



23° Annual Symposium ANIMP



19th October 2017



Saipem new Organization aims at covering the full value chain of the Energy industry

E&C
OFF SHORE



E&C
ON SHORE



DRILLING
OFF SHORE



DRILLING
ON SHORE



XSIGHT

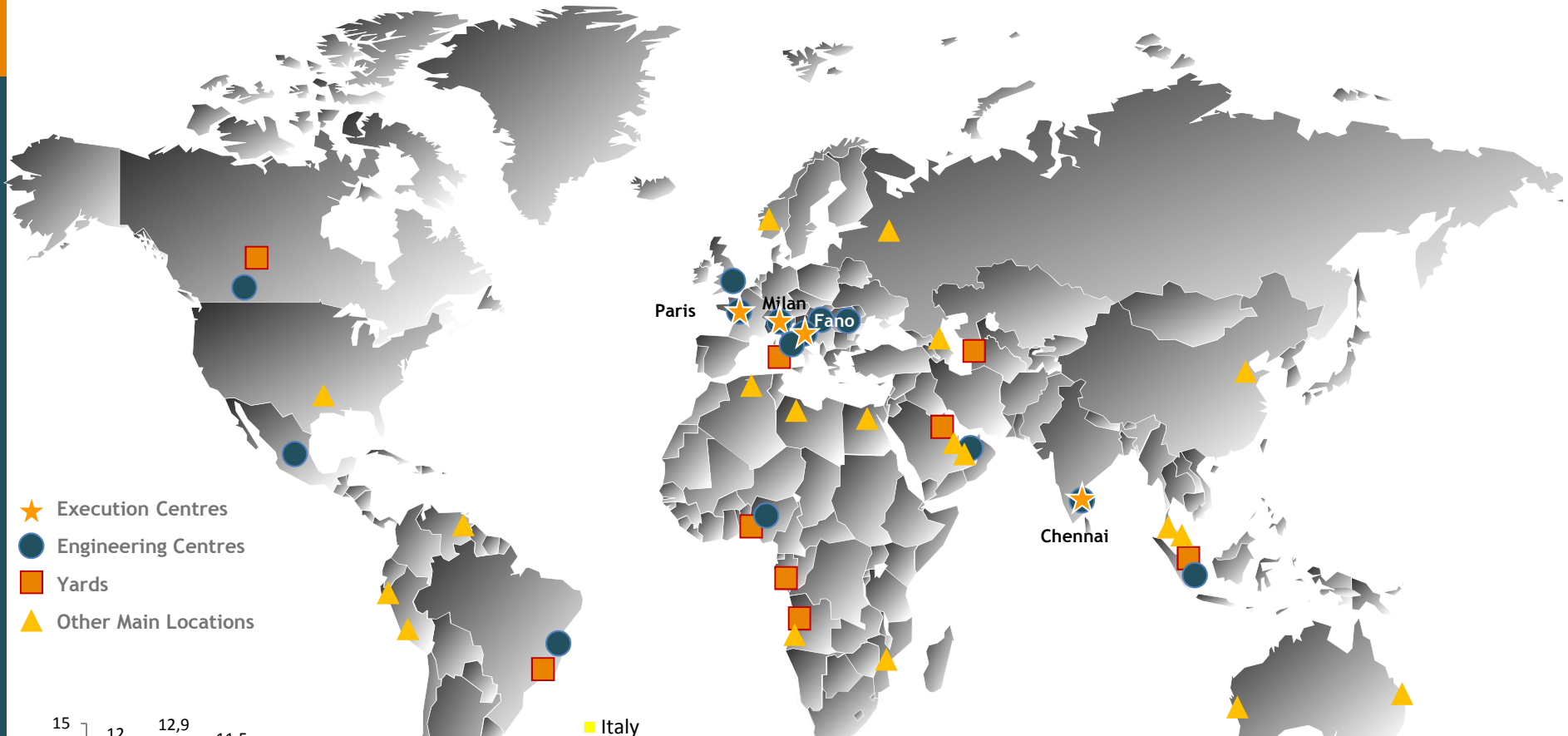


- Distinctive ‘frontier focus’ in Energy industry
- Modern and technologically advanced offshore construction fleet
- Full service EPC(I) provider
- Distinctive technologies
- Unique capabilities

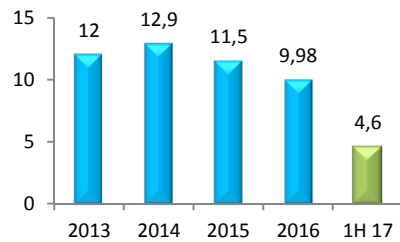
- High quality player in both onshore and offshore drilling

- Early engagement of key clients
- Full expertise across the entire value chain

Saipem is a truly global player with a multi-local focus



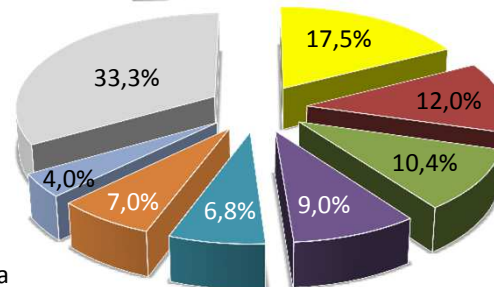
- ★ Execution Centres
- Engineering Centres
- Yards
- ▲ Other Main Locations



Revenues Mln €

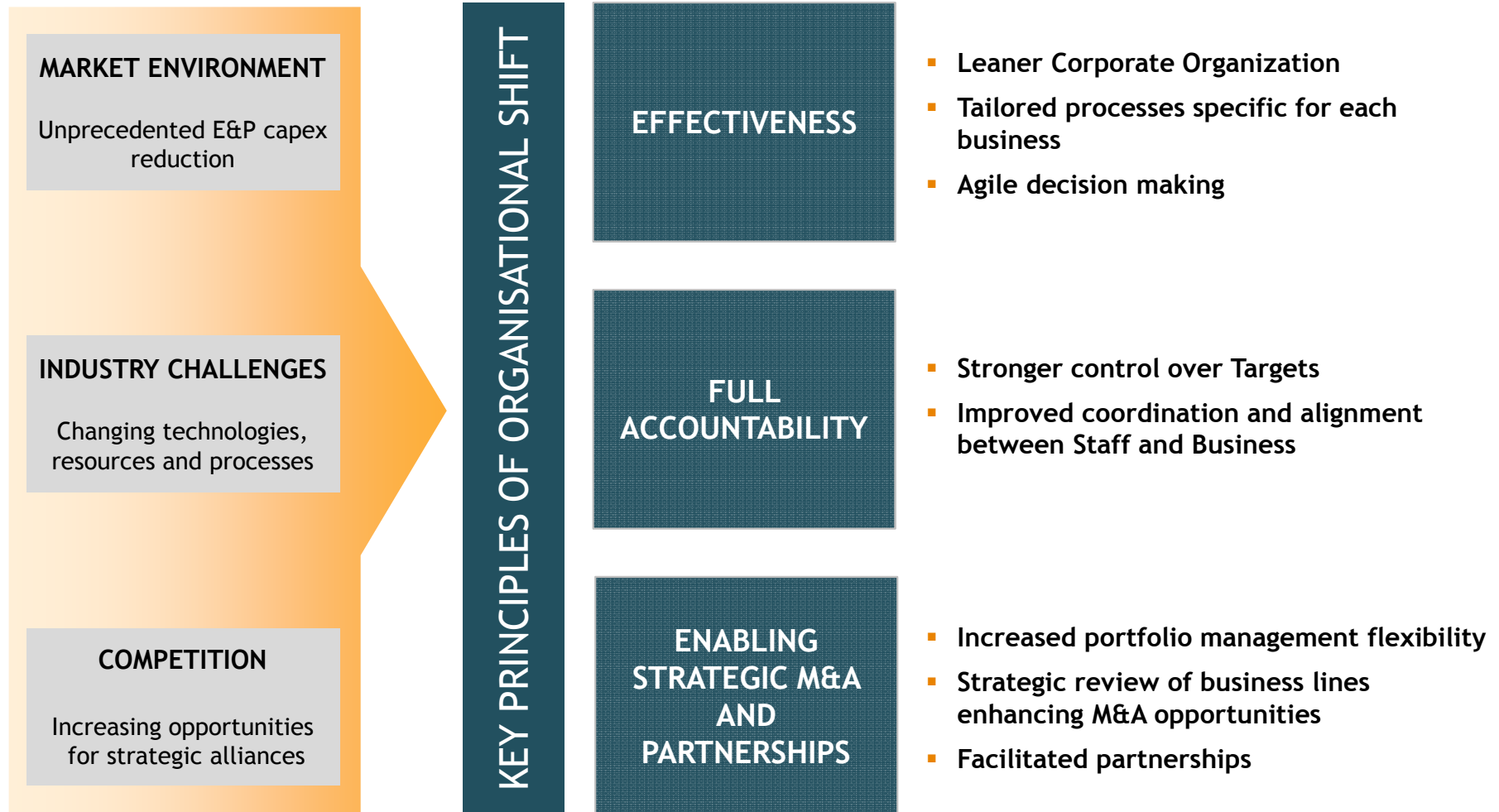


- Italy
- India
- Indonesia
- Nigeria
- France
- Philippines
- Saudi Arabia
- other

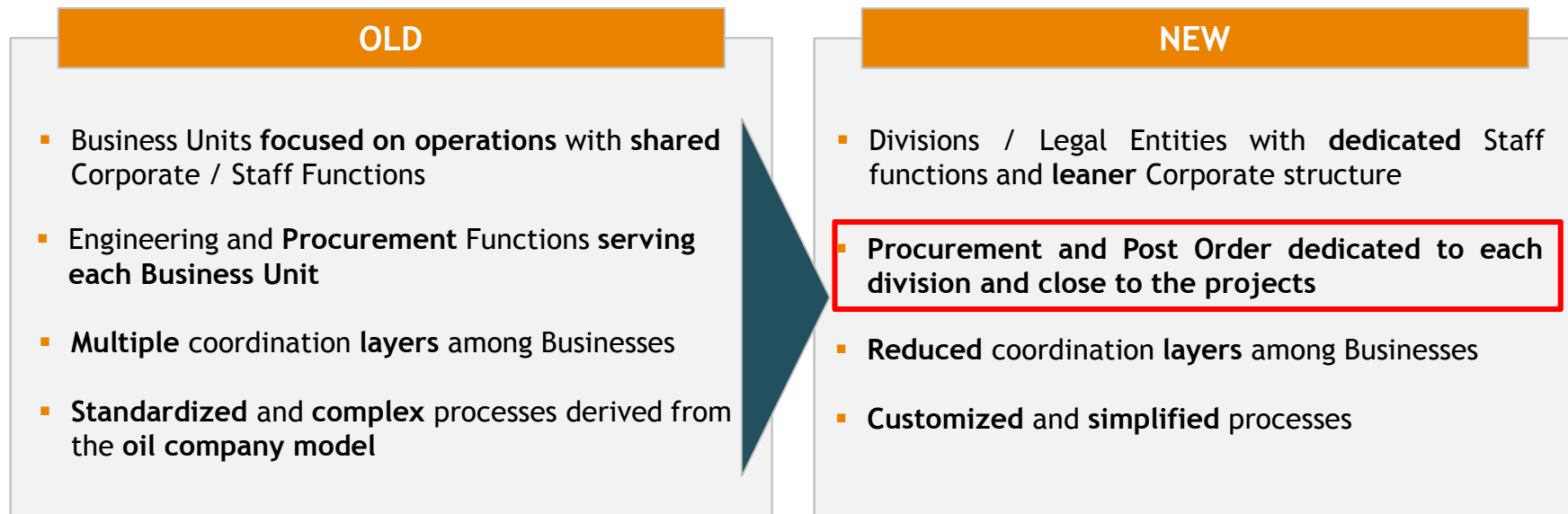
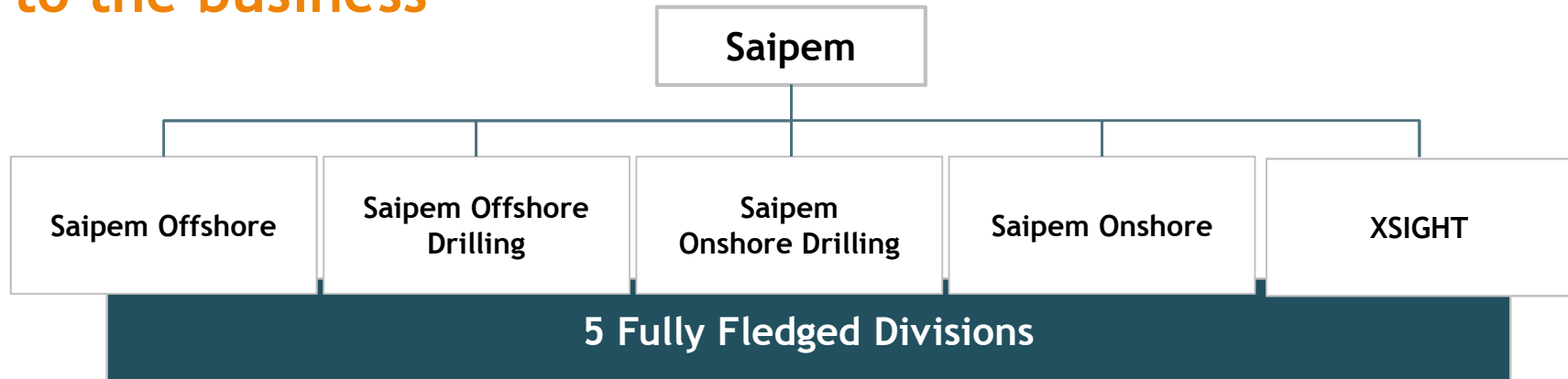


~36000 employees worldwide

Saipem has decided to react to the current and future market scenario adopting a new business model based on 3 pillars



Saipem new model's objective is a leaner organization and a decentralized model, with procurement located closer to the business

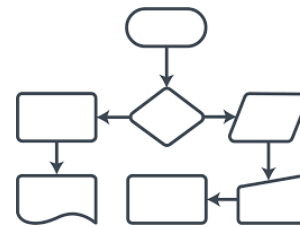


In each division Procurement has started a process of deep transformation

- From transactional to a collaborative supply chain



Supplier Engagement



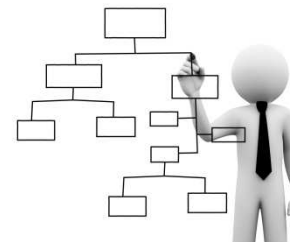
Processes

- Streamlining of processes of Vendor Management and Procure to Pay
- Review of our approach to the market (e.g. commodity structure)
- Re engineering of strategic procurement approaches

- Digital transformation and integration within the EPC machine involving our suppliers
- Digitalization of most transactional activities



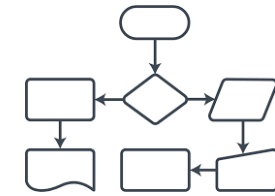
Digitalization



People & Organization

- Integrated supply chain
- New mix of resources and competence not only from procurement

Redesign of our way of working



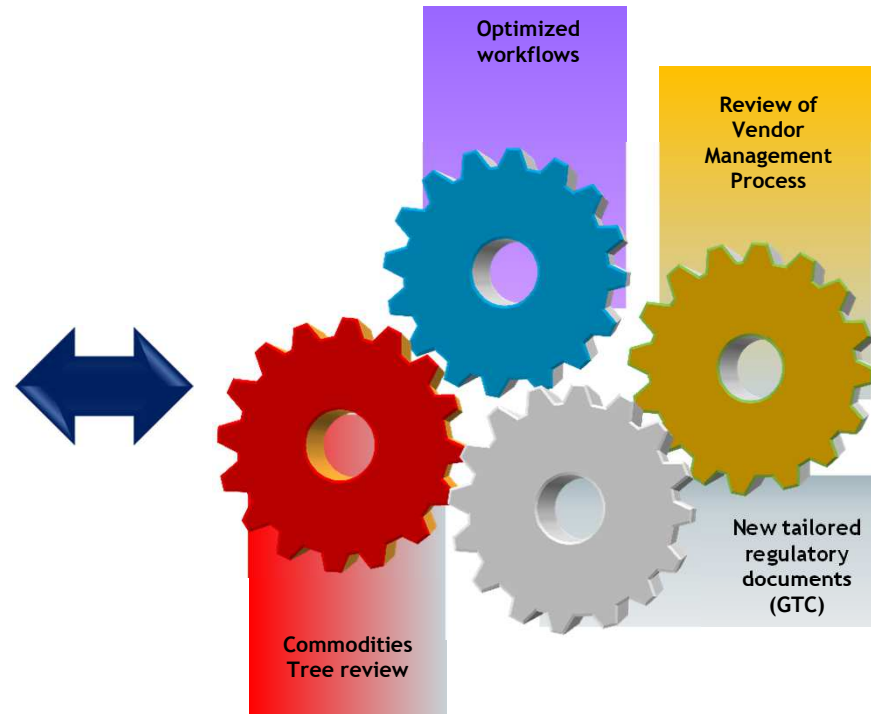
Processes

Ongoing definition of new processes tailored to the specific procurement needs of each Division/Business with an early engagement and a tighter relationship with suppliers

PROCUREMENT APPROACHES

- Streamlined and tailored to business authorization steps
- Early engagement during commercial phase
- Co-engineering
- Beauty contest
- Fast track procurement
- Simplified vendor management
- ...

PROCUREMENT PROCESS

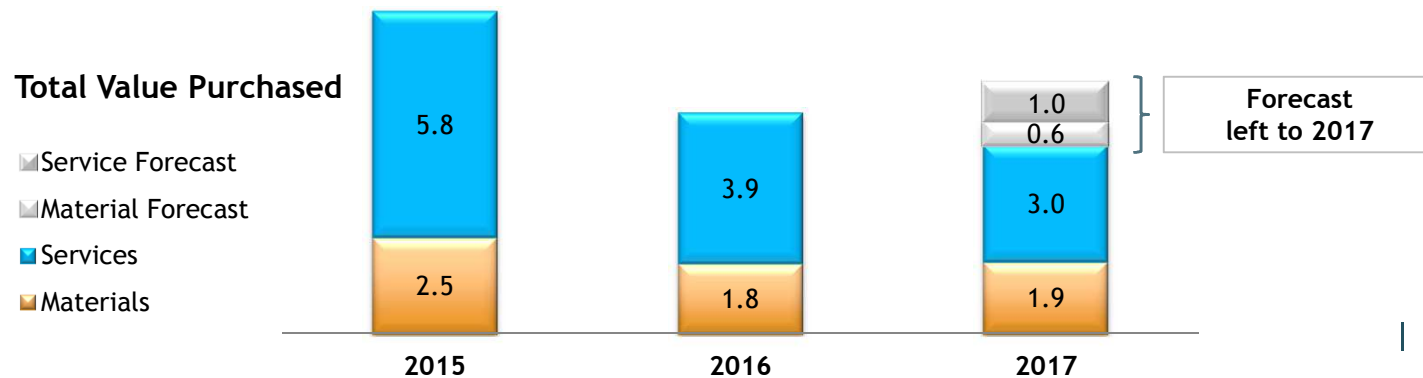


We are re-shaping our organizations



- 
 • New organization and footprint tailored for each business:
 - Organized by categories for Onshore Projects
 - Regional Hubs for Offshore (i.e. Africa, Black and Caspian Sea, Persian and Arabian Gulf, America, Indian Ocean)
- 
 • New mix of resources not only from procurement
 - Investment in new talents
- 
 • Focus on Integrated Category Management (i.e. Machine & Packages, Transport, Piping, Structural Materials and Static equipment, Electric and Instrument, Subsea Valves)

Saipem Procurement Key Numbers

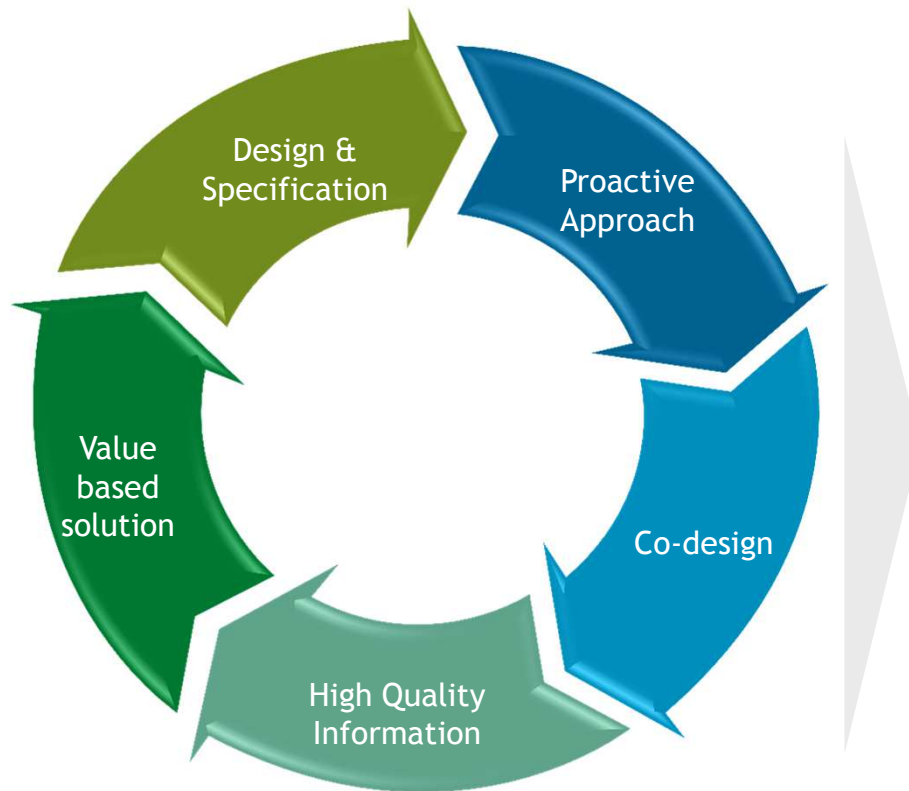


A new way of working with suppliers and partners to meet market challenges



Supplier Engagement

From transactional traditional procurement to a collaborative supply chain



- Collaboration, transparency of information exchange
- Joint assessment and evaluation of Project and Vendor's risk
- Focus on co-creation of value based solutions by promotion of innovative and / or alternative solutions
- Medium / long term and strategic approach to the Vendor
- Early engagement to improve commercial performance
- Integration of systems and procedures

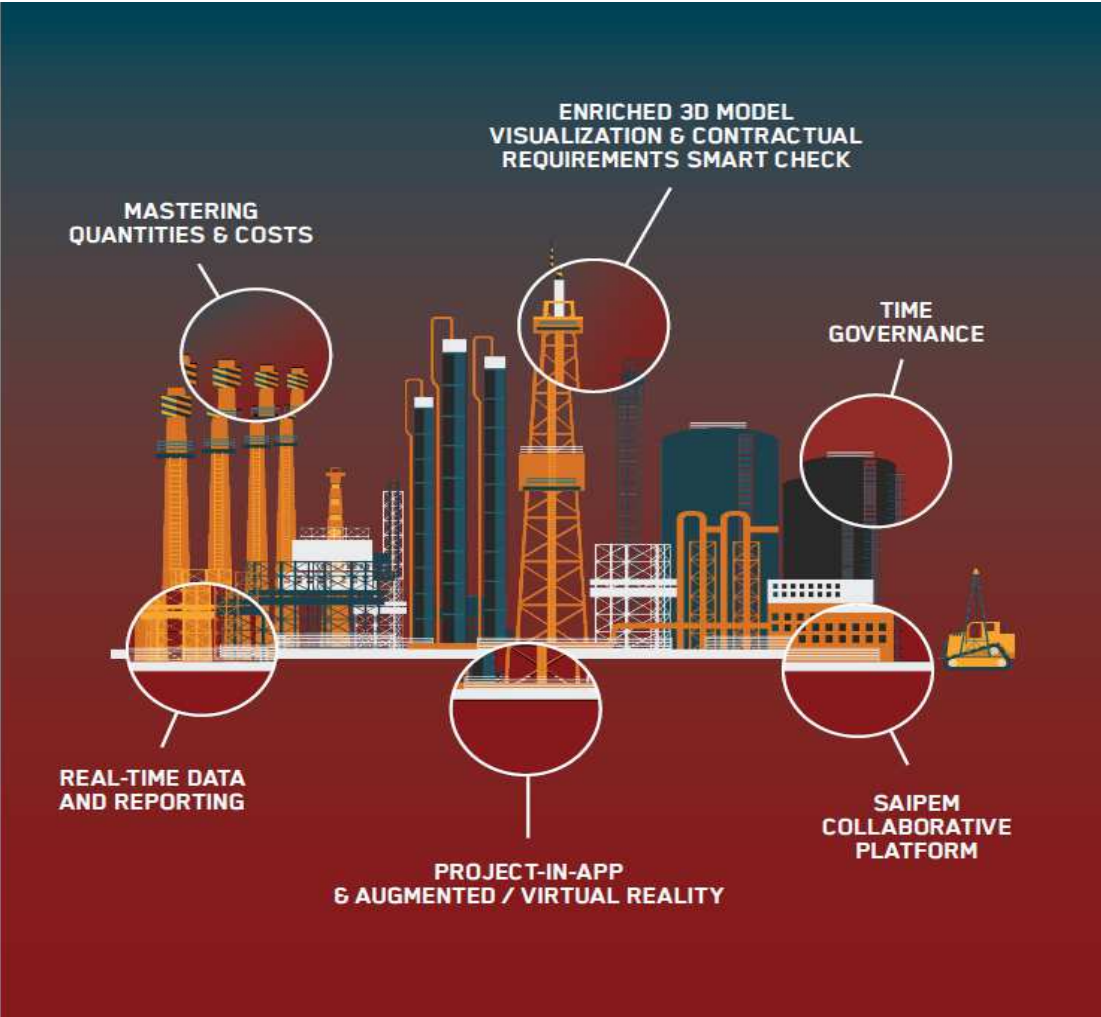
Saipem Procurements is strongly involved in the digitalization process of the EPC machine



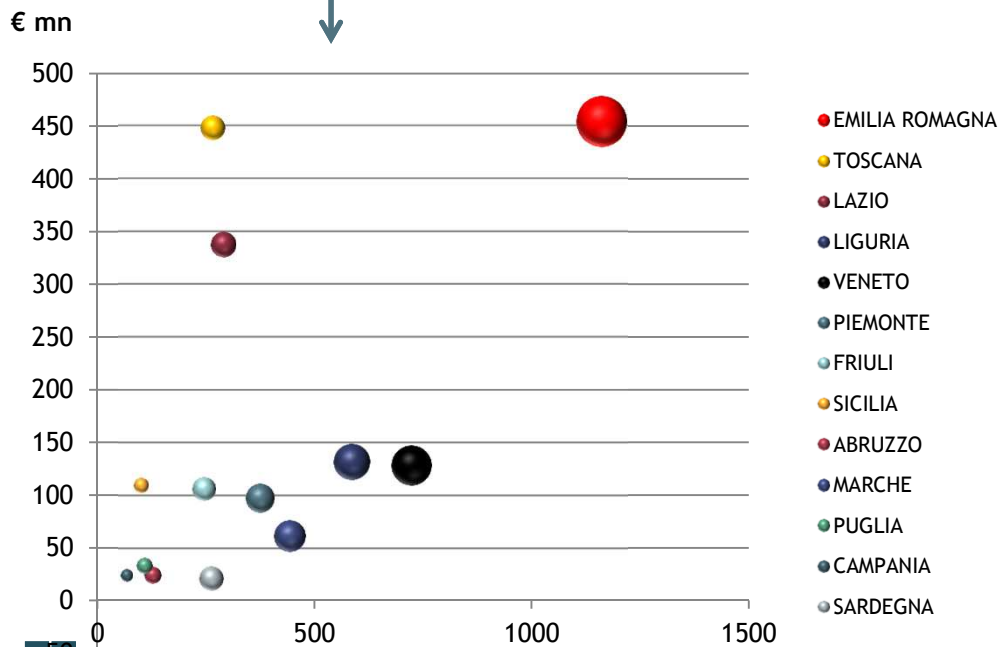
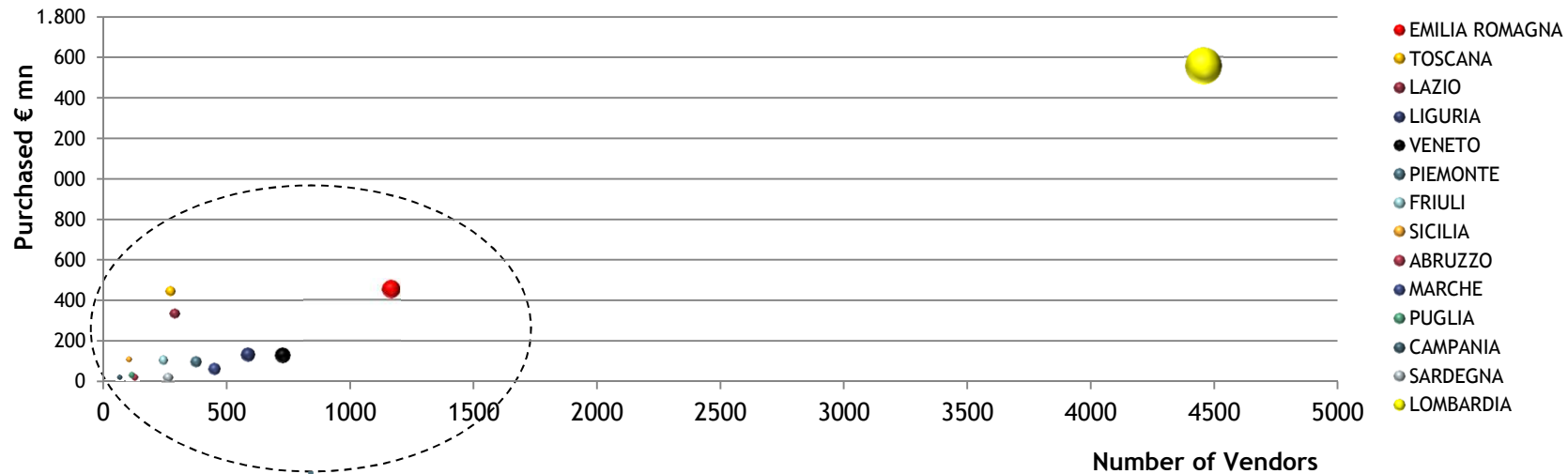
Digitalization

xDIM® - SAIPEM AS ENGAGING PlatFirm

- Digital collaborative platform integrating the stakeholders' activities along the full project life-cycle
- Adoption of a strong collaborative approach, enforcement of a data-centric methodology of co-creation and redefinition of work processes
- Real-time decision making, increased productivity, improved risk & opportunity management, continuous handover to client, reduced claims or litigation



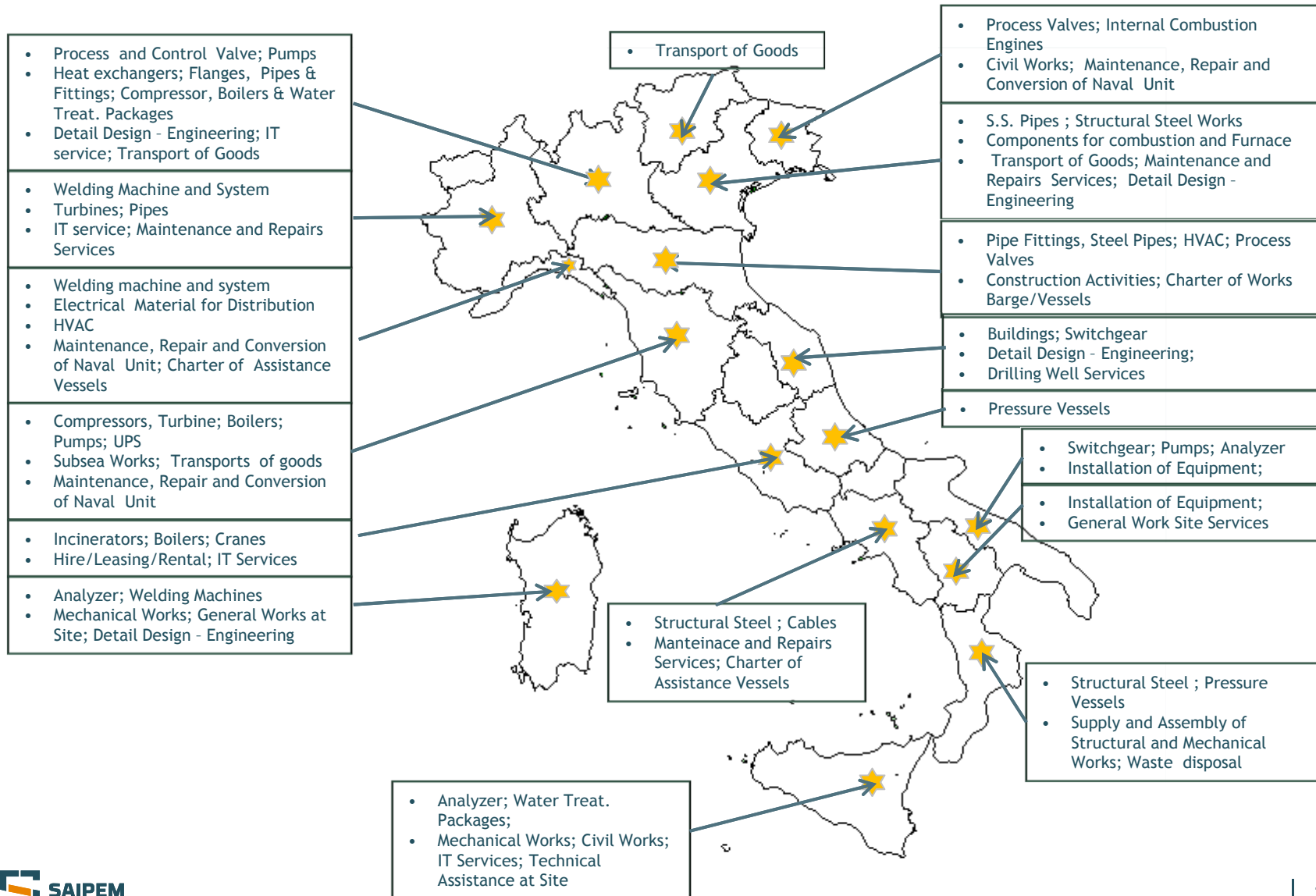
The Italian Suppliers are key for Saipem Success...



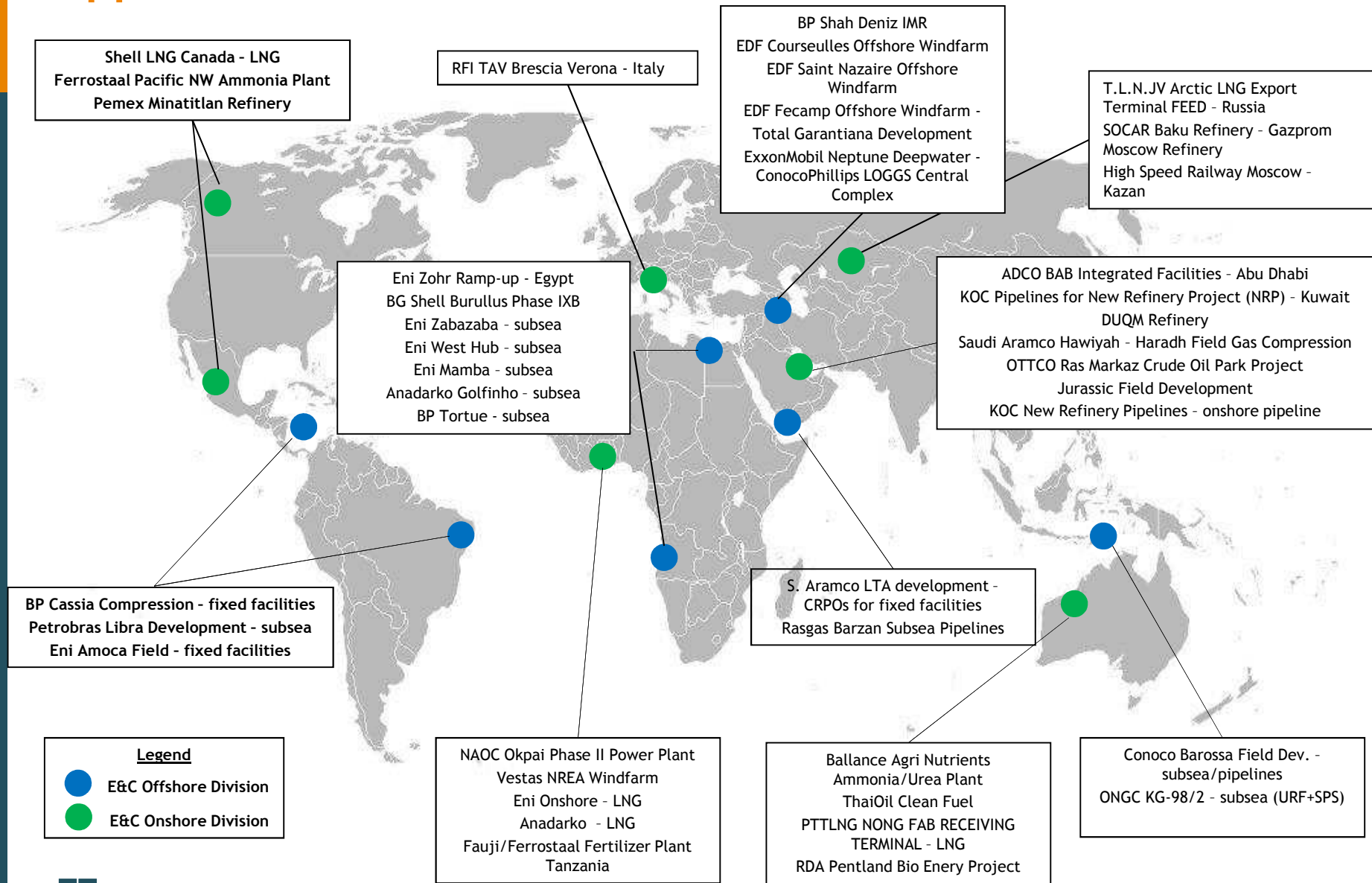
| € Billion | 2015 | 2016 | 2017* |
|----------------------------------|--------|-------|-------|
| <u>Purchased Worldwide</u> | ~8 | ~6 | ~5 |
| <u>Purchased Italy</u> | ~1,5 | ~1,25 | ~1 |
| <u>Italian Qualified Vendors</u> | ~ 3100 | | |

*up to 3Q '17

... well distributed in the country, representing a relevant component of Italian industrial footprint



.. to support Saipem engagement to pursue several opportunities



Conclusions

- Saipem supply chain is addressing the challenges of the new scenario **transforming its way of working and its Business Model** from Procurement 2.0 (price minimizer) to Procurement 4.0 (value creator)
- Procurement goal is to work with **suppliers to ensure the best alignment with Saipem direction and strategy**
- In the new context Saipem is willing to **increase the value offered to the customers with all the knowledge, technologies, experience and resources available internally and through its supplier base**



We need to work together to meet new market's challenges requirements and to be competitive

Saipem is open to work closely with you to develop highly performing solutions to deliver high value solutions for clients