Saipem strategic plan delivered through a new operating model

## Growing, Profitable, Cash Generating

Industry	 SAIPEM	Results
<p data-bbox="262 596 868 715">New investment cycle in the traditional core</p> 	<ul data-bbox="1026 548 1702 1143" style="list-style-type: none"><li>• New operating model</li><li>• Customers long-lasting relationship</li><li>• Technology portfolio</li><li>• Competitive assets</li><li>• Engineering capabilities</li></ul>	<ul data-bbox="1844 648 2346 1039" style="list-style-type: none"><li>• EBITDA Growth</li><li>• Strong Cash Flow generation</li><li>• Deleveraging</li></ul> 
<p data-bbox="287 968 843 1086">Structural growth in Energy Transition</p> 		



Unlocking value

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# Appendix

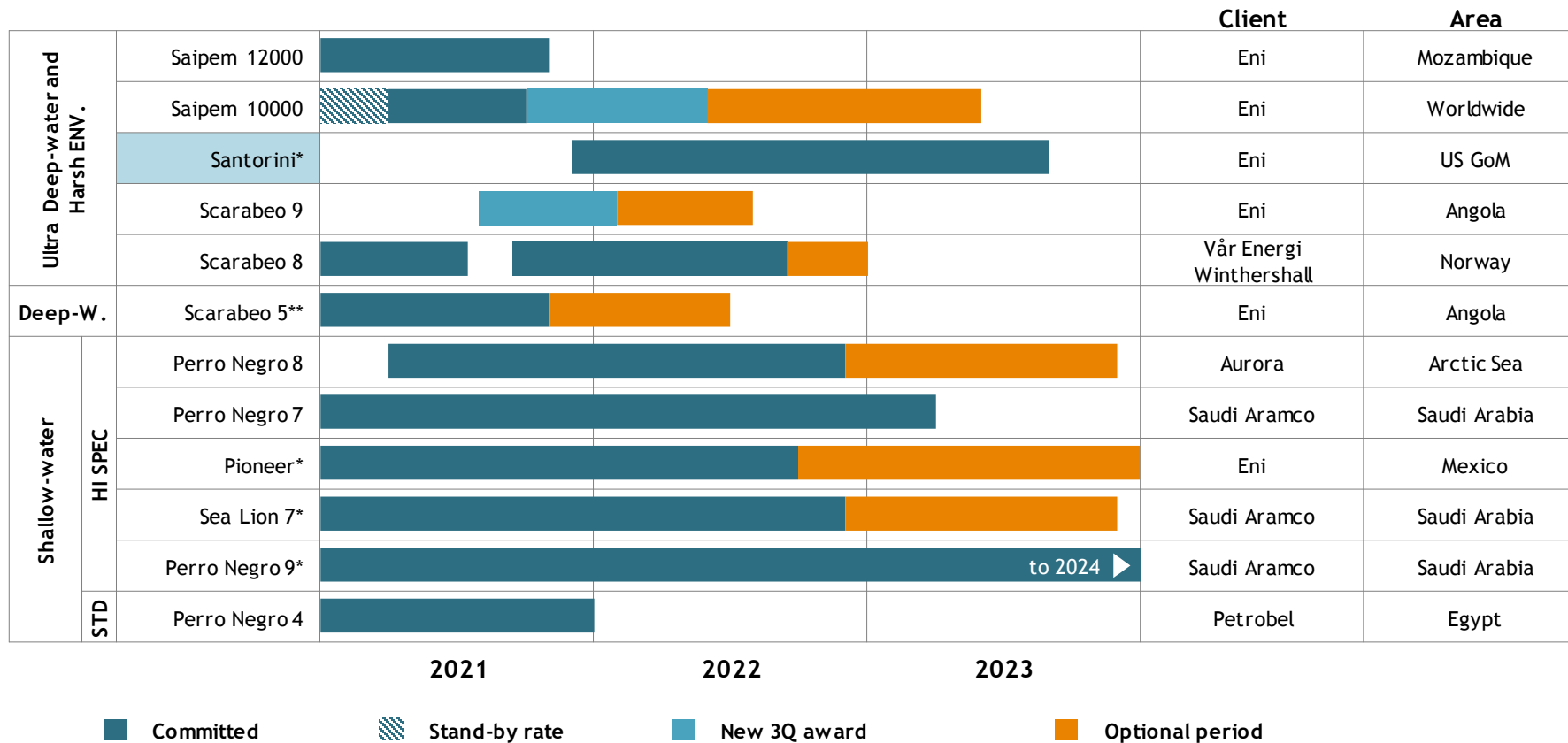
# 9M 2021 main awards

A diversified set of awards, book to bill of c. 1x in 9M 2021



# Offshore Drilling Fleet

## Vessel utilization



→ New leased high-spec. drillship

\* LEASED VESSEL

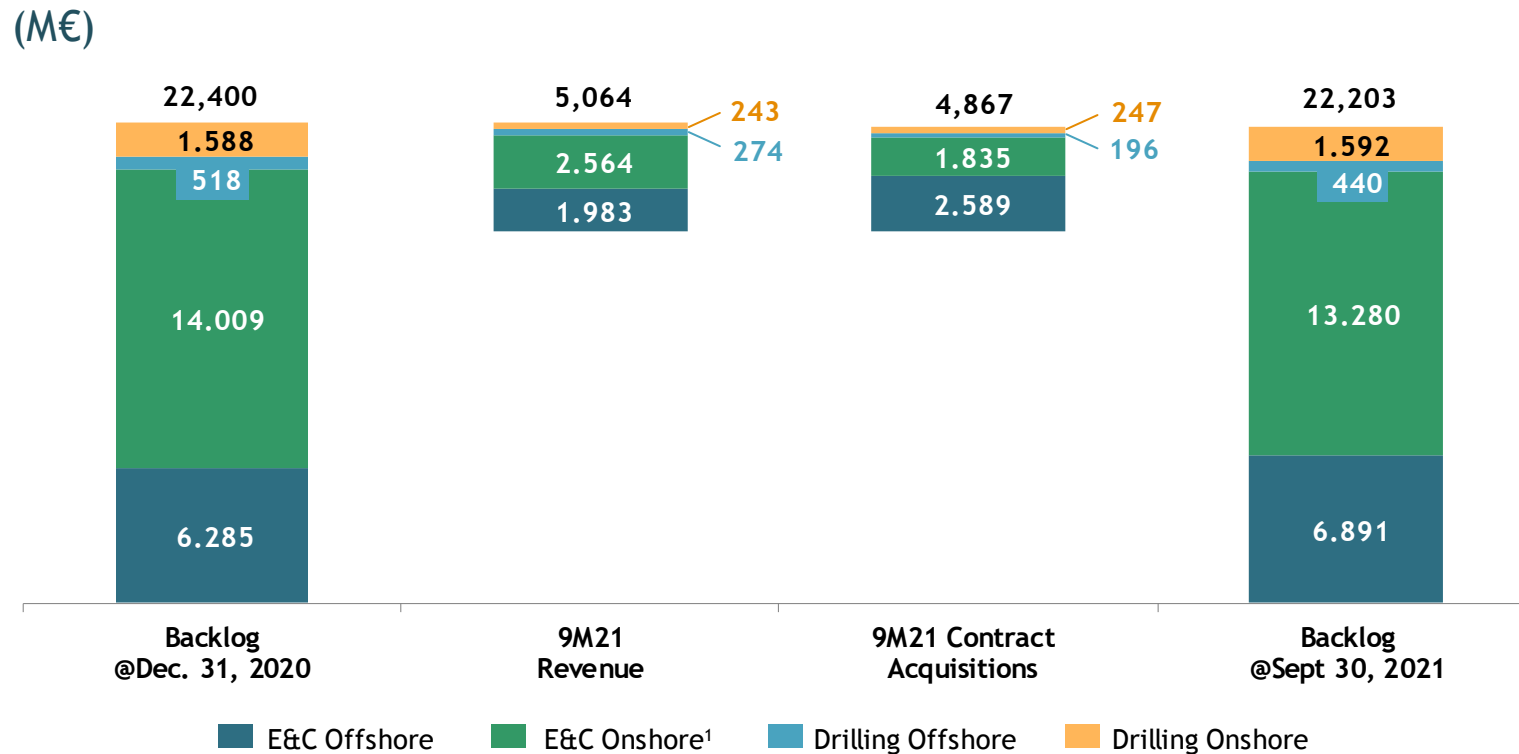
\*\* ENGAGEMENT FOR PRODUCTION SUPPORT

Asset Light strategy to play the expected cyclical recovery

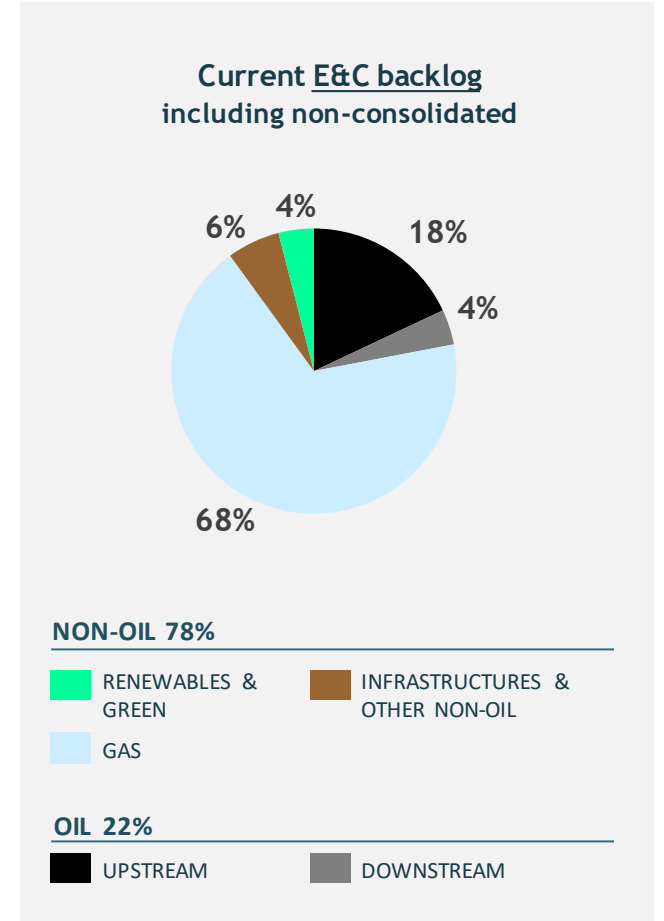


# 9M 2021 Backlog

Well-diversified and Sizeable Backlog



NON-CONSOLIDATED BACKLOG @ SEPTEMBER 30, 2021	
(M€)	2,298

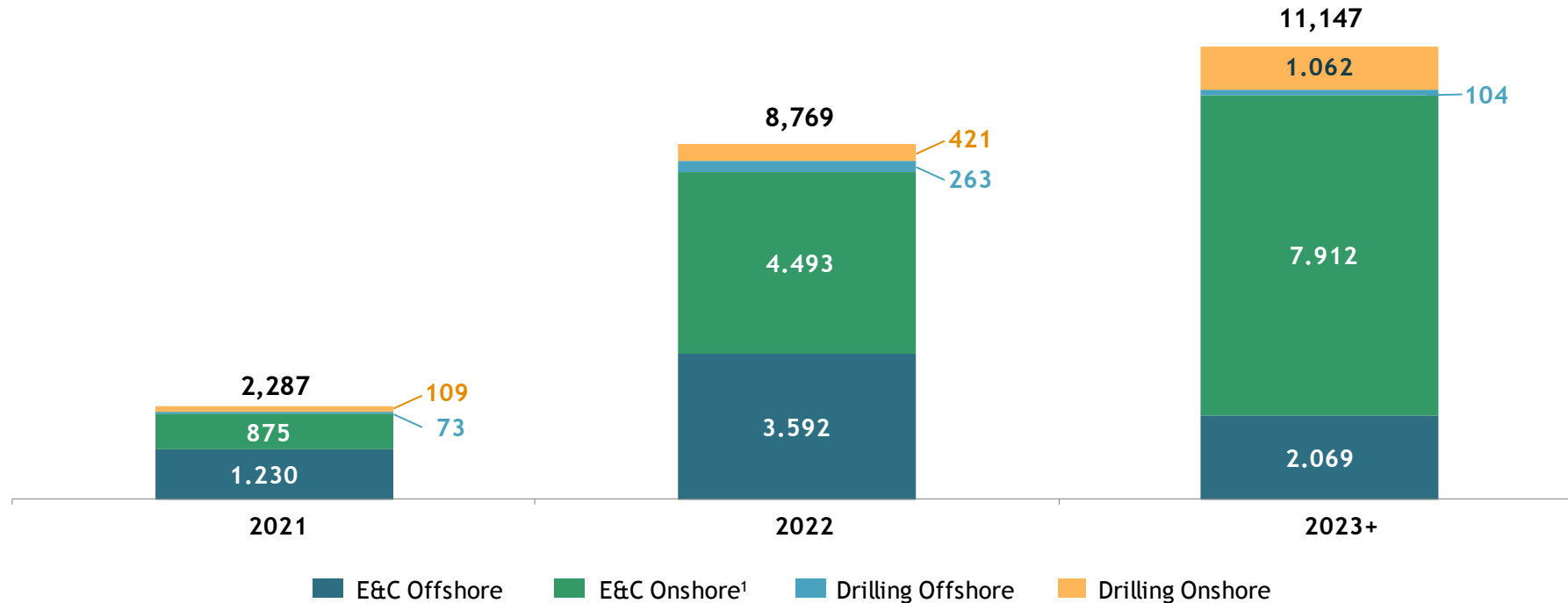


1. E&C Onshore including Floaters business and XSIGHT

# 9M 2021 Backlog Distribution by Year

## Backlog Provides Solid Support for The Mid-term

(M€)

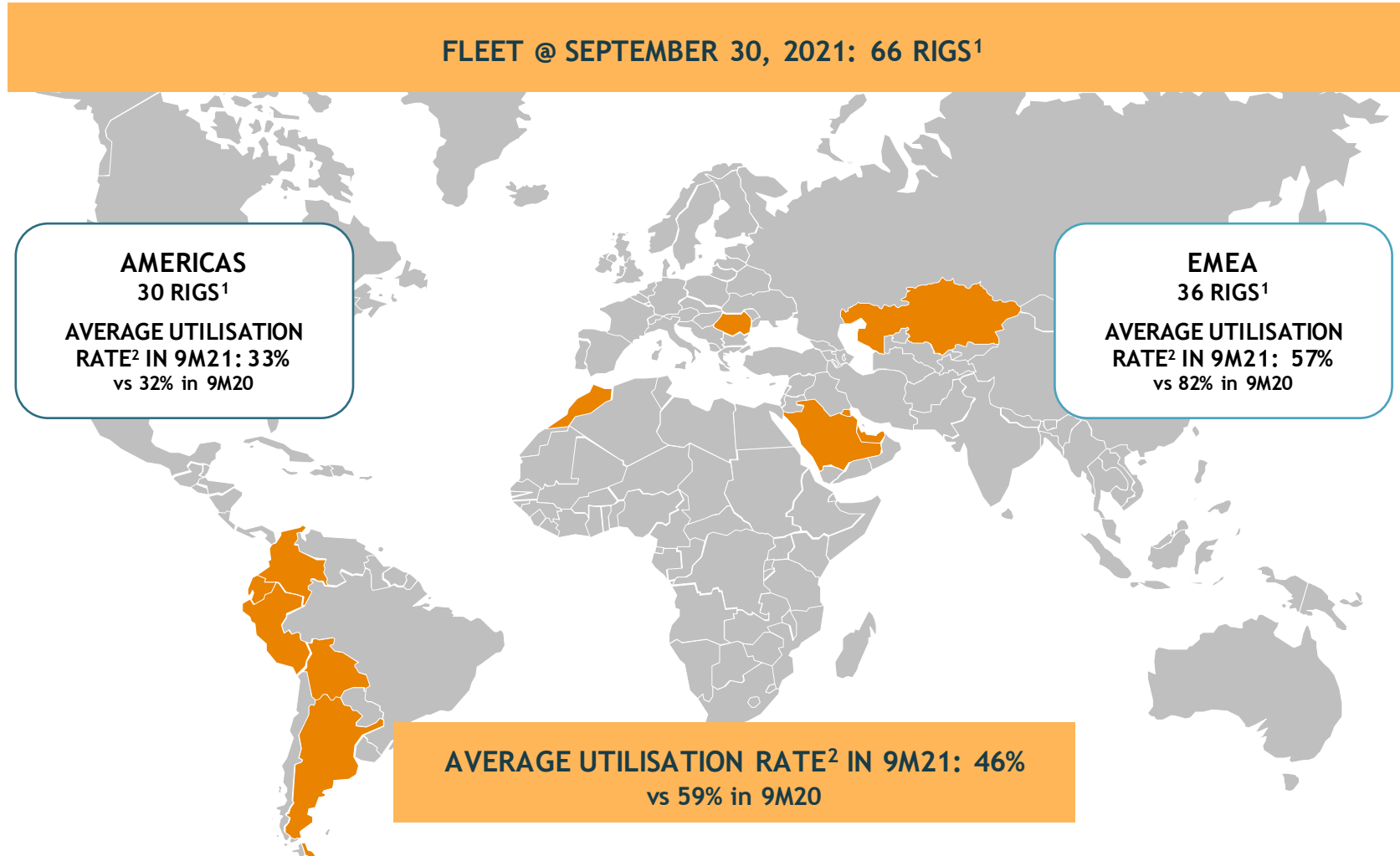


Non-consolidated Backlog By Year Of Execution

2021	2022	2023+	
345	861	1,092	M€

1. E&C Onshore including Floaters business and XSIGHT

# Onshore Drilling Fleet



1. Excluding 17 rigs stacked in Venezuela and currently not marketable  
2. Simple average: # days sold / # days available for sale

# E&C Opportunities c. 23 B€

Well-diversified tendering pipeline ahead

## Europe, CIS & Central Asia

c. 1.5 B€

- Fixed facilities & conventional
- Pipelines
- Renewables & green

## Asia Pacific

c. 1 B€

- Pipelines
- Renewables & green

## Americas

c. 2.5 B€

- Pipelines
- Renewables & green
- Subsea

## Middle East

c. 2.5 B€

- Fixed facilities & conventional
- Pipelines

c. 4 B€

- Downstream
- Infrastructures
- LNG & regas
- Renewables & green

c. 1 B€

- Downstream
- LNG & regas

c. 1.5 B€

- Downstream
- Floaters
- Renewables & green

## Africa

c. 2.5 B€

- Fixed facilities & conventional
- Pipelines
- Subsea

c. 5 B€

- Downstream
- Pipelines
- Upstream

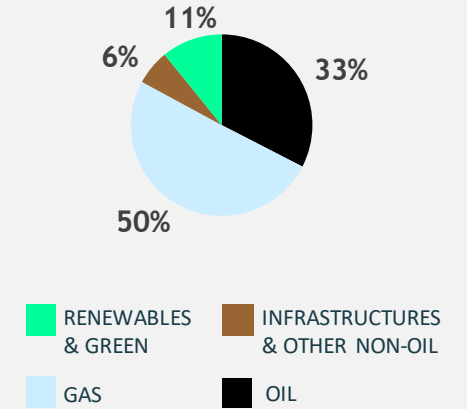
c. 1.5 B€

- Floaters
- Infrastructures
- LNG & regas
- Upstream

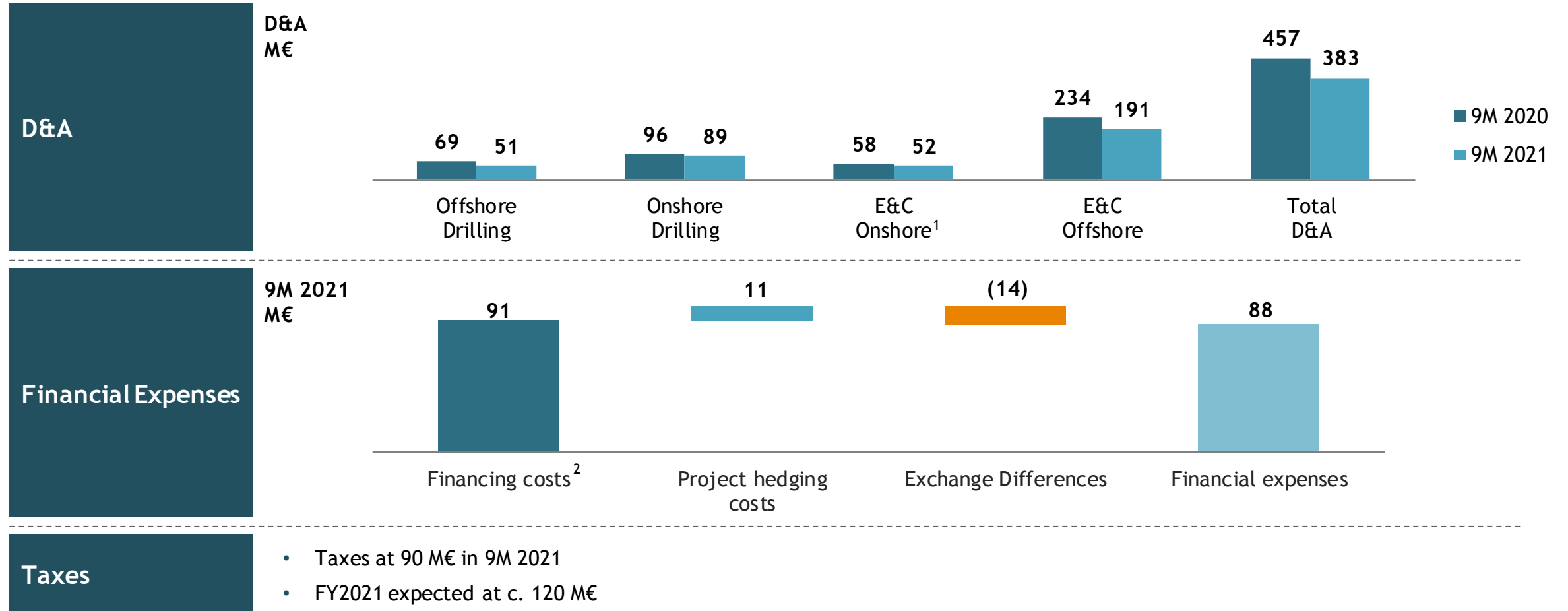
E&C Offshore

E&C Onshore

## OPPORTUNITIES BY SEGMENT



# 9M 2021 Results - D&A, Financial Expenses and Taxes (M€)



1. Floaters business included in E&C Onshore  
2. Including 8 M€ of IFRS16 impact

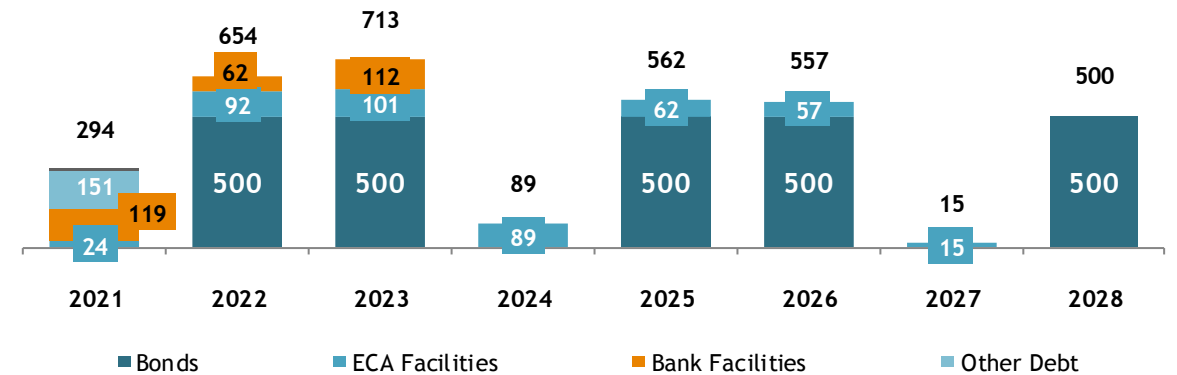
# Balance sheet and liquidity

## Strong liquidity and well-balanced debt structure

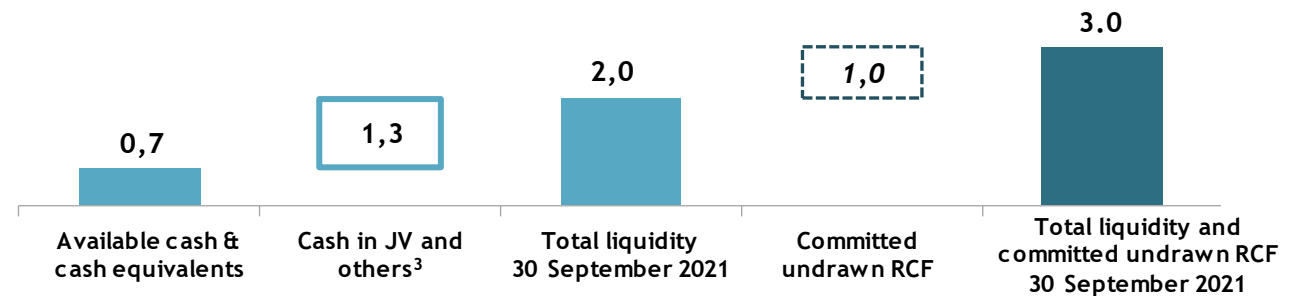
Billion €	9M 21
Gross Debt <sup>1</sup>	3.4
(Total liquidity)	(2.0)
Net Debt (pre IFRS 16)	1.4
IFRS 16	0.3
Net Debt (post IFRS 16)	1.7

Key debt metrics	9M 21
Average actual tenor	c. 3Y
Average debt cash cost <sup>2</sup>	c. 3%

DEBT Maturity Profile (M€)



Liquidity (B€)

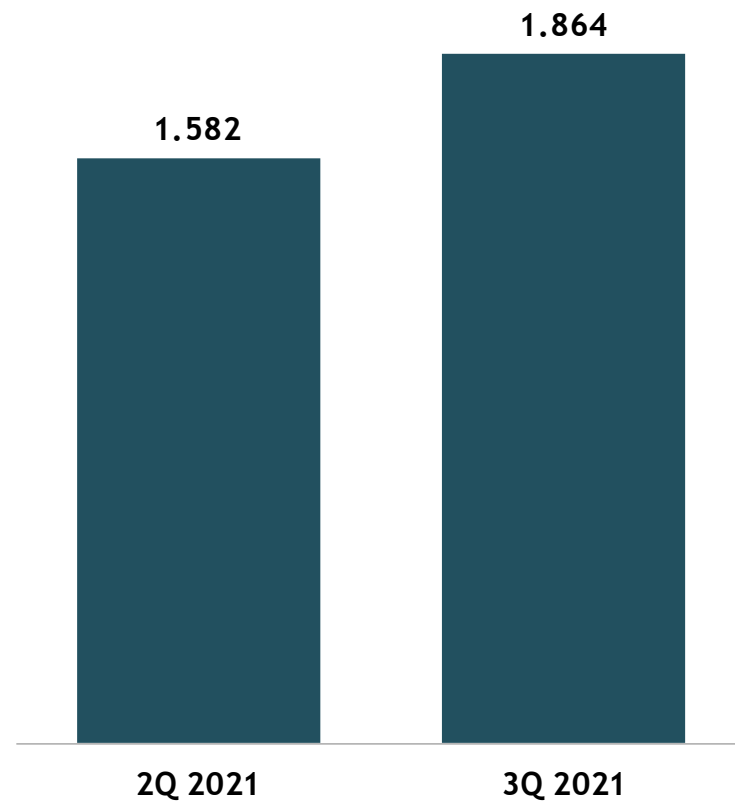


1. Including c. 0.05 B€ of accruals and other minor financial liabilities
2. Average cost of debt c.4% including treasury hedging
3. Restricted liquidity mainly related to projects and local currencies

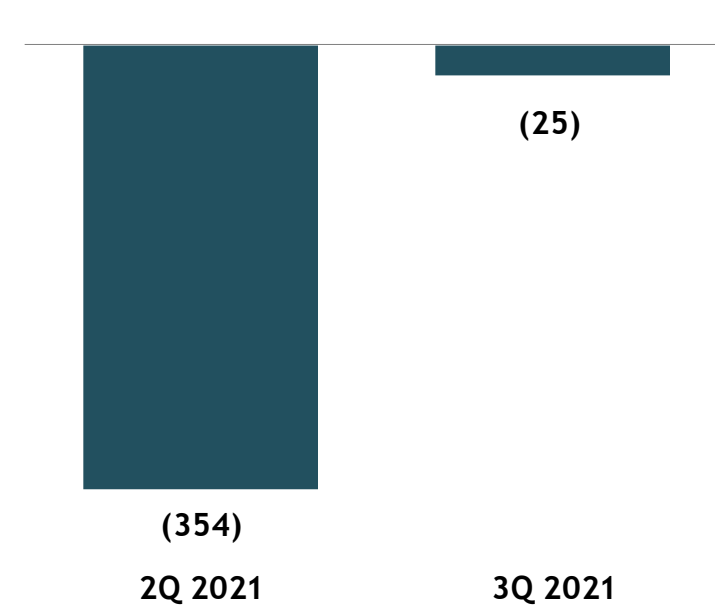
# 9M 2021 Results

QoQ Trend (M€)

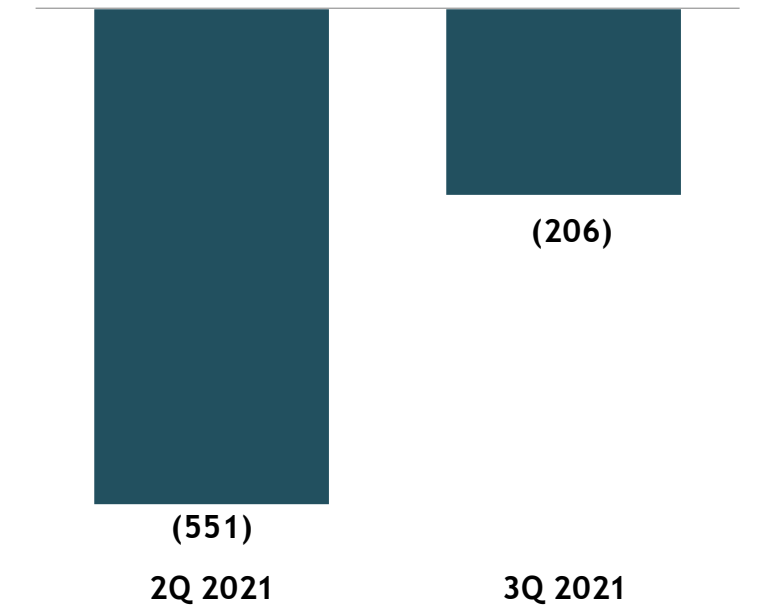
## Revenue



## Adjusted EBITDA<sup>1</sup>



## Adjusted Net Result<sup>1</sup>

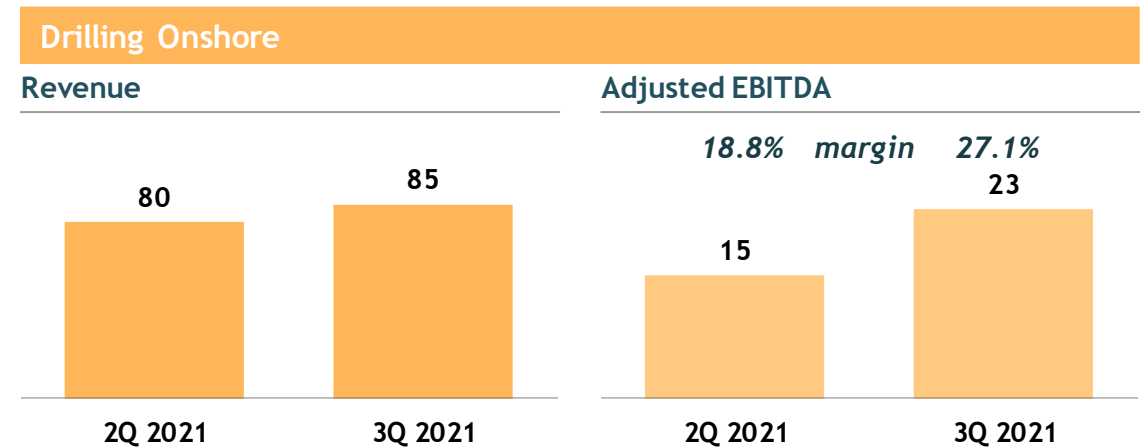
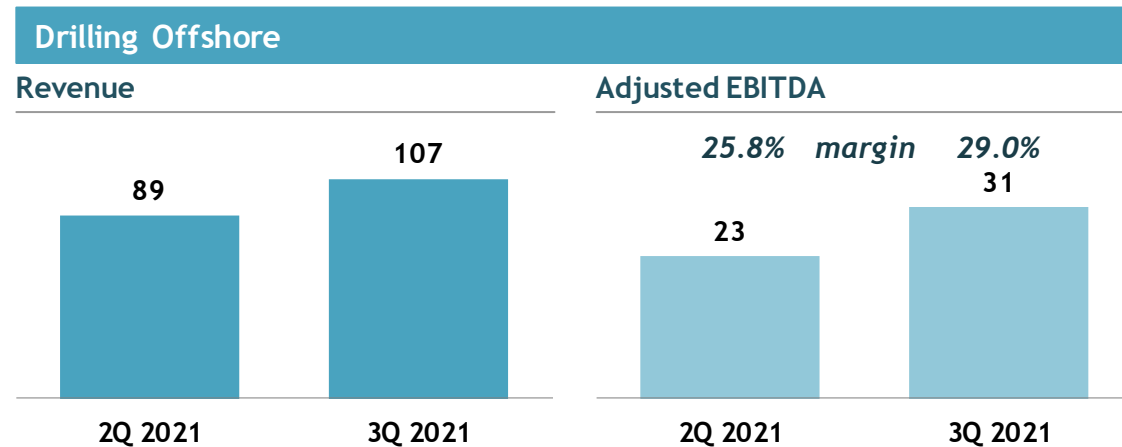
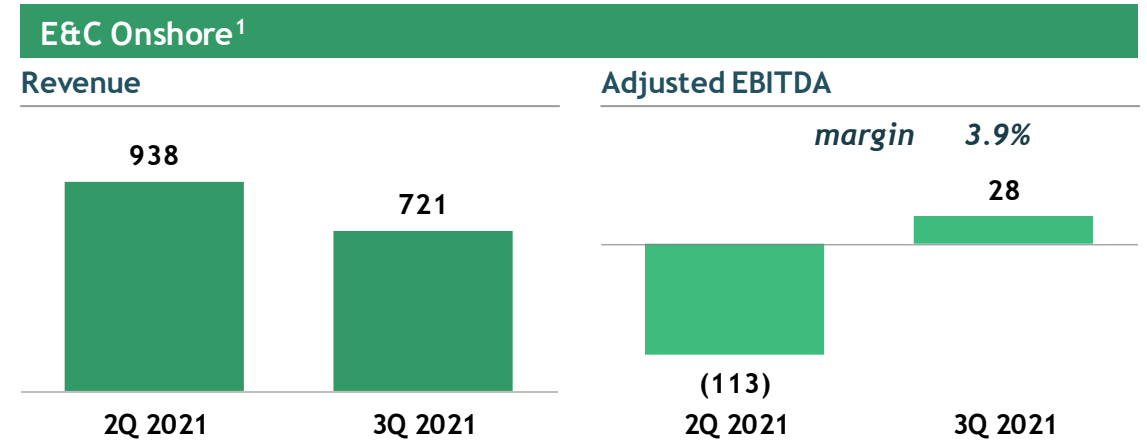
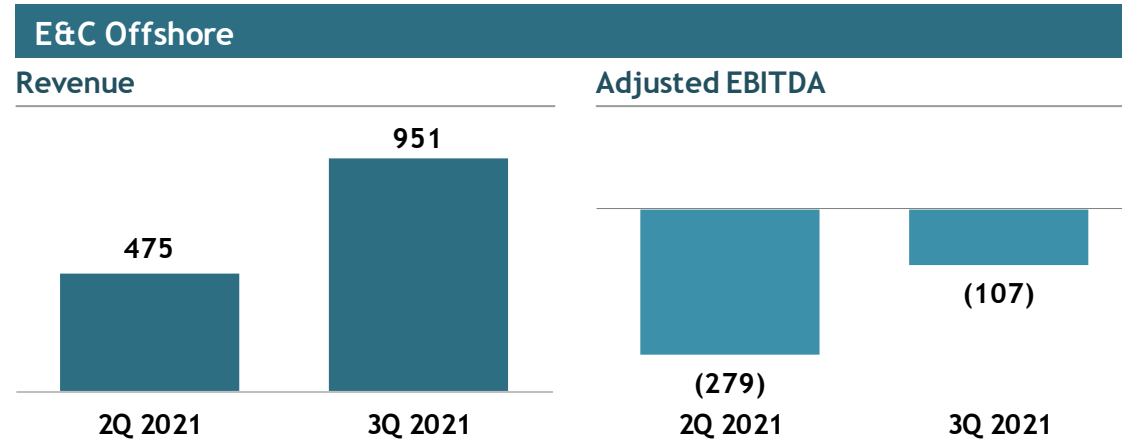


1. Not including special items



# 9M 2021 Results - Divisions

## QoQ Trend (M€)



1. E&C Onshore including floaters business and XSIGHT