

Saipem announces the 2022 - 2025 four-year strategic plan

Towards a new Saipem, innovation and development

San Donato Milanese (Italy), October 28, 2021 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, yesterday approved "Verso una nuova Saipem" strategic plan for the four-year period 2022 - 2025.

"The strategic plan we are presenting today aims to build a company that grows, generates profits and cash flow with precise development objectives in the traditional energy sector, in the energy transition and in sustainable infrastructures, operating as a technological enabler of low carbon strategies". Saipem CEO Francesco Caio explained this, illustrating the 2022-2025 strategic plan.

"The energy transition is not a simple shift towards low carbon sources but a radical transformation of an entire ecosystem. From a highly centralized sector, characterized by large plants and not very digitized, to a distributed one, strongly interconnected, with a growing centrality of innovative services and new operators other than traditional ones in terms of both supply and demand. It is a profound change that requires innovative and flexible operating models to compete and grow profitably", added the manager.

"The plan - Caio stated - is based on Saipem's strong and competitive positioning, on a solid relationship with customers, on the experience acquired in complex projects and infrastructures, on operational and international logistics expertise and on our important portfolio of technologies. From the logic of assets to the logic of innovation is our slogan for defining a type of business where technologies and skills allow us to also offer new services capable of generating more stable and recurring revenues".

"In this context - he continued - the new plan intends to mark a change of pace for Saipem which adopts a business model centered on a dual strategy. On the one hand, engineering for complex plants designed in partnership with our traditional customers to implement their decarbonization strategy; on the other hand, the development and construction of modular, standardized and scalable systems and the provision of technologically and digitally advanced services".

"We have started the process of building a more sustainable, technological and profitable Saipem", Saipem CEO concluded.

MAIN POINTS OF THE STRATEGY

Saipem has already launched an important efficiency plan through specific initiatives concerning the rationalization of assets (the gradual closure of three yards around the world and the disposal of five ships is expected), the streamlining of the operating model (with the rationalization of 3 engineering hubs located abroad) as well as the reduction of overhead costs (with the closure of 14 non-strategic offices abroad). The plan has the objective of reducing the overall cost base by around € 100 million in 2022 which will progressively rise to around € 300 million per year when fully operational in 2025.

In the period of the plan, revenues are expected to grow at an average annual rate of 15% until 2025 thanks to the contribution of the backlog at September 30, 2021 of approximately EUR 24.5 billion, new commercial opportunities and the favorable growth prospects envisaged in drilling.

2022 will be the year of the transition in which revenues and margins are expected to grow thanks to the significant contribution of offshore activities and drilling, whose signs of recovery are already visible today. In 2023, adjusted EBITDA is expected to return to pre-Covid-19 levels to reach double-digit margins in the second part of the plan.

To support the growth that characterizes Saipem's new strategy, cumulative investments of approximately 1.5 billion euros are expected to be made over the plan period, including over 200 million euros for investments aimed at enriching the Group's technology portfolio. From a financial point of view, the operational performance expected to grow in 2022 will be offset by the cash absorption due to the dynamics of working capital and by the capex: the net financial debt in 2022 is expected to grow to approximately € 2.2 billion (including the IFRS16 impact) to then benefit from the significant expected cash generation of over 800 million euros in the four-year plan. The plan envisages a net financial debt of less than € 1bn by 2025.

To implement its new strategy, Saipem will adopt a new organizational model divided into 4 distinct business areas, each one with different dynamics, objectives, skills.

- 1) "Asset-centric" business (drilling, vessels, fabrication), based on a rigorous discipline of asset optimization. This business will produce a significant contribution to the growth in turnover and margins, also thanks to the focus on geographies and key customers and thank to the restart of the cycle. At the end of the plan a reduction in costs is expected, compared to 2020, due to non-use of drilling equipment by approximately 85% and by approximately 50% for the rest of the fleet, also thanks to the expected stronger activities connected to the new favourable scenario.
- 2) Business "energy carriers", for the design of complex plants or their conversion to low carbon with a growing focus on the best risk / return balance and with greater attention to margins. The strategy

encompasses the enrichment of the technology portfolio through corporate venture capital operations or selected acquisitions of skills such as the one carried out last year with "CO2 Solutions".

- 3) Business "robotics, digital and industrialized solutions" for the development of the offer of modular / repeatable / scalable systems and monitoring and maintenance services based on digital technologies. In this context, it is planned to structure Saipem's participation in new offshore wind projects to be developed with commercial and industrial schemes different from the past, also without excluding any partnerships. In the floating wind energy sector, Saipem has recently acquired Naval Energies' activities.
- 4) "Sustainable infrastructure" business: for growth in a sector that has become strategic in the new ecosystem of the energy transition and sustainable mobility and for which the Italian Recovery Fund will hopefully function as an accelerator. The plan provides for new orders for infrastructures of approximately 3 billion euros over the four-year period.

Saipem is an advanced technological and engineering platform for the design, construction and operation of safe and sustainable complex infrastructure and plants. Saipem has always been oriented towards technological innovation and is currently committed, alongside its clients, on the frontline of energy transition with increasingly digitalised tools, technologies and processes that were devised from the outset with environmental sustainability in mind. It is listed on the Milan stock exchange and is organised into five business divisions (E&C Offshore, E&C Onshore, Drilling Offshore, Drilling Onshore and XSIGHT for consulting and engineering services in the initial phases of projects). It operates in over 60 countries around the world with 32 thousand employees from 130 different nationalities.

Website: www.saipem.com
Switchboard: +39 0244231

Media relations
E-mail: media.relations@saipem.com

Investor Relations
E-mail: investor.relations@saipem.com

Contact point for retail investors
E-mail: segreteria.societaria@saipem.com