

OPERATOR

Good morning. This is the Chorus Call conference operator. Welcome and thank you for joining the Saipem First Quarter 2026 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 first quarter 2026 results. I'm here in Milan today with our CFO, Paolo Calcagnini, and with the other members of Saipem top management team.

The agenda for this session is the following. I will start with an overview of the key operational and financial highlights of the quarter. Paolo will then deep dive in the financial performance, and I will conclude the presentation with few closing remarks. We will then open the floor to your questions.

Let me begin with the key highlights of the first quarter. Saipem reported revenue of €3.5 billion, in line with the same period of last year. Despite the conflict in the Gulf, we made strong progress on all our projects in the region, recording €1.1 billion revenue in Q1 in the Middle East.

EBITDA in the first quarter stood at €434 million, a year-on-year growth of 24%. EBITDA margin stood at 12.3%, representing an increase of 2.3 percentage points year-on-year and an increase of 0.9 percentage points quarter-on-quarter. The strong performance at EBITDA level is the result of the strong level of utilization of our construction fleet, as well as the improved project mix. Thanks to the generation of almost €200 million of cash flow, our balance sheet has further improved in Q1. We ended the quarter with a net cash position of €1.2 billion on a pre-lease basis.

Order intake for the quarter amounted to €1.7 billion, corresponding to a book-to-bill of 0.5 times. As previously mentioned, we expect our order intake to accelerate in the coming quarters, as already demonstrated by the awards announced in the last few days. The performance recorded so far this year, notwithstanding the conflict in the Middle East, has been one of the key elements which lead us to confirm our 2026 guidance. We will come back to this in more details later in the presentation.

In the context of the typical seasonality of our business, our delivery in Q1 has continued to be very consistent and resilient. As already mentioned, the conflict in the Middle East has not had a material negative impact on our operational and financial performance in Q1. While revenue growth is moderating, the growth trajectory remains very evident at EBITDA and cash flow level, also reflecting the improved quality of our portfolio. Also, EBITDA margin has more than doubled in the quarter since the beginning of 2022. Notwithstanding the very strong cash flow generation in 2025, we continue to generate a substantial amount of cash in Q1, with operating cash flow reaching almost €400 million.

Let us now turn to the recent EPC awards. A big portion of our order intake to date has come from the Middle East, confirming the resilience of the commercial activity in the region. Since the start of the year, we have been awarded by Aramco three CRPOs for a total of \$900 million. These projects are aimed at maintaining the production level of Safaniya, one of the largest offshore oil fields globally. The offshore operation for this project in Saudi Arabia will be carried out by construction vessels that are currently dedicated to the Middle East, whilst the fabrication activities will be executed at Saipem Saudi Fabrication Yard in Dammam, minimizing the risk of potential disruption in the traffic through the Strait of Hormuz.

In addition to the awards from Aramco, we have recently announced a further project for Eni in the biorefinery space, this time in Sicily. This contract strengthens the collaboration launched in 2023 between Eni and Saipem for the development of biorefining in Italy. The new Priolo biorefinery will have a capacity of 500,000 tons per year, offering high operational flexibility to produce SAF biojet fuel and HVO diesel fuel. All in all, since 2023, we have totaled more than €1 billion of EPC awards in

biorefineries. Lastly, Exxon has assigned us Longtail, the eighth project in a row in Guyana, confirming the trust in our deepwater EPCI capabilities. We expect our order intake to accelerate further in Q2, in particular with additional activity in the operating and maintenance space.

Let me now turn to the recent commercial activity in drilling offshore. In the first quarter, we managed to sign contracts aimed at filling several gaps in our schedule for 2026, and to start building visibility for 2027 and beyond. For the Saipem 12000, we secured three contracts ensuring high level of utilization for the next two years. In particular, we signed an extension of the contract with Azule in Angola, a new contract with Rhino in Namibia, and a new contract in joint venture with ENH in Mozambique. For the Santorini, we have signed a contract with Eni in Ivory Coast. In the first quarter, we have also finalized the extension of the contract with Aker BP for the Scarabeo 8, which will now operate in Norway till March 2029. Lastly, we extended the operation of the Perro Negro 4 that will continue to work for Petrobel in Egypt till the end of 2027.

Let me now take a closer look at Saipem's operations in the Middle East. At the end of Q1, Saipem backlog in the region amounts to €11.5 billion, mainly in the offshore segment. As you know, we have a dedicated fleet of construction vessels and drilling jack-ups in the Gulf. It is important to note that this fleet is largely dedicated to the area, meaning that there is no need for additional vessels to enter the Gulf, nor for these units to transit through the Strait of Hormuz to execute projects outside the area. Project execution in Q1 has been steady with only minimal and temporary disruption being recorded. Considering the progress made in Q1 and the expectation that the traffic on the Strait of Hormuz will normalize in the coming weeks, we decided to confirm the 2026 guidance.

It should be noted that a further prolonged closure of the Strait of Hormuz could impact the delivery of certain components which are critical to Saipem projects globally, in addition to disrupting worldwide logistics and potentially driving up inflation. However, the current crisis is also likely to further reinforce the already positive outlook for

energy investment globally, on top of requiring additional investment needed to repair certain energy infrastructures in the Middle East.

Let me now give you an update on Courseulles-sur-Mer. We are making steady progress on the project. To date, we have successfully drilled 24 sockets and installed 15 monopiles. This means that since our last update late in February, we drilled 6 additional sockets and installed 5 additional monopiles. We confirm the completion is expected in Q1 2027.

Let me now give you an update on our commercial activity. As you can see from the numbers, our pipeline remains robust. In terms of mix, we continue to see a solid set of opportunities in offshore E&C across both conventional and deepwater. At the same time, we are seeing encouraging prospects in FPSOs, upstream as well as in fertilizer, biorefinery and operating and maintenance segments. Geographically, our pipeline is largely concentrated in Middle East and Africa, while we see attractive potential for growth in the Far East.

And now, let me now hand over to Paolo to cover the financial results in more detail.

PAOLO CALCAGNINI

Thank you, Sandro. Good morning, everyone. I'll begin with Slide 12, which provides an overview of Saipem's main results for the first quarter of 2026. Revenue was largely unchanged from the same period of last year at €3.5 billion, while EBITDA grew by 24% to reach €434 million. The EBITDA margin showed notable improvement year-on-year, rising to 12.3% compared to 10% in last year's first quarter and 11.4% in Q4. The strong performance was mainly due to the expanding margins in the offshore E&C segment, which more than compensated for reduced profitability in the drilling business line.

Net result and operating cash flow stood at €78 million and €392 million, respectively, broadly in line with last year. The growth of the chartered fleets year-on-year across all business lines increased lease-related D&A, offsetting EBITDA gains and keeping EBIT flat. This effect is more pronounced in Q1 due to the typically lower volumes in the first quarter of the year. The increase in the lease component of the D&A was both

driven by the growth of the fleet of construction and support vessels, but also due to the DVD lease accounting treatment change in 2025.

Let me now turn to the performance of our three business lines, starting from Asset Based Services on Page 13. Revenue in the first quarter of 2026 exceeded €2 billion, representing a 2% increase year-on-year. Such performance was mainly driven by strong progress of our projects in the Mediterranean Sea.

In terms of specific projects, the most relevant ones that materially supported the top line were COMP-3 in Qatar, Bouri in Libya and Neptune in Romania, which more than offset the impact of the completion of Sakarya II in Türkiye.

EBITDA stood at €333 million in the first quarter, an increase of 33% year-on-year with a margin expansion of 3.7 percentage points versus the same period of 2025 and 80 basis points quarter-on-quarter. The margin expansion was mainly driven by a better utilization rate of the owned construction fleet.

The growth in EBITDA more than compensated the increase in the lease portion of the D&A, leading to an expansion of the EBIT margin of 50 basis points year-on-year from 5.8% to 6.3%. Now, assuming no major disruptions in the Middle East or Strait of Hormuz, we expect low single-digit revenue growth and double-digit EBITDA and EBIT growth for 2026, along with improved margins year-on-year.

Let me now move to Drilling Offshore on Page 14. The year-on-year decline in both revenue and EBITDA mainly reflects: first, the reduction in the size of the fleet following the exit of the Pioneer and the Perro Negro 12 jack-ups in 2025. Second, a lower activity by the Perro Negro 7 and Perro Negro 8, the latter undergoing ordinary maintenance in Q1 2026. Third, marginally lower day rate for the Saipem 10000, Santorini and Scarabeo 9. These were partially offset by a higher day rate for the Scarabeo 8, higher utilization of the Saipem 12000 and the Perro Negro 10.

All in all, we continue to believe that 2026 will be a transition year for our Drilling Offshore business, and we anticipate double-digit decline in both revenue and EBITDA compared to 2025 with EBITDA margin declining year-on-year. This is mainly due to the

concentration of maintenance activities, some white spaces related to floaters and lower day rates on selected rigs.

Let's now conclude the review with Energy Carriers on Page 15. Revenue remained broadly stable in Q1. This was the result of an increased contribution by projects such as Mozambique LNG and biorefineries in Italy, fully offset by lower contribution by projects such as Berri, Marjan and Jafurah in Saudi Arabia as well as Bonny in Nigeria.

EBITDA margin almost doubled compared to the same period of last year and grew by 20 basis points quarter-on-quarter, reflecting the improved project mix. Assuming no major disruptions in the Middle East or Strait of Hormuz, we expect revenue to decline slightly, while EBITDA margin to improve in 2026 compared to 2025. The restart of the Mozambique LNG project will contribute positively to the results, while project completion in various regions will partly offset the gains.

Let's now look at the figures below EBITDA as shown on Page 16. D&A increased by more than 40% in 2026 compared to 2025. As discussed several times already, this reflects the growth of the fleet on a chartered basis. In particular, D&A related to the leases almost doubled year-on-year from around €90 million to around €170 million. The overall level of D&A recorded in Q1 2026 is a good proxy for the following quarters for a total of approximately €1.1 billion expected in 2026.

Financial expenses stood at €41 million in Q1, a decline of €14 million year-on-year, reflecting mainly a decline in the net financing costs ex-IFRS 16, partially compensated from the higher interest due to leases and exchange differences as well as lower hedging costs due to a reduction of the interest rate differential between the euro and the US dollar and lower volume of traded derivatives.

Financial expenses for the full year 2026 are expected to be slightly lower than 2025. Income taxes rose year-on-year by 15%, implying an effective tax rate of 37% compared to 34% a year ago. Tax rate is expected to decrease in 2026 from 40% reported in 2025 towards the 33% to 38% area.

Let's now focus on cash flow and net financial position on Page 17. In Q1 2026, the pre-IFRS 16 net cash position improved by €218 million to more than €1.2 billion. This is

primarily due to the cash generation totaling €199 million. Cash flow was especially strong in Q1 because it was not aided by advanced payments, which actually fell by €80 million since the end of 2025, following a better-than-expected and above budget performance in 2025.

Lease liabilities declined by €31 million in the first quarter and are expected to continue to decline in the next few quarters as we release some chartered support vessels back to the owners with the expected completion of some specific projects.

Lease repayments in Q1 2026 amounted to €138 million, broadly stable compared to Q4 2025. We expect lease liabilities to decline to approximately €900 million at the end of 2026 from approximately €1.3 billion at the end of 2025, whilst we expect lease repayments to be around €650 - €700 million for the full year 2026.

To wrap up, let's quickly look at the Saipem debt and liquidity position at the end of March. Our liquidity position is very solid and stands at €3.6 billion. This is made of €1.4 billion of available cash, €1.6 billion of cash in JVs and €600 million related to the undrawn RCF. As anticipated 12 months ago, we are looking to reduce gross debt by repaying all maturities that fall in 2026 for a total of €271 million.

We are, in fact, repaying, using the available cash, €30 million related to ECA facilities today, and we are planning to repay €241 million worth of EMTN bonds at maturity in July. We also have a clear target to achieve an investment-grade credit rating in the medium-term, a target which is well supported by the conversation we are having with the rating agencies.

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

ALESSANDRO PULITI

Thank you, Paolo. And let's wrap up with some closing remarks before we turn into the Q&A session. In Q1, we clocked another strong quarter of delivery, growth, and cash flow generation. The Middle East activities are currently running with limited disruption. The guidance for 2026 is confirmed based on the performance in the first quarter of the year, the steady progress on the execution in the projects in the Middle East since the start of the year, the supportive attitude of clients toward project

execution, and the expectation that the traffic through the Strait of Hormuz will normalize in the coming weeks.

As previously mentioned, it should be noted the further prolonged closure of the Strait of Hormuz could impact the delivery of certain components which are critical to Saipem's project globally, in addition disrupting worldwide logistics and potentially driving up inflation.

However, in the medium-to-long term, the current crisis is also likely to further reinforce the already positive outlook for energy investment globally on top of requiring additional investments needed to repair certain energy infrastructure in the Middle East.

Thank you for your attention, and we are now happy 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, Mediobanca.

ALESSANDRO POZZI (MEDIOBANCA)

Good morning. Thank you for taking the questions. And let me start by saying that we all know that the situation is very volatile and it's very difficult to provide any forward guidance, and appreciate that you are reiterating the 2026 guidance. Having said that, there are three topics that I would like you to discuss in more details.

- And the first one is the short-term impact. You mentioned delivery of critical components. If the situation doesn't improve, when is the timing of those critical components that will be delivered and that need to go through the Strait?
- The second question is, of course, higher oil prices will, as you pointed out, further support the outlook for orders. Are you really seeing a change in attitude from oil majors, and do you think there is going to be an even more focus now on deep water projects outside the Gulf than before?
- And last question on repair. You mentioned potential opportunities there, but also, I guess it's more Onshore E&C. So you have a lot of competition from domestic players as well in the Middle East as well as from maybe Indian or Chinese. Can you quantify the size of the opportunity for repair work in the Middle East on the back of the conflict? Thank you.

ALESSANDRO PULITI

Okay. I will try to answer. So let's start from the short-term possible impacts. Basically, we will start to see some impact if Hormuz does not reopen by end of May / July. That's when we have some important crossing for the Strait of Hormuz for equipment that are - some of them, they are going out from the region of the Gulf, and some have to be imported in the region of the Gulf. So, our horizon regarding your question is late May / July.

Then regarding the deep-water possible increase in activity. It's early to comment on that. Clearly, if we recall the past cycle of the industry, high price of commodity has always driven high demand in terms of deep-water activity. So, I believe it's fair to assess that continuing the high price of the commodity, then there will be an increase of the demand for deep water activity.

Regarding the repair on the offshore. As you all know, there are certain facilities that has been damaged. Yes, true. That are, as far as we know, although this information as you can imagine are strictly confidential, are located onshore.

Regarding our position in terms of being competitive on those kind of activity, yes, there will be competition, but we also have to recognize that several of those facilities have been built in the past by Saipem. And so, this gives us clearly an advantage in terms of knowledge, in terms of understanding of the plants, and coupled with the fact that in several cases, we are already mobilized in the region. So, for us, it will be easy to add this additional scope of work to our current activity. So we believe that we are well-positioned in case we are called from our clients to do this kind of activity.

ALESSANDRO POZZI (MEDIOBANCA)

Okay. Thank you.

- I guess you're also having maybe an increase in costs, maybe in insurance as well, and potentially we will see more inflation coming through. So do you think you can sit down with your clients and say, "hey, this is not our fault. Potentially, can we renegotiate some of the terms of the contracts"?

ALESSANDRO PULITI

So let's start from inflation. It is possible to predict there will be some inflation. Clearly, the high cost of the commodity drives, on one side, the demand for infrastructure projects, but on the other side, clearly, an increased inflation. Some of the contracts that we signed recently, they have provision to take care of increased inflation. So part of that, that will be for sure covered.

Insurance costs, yes, will be increased, but they are, to-date, manageable within the contingencies we normally carry within the projects that we are doing. So, inflation can be an issue on the long run, on the very long run, but not in the medium term. You have also to consider that most of the activity in the Gulf in 2026 is supported by materials already present in the area, that were purchased in the previous years. So, we are not depending largely on items that should be purchased now. What we are going to install in the next 6 months is definitely already in the area, and that's something that has to be taken into account also.

ALESSANDRO POZZI (MEDIOBANCA)

Okay. Thank you very much.

OPERATOR

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

MICK PICKUP (BARCLAYS)

Good morning. Thank you for everything today.

- Can I just follow-up from Alessandro? Sorry to be on the same subject. Can you just talk about a few practicalities? Maybe for Paolo: milestones on contracts likely to slip, how does this affect working capital? Are your clients still paying?
- And secondly, on the pipeline, obviously, 34% of your pipeline is in the Middle East, and it's good to see you winning stuff for that Saudi captive work. What's happening on those conversations and the projects to be awarded later this year? And do you, at some stage, decide to refocus some of your efforts elsewhere?

ALESSANDRO PULITI

Mick, thank you. So I will say that our clients are very strong and resilient in the area. And definitely, we didn't recall any problems in payment, zero. And this is reflected also in the very positive cash flow figures we presented, and the signals that we are collecting are also that the pipeline of expected award is going ahead as per plan. To date, we are not recording situation of project awards incurring in delays because of the situation. Commercial activity, all the signals we have on commercial activities is that the commercial activity is going ahead normally apart maybe some meetings being postponed between few days for certain situation and maybe difficulties in traveling that we experienced during the month of March, but that is now over because even commercial flight are fully back operational in the area. So, beyond that, we didn't see any change of attitude of the clients. And I personally made a trip ten days ago in the Middle East visiting our major clients, and I can confirm they are all very strong and resilient.

MICK PICKUP (BARCLAYS)

Thank you and let's hope it sorts itself out soon.

OPERATOR

The next question is from Guillaume Delaby, Bernstein.

GUILLAUME DELABY (BERNSTEIN)

Yes, and in fact, I'm going to pass it over because the questions I had have already been answered. So, no reason to keep the mic open.

OPERATOR

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

MARK WILSON (JEFFERIES)

Thank you.

- I'd like to ask Paolo actually specifically regarding the onshore E&C, the Energy Carriers. Only 8% of backlog in the Middle East for Energy Carriers. You spoke last quarter about finishing the remaining, or most of the remaining legacy contracts. Mozambique has restarted. I just wondered about your guidance for slightly improved margins this year and whether there is any inflation cost within that expectation. I'm just wondering where you think Energy Carriers margin could be going to give new set of projects starting up and finishing the other ones versus that guide you talked about. Thank you.

PAOLO CALCAGNINI

Yes. Thanks, Mark, for the question. So, the first comment is in the projects in Saudi. Yes, it's true that most of them will be completed by this year. Well, all of them actually. And this is also what drives up the margins for the business line. As you can remember, two of the big projects in the area were behind the profit warning. And yes, obviously, the new projects are being acquired with better contractual terms and better conditions. We remain convinced that the business line can deliver at least a mid-single-digit margin, provided that the risk profile of the projects is very different from the old lump-sum turn-key type of contractual agreements. So, with contractual terms that provide us protection against certain risks.

So, to answer your question on price escalation, many items today are protected against those cases. Then a general comment is that large EPCI projects, especially onshore, tend to suffer if there are disruptions in the global value chains, you know for late delivery of critical items, et cetera. So even though today, we don't see any major problems coming from the situation in the Gulf and from the logistics worldwide, this is a comment that we have made a few times. So obviously we are hoping and we assume that these situations will get better soon as you know deliveries of items on site remain for any EPCI contractor quite an important precondition to execute the projects. But when it comes to the Middle East, I mean, having most of the projects completed or being very close to completion, we think that we already have all the materials needed at site. So, we foresee limited disruptions even if the situation in the Middle East remains as it is today.

MARK WILSON (JEFFERIES)

Okay, thank you. And if I may have one follow-up.

- Could I ask, of the three large Qatar projects, the first of those, the first gas compression, is that platform now inside the Gulf? Or is that one of the large pieces or transit items you're talking about? Thank you.

ALESSANDRO PULITI

Sure, I will give you an answer, Mark. So, in Qatar, as you know, we have basically four main projects. The EPCOL project is in the final stage, and so we are doing commissioning, so activities all being carried out within Qatar. EPC2 is mainly being under construction out of the country. And this is the same that goes for COMP3 while EPC5 has just started basically the engineering and procurement. So it's not affected by the situation on the Gulf. So the first crossing of the Hormuz, as I said before, with some jackets and decks for EPC2 and COMP3, they will be across as we said, June / July time. So by that time, we are all assuming that the Hormuz Strait will be cleared.

MARK WILSON (JEFFERIES)

It's very clear. Thank you very much.

OPERATOR

The next question is from Massimo Bonisoli, Equita.

MASSIMO BONISOLI (EQUITA)

Good morning. Two questions.

- One on the pipeline. Your commercial pipeline has increased to €58 billion from €54 billion at the time of 4Q results. Can you elaborate on how the attitude of clients of a few end markets, like fertilizer or maybe gas storage, the one that were mostly affected by the Strait of Hormuz closure, how this attitude has changed over the past months considering the new strategic evidence of these industries?

- And the second question is on Mozambique, if you can just elaborate on the current status of the project execution, and when do you expect full normalization? Thank you.

ALESSANDRO PULITI

Okay. So, I would say that in the last month, because this is what we are speaking, to be honest, we didn't see any particular change of attitude of our clients toward the commercial pipeline. We expect that, as I said before, the price of the commodity will drive maybe potentially further extra demand. You mentioned specifically fertilizer. Clearly, the current price of urea is likely to drive more demand for fertilizer. We have no doubt about that. And as well, as I was commenting before, we expect a further, step-up in the demand for deepwater activity. This is typical. Whenever oil price is going above \$70 per barrel, then the demand there is getting bigger.

But it's also, as we said before, infrastructure are critical. So we do expect also an increased demand for infrastructure that are linked to diversification of the source of supply. A bit like same that happened in the second half of 2022, as a consequence of the war in Ukraine. It's possible that this situation in the Gulf will also drive demand for new infrastructure devoted to diversification of the supply.

Regarding Mozambique, we are, progressing, and activity at the site is going ahead. We have around 3,500 people already mobilized. We will become soon 4,000. So, I would say that the project is going ahead. Activities are ramping up in terms of civil and mechanical works. And as I said before, we are ramping up in activities together with the people.

MASSIMO BONISOLI (EQUITA)

Very clear. Many thanks.

OPERATOR

The next question is from Kevin Roger, Kepler Cheuvreux.

KEVIN ROGER (KEPLER CHEUVREUX)

Yes. Hi, good morning. Thanks for the time. I have three if I may.

- The first one, you commented in the remark that you have seen some lower day rates in drilling activities. So I was wondering if you can comment a bit on that, the lower day rate in the drilling environment?
- The second one is on Courseulles. So just to be sure that everything has been on track in Q1 because you have drilled only 6 sockets. So just to be sure that you just let's say, a kind of seasonality effect with Q1 activity in winter being very slow then that nothing materialized?
- And the third one, sorry to chase you on that again, but this quarter we have a move in the provision again and quite a big reversal this quarter of €130 million. So any color on this reversal in provision, please?

ALESSANDRO PULITI

Sure, I will start to give you an answer on Courseulles. Yes, there is clearly an improvement of performance on the last sockets being drilled, especially in the time required to move from one location to another location, and this goes straight in line with the improvement of the weather condition in the area that is typically of the spring and summer season. We should expect in the coming months, these improved conditions that are leading to less time required to move from one location to another location.

In terms of drilling time, we now reached a steady performance. It takes no more than three days to actually drill each location.

And regarding the provisions, Paolo?

PAOLO CALCAGNINI

On the provisions, what happened is the following. We didn't account for any new provisions while we used actually the part of the provisions, roughly €130 million, to execute, mostly Courseulles. So the number you see is a decrease in the funds, because of the use on Courseulles without any new provisions being accounted for in Q1.

And then, I mean just to make it clear, the 6 sockets that we drilled, it's an update since the last update we gave you with the full year results. So it's not 6 sockets from January the 1st. It's actually 6 sockets from the last presentation we gave you. Otherwise, it would have been quite problematic, right?

ALESSANDRO PULITI

Sorry, Paolo, let me elaborate. This is really from end of February to, let's say, last weekend. So, we are speaking of one and a half months.

Regarding the daily rates of the drilling rig. Yes, they are slightly reduced, but then when you get this kind of short-term activity, basically to make sure your schedule is fully booked, normally, in this case, drilling units are offered with a reduced rate to the clients that is partially compensated to the fact that being all these activities very close to the previous operational areas, normally they are associated with no mob-to-mob cost. So, there is a part of compensation for that.

KEVIN ROGER (KEPLER CHEUVREUX)

Okay. No, that's very clear. Thanks a lot. Thanks.

OPERATOR

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

SEBASTIAN ERSKINE (ROTHSCHILD & CO REDBURN)

Yes. Hi, good morning, gentlemen. Hopefully, you can hear me. I just want to return to the Asset Based Services performance.

- The margin in particular far in excess of my expectations, I think also consensus is 16.5%. Can you kind of give us any indication of where we might expect this to sort of plateau? And I'm thinking because, of course, Saipem versus other pure play E&C providers has a very successful shallow water conventional business that might put a ceiling on those margins. So perhaps you could venture a little bit and give us a sense of where you're expecting a natural ceiling.

PAOLO CALCAGNINI

Well, I guess that the reasonable assumption is to have high teen margins for the Asset-Based Services as a whole, and as a result of the mix between deep water and shallow water activity or conventional activity. Obviously, I mean the number can change a bit over time from one quarter to the other based on the mix of the projects that are being executed in the three months. Because obviously when we execute more SURF, deep water activity, you get typically higher margins. When the weight of the conventional activity is higher, it's the other way around. All in all, I think that somewhere between high teen is a fair assumption as a medium-term expectation for the business line. We still see an opportunity to increase the margin further compared to Q1 2026, Q4 2025. We hardly see the margins going higher than the high teen in the medium term.

SEBASTIAN ERSKINE (ROTHSCHILD & CO REDBURN)

I really appreciate that color. And just a sort of slightly boring accounting question on the D&A.

- So if I take FY 2025, you sort of initially had guided, I think sort of €800 million. It came in at €1 billion. I think you guided at full year 2025 for FY 2026 at €1 billion. You're raising it slightly. Is the stickiness or the kind of stubbornness in how high D&A has been, is it accounted for both the accounting treatment change and then also the lease impact, or is there any color you can give on why D&A has proved kind of slightly stubbornly high versus perhaps our expectations and the initial guidance?

PAOLO CALCAGNINI

Well, I guess the reason is that as we have a lot of work being executed, especially at the installation phase, we front-loaded the leased vessel fleet in 2025, and so now you see the full impact of the new vessels entering the fleet. And especially in quarters like Q1, when the overall volumes are a bit lower, the relative weight of the leased vessels is obviously higher, because the lease payments don't change over time based on the volumes because they remain relatively constant over time. So that explains a big part of the increase in the leases. Then, as we said a few times, well, we reached the peak

already in terms of lease liabilities. They will start decreasing this year with a big decrease in the lease payments, starting from 2027 as certain projects come to completion and we'll release the leased vessels. That's the first effect.

The second relates to Courseulles. I mean, many of the vessels working on Courseulles are leased, and having been a project behind the profit warning, it doesn't bring any margins. Then you add up the lease, the D&A connected to the lease payments back to the margins, and so they increase a bit the depreciation compared to the, say, plain EBIT that doesn't get any benefit from projects like Courseulles. Those are the two big elements behind the lease and connected D&As numbers.

SEBASTIAN ERSKINE (ROTHSCHILD & CO REDBURN)

Very clear. Thank you very much, Paolo, and I'll turn it back now. Congrats on the results. Thank you.

OPERATOR

The next question is from Richard Dawson, Berenberg.

RICHARD DAWSON (BERENBERG)

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

- The first one is just a follow-up on Sebastian's question and looking at Asset Based Services, is the mix in Q1 considered favorable? Or is that sort of a more normalized mix when you look at the deepwater versus more shallow water?
- And I appreciate that some of the margin strength in Q1 was given very high vessel utilization in ABS. Is there any sort of utilization reductions we need to think about across the rest of the year, so any maintenance of key vessels? Thank you.

PAOLO CALCAGNINI

So the mix in Q1 has been a bit favorable in terms of relative weight of the deepwater activity compared to the conventional. I think it was roughly 50:50, which is a bit better than the historical average. So there's been a bit of benefit from the mix. And also certain projects got to the, say, final stage and therefore, releasing contingencies and

margins. But as I said, I think that going forward, it's very fair to expect a performance that will remain in the high teen for the Asset-Based Services as a whole, regardless of the mix. So you can expect high teens going forward.

On the vessel utilization, no, I mean the 2026 will benefit from higher utilization compared to 2025, especially for certain vessels that have been a bit less utilized in 2025. They have a good expectations of utilization this year. So it's a trend that we expect to continue for the next 9 months.

RICHARD DAWSON (BERENBERG)

That's great.

- And maybe just a quick follow-up on CAPEX, given you did about €40 million of CAPEX versus guidance of over €400 million. So do you expect a ramp-up from Q2? Or is that more back-end weighted? Thank you.

PAOLO CALCAGNINI

Well, I mean we confirm the expectation to have a CAPEX in the €450 million range, which is what we shared with the guidance. And they've been a bit below the, let's say, plain division by four in Q1. So, you can expect them to increase a bit from Q2 onwards, especially in the drilling offshore where there are going to be a number of vessels undergoing cyclical maintenance in the next few months.

ALESSANDRO PULITI

Let me add on CAPEX. Really, the reference point is the yearly estimation. From quarter-to-quarter, the CAPEX are really affected from the timing where the vessel can actually enter into the maintenance yard that is affected by the previous projects. So, there is a high degree of variability. That's what we expect from a quarter to another quarter. But this will be within the projected CAPEX of the year. That's it.

RICHARD DAWSON (BERENBERG)

That's very clear. Thanks very much.

OPERATOR

The next question is from Guilherme Levy, Morgan Stanley.

GUILHERME LEVY (MORGAN STANLEY)

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

- Firstly, you touched on the reconstruction of the Middle East of the damaged infrastructure. So I was just wondering, given that a lot of that infrastructure is on the sort of projects that you have walked away recently, like stuff of onshore, refining, gas infrastructure. How should we think about the margin profile in case you are called by the clients to help fix that sort of infrastructure? And how should we think about that also in context of the certain degree of urgency from the client?
- And then secondly, it's been a while since we last spoke about Thai Oil. Are there any updates on your arbitration? I think that last year, if I have that correctly, the expectation was for the whole process to take like 1, 2 years before conclusion, meaning that we could still have a year from now. Would you still agree with that time frame? Thank you.

ALESSANDRO PULITI

Okay. So let's start from the activity may potentially expected in the Middle East for restoring damaged facilities and expected margin associated to that activity. I believe that we will be fair. Our clients have been hit. And I would say that the expected margins are the normal margins. I believe that none of us wants to exploit a situation in which our clients were hit. And we have a long-term relationship with them, and it's a relationship based on fairness. So this would be fair on both sides. That's something that I would like to stress.

On the Thai Oil arbitration. Preliminary activity is progressing as expected. And we do expect the arbitral tribunal to issue a calendar for the arbitration in July. So at that time, we will have a precise time schedule for the arbitration.

GUILHERME LEVY (MORGAN STANLEY)

Thank you. Can I just ask a very quick follow-up on accounting.

- How frequently do you have to assess the profitability of your whole backlog? Meaning, how frequently do you have to go project-by-project and look, there is additional inflation here and there, these logistics constraints are going to take a toll here and there. Just...I think that's done quarterly, but I just wanted to make sure?

PAOLO CALCAGINI

Well, we review the performance of the important projects, the most relevant ones on a monthly basis, and then there is a big review project-by-project on a quarterly basis where we go through all the assumptions behind the project status review, which is the balance sheet of each project, and we go line-by-line, and that's done on a quarterly basis. But then on the critical projects, it's done even on a monthly basis. It applies to almost any project. So either large or with decreasing margins, et cetera. It's not only the legacy portfolio.

GUILHERME LEVY (MORGAN STANLEY)

Perfect. Thank you so much.

OPERATOR

The next question is from Anna Kishmariya, UBS.

ANNA KISHMARIYA (UBS)

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

- One regarding the provisions and the reversal of the provisions. Do you expect with the Courseulles ongoing now at a faster pace, to have more reversals? And by how much you expect maybe it could impact or support the performance of the segment this year?
- And my second question will be around working capital. So when we discussed your guidance for 2026, the comment was that bridge between EBITDA and free cash flow

accounts for some of the working capital drag. Do you still expect this for the year because first quarter provided for a large relief? Thank you.

PAOLO CALCAGINI

Okay. The first question was on the provisions. Well, we don't typically disclose provisions for project-by-project. What we can expect in 2026 as a whole for the portfolio is a decrease in the overall funds. So, a bit of a utilisation of the provisions going forward. So we will utilize the provisions, as the projects get executed.

On the working capital, well, we expect a bit of a negative contribution from the working capital from Q2 onwards, even though Q1 has been especially positive when it comes to working capital. In fact, excluding the use of the provisions for the funds, the rest of the working capital decreased quite remarkably, which we see as a very strong signal of the fact that we have been able to invoice and get paid everywhere well in time.

OPERATOR

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

MATT SMITH (BANK OF AMERICA)

Hi, good morning. Thanks for taking my questions.

- Just one left around order intake. I think the commentary is consistent with what you said last quarter in terms of the cadence, and for the pace of that order intake to pick up from the second quarter onwards. I guess my question is really, do you still expect the full year to pan out in a similar fashion to full year 2025, full year 2026?
- And you know, within that, you know, just be interested to come back to your conversations you are having with IOCs sort of outside the Middle East, deep water projects. Do you get the sense that the plans are being accelerated because of the current commodity price environment or is that more of a medium-term expectation that you would have, perhaps players are even pausing those

conversations given the volatility in the world at the moment? Any additional color around that would be useful, please. Thank you.

ALESSANDRO PULITI

Sure. In order intake, we do expect the same trajectory than last year, that now it's proved to be consistent throughout 2024-2025, and now we will see it in 2026. So we see a ramp-up throughout the year of the order intake, having a peak in the last quarter of the year. This happened in 2024, and it happened in 2025 as well. It's basically linked to the cycle of the final investment decision of our client within their own governance. And they tend to take their final investment decision around the mid of the year. And so, coming to conclusion of tendering and awarding in the second half of the year. We see, commercial activity going on in all the segments, I would say. We are actively participating in several tenders, offshore, onshore, and drilling, and even sustainable infrastructure around the world. The demand is sustained.

And as you know, there are many tenders out that they are expecting to come to a conclusion even before the summer in West Africa, East Africa, Far East, are the main areas for let's say deep water. Deep water, we signed off just yesterday a further project in Guyana. Then onshore, still Middle East, as I said before, very active, irrespectively of the situation there. I can assure you clients are still very resilient, looking forward to increase activity and to achieve their target in terms of production capacity, both on gas side and on oil side. And as we said before, we are keeping seeing also opportunities on fertilizers rising and FPSOs. The other area where we see a positive outlook is also operating and maintenance. And we hope we will be able to announce soon positive news in that area. So all-in-all, as we presented, the commercial pipeline is alive and kicking. This is in a way or in another, if you want to have a colored description of the situation.

MATT SMITH (BANK OF AMERICA)

Perfect. Thank you. Appreciate the detail. Happy to pass it on.

OPERATOR

The next question is from Kate O'Sullivan, Citi.

KATE O'SULLIVAN (CITI)

Hello, thanks for taking my questions.

- First, related to offshore drilling. So previously, on Slide 33, the Scarabeo 9, it was identified as entering an optional period around now and the Santorini later this year. And these are now referenced as ongoing discussions. So just wondering if you could give a bit more color on whether these discussions are with the same client or new counterparties and whether there's potential upside to current guidance should the discussions convert?
- Just secondly, a follow-up on the Middle East, and you talked about June-July being an important crossing for equipment. So even if the situation resolves in the coming weeks, could you potentially see a knock-on impact based on logistics normalizing following the shock, potentially shipping backlogs based on disruption so far? Thanks a lot.

ALESSANDRO PULITI

Okay. So regarding the drilling rigs, and I understand your question is specific for the Santorini and Scarabeo 9. And so, both rigs are participating to tenders and are sometimes in advanced commercial discussion with clients. So we are pretty positive we can increase and confirm their utilization throughout '26 and '27. In particular, we see opportunities in West Africa for both drilling units.

Regarding the transit to the Hormuz. Yes, I confirm we will have transit starting from end of May / June / July. And regarding logistics, yes, we can predict that logistics will be in a certain situation maybe engulfed, especially because the current situation has already accumulated late delivery, accumulation of goods in the ports that have to be cleared. But our activity is very specific and is mainly linked to the utilization of heavy transportation vessels or barges. The barges are owned by ourselves from fabrication point to installation point. So what we need is to be able to freely cross Hormuz, but

we do not depend on logistic linked to ports activities around the world because basically, we load out in the construction area, and we install in the location of the field of the client without need of, let's say, interim transit in ports.

And if this is needed, we have also to take into account that we can leverage on our facilities in Karimun in Indonesia that are strategically located on the way from the Far East to the Gulf. So if there is any waiting to be accounted for, this can be done in our own facilities in Karimun, where we have a large construction yard associated with loading area ports and also possibility to wait there. So that's the way we are managing the situation.

KATE O'SULLIVAN (CITI)

Okay. Thank you very much for the clarification.

OPERATOR

And the last question is from Alejandra Magana, JP Morgan.

ALEJANDRA MAGANA (JP MORGAN)

Good morning. Thanks for taking my question. Just one for me on offshore drilling.

- Can you update us again on the progress on the previously mentioned white space in your deepwater fleet and the context of your broader strategy to increase your focus on deepwater? Is this mainly a question of timing with the strategic direction unchanged? Or has the near-term market affected how quickly you can make that pivot? Thank you.

ALESSANDRO PULITI

So regarding commercial activity for the drilling, as we were mentioning during the presentation, we are actively and also, we are successful in covering the white wholes that remain in 2026 and we are ensuring activity for 2027. And what it is not already covered is associated to tendering and negotiation activity that is ongoing. So we are pretty confident that we will come to the desired level of utilization of the vessels.

In terms of overall strategy for Saipem in the drilling, clearly, we see our deepwater D&A getting stronger, and that's the area for sure which we would like to consolidate in the future. We believe that in deepwater activity, we can still provide our clients a quality service that is appreciated by them. We also own some of the most state-of-the-art seventh-generation drilling units that are particularly fit to drill also in conditions that are not normal like certain area of West Africa, where high tides and seas, they require the powerful drilling unit as the one that we have like the Santorini. So beside being able to offer quality service to the client, we believe also that we are equipped with certain units that they have the right power and the right equipment to serve in areas where sea conditions are particularly demanding.

ALEJANDRA MAGANA (JP MORGAN)

Thank you.

OPERATOR

That was the last question. I turn the conference back to Mr. Puliti for any closing remarks.

ALESSANDRO PULITI

Okay. Really, I don't have any further closing items, and I thank you all for the attention.

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