

OPERATOR

Good morning. This is the Chorus Call conference operator. Welcome and thank you for joining the Saipem First Half 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

Thank you and good morning. Thank you for joining us for the presentation of Saipem's results for the first half of 2025. I'm here in Milan today with our CFO Paolo Calcagnini and with the rest of the members of the Saipem Senior Management Team.

As you know, today is a special day for all of us, after the merger agreement announced last night. But in today's call, we are focusing on Saipem as a standalone company. I will start the presentation covering the key highlights of Q2. Paolo will then cover the financial results in more detail, and then I will wrap-up with my closing remarks before opening the Q&A session.

Let's start with the key highlights. I'm pleased to report in the second quarter, Saipem recorded a very strong performance in terms of revenue, EBITDA, and cash flow generation, on top of having made the largest dividend payment in its history.

Revenue stood at €3.7 billion, growing by 10% year-on-year and 5% sequentially. EBITDA stood at €413 million, growing by 39% year-on-year and 18% sequentially. EBITDA margin stood at 11.2%, a significant improvement compared to the previous quarter margin of 10%.

In Q2, operating cash flow reached the record level of €447 million. The order intake in the second quarter stood at €2.2 billion, in line with the order intake of Q1. We expect our order intake to accelerate in the second half of the year, in line with the market dynamics. Our backlog remains close to the record high-level, providing us with an excellent visibility for both 2025 and 2026.

Saipem continues to deliver steady growth and improved cash flow conversion. Revenue more than doubled since the beginning of 2022. EBITDA has increased in the same period by a factor of 4. EBITDA margin has also doubled and currently stands above 11%.

Cash flow generation has grown steadily over the last 3 years, reflecting the progress made in executing the legacy backlog and the proactive management of the working capital. In particular, in the first 6 months of the year, our company has already generated an amount of cash flow equal to 80% of what we delivered in the full year 2024.

Let's now cover in more detail the latest awards. The order intake of the quarter includes two energy transition projects from Eni and a substantial FEED award from Sonatrach in Algeria. The key features of these awards are: first, we are confirming our strong positioning in the CO2 management value chain in the UK, following the East Coast Cluster Award in 2024; second, we are also accelerating the conversion and upgrade of existing refining facilities for Eni; third, we continue to derisk our onshore awards by ensuring a substantial portion of the scope of work is under a reimbursable framework and fourth, the FEED in Algeria for an integrated fertilizer plant has also allowed us to make an important step in meeting our service order intake target for the year.

As a reminder, engineering service, operations and maintenance, and project management consultancies are key drivers for repositioning of our onshore business. We will cover this aspect in more detail later in the presentation.

Let's now deep dive on the recent CO2 management awards. We are excited about the current development in CCUS, and we believe that this market will grow into sizeable opportunity for Saipem in the years to come. The order intake of last year was about projects for offshore CO2 transportation.

In the first half of 2025, we started to collect orders for CO2 capture and management also in the onshore sector. Currently, Saipem is working on four CCUS projects for a total value of €2 billion. The clients for most of these projects are oil and gas companies, and we have a consolidated relationship with most of them. Also, these projects are well-diversified in terms of geographical footprint and also attractive in terms of size.

Let's now focus on the recent developments in our service businesses. One of the key pillars of our Strategic Plan is the de-risking of our onshore EPC framework, also by growing in the service market. I am glad to report that we are making progress, and in particular, in the Engineering Services, we have acquired more than €300 million business since the beginning of the year, including the FEED study in Algeria, but also other studies in Italy.

In the PMC space, we have now started our first project in West Africa, and we are awaiting feedback on several bids we have submitted. The pipeline in PMC looks promising. On operations and maintenance, we are working on a substantial list of prospective projects across the globe. We will give you regular updates on the evolution of our services offering going forward.

Let's now have a look to our commercial effort. As you know, we are coming out of two very strong years in terms of order intake, totaling almost €40 billion of awards. Nevertheless, our commercial pipeline for the next 18 months remains robust at €53 billion. Also, half of our pipeline related to gas upstream projects, which are less sensitive to swings on oil price. We are also awaiting feedback on several [bids] submitted, totaling €7 billion, and we expect to submit additional bids for €16 billion

during the remainder of the year. As such, we remain confident about our order intake target for 2025.

Let me now give you an operational update on two very important projects. On Courseulles we confirm the plan already presented in the Q1 results. We are aiming to restart the drilling activity next month and we expect to complete it by the end of 2026.

Moving to Norway, I am glad to report that the Castorone vessel completed the laying of about 79 kilometers of pipe-in-pipe pipeline for Equinor, connecting the Irpa subsea production template with the existing platform. This project is the deepest steel pipe ever installed in Norway and it is amongst the deepest pipe-in-pipe globally laid in S-lay mode, further consolidating Saipem leadership in pipe laying. The Castorone will now move to Guyana to do work for Exxon in the Uaru and Whiptail fields.

I will now hand over to Paolo, so he can give you more details on the financial results of the first half.

PAOLO CALCAGNINI

Thank you, Sandro. Good morning, everyone. We will start from Slide 12, which presents a summary of our financial results for the first half of 2025. Revenue increased by 12% year-on-year to €7.2 billion and our EBITDA grew by 35% to €764 million. The growth has been primarily supported by our offshore E&C activities.

EBITDA margin keeps on improving, having surpassed the 10% threshold, up from 8.8% in H1 last year. This is due to a more favorable business mix and to the reduced incidence of the legacy projects. Our net result was €140 million, 19% higher than H1 last year. Operating cash flow stood at €842 million, mainly driven by the growth in EBITDA year-on-year and the contribution of working capital movements.

Let's now review the different business segments, starting with Asset-Based Services on Page 13. Revenue stood at €4.1 billion for H1 2025, marking an 18% increase from last year, mainly driven by the growth of SURF and Conventional activities. The revenue mix remained relatively stable between SURF and Conventional, with a slight increase in the weight of conventional projects year-on-year. The growth trajectory was mainly driven by the increased backlog after the strong order intake of the last 18 months.

EBITDA stood at €539 million, up by 38%, and EBITDA margin stood at 13.2%, an increase of 190 basis points year-on-year. The increase in profitability is mainly driven by the good progress made on projects in the Emirates and Qatar and by the conclusion of the Sakarya project in Turkey.

For the second half of 2025, we expect double-digit growth in revenue compared to the first half of 2025 and a further improvement in EBITDA margin, mainly driven by the expected growth in volumes in both Conventional and SURF activities.

Let's now look at the drilling offshore on Page 14. Revenue stood at €461 million, broadly stable compared to the same period last year. EBITDA grew by 11% year-on-

year to €185 million. EBITDA margin stood at 40.1%, a 290 basis points improvement year-on-year.

In more detail, during the first half of 2025, 10 of the 14 units were fully booked and busy with their respective drilling campaigns. The Saipem 12000 underwent maintenance in Q1, but has been operational in Q2. The Perro Negro 10, following the Aramco suspension, underwent preparation works and has already moved to Mexico to start working in Q3. The Perro Negro 7 underwent maintenance in Q2, coinciding with the beginning of the Aramco suspension. The Perro Negro 12 contract was terminated by Aramco in Q2, with the Jack Up expected to be delivered back to its owner in the coming quarters.

All-in-all, we are reducing our fleet by three units, namely the Perro Negro 9, 12 and Pioneer, which have been returned, or will be returned to their owners. As a reminder, these units are not owned by Saipem, but leased, and as such, our capital light strategy has helped us navigating well through the Aramco suspensions.

For the second half of 2025, we expect a low-teens decline in revenue and high single-digit decline in EBITDA compared to the first half of 2025, reflecting the reduction of the Jack Up fleet, some white spaces, as well as the impact of planned maintenance activity.

Let's now look at the energy carriers on Page 15. Revenue grew by 6% year-on-year, reaching €2.7 billion. As a reminder, backlog related to energy carriers declined by 11% in the last 18 months, and as such, this means that Saipem is accelerating on the execution of the projects, in particular of the legacy backlog.

EBITDA margin improved year-on-year, reaching 1.5% in the first half of 2025. Our primary goal in energy carriers is to complete the execution of the remaining legacy backlog, while being very selective about the intake for new projects. For the second

half of 2025, we expect a pick-up in revenue compared to H1, and a further improvement in profitability.

The complete group income statement is shown on Page 16. We can now discuss some of the key items below EBITDA. D&A stood at €459 million, an increase of 149 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 €94 million in H1 2025, increasing by €21 million year-on-year, mainly reflecting the interest on lease liabilities and an increase in hedging cost due to the growing rates differential between the US dollars and the euro. Income taxes remained broadly stable year-on-year at €72 million, whilst the implied tax rate declined by 4.7 percentage points to 33.8%.

On Page 17, you can see the evolution of our net financial position. The cash flow generated in the first half of 2025 improved our net financial position by €171 million on a pre-IFRS basis, from a net cash position of €683 million to €854 million. This is a remarkable result, considering that in May we paid dividends to our shareholders for €331 million.

Gross Capex stood at €191 million and were partly offset by disposals for €115 million, mainly related to the proceeds from the sale of the 10% stake in KCA, which was completed in Q1. Repayment of lease liabilities increased to €167 million in H1 2025, compared to €85 million in H1 2024, reflecting the growth in the fleet on a chartered basis. In line with our plan, lease liabilities increased in H1 by €399 million.

For the second half of this year, we expect a marginally positive cash flow generation, but significantly lower than what was recorded in the first part of the year. This is mainly due to the expected reversal of the positive working capital dynamic seen in H1.

On Page 18, 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 almost €1.3 billion of available cash, which is sufficient to cover almost all our maturities to 2029.

As you know, with the 2025-2028 Strategic Plan, Saipem has set itself the target to achieve an investment-grade credit rating, and this is a key priority for us. We will continue to reduce our debt in the coming quarters.

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

ALESSANDRO PULITI

Thank you, Paolo. And to conclude before going into the Q&A. First of all, we continue to deliver strong results with sustained growth in revenue and EBITDA and high cash flow generation. Then our backlog provides us with strong visibility for the next two years. Our revenue for both 2025 and 2026 are almost fully covered by the existing backlog.

Our construction fleet is fully booked again for 2025 and 2026, and we are increasing our visibility also for the following years. Our balance sheet is strong, and even after having paid a record dividend to our shareholders. We expect our commercial activity to lead to an acceleration in terms of new awards in the second part of the year. And finally, we confirm our guidance for 2025.

Thank you for your attention and we can now move into 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 Alessandro Pozzi, Mediobanca.

ALESSANDRO POZZI

Hi everyone, thank you for taking the questions and congrats on the merger agreement. I'm sure it wasn't easy.

- The first question I have is on cash flow. As you pointed out cash flow was strong in the first half. I think the free cash flow post lease payments is above the full year guidance. Can you maybe give us more color about the free cash flow in the second half? You talked about a reversal of working capital. If you can maybe give us some of the moving parts there?
- And also second question on accounting. I think if we look at Q2 there is some movements in the non-monetary items. I was wondering if you can maybe tell us whether you've taken some additional provisions and maybe on this point if you can give us an update on Thai Oil as well.

Thank you.

ALESSANDRO PULITI

Okay. So for the first two questions I will ask Paolo to reply Alessandro.

PAOLO CALCAGNINI

Yes, so, Alessandro on the free cash flow and you probably noticed that the cash flow in the first half has been remarkably strong. It's been very close to the guidance for the full year. Apart from the very good operational performance there has been a positive contribution in Q1 and to less extent in Q2 by working capital. And we expect the working capital to revert in the two coming quarters especially in Q3. So we foresee while we remain very optimistic about the guidance that we expect a negative contribution by working capital in Q3 and Q4.

On the accounting, well I guess that you know, the company almost better than us and by going through the numbers of the press release you can actually see the net provisions that we accounted for in Q2 by going through the non-monetary items and deducting the depreciation and amortization. And you easily come up with a figure that tells you the net provisions at portfolio level and it's a significant number. We can't say that it's only Thai Oil, it's the entire portfolio, so it's a number made by pluses and minuses. But I guess you can figure out the big number yourself.

ALESSANDRO POZZI

Okay.

- And on Thai Oil is there any update there on the contract level?

ALESSANDRO PULITI

Okay. So on Thai Oil I will answer to your question. So following the termination of the contract back in April on the ground what is going on is we are orderly handing over the project to the client and this is what is really going on on the ground. And while on the,

let's say on the arbitration that was opened by the consortium we are now in the very early stages of that activity and so we will provide you further update as soon as things are progressing.

ALESSANDRO POZZI

Okay. Thank you very much.

OPERATOR

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

GUILLAUME DELABY

Yes, good morning. I would say three questions, two specific.

- First could you provide us a little bit of let's say guidance or feeling about the booking of your fleet for '27 and '28. I think nine months ago you were mentioning 50%. Can you maybe update or confirm this number? This is my first question.
- The second question, and it is for Paolo, could you maybe repeat just what you said on the mechanism for understanding the provisioning for legacy projects? Sorry about that.
- And the third question is rather for Alessandro, maybe versus three or four months ago what have you noticed I would say in the energy world? We hear many, many contradictory messages from many companies. So, what has surprised you over the past three or four months? What has changed according to you in the world energy scene, of course in 20 seconds?

Thank you so much.

ALESSANDRO PULITI

Okay. So let's start from the first one that is the most straightforward I will say. So booking for 2027 and 2028. Yes, we confirm what we said and what you...and as you rightly reported. And the comment that I can make today is that there is...in the next months, I'm confident you will see increasing this booking level. We are in the final stages of several tenders we submitted. Some of them were really in the final...very, very final negotiation stages. So I believe that in the next couple of months you will see the percentage increasing substantially. This is my comment and clearly I cannot reveal more because there are negotiations with clients that are confidential until will be published in the press release.

Then I leave the ground to Paolo for the second one.

PAOLO CALCAGNINI

Yes, thanks. On the net provisions, so well you know, that we don't disclose provisions on a project-by-project, we...you can find the numbers for the entire portfolio. And what you can do is you can look at the numbers that at Page 2 of the press release where you can calculate the D&As. And then at Page 12, you have the depreciation, amortization and other non-monetary items. If you make the difference between the two numbers, you get the non-monetary items. Non-monetary items being mostly, even not entirely, the net provisions that have been made in the period. So if you look at the numbers, there is in Q2 this year an increase in the net provisions, obviously at portfolio level. So it's the entire portfolio of projects. But you can guess yourself that we made a large part of the provisions on those two or three situations that we talk almost in every call we have.

GUILLAUME DELABY

Very clear, Paolo.

PAOLO CALCAGNINI

Finally, if you wait a few days and you go to our first half report when we will publish it, you will find the details of the provisions on contractual losses and you will see the gross and net changes in the number.

GUILLAUME DELABY

Thank you very much. Thank you. That's very helpful.

ALESSANDRO PULITI

Okay. And now I'm back to your third...to your third question. So what we see in changes, clearly in this first half of 2025, we see a bit of uncertainties around the world that are generated by the current geopolitical situation that is nevertheless more complicated than the geopolitical there was, let's say, that we were used in the last few years.

But I would like to remind some, I believe, key numbers. So in the second half of last year, or 2024, we clocked €12 billion of award. That is an exceptional number. And clearly this number couldn't be, by any means, be replicated in the first half of 2025, really because it was a really, really an exceptional one.

And if you look at the dynamics on the market of 2024, it was a very important year in terms of order intake. And you see that the first half we clocked €7 billion. So the first half, it is historically less important than the second half in terms of award. This is a normal dynamic because our clients, let's say, they tend to concentrate their final investment decision, and so they come to conclusion to the tender in the second part of the year. And so this is also the reason why we believe we are positive for order intake in the second half of the year, because we believe and we see the same dynamics occurring this year.

And this is also part of the answer of your first question. We have many tenders that are coming to the final stage in the negotiation in these days that clearly, they will generate in the second half of the year, order intake. So we see this dynamic that is a normal dynamic. Maybe this year, a bit more, if you are asking me whether there is a change, and maybe this dynamic is a bit stronger than in the year before. So what we are expecting: a concentration of award in the second half.

GUILLAUME DELABY

Thank you very much. I'll turn it over. Thank you very much.

OPERATOR

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

MICK PICKUP

Good morning, everybody. A couple of questions if I may.

- Firstly, for Paolo, can you just talk about the amortization in the asset backed services business? It jumped best part €50 million quarter-on-quarter? Is there something one-off in that or is that the level we should be thinking about?
- And secondly, on the drilling fleet, if you look at the high-end drilling fleet, there's a lot of option periods coming up later this year, I know you've got some contracts starting back end, and into next year, but what's the thought process on those option periods?

Thank you.

ALESSANDRO PULITI

The first question, I will answer to the second question first. So, yes, there are optional periods, and I will repeat what I said regarding the E&C fleet. We are in the final stage

of negotiation for getting those optional periods, let's say, confirmed. And I believe that yes, in the next month, so in the second half, we will see those options becoming confirmed. This is our expectation. Now I leave it to Paolo.

PAOLO CALCAGNINI

On the depreciation for the asset-based services, it's mostly two additional vessels that enter into the fleet, namely the Shen Da and the Bold Tern, which entered into the fleet this year, especially Q2, and that explains the increase in the depreciation compared to last year.

MICK PICKUP

Okay.

- So, when I'm looking at it on an EBIT level, year-on-year asset backed services EBIT is down, but you're telling me the profitability is improving in that business. How do I reconcile that?

ALBERTO GORETTI

Look, Mick, know, this is consistent with you know, IFRS 16 treatment of lease liabilities. We've been saying for a while that we have a huge amount of backlog to execute, and we want to execute it on a capital-light basis, that means leasing more chartered tonnage. And as such, we have a bit of a divergence between, you know, the EBITDA performance, and EBIT performance, because in between, you have a D&A line which is increasing. But, you know, if you think about it, knowing that, you know, the fleet would have grown on a charter basis, we started since, 18 months ago to report cash flow post-lease liabilities, really to bridge that gap between EBITDA, and cash flow generation. I hope it helps.

MICK PICKUP

Thank you.

OPERATOR

Next question is from Guilherme Levy, Morgan Stanley.

GUILHERME LEVY

Hi, good morning. Thank you for taking my question.

- The first one, just going back to CFFO discussion? Could you perhaps share with us what's your expectation in terms of working capital for the full year? So looking for...looking at 2025 as a whole, should we expect a build or a release at this point? And perhaps in other line of your CFFO guidance, should we expect any change to the pace of lease payments in the second half versus the first one?
- And then second question, just if you can comment on the environment for drilling activity, specifically in Saudi and on your Perro Negro 12 contract and if you can disclose any sort of compensation that you got from Aramco or maybe define that you are now probably entitled to pay to return the unit to the owner?
- And then third one, sorry, just a more technical one, but it's good to see that your commercial pipeline isn't changed at €53 billion. I was just curious to see, if you have changed at all your FX assumption behind that number. I assume that part of your commercial pipeline is denominated in dollars. So I was just curious to see if the €53 billion is unchanged disregard of that FX change?

Thank you.

ALESSANDRO PULITI

Okay. I will start to give you a bit of the ground on our drilling activity and the situation of our Jack Ups in Saudi. So, the...basically, what has happened is what has been well described by Paolo in the call. We leveraged our asset-light strategy. And so, the vessels, the units, three units basically, that have been shut down by Aramco. Two of them, they've been returned to the company that leased those units to ourselves. And we...and one unit has found another location, the owned one, Perro Negro 10, has found in other location in Mexico.

Going into detail, yes, we use part of the termination fees to cover for the cost of relocation of the vessel. That's for sure something that we did. But I believe that here what really matters is the success of our asset-light strategy that allows us to grow very quickly in 2023, when the demand in Saudi was very high, and also to cope without impact, I would say, the slowdown of the demand in 2024 and 2025. So, I believe that this demonstrated the success of this strategy, because as you saw from the results of our Drilling Offshore business line, basically there is no impact in terms of financials of this swing, but this is because we have been actively working on the asset-light strategy in terms of acquiring vessels.

And now, I hand over to Paolo for the other questions.

PAOLO CALCAGNINI

So we expect in the second half a negative contribution in terms of cash flows from working capital. So the working capital increasing while you observed that in Q1, it was a significant positive contribution. So we expect a reversal of the working capital effect in the second half, and an increase in the lease payments that will almost double in second half compared to the first half. So all-in-all, this is the reason why I say that in...we expect...we are confirming the guidance even though looking at first half numbers, we made almost entirely the free cash flow that we guided for in only six

months the reason being the increase in lease payments and, most importantly, the working capital reversal in [Q3] mostly but also in Q4.

And then just to give you the full picture, there is also...there is going to be also an increase in the CAPEX because if you remember our guidance, we actually did less than 50% of the capital that we were foreseeing for the entire 2025 in the first half. So they will increase a bit in the second half.

On the [pipeline], you asked a question very technical on the exchange rate effect. Actually, that's...I mean, the number we present is a total of plus and minuses in the revaluation of contract values et cetera and it's obviously denominated in euro. And so, you can say that for contracts whose value...face value was in dollars, they now account a bit less, but the number we present, it's a total of opportunities that enter into our commercial pipeline or leave the commercial pipeline whose value is updated because of changes in the expected contract value et cetera. So all-in-all, we still see the same commercial pipeline we are bidding for than we saw in Q1.

GUILHERME LEVY

Understood. Thank you.

OPERATOR

Next question is from Kevin Roger, Kepler Cheuvreux.

KEVIN ROGER

Questions that will be basically two follow-ups.

- Please just to be sure I well understand the accounting mechanism. So roughly we can calculate that there is a net provision movement of €150 million in the cash flow statement. Just to be sure this €150 million - where do I find it in the P&L? It's

already included in the EBITDA meaning that if you did not add the €150 million movement in provision, you will have adjusted EBITDA or something like that well above €500 million, just to understand the relationship between the two.

- And if yes, it will basically, also coming back on the question from Mick, explain that okay, the EBITDA margin is improving in the E&C offshore business asset based, but that the EBIT margin is going down because you have the provision that have been taken into the EBITDA also just to be sure I understand because effectively you mentioned improvements in the profitability on the asset base but on the EBIT level it's going down so just to be sure to understand all those two accounting factors, please?

PAOLO CALCAGNINI

Well, I guess Kevin that you are promoted in mathematics because you got the number very right. Those are the net provisions in Q2. And yes, they go into the EBITDA so they go both into EBITDA and obviously in the EBIT. The only difference between the EBITDA and EBIT being the...apart from the net provisions, the CAPEX on lease vessels mostly.

KEVIN ROGER

Okay.

- So the adjusted EBITDA will have been at the group level above €500 million?

PAOLO CALCAGNINI

Yes, so in other words, the EBITDA already accounts for the €150 million of the net provisions.

KEVIN ROGER

Okay. That's perfect.

PAOLO CALCAGNINI

I guess we are going very technically. It also explains why the operating cash flow has been remarkably strong compared to the increase in the EBITDA. Because those net provisions are non-monetary components.

KEVIN ROGER

Okay. That's perfect. Understood now, perfectly. Thanks.

PAOLO CALCAGNINI

Thanks.

OPERATOR

Next question is from Massimo Bonisoli, Equita.

MASSIMO BONISOLI

Good morning. Two quick questions left.

- Can you provide an update on Mozambique project and the eventual restart going forward?
- And the second question if you can give us an indication of the remaining balance of the legacy projects in Energy Carriers?

Thank you.

ALESSANDRO PULITI

So Mozambique, you know, today, there is the call of the operator of Area 1, so for sure, you will get even more details there. Nevertheless, it's a fact that the

Mozambique LNG partners are very actively working to restart the project within the summer. So I will say that we are pretty close being in July. That's what I can comment. And this is what has been public domain since few weeks now. So that's the status of the Mozambique.

Regarding the legacy project, I believe Paolo can give you the precise number, but now, it's becoming pretty little.

PAOLO CALCAGNINI

Yes. As far as the onshore legacy projects are concerned, we are almost below the €100 million threshold in terms of remaining piece of the...that was coming from...if you refer to the legacy as the 2021-2022 bad projects is less than €100 million.

MASSIMO BONISOLI

- If I may squeeze a follow-up, just to understand. So that in the third and fourth quarter for the Energy Carriers, we can see a sort of step up in profitability considering the level of legacy projects right now.

PAOLO CALCAGNINI

Yes. If you remember, we are targeting mid to high-single-digit margin for the onshore business. Obviously, the way from negative or zero to the high-single-digit, it goes through the 1.5% and possibly 2% and then 3% and so on. So yes, you can expect an increase which is the path toward a high-single-digit target margin.

MASSIMO BONISOLI

Very clear. Thank you.

OPERATOR

Next question is from Mark Wilson, Jefferies.

MARK WILSON

Good morning. Thank you very much. A lot of my questions have been answered already.

- Just a clarification on that point regarding the provisions that have been taken, you know, you've had a few quarters now where these things have come through and...but EBITDA report has been very good. So given the fact that you've reconfirmed Courseulles-sur-Mer and with the termination, you know, clarifications regarding that, it sounds like all of those recognized situations, there is going to be no more of those coming through. So that the net effect you just described all things being equal, we are not going to see that anymore?
- And then the second part would be, you mentioned on the Mozambique, what would be the backlog exposure to a restart there?

Thank you very much.

ALESSANDRO PULITI

So the backlog in Mozambique is around €3 billion. This is what we have plus let's say restart activity. So that's the order of magnitude of the backlog in Mozambique.

PAOLO CALCAGNINI

On the provisions, I guess that...I mean, your question is a bit general on the way we accounted for possible future losses in the last two years. It's an hard question to answer, but I think we can all agree that in the past two years, we have been most of the times on the prudent side when accounting for the future and well I guess we are hoping that the provisions we have today will be more than sufficient for the works that we have to complete and it's been the case in the last two years. We are hoping that the assumptions made will turn out to be as prudent as the past ones. This is the most I can tell.

What we are very happy about is that two years ago we had seven bad projects in our portfolio. Now, we are down to two, almost one. And as I said before, the legacy portfolio comes less and less on the total revenues and on the total provisions which is simply the, what we are trying to achieve to put the last project behind us as soon as possible. And this is going to be end of 2025, beginning of 2026.

MARK WILSON

- And so, you mentioned regarding current work, but regarding potential future arbitration for example. Is that included in your commentary you've just given?

PAOLO CALCAGNINI

Yes, it is, and the provisions...the provisions we make are made for, let's say, alive contracts and dead ones, obviously so including litigations or possible litigations.

MARK WILSON

Thank you very much. I'll pass it on.

OPERATOR

Next question is from Richard Dawson, Berenberg.

RICHARD DAWSON

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

- And firstly just a clarification on depreciation, I believe your expectations for full year D&A was about €820 million as previously guided. Has this now changed, given you've done €459 million already in the first half?
- And then second question is on Brazil. There are reports this month that Petrobras could award the Atapu-2 EPCI contract to a competitor who seem to have bid of

significantly low value than contractors including Saipem. Is there any read across here on where prices might be going for new awards and margins may be leveling off?

Thank you.

ALESSANDRO PULITI

Okay. Let's start from Brazil. On Brazil we are working and you know, Castoro 10 just started the work for Equinor in Brazil and we have other vessels working. So, yes the...we don't win all the contracts that are tendered in Brazil and that's, I believe, normal dynamics and Brazil is a very competitive market with many competitors working in the area. So, what is happening, I believe is just normal market dynamics. We are working. Sometimes we win projects. Sometimes we don't win projects. That's the...that's life of the contractor, but it is a sign of a very, very competitive market.

ALBERTO GORETTI

And Richard, on your second question on D&A, of course, you remind...you recall correctly with the full-year results. We said we were expecting D&A between €820 million and €840 million for the full year 2025. I think you know, for the second part of the year, you are likely to see an increase in D&A which, yes, will bring us to the top end of the range or possibly even marginally higher. And that's again mainly driven by you know, the growth of the fleet on a chartered basis and the few additions that we had in the first part of the year, including the Bold Tern and Shen Da.

RICHARD DAWSON

That's clear. Thank you.

OPERATOR

Next question is from Victoria McCulloch, RBC.

VICTORIA McCULLOCH

Good Morning. Thanks very much for your time. Just one remaining from me.

- Maybe could you give us a bit of color on and more on the dynamics environment on Slide #9. And that's really helpful the split. In terms of the work that's submitted into tenders, can you give us an idea of the split for onshore versus offshore for this?
- And then more broadly, are you seeing delays from, let's say, FEED to FID stage...to awards stage on projects from primary FID things coming through...what's the and I guess the softer communications that you're receiving from your customers, is this harder to get things across the line when you're getting pushback from costs, because we're hearing you know, mixed commentary across the spectrum as to where costs are on the services side?

Thank you.

ALESSANDRO PULITI

Okay. So, regarding clients' attitude, I would say that there are no news. Clients, they are never happy of the price we submitted. They always consider that we are too expensive and that's their mood always. So as I said before, the main market move that we have seen in these days is a shift from, let's say, taking final investment decision and so awarding of the contract more toward the second half of the year than the first part of the year. As I said before, this is a normal dynamic, but this year what I see is stronger than the year before.

On the onshore, just to give you some figures, we are bidding from prospect in the range of €15 billion that can be assigned over the 8 to 12 months. Tell you frankly, the competition is very strong. As I said in the last call, we confirm we will be very selective. So I do not expect for sure to win all the €15 billion that we are tendering,

because we said that we will be selective and we are selective. What does it mean being selective? That we really want to make sure that our onshore activity is robust, is done in a de-risked manner and with the right price, because that's the...that's what...that is our strategy and we remain stick to our strategy.

The total, let's say in the second part of the year, we are expecting and we are bidding a total of €16 billion, but this is including both onshore and offshore. And as I said earlier in the call, we are expecting results from €7 billion of tenders that are out, and we are expecting results of those tenders and those are already submitted in the first part of the year. So you see the first part of the year, we submitted 7 and in the second part of the year, we expect to submit 16. This is the ratio between the first and the second half.

VICTORIA McCULLOCH

Thanks very much for the color, I appreciate it.

OPERATOR

Next question is from Sebastian Erskine, Rothschild & Co Redburn.

SEBASTIAN ERSKINE

Good morning, Alessandro, Paolo, thanks for squeezing me in.

- Just zeroing in on your comment, Alessandro, on the kind of market dynamics, kind of meaning more that step up in the second half versus the first half of the year. Can we extrapolate that strength into 2026, and I guess which kind of basins will see that strength in order intake in that year?
- And then just a very quick one on the offshore drilling side, I was curious, can you confirm when the renewed contract on Scarabeo 8 with Aker BP from last

year kicks in, if it hasn't already, and kind-of the uplift from that on the results in that division?

Thank you.

ALESSANDRO PULITI

So whether I expect the same in 2026, in a certain extent, yes, because this is the dynamic that we see year-on-year. And as I said before, this year may be more clear, more evident than the previous one. So it is possible that next year, again, we will see the same dynamics.

Then the second question, you're really dragging me in something that is too specific, too detailed, and it involves, let's say, confidential negotiation that we are having in these days. So I really cannot comment on that.

SEBASTIAN ERSKINE

Appreciate it. Thanks very much. Thank you.

OPERATOR

Mr. Puliti, there are no more questions registered at this time.

ALESSANDRO PULITI

Okay.

ALBERTO GORETTI

Well, then that's it. Thank you very much. Have a good day.

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