



# SANTORINI DRILLSHIP ACQUISITION

December 6<sup>th</sup>, 2022



# Disclaimer

This communication does not constitute an offer or an invitation to subscribe for or purchase any securities.

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.

The Company, its advisors and its representatives decline all liability (for negligence or any other cause) for any loss occasioned by the use of this presentation or its contents.

The Manager responsible for preparing the Company’s financial reports declares, in accordance with art. 154- bis, para. 2, of the “Consolidated Financial Act” (Legislative Decree No. 58/1998), that the accounting information contained in this document corresponds to documentary records, ledgers and accounting entries.

# Strengthening the offshore drilling fleet to profit from the O&G supercycle

- Saipem exercised yesterday the option to acquire the 7<sup>th</sup> generation drillship Santorini, which is already part of its fleet through a lease contract signed in 2021, with Samsung Heavy Industries (“SHI”)
- Purchase option price is 230M\$, to be paid by year-end 2022<sup>1</sup>
- Santorini is currently operating in the US-Gulf of Mexico for Eni until the third quarter of 2023
- The transaction will be completed with the effective transfer of the vessel ownership to Saipem, expected by year-end, after the payment of the consideration to SHI<sup>1</sup>, to be funded with available cash

**A compelling investment opportunity**

1. 20M\$ have been transferred to SHI upon exercise of the option; 210M\$ will be paid upon transfer of vessel ownership to Saipem

## Superior technical features to operate in ultra-deep water



### Offshore drillship Santorini

- 7<sup>th</sup> generation drillship completed in 2021
- Equipped with two 7 cavities BOPs (Blow Out Preventers), the highest standard for ultra-deep water drillships
- Latest available drilling automation onboard (NOVOS)
- Designed for the lowest environmental impact
- Capable of operating at water depths up to 12,000 feet (over 3,500 meters)
- Design: Samsung 12000
- Class: ABS
- Delivery date: 2021 (leased to Saipem)
- Built by: Samsung Heavy Industries

Technologically advanced vessel (7<sup>th</sup> gen) to capture the top-end of a growing market



# Investment rationale



- Strong demand exceeding supply
  - Limited availability of technologically advanced vessels
- Dayrate<sup>1</sup> increase expected
  - From ~400k\$ in 2022
  - Over 450k\$ in 2025



- Deepwater opportunities in:
  - Gulf of Mexico (UDW<sup>2</sup> vessel availability almost saturated)
  - Africa & Mediterranean (historical strong presence for Saipem)

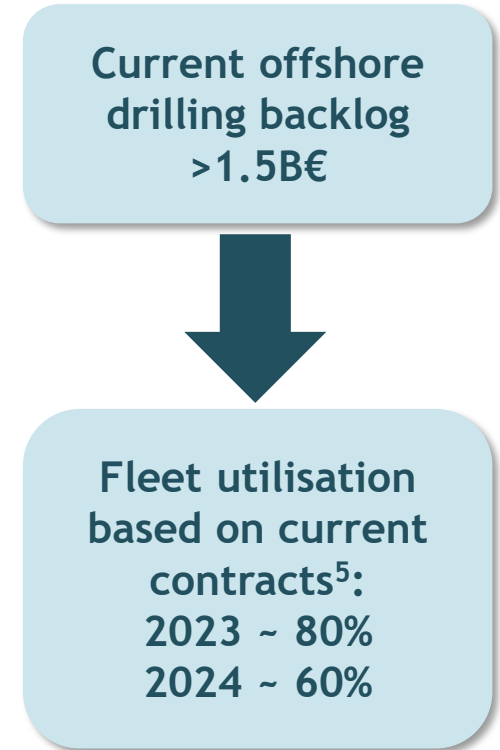
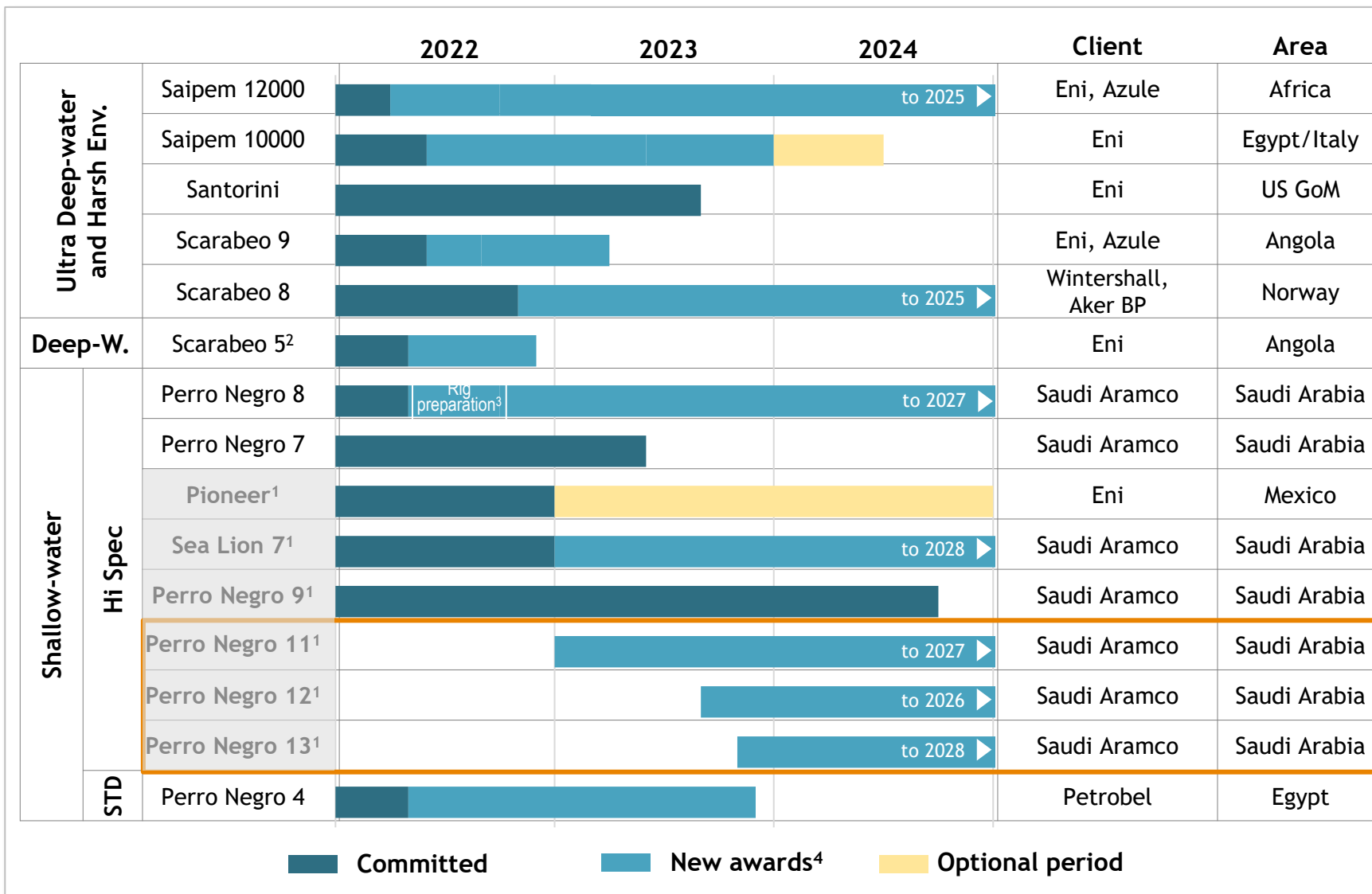


- Ongoing contract with Eni in Gulf of Mexico
  - Most of 2023 covered (till Q3)
- Strong financial metrics:
  - Unlevered IRR > 15% expected
  - Payback period ~5 years
  - Third party appraisal >300M\$<sup>3</sup>

1. Average of average dayrates for UDW 7<sup>th</sup> generation drillships forecasted by Fearnley, Pareto, Esgian as of November 2022. Rounded figures  
2. Ultra-deepwater  
3. Valuation date: November 2022

# Drilling offshore fleet booking on the rise

## Drilling Vessel Engagement Map (2022-24)



**3 New leased high-spec. jack-up:**  
 → 1 joined the fleet in 2022  
 → 2 to join the fleet in 2023

1. Leased Vessel
2. Engagement for production support
3. Rig under contract in preparation
4. Awards year-to-date
5. Including optional periods

# FY2022 guidance: confirmed

Revenues

**>9 B€**

(without Drilling Onshore<sup>2</sup>)

Adjusted EBITDA

**>550 M€**

(without Drilling Onshore<sup>2</sup>)

Net Debt<sup>1</sup>

**~300 M€**

Strategic update planned at FY22 results presentation

1. Net Debt post IFRS 16  
2. Revenue and adjusted EBITDA exclude discontinued operations (Drilling Onshore)

# Appendix

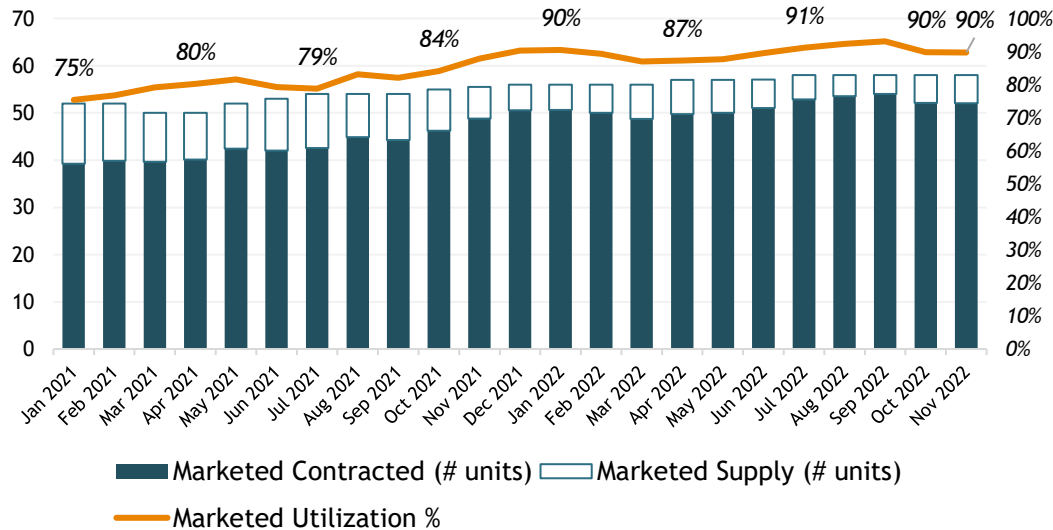


# Tight offshore drilling market: strong demand and limited vessels availability

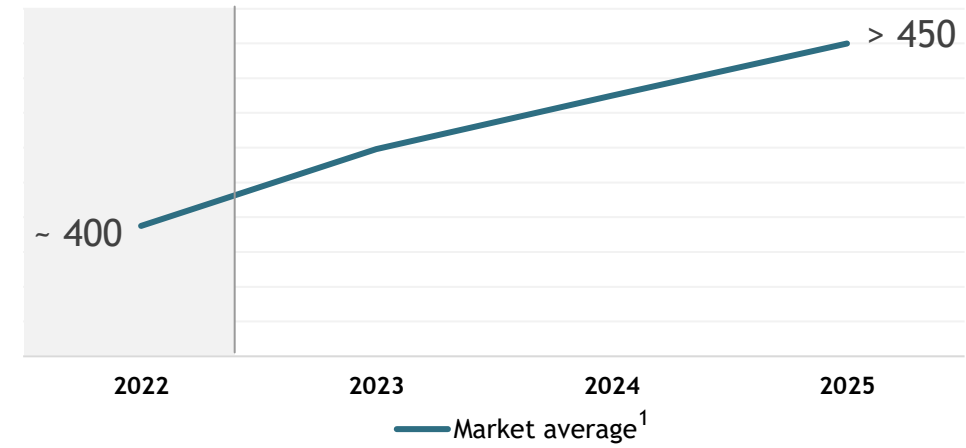
Limited availability...

...triggers steep rate increase

UDW Drillships (>7,500 feet) utilization rate



UDW 7<sup>th</sup> generation drillship forecast dayrates (k\$)



Commercial opportunities

Santorini is a strong candidate to win awards in this specific market niches in the short-term

- Actively bidding in the Gulf of Mexico, in the UDW segment
- Pursuing opportunities in West/East Africa and Mediterranean Sea

Sources: S&P Global (for utilization rate); Fearnley, Pareto, Esgian (for dayrates)

1. Average of average dayrates for UDW 7<sup>th</sup> generation drillships forecasted by Fearnley, Pareto, Esgian as of November 2022. Rounded figures