

An aerial photograph of a large offshore oil rig in the middle of the ocean. The rig is primarily blue and yellow, with two prominent cranes featuring red and white striped tops. The rig is surrounded by deep blue water, and the sky is clear and bright. The rig's deck is densely packed with various pieces of equipment and structures.

SAIPEM FIRST HALF 2020 RESULTS PRESENTATION

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 recent 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.

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01

OPENING REMARKS

OPENING REMARKS

NAVIGATING SAFELY THROUGH THE CRISIS

- Protecting people top priority; building resilience in unprecedented situation
- €4.8bn awards in 1H 2020 (c.90% non-oil), with 2Q BtB at 2.6x (0.4x in 1Q)
 - Solid & diversified backlog of c.€26bn¹, securing visibility
 - No substantial backlog cancellations
- Cooperation with clients and supply chain underpins project execution
- 1H 2020 operational highlights:
 - E&C: slowdown and rephasing weighs on Q2
 - Drilling: deepwater and Latam slowdown
- Well-balanced financial structure with ample liquidity
 - Debt maturity further improved with new issuance of 2026 bonds
- Business strategy and group structure confirmed
- c.€190mn post Covid-19 opex efficiencies and new capex target below €400mn²



¹ Of which c.€3.3bn non-consolidated

² Vs previous range of 20-25% below former guidance of €600mn

COVID-19, MAINTAINING BUSINESS MOMENTUM

- Health and safety of personnel, partners and clients top priority
- Vessel operability unaffected by Covid-19, through strict protocols and procedures
- Key E&C onshore projects progressing at slower pace; some sizeable project rephased
- Effective collaboration with clients and supply chain
- Opex efficiencies and CAPEX rephasing in progress
- Business continuity across the organisation through remote working

HANDLING COMPLEXITY DELIVERS RESILIENCE

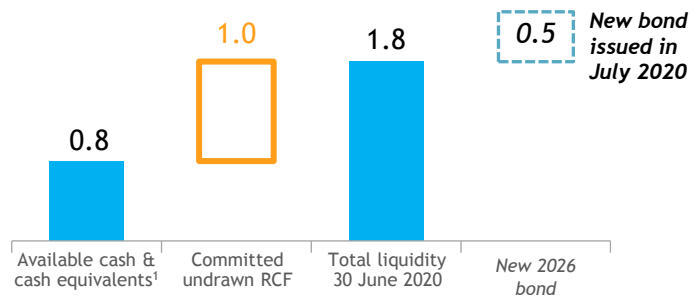
02

1H 2020 RESULTS

SOLID BALANCE SHEET AND LIQUIDITY

POST 2Q NEW BOND ISSUANCE TO IMPROVE FINANCIAL FLEXIBILITY

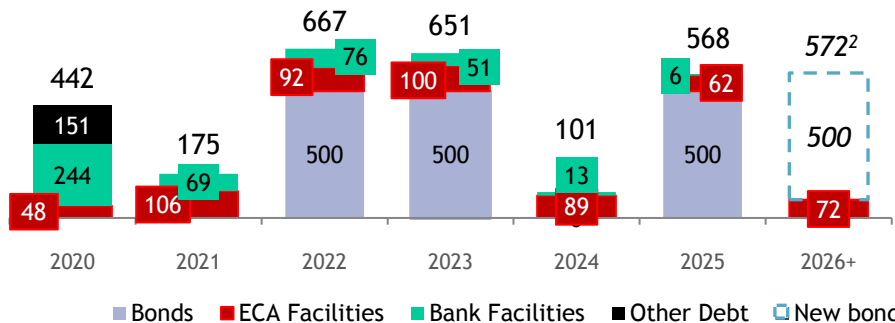
€bn



Solid liquidity

- Substantial available cash (€0.8 billion)¹
- Committed and fully undrawn RCF (€1 billion)

€mn



Debt structure benefitting from new bond

- New bond issue in July for €500 million enhancing overall debt maturity profile
- Average tenor increasing from around 2.6Yrs to above 3Yrs
- Average debt cash cost remaining stable at c.3%³

¹ In addition to this amount, the Group has c.€1.0 bn of restricted liquidity

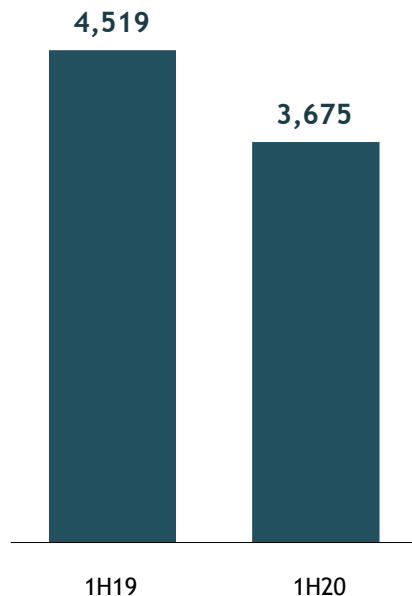
² Pro-forma adding the issuance on 7 July 2020 (settlement 15 July) of €0.5bn bonds with fixed interest rate at 3.375%

³ Average cost of debt c.4% including treasury hedging

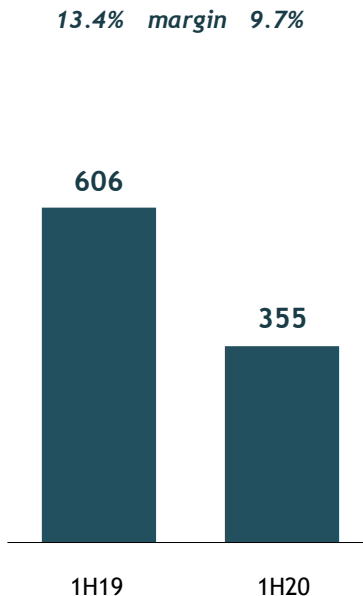
1H 2020 RESULTS

YoY COMPARISON (€ mn - IFRS16)

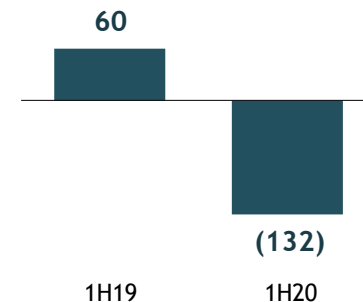
Revenues



Adjusted EBITDA¹



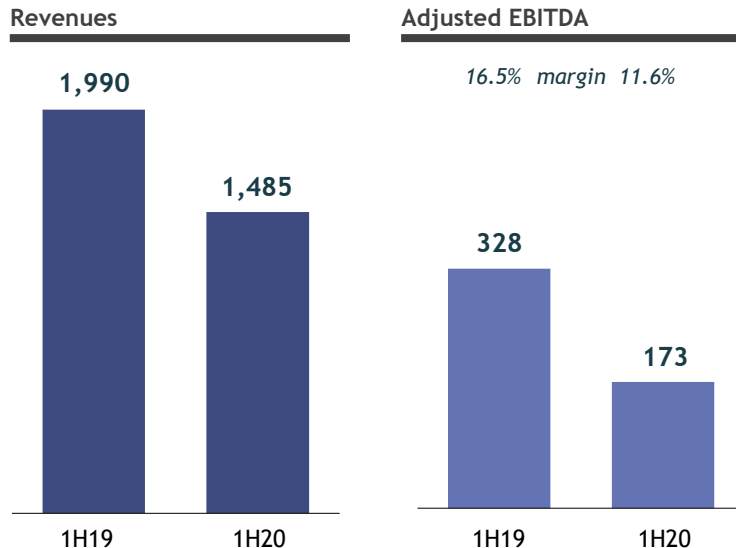
Adjusted Net Result¹



1H 2020 RESULTS - E&C

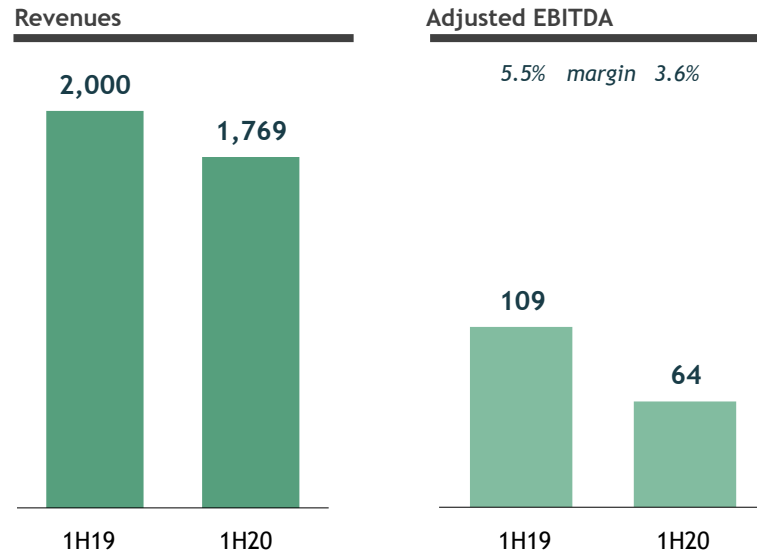
YoY COMPARISON (€ mn - IFRS16)

E&C OFFSHORE



- Lower volumes in North Africa, Middle East and Sub-Saharan due to project rephasing, partially offset by Caspian and Italy
- Margin reflecting Covid-19 impact on revenue trend, and mix

E&C ONSHORE¹



- Revenue decrease due to Covid-19 related slowdown and rephasing mainly in Middle East
- Margin reflect revenue trend and cost recognition

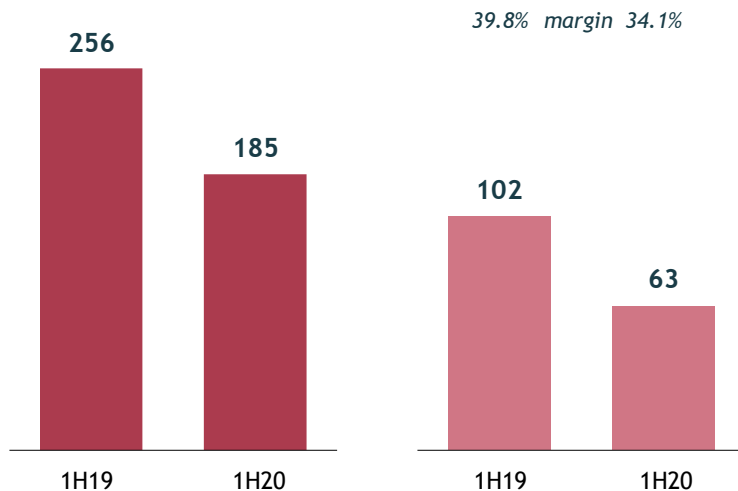
1H 2020 RESULTS - DRILLING

YoY COMPARISON (€ mn - IFRS16)

DRILLING OFFSHORE

Revenues

Adjusted EBITDA

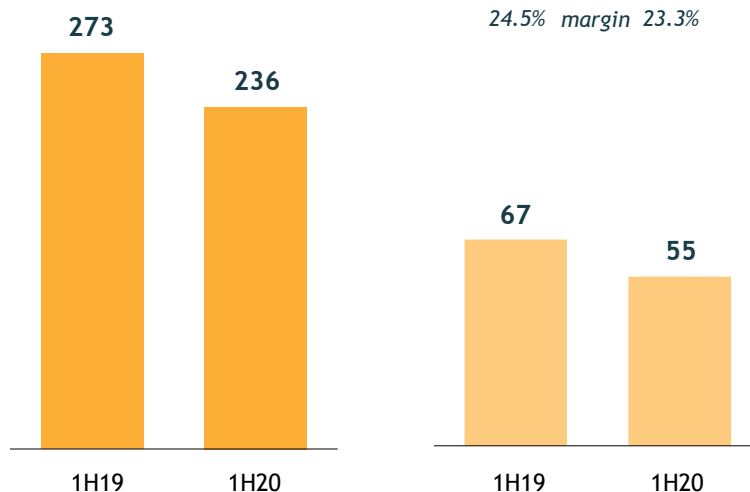


- Lower volumes, mainly driven by S10000, along with SC7 and SC9, partially offset by SC5 and Sea Lion 7
- Covid-19 impact on oil weighs on revenues and margins

DRILLING ONSHORE

Revenues

Adjusted EBITDA

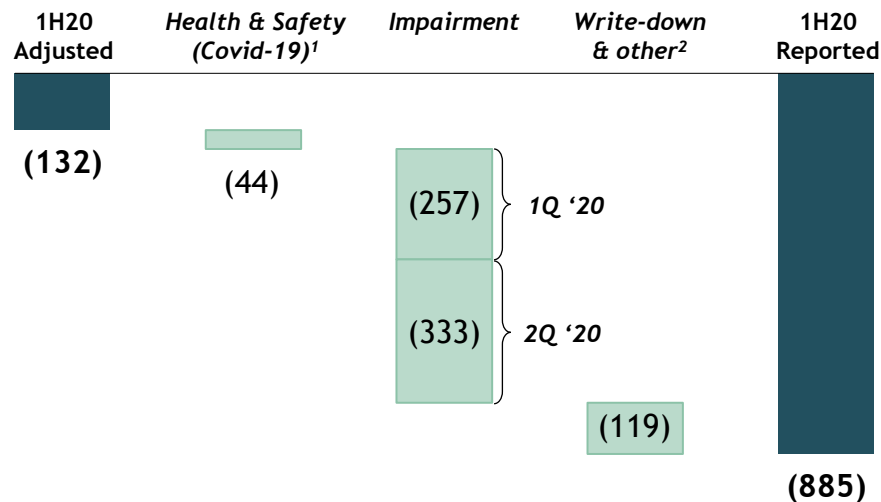


- Lower activity in Latam, following Covid-19 and oil price drop and Caspian; stable volumes in Middle East
- EBITDA decrease mainly attributable to Latam

1H 2020 NET RESULT

RECONCILIATION ADJUSTED-REPORTED

Net Result (€ mn - IFRS 16)



Drivers of non-cash impairment

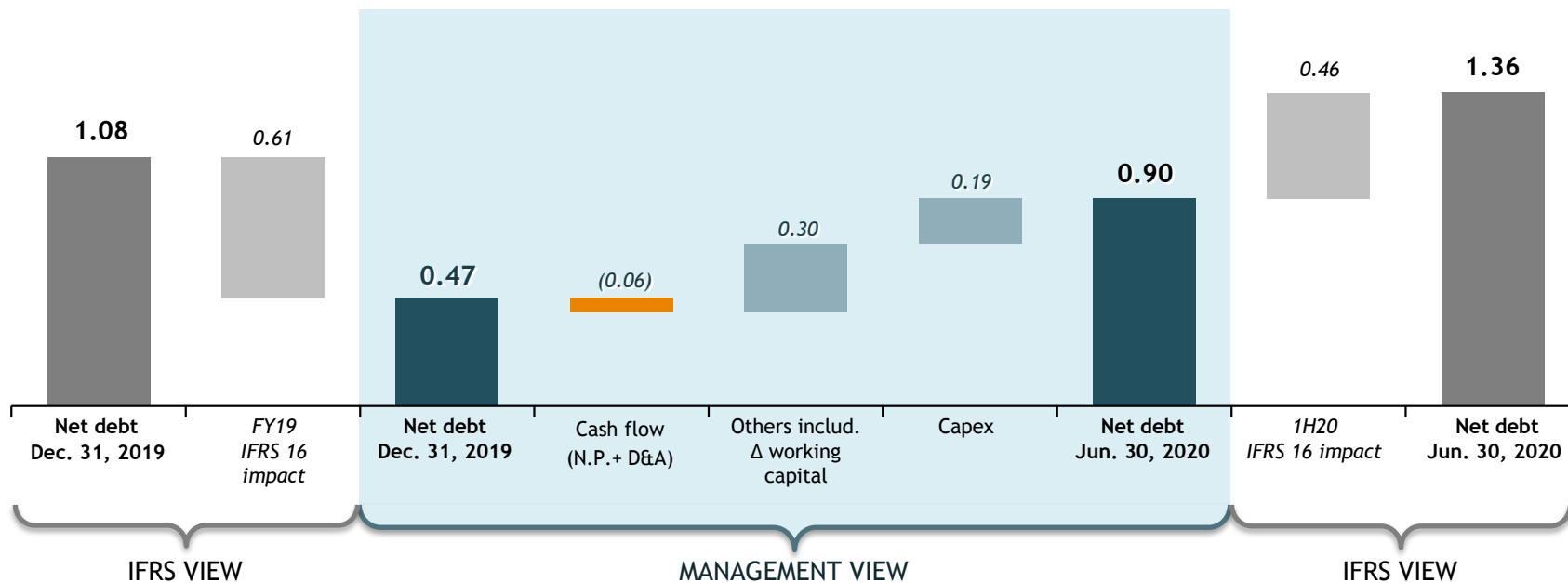
Market deterioration triggered a review of assumptions for drilling offshore, such as:

- Shifting of some activity
- Renegotiation of rates
- Contract cancellation for 1 unit
- Delay in awards
- Revision of long-term rates
- Increased discount rate (WACC)

1H 2020 NET DEBT EVOLUTION

(€ bn)

1H IN LINE WITH QUARTELY DISTRIBUTION COMMENTED WITH FY 2019 AND 1Q RESULTS

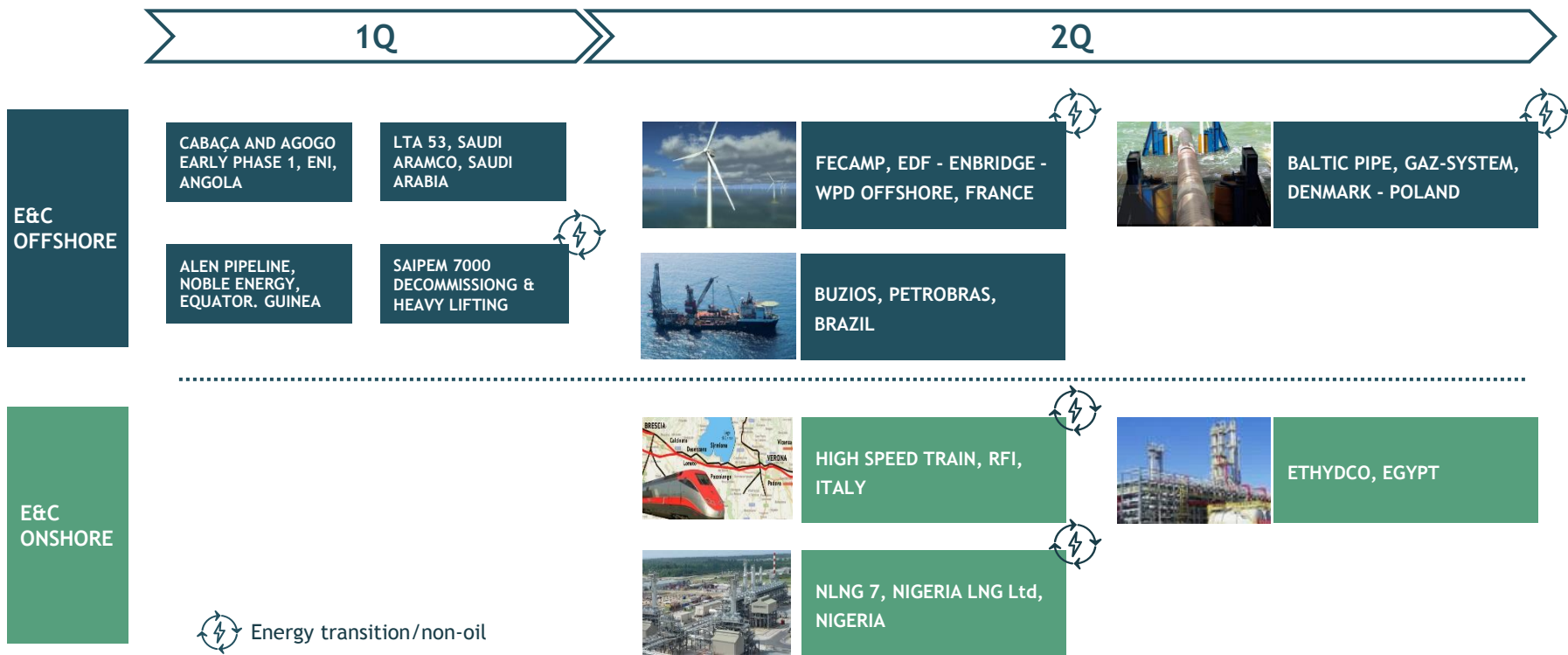


03

BUSINESS UPDATE

1H 2020 MAIN AWARDS

A DIVERSIFIED SET OF AWARDS, BOOK TO BILL OF 2.6x IN 2Q 2020



E&C OFFSHORE - 1H 2020 BUSINESS EVOLUTION

ALL CURRENT PROJECTS ARE PROGRESSING, NO BACKLOG CANCELLATIONS

ONGOING OPERATIONS

- Prolonged crew shifts, strict protocols and health monitoring
- Main impacts on project schedules, triggered by:
 - Constraints in moving people and supplies
 - Slower yard activity
 - Some schedule postponement by clients
- Covid-19 direct impact on operations in 2Q, yet learned how to minimize effects

KEY EFFICIENCY ACTIONS

- Asset:
 - Costs optimization of vessels and yards (e.g. cold/warm stacking)
 - Scrap of some old units
- Reduction of G&A and FTE
- Review of local footprint
- Cross-divisional synergy on engineering workforce
- Capex reduction

STRATEGIC PRIORITIES

CORE

“GREEN”



SOLUTIONS

OCEANS AND SEAS ARE OUR HABITAT

OFFSHORE EXPERTISE KEY TO FUTURE ENERGY SOURCES

TODAY

TOMORROW



OFFSHORE WIND



HYDRONE



SUBSEA RESCUE



OFFSET INSTALLATION
EQUIPMENT



FLOATING WIND



FLOATING SOLAR



HIGH ALTITUDE WIND



MARINE WAVES

EXPLORING
NEW
SOLUTIONS

E&C ONSHORE - 1H 2020 BUSINESS EVOLUTION

ALL CURRENT PROJECTS ARE PROGRESSING, NO BACKLOG CANCELLATION

ONGOING OPERATIONS

- Significant awards in 1H
- Quick and effective response on working sites mitigated the impact on operations
 - Able to take additional actions
 - Leveraging on pilot cases (e.g. Tangguh) to capitalize our learning curve
 - Mozambique area 1 site now re-manned, back to pre-Covid-19 workforce level
 - Arctic LNG2 quickly recovered full workforce level
 - Further strengthening relationship with key clients and suppliers
- Main impacts:
 - 2Q directly affected by Covid-19 constraints at working sites
 - Material shifting of some project schedule agreed with clients in Middle East, but no backlog cancellation

KEY EFFICIENCY ACTIONS

- Supply chain: revisiting commercial conditions (e.g. pricing)
- Reducing contingent expenses: travels, external services, consultancies and G&A

STRATEGIC PRIORITIES

 DIVERSIFY



 DECARBONIZE



 DIGITALIZE

WE ARE INNOVATORS AND SYSTEM INTEGRATORS

ONSHORE SOLUTIONS FOR TODAY AND TOMORROW

TODAY

TOMORROW



GAS VALUE-CHAIN:

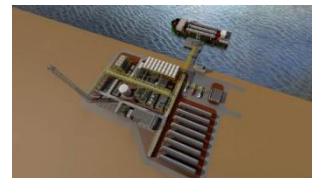
- LNG
- REGAS
- GAS MONETISATION
- PIPELINES



CIVIL INFRASTRUCTURE



HYBRID SOLUTIONS FOR DOWNSTREAM PLANTS



LIQUEFLEX™ SMALL SCALE LNG



CO2 MANAGEMENT



WATER MANAGEMENT



HYDROGEN



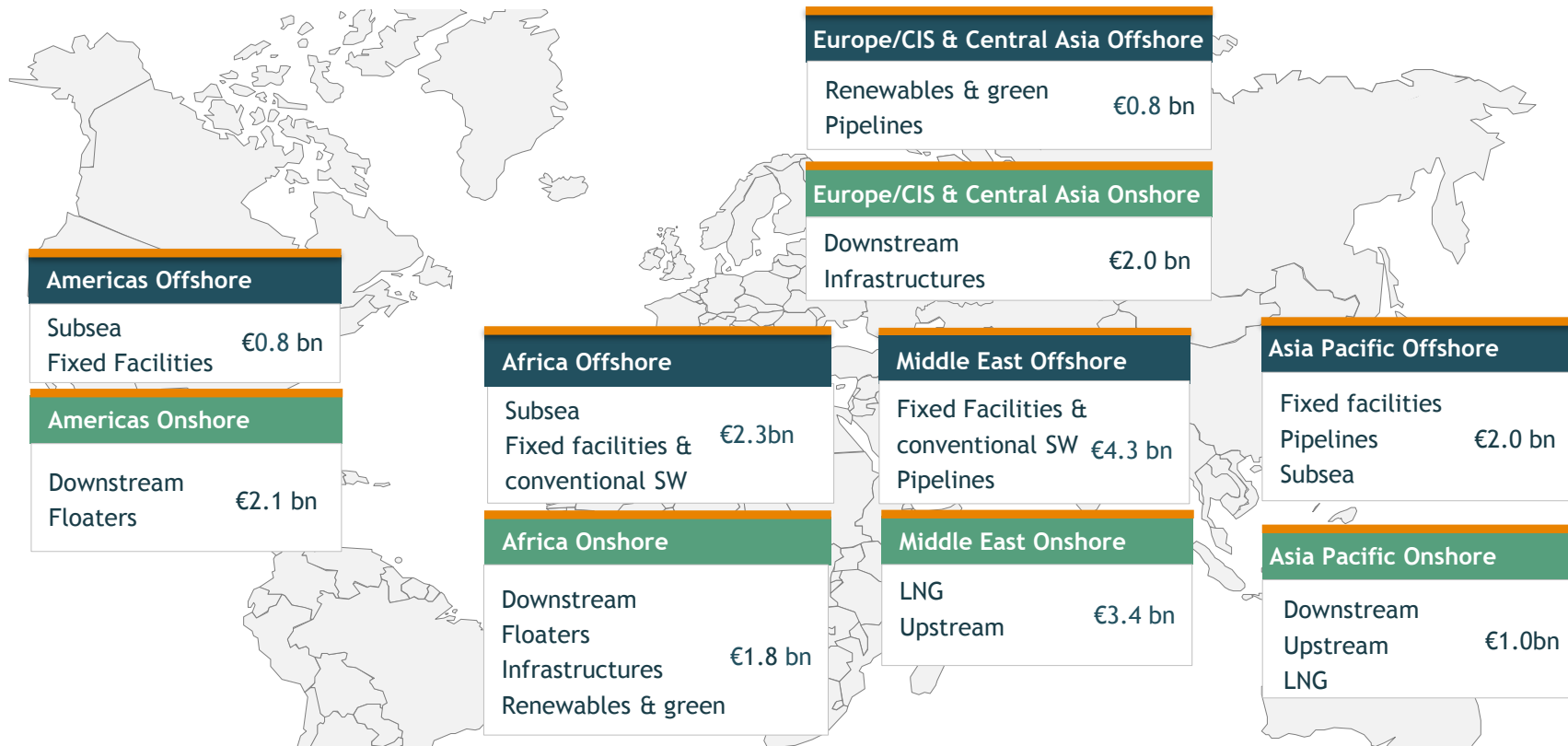
WASTE TO PRODUCTS

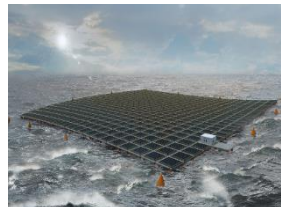


ADVANCED BIOFUELS


E&C OPPORTUNITIES

SAME VISIBILITY, OVER A LONGER TIME SPAN





- Innovation to enhance energy transition & decarbonization 
- Focus on technological disruptive solutions 
- Design for sustainable innovation 

 Energy transition

SOME EXAMPLES:

- Floating solar panel park agreement with **Equinor**
- Co-development agreement for offshore wind farm and floating solar farm in Italy (**Seagul, Quint'x, Politecnico di Torino**)
- MoU with **CDP** for the energy transition
- Hydrogen: green hydrogen production, hydrogen storage and transportation (e.g. injection into grids) and utilization (**in-house research Moss Maritim**)
- Cracks monitoring technology with coherent fiber optic. Various applications (e.g. O&G, infrastructures) (**Politecnico di Milano**)

DRILLING OFFSHORE - 1H 2020 BUSINESS EVOLUTION

THROUGH CYCLE FLEET MANAGEMENT

ONGOING OPERATIONS

- Prolonged crew shifts secured execution
- Strict protocols and health monitoring minimized risk of infection onboard the fleet
- Deepwater activity postponement with no disruption to backlog
- SC8 semisub engagement initially cancelled, now renegotiated
- Contract cancellation for PN8 jackup from 2021
- TAD fully devaluated

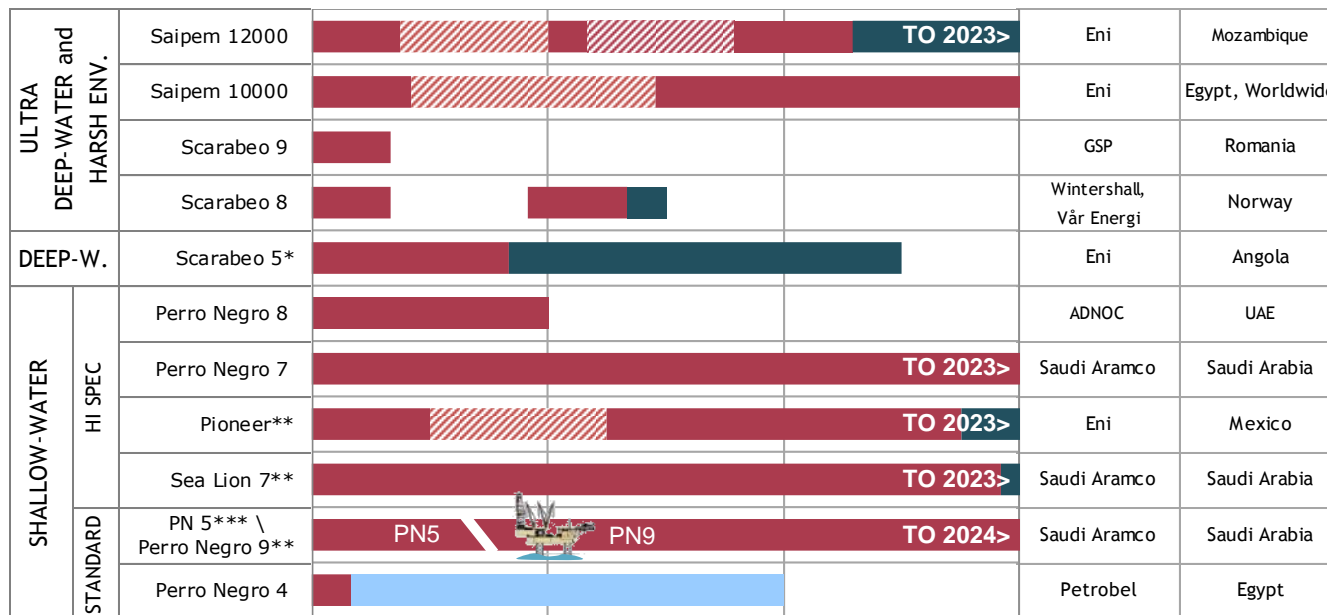
KEY EFFICIENCY ACTIONS

- Asset management:
 - Scrap (green recycle) of two jackups PN2, PN5 (to be replaced by leased-PN9) and of one semisub SC7
 - Smart stacking for rigs with reduced operations
 - Lease rate reduced for rented vessels
- Personnel on board (POB) rightsizing, maintenance plan and inventory optimisation
- Supply chain: revisiting commercial conditions
- Structural cost optimisation (e.g. local offices and logistic bases)

STRATEGIC PRIORITIES

- Opportunistic approach and flexibility to consider external growth (e.g. financially distressed assets)

OFFSHORE DRILLING FLEET



* ENGAGEMENT FOR PRODUCTION SUPPORT

** LEASED VESSEL

*** TO BE SCRAPPED

DRILLING ONSHORE - 1H 2020 BUSINESS EVOLUTION

THROUGH CYCLE FLEET MANAGEMENT

ONGOING OPERATIONS

- Prolonged crew shifts secured execution
- Activity suspension for certain rigs with no impact to backlog
- Some contract renewed in Middle East
- Pricing pressure by some clients
- Delays in the start up of new rigs in Latin America

KEY EFFICIENCY ACTIONS

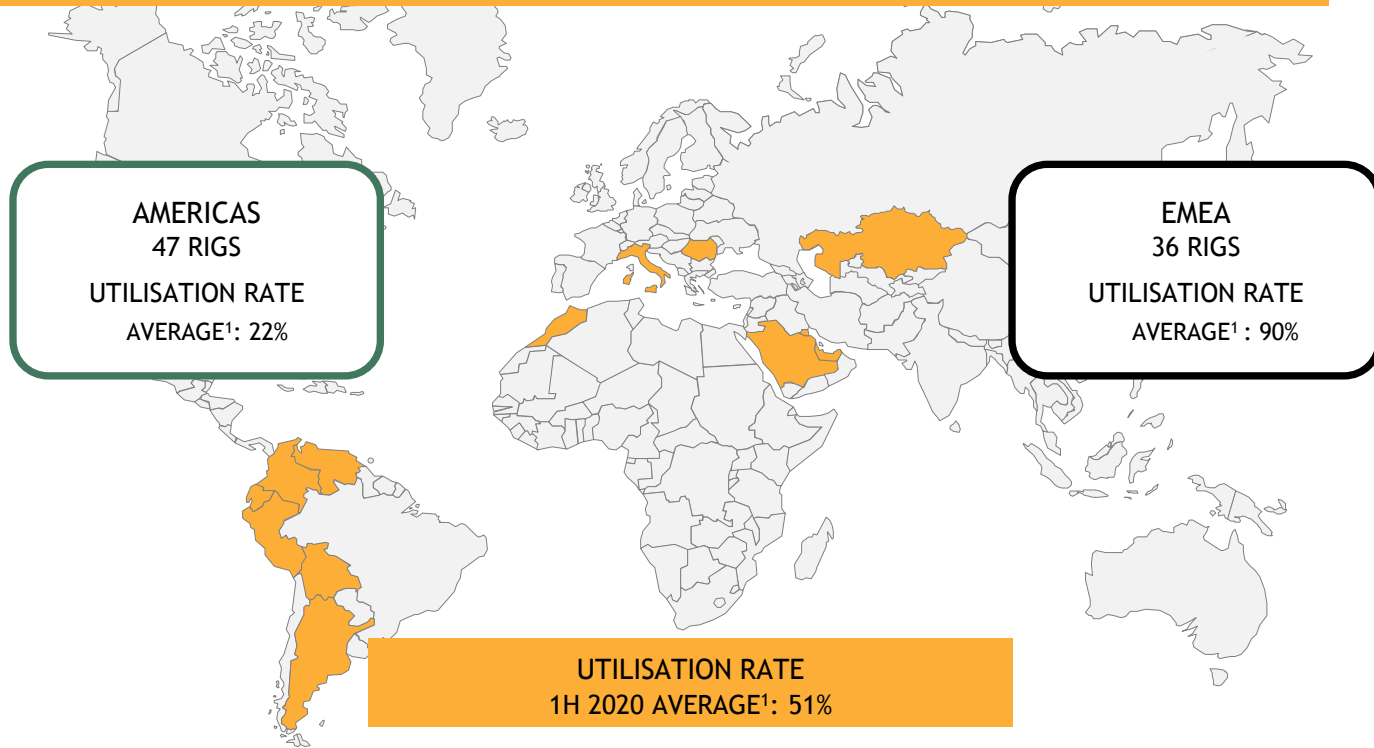
- Fleet rightsizing and inventory optimisation
- Revisiting partnership with clients and supply chain
- Optimisation of geographical footprint (e.g. logistic bases, offices and workforce)
- Agile organization through process redesign

STRATEGIC PRIORITIES

- Continuing to pursue strategic options to ensure business continuity and long-term resilience

ONSHORE DRILLING FLEET

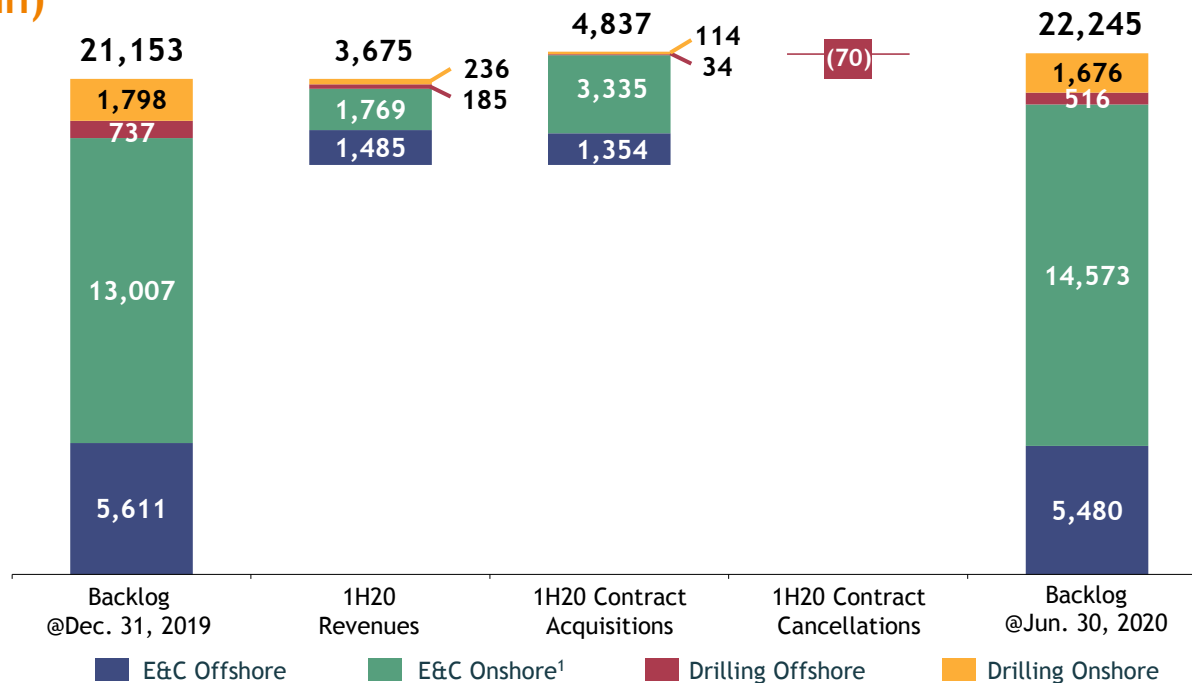
FLEET @ JUNE 30, 2020: 83 RIGS



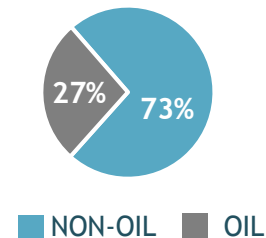
1H 2020 BACKLOG

NON-MATERIAL BACKLOG CANCELLATION

(€ mn)



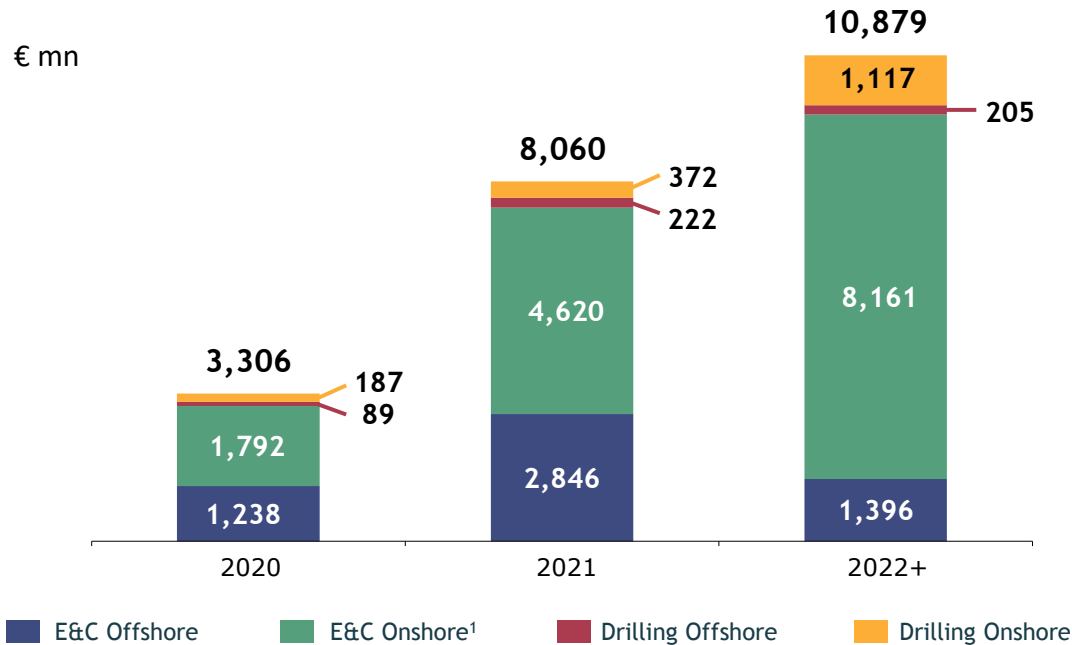
CURRENT E&C BACKLOG INCLUDING NON-CONSOLIDATED:
73% NON-OIL



NON-CONSOLIDATED BACKLOG @ JUN. 30, 2020	
(€ mn)	3,292

1H 2020 BACKLOG DISTRIBUTION BY YEAR

CURRENT VISIBILITY IN A HIGHLY-VOLATILE ENVIRONMENT



- Shift of activity from 2020 to 2021
- No major backlog cancellations
- Current yearly distribution subject to future market environment and business evolutions

NON-CONSOLIDATED BACKLOG BY YEAR OF EXECUTION

	2020	2021	2022+	
	599	1,041	1,652	€ mn

BUSINESS OUTLOOK AND CLOSING REMARKS

04

BUSINESS OUTLOOK¹

- Business outlook remains impacted by the Covid-19, albeit backlog provides support to 2H 2020 volumes, expected broadly in line with 1H
- In a still challenging environment, efficiency actions of c.€190mn in FY 2020 are expected to support 2H group adj. EBITDA margin up to the level of 1H
- Immediate rephasing actions should result in capex below €400mn in FY 2020

¹ Business outlook does not factor further and possible material business deterioration from Covid-19

CLOSING REMARKS

HEALTH AND SAFETY TOP PRIORITY

OPERATIONS PROGRESSING DESPITE COVID-19 CHALLENGES

SOLID BALANCE SHEET, LIQUIDITY AND BACKLOG

OPEX EFFICIENCY AND CAPEX REPHASING TO SUPPORT 2020

GOOD VISIBILITY ON OPPORTUNITIES OVER A LONGER TIME SPAN

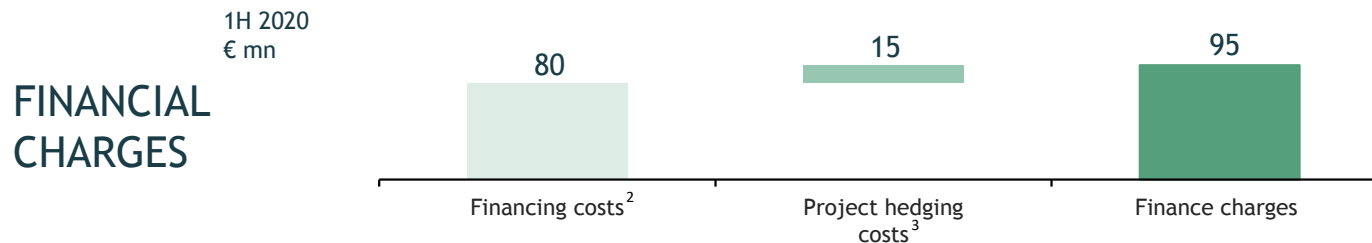
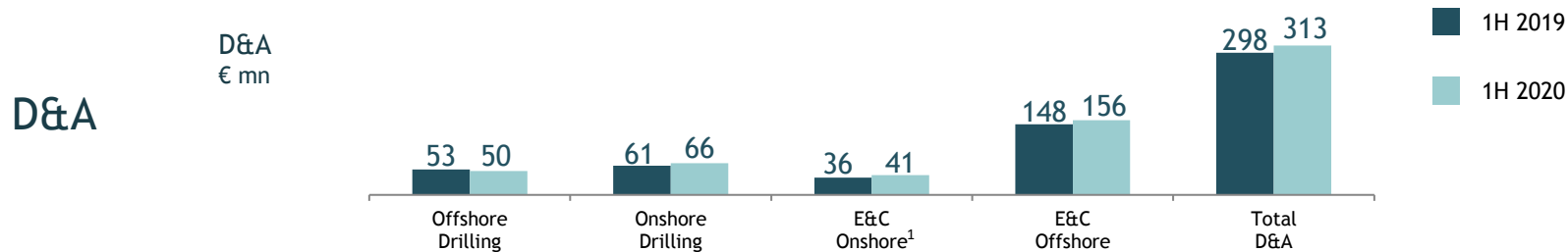
NAVIGATING SAFELY THROUGH THE CRISIS

05

APPENDIX

1H 2020 RESULTS - D&A, FINANCE CHARGES AND TAXES

(€ mn - IFRS16)



TAXES

- Taxes at € 74mn
- 2H 2020 expected in line with 1H 2020

¹ Floaters business included in E&C Onshore

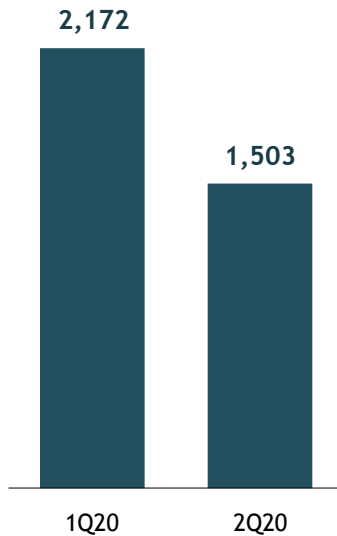
² Including €14mn of IFRS16 impact

³ Including exchange differences for € -12mn

2Q 2020 RESULTS

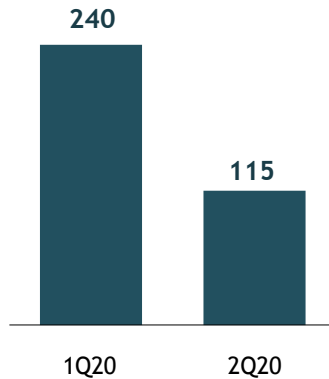
QoQ TREND (€ mn - IFRS16)

Revenues

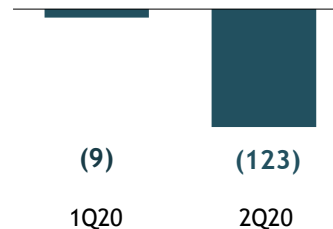


Adjusted EBITDA¹

11.0% margin 7.7%



Adjusted Net Income¹



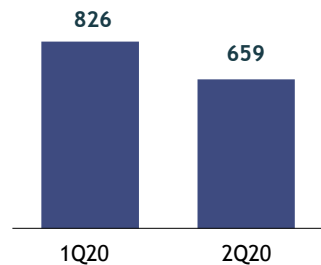
¹ Not including special items

2Q 2020 RESULTS - DIVISIONS

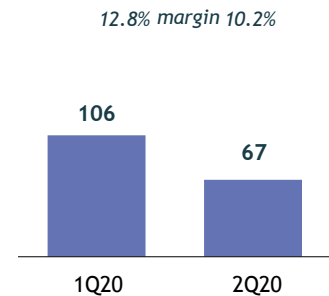
QoQ TREND (€ mn - IFRS16)

E&C OFFSHORE

Revenues

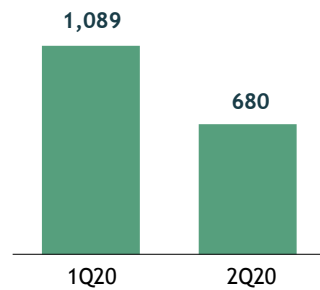


Adjusted EBITDA

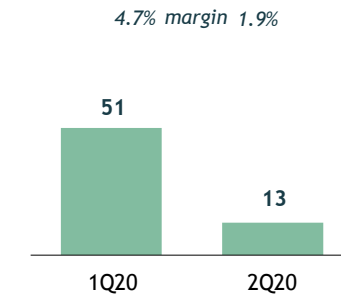


E&C ONSHORE¹

Revenues

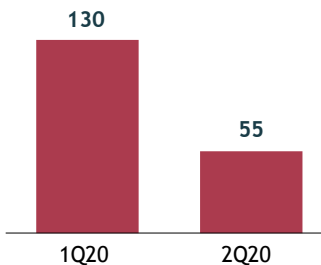


Adjusted EBITDA

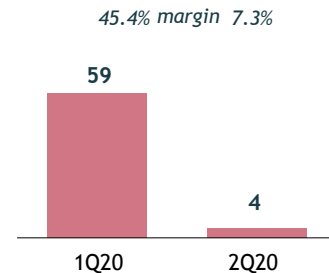


DRILLING OFFSHORE

Revenues

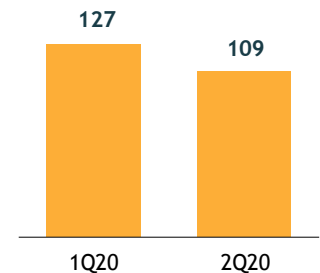


Adjusted EBITDA



DRILLING ONSHORE

Revenues



Adjusted EBITDA

