



BERNSTEIN

**15TH ANNUAL PAN EUROPEAN
STRATEGIC DECISION CONFERENCE**



27 SEPTEMBER 2018

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’ 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 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.

TODAY'S PRESENTATION

1

OPENING REMARKS

2

STRATEGY IN ACTION

3

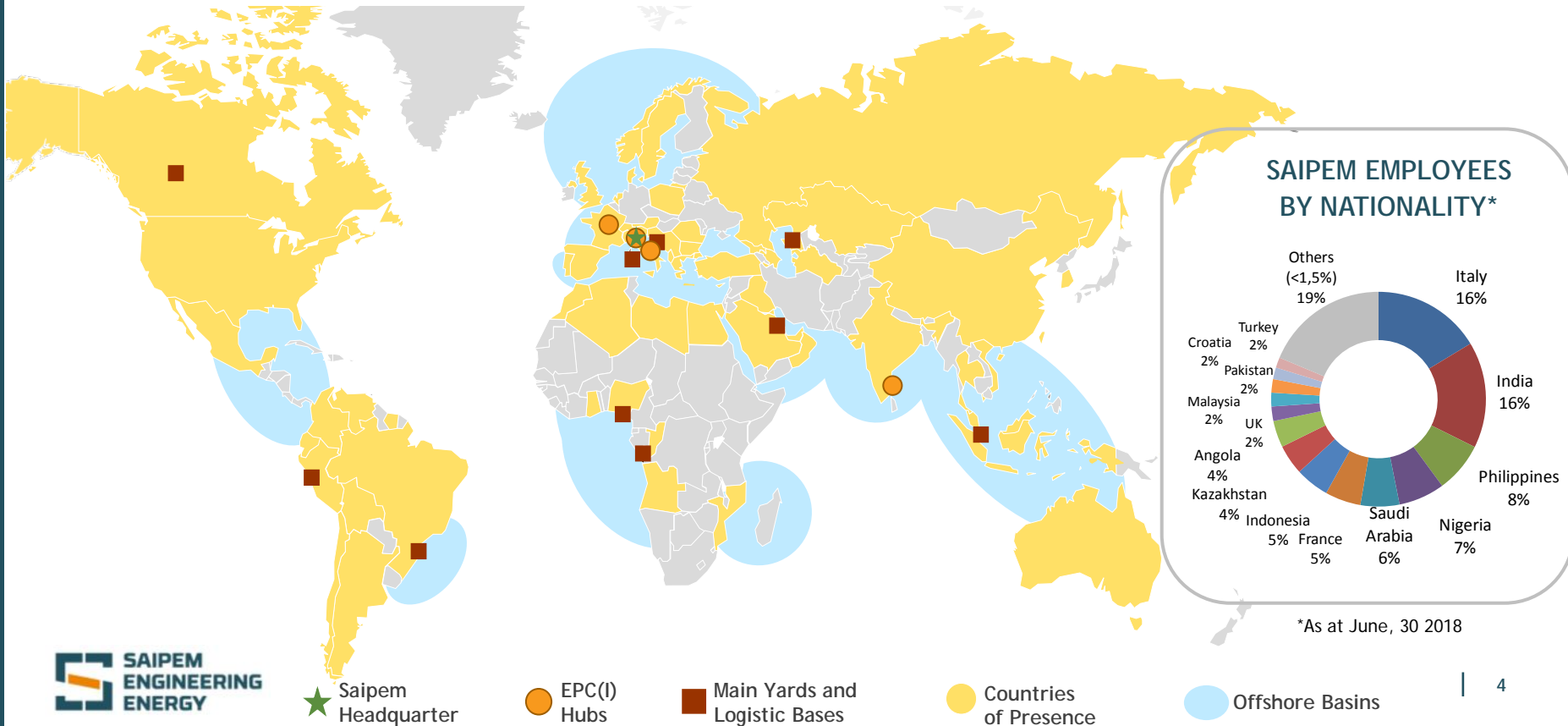
1H 2018 RESULTS

4

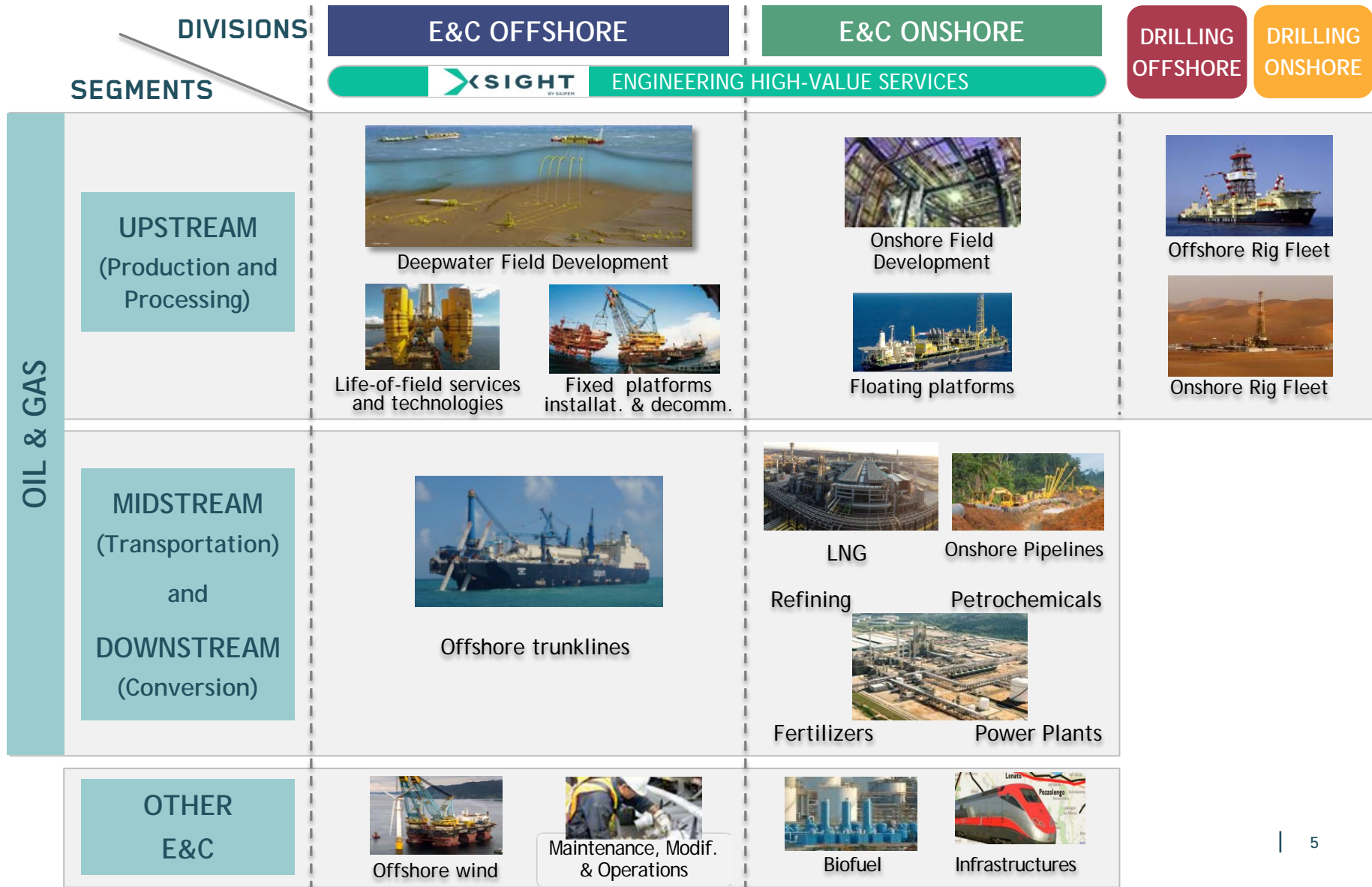
LOOKING AT THE FUTURE

SAIPEM: A LEADING GLOBAL OIL & GAS CONTRACTOR

- Currently operating in 63 Countries
- Around 33,000 employees, of which c.5,000 engineers
- 73% local personnel and 118 Nationalities
- In E&C, Saipem designed and built over 130,000 km of land pipelines, sealines and trunklines; in the last decade more than 100 EPCI projects Offshore were executed; more than 100 grass roots complexes and 2,000 process units Onshore were designed and built
- In Drilling, Saipem drilled over 7,300 wells, of which 1,800 offshore



WIDE OIL AND GAS VALUE CHAIN COVERAGE THROUGH FIVE DIVISIONS



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LOOKING AT THE FUTURE

DELIVERING OUR STRATEGY TO BUILD A STRONGER SAIPEM

LAUNCHED IN OCTOBER 2015

STRATEGIC PILLARS

ACHIEVED GOALS

1 Business portfolio refocus

2 De-risking the business model

3 Cost optimisation & process efficiency

4 Technology and innovation

5 Debt reduction and capital discipline

- DIVISIONALIZATION
 - FULLY ACCOUNTABLE DIVISIONS
 - COST OPTIMIZATION
 - FOCUS ON CORE BUSINESSES AND PERFORMANCE
 - EARLY ENGAGEMENT THROUGH XSIGHT
 - STRENGTHENED AND RATIONALISED ASSET BASE
 - COMMERCIAL DISCIPLINE AND TENDER SELECTIVITY
 - SETTLEMENT IN ALGERIA
 - FIT FOR THE FUTURE PROGRAMS
-
- ENHANCED INNOVATION CULTURE AND BUDGET
 - COST EFFECTIVE SOLUTIONS
-
- STRONGER FINANCIAL STRUCTURE
 - WORKING CAPITAL & CAPEX CONTROL

DIVISIONAL AUTONOMY – FURTHER STEPS

PHASE 1 OF DIVISIONAL ORGANIZATION: COMPLETED

- Procedures and cost structure tailored Division by Division
- Higher accountability: commercial, engineering, procurement, technical and staff functions directly reporting to the respective heads of the divisions

PHASE 2: NOW LAUNCHED, TO BE COMPLETED BY YEAR END

- **Full autonomy of Divisions:**
 - Strategy
 - Partnerships
 - Commercial policy
 - Procurement and project execution
 - Capex
 - Technology & R&D
- **Portfolio strategy by group CEO**
- **Centralised finance**
- **Transformation in separate Legal Entities subject to specific strategic options**

2018 PORTFOLIO REVIEW: STRATEGIC GOALS AND PRIORITIES

GOALS

STRATEGIC PRIORITIES

E&C OFFSHORE

STRENGTHEN
LEADING
COMPETITIVE POSITION



- CORE BUSINESS
- OPEN TO PARTNERSHIPS
- SELECTIVE APPROACH TO INVESTMENTS (e.g. Saipem Constellation)

E&C ONSHORE

CONTINUE
TURNAROUND



- PORTFOLIO REPOSITIONING
- PERFORMANCE RECOVERY
- MINIMAL CAPEX

DRILLING ONSHORE & OFFSHORE

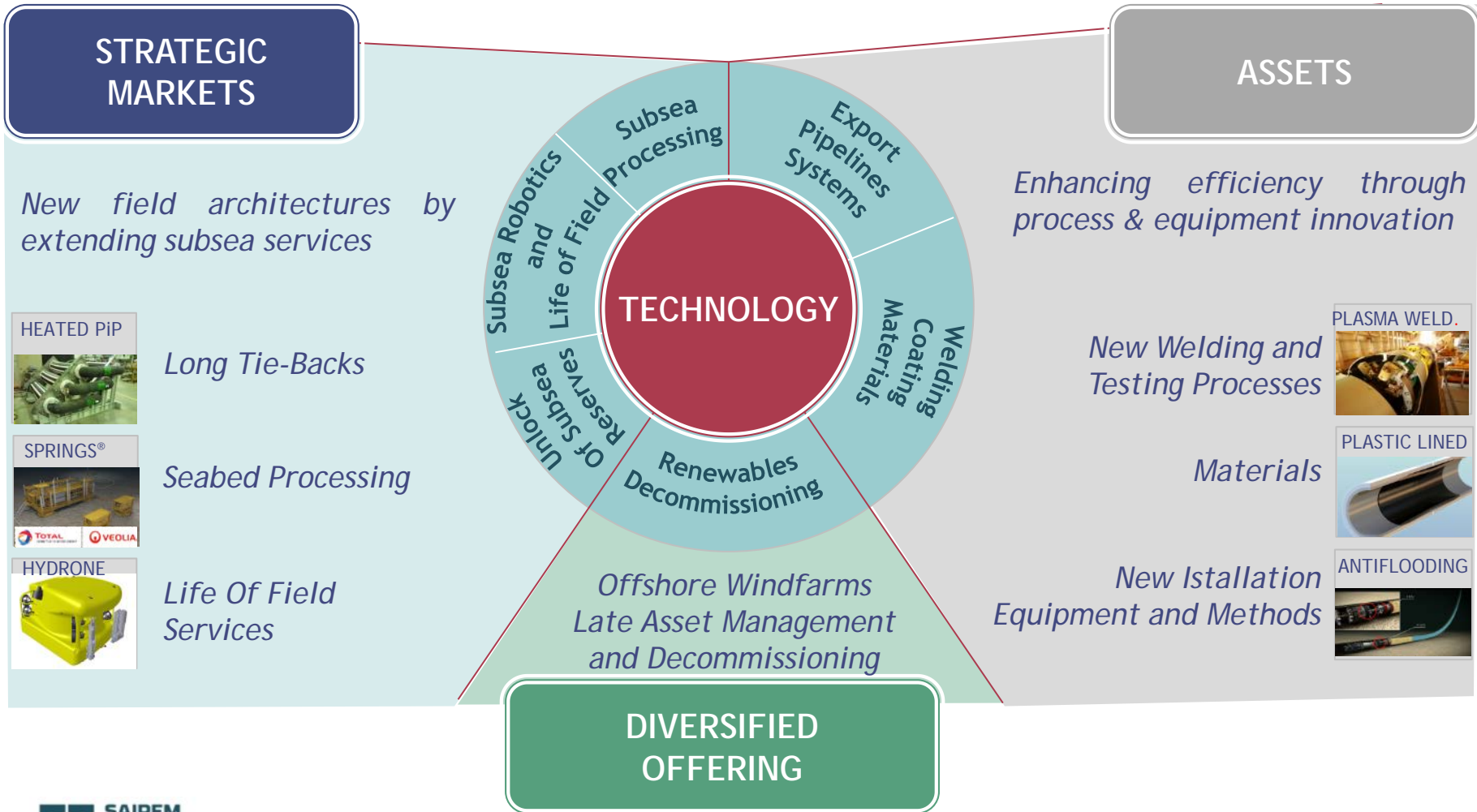
MAXIMISE THE VALUE
OF BUSINESSES



- FLEXIBLE APPROACH TO STRATEGIC OPTIONS
- OPTIMISE COST STRUCTURE & ECONOMIC PERFORMANCE
- MAINTENANCE & REPLACEMENT CAPEX ONLY

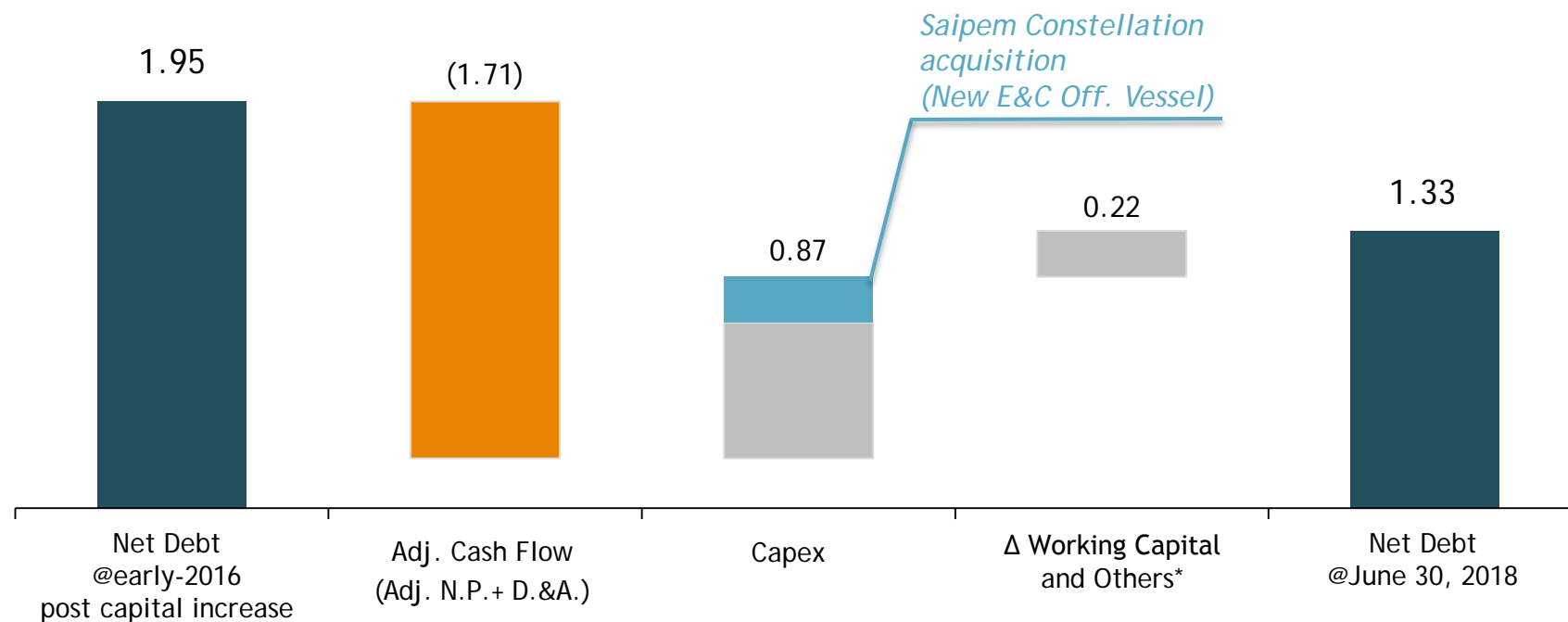
STRATEGIC TECHNOLOGY TARGETS IN E&C OFFSHORE

INNOVATION for GLOBAL SOLUTIONS



SOLID CASH FLOW GENERATION DESPITE ONE-OFFS

NET DEBT REDUCTION 2016 – 1H 2018 (€ bn)



- Strong liquidity of c. €2.9bn @ June 30, 2018 (available cash c. €1.1bn)
- Euro Medium Term Non-convertible Notes (EMTN) Program extended to €3bn: bonds for € 2.0bn already placed to-date
- Average debt maturity c.3.9 years. Overall financing interest rate c.4% including treasury hedging

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1H 2018 RESULTS

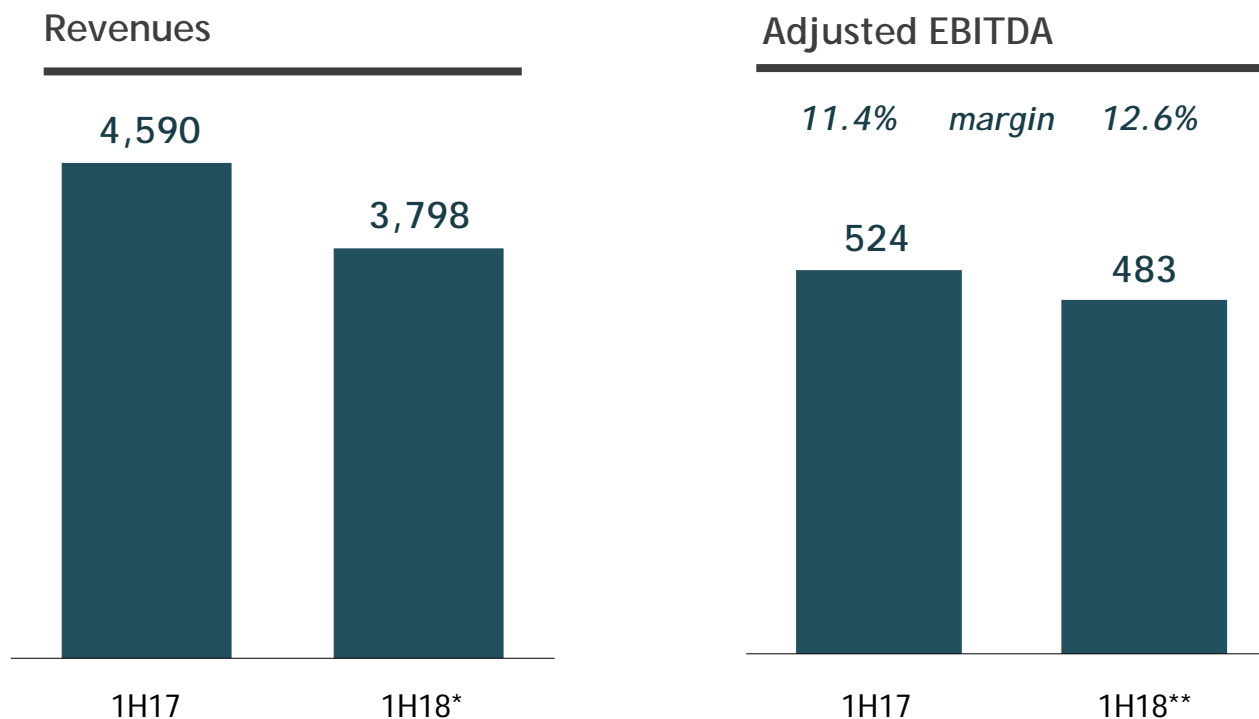
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LOOKING AT THE FUTURE

1H 2018 RESULTS

YoY COMPARISON (€ mn)

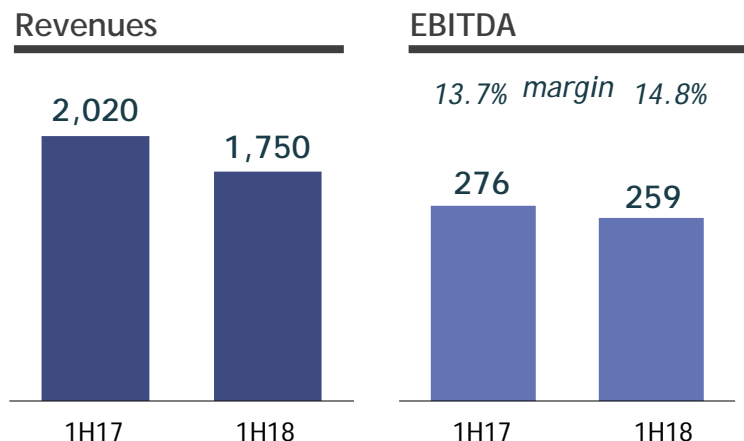
➤ ADJUSTED EBITDA RESILIENT, DESPITE LOWER VOLUMES



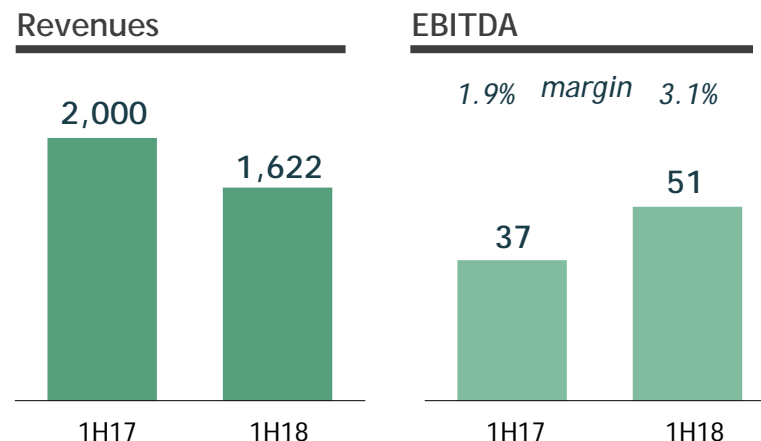
1H 2018 ADJUSTED RESULTS – E&C

YoY COMPARISON (€ mn)

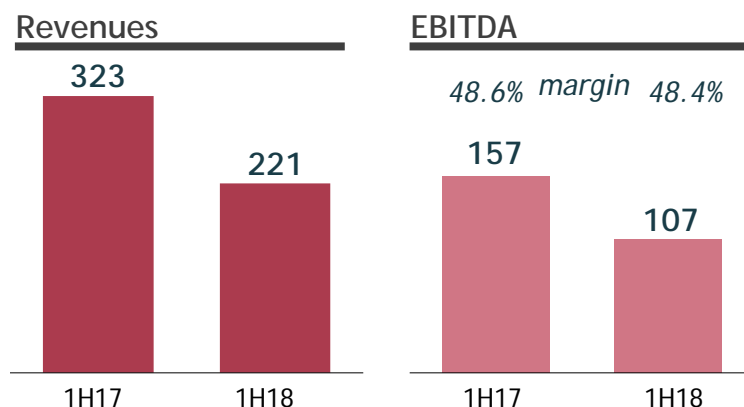
E&C OFFSHORE



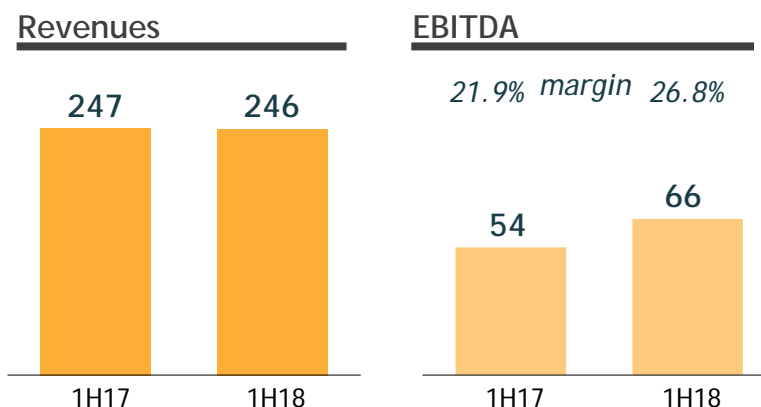
E&C ONSHORE*



DRILLING OFFSHORE



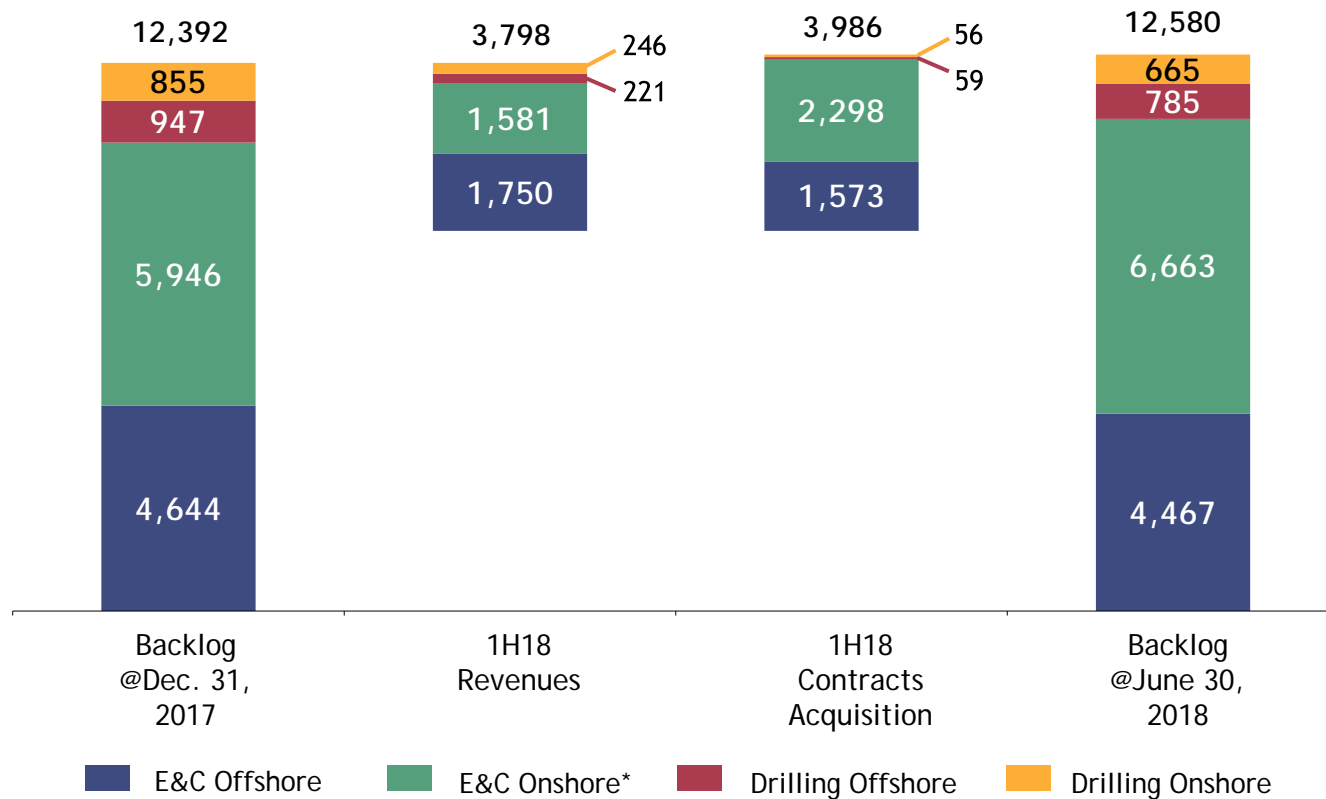
DRILLING ONSHORE



BACKLOG

(€ mn)

€4.0bn contract acquisitions in 1H2018 ➔ Backlog €12.6bn @June 30, 2018



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LOOKING AT THE FUTURE

BUSINESS OPPORTUNITIES

INCREASED VISIBILITY ON TENDERS PIPELINE

NEAR TERM E&C OPPORTUNITIES

Americas

- *SUBSEA*
 - *RENEWABLES*
 - *PIPELINES*
- Approx. value of opportunities: €1.0bn

Africa

- *SUBSEA*
 - *PIPELINES*
 - *FIXED FACILITIES*
- Approx. value of opportunities: €1.5bn

Europe/ CIS and Central Asia

- *SUBSEA*
 - *PIPELINES*
 - *RENEWABLES*
- Approx. value of opportunities: €1.0-1.5bn

Middle East

- *FIXED FACILITIES*
 - *UPSTREAM*
 - *PIPELINES*
- Approx. value of opportunities: €2.5bn

Asia Pacific

- *DOWNSTREAM*
- Approx. value of opportunities: €3.0bn

ALSO VARIOUS NEAR TERM OFFSHORE AND ONSHORE DRILLING OPPORTUNITIES

2018 GUIDANCE

Metrics	FY 2018
Revenues	■ c. €8bn
Adjusted EBITDA % margin	■ >10%*
CAPEX	■ c. €500mn
Net financial position	■ c. €1.3bn

CLOSING REMARKS

CONSISTENT STRATEGIC PATH TO CONSOLIDATE LEADERSHIP IN E&C OFFSHORE

SOLID OPERATIONAL PERFORMANCE AND CASH FLOW GENERATION THROUGHOUT THE DOWNTURN

RECENT AWARDS AND NEAR TERM VISIBILITY PROVIDE COMFORT ON FUTURE REVENUES

PORTFOLIO REVIEW: DIVISIONAL AUTONOMY TO ACHIEVE STRATEGIC PRIORITIES



THANK YOU

The presentation is available on our institutional web site:

www.saipem.com

Under the section:

Documents / Investor Relations / Presentations/other documents



APPENDIX

E&C OFFSHORE – ZOHR: A FIRST TIME EVER

A NEW WIN-WIN MODEL



A challenging recipe....

- Demanding Technical Requirements
- Tight Schedule
- Involvement of a Large Specialised Naval Spread

... tackled with Saipem ingredients

- Fast Track Shared Approach
- Early Engagement and Integrated Team Work
- Optimised Vessels Utilisation
- Local Content Environment as Enabler
- Technical and Technological Solutions

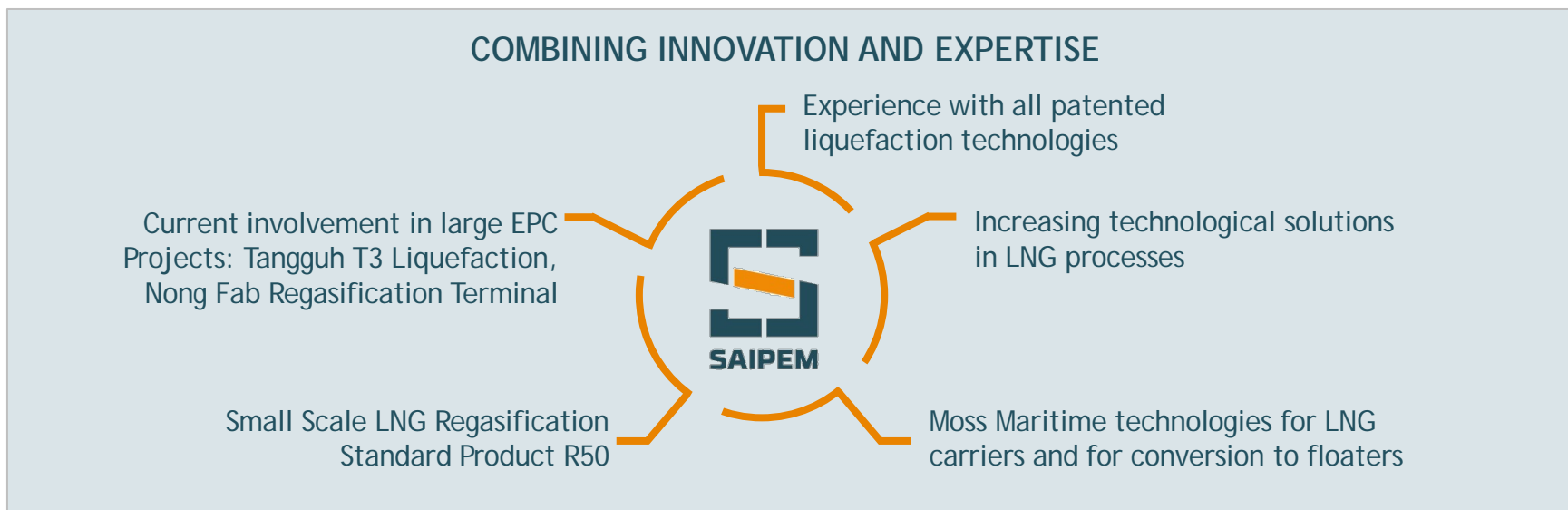
E&C ONSHORE BUSINESS OPPORTUNITIES: FOCUS ON LNG

LNG: A PROMISING MARKET DRIVEN BY SOLID DEMAND GROWTH

A SIGNIFICANT NUMBER OF VISIBLE MARKET OPPORTUNITIES:

- Mozambique LNG (Anadarko): 2 trains (12MTPA)
- Mozambique Rovuma Venture: FEED undergoing for 2 trains (15MTPA)
- NLNG T7 (at Bonny): FEED undergoing of combined trains (8MTPA)
- Arctic LNG2: FEED undergoing for 3 GBS

A RECOGNIZED PLAYER IN THE LNG MARKET



TRACK RECORD

LIQUEFACTION:

11 TRAINS - 44 MTPA

REGASIFICATION:

9 TERMINALS - 54 MTPA

STORAGE:

> 40 LNG TANKS

TECHNOLOGICAL INNOVATION

DRIVERS

SHORT RANGE REACTIVE SOLUTIONS AND NOVEL CONCEPTS TO SECURE MEDIUM/LONG TERM COMPETITIVE EDGE

SHORT TERM (DRIVEN BY PROJECTS)

BUSINESS

LONG TERM (DRIVEN BY ENERGY SCENARIO)

Reduce cost and schedule of O&G projects
Diversification inside and outside of the O&G market

Guarantee full exploitation of energy resources

ENVIRONMENT

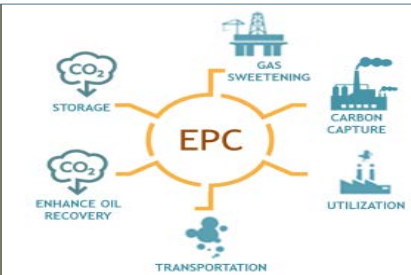


PROTECTING ENVIRONMENT...

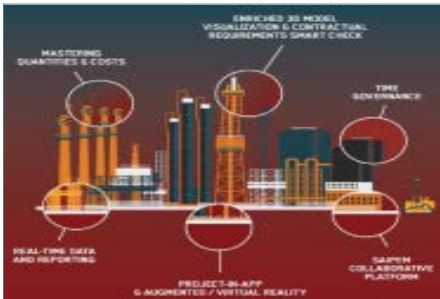
- "Offset Installation Equipment" delivery
- Oil spill warning data collection platform

TARGET DECARBONISATION

- CO₂ separation at the source (also subsea)
- Transportation
- Re-injection / re-use



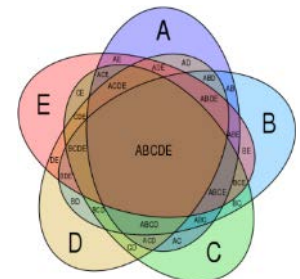
DIGITAL TRANSFORMATION



Increase productivity

- xDIM™
 - ✓ Pilot project on Small scale LNG
 - ✓ EPC process improvement
- Digital Site (IoT)


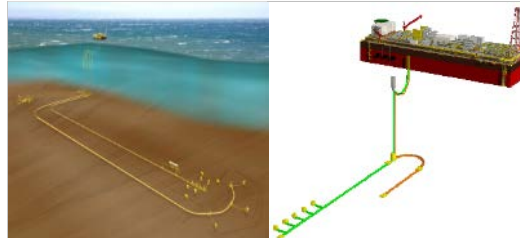

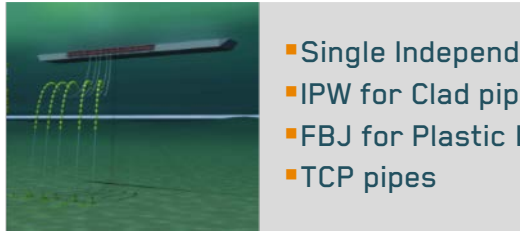
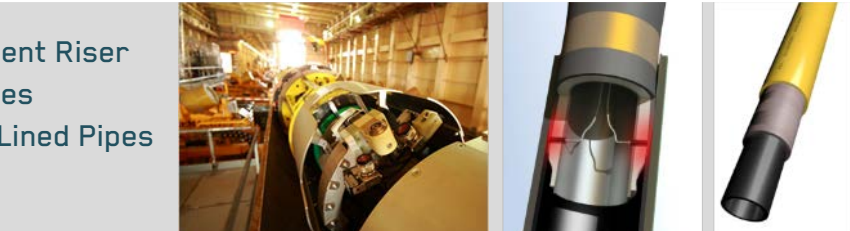
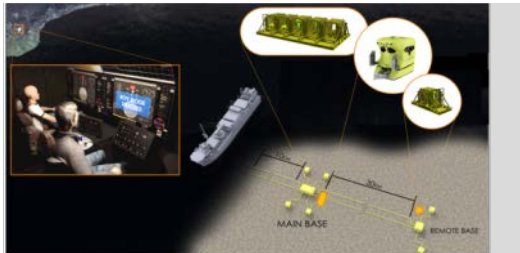

Offer new value propositions



TECHNOLOGICAL INNOVATION: OFFSHORE FOCUS

ENHANCING FIELD ECONOMICS AND RETURN FOR CLIENTS

- Innovative field architectures and “building blocks”
- Field development CAPEX and/or OPEX costs reduction
- Exploit early engagement with Clients

WORK ON COSTS REDUCTION BY...	...CHANGING FIELD ARCHITECTURE	...ADOPTING NEW TECHNOLOGIES
<p>... bringing surface equipment to seabed</p>	<ul style="list-style-type: none"> ■ SPRINGS™ ■ Multipipe ■ Spoolsep ■ Hisep™ 	
<p>... new fluid transport & preservation techniques and transport/control lines simplification (e.g. for long-tie backs)</p>		<ul style="list-style-type: none"> ■ EHT-PiP ■ Local Heating ■ DePressuRiser ■ Subsea Chemicals ■ All-Electric Field 
<p>... new products and materials for pipes</p>	<ul style="list-style-type: none"> ■ Single Independent Riser ■ IPW for Clad pipes ■ FBJ for Plastic Lined Pipes ■ TCP pipes 	
<p>... new ways to manage field operations</p>		<ul style="list-style-type: none"> ■ HyDrone platform ■ Production Monitoring ■ Asset Integrity Management 

FIT FOR THE FUTURE OPTIMISATION PROGRAMMES

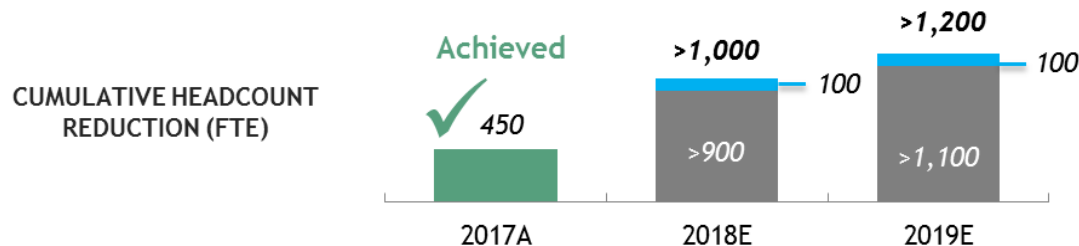
2015 COST OPTIMISATION PROGRAMME completed in 2017 (cumulative cost savings of €1,7bn)

FIT FOR THE FUTURE 2.0 LAUNCHED IN OCTOBER 2016 - ONGOING

- **NEW ORGANIZATION IMPLEMENTED IN 2Q 2017:** 5 DIVISIONS to enhance operating model, empowered to achieve business targets
- **TARGET SAVINGS:** €150mn run rate by end of 2019

ADDITIONAL REDUNDANCIES INCREASING RELEASES TO C.1,250 FTE

€10mn INCREMENTAL SAVINGS



CUMULATIVE SAVINGS (€mn)	20	65	110	€110mn	RUN RATE SAVINGS
YEARLY COSTS (€mn)	60	60	50	€190mn*	TOTAL COST

NEW DIVISIONAL INITIATIVES INCREASING YEARLY SAVINGS TO c. €40mn**

- South America right-sizing
- Vessels performance improvement program
- Corporate optimization

2018 MAIN AWARDS



DUQM REFINERY Package 3 - Awarded in 1Q

- Client: Duqm Refinery and Petrochemical Industries Company L.L.C
- Location: Oman
- Scope of work: EPC works for a new grassroots Crude Tank Farm at Ras Markaz composed by 8 crude oil tanks with a cumulative volume of 824,000 m3.



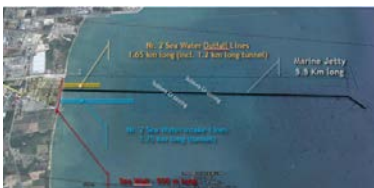
BARZAN PIPELINE PROJECT - Awarded in 2Q

- Client: Barzan Gas Company Limited
- Location: Qatar
- Scope of work: EPCI of two export lines and two infield pipelines, service lines, and brownfield modifications
- Main vessels employed: De He and Castoro 2



HIGH SPEED TRAIN BRESCIA-VERONA - Awarded in 2Q

- Client: Rete Ferroviaria Italiana (RFI)
- Location: Italy
- Scope of work: first route section of the High Speed Brescia-Verona, encompassing the laying of 48 km of the railway line, crosses the regions of Lombardy and Veneto



NONG FAB LNG TERMINAL - Awarded in 2Q

- Client: PTT LNG Company Limited
- Location: Thailand
- Scope of work: EPC works for the Nong Fab terminal, with a maximum receiving capacity of 9 MMTPA, for the receipt, storage and regasification of liquefied natural gas



SGCP PIPELINES - Awarded in 3Q

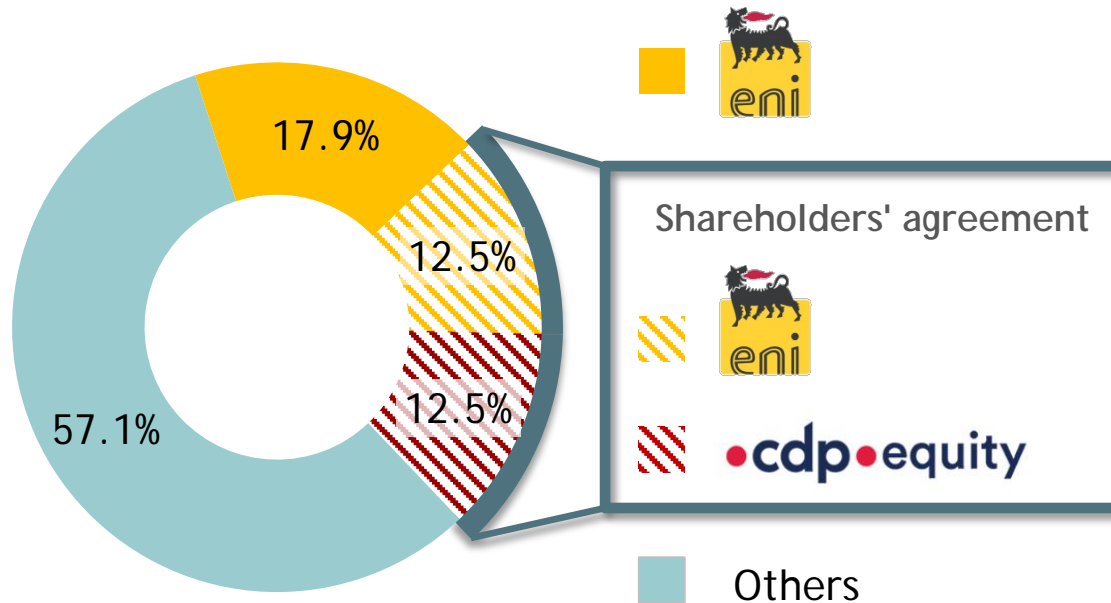
- Client: Saudi Aramco
- Location: Saudi Arabia
- Scope of work: procurement and construction of a system of pipelines of various diameter, with an overall length of over 700 km including flowlines, trunklines and transmission lines, as well as associated facilities



LIZA PH.2 - Awarded in 3Q - subject to requisite government approvals

- Client: ExxonMobil
- Location: Guyana
- Scope of work: 2nd phase of the subsea development of the Liza field (SURF) encompassing EPCI of risers, flowlines and subsea structures and T&I of umbilicals and manifolds

CURRENT SHAREHOLDING STRUCTURE



Key terms of shareholders' agreement

- Agreement duration: until early 2022 (3 years extension option already exercised)
- Eni and CDP Equity to submit a single list for the appointment of statutory bodies
- Mutual commitments to standstill and lock-up commitment on all the shares contributed
- Obligation to engage in consultation before exercising voting rights