



# FIRST QUARTER 2017 RESULTS PRESENTATION



21 April 2017

# 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), 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 PRESENTATION

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OPENING REMARKS

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1Q 2017 RESULTS

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BUSINESS UPDATE AND FIT FOR THE FUTURE

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CLOSING REMARKS

# OPENING REMARKS

## 1Q 2017 Results

- Good operational performance in E&C Offshore
- Improving E&C Onshore profitability
- Resilient margins in Drilling Offshore

Net debt at €1.6bn

Full year guidance confirmed

## Strengthened capital structure

- New Bond issue: €500mn / 5yrs
- Average debt maturity extended
- Liquidity position enhanced by new export credit facility

New organisational structure released in March, implementation during 2Q

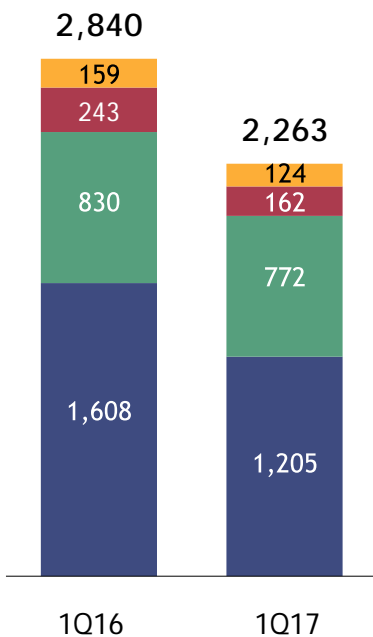
1:10 Reverse stock split proposed to General Meeting

# 1Q 2017 RESULTS

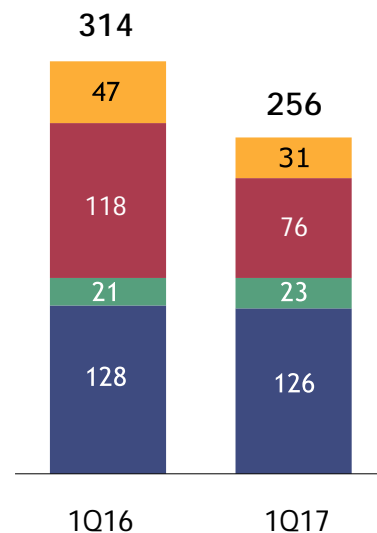
# 1Q 2017 RESULTS

## YoY COMPARISON (€ mn)

Revenues



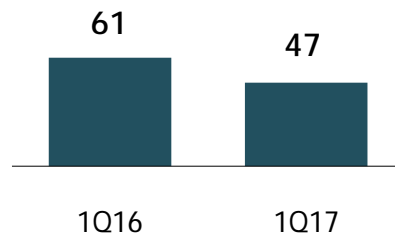
Adjusted EBITDA



Adjusted Net Profit



Reported Net Profit

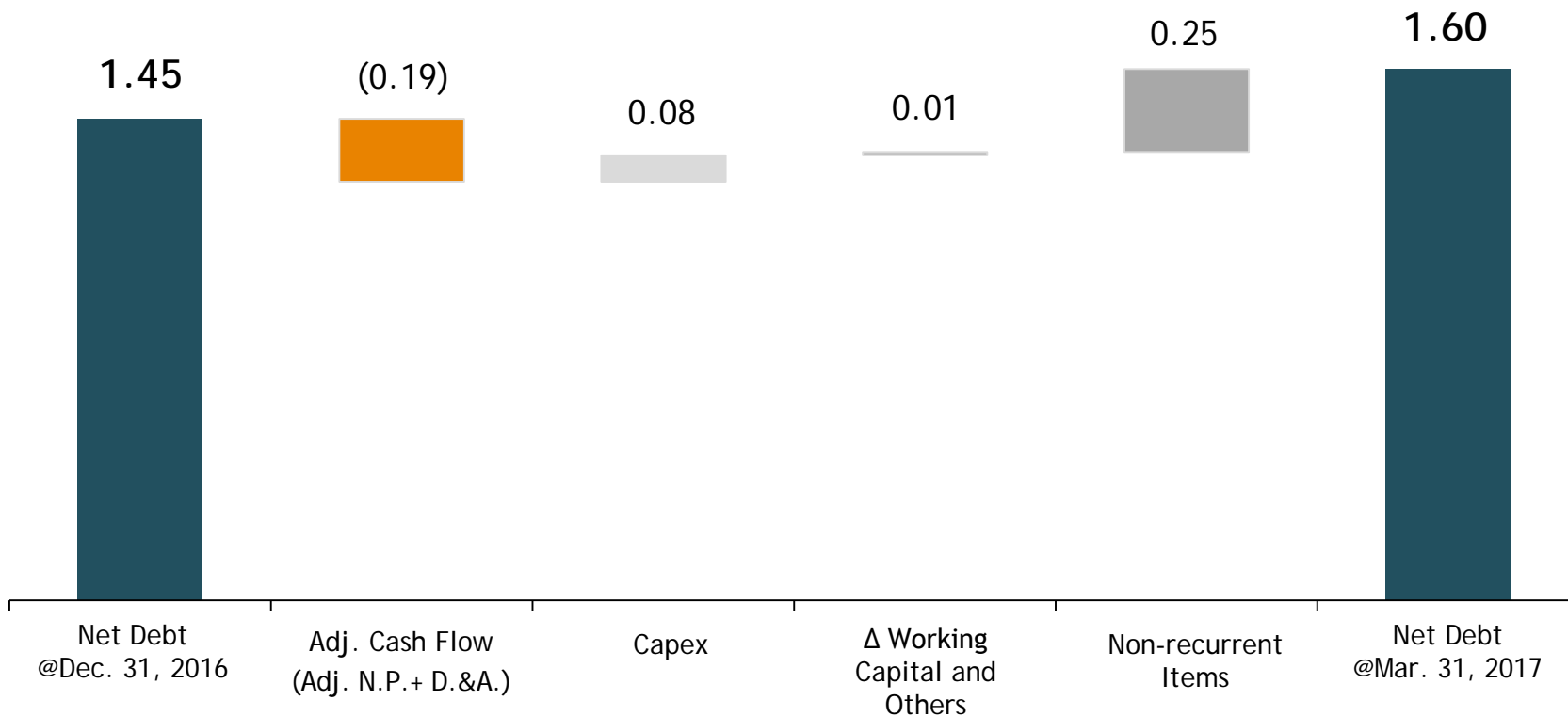


■ E&C Offshore    
 ■ E&C Onshore    
 ■ Drilling Offshore    
 ■ Drilling Onshore

# 1Q 2017 NET DEBT EVOLUTION

(€ bn)

1Q Recurring Cash Flow Supporting Net Debt Year-end Target



# NEW BOND AND ADDITIONAL EXPORT FACILITY

## Bond

Amount	▪ €500mn
Tenor	▪ 5 Years
Status	▪ Senior Unsecured and Unsubordinated
Listing	▪ Listed on the Euro MTF of the Luxembourg Stock Exchange ▪ Reserved to institutional investors
Key Terms	▪ Issued under the authorized EMTN Programme dated 4th July 2016 ▪ Upstream guarantees and change of control ▪ No financial covenants
Rating	▪ S&P: BB+ ; Moody's: Ba1
Coupon	▪ Fixed annual coupon 2.75%

## Atradius export facility

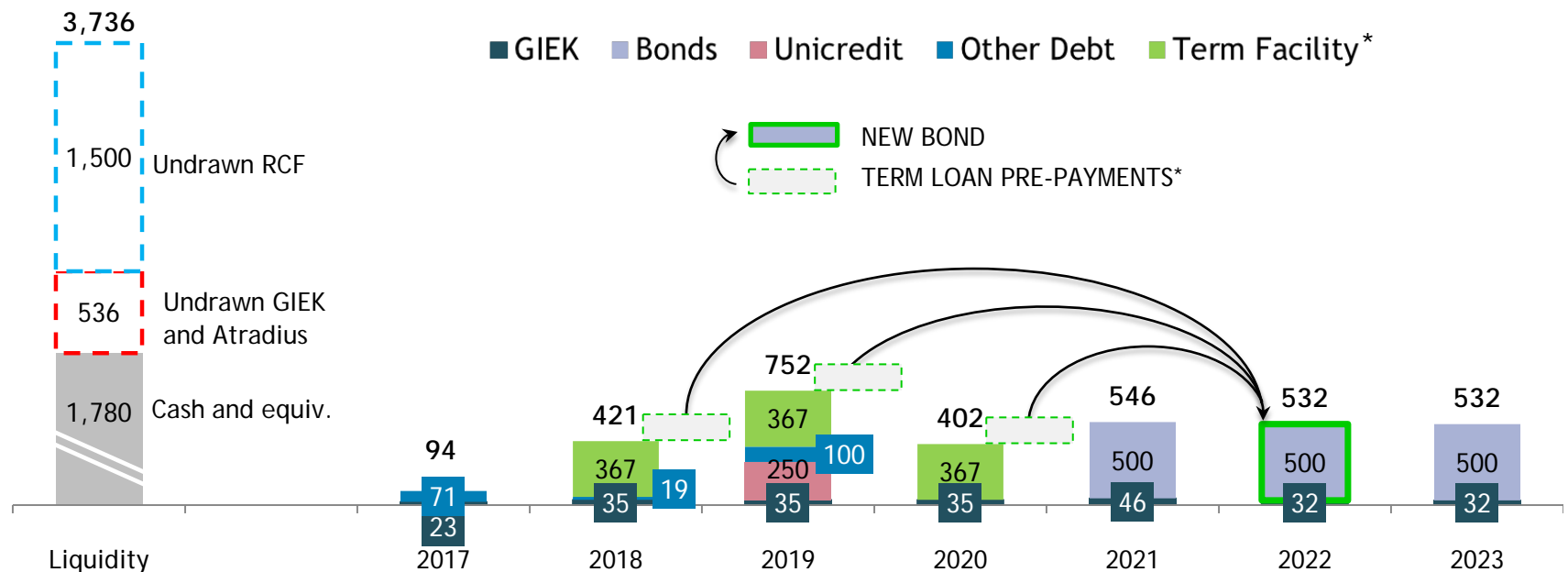
Amount	▪ €270mn (multiple drawdown allowed)
Availability period	▪ 2 years
Tenor	▪ 8.5 years, starting 24 months from signature, fully amortised
All-in cost	▪ c. 2%



# SOLID CAPITAL STRUCTURE

(€ mn)

## Improved Debt Maturity Profile and Liquidity Position



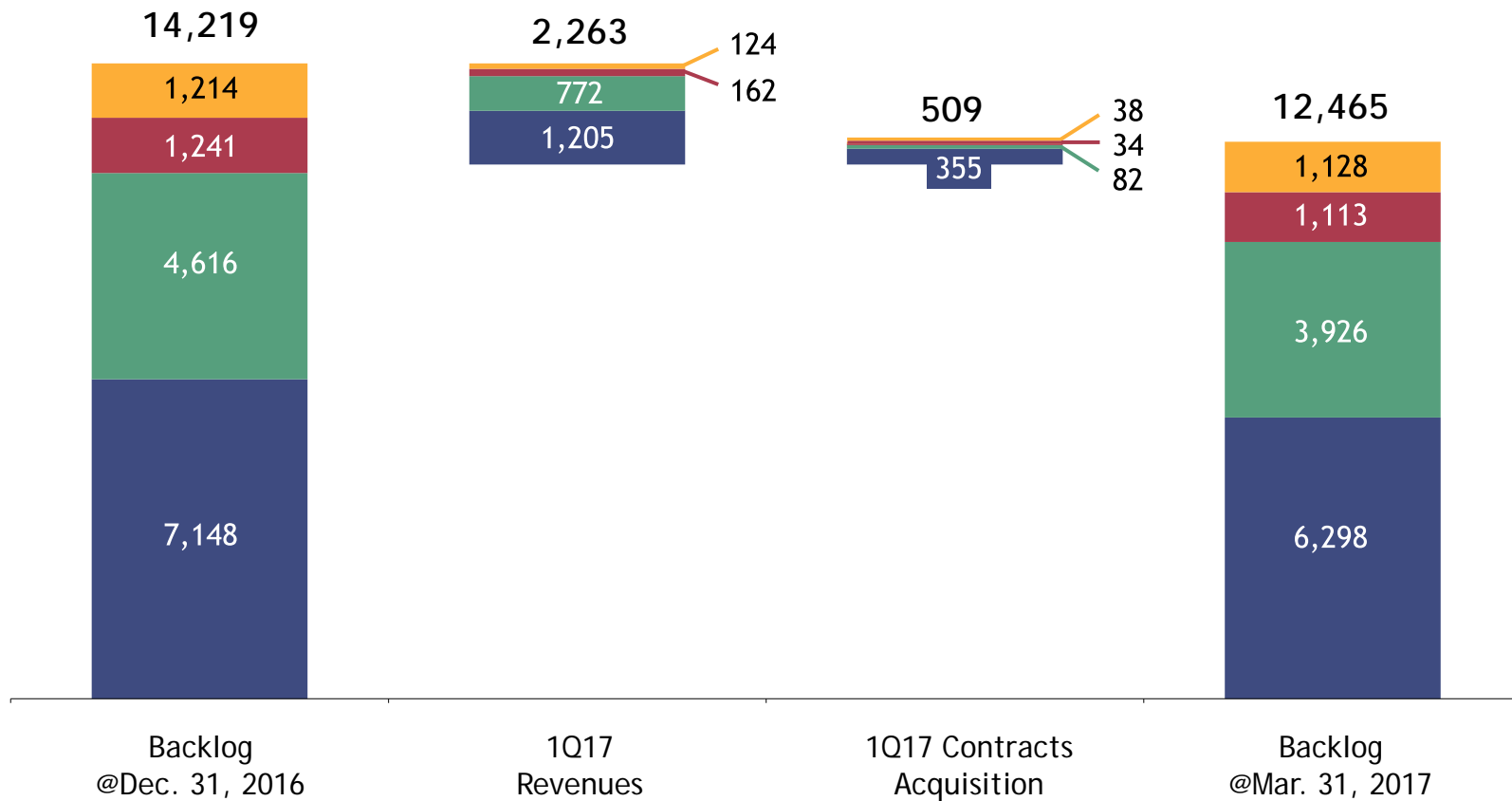
- Average debt maturity extended to 3.8 years
- Undrawn committed cash facilities: now totalling around €2.0bn
- Total cash and equivalents of around €1.8bn (including c.€0.8bn trapped)



# BUSINESS UPDATE AND FIT FOR THE FUTURE

# 1Q 2017 BACKLOG

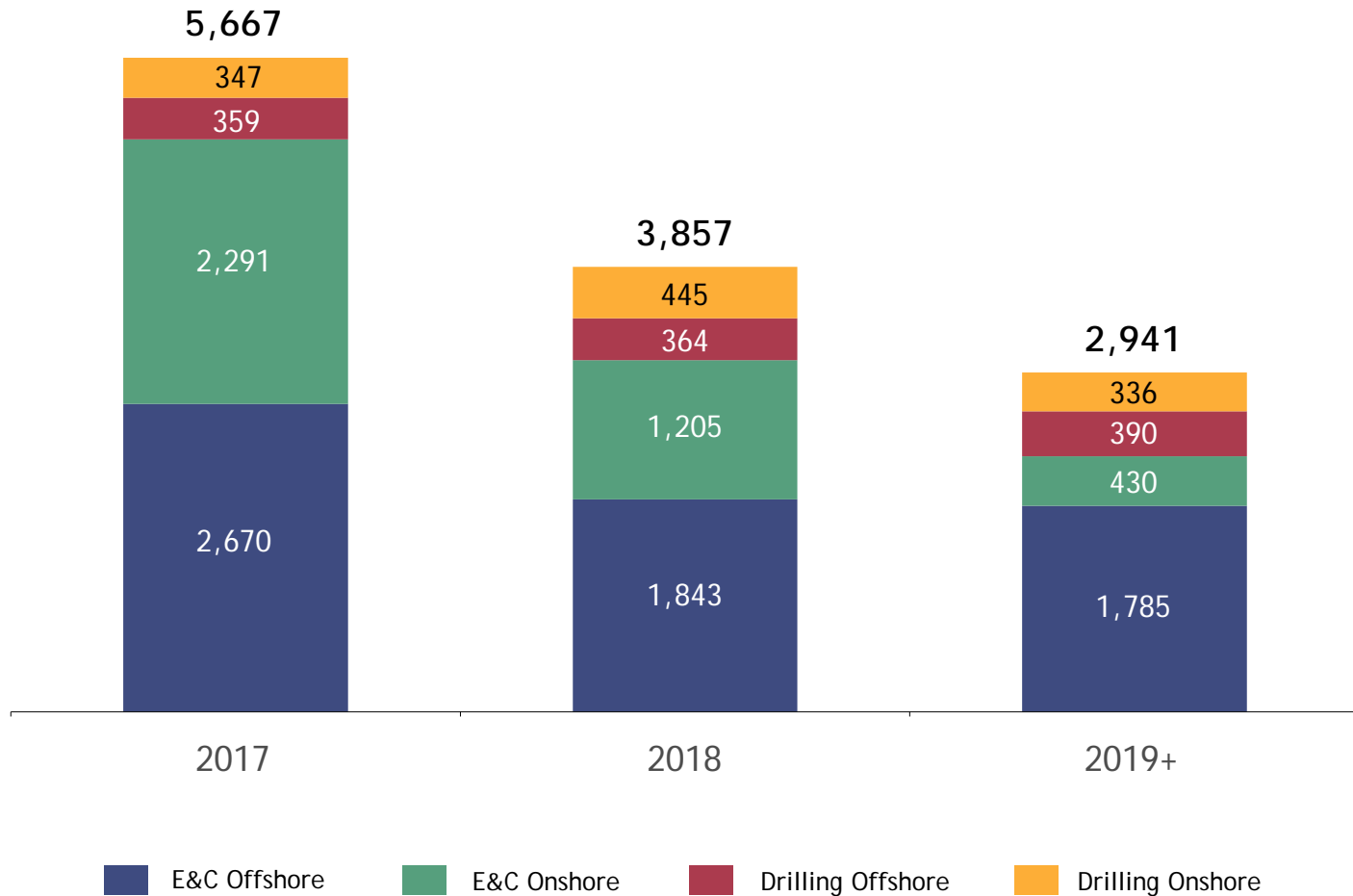
(€ mn)



■ E&C Offshore   
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 ■ Drilling Offshore   
 ■ Drilling Onshore

# BACKLOG BY YEAR OF EXECUTION

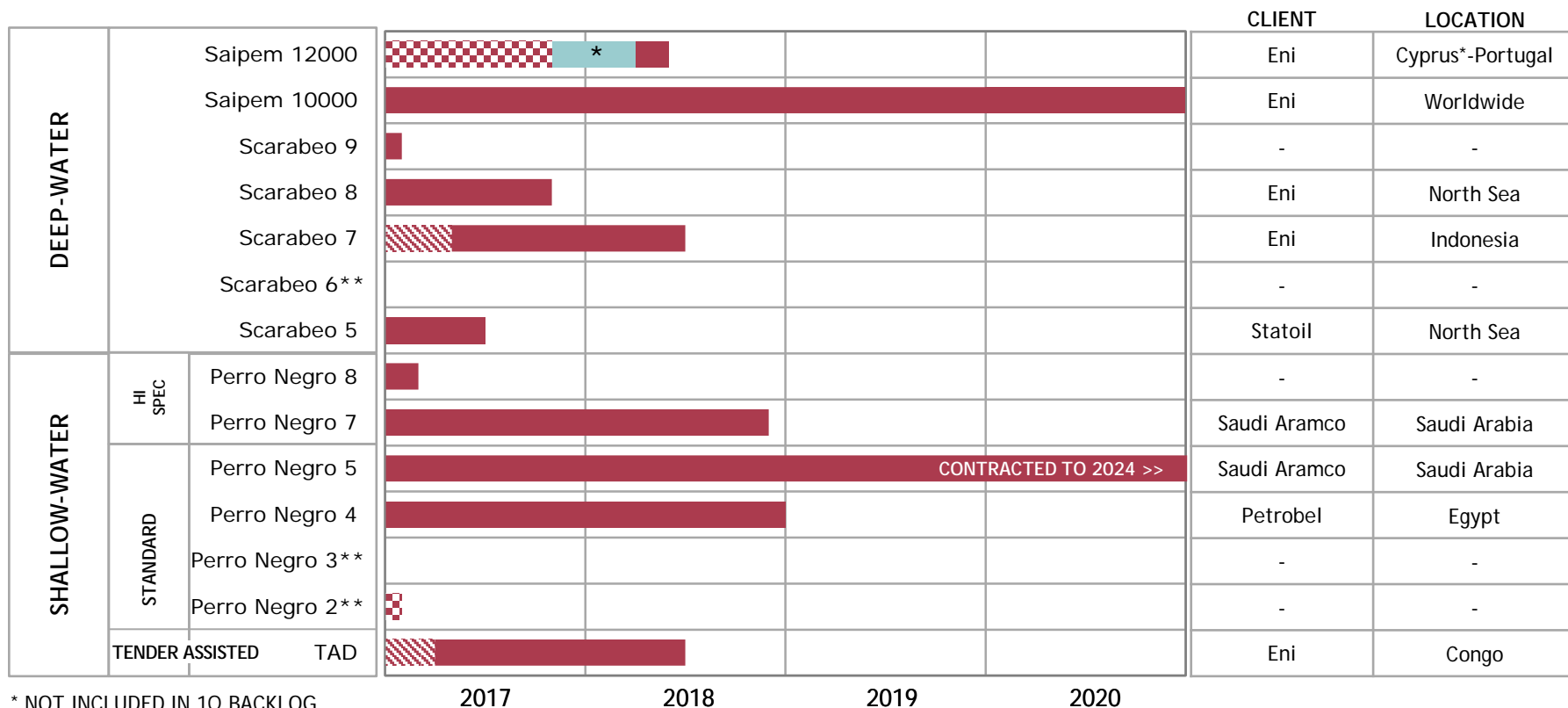
(€ mn)



# UPDATE ON DRILLING

## OFFSHORE DRILLING FLEET CONTRACTS

Committed
  Stand-by
  Termination fee
  New Contract



\* NOT INCLUDED IN 1Q BACKLOG

\*\* ON STACKING MODE - TOTALLY WRITTEN OFF

ONSHORE DRILLING FLEET 1Q 2017 UTILISATION RATE: 57%

# MAIN ONGOING E&C PROJECTS

LEGEND

- OFFSHORE
- ONSHORE

## NORTH SEA

J.SVERDRUP - STATOIL - PIPELINES  
MILLER - BP - DECOMMISSIONING



Saipem 7000

## MEDITERRANEAN AND EUROPE

ZOHR - PETROBELL - SUBSEA/PIPELINES  
TAP - PIPELINES  
STAR REFINERY - DOWNSTREAM  
ITALGAS STORAGE - MIDSTREAM



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## CASPIAN

SCPX PIPELINE - BP - PIPELINES  
SHAZ DENIZ PH.2 - BP - FIXED FACILITIES / PIPELINES



## MIDDLE EAST

JAZAN PK1-2 - SAUDI ARAMCO - DOWNSTREAM  
KHURAIS - SAUDI ARAMCO - UPSTREAM  
AL ZOUR PK4 - KNPC - DOWNSTREAM  
LTA PROJECTS - SAUDI ARAMCO - FIXED FACILITIES



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## WEST AFRICA

EGINA - TOTAL - SUBSEA  
WEST HUB - ENI - SUBSEA  
KAOMBO - TOTAL - FLOATERS  
DANGOTE FERTILIZERS - DOWNSTREAM



FDS 2

## BRAZIL

LULA N. & EXTREMO SUL - PETROBRAS - PIPELINES

## FAR EAST

TANGGUH - BP - FIXED FACILITIES AND PIPELINES  
TANGGUH - BP - LNG



Karimun Yard



# E&C OPPORTUNITIES

LEGEND

- OFFSHORE
- ONSHORE

## Americas

- ExxonMobil Liza - subsea
- BP Cassia Compression - fixed facilities
- Shell LNG Canada - LNG (post 2017)
- Ferrostaal Pacific Northwest Ammonia Plant - downstream (post 2017)

## West and North Africa

- Eni Shorouk future dev. - subsea/pipelines
- BG Shell Burullus Phase IXB - subsea
- Eni Zabazaba - subsea
- Eni Zabazaba - FPSO
- Eni West Hub - subsea
- CEC Phase 2 Open Cycle and O&M - MMO **New**
- NAOC Okpai Phase II Power Plant - downstream
- Vestas NREA Windfarm - renewables

## Asia Pacific

- Conoco Barossa Field Dev. - subsea/pipelines (post 2017)
- ONGC KG-98/2 - subsea (URF+SPS) (post 2017)
- Posco Daewoo Shwe phase 2 - subsea (URF+SPS) (post 2017)
- Ballance Agri Nutrients Ammonia/Urea Plant - downstream
- ThaiOil Clean Fuel - downstream (post 2017)
- PTTLNG NONG FAB RECEIVING TERMINAL - LNG (post 2017) **New**

## Europe/ CIS and Central Asia

- EDF Offshore Windfarms - renewables
- BP Shah Deniz IMR - inspection, maintenance & repair
- SOCAR Baku Refinery - downstream (post 2017)
- Gazprom Moscow Refinery Upgrading FEED - downstream
- RFI TAV Brescia Verona - infrastructures
- High Speed Railway Moscow - Kazan - infrastructures (post 2017)

## Middle East

- S. Aramco LTA development - fixed facilities
- QP Bul Hanine EPCI - fixed facilities (post 2017)
- ADCO BAB Integrated Facilities - upstream/onshore pipelines
- ADCO Al Dabbi'ya ASR Development - upstream (post 2017)
- DUQM Refinery - downstream
- Saudi Aramco Hawiyah e Haradh Field Gas Compression - upstream
- Jurassic Field Development - upstream (post 2017) **New**
- KOC New Refinery Pipelines - onshore pipeline (post 2017) **New**

## East Africa

- Eni Mamba - subsea (post 2017)
- Anadarko Golfinho - subsea (post 2017)
- Eni Onshore - LNG (post 2017)
- Anadarko Onshore - LNG (post 2017)
- Fauji/Ferrostaal Fertilizer Plant Tanzania - downstream (post 2017)

# FIT FOR THE FUTURE

## Fit For the Future cost optimisation programme

- **Completion confirmed by 2017 year end**
  - Cumulative cost saving €1.7bn, progress at 1Q 2017 as scheduled
  - Headcount reduction on track with c.36,500 FTE at 1Q 2017

## Fit For the Future 2.0

- **Implementation of new organisation during 2Q**
  - Divisional organisation approved by BoD at the end of March
  - 5 Divisions to enhance operating model, empowered to achieve business targets
  - FFF 2.0 redundancy plan of 800 FTE on schedule



# CLOSING REMARKS

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SOLID OPERATIONAL PERFORMANCE

STRENGTHENED CAPITAL STRUCTURE

NEW DIVISIONAL ORGANISATION IN PLACE DURING 2Q

GUIDANCE CONFIRMED

# APPENDIX

# 2017 GUIDANCE

Metrics	FY 2017
Revenues	<ul style="list-style-type: none"><li>c.€10bn</li></ul>
EBITDA <i>% margin</i>	<ul style="list-style-type: none"><li>c.€1bn</li><li>c.10%</li></ul>
Net profit	<ul style="list-style-type: none"><li>Higher than €200mn*</li></ul>
CAPEX	<ul style="list-style-type: none"><li>c.€400mn</li></ul>
Net financial position	<ul style="list-style-type: none"><li>c.€1.4bn</li></ul>