



# SAIPEM FIRST HALF 2021 RESULTS



30 JULY 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’ 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 caution 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.



# TABLE OF CONTENT

- 01 CEO REFLECTIONS
- 02 1H 2021 RESULTS
- 03 FY 2021 GUIDANCE & CLOSING REMARKS
- 04 APPENDIX



# 01

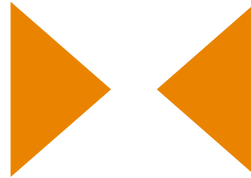
---

## CEO REFLECTIONS

# CEO REFLECTIONS - OPENING REMARKS

## CHALLENGING EVENTS

- Prolonged Covid-19 impact
- Mozambique project suspension
- Execution issues in a specific offshore wind project



## STRUCTURAL STRENGTHS

- Financial resilience
- Competence base
- Relationship with key clients

## CEO REFLECTIONS - OPENING REMARKS

- Launched strategic review of all businesses to define new plan, to be presented in Autumn
- Launched programme to reduce operating leverage...
- ...through streamlining of operations and processes

# CEO REFLECTIONS - OPENING REMARKS

- Competences, technologies, track record
- Trust based relationship with key accounts
- Uniquely strong culture, record in HSE and sustainability
- Engineering skills and tools to go beyond traditional services



New investment cycle in core business

Growing demand for **Energy transition and renewables**

Italy NRRP<sup>1</sup> investments in advanced infrastructures

# 02

---

## 1H 2021 RESULTS



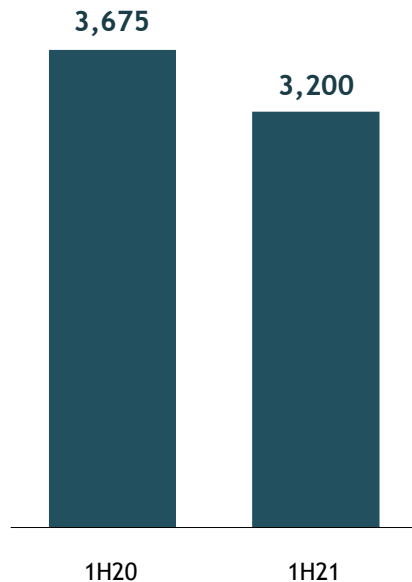
# 1H 2021 HIGHLIGHTS

- Business environment still conditioned by pandemic
  - Current project execution: certain delays and cost overruns
  - Project acquisitions
  - Direct costs weighing on financials
- Execution challenges in a specific offshore wind project
- Mozambique project suspension
- Revenue -13% YoY and negative adjusted EBITDA
- Order intake of €4.4bn, book-to-bill c.1.4x in 1H (c.1.8x in 2Q)
  - c.85% of E&C order intake “non-oil”
  - c.€26.2bn<sup>1</sup> backlog provides support for the mid-term
- Cash flow dynamics under control
- Net debt post IFRS-16 c.€1.40bn
- Early signs of drilling activity recovery

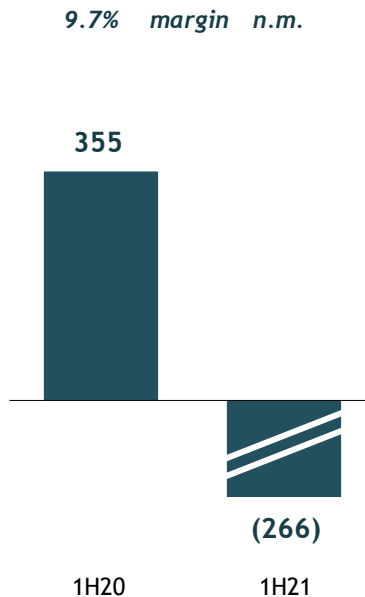
# 1H 2021 RESULTS

## YoY COMPARISON (€ mn)

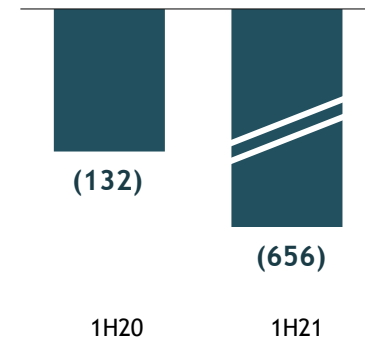
Revenue



Adjusted EBITDA<sup>1</sup>



Adjusted Net Result<sup>1</sup>



# 1H 2021 RESULTS

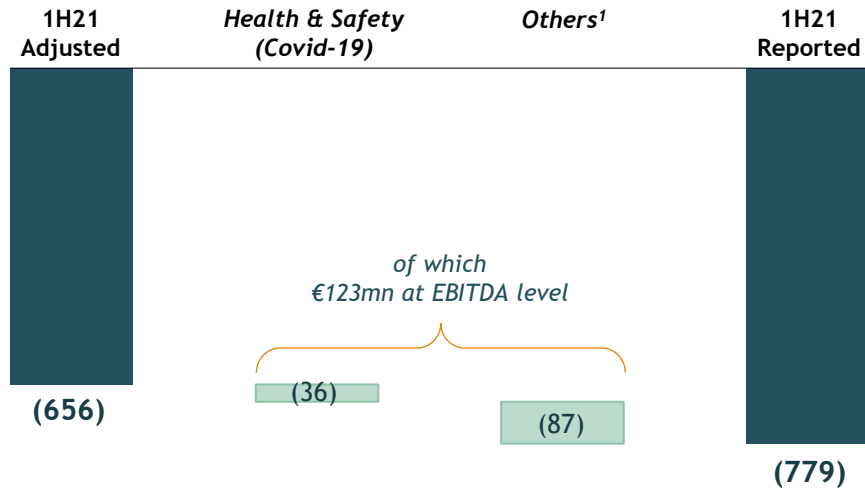
## P&L YoY (€ mn)

€ mn	Adjusted <sup>1</sup>			
	1H 20	1H 21	Var	
Revenue	3,675	3,200	(475)	
Total costs	(3,320)	(3,466)	146	
<b>EBITDA</b>	<b>355</b>	<b>(266)</b>	<b>(621)</b>	
<i>margin</i>	9.7%	<i>n.m.</i>	<i>n.m.</i>	
D&A	(313)	(249)	64	Driven by the termination of contract on a leased vessel and asset impairments of 2020
<b>EBIT</b>	<b>42</b>	<b>(515)</b>	<b>(557)</b>	
Financial expenses	(95)	(56)	39	Costs for bond buyback in 2020, lower expenses for FX derivatives and leasing in 2021
Result from investments	10	(25)	(35)	Loss from projects in JV
<b>EBT</b>	<b>(43)</b>	<b>(596)</b>	<b>(553)</b>	
Income taxes	(74)	(60)	14	Lower taxable profits
Minorities	(15)	0	15	No contribution from entities with minority partners
<b>Net result</b>	<b>(132)</b>	<b>(656)</b>	<b>(524)</b>	

# 1H 2021 NET RESULT

## RECONCILIATION ADJUSTED VS REPORTED

### Net Result (€ mn)



### Costs from Covid-19, safety first

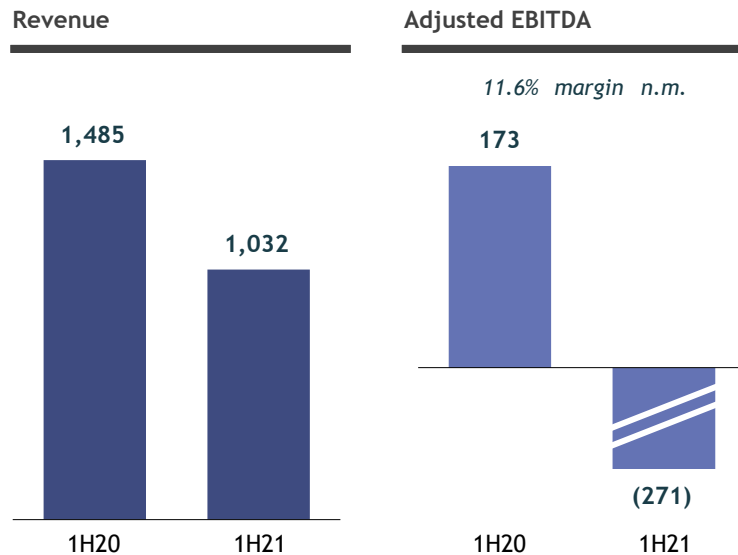
Cost mainly related to management of pandemic and safeguarding people's health:

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

# 1H 2021 RESULTS - E&C

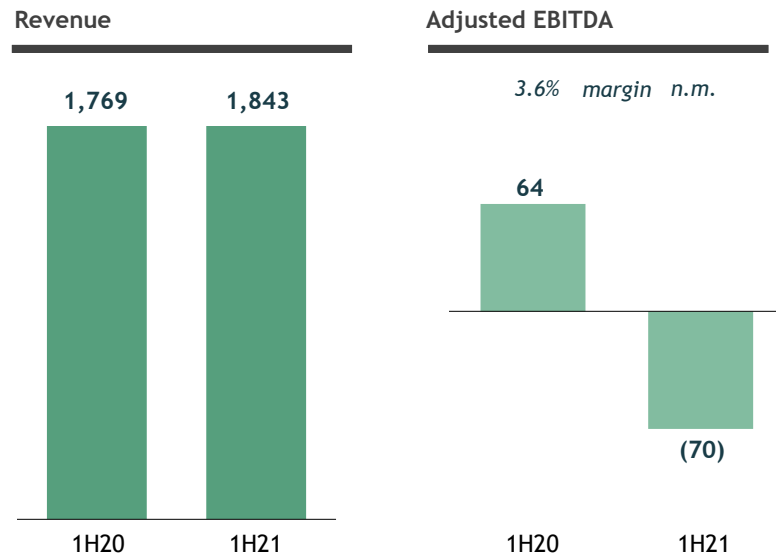
## YoY COMPARISON (€ mn)

### E&C OFFSHORE



- Lower volumes in Middle East and North Africa partially offset by Europe and Americas
- Results impacted by execution issues in specific wind farm project and fabrication bottlenecks in Far East also due to pandemic
- Projects in traditional O&G business progressing well, but low volumes and high operating leverage amplified the EBITDA loss

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



- Revenue increase driven by Sub-Saharan Africa, more than offsetting Middle East
- Margin affected by impact of Mozambique project and project extra-costs in Middle East

# FOCUS ON E&C ISSUES

## OFFSHORE WIND

- Challenging soil conditions in one project resulted in technical issues and caused project reassessment
- Discussions ongoing with client to move forward
- No similar challenges expected from other projects in portfolio
- Investing in floating wind market with proprietary technology, recently strengthened with an acquisition

OFFSHORE WIND REMAINS AN ATTRACTIVE  
OPPORTUNITY FOR SAIPEM

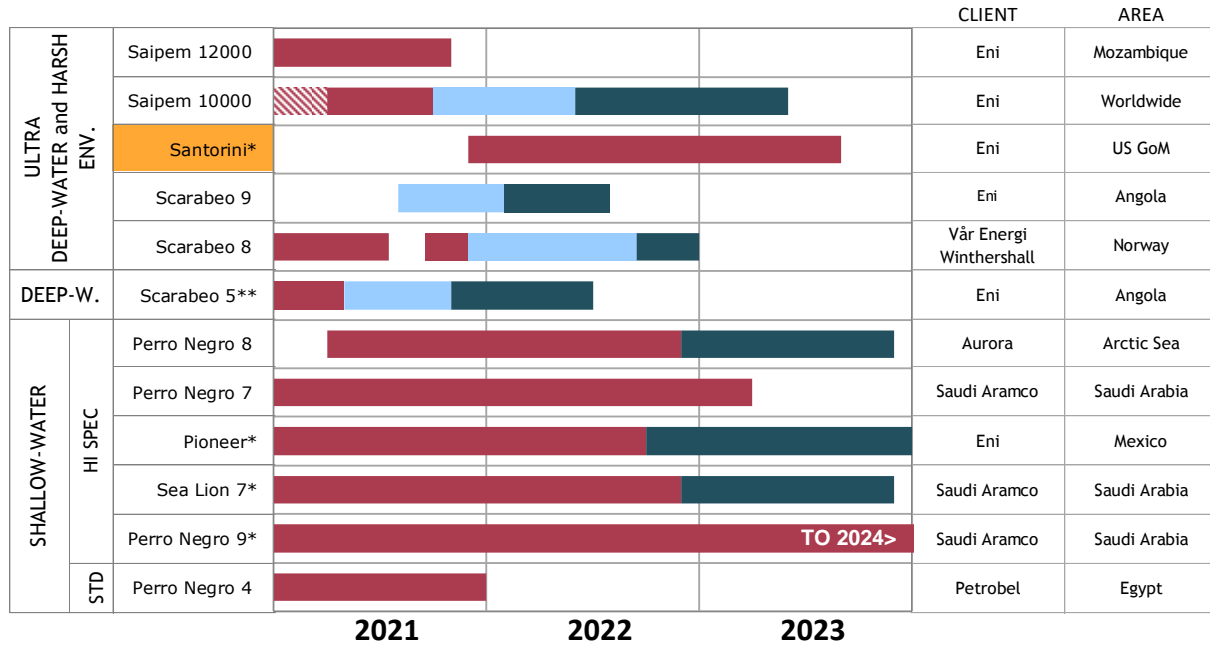
## UPDATE ON MOZAMBIQUE AREA 1

- Discussing the best way forward to preserve the value of the project, including assessment of security risk at site, to allow smooth resumption
- Since the end of April 2021, activities performed out of site
- Residual project backlog on 30 June 2021 c.3.6 billion euro, excluding potential contribution from reimbursements of suspension and security risk costs
- In 2H, revenues contribution mainly expected from suspension costs on reimbursable basis

DISCUSSING BEST WAY FORWARD TO SUPPORT  
THE CLIENT IN THE SUSPENSION PERIOD

# OFFSHORE DRILLING FLEET

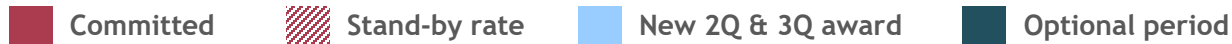
## VESSEL UTILIZATION AHEAD OF THE MARKET



→ New leased high-spec. drillship

\* LEASED VESSEL

\*\* ENGAGEMENT FOR PRODUCTION SUPPORT

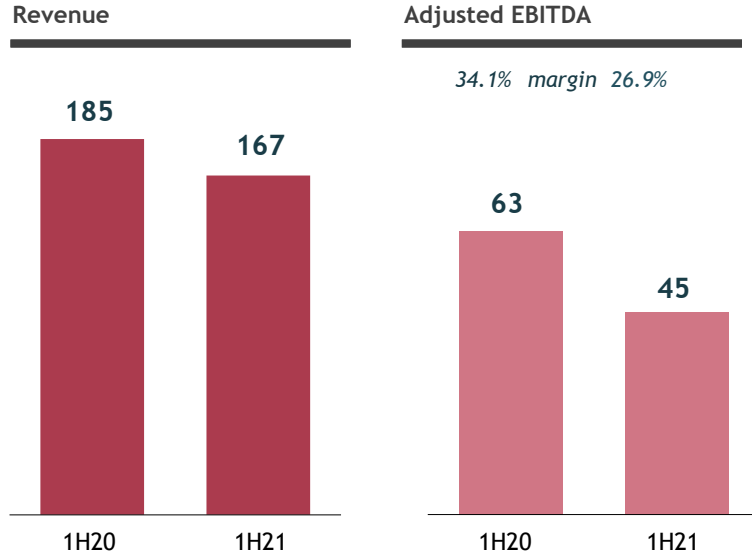




# 1H 2021 RESULTS - DRILLING

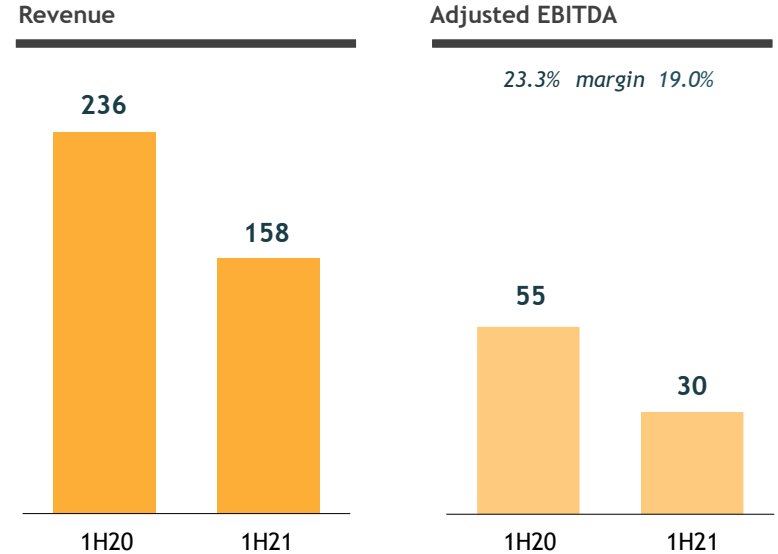
## YoY COMPARISON (€ mn)

### DRILLING OFFSHORE



- Revenue decrease mainly driven by S10000 and PN8, partly offset by SC8
- Covid-19 impact on offshore market weighed on revenues and margin
- Green shoots of market recovery with improving utilization

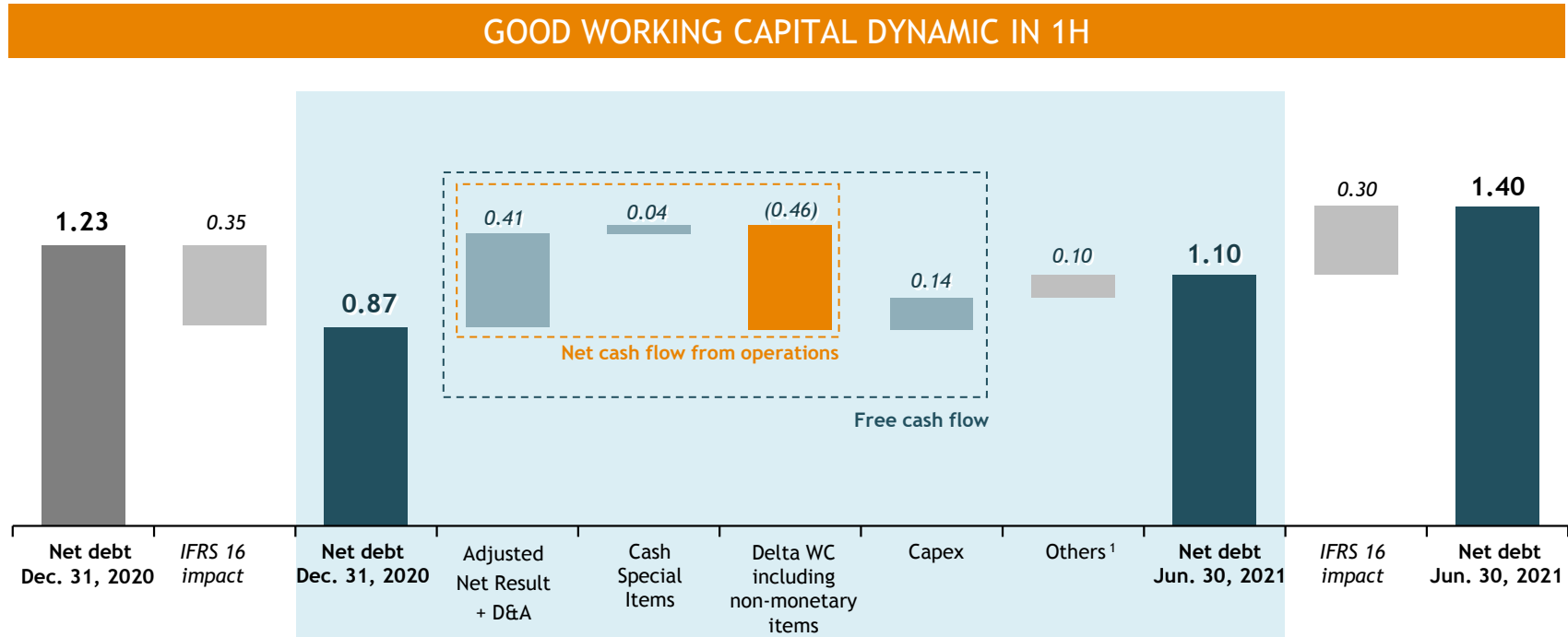
### DRILLING ONSHORE



- Lower activity in Middle East resulting from rig suspensions
- EBITDA and EBITDA margin impacted by lower volumes

# 1H 2021 NET DEBT EVOLUTION

(€ bn)



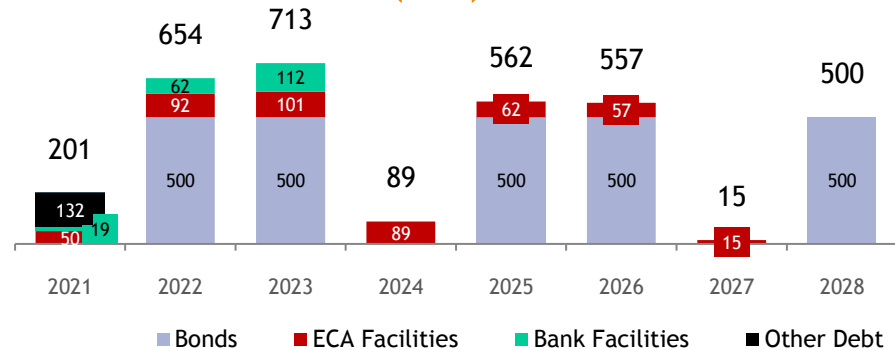
# BALANCE SHEET AND LIQUIDITY

## STRONG LIQUIDITY AND WELL-BALANCED DEBT STRUCTURE

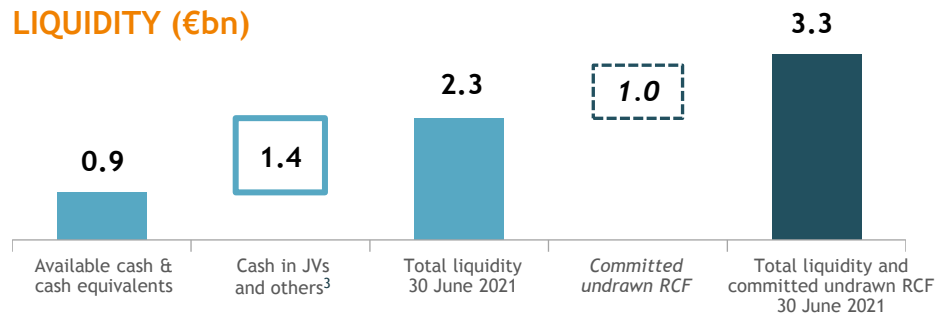
€ billion	1H 21
Gross Debt <sup>1</sup>	3.4
(Total liquidity)	(2.3)
Net Debt (pre IFRS 16)	1.1
IFRS 16	0.3
Net Debt (post IFRS 16)	1.4

Key debt metrics	1H 21
Average actual tenor	Above 3Y
Average debt cash cost <sup>2</sup>	c. 3%

### DEBT MATURITY PROFILE (€mn)



### LIQUIDITY (€bn)



<sup>1</sup> Including c.0.1bEUR of accruals and other minor financial liabilities

<sup>2</sup> Average cost of debt c.4% including treasury hedging

<sup>3</sup> Restricted liquidity mainly related to projects and local currencies

# FY 2021 GUIDANCE & CLOSING REMARKS

# 03

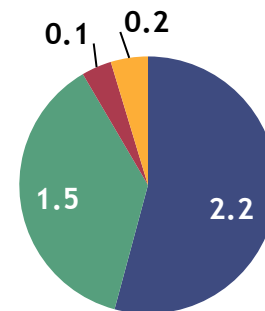
---

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

Metrics	2H 2021
Revenue	▪ €4.5-5bn
CAPEX	▪ €200-300mn
Adjusted EBITDA	▪ Back to positive
Net debt	▪ ~€1.6bn

## BACKLOG TO BE EXECUTED IN 2021

c.€4.0bn

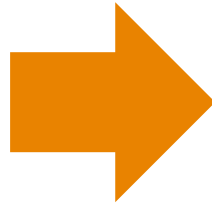


- E&C Offshore
- E&C Onshore<sup>2</sup>
- Drilling Offshore
- Drilling Onshore

## CLOSING REMARKS

### MOVING FORWARD...

- Strategy review
- Competitiveness programme



### ...TO CAPTURE GROWTH

- New investment cycle
- Demand for Energy transition
- New infrastructures in Italy  
NRRP

CAPITAL MARKET DAY IN AUTUMN 2021

# 05

---

## APPENDIX



# 1H 2021 MAIN AWARDS

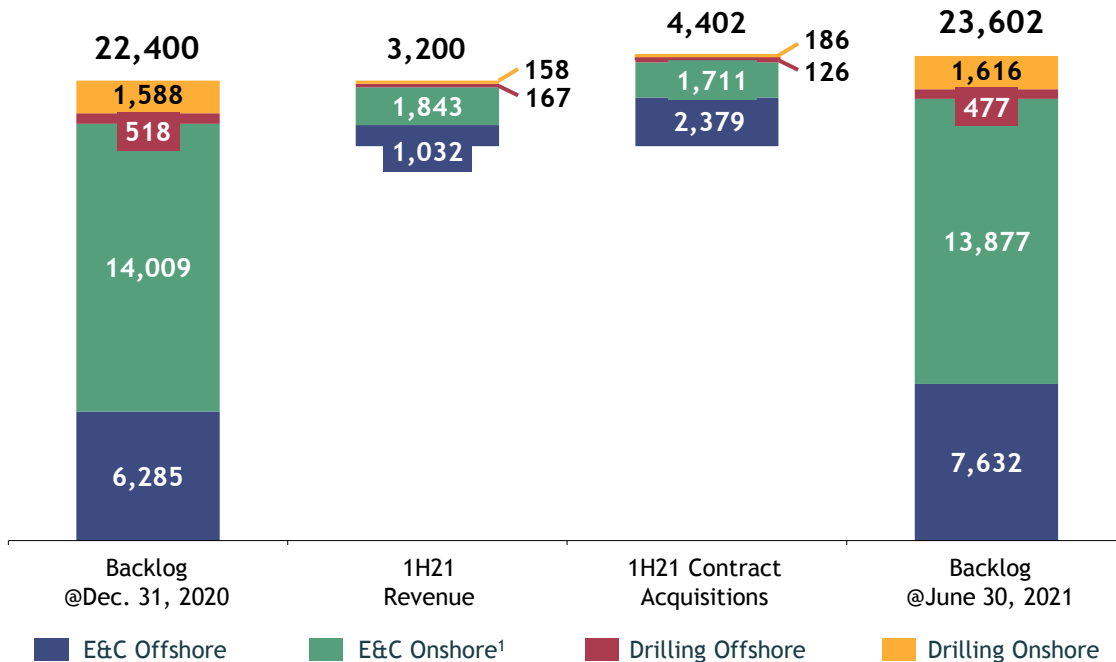
A DIVERSIFIED SET OF AWARDS, BOOK TO BILL OF 1.8x IN 2Q 2021



# 1H 2021 BACKLOG

## WELL-DIVERSIFIED AND SIZEABLE BACKLOG

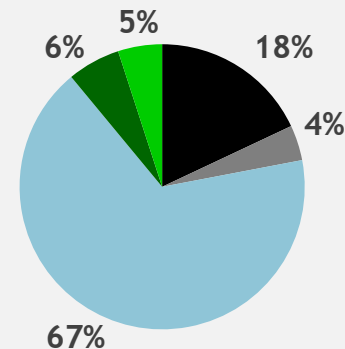
(€ mn)



NON-CONSOLIDATED BACKLOG @ JUNE 30, 2021	
(€ mn)	2,567

<sup>1</sup> E&C Onshore including Floaters business and XSIGHT

### CURRENT E&C BACKLOG INCLUDING NON-CONSOLIDATED



#### NON-OIL 78%



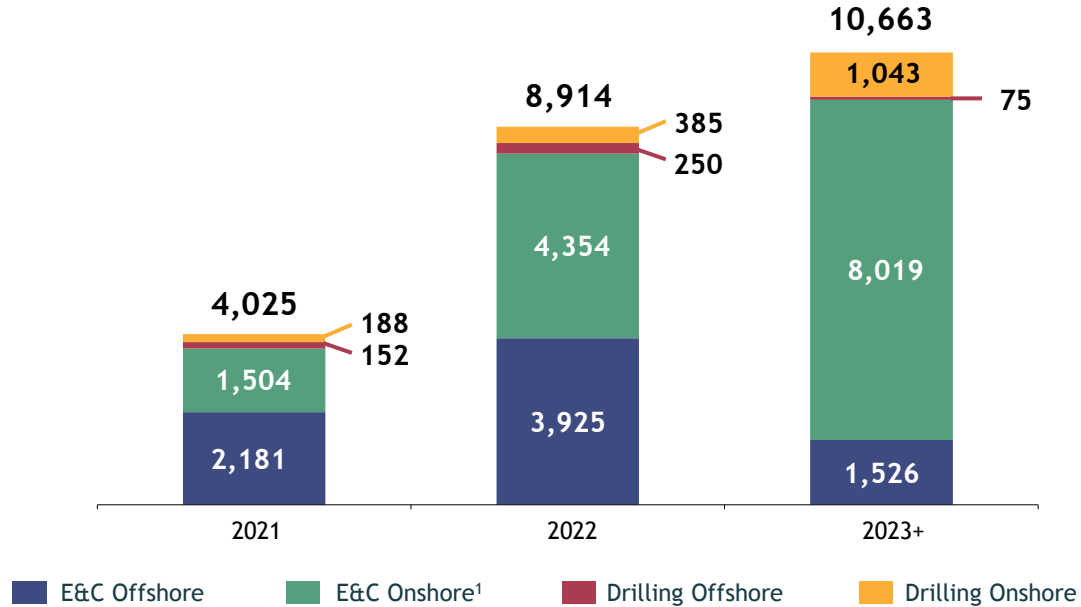
#### OIL 22%



# 1H 2021 BACKLOG DISTRIBUTION BY YEAR

## BACKLOG PROVIDES SOLID SUPPORT FOR THE MID-TERM

(€ mn)

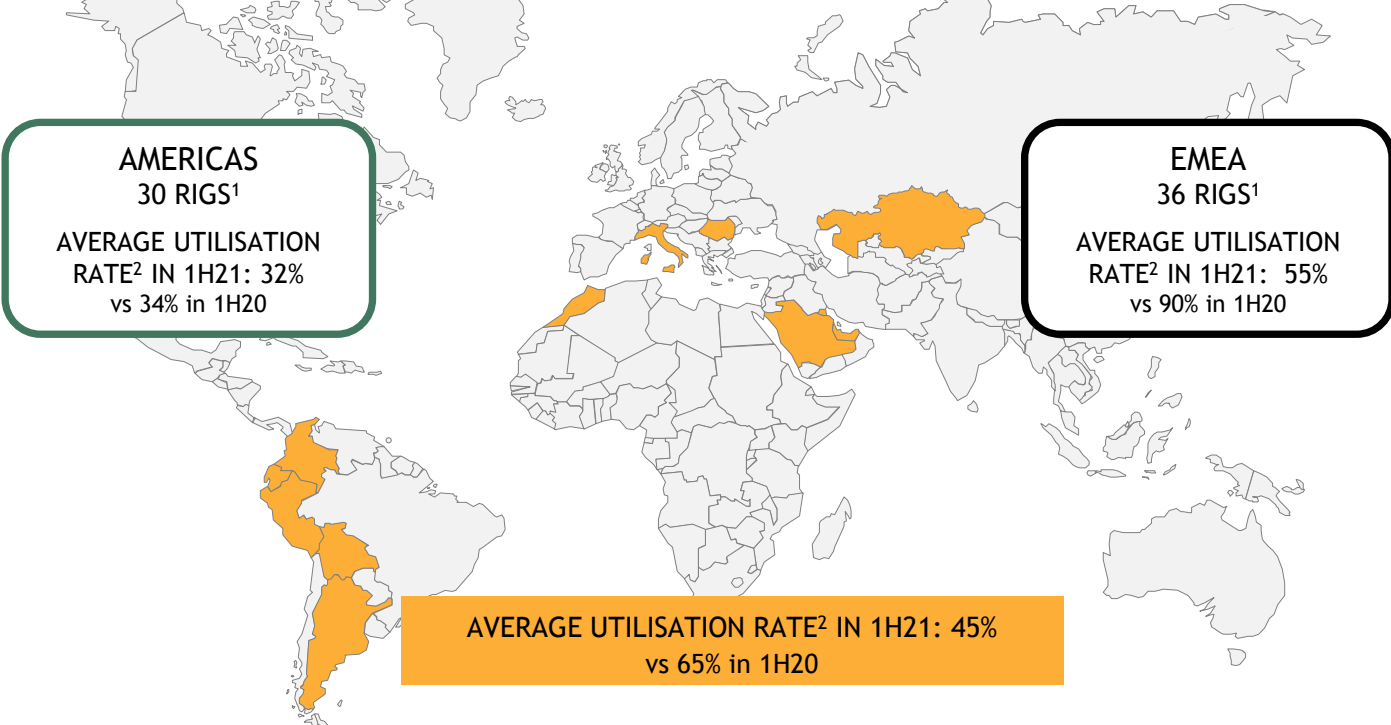


### NON-CONSOLIDATED BACKLOG BY YEAR OF EXECUTION

Year	2021	2022	2023+	
	665	791	1,111	€ mn

# ONSHORE DRILLING FLEET

**FLEET @ JUNE 30, 2021: 66 RIGS<sup>1</sup>**

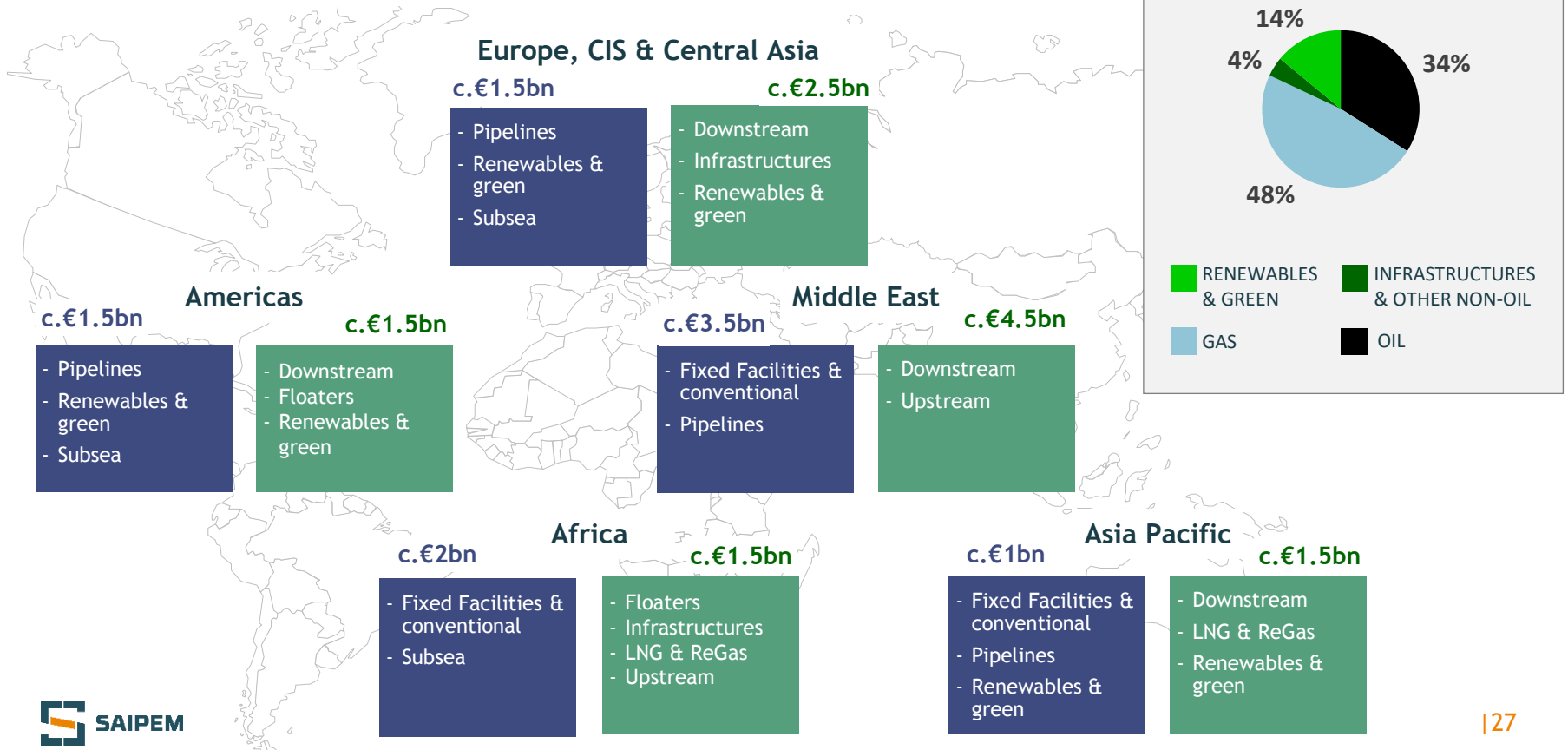


<sup>1</sup> Excluding 17 rigs stacked in Venezuela and currently not marketable

<sup>2</sup> Simple average: # days sold / # days available for sale

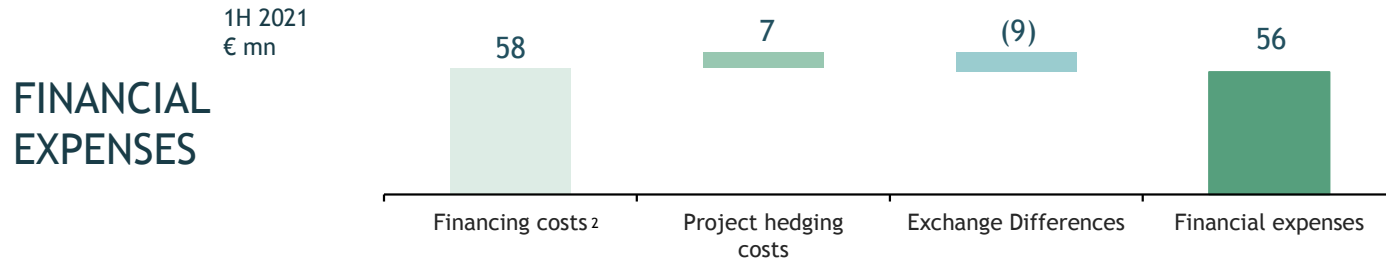
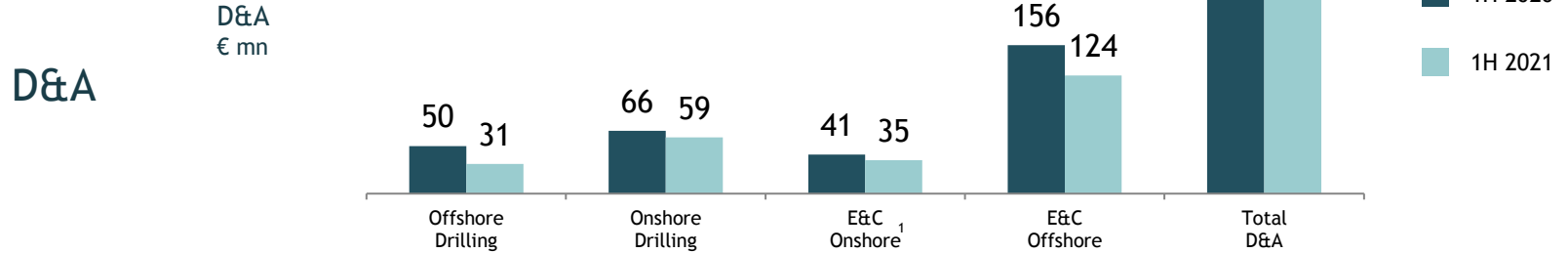
# E&C OPPORTUNITIES c.€21bn

## WELL-DIVERSIFIED TENDERING PIPELINE AHEAD



# 1H 2021 RESULTS - D&A, FINANCIAL EXPENSES AND TAXES

(€ mn)



## TAXES

- Taxes at €60mn in 1H 2021

# 2Q 2021 RESULTS

## QoQ TREND (€ mn)

Revenue

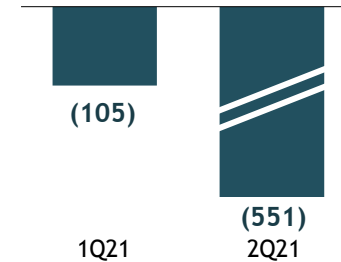


Adjusted EBITDA<sup>1</sup>

5.4% margin n.m.



Adjusted Net Result<sup>1</sup>



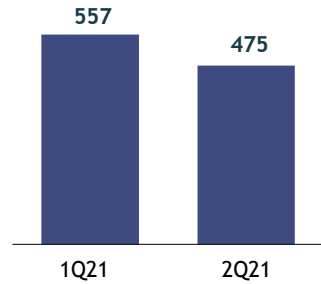


# 2Q 2021 RESULTS - DIVISIONS

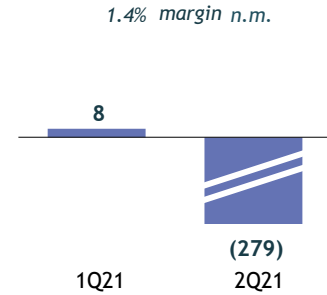
## QoQ TREND (€ mn)

### E&C OFFSHORE

#### Revenue

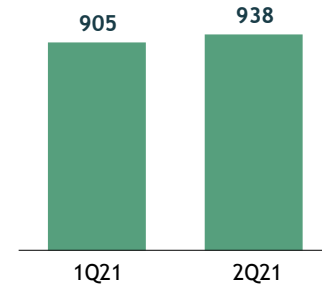


#### Adjusted EBITDA

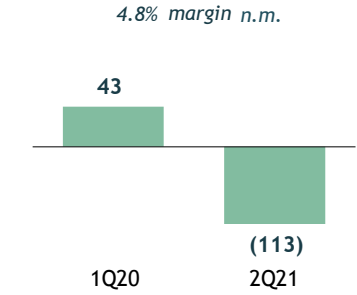


### E&C ONSHORE<sup>1</sup>

#### Revenue

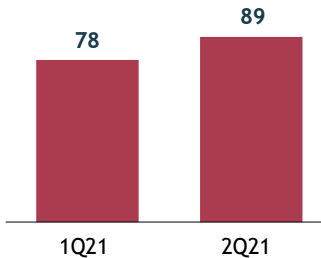


#### Adjusted EBITDA

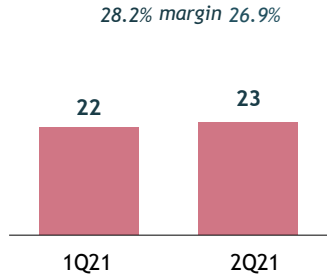


### DRILLING OFFSHORE

#### Revenue

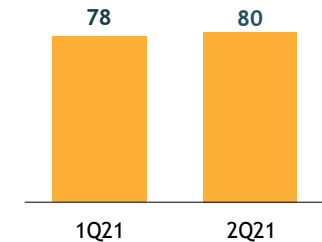


#### Adjusted EBITDA

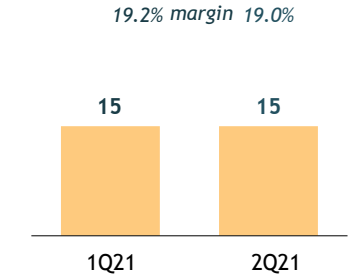


### DRILLING ONSHORE

#### Revenue



#### Adjusted EBITDA



# SAIPEM STRATEGIC PARTNER FOR NET ZERO COLLABORATIONS ANNOUNCED IN 1H 2021



- Launched **SUIISO**, a technological solution for the production of **green hydrogen** combining floating wind, floating solar and marine energy. It will be applied for the first time to the **Agnes project** in the Adriatic Sea, the offshore **energy hub** that Saipem, in partnership with **QINT'X**, intends to build in Italy off the coast of Ravenna
- Signed a MoU with **Alboran** for the joint development and the construction of five plants for production of **green hydrogen** through the electrolysis process
- Signed a framework agreement with **Danieli** and **Leonardo** to work together for the **sustainable conversion** of energy-intensive primary plants in the **steel sector**

- Acquired the **Naval Energies** activities in **floating wind** business
- Signed a feasibility study agreement for the **decarbonisation business** with the Norwegian company **Elkem**
- Signed an agreement for the promotion of **Versalis'** **technology PROESA®** to produce sustainable **bioethanol**
- Signed a Memorandum of Understanding with **Siram Veolia** a to collaborate on **energy transition** projects in Italy
- Launched the newco **Saipem-Hyperion Eastmed Engineering Ltd**, to provide highly specialized consultancy and engineering services supporting clients in **energy transition** in the Eastern Mediterranean region