

## Saipem: preliminary results for the fourth quarter and financial year 2023 and update of the Strategic Plan

In 2023 the Saipem Group outperformed the targets of the Strategic Plan, exhibiting a year of progressive and constant growth in terms of turnover and margins, a positive cash generation and strengthening of the financial position. Net profit for the year was €179 million.

New orders, amounting to €18 billion, confirm the competitiveness of the Group and the positive market context.

Approval of the 2024-2027 Strategic Plan with an improvement in the economic and financial targets, and a broader offering in the low/zero carbon segment for the energy transition. Also approved the Sustainability Plan 2024-2027, integrated into the strategic business guidelines.

The Board of Directors approves a dividend policy that envisages a return to the dividend in 2025, based on 2024 expected results.

### Highlights

With regard to 2023, the Group achieved:

- Revenue: €11,874 million, +19% compared to 2022
- Adjusted EBITDA: €926 million, +56% compared to 2022
- New contracts: approximately €18 billion. Over 70% of new contracts was in offshore business (E&C and Drilling)
- Pre-IFRS 16 net financial position as of December 31, 2023: positive net cash of €216 million (post-IFRS 16 net debt of €261 million)

In the fourth quarter of 2023 alone, the Group's results amounted to:

- Revenue: €3,511 million, +20% compared to the corresponding quarter of 2022
- Adjusted EBITDA: €286 million, nearly doubled compared to corresponding quarter of 2022
- New contracts: approximately €6 billion, approximately 60% of the total in the offshore business (E&C and Drilling)

Saipem has updated its strategic guidelines presented in February 2023, confirming the progressive improvement of the Group's performance and its ability to fully exploit the favourable market context. Economic and financial targets have consequently been revised.

Specifically, with reference to the year 2024, the Company expects:

- Revenue of €12.7-13.3 billion
- EBITDA margin of approx. 10%
- Operating Cash Flow (net of lease payments) amounting to €740-780 million
- Capex equal to approx. €440-480 million

Over the horizon of the 2024-2027 Plan, the Company expects:

- Acquisition of orders for approximately €50 billion
- New contracts in “low/zero carbon” segments of approximately a third of the total
- Compound annual growth rate (CAGR) of revenues of 4-5% over the period 2023-2027
- EBITDA margin of about 12% in 2027
- Operating Cash Flow (net of lease payments) amounting to approximately €3 billion
- Capex equal to approx. €1.4 billion
- Dividends equal to between 30-40% of the Free Cash Flow (net of lease payments)
- Payment of dividend in 2025, based on the 2024 expected results

Commenting on the results, Alessandro Puliti, CEO and General Manager of Saipem stated:

*“2023 was an important year of growth and consolidation. Thanks to Saipem’s people and their commitment, we achieved the highest net income of the last ten years and we closed 2023 with an unprecedented order intake of 18 billion euro. This was made possible thanks to the trust of our shareholders, our clients, and to the contribution of the whole Company, which worked to achieve a significant operational and financial turnaround. Our Strategic Plan, and the favourable market context, will allow Saipem to aim for an improvement in our economic and financial objectives. Today we look to the future with a focus on excellence in project execution, operational flexibility, and an integrated approach across business areas, further broadening our offering in the low and zero carbon segments.”*

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Milano, 28 February 2024 - The Board of Directors of Saipem SpA, chaired by Silvia Merlo, reviewed today the Group's preliminary consolidated financial statements as 31 December 2023<sup>1</sup>, drawn up in compliance with international accounting standards (International Financial Reporting Standard - IFRS - EU approved).

#### **Results for the fourth quarter and 2023:**

- **Revenue:** €11,874 million (€9,980 million in the corresponding period of 2022), of which €3,511 million in the fourth quarter (€2,937 million in the corresponding quarter of 2022).
- **Adjusted EBITDA:** €926 million (€595 million in the corresponding period of 2022), of which €286 million in the fourth quarter (€150 million in the corresponding quarter of 2022).
- **Net result:** €179 million (loss of €209 million in the corresponding period of 2022), of which €100 million in the fourth quarter (loss of €71 million in the corresponding quarter of 2022).
- **Capital expenditure:** €482 million (€523 million in the corresponding period of 2022), of which €276 million in the fourth quarter (€339 million in the corresponding quarter of 2022).
- **Post-IFRS 16 net financial position:** net debt of €261 million (net debt of €264 million as of December 31, 2022).
- **Pre-IFRS 16 net financial position:** net cash of €216 million (net cash of €56 million as of December 31, 2022).
- **New contracts:** €17,659 million (€12,941 million in the corresponding period of 2022), of which €5,741 million in the fourth quarter (€6,017 million in the corresponding quarter of 2022).
- **Backlog:** €29,802 million (€24,017 million as of December 31, 2022), which increases to €29,892 million including the backlog of non-consolidated companies (€24,376 million as of December 31, 2022).

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<sup>1</sup> Unaudited

## Highlights\*

(€ million)

| fourth quarter 2022 | third quarter 2023 | fourth quarter 2023 | Q4 2023 vs Q4 2022 (%) | Continuing Operations                     | 2022   | 2023   | 2023 vs 2022 (%) |
|---------------------|--------------------|---------------------|------------------------|---|--------|--------|------------------|
| 2,937               | 3,016              | 3,511               | 19.5                   | Revenue                                   | 9,980  | 11,874 | 19.0             |
| 131                 | 230                | 286                 | ns                     | EBITDA                                    | 543    | 926    | 70.5             |
| 150                 | 230                | 286                 | 90.7                   | Adjusted EBITDA                           | 595    | 926    | 55.6             |
| 17                  | 112                | 133                 | ns                     | Operating result (EBIT)                   | 98     | 437    | ns               |
| 36                  | 112                | 133                 | ns                     | Adjusted operating result (EBIT)          | 150    | 437    | ns               |
| (158)               | 44                 | 101                 | ns                     | Net result continuing operations          | (315)  | 185    | ns               |
| (139)               | 44                 | 101                 | ns                     | Adjusted net result continuing operations | (263)  | 185    | ns               |
| (71)                | 39                 | 100                 | ns                     | Net result                                | (209)  | 179    | ns               |
| (38)                | 39                 | 100                 | ns                     | Adjusted net result                       | (139)  | 179    | ns               |
| 249                 | 13                 | 172                 | (30.9)                 | Free cash flows                           | (524)  | 248    | ns               |
| (56)                | (125)              | (216)               | ns                     | Net debt pre-IFRS 16 lease liabilities    | (56)   | (216)  | ns               |
| 264                 | 171                | 261                 | (1.1)                  | Net debt post-IFRS 16 lease liabilities   | 264    | 261    | (1.1)            |
| 339                 | 67                 | 276                 | (18.6)                 | Capital expenditure                       | 523    | 482    | (7.8)            |
| 6,017               | 5,228              | 5,741               | (4.6)                  | New contracts                             | 12,941 | 17,659 | 36.5             |

\* 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

The Onshore Drilling (DRON) business was recognised as discontinued operations given that, during 2022, the activities in Saudi Arabia, the Congo, the United Arab Emirates, and Morocco were transferred, and during the first half of 2023 the activities in Kuwait and Latin America; exception is made for the activities in the Argentina, which are expected to be transferred within the first half of 2024 together with those in Kazakhstan and Romania.

### Management update 2023

In 2023, revenue amounted to €11,874 million (€9,980 million in the corresponding period of 2022) and the **adjusted EBITDA** amounted to €926 million (€595 million in the corresponding period of 2022). The improvement is recorded in the Offshore, both Engineering and Construction and Drilling, as commented below in the subparagraph "Analysis by sector of activity".

The **adjusted net result** from continuing operations recorded a profit of €185 million (a loss of €263 million in the corresponding period of 2022). In addition to the positive change recorded in the adjusted operating result, amounting to €287 million, there is the effect of the improvement in the equity investments balance, financial management and tax management, for a total of €161 million.

In 2023 no non-recurring expenses were recorded, consequently the **net result** from continuing operations is aligned with the adjusted net result of €185 million; in the corresponding period of 2022, the **net result** from continuing operations showed a loss of €315 million, as a consequence of costs related to the health emergency and reorganisation, totalling €52 million, versus the net results adjusted.

In 2023 the Onshore Drilling discontinued operations business recorded a revenue of €99 million and a negative EBITDA of €6 million, consequently the result from discontinued operations was negative for €6 million (profit of €106 million in the corresponding period of 2022).

The net result recorded a profit of €179 million (a loss of €209 million in the corresponding period of 2022).

Capital expenditure in 2023 amounted to €482 million (€523 million in the corresponding period of 2022), including the acquisition of the jack up Sea Lion 7 (now Perro Negro 10), and was divided as follows:

- €258 million in Asset Based Services;
- €22 million in Energy Carriers;
- €202 million in Offshore Drilling.

The pre-IFRS 16 net financial position as of December 31, 2023 was positive at €216 million, including the positive impact of €72 million resulting from the accounting of the Bond. Net debt, including IFRS 16 lease liability of €477 million, amounted to €261 million.

Pre-IFRS 16 gross debt as of December 31, 2023, amounted to €2,393 million, liquidity to €2,609 million of which available cash for €1,323 million.

### Backlog

In 2023 Saipem was awarded new contracts amounting to a total of €17,659 million (€12,941 million in the corresponding period of 2022). The backlog as of December 31, 2023 amounted to €29,802 million (€16,285 million in Asset Based Services, €11,534 million in Energy Carriers and €1,983 million in Offshore Drilling), of which €11,647 million to be executed in 2024.

The backlog, including non-consolidated companies, as of December 31, 2023, amounted to €29,892 million (€24,376 million as of December 31, 2022).

### The pillars of the 2024-2027 Strategic Plan

- **Excellence in the execution** of the unprecedented backlog of €30 billion with a stronger integration of Saipem competencies and the optimisation of our asset utilization schedule.
- **"One Saipem" approach**, with the ability to win and implement integrated onshore/offshore projects, which is expected to represent approximately 20% of the plan revenue.
- **Operational flexibility**, thanks to a vessel management strategy based on a capital-light approach, aimed at maximising operational flexibility and financial discipline.
- **Innovation and solutions for the energy transition** with commercial focus on mature technologies such as Offshore Wind, CCUS, green and blue hydrogen, ammonia and on underwater robotics, combined with the research and development of new innovative technologies in the low/zero carbon segment.
- **Return to dividends** for shareholders, based on substantial expected cash generation, with payout ratio equal to between 30-40% of the Free Cash Flow (net of lease payments).

### The 2024-2027 Sustainability Plan

The Sustainability Plan "Our journey to a sustainable business", approved by the Board of Directors for the period 2024-2027, is fully integrated in the Company's strategic business guidelines and is based on three pillars: fighting climate change and protecting the environment; focusing on people; and creating value in the supply chain and in local communities.

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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, 2022 of Saipem, which are already available on the Company's website (under the section "Investor Relations" - "Financial results").

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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 Company'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](http://www.saipem.com), by clicking on the banner 'Saipem FY2023 results and Strategy Update' on the home page or following the URL: <https://87399.choruscall.eu/links/saipem240229.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 "Investor Relations/Quarterly results and documentation/Archive" section of the website [www.saipem.com](http://www.saipem.com). The presentation will also be available on the authorised storage mechanism "eMarketSTORAGE" ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the website of Borsa Italiana SpA ([www.borsaitaliana.it](http://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)

| fourth<br>quarter<br>2022 | third<br>quarter<br>2023 | fourth<br>quarter<br>2023 | Q4 2023 vs<br>Q4 2022<br>(%) |                           | 2022    | 2023    | 2023 vs<br>2022<br>(%) |
|---------------------------|--------------------------|---------------------------|------------------------------|---------------------------|---------|---------|------------------------|
| 1,434                     | 1,494                    | 1,953                     | 36.2                         | Revenue                   | 5,026   | 6,069   | 20.8                   |
| (1,314)                   | (1,341)                  | (1,752)                   | 33.3                         | Costs                     | (4,612) | (5,455) | 18.3                   |
| 120                       | 153                      | 201                       | 67.50                        | Adjusted EBITDA           | 414     | 614     | 48.3                   |
| (81)                      | (67)                     | (111)                     | 37.0                         | Amortisation              | (314)   | (313)   | (0.3)                  |
| 39                        | 86                       | 90                        | ns                           | Adjusted operating result | 100     | 301     | ns                     |
| 8.4                       | 10.2                     | 10.3                      |                              | Adjusted EBITDA %         | 8.2     | 10.1    |                        |
| 2.7                       | 5.8                      | 4.6                       |                              | Adjusted EBIT %           | 2.0     | 5.0     |                        |
| 4,924                     | 4,215                    | 3,151                     |                              | New contracts             | 8,341   | 11,643  |                        |

Backlog as of December 31, 2023: €16,285 million, of which €6,420 million to be executed in 2024.

- Revenue of 2023 amounted to €6,069 million, and show an increase of 20.8% compared to the corresponding period of 2022, mainly attributable to higher volumes in the Latin America, Sub-Saharan Africa, the Far East and Italy.
- The adjusted EBITDA of 2023 was positive for €614 million, equal to 10.1% of revenue compared to the €414 million in the corresponding period of 2022, equal to 8.2% of revenue.
- The most significant new contracts of the fourth quarter are related to:
  - on behalf of Adnoc, the project aiming at developing the resources of the Hail and Ghasha natural gas fields, located off the coast of Abu Dhabi, in the United Arab Emirates. The scope of work includes the engineering, procurement and construction (EPC) of four drilling centres and a processing plant to be built on artificial islands, as well as various offshore structures and over 300 kilometres of subsea pipelines; the project is a concrete expression of Saipem's ability to execute large integrated onshore and offshore projects on behalf of its clients. In the case of Hail and Ghasha, the offshore component is worth approximately 45% of the total (in terms of backlog);
  - on behalf of Equinor Energy, the Raia project in Brazil, located approximately 200 kilometres offshore from the state of Rio de Janeiro; Saipem's scope of work includes the transportation and offshore installation of a subsea pipeline for the export of gas, and of associated structures and horizontal drilling activities for the coastal landfall. Saipem will use its Castorone pipe-laying vessel for installation activities;
  - on behalf of ExxonMobil Guyana Limited, in the waters off Guyana, the Whiptail oil field development project in the Starbroek block at a depth of approximately 2,000 metres. The scope of work includes the design, fabrication and installation of submarine structures, risers, flowlines and umbilicals for a large subsea production plant. Saipem will carry out the operations using the cutting-edge vessels FDS2, Constellation and Castorone.

**Energy Carriers**

(€ million)

| fourth<br>quarter<br>2022 | third<br>quarter<br>2023 | fourth<br>quarter<br>2023 | Q4 2023 vs<br>Q4 2022<br>(%) |                           | 2022    | 2023    | 2023 vs<br>2022<br>(%) |
|---------------------------|--------------------------|---------------------------|------------------------------|---------------------------|---------|---------|------------------------|
| 1,355                     | 1,345                    | 1,351                     | (0.3)                        | Revenue                   | 4,389   | 5,062   | 15.3                   |
| (1,366)                   | (1,343)                  | (1,351)                   | (1.1)                        | Costs                     | (4,382) | (5,051) | 15.3                   |
| (11)                      | 2                        | 0                         | ns                           | Adjusted EBITDA           | 7       | 11      | 57.1                   |
| (14)                      | (16)                     | (10)                      | (28.6)                       | Amortisation              | (59)    | (53)    | (10.2)                 |
| (25)                      | (14)                     | (10)                      | (60.0)                       | Adjusted operating result | (52)    | (42)    | (19.2)                 |
| (0.8)                     | 0.1                      | 0.0                       |                              | Adjusted EBITDA %         | 0.2     | 0.2     |                        |
| (1.8)                     | (1.0)                    | (0.7)                     |                              | Adjusted EBIT %           | (1.2)   | (0.8)   |                        |
| 248                       | 966                      | 2,551                     |                              | New contracts             | 2,901   | 4,784   |                        |

Backlog as of December 31, 2023: €11,534 million, of which €4,445 million to be executed in 2024.

- Revenue of 2023 amounted to 5,062 million and shows an increase of 15.3% compared to the corresponding period of 2022, as an effect of the higher volumes in the Sub-Saharan Africa, Latin America, Middle East.
- The adjusted EBITDA of 2023 was positive at €11 million, equivalent to 0.2% of revenue, in line with the corresponding period in 2022.

The most significant new contract of the fourth quarter concerns the one on behalf of Adnoc, the project aiming at developing the resources of the Hail and Ghasha natural gas fields, located off the coast of Abu Dhabi, in the United Arab Emirates. The scope of work includes the engineering, procurement and construction (EPC) of four drilling centres and a processing plant to be built on artificial islands, as well as various offshore structures and over 300 kilometres of subsea pipelines. The project is a concrete expression of Saipem's ability to execute large integrated onshore and offshore projects on behalf of its clients. In the case of Hail and Ghasha, the offshore component is worth approximately 55% of the total (in terms of backlog).



## Offshore Drilling

(€ million)

| fourth<br>quarter<br>2022 | third<br>quarter<br>2023 | fourth<br>quarter<br>2023 | Q4 2023 vs<br>Q4 2022 (%) |                           | 2022  | 2023  | 2023 vs<br>2022<br>(%) |
|---------------------------|--------------------------|---------------------------|---------------------------|---------------------------|-------|-------|------------------------|
| 148                       | 177                      | 207                       | 39.9                      | Revenue                   | 565   | 743   | 31.5                   |
| (107)                     | (102)                    | (122)                     | 14.0                      | Costs                     | (391) | (442) | 13.0                   |
| 41                        | 75                       | 85                        | ns                        | Adjusted EBITDA           | 174   | 301   | 73.0                   |
| (19)                      | (35)                     | (32)                      | 68.4                      | Amortisation              | (72)  | (123) | 70.8                   |
| 22                        | 40                       | 53                        | ns                        | Adjusted operating result | 102   | 178   | 74.5                   |
| 27.7                      | 42.4                     | 41.1                      |                           | Adjusted EBITDA %         | 30.8  | 40.5  |                        |
| 14.9                      | 22.6                     | 25.6                      |                           | Adjusted EBIT %           | 18.1  | 24.0  |                        |
| 845                       | 47                       | 39                        |                           | New contracts             | 1,699 | 1,232 |                        |

Backlog as of December 31, 2023: €1,983 million, of which €782 million to be executed in 2024.

- Revenue for 2023 amounted to €743 million, an increase of 31.5% compared to the corresponding period of 2022, thanks to a favourable market context, with increasing daily rates, and the greater contribution of the semi-submersible Scarabeo 8 platform and the Perro Negro 8 jack up fully operational in the concerned period, as well as to the contribution of the Deep Value Driller drillship and the Perro Negro 11 jack up which entered into operation during 2023.
- The adjusted EBITDA for 2023 amounted to €301 million, equal to 40.5% of revenue, compared to €174 million in the corresponding period of 2022, equal to 30.8%, mainly attributable to better market conditions with increasing daily rates compared to the corresponding period of 2022.

The main vessel utilisation in 2023 was as follows:

| <i>Vessel</i>                             | <i>2023</i>          |             |     |
|---|----------------------|-------------|-----|
|   | <i>sold</i>          | <i>idle</i> |     |
|   | <i>(No. of days)</i> |             |     |
| Semi-submersible platform Scarabeo 5      | 36                   | -           | (b) |
| Semi-submersible platform Scarabeo 8      | 361                  | 4           | (a) |
| Semi-submersible platform Scarabeo 9      | 285                  | 80          | (a) |
| Drillship Saipem 10000                    | 365                  | -           |     |
| Drillship Saipem 12000                    | 365                  | -           |     |
| Drillship Santorini                       | 365                  | -           |     |
| Drillship Deep Value Driller*             | 83                   | 32          | (a) |
| Jack up Perro Negro 4                     | 365                  | -           |     |
| Jack up Perro Negro 7                     | 365                  | -           |     |
| Jack up Perro Negro 8                     | 365                  | -           |     |
| Jack up Pioneer Jindal*                   | 365                  | -           |     |
| Jack up Sea Lion 7 (now Perro Negro 10)** | 284                  | 81          | (a) |
| Jack up Perro Negro 9*                    | 261                  | 104         | (a) |
| Jack up Perro Negro 11*                   | 255                  | 110         | (a) |
| Jack up Perro Negro 12*                   | -                    | 304         | (a) |
| Jack up Perro Negro 13*                   | -                    | 217         | (a) |

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

(b) = vessel sold on October 18, 2023

\* leased vessels

\*\* vessel purchased on November 8, 2023

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,<br>2022 | December 31,<br>2023 |
| Net tangible assets   | 2,879                | 2,960                |
| Right-of-use of leased assets                               | 258                  | 428                  |
| Net intangible assets                                       | <u>691</u>           | <u>666</u>           |
|   | 3,828                | 4,054                |
| Equity investments  | 128                  | 162                  |
| <b>Non-current assets</b>                                   | <b>3,956</b>         | <b>4,216</b>         |
| <b>Net current assets</b>                                   | <b>(1,589)</b>       | <b>(1,366)</b>       |
| Employee benefits   | (183)                | (193)                |
| Assets held for sale  | 166                  | -                    |
| <b>NET CAPITAL EMPLOYED</b>                                 | <b>2,350</b>         | <b>2,657</b>         |
| <b>Equity</b>   | <b>2,068</b>         | <b>2,394</b>         |
| Non-controlling interests                                   | 18                   | 2                    |
| Net debt (cash) pre-IFRS 16 lease liabilities               | (56)                 | (216)                |
| Lease liabilities   | 320                  | 477                  |
| <b>Net debt</b>   | <b>264</b>           | <b>261</b>           |
| <b>FUNDING</b>  | <b>2,350</b>         | <b>2,657</b>         |
| Leverage (net borrowing/equity + non-controlling interests) | 0.13                 | 0.11                 |
| <b>NUMBER OF SHARES ISSUED AND OUTSTANDING</b>              | <b>1,995,558,791</b> | <b>1,995,558,791</b> |

**CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE**

| Fourth<br>quarter<br>2022 | Third<br>quarter<br>2023 | Fourth<br>quarter<br>2023 |  | (€ million)<br>year |            |
|---------------------------|--------------------------|---------------------------|--|---------------------|------------|
|                           |                          |                           |  | 2022                | 2023       |
| 2,937                     | 3,016                    | 3,511                     | Core business revenue  | 9,980               | 11,874     |
| 4                         | 3                        | 18                        | Other revenue and income   | 9                   | 23         |
| (2,434)                   | (2,367)                  | (2,771)                   | Purchases, services, and other costs   | (7,822)             | (9,236)    |
| 83                        | (7)                      | 23                        | Net reversals of impairment loss (impairment loss) on trade receivables and other assets | 32                  | 1          |
| (459)                     | (415)                    | (495)                     | Personnel and related expenses   | (1,656)             | (1,736)    |
| 131                       | 230                      | 286                       | <b>GROSS OPERATING MARGIN</b>  | <b>543</b>          | <b>926</b> |
| (114)                     | (118)                    | (153)                     | Depreciation, amortisation, and impairment loss  | (445)               | (489)      |
| 17                        | 112                      | 133                       | <b>OPERATING RESULT</b>  | <b>98</b>           | <b>437</b> |
| (79)                      | (46)                     | (34)                      | Financial expense  | (195)               | (167)      |
| (41)                      | 17                       | 30                        | Gains (loss) on equity investments   | (65)                | 60         |
| (103)                     | 83                       | 129                       | <b>RESULT BEFORE TAXES</b>   | <b>(162)</b>        | <b>330</b> |
| (55)                      | (39)                     | (28)                      | Income taxes   | (153)               | (145)      |
| (158)                     | 44                       | 101                       | <b>RESULT BEFORE NON-CONTROLLING INTERESTS</b>   | <b>(315)</b>        | <b>185</b> |
| -                         | -                        | -                         | - Result attributable to non-controlling interests                                       | -                   | -          |
| (158)                     | 44                       | 101                       | <b>NET RESULT - Continuing Operations</b>  | <b>(315)</b>        | <b>185</b> |
| 87                        | (5)                      | (1)                       | <b>NET RESULT - Discontinued Operations</b>  | <b>106</b>          | <b>(6)</b> |
| (71)                      | 39                       | 100                       | <b>NET RESULT</b>  | <b>(209)</b>        | <b>179</b> |

**RECLASSIFIED CONSOLIDATED INCOME STATEMENT BY DESTINATION**

| Fourth<br>quarter<br>2022 | Third<br>quarter<br>2023 | Fourth<br>quarter<br>2023 |  | (€ million)  |            |
|---------------------------|--------------------------|---------------------------|--|--------------|------------|
|                           |                          |                           |  | year         |            |
|                           |                          |                           |  | 2022         | 2023       |
| 2,937                     | 3,016                    | 3,511                     | Core business revenue                              | 9,980        | 11,874     |
| (2,811)                   | (2,823)                  | (3,248)                   | Production costs                                   | (9,469)      | (11,032)   |
| (20)                      | (15)                     | (54)                      | Idle costs   | (108)        | (108)      |
| (31)                      | (21)                     | (44)                      | Selling expenses                                   | (115)        | (124)      |
| (12)                      | (6)                      | (12)                      | Costs for studies, research, and development       | (31)         | (32)       |
| 1                         | 4                        | 14                        | Other net operating income (expenses)              | 4            | 19         |
| <b>64</b>                 | <b>155</b>               | <b>167</b>                | <b>ACTIVITY MARGIN</b>                             | <b>261</b>   | <b>597</b> |
| (47)                      | (43)                     | (34)                      | General expenses                                   | (163)        | (160)      |
| <b>17</b>                 | <b>112</b>               | <b>133</b>                | <b>OPERATING RESULT</b>                            | <b>98</b>    | <b>437</b> |
| (79)                      | (46)                     | (34)                      | Financial expense                                  | (195)        | (167)      |
| (41)                      | 17                       | 30                        | Gains (loss) on equity investments                 | (65)         | 60         |
| <b>(103)</b>              | <b>83</b>                | <b>129</b>                | <b>RESULT BEFORE TAXES</b>                         | <b>(162)</b> | <b>330</b> |
| (55)                      | (39)                     | (28)                      | Income taxes                                       | (153)        | (145)      |
| <b>(158)</b>              | <b>44</b>                | <b>101</b>                | <b>RESULT BEFORE NON-CONTROLLING INTERESTS</b>     | <b>(315)</b> | <b>185</b> |
| -                         | -                        | -                         | - Result attributable to non-controlling interests | -            | -          |
| <b>(158)</b>              | <b>44</b>                | <b>101</b>                | <b>NET RESULT - Continuing Operations</b>          | <b>(315)</b> | <b>185</b> |
| <b>87</b>                 | <b>(5)</b>               | <b>(1)</b>                | <b>NET RESULT - Discontinued Operations</b>        | <b>106</b>   | <b>(6)</b> |
| <b>(71)</b>               | <b>39</b>                | <b>100</b>                | <b>NET RESULT</b>                                  | <b>(209)</b> | <b>179</b> |

**RECLASSIFIED CASH FLOW STATEMENT**

(€ million)

| Fourth<br>quarter<br>2022 | Third<br>quarter<br>2023 | Fourth<br>quarter<br>2023 |   | year  |       |
|---------------------------|--------------------------|---------------------------|---|-------|-------|
|                           |                          |                           |   | 2022  | 2023  |
| (158)                     | 44                       | 101                       | Group's result for the period - Continuing Operations                             | (315) | 185   |
| 87                        | (5)                      | (1)                       | Group's result for the period - Discontinued Operations                           | 106   | (6)   |
| -                         | -                        | -                         | - Result of non-controlling interest  | -     | -     |
| <i>Adjustments:</i>       |                          |                           |   |       |       |
| 116                       | 5                        | 107                       | Depreciation, amortisation and other non-monetary items - Continuing Operations   | 242   | 107   |
| (121)                     | -                        | -                         | Depreciation, amortisation and other non-monetary items - Discontinued Operations | (62)  | -     |
| 124                       | 25                       | 162                       | Changes in working capital related to operations - Continuing Operations          | (450) | 294   |
| 43                        | 5                        | 1                         | Changes in working capital related to operations - Discontinued Operations        | 2     | 6     |
| 82                        | 74                       | 370                       | Net cash flows from activities in the period - Continuing Operations              | (523) | 586   |
| 9                         | -                        | -                         | Net cash flows from activities in the period - Discontinued Operations            | 46    | -     |
| (339)                     | (67)                     | (276)                     | Continuing operations capital expenditure   | (523) | (482) |
| -                         | -                        | -                         | - Discontinued operations capital expenditure                                     | (27)  | -     |
| -                         | -                        | -                         | - Investments in equity, consolidated subsidiaries and business units             | -     | (1)   |
| 497                       | 6                        | 78                        | Divestments   | 503   | 145   |
| 249                       | 13                       | 172                       | Free cash flows   | (524) | 248   |
| -                         | -                        | -                         | - Buy-back of treasury shares   | -     | -     |
| (1)                       | -                        | -                         | - Cash flow from capital and reserves   | 1,918 | -     |
| -                         | 79                       | (7)                       | (7) Net variation of convertible bond   | -     | 72    |
| (31)                      | (29)                     | (31)                      | Repayments of lease liabilities   | (128) | (119) |
| (73)                      | 28                       | (43)                      | Exchange differences on net debt and other changes                                | 13    | (41)  |
| 144                       | 91                       | 91                        | Change in net debt pre-lease liabilities  | 1,279 | 160   |
| 18                        | 26                       | (181)                     | Change in lease liabilities   | (2)   | (157) |
| 162                       | 117                      | (90)                      | Change in net debt  | 1,277 | 3     |
| 426                       | 288                      | 171                       | Net debt at the start of the period   | 1,541 | 264   |
| 264                       | 171                      | 261                       | Net debt at the end of the period   | 264   | 261   |