



Saipem S.p.A.

"Nine Months 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 conference call operator. Welcome and thank you for joining the Saipem Nine Months 2025 Results Presentation. 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 & General Manager. 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 nine months of 2025. I'm here in Milan today with our CFO, Paolo Calcagnini, and with the rest of the Saipem senior management team. During today's session, I will begin by presenting the key operational and financial highlights from the third quarter. Paolo will then examine more closely the financial results. And at the end, I will offer a few closing remarks before we open the floor to your questions.

Let me begin with the key financials highlight of the quarter. In Q3, Saipem delivered revenues of €3.8 billion, with a growth of 1.6% year-on-year and 2.1% sequentially. EBITDA stood at €437 million, growing 28.5% year-on-year and 5.8% sequentially. In Q3 2025, we posted the highest quarterly EBITDA since 2012. From a balance sheet perspective, we ended the quarter with a stable net cash positive pre-IFRS of €844 million in line with the guidance communicated. Order intake stood at €3.2 billion in Q3, representing a book-to-bill of 0.9 and an acceleration compared to the previous two quarters. We expect this momentum to continue into Q4.

Let's put the Q3 results in a broader perspective. Revenue has kept on climbing up over the last four years on the back of the growth in backlog and supported by our steady execution. EBITDA has also constantly increased due to the quality of the new awards and to the reduced weight of legacy projects. The shifting mix toward offshore E&C

and the progress made on the legacy backlog has resulted in EBITDA margin more than doubling and getting close to the 12% mark. As seen in previous years, we expect the fourth quarter to be seasonally strong also in 2025. In the first nine months of the year, cash conversion remains close to 90%, having generated an operating cash flow almost equal to what we delivered in the full year 2024.

Let's now deep dive into the order intake of the quarter, which is anchored on three key projects in Türkiye, Guyana and Azerbaijan. These three projects confirm our strong relationship with Turkish Petroleum, Exxon and BP, and are a continuation of previous projects developed for these three clients in the recent years.

In Türkiye, we will continue to develop the highly strategic Sakarya field. Saipem has already successfully completed the first phase of the Sakarya field development project, which was awarded back in 2021, and we are currently finalizing activities related to the second phase. The offshore campaign for the third phase will be conducted by Saipem's Castorone pipe-lay vessel in 2027.

In Guyana, the Hammerhead development marks the 7th project we are doing for Exxon in the country since 2017. Saipem will carry out the offshore operations mainly using the FDS 2 vessel as well as the Shen Da, which is now part of our fleet on a chartered basis. Both Sakarya 3 and Hammerhead contribute for further extending the visibility of the utilization of our construction fleet from 2027 onwards.

In Azerbaijan, the Shah Deniz Compression project follows the signing of a framework agreement with BP in 2024, and it further consolidates Saipem's presence in the Caspian Sea, where we have been operating since the late 90s.

Let's now focus on our drilling offshore activity and the recent awards. The DVD will start operating for Eni in Indonesia toward the end of 2025. This is the beginning of a new chapter for the unit, which has operated in West Africa for about two years. We see strong potential for long-term drilling campaigning for DVD in Indonesia. The

Scarabeo 9 semi-sub remains focused in the Mediterranean Sea and has recently moved from Egypt to Libya, where she has started operating for Eni. The Santorini drill ship will continue to operate in West Africa for Eni in Ghana and in the Ivory Coast before moving to the Mediterranean Sea to work for Energean. Lastly, the Scarabeo [8] semi-sub received a 12-month extension from Aker BP in Norway and will now continue to operate in the country until the end of 2027.

We believe that we are approaching the turning point in the offshore drilling market, particularly in the deep-water activities, and we expect to see a significant ramp-up in demand from the second half of 2026 onwards. In shallow water, we are also engaged in constructive discussion with Eni in Mexico on the Perro Negro 10 unit.

Let me now give you an update on Courseulles. Following the successful transfer of the drilling equipment from the Vole au Vent jack-up to the Bold Tern jack-up in Q2 2025, we resumed drilling activities in late August as per plan. We have now successfully completed four new drilling sockets, sockets number 5, 6, 7 and 8, and we [will] shortly start working on the Socket number 9. We are very satisfied with the performance of the drilling machine and with the pace achieved in our operations. As such, the project timetable is confirmed. Drilling operations are expected to be finalized by the end of 2026.

Let's take a moment to review the utilization of our construction fleet. We have been operating at full capacity in 2025 and we are also fully booked for 2026. Looking ahead, the level of utilization for 2027 and 2028 has strengthened significantly in the last few months, mainly driven by the recent order intake. We expect to become fully booked for 2027 soon, as we secure additional orders in the coming quarters.

And let me now turn your attention to the commercial pipeline and the ongoing bidding activity. Despite recent market volatility, our pipeline remains robust. We have an opportunity set of €54 billion worth of projects in front of us, with around €33 billion in offshore activities. We expect €37 billion worth of upstream oil and gas projects to

be awarded in the next 18 months, representing close to 70% of our total pipeline. Within that, infrastructure maintenance and upgrade projects remain significant, especially in the Middle East. We are also seeing growing momentum in LNG, fertilizer plants, CO₂ management and biorefineries, which together account for around 20% of our pipeline.

We are currently awaiting feedback on bids submitted totalling €13 billion and we are anticipating submitting additional €21 billion in bids between Q4 2025 and Q1 2026. With this level of activity, we are well-positioned for continued success in the medium term.

With that, I will now hand over to Paolo, who will walk you through the financial results in more details.

PAOLO CALCAGNINI

Thank you, Sandro, and good morning, everyone. Let's begin with Slide 12, which provides an overview of our financial performance for the first nine months of 2025.

We achieved an 8% year-on-year increase in revenue, reaching almost €11 billion. Our EBITDA grew by 33% to €1.2 billion. The growth was primarily driven by our offshore E&C operations. EBITDA margin continues to strengthen, now at 10.9%, up from 8.9% in the same period last year. This improvement reflects the growing contribution of our offshore E&C activities and the reduced impact of the legacy projects. We closed the period with a net result of €221 million, marking a 7% increase compared to the last year. The operating cash flow stood at around €1.1 billion mainly supported by the growth in EBITDA year-on-year. Let's now review the performance of our three businesses, moving to Page 13.

For the Asset Based Services, revenue for the first 9 months of 2025 reached €6.3 billion, reflecting a robust 15% year-on-year increase. This growth was primarily driven by our SURF and Conventional operations with a slight shift in mix in favour of conventional projects compared to the previous year. EBITDA rose to €875 million reflecting a 38% increase, while the EBITDA margin improved to 13.8% up by 230 basis points year-on-year. The increase in profitability is mainly driven by strong project execution in the Emirates and Qatar, the conclusion of the IRPA project in Norway as well as progress on other initiatives in West Africa. Looking ahead to Q4 2025, we anticipate mid to high single-digit growth in revenue compared to the third quarter of 2025 and a marginal improvement in the EBITDA margin.

Turning to the drilling offshore on Page 14, revenue for the first nine months of 2025 amounted to €638 million reflecting a 5% reduction compared to the same period last year. EBITDA increased by 4% year-on-year to €258 million with a solid EBITDA margin of 40.4%. The year-on-year performance of drilling offshore was primarily impacted by a reduction in the fleet size by three units following the suspension and terminations received from Saudi Aramco, as well as the additional mobilization cost incurred

relocating rigs across different regions. These negative effects have been partially offset by the increase in the day rate of the Saipem 10000, the higher level of activity of the Scarabeo 9 and the Perro Negro 13 and the one-off termination fee received for the Perro Negro 12. Lastly, please note that the extension of the Saipem leasing agreement for the DVD introduced a change in the accounting treatment starting from 1st April 2025. Leasing costs, which were previously netted at revenue level, are now capitalized and recorded as amortization below EBITDA. This has a positive impact both for revenue and EBITDA. For the fourth quarter of this year, we expect a mid-single-digit growth in both Revenue and EBITDA compared to the third quarter of 2025 supported by the new contracts signed recently.

We will now conclude the review of business segments with Energy Carriers on Page 15. Revenue increased by 2% year-on-year reaching €4 billion. The EBITDA margin also improved compared to last year reaching 1.7% in the first nine months of 2025, thanks to the lower impact of legacy projects compared to the previous years. For the last quarter of 2025, we expect double-digit increase in revenue compared to the third quarter.

Turning to Page 16, I would like to highlight to you a few items below EBITDA. First, D&A reached €737 million representing an increase of €249 million compared to last year. The growth of D&A is mainly due to the expansion of our construction fleet on a chartered basis, in particular with the Bold Tern, the Shen Da and the Normand Frontier entering the fleet in 2025 and to the accounting impact of the extension of the DVD drillship lease. We expect D&A in Q4 to be broadly in line with what was recorded in Q3.

Financial expenses totalled €141 million in the first 9 months, increasing by €37 million year-on-year. The increase in financial expenses is a result of the growth of the interest component related to the medium to long term leases, the higher project hedging cost driven by the widening interest rates differential between the U.S. dollars and the euro, as well as the effect of FX movements partially offset by lower net interest costs.

Last but not least, income taxes declined by €14 million year-on-year, standing at €117 million for the first nine months of the year. The effective tax rate also decreased from 39% last year to 35% this year.

Let's focus now on the cash flows and net financial position on Page 17. Our net cash position pre-IFRS 16 has improved by €161 million, growing from €683 million at the end of December 2024 to €844 million at the end of September 2025. The positive development is mainly attributable to strong operating performance, favourable working capital trends, in particular in the first half of this year, and the proceeds from the sale of our stake in KCA Deutag, partially offset by CAPEX and by the dividend payment.

Lease liabilities have increased by close to €600 million in the first nine months of the year, driven by higher volume of vessels chartered and the accounting impact of the DVD lease extension.

Looking ahead at Q4 as already anticipated, we expect positive but limited cash flows generation mainly due to the impact of the expected *[working]* capital and lease repayments.

I will now hand back to Sandro for his closing remarks.

ALESSANDRO PULITI

Thank you, Paolo. So, before we open the floor to the questions, let me summarize our key messages.

First, we are consistently delivering strong results with sustained growth in revenue and EBITDA and a strong cash flow conversion.

Second, our backlog provides us with strong visibility. Our revenue for 2026 is already almost entirely secured by contracts we have already in place today.

Third, our construction fleet is fully booked for 2026 and getting very busy for 2027.

And fourth, our commercial activity is expected to drive an acceleration in new contract awards in the coming quarters. Therefore, we confirm our guidance for 2025.

Thank you for your attention and we are now ready to take your questions.

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.

The first question is from Alessandro Pozzi of Mediobanca. Please go ahead.

ALESSANDRO POZZI

Good morning. I have two questions.

- The first one on outlook for the orders in the coming quarters. In your opening remarks you mentioned that the pipeline remains very robust. And also, we know that you have a guidance of about €50 billion for new orders over the next four years, maybe 12 to 13 per year. To achieve that this year, in Q4 you need to have a good order intake. But beyond the quarterly variation in order intake, do you see any change in the attitude from your clients? And if we need to go back to the guidance of the €50 billion, how do you feel about that and whether you would make any revision either positive or negative?
- The second question on onshore E&C. I believe Paolo that you mentioned an increase in double-digit revenues in Q4. If you can give us more colour. And maybe you have missed the guidance for EBITDA in onshore E&C in Q4. And also, maybe remaining on the same topic of onshore E&C, can you give us a split in the backlog between legacy project and, I mean those with zero margin but also low margin, versus the other ones. Thank you.

ALESSANDRO PULITI

Okay, thank you, Alessandro. I will take the first one and then Paolo will provide you the answer on the second question. So, with reference to the outlook for orders. The dynamics we are seeing are the same dynamics of last year, with a concentration of orders that are coming between the third and the fourth quarter of the year. What we can say that these dynamic this year is stronger than, even stronger than last year, as per effect of all the uncertainties being generated in the world in the first six months of this year, and so many clients having postponed by few quarters their final investment decision.

Second comment that we can do is that what we are seeing is a bit of a shift in the type of clients and the awards. So, we see the national oil companies more prone in awarding new contracts than the international ones in this phase, that seem a bit more prudent. As you see, the largest new award we got in the Q3 was the one awarded by Turkish Petroleum. And what we are expecting in the present quarter and in the following one is this trend may be being even further consolidated, with instead major international oil company, or new orders may be appearing more, starting from 2026. This is the trend we see.

Regarding the pipeline ahead of us, as I said before, we have €13 billion of tenders that are out waiting for, let's say, the awarding process. So, we are pretty confident that we can get a slice of those. And so therefore, this is the basis why we confirmed our guidance for 2025.

And now, I will leave the floor to Paolo.

PAOLO CALCAGNINI

So, on the revenues onshore, essentially, we expect quite a few projects that are in the final, say, construction phase to accelerate in Q4, as the activity is progressing nicely. And some of them are the old ones, what probably you would call the legacy ones. So, there isn't a specific reason why we expect...there isn't a single name to point

out, when it comes to the increase in revenues. It's more a general trend across the entire portfolio. And in addition to that, there are certain projects that have been acquired last year that are entering to the phase where the delivery accelerates, because you're moving from the first phase of the engineering to the purchasing of materials and then possibly the construction. So, it's a general trend across the entire portfolio.

Then the legacy projects accounted for in terms of revenues, accounted for 13% of the revenues of the onshore business. That's the number for the nine months 2025. The margins for the last quarter will be in line, slightly better than the margins that you saw in Q3 this year.

And when it comes to the legacy portfolio going forward, keep in mind that as those projects are in the very final stage of the construction, the relative weight on the revenues will decrease materially because it's only the remaining pieces of the project. So, they will weigh less and less when it comes to the overall revenues.

ALESSANDRO POZZI

- And in terms of EBITDA for Q4, we are still in line with Q3.

PAOLO CALCAGNINI

I think you will keep seeing the improvement in the margins that you observed in Q3 and Q2. So, you're going to have a further increase in the margins of the business. Obviously, as you know, in onshore, you cannot expect to jump from close to 2% to 6% all of a sudden, but you will keep observing the positive trend that we've been experiencing this year in onshore.

ALESSANDRO POZZI

Thank you.

OPERATOR

The next question is from Mick Pickup of Barclays. Please go ahead.

MICK PICKUP

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

- So, you mentioned that your fleet is fully booked for '25, '26, and you're hoping for '27? But the footnote is that's your owned vessels. Given that you charter in some fairly significant and sizable vessels, where are we on those as well?
- And then the follow-up on that and it's the same subject. Obviously, depreciation has been growing significantly faster than EBITDA for the last two years. Given that that's effectively capex in the fleet, where are we on major assets in your fleet? Can you take any more or are you hitting capacity of engineers and people?

ALESSANDRO PULITI

Sure, thank you. Thank you, Mick. No, we are not planning to take any further vessel in the fleet in long-term charter, and maybe some opportunistic activity, but for short-term activity this always occur, but this is business as usual. While long term chartering like we did for the JSD 6000 and the Shen Da, this is not foreseen to occur. At the very end, what we have to say *[is]* that we have been the sole operator in the offshore that was, let's say, introducing new tonnage on the market. So yes, what we can say on the fleet utilization is that the chartered units have all started to work in full with this quarter. And we expect to completely fill their schedules...their schedules in 2027, I'm speaking, within the last quarter of this year, and the first two quarters of next year.

As you recall, those, as I said before, those vessels, they are more linked to operation that are awarded by international oil companies around the world. And as I said, most of their awarding process is expected between Q1 and Q2 of next year. Tenders have been already launched, we are discussing now technical aspects with clients, but then

the clients, they have to take their final investment decision prior coming to the award. And we expect this to become effective between Q1 and Q2 2026 with the information we have in our...in our hands. And now, I will give over to Paolo.

PAOLO CALCAGNINI

Yes, Mick, thanks for the comment on the D&A. I think that it's true that they've been running fast, that's a fact you can see through the numbers. Now, one comment on this, when you lease a vessel, you need to account for the lease from day one, even if the vessel will start working, say, three months later, so you can argue that to a certain extent, the lease treatment of those assets, it's actually an anticipation of costs because you have to start accounting for the depreciation before the assets enter into operation. So, to some extent, we are anticipating certain costs that we would have faced later if the item was treated as an operational cost.

And second, if you go through the numbers that are disclosing in the press release, you will also see that part...one of the reasons is the DVD. In fact, you can see in the drilling offshore segment reporting that there you see the larger difference between the EBITDA and the EBIT, because of the DVD lease rate treatment. And it explains a large part of the increase in the gap between EBITDA and EBIT basically.

MICK PICKUP

Okay.

- Then if I'm just thinking logically, obviously you talk about improving margins, but your Asset Based Services EBIT has basically been flat now for two years at the EBIT margin level. So, what you're saying is as those vessels come in, I can start assuming you see an improvement at the EBIT level, not just the EBITDA level?

PAOLO CALCAGNINI

I think it's a fair assumption, yes.

MICK PICKUP

Thank you, Paolo.

OPERATOR

The next question is from Massimo Bonisoli of Equita. Please go ahead.

MASSIMO BONISOLI

Good morning. I have two questions.

- One on the offshore drilling day rates. If you can comment on the latest trends you're seeing in offshore drilling day rates, both for deep water and jack ups, and how this is fitting into your commercial negotiation for 2026?
- And the second question is on offshore E&C margin, which has improved significantly at the EBITDA level. With the current backlog mix, do you believe that the margin level is now close to a fair run rate? Or is there any room for further upside, as legacy contracts roll-off and pricing remains supportive?

ALESSANDRO PULITI

Okay. So, I will answer to the first one and then Paolo will comment on the second one. So, offshore drilling rig day rates, as you know, is always a very tricky question for us because disclosing rates that are confidential with clients is always a problem. Generally speaking, what we have seen in the second part of 2025, is that a general decrease of the offshore *[drilling]* day rates. Apart certain drilling units, as we commented, like Saipem 10000, where we managed then in the last job awarded to slightly increase the daily rate it was rented, the others...the market became definitely more competitive. And certainly, at Saipem, we do privilege long-term relation with the client more than shaving the peak of the demand with very high...with a request of very high daily rates.

As I said, general comment for me is that daily rates deep offshore are almost flat since second half of 2025, but we do expect a picking up in this market in the second half of 2026, as per effect that, many clients, they have postponed their drilling campaign in the second half of the year. So, what we see? We see a concentration of new tenders coming requesting rigs starting working in second half of 2026. So, at that point, you can...you can expect also daily rates picking up again.

Instead, what we can say for the jack ups and so the shallow water, we see definitely a trend of decreasing of the daily rates, especially in the Middle East. They do remain daily rates, which we can make a living, but certainly they are no longer the daily rates of two years, three years, three years ago. That's something. Although, again, in the Middle East, in the very recent weeks...in the last couple of weeks, we have expectation of re-activation of several rigs, especially in Saudi Arabia. So, this I believe that, in the medium term, will bring to the jack up drilling rates, picking up again toward the levels we were seeing a couple of years ago. Paolo?

PAOLO CALCAGNINI

On the offshore E&C, I think you will see...we'll see the margins will keep improving in Q4. We expect both EBIT margin and EBITDA margin to increase further compared to Q3. And, as you may have noticed, from the...in Q3, we are already close to the 15% EBITDA margin, which we feel as an average of the portfolio is a good assumption for the medium term, but you will see the margins, improving in Q4. Both the EBITDA and the EBIT margin. Also, because there is still a bit of legacy projects under the asset-based, not as many as the onshore, but there is a couple. So, it's...as we progress on those projects, the margins will increase

MASSIMO BONISOLI

Very helpful. Thank you, gentlemen.

OPERATOR

The next question is from Guillaume Delaby of Bernstein. Please go ahead.

GUILLAUME DELABY

Yes, good morning. To be honest all my questions have been answered, so I can turn it over. Thank you for the...for this call and for the strong results.

ALESSANDRO PULITI

Thank you.

OPERATOR

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

VICTORIA MCCULLOCH

Good morning, thanks very much for the time this morning and for the colour that you were able to provide on the offshore E&C fleet utilization.

- I was wondering if you could give us some colour on how this looked twelve months ago. What did 2026 utilization look like twelve months ago? And on the same vein, if we look at the backlog phasing on Slide 32, 2027 or a backlog for execution in 2027 is down from 12 months ago, if we look at it compared to 2026, twelve months ago. Is this anything to do with phasing of contracts or, you know, some sort of delayed in awards from this year that you'd anticipated versus I guess the healthy tender pipeline having remained that way?
- And secondly, I noted in the quarter an agreement was reached, an agreement in principle was reached with Petrofac. Given the delay to the refinancing, can you give us any colour as to what the agreement was? Thanks very much.

ALESSANDRO PULITI

So, starting with the first question and regarding generally how it looks like our backlog 2025 compared to the end of 2024 one. When we comment this, we always have to recall that at the end of 2024 we recorded a record level of backlog and that the awards that we achieved in fourth quarter 2024 was a level that no one could even think to be replicated in a, let's say, in a quarter of 2025. So we are, I mean... I would comment this that we are comparing an exceptional year, with a normal year. And so...but with the same trend, as I said before at the beginning, the first two quarters of 2025, we were expecting to be lower than the end of 2024 because as we said before, this was exceptional high.

So, we could not expect clients keeping awarding with the same pace. What then we have seen, in second and third quarter, we are recording a bit of an effect having delayed final investment decision mainly from the international oil companies that those are pushing on the right several, let's say, several awards. And so, this is...so you see that in Q3, for example, we receive awards that at the beginning of the year we were thinking to being closed within Q2. That's the magnitude of the shift we are seeing.

Nevertheless, as I said before, national oil companies that are less affected in their final investment decision from, let's say, general economy trends but more driven by strategic needs of energy of their own countries, they are keeping the pace. And I believe that you will see soon that this will turn into new awards that they will bring our level, let's say, in line with the guidance that we gave.

And then for 2026, like it happens in many situations of our industry that is going ahead a bit on a stop and go mood, we are also expecting that the second half of 2026 to replicate a bit what happened in 2024 as the effect of the...let's say of the slowdown we saw in the first part of the year. So, this is...I am trying to give you a clearer colour of our expectation and what is going on in the market.

Now, the next one, Paolo will address it.

PAOLO CALCAGNINI

Well, I guess, I can't say much about Petrofac because the agreement with Petrofac is protected by very tight confidentiality agreements. What I can say is what they press released a few days ago. We didn't like the original restructuring plan, you are aware of what happened. Then we found a possible agreement. Then we understand that there are other disagreements with certain stakeholders that might change their plans. The other thing I can share that we had found a possible agreement that worked for all the parties and now that we can just wait and see if they can fix the latest problems that seem to have come up in the recent days. That is where we stand today.

VICTORIA McCULLOCH

Okay. Thanks very much. Appreciate the colour.

OPERATOR

The next question is from Guilherme Levy of Morgan Stanley. Please go ahead.

GUILHERME LEVY

Hi, good morning, everyone and thank you for taking my questions. I have two, please.

- The first one, during the quarter, we had some headlines regarding your potential sale of your subsea drone unit to Fincantieri. And I would be interested to see if you can say a few words on that front. How big is your current business? If you can also remind us of your current collaboration agreement with Fincantieri. Also, if a disposal at this point, considering the ongoing merge process, makes sense?
- And then the second one, if you can provide us any colour or if there has been any update on the arbitration proceedings with Thai Oil. Thank you.

ALESSANDRO PULITI

Okay. So, regarding your first question, I believe that the starting point is that we signed with Fincantieri an MoU in 2024, that is covering a possible commercial cooperation between Saipem and Fincantieri in the area of subsea drones that have been developed by Saipem. So, that agreement is still valid. It is a commercial agreement.

On the other hand, you know that in the process of clearing the Golden Power from the Italian state, we got a certain number of prescriptions that are in line with what we did and what we were planning to do. But they are pretty strict on the fact that we have to keep and continue developing this kind of technology. So, I believe that this is the situation. So, we will keep the technology according to the prescription. We will continue to develop the technology. And if there is any possibility and as I'm expecting that the MOU will bring some fruit, then we will get that fruit together. That's the way we see. So, we have in place a commercial collaboration and definitely we will progress on that line.

In terms of the size of the business, it's a business that is very sensitive as you can appreciate from, let's say, the defence point of view and the fact that whatever is around drones, even if in this case we are speaking about subsea drones, is becoming very sensitive, very important in terms of strategy and strategic view.

In terms of business size, we have to recall that this business is very small compared to the overall Saipem business, because we are speaking about a few tens of millions of euro value in this kind of activity. Because we have always to recall that this activity is within Saipem as a natural evolution of what we developed for serving our clients in the oil and gas. Everything starts with the conventional ROVs that then were developed into drones to serve the demand of autonomous inspection for maintenance, that is coming from our clients, that are the major oil and gas companies. So, this part is really a new coming business, but very much rooted within the oil and gas sector.

And the second one is Thai Oil. On Thai Oil, there are no updates, basically. This is what we can say compared to the previous quarter. So, I really don't have any further comment.

GUILHERME LEVY

Understood. Thank you.

OPERATOR

The next question is from Christopher Kuplent of Bank of America. Please, go ahead.

CHRISTOPHER KUPLENT

Yes, thank you very much. Just two quick ones, if I may.

- The first one, I think I heard a lot of positives around what you expect from Q4, and please tell me that I'm nitpicking, but I think your nine month EBITDA margin is already running at a level that is above your full-year guidance. So, to me, I guess the cheeky question is, why not raise your guidance with all the comments that you've given us today on Q4?
- And then secondly, again, please, if you can't answer, then just say no comment, but I did want to check what you can say about the progress on antitrust processes regarding the Saipem 7 merger. Thank you.

ALESSANDRO PULITI

Paolo will answer to your first question, and then I will address the second one.

PAOLO CALCAGNINI

Well, this is a question we receive almost every time we present the Q3 results, why don't we raise the guidance? Yes, if you run some very simple math's, obviously, expecting a good Q4, you may come to the conclusion that we will...we might do

something better than what we guided it for. But if you think through the numbers carefully, even if that is going to be the case, it's not a big difference. So, we will keep working to over-delivering in Q4 compared to the expectations built on the guidance, but we feel that, give or take, this is where the company will deliver end of the year.

And it's also true that in the first half of this year, we have already done all the cash flows that we guided for the entire year, but we also anticipated, as it happened, that in Q3 the cash flows would be slightly negative or neutral, which turned out to be the case. So, I think it's...we as a management team feel that the guidance remains what we expect to deliver.

ALESSANDRO PULITI

Okay, regarding the antitrust process, I would say that things are going basically as planned. We submitted our filing to all the relevant and competent antitrust authorities around the world, and this is pretty standard following our merger agreement announcement on July 23rd. And things are, let's say, going as per expectation. We submitted files, we received queries, we answered to queries. So, the process is ongoing as expected and in line with expectations so far. And this is what I can comment on.

CHRISTOPHER KUPLENT

That's great. Thank you, appreciate that.

OPERATOR

The next question is from Sebastian Erskine of Rothschild & Co Redburn. Please go ahead.

SEBASTIAN ERSKINE

Yes, hi, good morning, everyone. Thanks for squeezing me in.

- I have a question on the cash generation. It's obviously very strong for free cash flow so far, but expecting kind of an outflow in the fourth quarter. But of course, underlying that is the lease repayment dynamic, where do you see that kind of plateauing and kind of limiting as a drag on free cash flow into next year with the underlying profitability of the business improving? Will that continue to be a drag, but are you optimized now in the sense that you don't foresee further leasing and further impact on that side?
- And then kind of second or link to that on the capex budget, running well below that so far. Could you help us understand some of the dynamics behind that, and if there's the scope for slippage into next year as well?

PAOLO CALCAGNINI

So, on the lease payments or lease liabilities, we think that we're getting very close to the peak in terms of overall lease liabilities. So, you won't see the lease liabilities growing any further in Q4 and then neither in 2026. The lease payments will remain in Q4 and the next year to a similar level to Q3 2025. So, that's what you can expect.

SEBASTIAN ERSKINE

Understood. And just on the capex side?

ALESSANDRO PULITÌ

So, you know, our level of capex are capex that are, let's say, relevant to the staying business. So, we're not planning any acquisition and any capital expenditure for new vessels and new equipment and new drilling. And so, they are all linked to basically to mainly linked to the periodical recertification of the fleet, both drilling and E&C. So, that's you will see and we are not expecting any change there really within the guidance.

SEBASTIAN ERSKINE

Appreciate it both. Thanks very much. I'll hand it back now. Thank you.

OPERATOR

The next question is from Alejandra Magana of JP Morgan. Please go ahead.

ALEJANDRA MAGANA

Hi. Good morning. Thank you for taking my questions. Two for me.

- On the €13 billion of bids you're waiting for customer feedback on. Can you share when you expect decisions on the main ones and whether any are particularly close to conversion?
- And my second one is on Mozambique. Do you still expect the project to restart by year end? And I understand it should come with additional backlog to reflect the increasing cost since the original award. Could you maybe give us a sense of the scale of the additional order intake, whether that uplift is modest or more meaningful relative to the original award size or to your current backlog? Thanks.

ALESSANDRO PULITI

Okay. I will start answering directly on Mozambique and then Paolo will give you more colour on the first question. So, on Mozambique really, you know, we stay with what very recently Total[Energies] commented in their last Capital Market Day. They are very positive about the close restart of the projects and what we can say that we share the positive view. So, that's what I can say. The final say is, however, with the clients and the JV that is grouping the clients. Clearly, when the official restart and the lift of the force majeure will become a reality, there will be an upgrade on our backlog on Mozambique. Can't disclose the numbers now, but that's a consequence. That's a consequence. Paolo?

PAOLO CALCAGNINI

Yes. On the €13 billion of offers submitted to clients, we think that like, say, 4 billion or 5 billion will get the answers by the end of this year. And the others that are coming in [2026]. Now, making any guess on the success rate, it's actually a very hard call because it's not a diversified portfolio made of small bids. I mean, there are some big ones. In those cases, it's either nothing or the entire value. So, it's really hard to say. But we're pretty confident that out of the 5 billion of answers we will get, some of them will be positive in any case. And the others will come in Q1 and Q2 2026.

ALEJANDRA MAGANA

Thank you.

OPERATOR

The last question is from Anna Kishmariya of UBS. Please go ahead.

ANNA KISHMARIYA

Good day. Thank you very much for taking my question.

- I have a quick follow-up around Mozambique. Were there any impairments that you booked for Mozambique, which following the restart, you can reverse? And one question around depreciation for the next year, given that several vessels were returned to the owners and on the offshore drilling side, like, should we expect some minor decrease year-on-year in this line? Thank you very much.

PAOLO CALCAGNINI

On Mozambique, there weren't any impairments done in the past. The only thing that we did is obviously, as you know, we did some preservation and maintenance work on site that has been partially deducted [from] the backlog. So, when the project will restart, we will add that piece of the backlog back to the original contract value. It's kind of an accounting magic, but what is going to happen is that the backlog on

Mozambique will increase, because in the last few years, we made some revenues on Mozambique, part of which have been accounted against the backlog. But if you are referring to impairments, so impairments of contract value, margins, et cetera, no, there haven't been any. And so, you cannot expect any one-off components because of the restart.

Then the other question, I think, was on the D&A next year. I think that if you take the numbers for Q3 as a proxy of the run rate, when it comes to the total D&A, so including both D&A of capex and D&A coming from the lease payments, they will remain broadly in line with Q3.

ANNA KISHMARIYA

Thank you very much.

OPERATOR

We have one more question from Francesco Sala of Banca Akros. Please, go ahead.

FRANCESCO SALA

Yes. Good morning, everyone. Thank you for taking my question.

- Just a quick one on the networking capital, which has been pretty volatile in the last three quarters. So, I wonder whether you can share with us your expectation on Q4 and possibly on the first two quarters of 2026. Thank you.

PAOLO CALCAGNINI

For Q4, we think that there is going to be still a negative contribution for the net working capital, even though it's going to be a small number, which is what we anticipated already in the Q2 results call. The increase in the working capital is not going to be the same size that we experienced in Q3. It's going to be a smaller number. So, you can argue that given our business volumes is going to be something almost

negligible. What we do like about the working capital is that the increase in the working capital in Q3 and Q4 reflects a remarkable decrease in the advance payments from clients, which you may see as an increase in the quality of the working capital and the strength of the balance sheet. Because as a matter of fact, we are consuming cash that we received in advance and that was accounted as a negative component of the working capital. And so, the composition of the working capital increases compared to the past.

FRANCESCO SALA

Thank you.

OPERATOR

This concludes our Q&A session and our call. Thank you for joining. You may now disconnect.

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