



NINE MONTHS 2019 RESULTS PRESENTATION

24 October 2019



FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this presentation regarding future events and future results are based on current expectations, estimates, forecasts and projections about the industries in which Saipem S.p.A. (the “Company”) operates, as well as the beliefs and assumptions of the Company’s management.

These forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other factors beyond the Company’s control that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. These include, but are not limited to: forex and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil and gas industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), in addition to changes in stakeholders’ expectations and other changes affecting business conditions.

Therefore, the Company’s actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. They are neither statements of historical fact nor guarantees of future performance. The Company therefore cautions against relying on any of these forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political and economic developments in the countries in which the Company operates, and regulatory developments in Italy and internationally. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. The Company undertakes no obligation to update any forward-looking statements to reflect any changes in the Company’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Financial Reports contain analyses of some of the aforementioned risks.

Forward-looking statements neither represent nor can be considered as estimates for legal, accounting, fiscal or investment purposes. Forward-looking statements are not intended to provide assurances and/or solicit investment.

AGENDA

1 OPENING REMARKS

2 9M 2019 RESULTS

3 BUSINESS UPDATE

4 GUIDANCE AND CLOSING REMARKS

OPENING REMARKS

9M 2019

Major LNG award in Russia (Arctic LNG 2 Topsides) and preferred bidder for Nigeria LNG7
Solid Book-to-bill around 2x in 9M; 1.9x in 3Q, driven by Saudi Arabia
Backlog c.€23.8bn*, the highest since 2Q 2014
Healthy E&C Offshore opportunity pipeline

Good results, on trend for FY 2019 targets

- E&C Offshore: good operational performance
- E&C Onshore: turnaround continues
- Drilling: volume increase, margins still adjusting to current environment

Delivered net profit of €44mn, vs loss of €357mn in 9M 2018

Net debt pre-IFRS 16 at €927mn, on track with year-end guidance of <€0.8bn

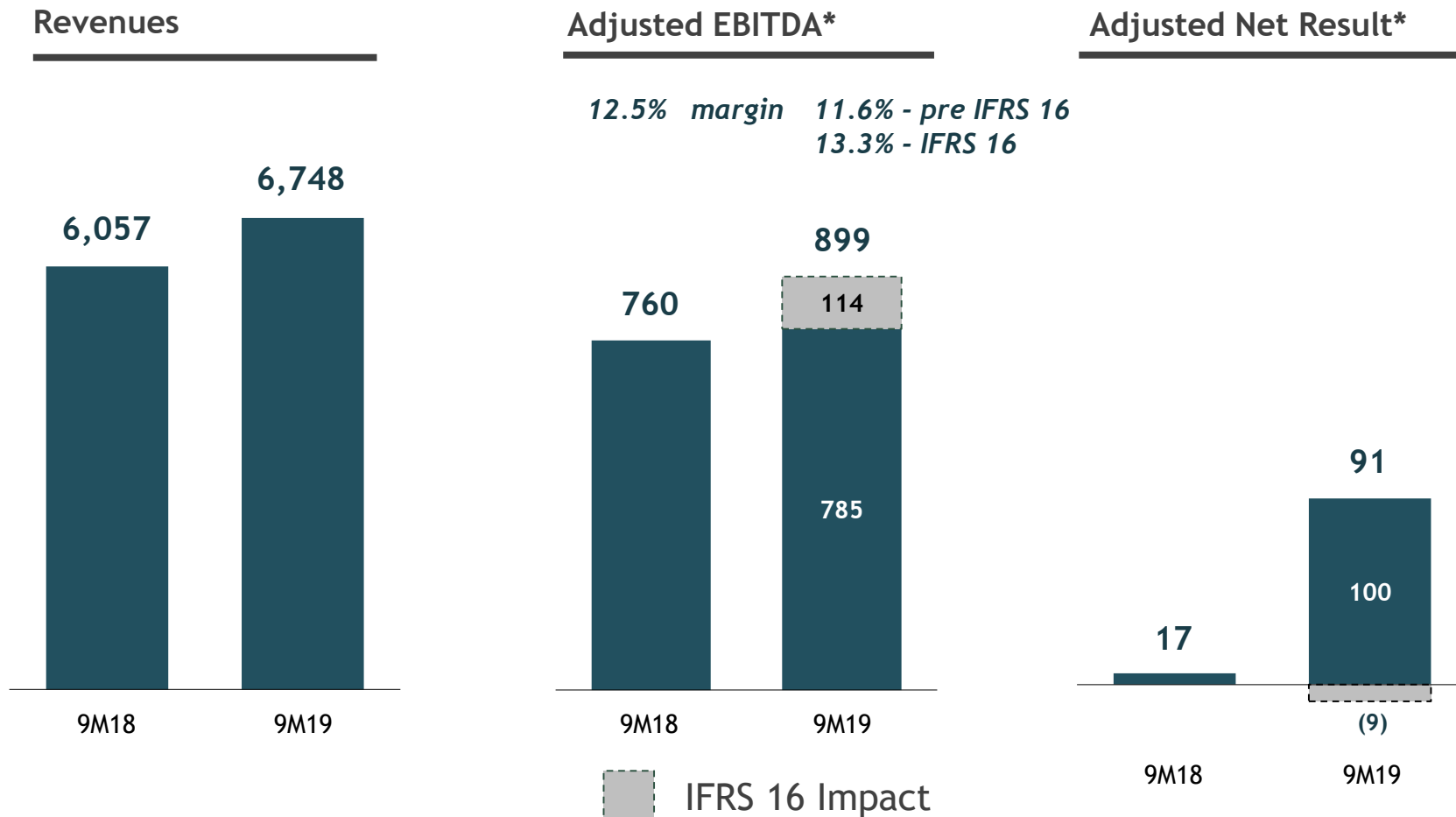


9M 2019 RESULTS

24 October 2019

9M 2019 RESULTS

YoY COMPARISON (€ mn)



9M 2019 RESULTS - E&C

YoY COMPARISON (€ mn)

E&C OFFSHORE

Revenues

2,812 2,988

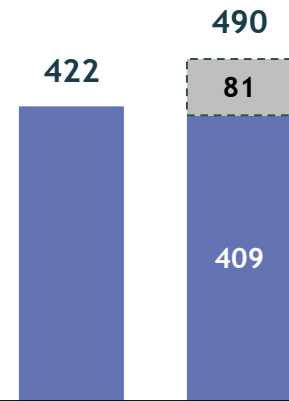


9M18

9M19

Adjusted EBITDA

15.0% margin 13.7% pre IFRS 16
16.4% IFRS 16



9M18

9M19



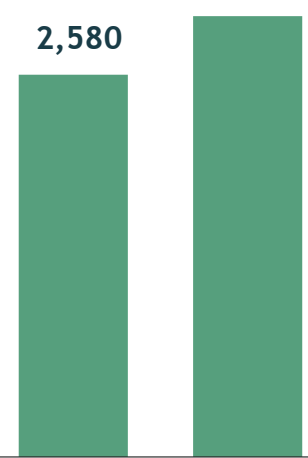
IFRS 16 Impact

- Higher volumes in Middle East, North Africa and Latin America
- Margin underpinned by good execution

E&C ONSHORE*

Revenues

2,580 2,974

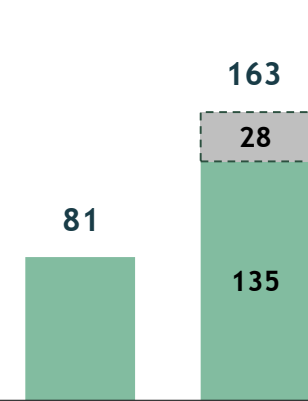


9M18

9M19

Adjusted EBITDA

3.1% margin 4.5% pre IFRS 16
5.5% IFRS 16



9M18

9M19

(*) E&C Onshore including Floaters business and XSight

- Higher volumes in Middle/Far East, Sub-Saharan and Caspian
- Margin growth confirming turnaround

9M 2019 RESULTS - DRILLING

YoY COMPARISON (€ mn)

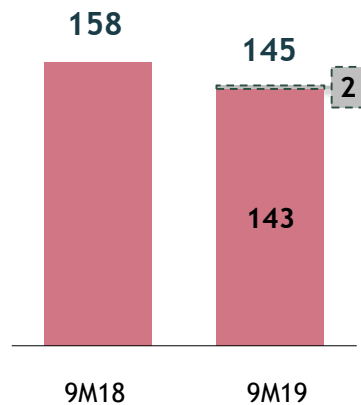
DRILLING OFFSHORE

Revenues



Adjusted EBITDA

47.0% margin 37.9% pre IFRS 16
38.5% IFRS 16



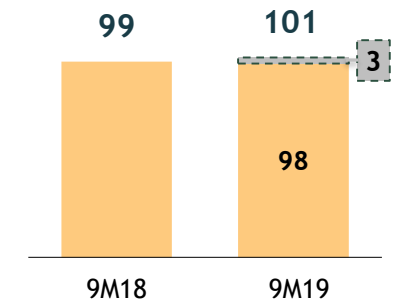
DRILLING ONSHORE

Revenues



Adjusted EBITDA

26.8% margin 24.0% pre IFRS 16
24.7% IFRS 16



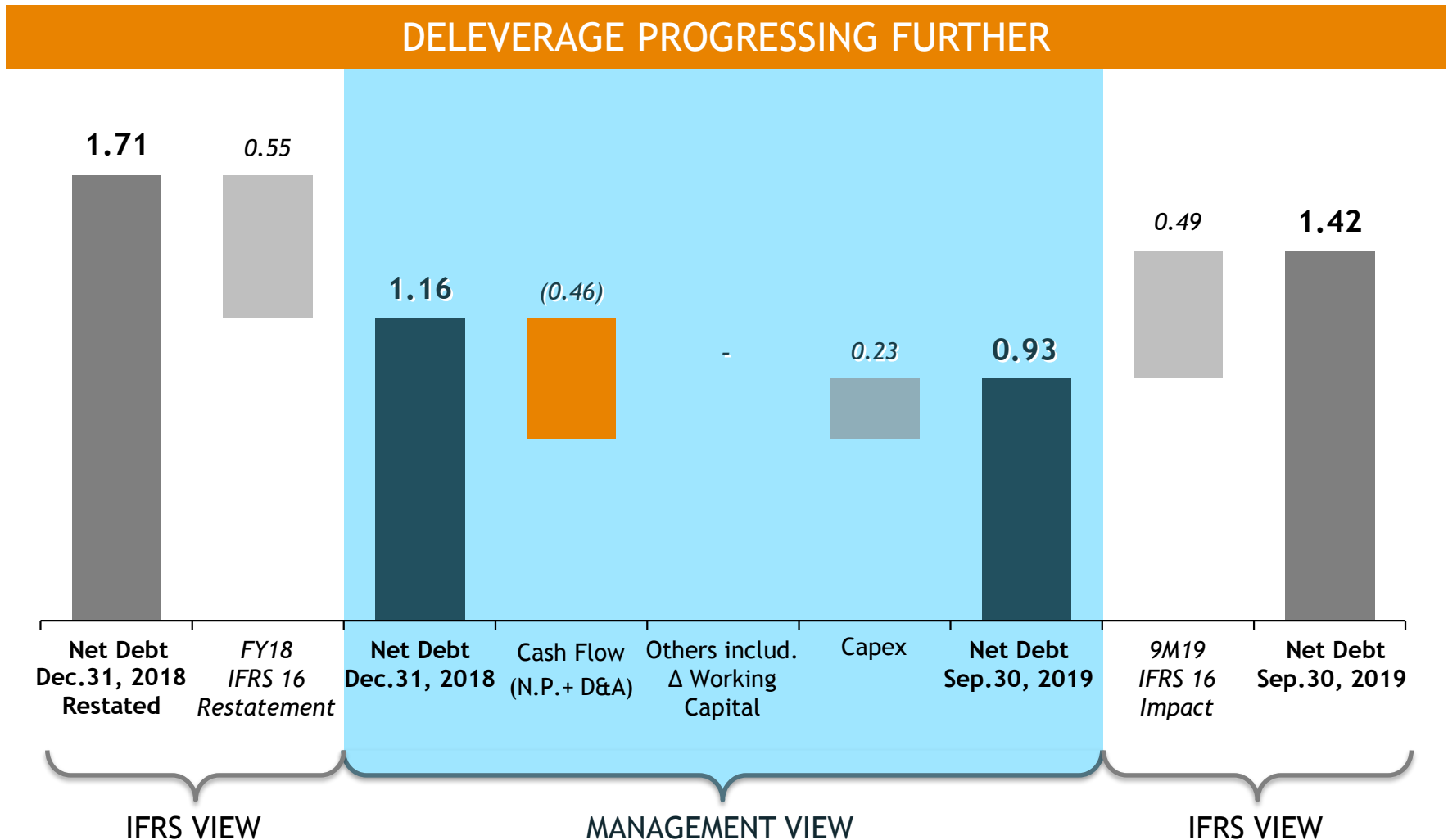
IFRS 16 Impact

- Higher volumes driven by SC8, S12000, Pioneer (leased)
- Phasing out of past contracts reflects on EBITDA margin

- Growth driven by activity in Saudi Arabia and Latin America
- Stable EBITDA QoQ

9M 2019 NET DEBT EVOLUTION

(€ bn)





BUSINESS UPDATE

24 October 2019

MAIN RECENT AWARDS

E&C - 3Q19

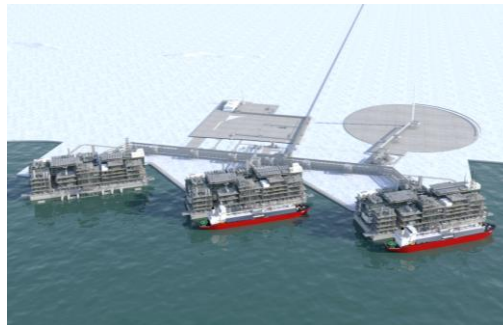


BERRI - PKG-01 EXPAND ABU ALI CRUDE & KGP GAS FACILITIES

- Client: Saudi Aramco
- Location: Kingdom of Saudi Arabia
- Scope of work: EPC for new units for the Abu Ali oil-gas separation plant and the Khursaniyah gas treatment plant

MARJAN - PKG-10 GAS TREATMENT AND SULFUR RECOVERY

- Client: Saudi Aramco
- Location: Kingdom of Saudi Arabia
- Scope of work: EPC for new units for gas treatment and the recovery of acid gases for sulfur production



ARCTIC LNG2 - TOPSIDES

- Client: Arctic LNG2
- Location: Gydan peninsula, Russia
- Scope of work: EPCI of 3 LNG trains, each with a capacity of approximately 6.6 MTPA, will be installed on concrete gravity-based structures (GBS)

HIGHLIGHTS:

Proven track-record in harsh environment and yard operations
Synergic with GBS contract already under execution
Leading contractor in LNG

IN NON
CONSOLIDATED
BACKLOG



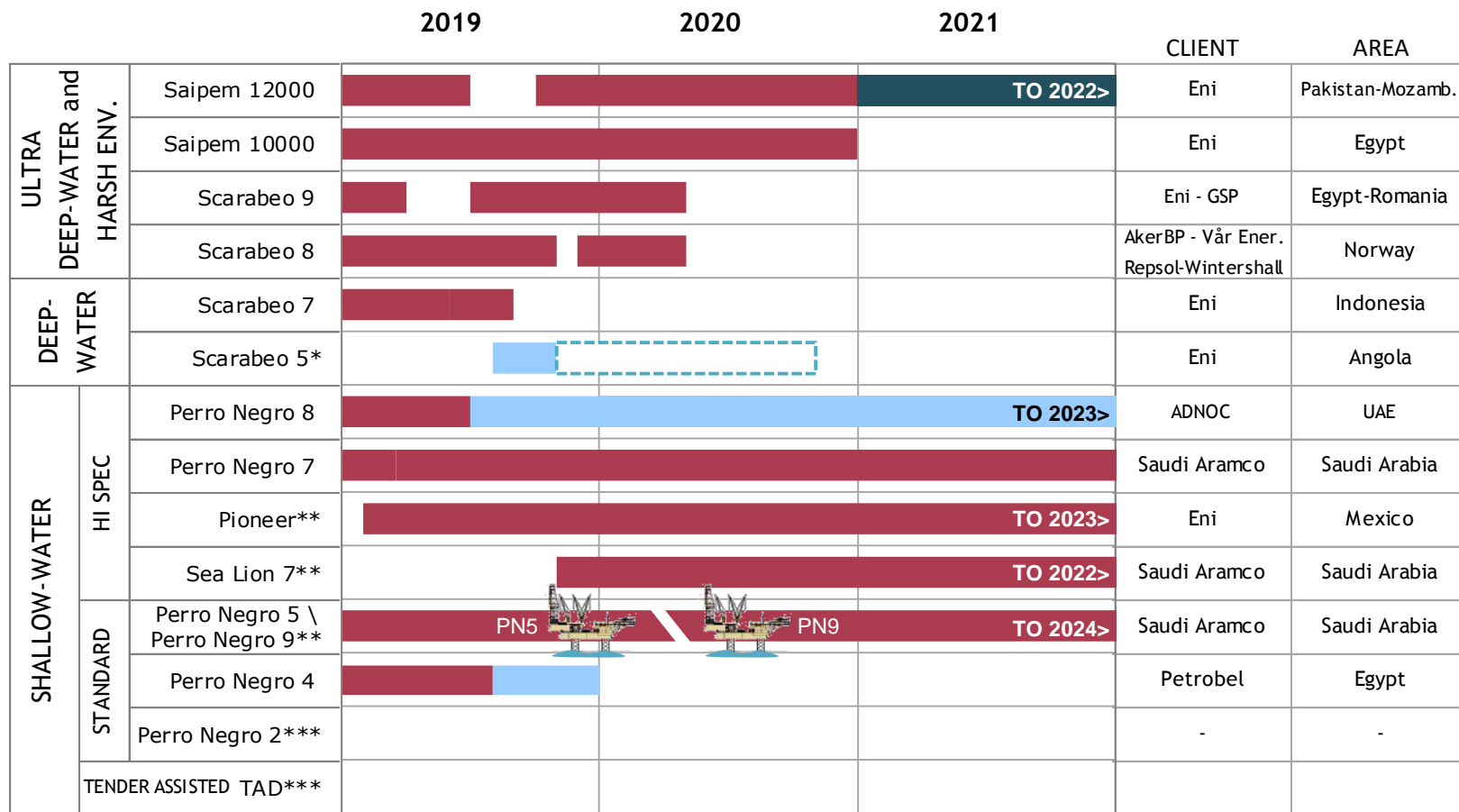
BP AZERI-CHIRAG-GUNASHLI FIELD: 3 CONTRACTS FOR NEW PIPELINE SYSTEMS AND T&I

- Client: BP
- Location: Caspian Sea (Azerbaijan), Azeri-Chirag-Gunashli (ACG) field
- Scope of work: design and installation of 2 new subsea pipeline systems for Chirag conventional gas lift project and Azeri Central East (ACE) platform; T&I of offshore facilities for ACE platform

HIGHLIGHTS:

Consolidates Saipem presence (since 1990s) and continued activity in Azerbaijan
Synergic with other projects already awarded in the area (Shah Deniz and Absheron)
FEED phase awarded by BP to XSight division

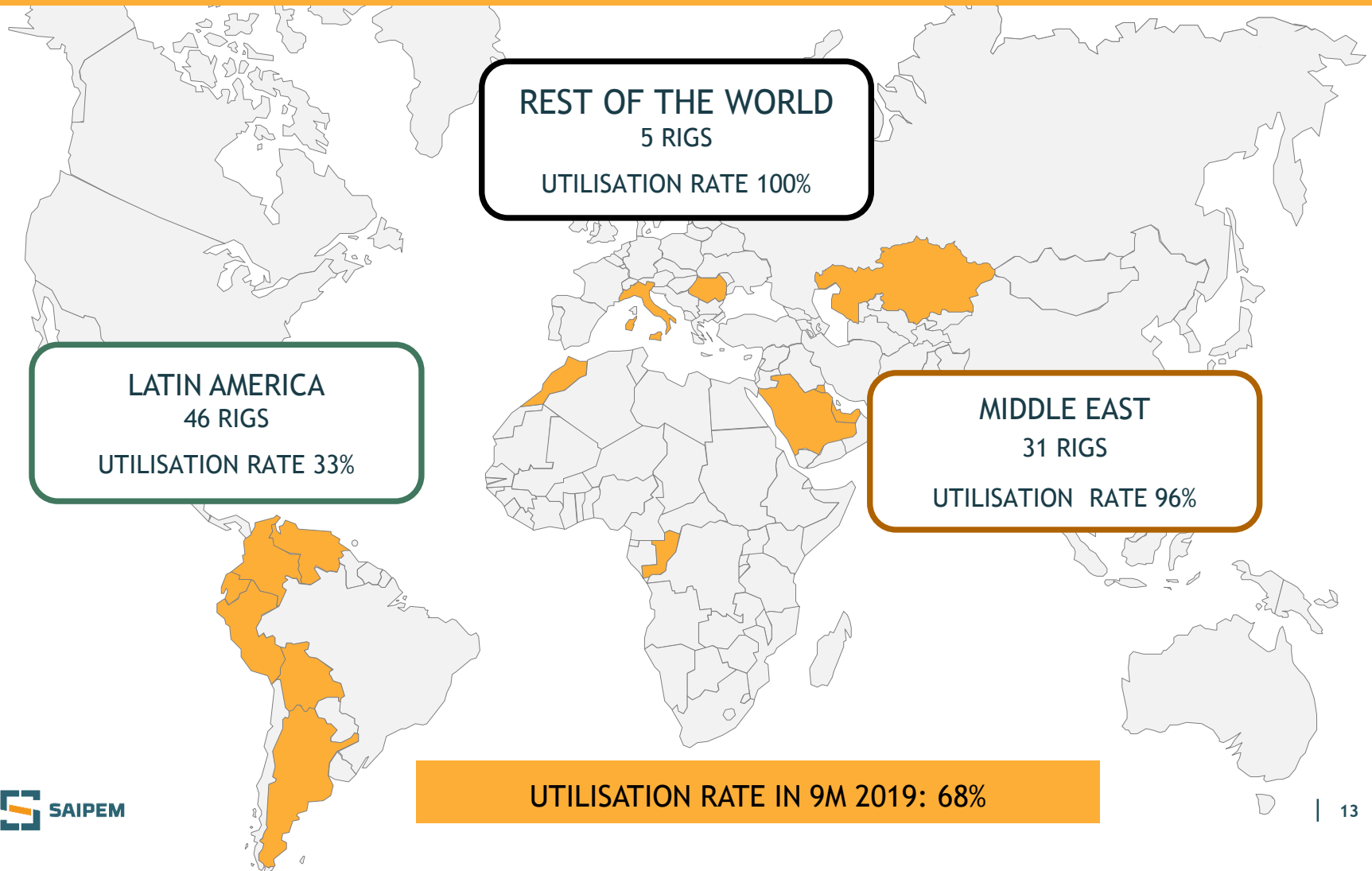
OFFSHORE DRILLING FLEET



- * ENGAGEMENT FOR PRODUCTION SUPPORT
- ** LEASED VESSEL
- *** ON STACKING MODE

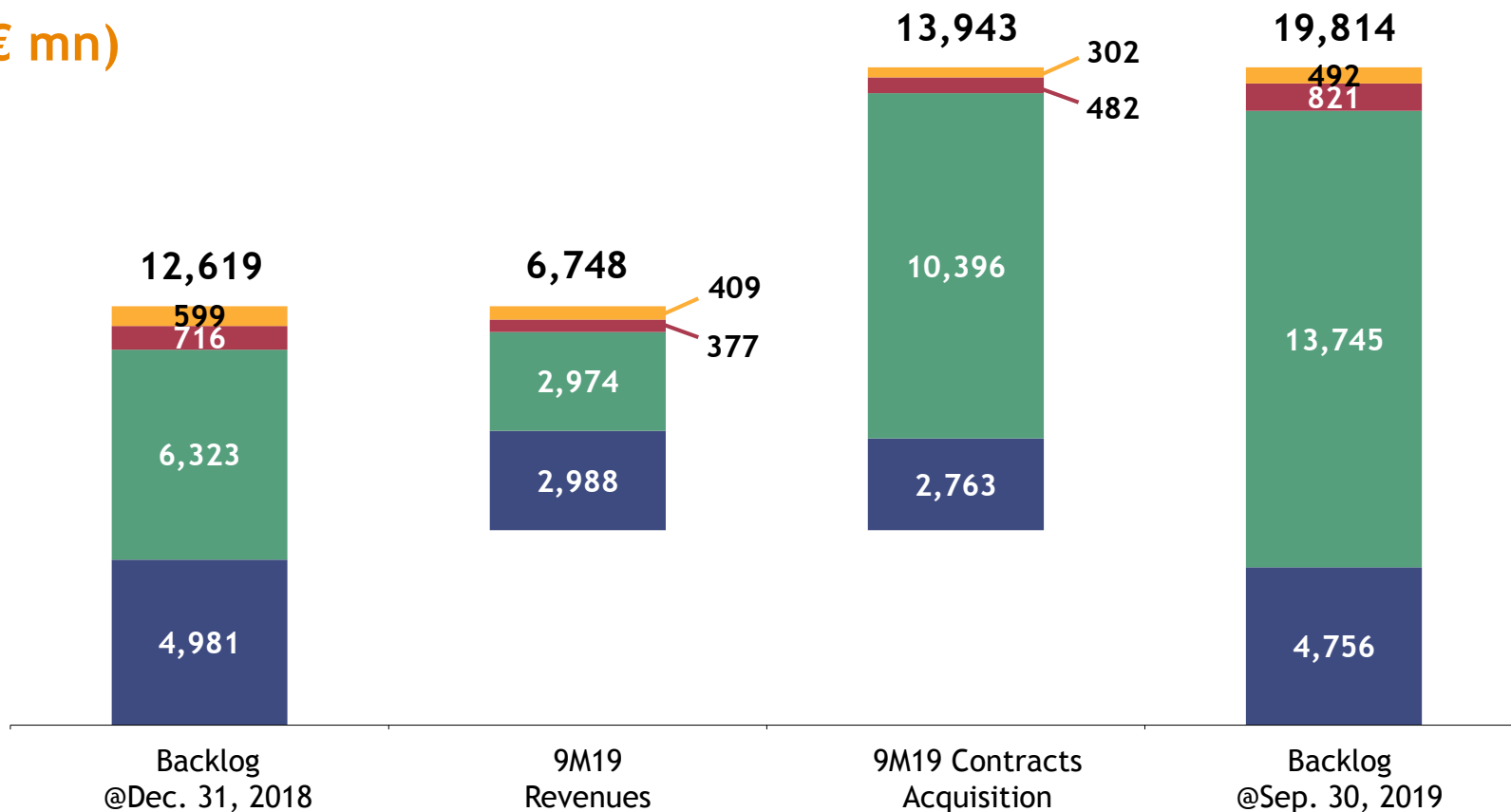
ONSHORE DRILLING FLEET

ONSHORE FLEET @ SEPTEMBER 30, 2019: 82 RIGS



9M 2019 BACKLOG

(€ mn)



■ E&C Offshore
 ■ E&C Onshore*
 ■ Drilling Offshore
 ■ Drilling Onshore

NON-CONSOLIDATED BACKLOG @ SEPT. 30, 2019

(€ mn)

3,967

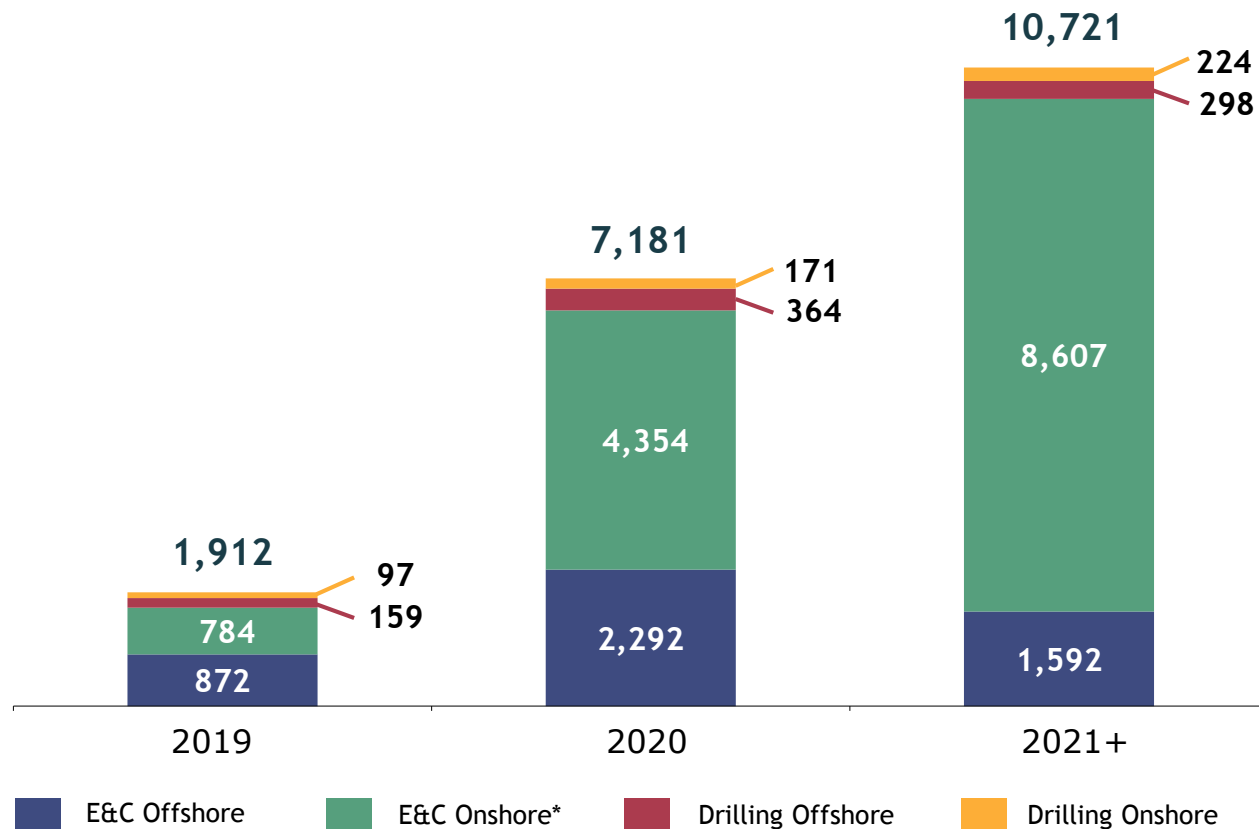
ARCTIC LNG 2
TOPSIDES
ADDED IN 3Q



(*) E&C Onshore including Floaters business and XSight

9M 2019 BACKLOG BY YEAR OF EXECUTION

(€ mn)



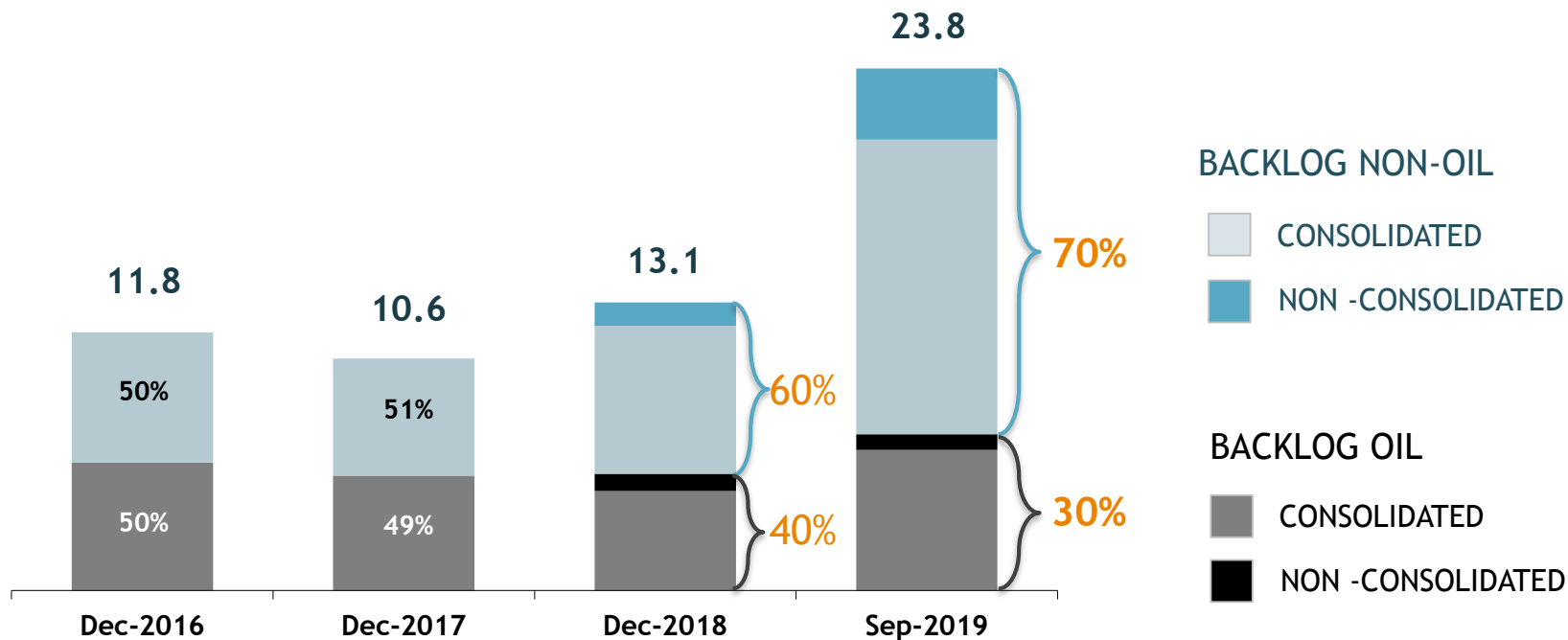
NON-CONSOLIDATED BACKLOG BY YEAR OF EXECUTION

	2019	2020	2021+
€ mn	116	783	3,068

E&C BACKLOG BREAKDOWN EVOLUTION

BACKLOG MAINLY DRIVEN BY GAS

E&C BACKLOG €bn



E&C OFFSHORE OPPORTUNITIES

CONFIRMED GOOD VISIBILITY ON ~€8 BILLION NEAR-TERM INITIATIVES

Americas

- *SUBSEA* ~€1.3bn
- *PIPELINES*

Middle East

- *FIXED FACILITIES* ~€2.6bn

Africa

- *SUBSEA* ~€1.3bn

Europe/ CIS and Central Asia

- *RENEWABLES* ~€1.3bn
- *PIPELINES*

Asia Pacific

- *PIPELINES* ~€1.2bn
- *RENEWABLES*

LEGEND

- *SEGMENT OF BUSINESS* Approx. value of the opportunities in the area



GUIDANCE AND CLOSING REMARKS

24 October 2019

2019 GUIDANCE UPDATE

PRE IFRS 16

Metrics	FY 2019
Revenues	▪ c. €9bn
Adjusted EBITDA % margin	▪ >10%
CAPEX (updated)	▪ c. €450mn
Net debt	▪ <€0.8bn

CLOSING REMARKS

BACKLOG AROUND €24bn*, THE HIGHEST LEVEL SINCE 2Q 2014

GOOD OPERATIONAL RESULTS, CONSISTENT WITH FULL YEAR GUIDANCE

VISIBILITY REMAINS GOOD ON SELECTED NEAR-TERM E&C OFFSHORE OPPORTUNITIES

DELIVERED NET PROFIT IN Q3 AND 9M VS LOSS IN 2018

DELEVERAGING CONTINUES WITH NET DEBT AT c.€0.9bn



APPENDIX

24 October 2019

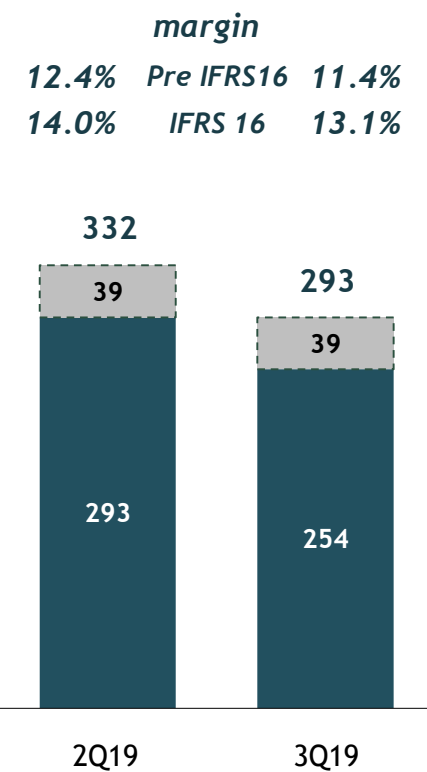
3Q 2019 RESULTS

QoQ TREND (€ mn)

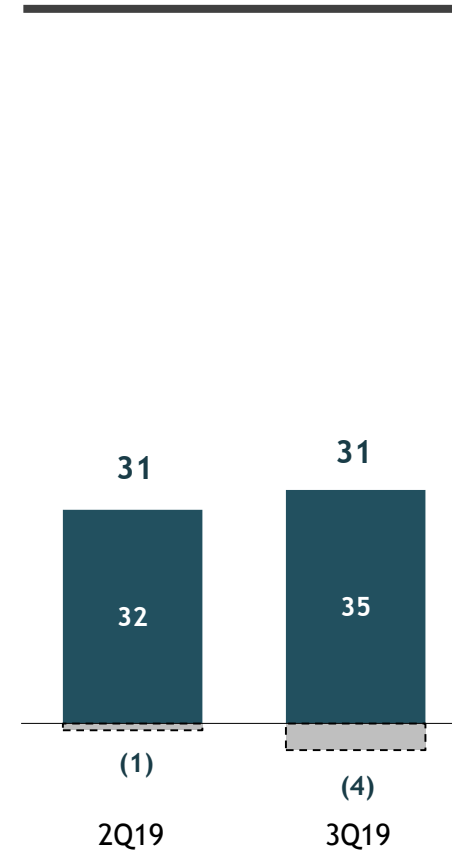
Revenues



Adjusted EBITDA*



Adjusted Net Income*



IFRS 16 Impact

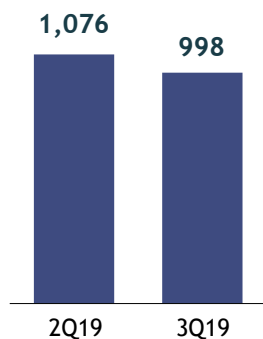
(*) Not including special items

3Q 2019 RESULTS

QoQ TREND (pre IFRS 16 - € mn)

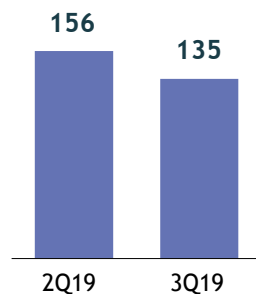
E&C OFFSHORE

Revenues



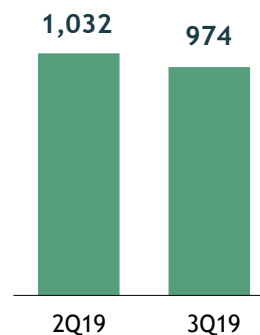
Adjusted EBITDA

14.5% margin 13.5%



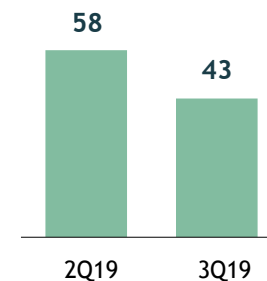
E&C ONSHORE*

Revenues



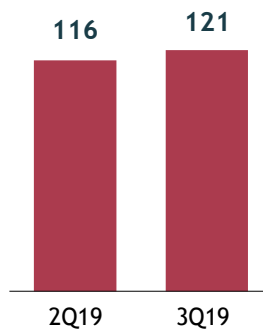
Adjusted EBITDA

5.6% margin 4.4%



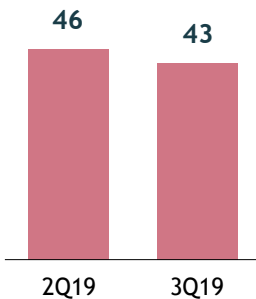
DRILLING OFFSHORE

Revenues



Adjusted EBITDA

39.7% margin 35.5%



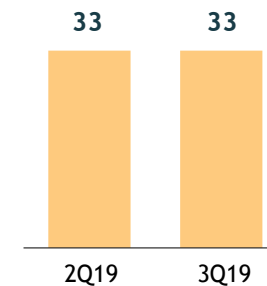
DRILLING ONSHORE

Revenues



Adjusted EBITDA

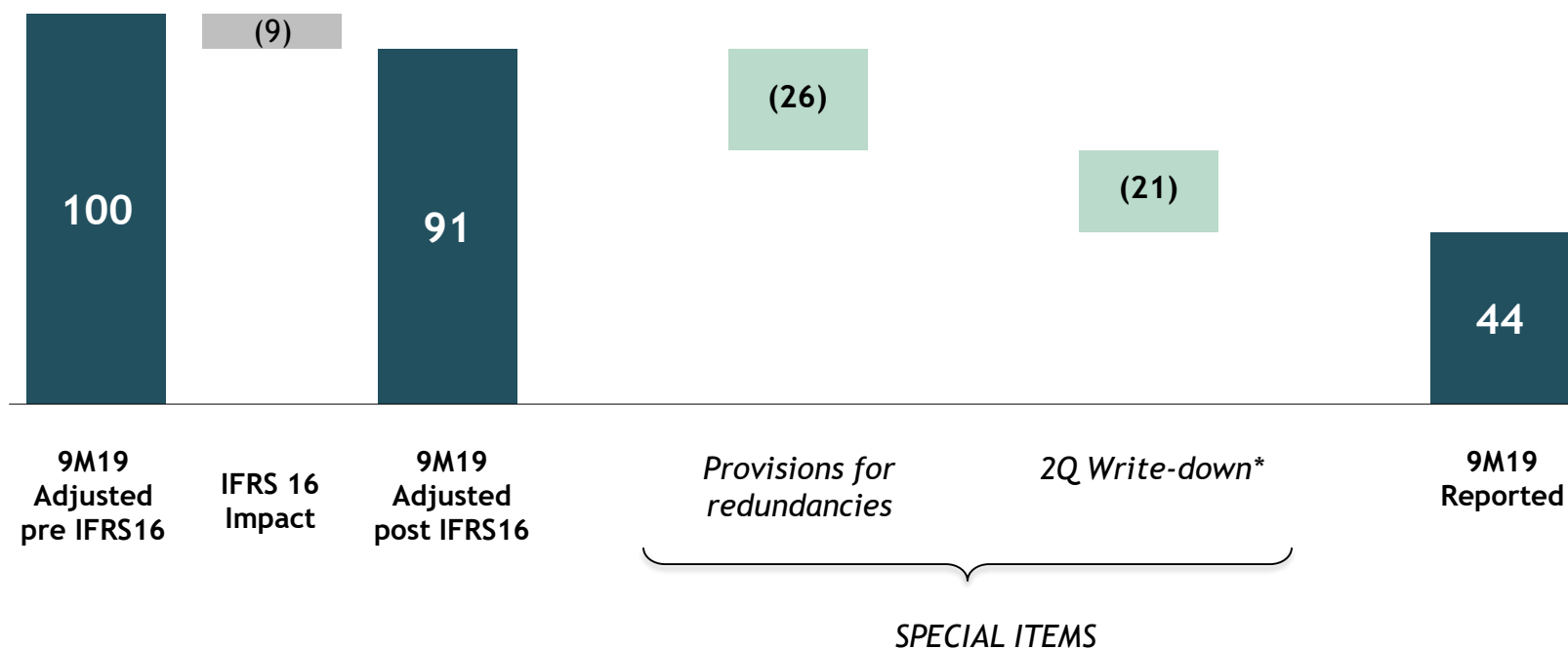
23.7% margin 24.3%



9M 2019 NET RESULT

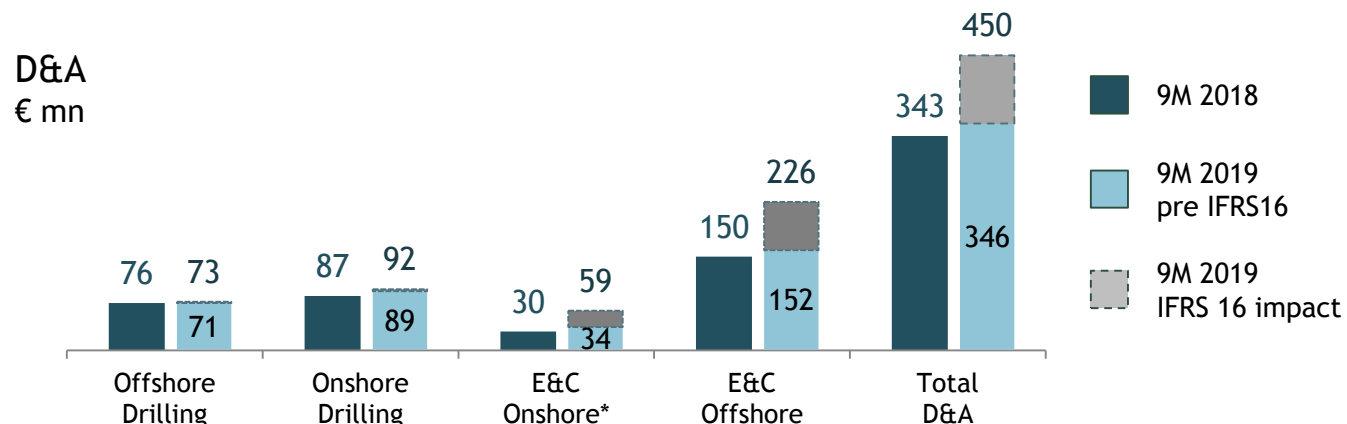
RECONCILIATION ADJUSTED-REPORTED

Net Result (€ mn)

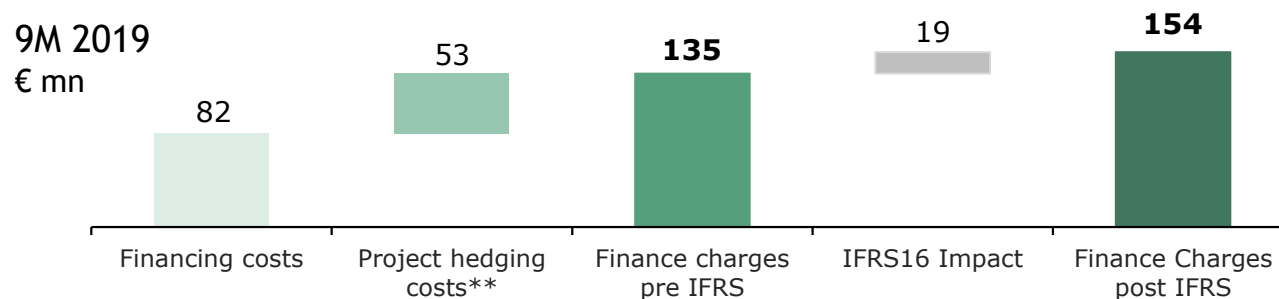


9M 2019 RESULTS - D&A, FINANCE CHARGES AND TAX RATE

D&A



FINANCE CHARGES



TAX RATE

- Tax rate*** at c.41%, significantly improving year-on-year
- 2019 tax rate*** expected at around 40%

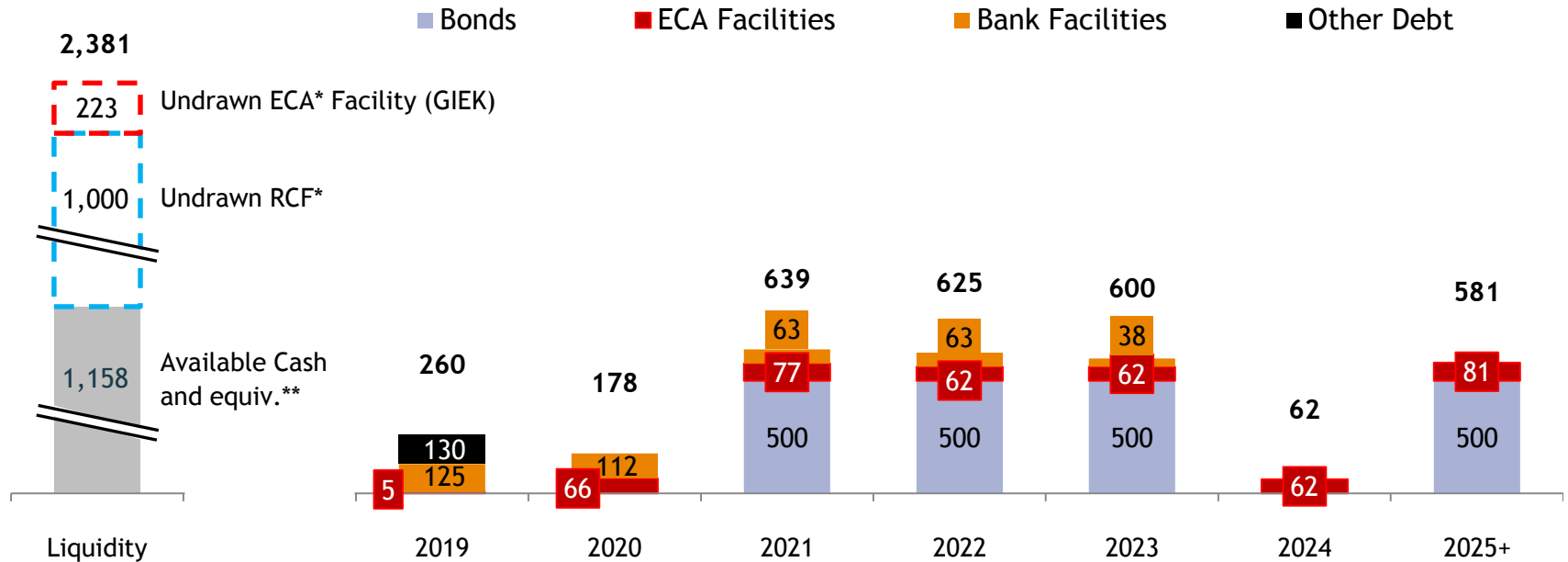
IFRS 16 IMPACT

RECONCILIATION

	9M 2018 €mn	9M 2019 €mn			3Q 2019 €mn	
		pre IFRS 16	IFRS 16	IMPACT	IFRS 16	IMPACT
Adjusted EBITDA	760	785	899	▲ 114	293	▲ 39
Depreciation	343	346	450	▲ 104	152	▲ 37
Financial Charges	123	135	154	▲ 19	53	▲ 6
Adjusted Net Income	17	100	91	▼ 9	31	▼ 4
Net Debt	1,270	927	1,421	▲ 494		

CAPITAL STRUCTURE AS OF SEPTEMBER 30, 2019

LIQUIDITY AND MATURITY PROFILE (€ mn)



- Average debt maturity c.2.9 years. Overall financing interest rate c.4%, including treasury hedging
- Undrawn committed cash facilities totalling c.€1.2bn, in addition to c.€0.3bn of uncommitted facilities
- Available cash and equivalent c.€1.2bn**

(*) Committed (**) Not including trapped cash and marketable securities/other credit for c.€0.9bn

E&C ONSHORE OPPORTUNITIES

OVER €8 BILLION NEAR-TERM INITIATIVES

Americas

➤ *PIPELINES* ~€0.5bn

Middle East

➤ *DOWNSTREAM*
➤ *UPSTREAM* ~€0.9bn

Africa

➤ *DOWNSTREAM*
➤ *LNG*
➤ *FLOATERS* ~€5.7bn

Europe/ CIS and Central Asia

➤ *DOWNSTREAM* ~€0.2bn

Asia Pacific

➤ *DOWNSTREAM* ~€1.0bn

LEGEND

➤ *SEGMENT OF BUSINESS* Approx. value of the opportunities in the area