



# Saipem S.p.A.

"First Quarter 2025 Results Conference Call"

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## MODERATORS

- ALESSANDRO PULITI, *CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER*
- PAOLO CALCAGNINI, *CHIEF FINANCIAL OFFICER*

## OPERATOR

Good morning. This is the Chorus Call conference operator. Welcome and thank you for joining the Saipem First Quarter 2025 Results Conference Call. As a reminder, all participants are in listen-only mode. After the presentation, there will be an opportunity to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing "\*" and "0" on their telephone.

At this time, I would like to turn the conference over to Mr. Alessandro Puliti, CEO of Saipem. Please go ahead, sir.

## ALESSANDRO PULITI

Good morning and welcome to the presentation of Saipem results for the first quarter of 2025. Paolo Calcagnini, our CFO, and the rest of the top management team are here with me today in Milan.

I will start by giving you the key highlights, Paolo will then cover the financial results in more detail, and we will then wrap up the presentation with few closing remarks. After our prepared remarks, there will be time for a Q&A session.

Let's start with the key highlights. I am pleased to report that in Q1 2025, Saipem recorded the strongest performance of the last decade in terms of first quarter revenue, EBITDA and cash flow. Revenue stood at €3.5 billion, growing by 15% year-on-year. EBITDA stood at €351 million, growing by 31% year-on-year. EBITDA margin reached a level of 10%, an improvement of 40 basis points compared to the previous quarter.

In Q1, we further reduced our net debt position by €285 million. At the end of March, we held €1.6 billion of available cash in our balance sheet. The order intake in the first 3 months stood at €2.1 billion, in line with the first quarters of the last 3 years. Our backlog remains close to record high levels, providing excellent visibility for both 2025

and 2026, which is particularly important for us considering the current volatility in the markets.

On Slide 5, you can appreciate the continued growth path of the last 3 years. Revenue almost doubled from Q1 2022 to Q1 2025 and EBITDA has increased by a factor of more than 3x. In addition, our EBITDA margin has increased by 440 basis points in the last 3 years. The recovery path is even more visible in our operating cash flow, which has steadily increased quarter after quarter. The improvement in cash flow conversion is mainly the results of two factors. First, steady progress in the execution of our legacy portfolio projects. Second, better management of working capital, also driven by improved contractual terms and conditions.

Let's now cover in more details the recent awards. On the Offshore business, the first award is in the Middle East for QatarEnergy and is another example of the growing importance of maintenance activity on existing offshore infrastructures, which is an integral part of Saipem offering and this is also a significant Capex driver for our clients.

The second contract is a limited notice to proceed from Exxon in Guyana and involves the EPCI of a SURF package related to the Hammerhead oil field development project. The field is in the Stabroek block at a water depth of around 1,000 meters. This award is a further confirmation of the strong partnership between Saipem and Exxon in Guyana, which started back in 2017.

On the Onshore business, we are accelerating the conversion and upgrade of existing refinery facilities for Eni. In Venice we will expand the existing biorefinery to increase production capacity by 50%. In Livorno we will convert the existing facility into biorefinery and make it suitable to produce both HVO and Sustainable Aviation Fuel.

In addition, we recently signed the EPC contract related to the CO<sub>2</sub> management projects with Stockholm Exergi, something we have been working on for almost 2 years.

CCUS is a very interesting and promising market where we are establishing a strong presence both onshore and offshore.

I would like to highlight that the recent order intake in the onshore E&C is perfectly in line with the strategic repositioning we have communicated in the most recent plan. First, the new awards include significant de-risking mechanism compared to the traditional fixed price contract framework. Second, the new awards also target niche segments in the energy transition such as CCUS and bio-refineries.

Lastly, the new awards confirm our “value over volume” approach being all mid-scale projects. So, in line with our strategy, the Onshore E&C business is becoming more selective and more focused with a new backlog that embeds today a far lower quantum of risk compared to the past.

Let me give you now a brief update on Courseulles. As you know from the full year 2024 results update, 4 sockets have been successfully drilled. Notably the last one was completed in just 9 days bringing us very close to our target of one socket per week. Also, all the monopiles related to the 4 sockets have been successfully installed and the vibro-hammering process proved to be very smooth.

In the last few weeks, we have been busy moving the drilling machine from the Vole Au Vent jack up to the Bold Tern jack up. We are aiming to restart the drilling activity in late summer 2025 with a plan to complete the drilling scope of work in 2026.

I will now hand over to Paolo to provide more details on the financial results.

## PAOLO CALCAGNINI

Thank you, Sandro. Good morning everyone. We'll start with Slide 10, which presents a summary of our financial results for the first quarter of 2025.

Group revenue increased by 15% year-on-year, and our EBITDA grew by 31%, primarily driven by our Offshore E&C business. EBITDA margin keeps on improving, having reached the 10% threshold, up from 8.8% in Q1 last year and from 9.6% in Q4. This is due to a more favourable business mix and to the reduced incidence of the legacy projects.

Our net result was €77 million, 35% higher than Q1 last year. Operating cash flow stood at €395 million, mainly driven by the growth in EBITDA year-on-year and the contribution of working capital improvements, only partially offset by the utilization of provisions related to the portfolio of legacy projects.

Let's now review the different business segments starting with Asset Based Services on Page 11. Revenue reached almost €2 billion for Q1 2025, marking a 20% increase from last year. The revenue mix remained relatively stable between SURF and Conventional.

EBITDA stood at €251 million, up by 39% with EBITDA margin of 12.8%, an increase of 180 basis points year-on-year, and 20 basis points quarter-on-quarter. The growth trajectory was mainly driven by our increased backlog, in particular associated with strong order intake of the last 12 months on oil and gas projects.

Let's now look at Drilling Offshore on Page 12. Revenue stood at €211 million, broadly stable compared to the same period last year. EBITDA grew by 2% year-on-year to €82 million. The stable trend is the result of the broadly unchanged fleet size year-on-year, with the Perro Negro 13 entering the fleet in Q1 last year, the Perro Negro 9 exiting the fleet in Q1 this year and the Perro Negro 10 not contributing in Q1 2025 as being under preparation for the new contract.

In addition, the ordinary maintenance activity didn't have any material impact on the year-on-year trend as the Scarabeo 9 was undergoing maintenance in Q1 last year whilst the Saipem 12000 underwent maintenance in Q1 this year.

Let's now look at the Energy Carriers on Page 13. Revenue increased by 11% year-on-year reaching €1.3 billion. As a reminder, the backlog related to the Energy Carriers declined by 11% in 2024, and as such this means that we are accelerating on the execution of projects and in particular of the older ones.

EBITDA margin improved year-on-year reaching 1.3% in the first quarter of 2025, an increase of 60 basis points compared to the first quarter of 2024 and an increase of 20 basis points from the fourth quarter of 2024. Our primary goal in Energy Carriers is to complete the remaining legacy backlog while being very selective about the new projects.

The complete group income statement is shown on Page 14 and we can discuss some of the items below EBITDA. D&A stood at €194 million and increased by €49 million compared to last year, mainly reflecting the growth of the fleet on a chartered basis and the leases associated with them.

Financial expenses stood at €55 million in Q1 2025, increasing by €15 million year-on-year, mainly reflecting an increase in the hedging costs due to the growing rates differential between the US dollars and the euro, as well as higher volumes of traded derivatives. Income taxes increased by €6 million compared to last year to €40 million whilst the implied tax rate declined by 3% points to 34%.

On Page 15 you can see the evolution of our net financial position. The cash flow generated in Q1 improved our financial position by €285 million on a pre-IFRS basis from a net cash position of €683 million to €968 million. Operating cash flow was supported by positive contribution of working capital which has more than offset the cash absorption deriving from the portfolio of legacy projects.

Gross Capex stood at €109 million and were almost entirely offset by the disposal for €101 million mainly related to the proceeds from the sale of the 10% stake in KCA.

Repayment of lease liabilities increased to €70 million in Q1 2025 compared to €47 million in Q1 2024 reflecting the growth of the fleet on a chartered basis. In line with our plan, lease liabilities increased in Q1 by €192 million considering the growth of the fleet on a chartered basis.

A key addition to our charter fleet in Q1 has been the Bold Tern jack up which will be used to complete the drilling activity on the Courseulles project. As a reminder, the delivery of the Shen Da vessel will be a Q2 event and as such is not reflected in the Q1 movements.

On Page 16 you can find a detailed breakdown of our gross debt and liquidity. Our liquidity position is very robust at more than €3 billion. Also, we currently hold €1.6 billion of available cash which is sufficient to cover almost all of our maturities to 2030. Lowering both gross and net debt remains a key priority for Saipem, which has also been appreciated by the rating agencies.

I am pleased to report that on the back of our 2024 results and of the 2025-2028 Strategic Plan, Moody's has upgraded our rating to Ba1, maintaining a positive outlook. We are now one notch below investment grade for both S&P and Moody's. As you know, with the 2025-2028 Strategic Plan, Saipem has set itself the target to achieve an investment grade credit rating in the medium-term and this is a key priority for us.

Let me now hand back to Sandro for his closing remarks.

### ALESSANDRO PULITI

Thank you, Paolo. We recognize that events in the recent weeks and months have turned analysts and investors more cautious on the macroeconomic outlook. Nevertheless, we are quite confident with where we are today.

First, our execution continues to deliver strong results as testified by the continued growth in revenue and EBITDA and the high cash flow conversion.

Second, our backlog remains at record high levels, which gives us strong visibility on our top line for the next 2 to 3 years. Our 2025 expected revenues are 90% covered by the current backlog, which level remains also very high for 2026, it is around 70%.

Our construction fleet is currently fully booked for 2025 and 2026, and we are gaining increased visibility also for 2027.

Lastly, our balance sheet has never been so strong. This allows us to fully confirm our guidance for 2025 and to comfortably navigate in the near-term market uncertainties.

We can now move on to the Q&A session.



## Questions & Answers

### OPERATOR

Thank you. This is the Chorus Call conference operator. We will now begin the question and answer session. Anyone who wishes to ask a question, may press "\*" and "1" on their touchtone telephone. To remove yourself from the question queue, please press "\*" and "2." Please pick up the receiver when asking questions. Anyone who has a question may press "\*" and "1" at this time. We will pause for a moment as participants are joining the queue.

First question is from Guilherme Levy, Morgan Stanley. Please go ahead.

### GUILHERME LEVY

Hi, good morning. Thank you for taking my questions. I have two please.

- If you could just say a few words on your commercial pipeline, I noticed that remains unchanged at around €53 billion since the annual results. Could you say what has allowed that to remain unchanged? Is it just the fact that we have not seen major delays or cancelations in previous tendering processes over the past few weeks or what gives the company confidence that the previous pipeline hasn't changed in the next 18 months?
- And then the second one. Can I perhaps ask about global tariffs? I know that the company is not materially exposed to the US, but the supply chain has plenty of intricacies and perhaps there is a specific piece of material that I'm missing that can now become more expensive compared to your previous planning assumptions. How do you think about that risk? And is it fair to say that in your contracts as a rule, any tax law risks are generally allocated to the customer?

Thank you.

## ALESSANDRO PULITI

Okay. So regarding the commercial pipeline, so as you have seen, we have €2.1 billion of acquisitions in Q1. That is perfectly in line with the dynamics we see throughout the years. So it is perfectly in line with what we acquired in the last 3 years. Typically, most of the acquisitions are in the second part of the year, as it happened also last year. You have also to recall that only in the fourth quarter last year, our acquisition level was €4 billion. Therefore, the dynamics that we are seeing on the market for the time being, are exactly in line with the dynamics we saw in 2024. This is why we say that we are in line with our expectations.

Second question is on tariffs and the impact for Saipem. There is no significant direct impact on Saipem activities, since we are not exporting or either importing in the US goods. We have, actually, basically no activity in the US and the activities that we are carrying out for our US clients are outside US, like Guyana for Exxon or activities in Australia for Chevron. So, there is no direct impact and this is what I can confirm for sure. That's the reason and we don't have also impact on current projects, because most of our procurement is done in Europe or in the Far East. So that's the situation why we are saying there is no immediate impact. Clearly, if there will be, as a consequence of the situation, a global slowdown of the economy, then in a way or in another, this is something that we will be subject to, for sure. But direct impact, I can exclude for the time being.

## GUILHERME LEVY

Perfect. Thank you.

## OPERATOR

Next question is from Alessandro Pozzi, Mediobanca. Please go ahead.

## ALESSANDRO POZZI

Thank you, two questions for me.

- I think the cash flow generation in Q1 was also supported by working capital release, as I see in the cash flow statement. I think that is offsetting a little bit the built that we've seen in Q4, and I think it sets well for the cash flow post lease repayment guidance that you have for 2025. Should we expect potentially an upgrade in the guidance for the free cash flow or are we going to see a reabsorption of the working capital and maybe some negative working capital in the cash flow in the coming quarters?
- And also second question on Thai Oil, I was wondering if you can provide any update there?

That's all for me. Thank you.

#### ALESSANDRO PULITI

Okay. I will ask Paolo to answer to your first question, and I will answer the second one.

#### PAOLO CALCAGNINI

Sure. So on the cash flows and the working capital, it's true that there's been a positive contribution from the working capital. It's also true that if you remember in Q4 2024, we had a negative contribution in terms of working capital. So, the way we think about it is that I mean, €140 million, it's less than 1% of our revenue, so it's a physiological swing in the way we're managing payments and invoicing. So I wouldn't get to the conclusion that you can increase your expectations on the cash flows for the entire year. I mean, we're confirming the guidance, which is as you may recall, €500 million of free cash flows after lease repayments and we will get there. So you can expect a slight increase compared to Q1 in the working capital as for the entire year the working capital will have a neutral or slightly positive contribution to the cash flows.

#### ALESSANDRO POZZI

Thank you.

## ALESSANDRO PULITI

Okay. Regarding Thai Oil. So over the past months, we submitted to Thai Oil several proposals to complete the project well within the budget that was approved by Thai Oil Shareholder Meeting and also consistently with Thai Oil's assurance that it will provide further financial and other support to the project. Thai Oil never engaged on this proposal. We remain open to engage with them in relation to the next steps of the Clean Fuel Project as a matter of priority.

In the meanwhile, given the lack of engagement from the client, we together with the other members of the consortium have taken necessary legal measure to protect our respective interests and rights under the contract. Clearly, you can appreciate that we cannot disclose more at this stage given the confidentiality of the matter and the ongoing legal proceedings.

## ALESSANDRO POZZI

Okay. Thank you.

## OPERATOR

Next question is from Mick Pickup, Barclays. Please go ahead.

## MICK PICKUP

Good morning, gents.

- Just looking at your drilling fleet, can I just talk about...so can you just talk about the options and the vessels that are ending this year? What conversations are like with clients? Obviously, *[Saipem]* 10000 has options, Santorini finishes sometime this year, Scarabeo 9 and DVD, so some of your big assets have all got periods of end of contract this year. Can you just talk about what's going on there, please?

### ALESSANDRO PULITI

Okay. So for Santorini, we have already secured further activities in 2026 in continuation with the activity that is currently carrying out. I cannot disclose details today, but what I can assure is that we extended. For the other rigs, we are working actively with the clients to ensure the options are exercised, and to be honest, we are pretty confident on the subject.

### MICK PICKUP

Okay. And then can I just follow up a second question?

- Just on your...following on from what Alessandro said on working capital, your results have a working capital release of €251 million and your presentation is €127 million less than that. What's the difference reclassified between the two? I'm just trying to get to quality of earnings.

### ALESSANDRO PULITI

Okay. I will leave Paolo that he is more precise than me on this matter.

### MICK PICKUP

Okay. Thank you.

### PAOLO CALCAGNINI

Well, the difference, Mick, it's the provisions that have been used on the jobs on the legacy portfolio, because the provisions go into the working capital as a negative item therefore when you use them it creates an increase in the working capital. So the difference between the 2 numbers you mentioned is the use of provisions in Q1.

### MICK PICKUP

Okay. So, 127 provisions, cheers.

## PAOLO CALCAGNINI

Sure.

## OPERATOR

Next question is from Richard Dawson, Berenberg. Please go ahead.

## RICHARD DAWSON

Hi, good morning, and thank you for taking my questions.

- My first one is on discussions of your Q3 results last year. There were some clients that were willing to pay booking fees pre-FID to secure capacity out to '27 and '28? Is this still something that you're seeing, or is there been some reluctance from those clients to lock in such long-dated capacity reservations?
- And then maybe just a second one, just a clarification on the Courseulles-sur-Mer project? And drilling is now targeted for completion in 2026, which I think is in line with what was said at Q4? And do you also expect to install the 60 monopiles in 2026 as well?

Thank you.

## ALESSANDRO PULITI

So regarding activities and booking fee, what I can say is that many of the booking fees that we got, then they turn it into actual contracts, so there is no new booking fee coming, but that's the reason because this is what happened. As we said in the presentation, our fleet is fully covered for this year, 2025-2026, and now with the latest acquisition is now becoming also pretty busy in 2027 as well.

And in the pipeline, there are new important tenders for which we submitted offers a few days ago, and that are really also constituting an important opportunity for the end of 2027 and beginning of 2028. So it's not a secret that we submitted a few days ago our offer for the Sakarya Phase 3 project in Turkey. So that's the...that's something that.

So we see offering, we see activity, we see activity coming that is really pointing 2027 and 2028.

On the other hand on Courseulles, we believe we can finish the drilling of the socket in 2026, and we will finish, because you know, that there is a bit of a delay time between the ending of the sockets and the installation of the monopiles , so we believe that we close the installation of the monopile beginning of 2027.

### RICHARD DAWSON

Perfect. Thank you for the colour.

### OPERATOR

Next question is from Sebastian Erskine, Redburn Atlantic. Please go ahead.

### SEBASTIAN ERSKINE

Yes, hi. Good morning, Alessandro, Paolo, you know, solid set of results, and thanks for taking my questions.

- The first one to start, I mean, you've recently announced the extension of your LTA with Saudi Aramco through the end of 2027. I guess, could you talk specifically about some of the kind of near-term CRPOs up for tender and kind of how the workflow might shape up in 2025-2026?
- And then just secondly, a bigger point question. I mean, given how busy you are in the next few years, and the obvious tightness in the subsea market, could you talk a bit more about how your supply chains are coping the procurement process, and kind of whether this is impacting your ability to deliver projects kind of on time and on budget? I think it's a big focus now, given the backlog and the focus on execution as well. That would be very helpful.

Thank you.

## ALESSANDRO PULITI

Okay, on the LTA in Saudi. Yes, we renewed the LTA, we are constantly participating to the activity that is continuously provided by Saudi Aramco offshore. That is mainly based upon replacement of existing facilities, upgrading existing facilities, laying new lines either to improve production or for, let's say, substituting aged pipelines. So, therefore, it remains for us a very important market, you know that we can also leverage in Saudi on the fact that, we are building jackets and decks in our star yards that can assure the Saudi content to our projects. Clearly, I cannot disclose details on the coming commercial activities, but what I can assure you is that it is a robust continuous commercial activity.

Then the second one was...okay. We are very busy, yes, we are very busy in the installation. But I would say that since the planning cycle of this project is pretty ahead of their actual realization, we don't see particular tension, for example, on the supply of pipelines when it comes to lay long trunklines, flexible umbilicals. They are pretty in line with our expectation because also, you know, we are always working way in advance to secure fabrication capabilities with our subcontractors.

So, we are busy, our contractors are busy, but we do not reckon that there is an impact on schedules. We are pretty going in parallel, I would say.

## SEBASTIAN ERSKINE

Brilliant, thanks very much for the colour.

- And if I could just squeeze in one more on the working capital for Paolo, if I can. I just wanted to follow-up at the full year 2023 results. You talked about kind of structural working capital increase driven by kind of lower down payments on projects. So, I presume this is more of a kind of a 2026-2027 story. And what should we be modelling in terms of the size of that?



### PAOLO CALCAGNINI

Yes, that's correct. I mean, you will see the effects mostly on 2026 and 2027. But for 2025, we expect the working capital to remain almost stable or slightly decrease. And this is due to certain client contracts whereby we had a positive working capital position. And as we approach the end of those projects, obviously, the working capital reverts, creating a positive contribution.

### SEBASTIAN ERSKINE

Thanks very much.

### PAOLO CALCAGNINI

I guess, I mean, all these effects are already included. The plus and minus is in the guidance. So, we shared end of February. So, it's already in there.

The other comment is that, it's clear that, I mean, the reason why we have been able to maintain a working capital negative and possibly increasing the numbers is, I guess, the result of the commercial strategy that has been in place for 3 years now, which basically has better terms and condition when it comes to payments. Most projects now start with a negative working capital and working capital remain negative throughout the project life. And obviously, as old projects exit the portfolio and the new ones enter into the execution you see the benefits of the new commercial terms.

### SEBASTIAN ERSKINE

Appreciate it gentlemen, I'll hand it back now, thank you.

### OPERATOR

Next question is from Mark Wilson, Jefferies. Please go ahead.

### MARK WILSON

Thank you. Just a few points to clarify.

- Paolo you mentioned I think the Bold Tern joining the fleet for Courseulles in Q1 and that increases the lease liabilities. And then I think you mentioned, a second key vessel maybe for another project joining in 2Q, I'd just like to confirm what that one is?
- And second point is, you're asked about provisions on working capital, about 127 was mentioned. Can I confirm if that is the Thai Oil bond, because I think we were told that was 130 outflow in 1Q. Just wondering whether that is in the accounts?
- And then lastly it feels like déjà-vu, start of last year you talked about how we should look at Mozambique through '24. I'm just wondering what we should think about that now and whether that's in any of the backlog and contributions.

Thank you.

### ALESSANDRO PULITI

So I will answer about the vessel then Paolo will continue on the subject from the more financial point of view, and then I will answer to you on Mozambique.

So regarding the two vessels. Yes, the Bold Tern is going to substitute the Vole Au Vent that has been already released by the way since a couple of weeks or even more, and we are now in the process of moving the drilling machine on the Bold Tern. The other vessel is the Shen Da vessel, this has nothing to do with Courseulles, this is a vessel that is a multi-purpose vessel that we rented to support our Offshore E&C activity around the world, to complete let's say our fleet for the projects that we have in portfolio. So that's the reason why we took the vessel on long-term charter.

And now, Paolo you can continue.

## PAOLO CALCAGNINI

Yes. So on the working capital provisions and the performance bond. So the payment vis-à-vis the performance bond has been obviously deducted by the cash position, so the cash position end of Q1 reflects already the cash out from the performance bond execution and well the provisions is the amount of provisions that has been used on the legacy portfolio, because as they are accounted into the working capital as a negative item by the time you use them to cover for the extra cost they increase the working capital because it becomes less negative. And then those are the two...the two factors.

Then there was a last question on Mozambique, I think, if you want to comment Alessandro.

## ALESSANDRO PULITI

Okay. Thank you. Thank you, Paolo. So Mozambique. Okay this question really should be asked directly to our client Mozambique LNG joint ventures and I believe that there will be also in the next coming weeks their Q1 calls so that you will have from them for sure more colour. What I can...however, what I can really positively record is that US EXIM, and this is a public information, has approved the extension of their financing to the project, and this is certainly a very good news for the project and along the path to restarting. What we can say also is that definitely we don't have security problems now US EXIM has given the let's say the green light and so we are on the right path.

## MARK WILSON

Thank you very much, gentlemen.

## OPERATOR

Next question is Daniel Thomson, BNP Paribas. Please go ahead.

## DANIEL THOMSON

Hi good morning.

- Yes, just one sort of broader question going back to the commercial pipeline. I was kind of wondering how since April 2<sup>nd</sup> your conversations with customers have evolved compared to the last time we spoke. Obviously, like you said, the bidding pipeline remains unchanged, but of course the actual award timing is up to the client and this is a client base that is showing that they're very disciplined and not in a rush to commit investments. So just wondering if there's anything that's changed since the events in April.

Thank you.

### ALESSANDRO PULITI

Okay, things are happening very quickly in the last days. So to be honest, if I have to tell you the truth we didn't have any clear signal of change of attitude of our clients. As I told you we submitted a few days ago a tender that was due from, let's say, several months as a deadline for submission and the client didn't ask for postponing the submission or whatever. In the Middle East we see main clients that are urging us to submit offers, and to be honest even in the US we are participating to, let's say, to a FEED study for the Baytown ammonia plant, and we don't see...we didn't receive any perception of request of delaying activities we are doing for the FEED studies. And so then, if I have to tell you the truth, today I didn't record any client, any clear sign of stopping or delaying activities is ongoing. This is the situation.

### DANIEL THOMSON

Okay.

- Thank you and does that comment hold true for the earlier activities as well like concept studies, pre-FEEDs and FEEDs?

### ALESSANDRO PULITI

Yes, we are participating to and we are also delivering many pre-FEED and FEED studies for clients. I would say that most of them they are not disclosed because you know, the amount of revenues linked with this activity is pretty small so they are not normally

disclosed, but I can assure you that we had several opportunities for this, even a few days ago we even signed a contract for studies for hydrogen plants here with a very important Italian client. So, the activity for FEED and pre-FEED studies is certainly continuing as before.

## DANIEL THOMSON

Okay understood. Thanks for the colour.

## OPERATOR

Next question is from Victoria McCulloch, RBC. Please go ahead.

## VICTORIA McCULLOCH

Thanks very much, just one remaining for me.

- You talked a bit about the CO<sub>2</sub> management contract and the new opportunity this has presented. Could you give us some colour on how you de-risk this opportunity and for the remaining opportunities in this...in sort of energy transition space I guess, you know, are there similar opportunities that you can de-risk, you know, how on a risk basis do the rest of the opportunities in the market look?

Thanks very much.

## ALESSANDRO PULITI

Okay. The de-risking of that activity is basically based on actions that are increasing reimbursable portion of the amount in the contracts. That is mainly linked to pure construction activity. The construction is something that we would like to do on a reimbursable basis. Then there is also, let's say, an activity on the procurement, so that we have formulas that protect us in case of increase of price for procurement during the execution of the projects or even better, the main item to be procured are directly procured by the client and made available to the, let's say, to the contractor as company-provided items.

The risk that we retain is the risk that is done on our direct activity, means on the engineering activity, on the project management activity, on the construction management activity. This is the risk that we are willing to keep with ourselves because the...because those are the risks that are directly in our control. But we don't want to take any more risks we cannot control like construction done by subcontractors or a very long lead item procurement that can vary the price with the time.

So, in a nutshell, we are speaking about risk-sharing mechanism on procurement and construction. And when procurement remains, let's say, our duty, we work very much in advance to ensure we place close orders with the subcontractors. The good news is that this is associated with projects that are coming on the energy transition, because the project we presented are both related to energy transition on carbon capture in one case, in biorefinery in the other case. So, there is a new market in blue ammonia, there is a market that is starting, let's say, on the right foot when it comes to the relation between contractor and clients.

**VICTORIA McCULLOCH**

Thanks very much.

**OPERATOR**

Next question is from Massimo Bonisoli, Equita. Please go ahead.

**MASSIMO BONISOLI**

Good morning. Two clarification questions left.

- One on the backlog of the ABS division. In Slide 29 compared to previous quarter, there is a slight distribution change by year of expected execution. In 2026, you expect €8.4 billion from previous €7.8 billion, and in 2027, you expect €5.1 billion...sorry, €4.6 billion from previous €5.1 billion. Could you provide some colour on the anticipation of the execution?

- And the second question is regarding our models, the housekeeping items of the outlook regarding depreciation, financial expenditure, taxes and lease liability repayments. Any change from fourth quarter messages?

Thank you.

### PAOLO CALCAGNINI

Yes, on the backlog by year of execution, well I think that the changes come from a mix of different factors. There has been expected schedules of certain projects that moved from one quarter to the other and there are new awards that...whose execution enter either in 2026 or 2027. That explains why the numbers can change slightly from one quarter to the other. Just simply that's...then there was the second question that we partially missed, Massimo, if you can you repeat it again.

### MASSIMO BONISOLI

Sorry Paolo. Yes, it's just regarding the outlook.

- You provided some indication in Q4 regarding depreciation, financial expenditure, taxes and lease liability repayments. If you can confirm the messages you provided in fourth quarter?

### PAOLO CALCAGNINI

Yes, no there is nothing new. So, we can confirm the details we showed when we published the guidance for 2025.

### MASSIMO BONISOLI

Thank you.

### OPERATOR

Next question is from Guillaume Delaby, Bernstein. Please go ahead.

## GUILLAME DELABY

Yes, good morning. To be honest, I think all my questions have been answered. So, I turn it over. Thank you.

## OPERATOR

Next question is from Marco Cristofori, Intesa Sanpaolo. Please go ahead.

## MARCO CRISTOFORI

Thank you for taking my questions and congratulations on the result. Two small questions in reality:

- You mentioned that the drillship Saipem 12000 and Perro Negro 10 were stopped for Q1 due to class recertification work. Just to know if the works are now completed or do we have to expect some impact in the second quarter?
- And secondly, a clarification on provision. You said that there was a release of provision during the quarter, but just to know if you accounted for any new provision on legacy contract.

Thank you.

## ALESSANDRO PULITI

Okay. I will answer on the first part of your question. So Saipem 12000 recertification activity has been concluded, and the vessel is back on working since several...since one month, even more than one month.

And for what regards Perro Negro 10, Perro Negro 10 is in preparation to move from the Middle East to the Gulf of Mexico, because it's going to work for another client. So, is in the transit really between the two market areas.

Now I leave to Paolo to...



**PAOLO CALCAGNINI**

Yes, on the provisions. Yes, we used part of the provisions to cover for the costs of the legacy portfolio, but we didn't add any extra provisions vis-à-vis end of 2024. I would add luckily.

**MARCO CRISTOFORI**

Okay. Thank you.

**OPERATOR**

Gentlemen there are no more questions registered at this time.

**ALBERTO GORETTI**

Okay, we can close the call then. Thank you very much everyone. Have a good day.

**OPERATOR**

Ladies and gentlemen, thank you for joining. The conference is now over. You may disconnect your telephones.

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