



# Saipem S.p.A.

## "Full Year 2025 Results Conference Call"

*Wednesday, February 25, 2026, 10:30 AM CET*

### **MODERATORS**

- ALESSANDRO PULITI, *CHIEF EXECUTIVE OFFICER*
- PAOLO CALCAGNINI, *CHIEF FINANCIAL OFFICER*

## OPERATOR

Good morning. This is the Chorus Call conference operator. Welcome, and thank you for joining the Saipem Full Year 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 thank you for joining the presentation of Saipem full year 2025 results. I'm here in Milan today with our CFO, Paolo Calcagnini, and with the other members of Saipem's senior management team.

Today's session will be structured as follows. I will begin with an overview of the key operational and financial highlights of the fourth quarter. Paolo will then provide more details on the financial results. And then I will wrap up the presentation with few closing remarks, including the guidance for 2026. We will then open the floor to all your questions.

Let's begin with the key highlights of the fourth quarter. In Q4, Saipem posted revenues of €4.5 billion, growing by 2% year-on-year and almost 20% sequentially. EBITDA in Q4 stood at €515 million, growing 21% year-on-year and 18% sequentially, corresponding to an EBITDA margin of 11.4%. Our balance sheet remains very strong. At the end of 2025, we recorded a net cash position of almost €1 billion, thanks to a free cash flow generation of more than €200 million in Q4. The order intake in the fourth quarter stood at €5.4 billion, representing a book-to-bill of 1.2 and a strong acceleration compared to the previous three quarters.

Let's now look at the Q4 results in the context of what has been achieved by Saipem in the last 4 years. Since 2022, on the back of a strong order intake and a steady execution, we have delivered consistent growth, improved margins, and a significant cash flow conversion.

In Q4 2025, Saipem delivered once again the strongest quarter ever in terms of revenue, EBITDA, and operating cash flow. EBITDA has increased by a factor of 5 times since the beginning of 2022, with EBITDA margin doubling in the same period. This trend reflects the shift toward Offshore E&C and the steady progress made in the execution of the legacy backlog. EBITDA margin expansion has also accelerated in 2025 compared to the previous years. We are also very pleased to report that the EBITDA growth has translated into cash flow with an 88% conversion rate in 2025.

Let's now focus on the recent awards. As expected, we have seen a strong acceleration in order intake in Q4 with activity concentrated in the offshore E&C segment. The order intake in the quarter also reflects the resilience of the investment plans of national oil companies, in particular, in the Middle East.

In Qatar, we were chosen again by QatarEnergy LNG to deliver the EPCI contract for the COMP5 package of the NFPS compression project. This award builds on the COMP2 and the COMP3 packages, which are currently under execution by Saipem. The offshore campaign of COMP5 is planned for 2029 and 2030, further enhancing the visibility on the utilization of our construction fleet.

In Saudi Arabia, Saipem secured two offshore contracts under our long-term agreement with Aramco. The fabrication activity related to the two projects will take place in our Dammam facilities, supporting the growth of local industry and reinforcing our long-standing relationship with Aramco.

In Türkiye, Saipem was awarded an add-on contract for the additional work related to the third phase of the Sakarya gas field development. Our Castorone pipelay vessel will

execute the offshore campaign in the second half of 2027 in continuity with the activity already planned.

And let me now turn your attention to our commercial pipeline. Despite the softness in commodity prices experienced in 2025, our commercial pipeline remains robust. We currently see €54 billion worth of opportunities ahead of us. These include €32 billion in offshore and €22 billion onshore. Gas Upstream projects continue to be an important component of our pipeline.

In terms of geographies, we see several opportunities in the Middle East, Latin America, Far East as well as in East and West Africa. 2026 is likely to be a strong year in terms of order intake. As you recall, the last year started slowly, but in Q3 and Q4, we experienced an acceleration in order intake. This phasing is likely also to be replicated in 2026 as many clients are planning their final investment decisions in Q2 and Q3.

Now, I'd like to provide an operational update on two important projects for Saipem, Courseulles and P-79. Looking at Courseulles to-date, we have successfully drilled 18 sockets with 46 remaining to be drilled. The drilling machine is performing well and in line with our expectations. In the coming months, we expect the pace of drilling to accelerate due to a combination of three factors. First of all, better weather conditions that will reduce the weather downtime. Second, the largest sockets in terms of diameter have been already drilled. And third, there will be a continuous learning curve in the execution. We remain confident that the drilling campaign will be completed in a timeline coherent with the expectations of our client.

And let me now spend few words on the delivery of the P-79 FPSO to Petrobras. As you might recall, the project was awarded by Petrobras to Saipem back in 2021. The P-79 FPSO is one of the largest globally with a storage capacity of around 2 million barrels of oil and a production capacity of 180,000 barrels of oil per day.

The construction of the FPSO was completed in 2025 with the sail away from South Korea taking place last November and the FPSO arriving at the Buzios fields two weeks

ago. The construction of the FPSO involved almost 30 million hours of work on the Saipem side. The FPSO was delivered in a timeline coherent with the expectations of the client.

And now, let me hand over to Paolo for more details on the financials.

## PAOLO CALCAGNINI

Thank you, Sandro. Good morning, everyone. Let me start with Slide 11, which shows the main highlights of Saipem results for the full year 2025. Revenue stood at €15.5 billion; this is a 7% increase compared to 2024. EBITDA grew by 29% year-on-year, from €1.3 billion to €1.7 billion. EBITDA margin grew by 2 percentage point year-on-year, from 9.1% to 11.1%. This is mainly driven by the margin expansion of the Offshore E&C business.

Net result remained broadly stable year-on-year, mainly due to one-off non-monetary items below EBITDA and higher financing costs and taxes. Operating cash flow stood at €1.5 billion compared to €1.1 billion in 2024.

Let's now look at how the three businesses performed. Starting from Asset-Based Services on Page 12. Revenue exceeded the €9 billion in 2025, a growth rate of 12% year-on-year. This was mainly driven by our SURF and Conventional operations, with a slight shift in mix in favor of conventional projects compared to the previous year.

EBITDA almost reached €1.3 billion in 2025 with an EBITDA margin of 14.4%, up by 2.6 percentage points compared to 2024. In particular, EBITDA margin in Q4 stood at a solid 15.7%, also due to a marked increase in the utilization rate of our fleet in the quarter. EBIT margin also grew year-on-year from 5.7% to 6.1%, with 7.5% in Q4, but the increase was less pronounced than at the EBITDA level due to the growth in D&A associated with the leasing contracts.

Looking at 2026, we anticipate low single-digit growth in revenue and double-digit growth in EBITDA compared to 2025, with a further improvement in EBITDA margin. The year 2026 will be more than 90% covered by the execution of projects already in the backlog.

Let's now move to the Drilling Offshore segment as outlined on Page 13. Revenue for 2025 declined by 10% compared to the previous year. EBITDA declined by 5%, with the EBITDA margin improving by 170 basis points versus 2024. Such performance mainly reflects the reduction in fleet size by three units following the suspension and termination of contracts by Aramco, as well as the costs associated with moving rigs to new locations.

In particular, Q4 was impacted by the one-off cost related to the mobilization of the DVD to Indonesia from West Africa and the related preparation costs. However, these negative factors were partially offset by higher day rates and better utilization for certain vessels.

Looking now at 2026, we anticipate a double-digit decline in both revenue and EBITDA compared to 2025, with EBITDA margin declining year-on-year. This is mainly due to four factors: the concentration of various maintenance activities in the year related to the Perro Negro 4, Perro Negro 8, Perro Negro 11, and Saipem 10,000, some white spaces related to the deepwater fleet, lower day rates on selected rigs and the release of Pioneer and Perro Negro 12 jack-ups in 2025, which contributed to both revenue and EBITDA for the first part of the last year.

Let's now conclude the review with Energy Carriers on Page 14. Revenue remained broadly stable in 2025 versus 2024, while profitability more than doubled in 2025. On one hand, this is due to the lower impact of legacy projects compared to the previous years, coupled with the results of the turnaround activity of the division started in 2022. On the other hand, however, as you may recall, the performance in 2025 has been negatively affected by Thai Oil.

Looking at 2026, we anticipate low single-digit decline in revenue and a marginal improvement in EBITDA margin versus 2025. This is mainly due to the restart of the Mozambique LNG project, partially offset by the expected completion of several projects in the Middle East, West Africa, and other regions.

Let's now take a look at the figures below EBITDA, as shown on Page 15. D&A grew by more than 40% in 2025 compared to 2024, surpassing the €1 billion mark. This increase was mainly due to the growth of the fleet on a chartered basis with the addition of the Bold Tern, the Shen Da and the Normand Frontier in 2025. D&A in 2025, and in particular in Q4, was also impacted by certain one-off write-downs. For 2026, we expect D&A to remain around €1 billion as we will continue to deploy a sizeable fleet on a chartered basis.

Financial expenses totaled €189 million in 2025, an increase of €104 million year-on-year. This was largely driven by higher project hedging costs and exchange differences, which increased year-on-year by €52 million and €43 million respectively. Higher hedging costs were the result of an increase in derivatives trading volumes combined with an adverse shift in the interest rate differential between the euro and the US dollar.

Financing costs increased by €9 million, as the increase in the interest component of leases of €20 million year-on-year was partially compensated by reduction of net financing costs by €11 million.

For 2026, we expect financial expenses in line with 2025. Income taxes for 2025 stood at €207 million, an increase of €17 million year-on-year. The implied tax rate stood at 40% in 2025, representing a 2 percentage points increase versus 2024. This is mainly due to certain one-off items recorded in Q4 2025. Tax rate is expected to decrease in 2026 compared to 2025, towards the 33%-38% area.

Let's now focus on the cash flow and net financial position on Page 16. In 2025, our pre-IFRS 16 net cash position improved by €316 million to almost €1 billion. This is mainly the result of cash generation for €792 million, partially offset by the €333 million dividend as well as €40 million of share buybacks. Lease liabilities saw a net increase of €611 million to almost €1.3 billion at the end of 2025, largely due to the expansion of our chartered vessels fleet.

In 2025, we signed new leases for €1.2 billion, including the extensions of existing vessels, and repaid €449 million of them. In addition, our net debt position has been further impacted in 2025 by the DVD purchase transaction, whose accounting impacts of €226 million are accounted for within lease liabilities. We expect lease liabilities to decline to approximately €900 million by the end of 2026 from approximately €1.5 billion at the end of 2025. This is a reduction of about 40% year-on-year.

The reduction reflects the return to the owners of certain chartered vessels deployed on offshore projects in the Middle East as those projects reach completion, and the expected completion of the purchase of the DVD, which would reduce the lease liability, but also reduce available liquidity. Lease repayments in 2026 are expected to grow toward the €650 million to €700 million area.

To wrap up, let's quickly go over Saipem's debt and liquidity position at the end of 2025. Our liquidity position is solid and stands at €3.4 billion. This is made of €1.3 billion of available cash, €1.5 billion of cash in JVs, and €600 million in undrawn revolving credit facilities. As anticipated 12 months ago, we are looking to reimburse all gross debt that is due in 2026, which amounts to €271 million. We also have a clear target to achieve an investment-grade credit rating in the medium term.

I'll now hand it back to Sandro for his closing remarks.

## ALESSANDRO PULITI

Thank you, Paolo. In the last three years, Saipem has generated more than €1.4 billion of free cash flow, of which €1.3 billion between 2025 and 2026. On the back of such strong cash flow generation, we have distributed €333 million in dividends already last year.

For 2026, we are confirming the same dividend paid in 2025, i.e., €0.17 per share. Therefore, in aggregate, between 2025 and 2026, we would have distributed to shareholders an average of approximately 50% of the cash flow generated, which is in line with our dividend policy of distributing at least 40% of free cash flow post repayment of lease liabilities. The total distribution to shareholders for 2025 and 2026 will therefore be €663 million, representing about one third of the equity capital raised back in July 2022.

Let's now look at our guidance for 2026. We expect revenues to remain broadly stable at around €15.5 billion. Adjusted EBITDA is expected to be approximately €1.9 billion. After accounting for the repayment of lease liabilities, operating cash flow is expected to remain stable around €1 billion. Excluding the envisaged purchase of the DVD drilling ship, CAPEX is expected to be around €450 million. Let me also remind you that approximately €100 million CAPEX that were expected to be spent in 2025 have shifted in 2026. Lastly, for 2026, we expect to generate a free cash flow after leases of around €600 million. Let me further recall that our 2026 guidance is almost entirely supported by projects already in backlog as well as by a very high utilization rate of our construction fleet.

Now before we take your questions, let me wrap up the presentation in few closing remarks. First of all, in 2025, we delivered another year of solid results and strong execution. Second, for the second year in a row, we confirm meaningful distribution to shareholders. Third, our backlog remains at close to record high levels, providing us with exceptional visibility and confidence for the years ahead. And fourth, our

construction vessels are fully booked for 2026 and we are steadily increasing the level of utilization for the following years.

Thank you for your attention, and we are now available to answer to 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, Mediobanca. Please go ahead.

## ALESSANDRO POZZI

Good morning. Thank you for taking the questions. I have three, if I may.

- The first one is on the outlook for orders in 2026. Based on your opening remarks, I believe you remain quite bullish about the prospect of the overall level of order intake. Maybe, you can maybe give us a bit more color on the seasonality that you expect in 2026. But also, I was wondering if you can give us more color on the order intake in particular for the offshore E&C given that the orders in 2025 were a little bit below 2024 and whether you assume a recovery in orders in the offshore E&C as well?
- The second question on the DVD vessel. Can you give us maybe some thoughts about economics, maybe the payback that you expect following the acquisition of the DVD and the charter, do you expect to sign with Eni in the longer term?
- And finally, maybe some additional colors on the write-offs that you have taken in Q4. Thank you.

## ALESSANDRO PULITI

Okay. I will answer to the first question and then I will hand over to Paolo for more details. So outlook for orders in 2026, we can confirm that we are expecting in total a figure that will be very close to the order intake of 2025. Basically, the same amount, probably, we expect to have in 2026 than we had in 2025. And almost with the same, let's say, shape throughout the year. So, we expect certainly the 3Q and the 4Q stronger than the first two quarters of the year. This is a trend that we saw in 2025 and we expect also to see in 2026, since many clients are expected to take their own final investment decision in Q2 and in Q3. That's the reason.

In terms of offshore backlog, yes, I can confirm we can expect a good order intake in the offshore sectors. There are many projects in the pipeline. Some of those awards are also expected in the...let's say, in Q2. So, we should see some good news on this side as well.

Okay. Regarding DVD, I will now hand over to Paolo that can give you more color.

## PAOLO CALCAGNINI

Yes. Okay. On the DVD one, the proposed acquisition that as you may have read in the press release was approved by our Board yesterday is based on what we feel are solid financials and disciplined approach when it comes to Capex. We think that at the price that you saw in the press release, the return on the vessel is above our investment hurdle rate, which is, as you can imagine, is higher than the cost of capital. And so, we think that, that would be an accretive transaction for the shareholders.

And then there was a question on write-offs. Yes, in Q4, there have been certain write-offs. There have been also certain write-ups. The way I would summarize what happened in Q4 is that we had out of a portfolio of 90 projects, we had a number of very good ones and that is reflected in the margins. We also had some write-offs as

always. But all-in-all, I mean, as you may have seen from the Q4 numbers, both the EBIT and EBITDA have been growing compared to Q3 and the average of the year.

### ALESSANDRO POZZI

Alright. Thank you.

- And just going back on the order intake for the offshore, do you expect a recovery in '26 versus '25 in terms of overall volumes for the orders?

### ALESSANDRO PULITI

The total order intake, we expect at the same level of 2025, but there will be a substantial part of order intake linked to the offshore activity, I would say, in line again with 2025.

### ALESSANDRO POZZI

Okay. Thank you very much.

### OPERATOR

The next question is from Richard Dawson, Berenberg. Please go ahead.

### RICHARD DAWSON

Hi, good morning and thank you for taking my questions. Two from me, please.

- Firstly, how do you view the medium-term outlook at this point in time? And do you expect any major changes to the 2028 targets provided this time last year, for example?

- And then moving on to the ABS segment. So margin is very strong for Q4. What drove this? And where do you think margins can go into 2026? Presumably, there's a lot of scope for better priced projects to be delivered over the year? Thank you.

### ALESSANDRO PULITI

Okay. So, the medium-term outlook remains, as I said before in the presentation, I would say very good. We confirm what we said last year as a trajectory to 2028. Signs in the last, let's say, in 2025 and they are confirmed in 2026, are such that in 2025, we were very much supported by demand from national oil companies, especially in the Middle East, that are far less subject in their internal investment decision to the volatility of the price of the commodities.

In 2026, we still see, let's say, demand coming from the national oil companies, but also a coming back of international oil companies. We saw that many of those, they have been postponing their final investment decision from 2025 to 2026. So, the outlook is really promising, and I don't see why we should not deliver, with the information we have today, the expected targets we announced last year for 2028.

Now on margins, I leave to Paolo, a more colored answer.

### PAOLO CALCAGNINI

Yes, so on the margins, I think you can expect margins to keep increasing in 2026, especially in the Asset Based Services. Q4 had almost 16% EBITDA margin, actually 15.7%, to be precise. And we expect the margin to keep growing in 2026, for the reason that you mentioned. So, the fact that there is a number of old projects that have typically an average margin, which is lower than the most recent acquisitions. So, yes you can expect asset-based margins to keep growing.

## RICHARD DAWSON

Thank you. And just to follow-up to that last one, is that growing versus the Q4 margin figure or the 2025 margins overall?

## PAOLO CALCAGNINI

I think you can expect the growth compared also to Q4.

## RICHARD DAWSON

Perfect. Thank you very much.

## OPERATOR

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

## SEBASTIAN ERSKINE

Yes. Hi, good morning. Congratulations on the results today.

- I just want to kind of narrow in on the guidance for 2026, and particularly on the coverage, because you called that out you kind of, I think, 90% covered, on ABS. If I look at it last year at the group level, so you had about 78% backlog coverage on the €15.5 billion you ultimately went on to achieve. And if I take your backlog for execution and apply that same coverage, that would imply you coming in at sort of €16 and a bit billion on group revenue. Am I just missing the fact that you are so busy now and you talked about the fleet being completely booked up? Is that really the driver? Any color there would be helpful.

## ALESSANDRO PULITI

Okay, yes. I confirm that our, let's say, our guidance for 2026 is fully supported by projects that we have already in our backlog. And what I can say is also that 2027 is

getting project-after-project that we gain as much as fully booked as well. So, this is really the situation, and that's the key of the 2026 figures. They are based on projects that are already in execution, and that they will start execution because they are already in our backlog mostly.

Now, Paolo can give you also some more details on that.

### PAOLO CALCAGNINI

Yes, just a few pieces of information on the revenues covered by the backlog. The 90% is a number on the entire company, but if you break it down by business line, it's actually above 90% for the Asset Based Services, while it's a bit lower for the Energy Carriers. The reason being that for the Energy Carriers, we see quite a few contracts that have not been signed, especially changes on existing projects. So, you don't see the amount in the backlog while we expect to sign those changes during 2026, and therefore contributing to the revenues. That explains why the coverage for 2026 looks a bit lower than the number we presented one year ago for 2025.

### SEBASTIAN ERSKINE

That's really helpful.

- And just my second question is just following up on the provision comment. So, just backing that out, I get sort of €170 million in provisions taken in the quarter. Obviously, you did take some large provisions in the second quarter of this year. Are you now comfortable that that's the level that would support some of the kind of legacy projects? And if any kind of color on what drove that in the fourth quarter, any specific projects, I presume part of it Courseulles, but any details would just be helpful as I look to 2026?

## PAOLO CALCAGNINI

Look, I mean, we are very confident that the provisions on the portfolio will be more than sufficient to get the projects to completion. And it's also fair to say that in such a big portfolio, I mean, there is always certain extra provisions to be made on a limited number of projects whose margins may turn out to be a bit lower. But on the other hand, there is a pool of very good ones that deliver higher margins than expected. I think all-in-all, I mean the company is in a better position than it was one year ago or two years ago. Because as a matter of fact, what we used to call legacy portfolio, which is getting very close to being fully delivered, accounts for less and less on the total. It's like if we're cutting the bad tails of the portfolio.

## SEBASTIAN ERSKINE

Really appreciate that, and thanks very much for the color. I'll hand it back now. Thank you.

## OPERATOR

The next question is from Matt Smith, Bank of America. Please go ahead.

## MATT SMITH

Hi there. Good morning. Thank you for taking my questions.

- I wanted to touch upon the strength in cash flow conversion really that you mentioned. You've come in far and away above your guidance for 2025. I just wondered whether you could talk to any sort of structural drivers or whether there's any one-offs we should be aware of, and particularly asking, given, I think the 2026 guidance on operating cash flow is relatively stable year-over-year, despite sort of EBITDA pointing up 10%, I think, on the guidance. Is there anything we should take into account in terms of the strength in 2025 and thinking to 2026 already?

- And then perhaps if I stick to the same topic, but on leases, thanks for the information for the 2026 guidance. I think we've spoken to lease payments peaking this year. So, I wondered if you could speak to perhaps where those cash outflows will eventually decline to, and perhaps what the cadence might be beyond 2026. Thank you.

## PAOLO CALCAGNINI

So on the cash flow conversion, I mean, that's an interesting question actually, because we have consistently experienced a very good conversion, not only lately, but also in 2024 and in the entire 2025. I think that the reason you asked about structural changes and one-off items. So, on the structural changes, I think, we commented on the different commercial approach when it comes to cash flows that we adopted since 2022, whereby we have internal rules that basically say that projects should be cash positive throughout their entire lives. And that obviously reflects in better cash flows for the entire portfolio. And as the new projects entered into execution, we experienced the benefits of the new policy, and that's a structural change.

On the one-off, actually, if you look into the net working capital, the net working capital is almost stable year-on-year, so we don't see one-off components that we enjoyed in 2025 or in Q4. We actually expected a negative impact from the net working capital in Q4, because we were a bit too prudent on certain projects. It turned out that certain payments came in late in Q4 and that explains the performance way above the expectations in 2025. But then if you make one step back and look at the working capital, you don't see any major changes. So we don't see one-off effects.

## MATT SMITH

Perfect.

- And then could I just come back to the lease outlook beyond '26 then, please, in terms of cash outflows?

## PAOLO CALCAGNINI

Yes. So on the difference between the increase in EBITDA and operating cash flow, I think that the big part of the difference is explained by the lease payments because they increased by almost €200 million in 2026 compared to 2025. And then there is a bit of working capital items that explain basically the difference. That's most of the explanation.

## MATT SMITH

Great.

- Thanks, and then I was just trying to get to the bottom of where you expected your lease payments on a cash flow basis to trend post 2026? Thank you.

## PAOLO CALCAGNINI

Post 2026, we expect lease payments to go down from €660 million of 2026 somewhere between €450 million and €500 million in 2027 and possibly below €400 million from 2028 onwards.

## MATT SMITH

Thank you, Paolo. Happy to pass it on. Thank you.

## PAOLO CALCAGNINI

Thank you.

## OPERATOR

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

## GUILHERME LEVY

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

- The first one, just thinking about your Capex guidance for this year. Of course, you mentioned that €100 million reflects just Capex that has been shifted from 2025. But if I look back at the past couple of years, the company has executed less Capex than initially guided for. So I just wanted to pick your brain in terms of how confident you are on this number for this year? And what has driven this shift from 2025 to 2026?
- And then secondly, just going back to the acquisition of the DVD drillship. I was just wondering if you could say a few words about other opportunities to exercise purchase options that you still have and your appetite to do more of this type of activity from here? Thank you.

## ALESSANDRO PULITI

Okay. So on Capex for 2026, you see there is a slight increase compared to the 2025. As I explained before, the increase is mainly due to the fact that some cyclical maintenance to the vessel that was planned toward the end of 2025 actually shifted at the beginning of 2026. This is the explanation. What you said is also true that we....let's say in a way or in another, managed to reduce Capex when we do actual compared to budget in the last years. But this is an effect due to the fact that throughout the year, we try clearly to be very disciplined on Capex and to optimize our Capex expenditure and take advantage of certain situations that are determining during the year so that then actually we can spend a bit less than was planned. Having said that, this is the figure we see today. And clearly, we will work throughout the year to optimize this number and to reduce this number as much as we can, as normal in the process of our cost optimization and capital discipline in, let's say, in the company.

Regarding DVD, what I can say, I can say that it's not a secret that there is an overall strategy for Saipem to concentrate its operation on the deepwater activities. DVD, what I can say is not the sole option we have. But clearly, I cannot disclose more at this stage on this matter. But the trajectory is to be more a deepwater operator than we are today.

## GUILHERME LEVY

Understood. Thank you.

## OPERATOR

The next question is from Mark Wilson, Jefferies. Please go ahead.

## MARK WILSON

Thank you. Good morning. Great to see the continued offshore commentary and projects.

- What I would...and specific to that, the Courseulles point on 18 sockets. So what I'd like to ask about is, could you just tell us what we should consider to be a legacy contract today? Taking Courseulles out of the discussion, we know about that. Is it Mozambique? What other ones are still to be completed? Is there anything in terms of the backlog or the names you can talk to on the timeline when we don't have to speak about them anymore? Thank you.

## ALESSANDRO PULITI

Okay. So I can be very clear. So we do expect to complete Berri and Marjan in Saudi by mid of the year. And P-79 was one of the legacy projects. And as you saw from the presentation, is already sitting in the Buzios field, and so will be really completed in the next weeks. So those are really the main legacy other than, as you said, other than

Courseulles. But those are really coming to an end. By mid of the year, we for sure, we will close Berri, Marjan, P-79 in the next weeks and by the end of the year or the very beginning of 2027, the Courseulles.

## MARK WILSON

That's excellent. I really appreciate that commentary.

- My second question, if I may, is if there's any commentary you could give on the seeming differentiation between drilling markets at the moment, and I particularly mean the deepwater, and the E&C market? We've seen a very strong visibility for development of subsea projects. Clearly, you're fully booked. Drilling is lagging, there's white space, et cetera. It suggests there's plenty of things to develop out there. You guys are in the sweet spot, the E&C manufacturers. Is that a good way to talk about it? What would you say regarding the recovery of deepwater drilling or utilization there? Thank you.

## ALESSANDRO PULITI

Okay. So the two markets you know are pretty different by the fundamentals. The drilling is sold on a daily rate basis, while the E&C construction, the offshore E&C is sold on a project basis. So, they have very pretty different fundamentals. The drilling market has been historically more, if you allow me this term, more volatile than the E&C market for a very simple reason that the drilling activity is really very strong linked to the exploration and the development activity, while the E&C is linked only to the development activity. So, the drilling is subject to the swing in the exploration appetite mainly of the international oil companies. And what we have seen, many of those, they have announced that they will refocus on exploration activity. During 2025, we saw statements for at least three to four clients confirming that they will reinforce their exploration activity. And you know, then exploration is then followed by development. So, we see in the mid-term a good outlook for sure for the drilling on the wake of this new exploration activity that will bring new development activities, and together with

the offshore E&C that is now leveraging on the discovery and the development plans done in the past.

And the outlook is positive because there are, for example, many new countries that are coming and becoming more and more important for the offshore industry. The first one that I can tell you is clearly Namibia, where there are tenders out in a place that three years ago was without, let's say, without any major activity. So, I would say positive for both, taking into account the fundamental difference between the two markets.

### MARK WILSON

I appreciate the comment; I will hand it over. Congratulations on the excellent progress so far.

### OPERATOR

The next question is from Kevin Roger, Kepler Cheuvreux. Please go ahead.

### KEVIN ROGER

Yes. Good morning, thanks for taking the question.

- I would first of all come back on the provision that you took in 2026. So, it's a total of roughly €0.3 billion that you have booked. I would like to understand if you have some release of contingencies to offset this negative effect and at the end what's the net impact on the EBITDA, because if I make a stupid calculation, your adjusted EBITDA in 2025 would have been €2 billion excluding those negative effects, and so then the link with the 2026 guidance with an EBITDA of €1.9 billion. So, to understand the full effect of the provision in 2025 and then how we should think about the guidance for 2026 based on those impacts in the reporting number for 2025.

- The second one is just to be sure, the €1.5 billion order intake in the onshore space that you had in Q4, is it Mozambique or the variation orders that you were expecting or something else?
- And then just to understand the cash flow guidance that you have for 2026, just to be sure, because to be honest, I'm struggling to reconcile the numbers that you are providing, €1.5 billion EBITDA where we subtract the lease, the Capex, the tax, and the financial interest that you mentioned during the conference call. I'm struggling to get to the 0.6 number that you provide. So, do you include some positive working capital movement in this guidance, please?

### PAOLO CALCAGNINI

So, let's start from the provision. Actually, the numbers you should look at is the net provisions for 2025 because as you can imagine there have been additional provisions on certain projects but also the utilization of the provisions that we had at the beginning of 2025. I think the back number is that the net of the two is like 150, if I'm not wrong. So, you may argue in theory that without the 150, the EBITDA would have been 150 higher, even though that's a pretty, you know, tough call to make because it's the nature of the business. And there are certain years where you provision more than you use and others when you make more provisions than the utilization of the funds. So, possibly the way to look at it is that we made a very good EBITDA margin and EBIT margin notwithstanding a net increase in the provisions that we have made.

On the backlog, part of the acquisitions and the backlog, especially in the Energy Carriers, is the effect of the lifting of the suspension in Mozambique. Because what happened in the backlog in numbers for Mozambique is that we decreased the value of the backlog over time starting from 2021, because as you know, we were making certain activities and we deducted the value of those activities from the original contract value. Now that the suspension has been lifted, we are basically bringing back the numbers in terms of contractual revenues to the numbers that we had just before the suspension in 2021. And that explains a big part of the difference between the

announced acquisitions for the Energy Carriers to the increase in the backlog that you can see.

Then I think there was a last question on the EBITDA?

**KEVIN ROGER**

On the cash flow.

**PAOLO CALCAGNINI**

On the cash flow. So...yes, go ahead.

**KEVIN ROGER**

- It's just if I take the €1.9 billion guidance that you provide as an EBITDA and then remove the €450 million Capex, the €650 million lease, the €200 million tax, and maybe €200 million financial charges, I'm struggling to get to the €600 million.

**PAOLO CALCAGNINI**

Yes, there is a bit of positive contribution from the working capital expected in 2026.

**KEVIN ROGER**

Thank you.

**PAOLO CALCAGNINI**

And certain numbers are rounded, so I mean it's I guess for you it's not very easy to reconcile all the numbers but yes, there is a positive contribution by working capital.

## KEVIN ROGER

Okay. Thanks a lot, have a good day.

## OPERATOR

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

## MASSIMO BONISOLI

Good morning, two questions from my side.

- One on the Mozambique project restart, what assumptions are embedded in your 2026 outlook in terms of activity ramp-up and profitability? And once the project is fully restarted, would it be reasonable to expect a high single-digit margin for this project?
- And the second question regarding Venezuela given the recent geopolitical developments in the country, are you assessing any potential opportunities over there? Thank you.

## ALESSANDRO PULITI

So, I will start from the last one, Venezuela. Clearly, things, as you said, are changing pretty quickly in Venezuela, and that's a country in which we worked a lot in the past. And we are ready to come back as soon as clients ask us to do jobs and works in Venezuela, both offshore, and if any, onshore. So we just wait international and US clients to call for bids, and we are ready to participate in Venezuela.

Regarding Mozambique project restart, let's say what we can say is that the force majeure has been lifted, the project suspension has been lifted by our clients, and what we are currently, we are cooperating with the client to ensure an effective and efficient

restart of all the activities on the ground, with all the support of all the, let's say, of all the vendors. So that's where we are really concentrated today.

I mean, speaking about numbers, margins and something like that, today is pretty early and this is maybe, let's say, a question that should be better answered at the end of Q2. What I can give you is in broad terms; we expect margins that are in line with the LNG business segment. That's what we are clearly targeting and expecting in Mozambique.

### MASSIMO BONISOLI

Very clear. Thank you.

### OPERATOR

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

### GUILLAUME DELABY

Yes. Good morning, Alessandro and Paolo. Two questions from my side.

- First, I would like to come back on the the 2026 cash flow guidance. I understand from your answer to Kevin's question that there is no amount in your €600 million free cash flow guidance which relates to potential provisions for the merger or potential remedies in Brazil as well. So I just would like to be sure that this assessment is correct.

### PAOLO CALCAGNINI

I mean, the guidance is 100% on a standalone basis.

## GUILLAUME DELABY

Okay, okay.

- Second question, just in terms of the recent awards in Q4 and the awards you expect to gain in 2026, is it fair to assume that the likely potential EBITDA margin embedded in those current and future awards, should they continue to be accretive to the entire backlog, or have we already reached some kind of a plateau globally?

## ALESSANDRO PULITI

Okay, so we need to put your question in the context. So clearly, our aim is to continue in the trajectory to privilege the acquisition offshore. So this on its own brings an improvement of the overall Saipem margins. If we dive into the instead of the activity onshore, the Energy Carriers activity, the new backlog we are taking for sure is giving better margins than the past backlog because as we explain in many...in many of our calls, we are much more disciplined now in the new acquisitions onshore, especially in terms of de-risking of the projects, so the portion we are...the portion of the contracts that are protected in terms of pricing, in terms of cost increase, in terms of many, let's say many variables of the projects are bringing us to a much more reimbursable portion rather than a pure EPC portion on those projects. So, all-in-all, margins are expected, let's say, to improve, both because of the effect of the increasing volume of the offshore activity and the effect of a better portfolio onshore.

## GUILLAUME DELABY

Okay, okay. Thank you very much. I turn it over.

## OPERATOR

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

## ALEJANDRA MAGANA

Hi, good morning.

- My first question is on Mozambique LNG. It sounds like the margin should be in line with similar projects, but how should we think about the revenue and margin phasing through 2026 and 2027?
- And then my second question is on your 2026 guidance. What are the main levers that could drive outperformance? Do you still expect a turning point in offshore drilling in the second half of 2026 and onwards? Thanks.

## PAOLO CALCAGNINI

So on the Mozambique, I mean, obviously, we cannot disclose any numbers, margins for projects or products, but we said a few times that the target margin for the Energy Carriers business is somewhere in the high single-digit, which remains the target also for new acquisitions.

In terms of revenues, we expect an increase year-on-year as the suspension has been lifted, even though you must consider that the remobilization of suppliers, people on the ground, et cetera take a bit of time. So you cannot expect the company to be working at full steam just a day after the suspension has been lifted. So it's going to be increasing over time.

Then the upside on the overall numbers, as you can imagine, the E&C offshore is already covered 90% plus in terms of revenues so that we don't see material upsides in E&C offshore. There might be upsides in the drilling though because it's, as you know, the market has been a bit soft lately with a bit of white space and a bit of pressure on the rates and that's an area where you might see a bit of upside going forward.

## ALEJANDRA MAGANA

Thank you.

## OPERATOR

The next question is from Anna Kishmariya, UBS. Please go ahead.

## ANNA KISHMARIYA

Good day. Thank you for taking my question. I have two.

- First, around the taxes. You mentioned that there were some one-offs in fourth quarter. Can you please give us a little bit of color of what type of one-offs did happen?
- And my second question is also around Mozambique. There were backlog revisions. Do you expect to have further revisions or additions to the backlog from Mozambique LNG in the first quarter? Thank you.

## ALESSANDRO PULITI

Let's see. As I said before, in the previous question on Mozambique. In the first quarter, we do not expect any, I would say, any backlog revision increase. You may see something at the end of the second quarter, where we will complete the process of let's say restart, and with all vendors and subcontractors, and with the client as well. But for the time being, at the end of the first quarter, I'm not expecting any change, because the process that is ongoing now is that with the client, we are revisiting any purchase order and subcontracts to take into account escalation and resumption costs. But this, let's say process will not be completed for sure at the end of the first quarter. So, now I leave to Paolo for the question on taxes.

## PAOLO CALCAGNINI

On the taxes, there have been a bit of write-offs on certain DTAs, largely compensated by positive deferred tax assets in other geographies. The net was a bit on the negative side, but we see it as a one-off, a one-off event. And as I said, the tax rate will move down in the 30%-35% area going forward.

## ANNA KISHMARIYA

Thank you.

## OPERATOR

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

## MICK PICKUP

Good morning, thanks for taking my question.

- Can I just take you back to what you said about the Middle East confidence on new awards? I just look at it, and it looks like that urgency of 2022, 2023 has gone, and what we're seeing today is a bit more caution out there. Tender dates slipping, a few more people on bidding lines, lots of awards pending, but nothing really big coming. So, it just feels a bit more delay at the moment than about to see big awards. Can you just tell me, just talk through what you're seeing, or are we just about to get through this pause that it feels like we've had?

## ALESSANDRO PULITI

Hi, Mick. To give you more color on the Middle East, you have seen the trend. The trend I believe is very clear. In the Middle East, the national oil companies, they are keeping a steady amount of bidding, certainly in Saudi Arabia and Qatar. We are participating to those, they are very different kind of projects, I mean. The activity, we are

participating to those bids, and we are keeping getting awards, especially on the offshore. As you have seen, the most of the order intake of the Q4 was entirely offshore.

We are very cautious onshore, but I believe that there will be good opportunities coming within Q1 and Q2, also for the onshore. I cannot disclose it now with more details, but we are pretty confident that this will occur.

The kind of work we are awarded is also encouraging in a way or in another, because, the works that we are getting are not linked to new field development, but basically what I call as production maintenance of existing fields. And that are generating a sort of constant demand.

So, many works we get awarded are replacement of old pipelines, replacement of old platforms, old decks, upgrade of the decks, for example, to include facilities for water injection or artificial lift, or like the main Qatari projects, they are compression projects on existing fields. And so, this is generating a sort of constant demand, because all those facilities, they're being developed basically from the seventies, and they are now aging, and they need maintenance, and sometimes they need a full replacement. And that's where we see a steady demand in the Middle East.

## MICK PICKUP

Okay. Thank you.

- And can I just follow-up on the 12,000? She's got white space in the middle of this year. It looks like before stuff later in the year. I don't think I've seen the 12,000 with that much white space before. Is there anything planned for in that space issue, maintenance or anything, or is it up for work and grabs short term?

## ALESSANDRO PULITI

Clearly, our commercial department in the drilling has nothing in mind other than covering the white spaces. And what I can tell you, I cannot be more precise, but we have opportunities for the 12,000 certainties, that they may come in the next couple of months, and maybe becoming public in the next couple of months.

## MICK PICKUP

Okay. Thank you.

## OPERATOR

As a reminder, if you wish to register for a question, please press “\*” and “1” on your telephone.

Gentlemen, there are no more questions registered at this time. I turn the conference back to you for any closing remarks.

## ALESSANDRO PULITI

Okay. Thank you. Thank you all, and this closes the conference call for 2025 results of Saipem. Thank you.

## OPERATOR

Ladies and gentlemen, this concludes our Q&A session and our call. Thank you for joining. You may now disconnect.

## Disclaimer

*The information contained in this transcript is a textual representation of Saipem's Full Year 2025 Results Conference Call and while efforts are made to provide an accurate transcription, there may be material errors, omissions, or inaccuracies in the reporting of the substance of the conference call. In no way does Saipem S.p.A. (the "Company") or any of the companies of its Group assume any responsibility for any investment or other decisions made based upon the information provided in this transcript. Users are advised to review all publicly available information on the Company before making any investment or other decisions. The Company and its representatives will have no liability whatsoever (for negligence or any other cause) for any loss or damage occasioned by the use of this transcript or its contents. In the conference call upon which this transcript is based, the Company may have made projections or other forward-looking statements regarding a variety of items. Such projections and forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which the Company operates, as well as the beliefs and assumptions of the Company's management, and therefore are subject to known and unknown risks, uncertainties, assumptions, contingencies and other factors beyond the Company's control that are difficult to predict. Therefore, the Company's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. The information and any opinion expressed in this transcript do not constitute an offer or an invitation to subscribe for or purchase any securities.*