



Saipem: results for the first quarter of 2024

The first quarter results show the steady improvement of the operational and financial performance, in line with the objectives of the Strategic Plan

In the first quarter of the year, the Group achieved a net profit of 57 million euro, EBITDA of 268 million euro, a cash generation of 68 million euro and a consequent decrease in net financial debt, including lease liabilities, of 52 million euro

The level of the backlog, equal to 29 billion euro, and the robust commercial pipeline confirm the visibility on the activity expected over the course of the Strategic Plan

With regard to the first quarter of 2024, the Saipem Group achieved:

- Revenue: €3,047 million, +18% compared to the corresponding period of 2023
- Adjusted EBITDA: €268 million, +40% compared to the corresponding period of 2023
- Cash generation of €68 million
- New contracts for approximately €2 billion. Around 75% of new contracts were in offshore business E&C
- Pre-IFRS 16 net financial position as of March 31, 2024: positive net cash of €284 million (post-IFRS 16 net debt of €209 million)

Milan (Italy), April 22, 2024 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, approved today the interim management report of the Group as of March 31, 2024 (unaudited).

Results for the first quarter 2024:

- Revenue: €3,047 million (€2,582 million in the corresponding period of 2023).
- Adjusted EBITDA: €268 million, equal to 8.8% of revenue (€191 million in the corresponding period of 2023, equal to 7.4% of revenue).
- Positive net result of €57 million (breakeven in the corresponding period of 2023).
- Capital expenditure: €92 million (€77 million in the corresponding period of 2023).
- Post-IFRS 16 net financial position: net debt of €209 million (net debt of €261 million as of December 31, 2023).
- Pre-IFRS 16 net financial position: net cash of €284 million (net cash of €216 million as of December 31, 2023).
- New contracts: €2,001 million (€2,695 million in the corresponding period of 2023).
- Backlog: €28,756 million (€29,802 million as of December 31, 2023), which increases to €28,835 million including the backlog of non-consolidated companies (€29,892 million as of December 31, 2023).

Highlights*

(€ million)

Continuing Operations	First quarter 2023	Fourth quarter 2023	First quarter 2024	first quarter 24 vs first quarter 23(%)
Revenue	2,582	3,511	3,047	18.0
EBITDA	191	286	268	40.3
Adjusted EBITDA	191	286	268	40.3
Operating result (EBIT)	91	133	123	35.2
Adjusted operating result (EBIT)	91	133	123	35.2
Net result continuing operations	-	101	57	ns
Adjusted net result continuing operations	-	101	57	ns
Net result	-	100	57	ns
Adjusted net result	-	100	57	ns
Free cash flows	55	172	135	ns
Pre-IFRS 16 net debt	(45)	(216)	(284)	ns
Post-IFRS 16 net debt	285	261	209	(26.7)
Capital expenditure	77	276	92	19.5
New contracts	2,695	5,741	2,001	(25.8)

* The results of the Onshore Drilling segment being divested, have been recognized as discontinued operations in accordance with the criteria set out in IFRS 5.

Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering and Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

Continuing and Discontinued Operations and non-current assets held for sale

Discontinued operations include the residual activities, in Argentina, Kazakhstan and Romania, of the Onshore Drilling (DRON) business, the transfer of which is expected within the first half of 2024.

Management update 2024

In the first quarter of 2024, revenue amounted to €3,047 million (€2,582 million in the corresponding period of 2023) and the adjusted EBITDA amounted to €268 million (€191 million in the corresponding period of 2023). The improvement is mainly driven by Offshore sectors, as commented below in the subparagraph "Analysis by sector of activity".

The adjusted net result from continuing operations was positive at €57 million (breakeven in the corresponding period of 2023). The positive change recorded in adjusted operating result, €32 million, is further enhanced by the improvement in the balance of financial and tax operations totalling €25 million.

In the quarter, non-recurring expenses have not been recognised, and the net result from discontinued operations is null, as in the corresponding period of 2023.

The revenue for the first quarter of 2024 of the Onshore Drilling discontinued operations business amounted to €6 million (€41 million in the corresponding period of 2023) and the EBITDA was equal to zero (€1 million in the corresponding period of 2023). The operating result of 2024 was equal to zero (€1 million in the corresponding period of 2023); in the first quarter of 2023, financial charges of €1 million were recorded, bringing the net result from discontinued operations to zero.

Capital expenditure in the first quarter of 2024, amounted to €92 million (€77 million in the corresponding period of 2023), and was divided as follows:

- €62 million in Asset Based Services;
- €3 million in Energy Carriers;
- €27 million in Offshore Drilling.

Pre-IFRS 16 net financial position as of March 31, 2024 amounted to net cash of €284 million. Net debt, including IFRS 16 lease liability of €493 million, amounted to €209 million.

Pre-IFRS 16 gross debt as of March 31, 2024, amounted to €2,114 million, liquidity to €2,398 million of which available cash for €1,049 million.

Backlog

In the first quarter of 2024 Saipem was awarded new contracts amounting to €2,001 million (€2,695 million in the corresponding period of 2023). The backlog as of March 31, 2024 amounted to €28,756 million (€16,140 million in Asset Based Services, €10,782 million in Energy Carriers and €1,834 million in Offshore Drilling), of which €9,104 million to be executed in 2024.

The backlog including non-consolidated companies as of March 31, 2024 amounted to €28,835 million.

EMTN Programme

The Board of Directors today approved the establishment by the subsidiary Saipem Finance International BV of a new Euro Medium Term Note bond program with a maturity of one year, for a maximum amount of Euro 3,000 million (the "EMTN Programme"). The establishment of the new EMTN Programme will allow the Group to benefit from the flexibility typical of this instrument and to promptly access the capital market in case of the issuance of new non-convertible bonds.

This press release should be read in conjunction with the Interim Consolidated Financial Statements as of June 30, 2023 and the Consolidated Financial Statements as of December 31, 2023 of Saipem SpA, which are already available on the Company's website (www.saipem.com), under the section "Investors" - "Financial Results".

Paolo Calcagnini, Manager responsible for the preparation of financial reports of Saipem SpA and Chief Financial Officer declares pursuant to Article 154 bis, subparagraph 2 of the Consolidated Law on Finance that the accounting information corresponds to the documentary results, books, and accounting records.

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should or are considered likely to occur in the future and are outside of the Group's control. These include, but are not limited to: exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil 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 pandemic risks, geopolitical risks, supply chain risks and those risks related to ongoing investment projects), in addition to changes in stakeholders' expectations and other changes affecting business conditions. Actual results could therefore differ materially from the forward-looking statements. The financial reports contain in-depth analyses of some of the aforementioned risks. Forward-looking statements and data are to be considered in the context of the date of their release.

Conference call and webcast

The results contained in this press release will be presented tomorrow at 10:30 AM Italian time during a conference call and webcast by CEO Alessandro Puliti and CFO Paolo Calcagnini.

The conference call can be joined by webcast, via the Company's website www.saipem.com, by clicking on the banner 'Saipem first quarter 2024 results' on the home page or following the URL <https://87399.choruscall.eu/links/saipem240423.html>.

During the conference call and webcast, a presentation will be given that can be downloaded around 30 minutes before the estimated start time, from the webcast window or from the "Investors" - "Financial Results" section of the website www.saipem.com. The presentation will also be available on the authorised storage mechanism "eMarketSTORAGE" (www.emarketstorage.com) and on the website of Borsa Italiana SpA (www.borsaitaliana.it).

Saipem is a global leader in the engineering and construction of major projects for the energy and infrastructure sectors, both offshore and onshore. Saipem is "One Company" organized into five business lines - Asset Based Services, Energy Carriers, Offshore Wind, Sustainable Infrastructures, Robotics & Industrialized Solutions. The company has 7 fabrication yards and an offshore fleet of 21 construction vessels (of which 17 owned and 4 owned by third parties and managed by Saipem) and 15 drilling rigs, of which 9 owned. Always oriented towards technological innovation, the company's purpose is "Engineering for a sustainable future." As such Saipem is committed to supporting its clients on the energy transition pathway towards Net Zero, with increasingly digital means, technologies and processes geared for environmental sustainability. Listed on the Milan Stock Exchange, it is present in over 50 countries worldwide and has 30 thousand employees of 120 different nationalities.

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Analysis by sector of activity - Adjusted results

Asset Based Services

(€ million)

	First quarter 2023	Fourth quarter 2023	First quarter 2024	first quarter 24 vs first quarter 23 (%)
Revenue	1,183	1,953	1,633	38.0
Costs	(1,067)	(1,752)	(1,453)	36.2
Adjusted EBITDA	116	201	180	55.2
Amortisation	(59)	(111)	(94)	59.3
Adjusted operating result	57	90	86	50.9
Adjusted EBITDA %	9.8	10.3	11.0	
Adjusted EBIT %	4.8	4.6	5.3	
New contracts	1,499	3,151	1,488	

Backlog as of March 31, 2024: €16,140 million, of which €5,186 million to be executed in 2024.

- Revenue of the first quarter of 2024 amounted to €1,633 million and show an increase of 38% compared to the corresponding period of 2023, mainly attributable to higher volumes in Europe, Sub-Saharan Africa and in the Pacific-Asia area.
- The adjusted EBITDA of the first quarter of 2024 is positive for €180 million, equal to 11% of revenue compared to the €116 million in the corresponding period of 2023, equal to 9.8% of revenue.
- The most significant new contract in the first quarter is related to the execution of the Whiptail oilfield development project, situated in the offshore Guyana, at a water depth of approximately 2,000 meters, on behalf of ExxonMobil Guyana Limited and its Stabroek block coventurers; Saipem had already started initial activities (namely the detailed engineering and procurement of the long lead items) and following the issued authorization the company can proceed with the execution of the remaining project activities. Saipem's scope of work entails the detailed Engineering, Procurement, Construction, and Installation (EPCI) of a subsea production facility.

Energy Carriers

(€ million)

	First quarter 2023	Fourth quarter 2023	First quarter 2024	first quarter 24 vs first quarter 23 (%)
Revenue	1,219	1,351	1,204	(1.2)
Costs	(1,212)	(1,351)	(1,196)	(1.3)
Adjusted EBITDA	7	-	8	14.3
Amortisation	(13)	(10)	(15)	15.4
Adjusted operating result	(6)	(10)	(7)	16.7
Adjusted EBITDA %	0.6	0.0	0.7	
Adjusted EBIT %	(0.5)	(0.7)	(0.6)	
New contracts	921	2,551	452	

Backlog as of March 31, 2024: €10,782 million, of which €3,315 million to be executed in 2024.

- Revenue for the first quarter of 2024 amounted to €1,204 million and are in line with the corresponding period of 2023, as an effect of the higher volumes in Italy, which more than offset the lower volumes in the Pacific-Asia area.
- The adjusted EBITDA in the first quarter of 2024 was positive at €8 million, equivalent to 0.7% of revenue, slightly higher than the corresponding period in 2023.

Offshore Drilling

(€ million)

	First quarter 2023	Fourth quarter 2023	First quarter 2024	first quarter 24 vs first quarter 23 (%)
Revenue	180	207	210	16.7
Costs	(112)	(122)	(130)	16.1
Adjusted EBITDA	68	85	80	17.6
Amortisation	(28)	(32)	(36)	28.6
Adjusted operating result	40	53	44	10.0
Adjusted EBITDA %	37.8	41.1	38.1	
Adjusted EBIT %	22.2	25.6	21.0	
New contracts	275	39	61	

Backlog as of March 31, 2024: €1,834 million, of which €603 million to be executed in 2024.

- Revenue for the first quarter of 2024 amounted to €210 million, an increase of 16.7% compared to the corresponding period of 2023, thanks to the contribution of the Deep Value Driller drillship, the Perro Negro 11 and Perro Negro 12 jack ups, which were not operational during the corresponding period of 2023. The improvement was partly offset by the lower contribution of the semi-submersible platform Scarabeo 9, which was off-rates in the quarter for preparation work and return to class, compared to full operation in the corresponding period of 2023.
- The adjusted EBITDA of the first quarter of 2024 is €80 million, equal to 38.1% of revenue compared to the €68 million in the corresponding period of 2023, equal to 37.8% of revenue.

The main vessel utilisation in the first quarter of 2024 was as follows:

<i>Vessel</i>	<i>First quarter 2024</i>	
	<i>sold</i>	<i>idle</i>
	<i>(No. of days)</i>	
Semi-submersible platform Scarabeo 8	91	-
Semi-submersible platform Scarabeo 9	64	27 (a)
Drillship Saipem 10000	91	-
Drillship Saipem 12000	91	-
Drillship Santorini	91	-
Drillship Deep Value Driller*	91	-
Jack up Perro Negro 4	91	-
Jack up Perro Negro 7	91	-
Jack up Perro Negro 8	91	-
Jack up Pioneer Jindal*	91	-
Jack up Perro Negro 9*	91	-
Jack up Perro Negro 10	91	-
Jack up Perro Negro 11*	91	-
Jack up Perro Negro 12*	84	7 (a)
Jack up Perro Negro 13*	-	91 (a)

(a) = days on which the vessel underwent class recertification maintenance/preparation works

(b) = days on which the vessel was idle and not under contract

* Leased vessels

Attached are:

the consolidated Balance Sheet, reclassified Income Statement (the Income Statement is reclassified according to the nature and destination of operating costs) and the Cash Flow Statement.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

	(€ million)	
	December 31, 2023	March 31, 2024
Net tangible assets	2,960	2,969
Right-of-use of leased assets	428	434
Net intangible assets	<u>666</u>	<u>665</u>
	4,054	4,068
Equity investments	162	152
Non-current assets	4,216	4,220
Net current assets	(1,366)	(1,432)
Employee benefits	(193)	(197)
Assets held for sale	-	-
NET CAPITAL EMPLOYED	2,657	2,591
Equity	2,394	2,380
Non-controlling interests	2	2
Net debt (cash) pre-IFRS 16 lease liabilities	(216)	(284)
Lease liabilities	477	493
Net debt	261	209
FUNDING	2,657	2,591
Leverage (net borrowing/equity + non-controlling interests)	0.11	0.09
NUMBER OF SHARES ISSUED AND OUTSTANDING	1,995,558,791	1,995,558,791

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE

(€ million)

Fourth quarter 2023	First quarter	
	2023	2024
3,511 Core business revenue	2,582	3,047
18 Other revenue and income	2	-
(2,771) Purchases, services, and other costs	(1,988)	(2,297)
23 Net reversals of impairment loss (impairment loss) on trade receivables and other assets	(9)	(6)
(495) Personnel and related expenses	(396)	(476)
286 GROSS OPERATING MARGIN	191	268
(153) Depreciation, amortisation, and impairment losses	(100)	(145)
133 OPERATING RESULT	91	123
(34) Financial expense	(52)	(40)
30 Gains (loss) on equity investments	(2)	8
129 RESULT BEFORE TAXES	37	91
(28) Income taxes	(37)	(34)
101 RESULT BEFORE NON-CONTROLLING INTERESTS	-	57
- Result attributable to non-controlling interests	-	-
101 NET RESULT - Continuing Operations	-	57
(1) NET RESULT - Discontinued Operations	-	-
100 NET RESULT	-	57

RECLASSIFIED CONSOLIDATED INCOME STATEMENT BY DESTINATION

(€ million)

Fourth quarter 2023		First quarter	
		2023	2024
3,511	Core business revenue	2,582	3,047
(3,248)	Production costs	(2,388)	(2,791)
(54)	Idle costs	(25)	(53)
(44)	Selling expenses	(33)	(33)
(12)	Costs for studies, research, and development	(6)	(6)
14	Other operating income (expenses)	3	-
167	ACTIVITY MARGIN	133	164
(34)	General expenses	(42)	(41)
133	OPERATING RESULT	91	123
(34)	Financial expense	(52)	(40)
30	Gains (loss) on equity investments	(2)	8
129	RESULT BEFORE TAXES	37	91
(28)	Income taxes	(37)	(34)
101	RESULT BEFORE NON-CONTROLLING INTERESTS	-	57
-	Result attributable to non-controlling interests	-	-
101	NET RESULT - Continuing Operations	-	57
(1)	NET RESULT - Discontinued Operations	-	-
100	NET RESULT	-	57

RECLASSIFIED CASH FLOW STATEMENT

(€ million)

Fourth quarter 2023		First quarter	
		2023	2024
101	Group's result for the period - Continuing Operations	-	57
(1)	Group's result for the period - Discontinued Operations	-	-
-	Result of non-controlling interest	-	-
	<i>Adjustments:</i>		
107	Depreciation, amortisation and other non-monetary items - Continuing Operations	(23)	94
-	Depreciation, amortisation and other non-monetary items - Discontinued Operations	-	-
162	Changes in working capital related to operations - Continuing Operations	126	70
1	Changes in working capital related to operations - Discontinued Operations	-	-
370	Net cash flows from activities in the period - Continuing Operations	103	221
-	Net cash flows from activities in the period - Discontinued Operations	-	-
(276)	Continuing operations capital expenditure	(77)	(92)
-	Discontinued operations capital expenditure	-	-
-	Investments in equity, consolidated subsidiaries and business units	-	-
78	Divestments	29	6
172	Free cash flows	55	135
-	Buy-back of treasury shares	-	(33)
-	Cash flow from capital and reserves	-	-
(7)	Net variation of convertible bond	-	(3)
(31)	Repayments of lease liabilities	(41)	(47)
(43)	Exchange differences on net debt and other changes	(25)	16
91	Change in net debt pre-lease liabilities	(11)	68
(181)	Change in lease liabilities	(10)	(16)
(90)	Change in net debt	(21)	52
171	Net debt at the start of the period	264	261
261	Net debt at the end of the period	285	209