Eni 9M 2020 Results

Eni biorefinery in Venice

October 28, 2020

9M HIGHLIGHTS

- **Production**: 1.74 Mboed. Main start ups in Algeria and Congo
- **Exploration:** success in Egypt, Angola, Mexico, Vietnam, UAE
- **Global Gas & LNG:** € 0.6 Bln FCF, despite a challenging scenario
- **CCS:** Carbon Storage Licence for Liverpool Bay Fields (potential 195 mt CO_2)

- **Business Group EBIT adj:** € 323 mln (25% of Eni Group)
- **Retail G&P**: resilient contribution with over €200 mln Ebit adj
- **Bio-refineries**: positive contribution thanks to Gela ramp-up
- **Renewables**: 0.3 GW capacity installed

- **Adj CFFO @ RC pre WC**: € 5.1 Bln, in line with guidance
- **Capex**: € 3.8 Bln, in line with guidance
- **FCF:** positive in a challenging scenario
- **Hybrid Bonds**: €3bn successful emission (7 times the original offer)
- **Leverage:** significantly strengthened to 0.29 post hybrid bonds

RATINGS CONFIRM ENI'S LEADERSHIP IN ESG

2019 — CDP (DISCLOSURE INSIGHT ACTION)

Eni confirmed leadership position in 2019 for the 3rd consecutive year with A- rating; CDP **2020** questionnaire **submitted and under evaluation**

Aug 20 — vigeo eiris

Eni inserted in the highest "advanced" band

Aug 20 — MSCI ESG RATINGS — A

"A" ESG rating, leader in Carbon Emissions and Health and Safety amongst peers

Aug 20 — SUSTAINALYTICS

Eni has achieved a ESG Risk Rating **in the top 3% amongst peers**

Aug 20 — Bloomberg ES

Eni 1st for Environmental Score amongst peers

Oct 20 — Transition Pathway Initiative

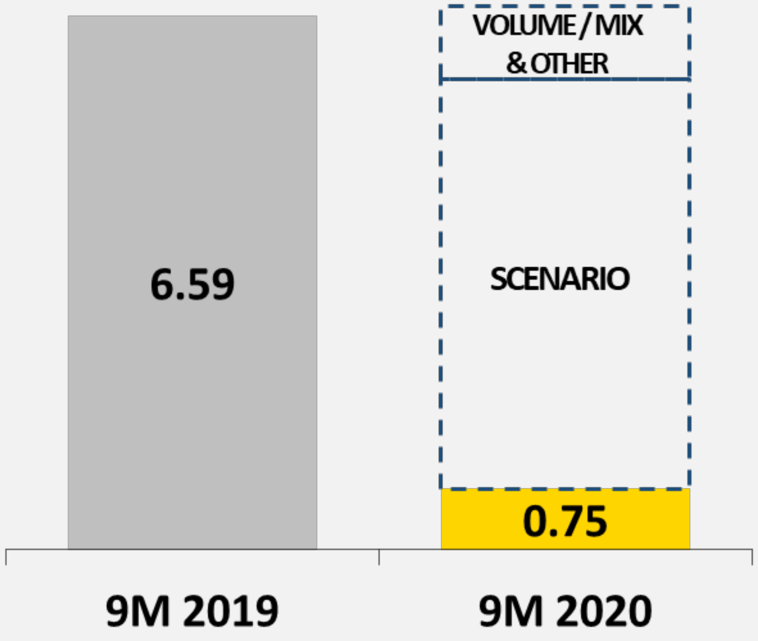
Top Level 4 Star Strategic Assessment for Management Quality

Carbon Tracker Initiative

Eni 1st amongst peers for competitiveness of unsanctioned portfolio economics, emission reduction targets and medium-long term price scenario

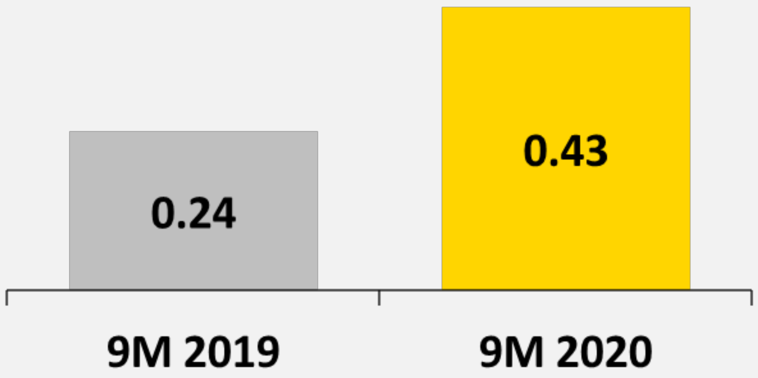
NATURAL RESOURCES

UPSTREAM | EBIT Adj € BLN



	9M 2019	9M 2020
Brent ($/bbl)	64.7	40.8
PSV (€/kmc)	175	97
FX	1.124	1.125

GLOBAL GAS & LNG PORTFOLIO | EBIT Adj € BLN



	9M 2019	9M 2020
TTF (€/kcm)	146	81
Spread PSV-TTF (€/kcm)	29	16
JKM ($/Mbtu)	5.4	3.1

2020 PRODUCTION CONFIRMED **1.72 – 1.74 Mboed**

CCS – CARBON CAPTURE & STORAGE

ADRIATIC BLUE

2022	2026
DEMO STARTUP	STARTUP

FIRST CCS PROJECT IN THE MEDITERRANEAN

UK PROJECTS

OCT '20: LICENCE AWARDED

2025: EXPECTED STARTUP

OGCI FIRST CCUS HUB

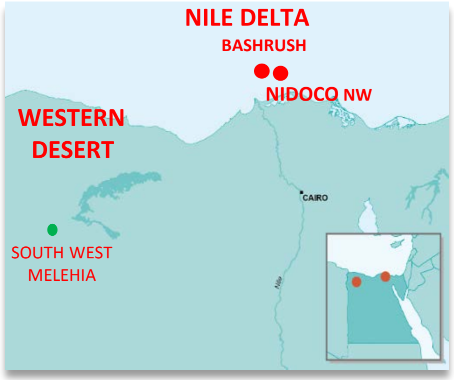
2025: EXPECTED STARTUP

THIRD PARTY EMISSIONS

DECARBONISING HARD-TO-ABATE INDUSTRIAL EMISSIONS
+ GENERATING **NEW BUSINESS OPPORTUNITIES**

EXPLORATION – CONTINUES TO BUILD OPTIONALITY DESPITE COVID-19

EGYPT | Nile Delta & Western Desert



NEAR FIELD

Discovery: **Gas** & **Oil**

Results:
- «Great Nooros Area» upgraded at 4 Tcf
- South West Melehia 12’000 boe/d

MEXICO | Block 10 (w.i. 65%) Saasken

PROVEN BASIN

Discovery: **Oil**

Results:
- 200-300 Mbbl
- Large Nearby Potential

Way Forward:
- To be appraised

2020 TARGET
EXPLORATION DISCOVERY

> 300 MBOE EQUITY

UEC ~ 2 $/bbl

VIETNAM | (w.i. 55%) Ken Bau

PLAY OPENER

Discovery:
Gas & **Condensate**

Results:
- 7-9 Tcf
- 400-500 Mbbl

Way forward:
- Upside to be appraised

UAE SHARJAH | (w.i. 50%) Mahani

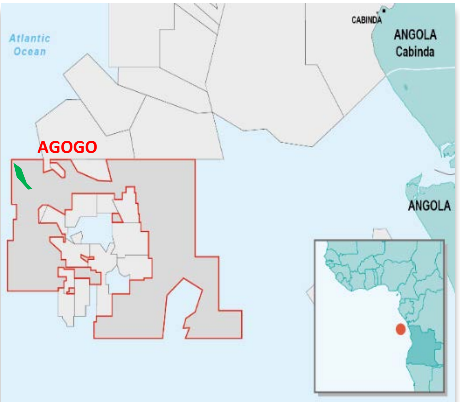
PROVEN BASIN

Discovery:
Gas & **Condensate**

Results:
- Significant discovery with short time-to-market

Way forward:
- Upside to be appraised

ANGOLA | (w.i. 37%) Agogo 3



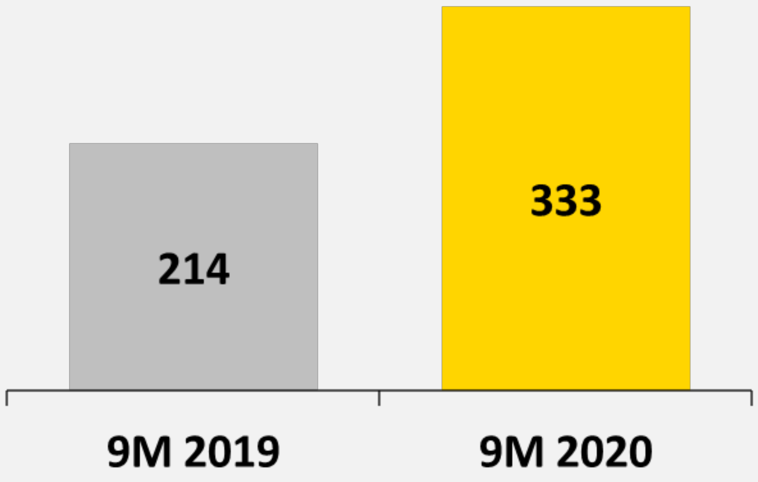
PROVEN BASIN & INCREMENTAL EXPLORATION

Discovery: **Oil**

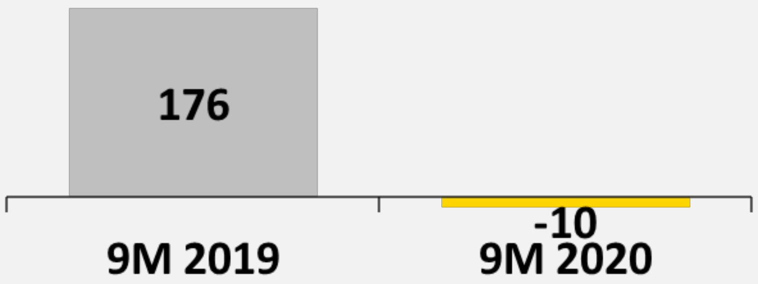
Results:
- Upgraded field potential to 1 Bbbl

ENERGY EVOLUTION

ENI GAS E LUCE, POWER & REN | EBIT Adj €Mln



R&M AND CHEMICALS | EBIT Adj € Mln



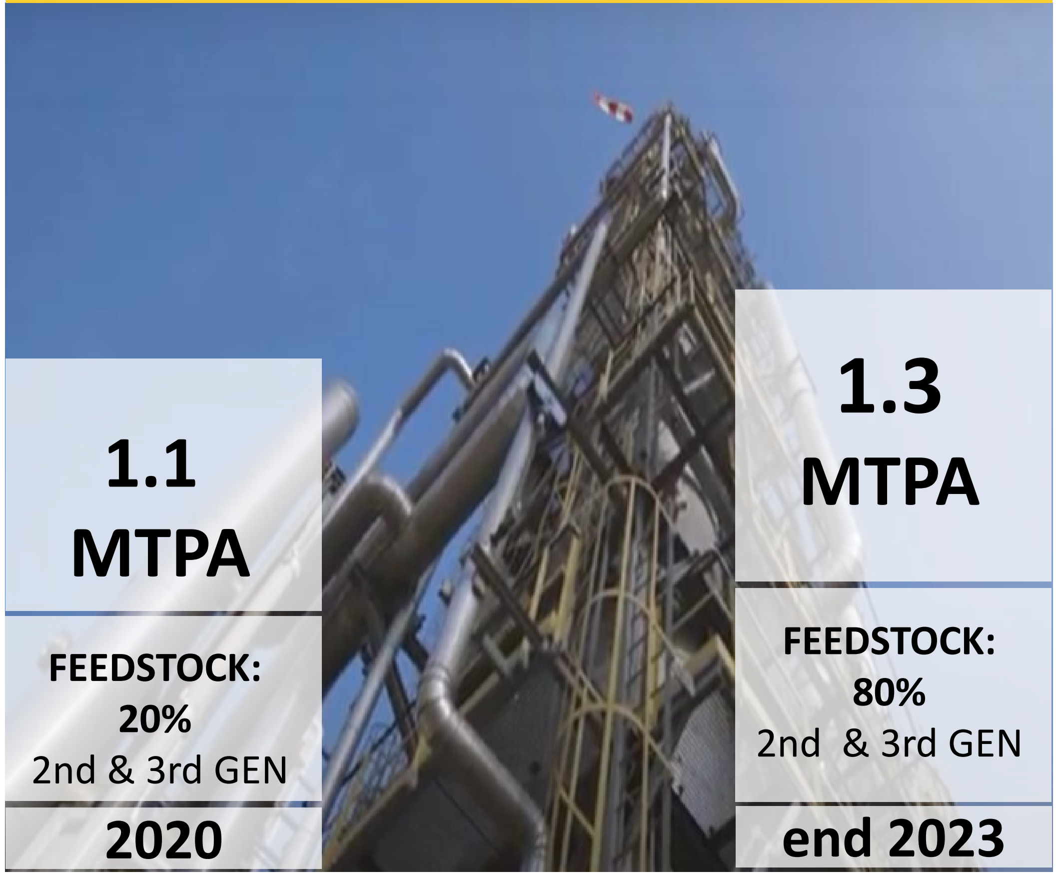
($/bbl)		
SERM	4.4	2.2
Spread Ural-Brent	0.1	-0.4

2020 GUIDANCE: > € 0.3 bln

R&M includes pro-forma ADNOC Refining & Trading

REFINING – FOCUS ON BIO

BIO REFINERIES CAPACITY | Mton



15%

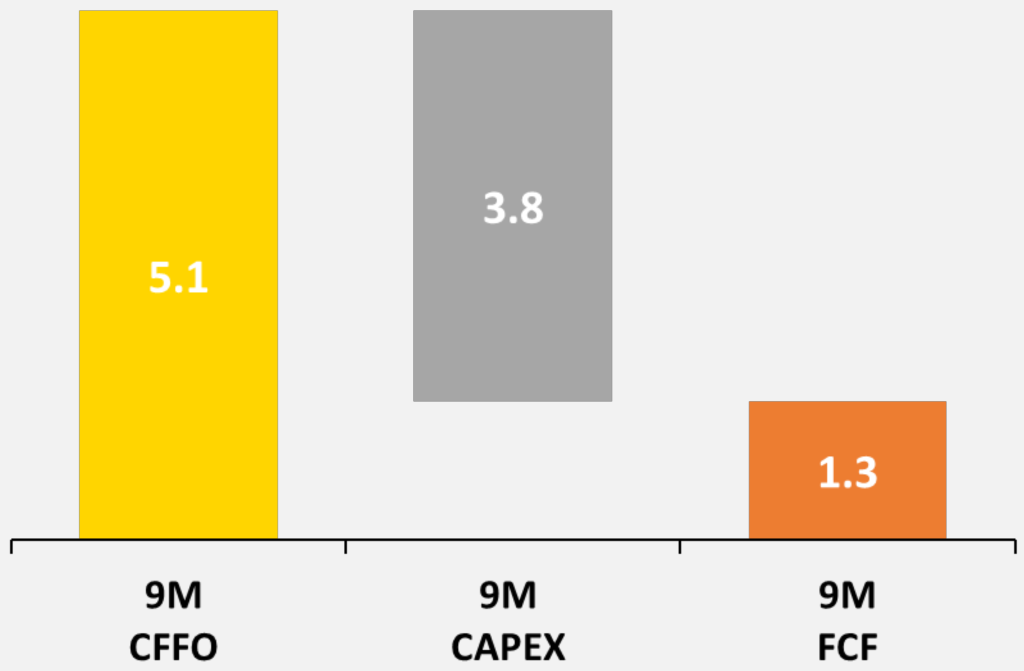
INTERNAL RATE OF RETURN

€ 60 MLN

9M EBIT ADJ

CASH RESULTS

9M CASHFLOW | € bln



CONFIRMED

2020 CFFO

€ 6.5 bln

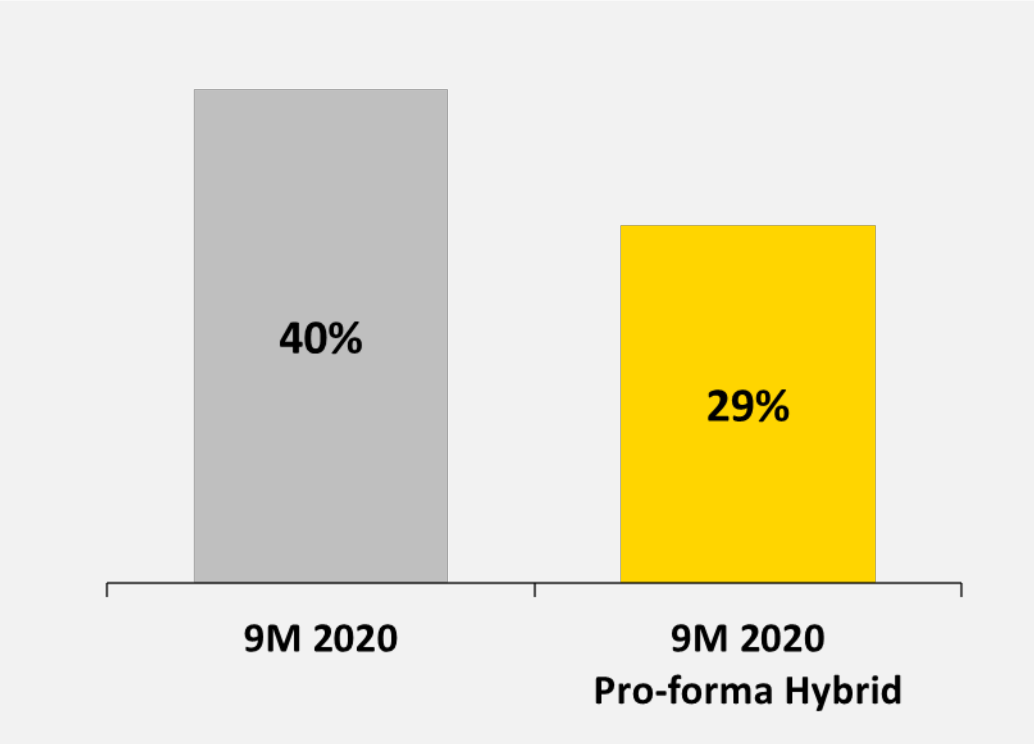
@ $ 40/BBL

CFFO & FCF are adjusted and pre working capital at replacement cost

HYBRID BOND: DIVERSIFYING AND STRENGTHENING FINANCIAL POSITION

2 PERPETUAL HYBRID BONDS FOR A TOTAL OF €3BN
LARGEST EVER HYBRID ISSUANCE IN ITALY & 7X DEMAND VS ORIGINAL OFFER

LEVERAGE



- **Significantly strengthened balance sheet**
- **Further diversified our capital structure**
- **Supports our strong investment grade rating**
- **Further enhanced our strong liquidity position**

Leverage: Net debt / shareholders' equity (exc IFRS 16 Lease Liabilities)

PORTFOLIO OPTIMISATION: LEVER TO ENHANCE FLEXIBILITY

RATIONALE

Non core Upstream assets

Optimisation of non-upstream assets

Asset mergers to optimise portfolio

2020 GROSS DISPOSALS : ~ €1 bln

2020 GUIDANCE

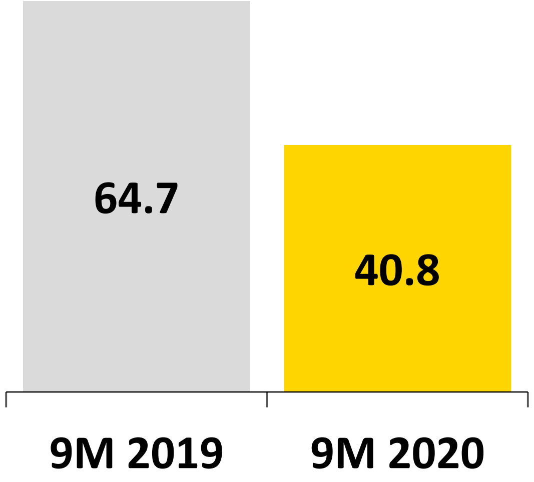
Production	1.72 - 1.74 mboed
Exploration discoveries	> 300 mln boe
GGP Adj EBIT	€ 0.2 bln
Energy Evolution Adj EBIT	> € 0.3 bln
CFFO @ 40 $/bl	~ € 6.5 bln
CAPEX	~ € 5.2 bln
Gross Disposals	~ € 1 bln
Leverage (pre IFRS 16 lease liabilities)	< 0.3

ANNEX

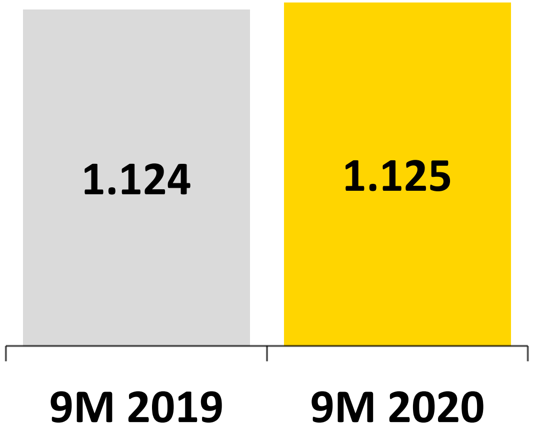
October 28, 2020

MARKET SCENARIO

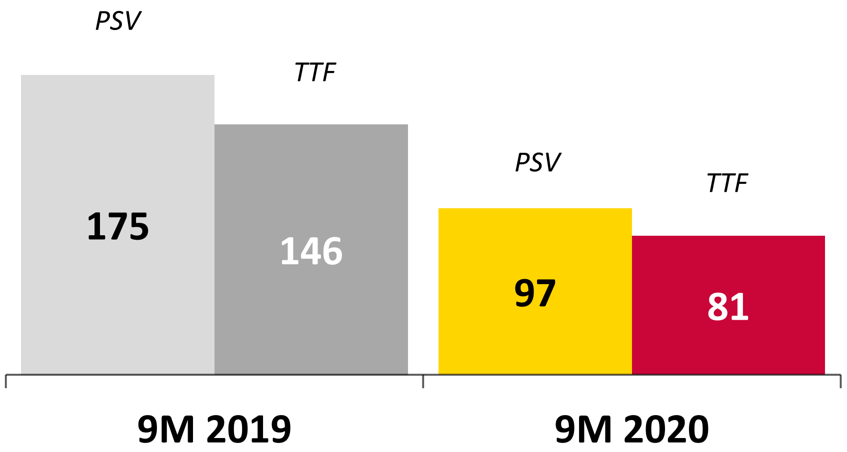
BRENT | $/bbl



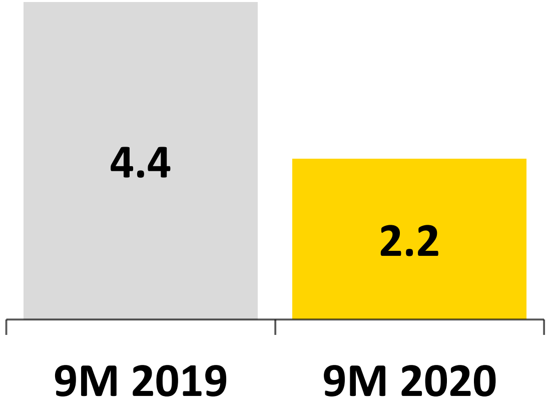
EXCHANGE RATE | €/$



EUROPEAN GAS PRICES | €/kcm



STANDARD ENI REFINING MARGIN | $/bbl



ASSUMPTIONS AND SENSITIVITY

4YP Scenario	2020	2021	2022	2023
Brent dated ($/bbl)	42	48	55	60
FX avg ($/€)	1.143	1.130	1.150	1.180
Ural MED c.i.f. - Med Dated Strip ($/bbl)	-0.4	-1.3	-1.4	-1.5
Std. Eni Refining Margin ($/bbl)	2.4	4.3	4.5	4.6
NBP ($/mmbtu)	2.8	4.1	4.8	5.1
PSV (€/kcm)	104	147	163	167

Sensitivity 2020	EBIT adj (€ bln)	Net adj (€ bln)	FCF (€ bln)
Brent (+1 $/bbl)	0.23	0.16	0.17
Std. Eni Refining Margin (+1 $/bbl)	0.13	0.09	0.13
Exchange rate $/€ (-0.05 $/€)	0.09	0.02	0.1

Brent sensitivity assumes oil and gas prices move proportionally.
It is applicable for $5-$10/bbl moves in Brent.