Eni 1Q 2023
Conference Call

Good afternoon and welcome to Eni's 2023 first quarter conference call.

I am sure you have already had the chance to read our press release. **It confirms another excellent set of results**, recording a quarter where we have made strong operating, strategic and financial progress.

1Q 2023 | HIGHLIGHTS

NATURAL RESOURCES

DISCOVERED RESOURCES: Around 200 Mboe, mainly from new discoveries in Cyprus, Mexico and Egypt
E&P: Production up >2% q/q; major gas development in Libya; sail away of FPSO for Baleine, Côte d'Ivoire
CCS: Significant step forward in the development of the Hynet NW CCS Project with receipt of grant from UK government
PORTFOLIO: Closing of bp's Algerian business acquisition and stake sale of Algeria-Italy gas pipeline to Snam

ENERGY EVOLUTION

SUSTAINABLE MOBILITY: Company incorporation, 50% purchase of St. Bernard Biorefinery, enhanced supply of 100% HVO
PLENITUDE: Inaugurated 263 MW PV plant in the US; renewable pipeline expansion in Italy and UK
CHEMICALS: Announced Versalis' acquisition of Novamont

FINANCIALS

EBIT: € 4.6 BLN, resilient E&P, strong GGP, Energy Evolution meeting expectations
NET PROFIT: € 2.9 BLN, resisting price impact by delivering quarter-on-quarter profit improvement
CFFO: € 5.3 BLN, excellent underlying cash conversion
CAPEX: € 2.2 BLN, maintaining capital discipline
LEVERAGE: 14%, historically low providing strength and flexibility

3 *EBIT and Net are adjusted. Cash Flows are adjusted pre-working capital at replacement cost. Leverage before IFRS 16 lease liabilities.*

SLIDE 3 – HIGHLIGHTS

Adjusted net profit was up 17% on 4Q22 to €2.9 Bln despite an 8% fall in the oil price quarter-to-quarter and a much lower gas price. In fact we have also significantly offset the effect of a 20% fall in the crude oil price and near halving of the spot gas price in our year-over-year comparisons, down just 11%. This is clear evidence of how resilient our Upstream and the increasing balance in contributions from across the business segments. **Our four-quarter rolling return on capital employed is 21%.**

Within Natural Resources, oil and gas production was in the guided range for the full year, an encouraging start given our expectation of rising volumes in the second half of 2023.

1Q was also a solid quarter for exploration with discovered resources of around 200 Million Boe. GGP's outstanding quarter, a record in the last decade, reflects in part its seasonality but also confirms our expectation of another strong full year. It further highlights the improvement to both the quality and scale of profitability in our gas and LNG operations that we have delivered even amid the loss of Russian supply.

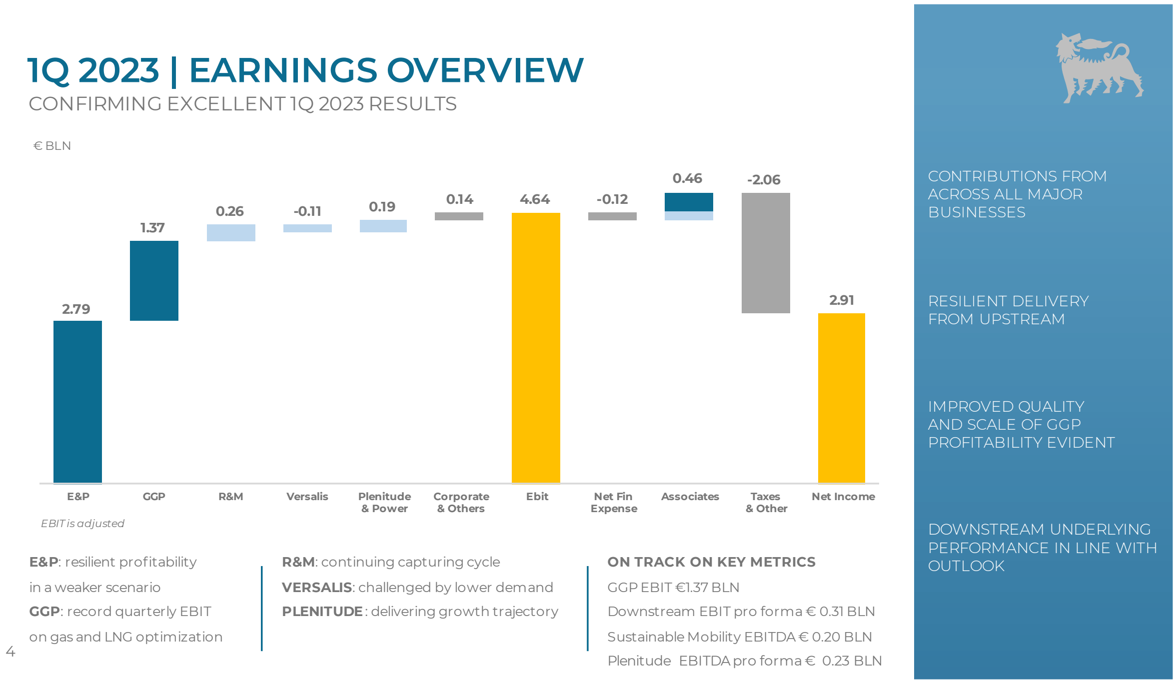
In Energy Evolution, Downstream results were partially held back by high levels of planned refinery turnaround in Italy. It is worthwhile to highlight that the underlying performance of the business including the contribution from ADNOC is in line with our expectations for the full year, recording over €300 Million of pro-forma EBIT.

I hope you will also have also picked up our additional disclosure on Sustainable Mobility results. Meanwhile Plenitude continues to perform operationally and financially along the growth trajectory we have mapped out.

Underlying cashflow from operations was notably good in the quarter at €5.3bn, only 6% lower year-on-year and almost 30% up versus Q4 ’22. And while we saw seasonal absorption into working capital and other shorter-term obligations and timing difference, we still generated FCF after capex consistent with our FY guidance.

Net debt, flat on 4Q remains at an historically low level.

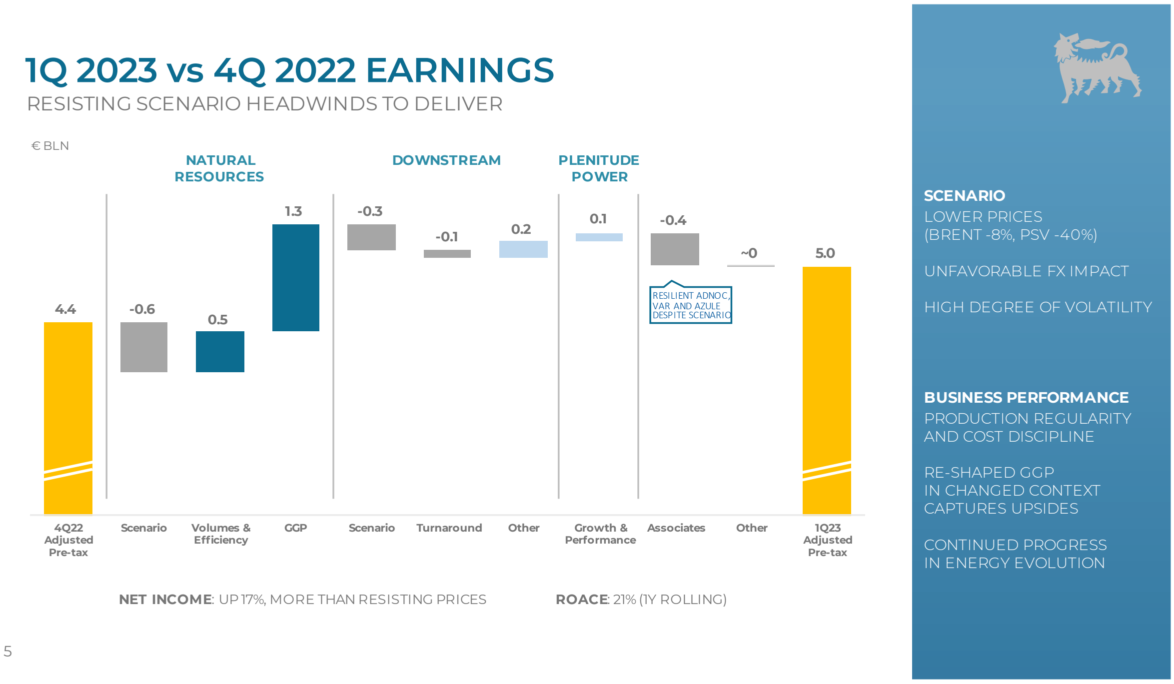
At our Capital Markets Update in February we emphasised both the financial resilience of the business and its flexibility. The importance of these two features is obvious given the degree of volatility seen in the scenario even in the first 3 to 4 months of 2023. We have a strong and flexible balance sheet with high levels of liquidity and we retain options and flexibility in our investment programme that ensures we can respond to changing conditions as we judge appropriate. The positive news is also that in the first quarter we have outperformed on all of the underlying key metrics we set ourselves, confirming the quality of the business.



SLIDE 4 - RESULTS

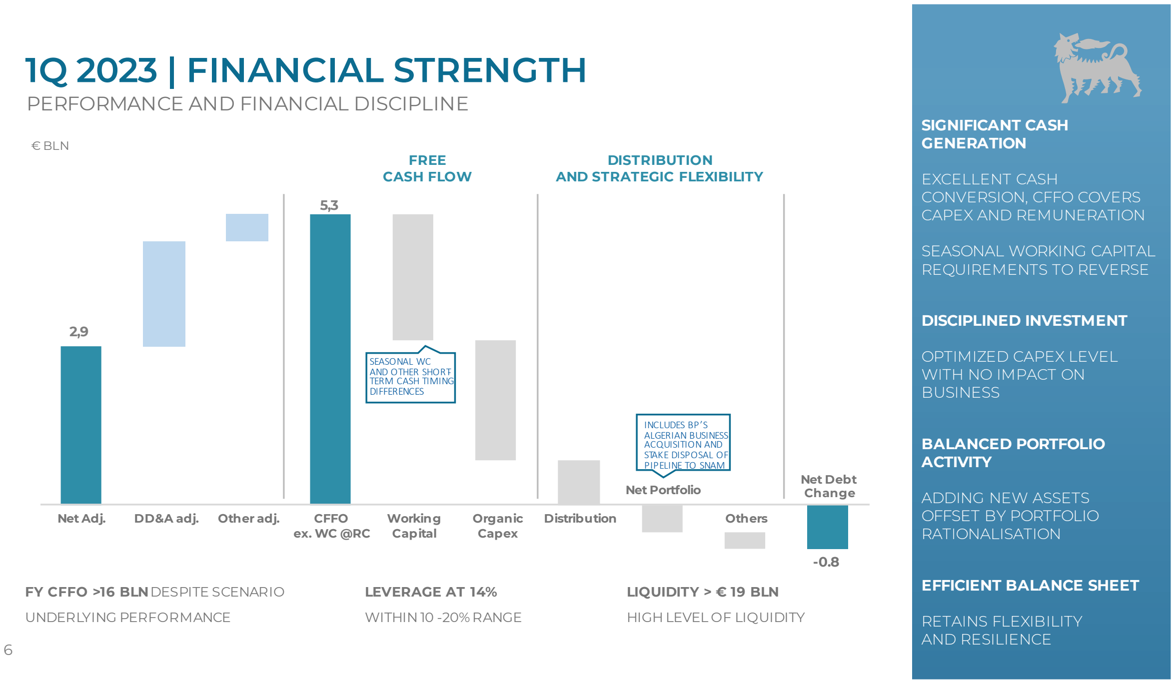
The next three slides provide some analysis for you on today's results:

- Breaking down our Q1 on **Slide 4** reveals a very resilient level of profitability in E&P as well as record EBIT from GGP. Downstream was a less significant contributor this quarter while Plenitude growth is being delivered even amid challenging markets. We are delivering our Satellite model strategy and the effect can be seen in the more important contribution from associates. Our tax rate of 41% is up slightly year-over-year reflecting the lower oil price and the fact, I remind you, that we take UK windfall taxes into recurring results.



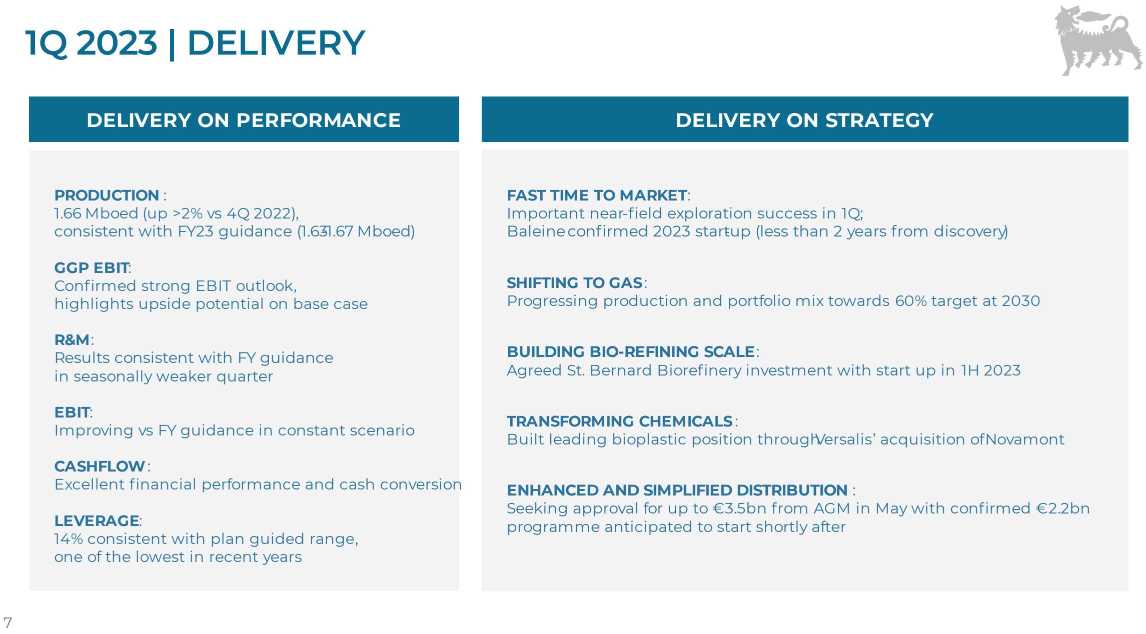
SLIDE 5 - RESULTS

- **Slide 5** shows the sequential performance and you can see how volumes and performance improvement more than offset the scenario. GGP delivered record EBIT capturing value from market volatility and our asset and contractual positions. In the Downstream the scenario was a headwind as was the impact of the turnaround activity but other elements of the business including bio, marketing and trading held up well. Associate income, an increasingly important contributor to our results, was softer due to weaker scenario and lower dividend income from smaller affiliates.



SLIDE 6 - RESULTS

- Finally, looking through the lens of cash on **Slide 6**, our strong underlying earnings combined with dividend income delivered over €5 Bln of CFFO funding working capital and other shorter-term cash commitments, our capex and dividend, net investment in portfolio plus other capital items leading to a leverage of 14%, virtually flat on the previous quarter and well within our 10-20% target range.



SLIDE 7 – DELIVERY ON PERFORMANCE AND STRATEGY

I want to now look at the year to date in the context of the key operational, financial and strategic features of our recent February Capital Markets update.

In the current market context it is critical we deliver on both our operational and financial objectives but also make progress along our consistent and clearly stated strategic path.

In terms of operational and financial performance:

- We are expecting to grow Upstream production by 3-4% over 2023-26. In the quarter production was flat y/y but up 2.4% sequentially and in the guided range for 2023. This is an encouraging inflection after the challenges we faced in 2022. Of note in the quarter was the performance of Algeria, and the ramping up to plateau gas production of our operations at Coral South.

- GGP's record quarterly result emphasises how the business, that is increasingly integrated with the upstream, has swiftly reacted to the supply disruptions and taken advantage of the new realities of the gas and LNG markets. Also given the drop in European hub prices in the quarter it is important to reiterate that this is not a business that is solely dependent on the prevailing gas price. Our Q1 result confirms the strong 2023 outlook we have laid out and highlights the material upside potential in the right conditions.

- In R&M 1Q was a quarter with a number of important European refinery units down for scheduled maintenance but Sustainable Mobility, trading and our ADNOC affiliate were robust, however, and this business has also structurally shifted in profitability terms.

- Despite a lower oil price and lower gas price than plan in Q1, and a stronger Euro, we have made a good start in delivering our EBIT and CFFO guidance for the year.

In terms of our strategy we can also point to continuing progress in line with our key themes:

- **Time to market is a significant point of strategic differentiation for Eni**. In E&P this is driven by our leading exploration activity integrated into our fast-track development approach. We are targeting the discovery of 700 million boe of resources in 2023 and the year has got off to an encouraging start with 200 Million boe discovered in Q1. This includes contributions from near field discoveries in Egypt, Algeria and Norway and significant new discoveries in Egypt, Cyprus and Mexico. In early April we announced the sail away of the FPSO Firenze from Dubai en-route for the Baleine field offshore Côte d'Ivoire with a scheduled production start-up of June 2023 - less than 2 years from discovery and less than 18 months after FID.

- **As you know we are targeting a shift in our production mix to 60% gas by 2030.** The successful ramp up of the Coral, the agreement to develop the AE structures, and the new Eastern Mediterranean discoveries, for instance, are all consistent with that objective.

- **Our Energy Evolution division is developing a portfolio of solutions to meet the decarbonised needs of our customers.** In February we announced the agreement of a 50:50 joint venture with PBF Energy for a 1.1M tonnes/year bio refinery in Louisiana contributing to the raised more than 3 Mn tonne 2025 bio-refining target. Versalis confirmed this morning the acquisition of the remaining 64% of Novamont, a leader in the chemistry of biodegradable and compostable bioplastics.

- M&A activity will remain a feature of Eni's strategy. You should expect us to make investments and acquisitions that further our strategy and deliver upside to shareholders. Our PBF and Novamont transactions demonstrate this as indeed does the Algerian asset purchase from BP we closed in the quarter. At the same time you should also expect us to be rigorous in addressing our tail and reshaping the portfolio to realise value – for example our sale of a minority pipeline stake to Snam completed in January. Overall we expect this activity to be a net €1bn positive over the 4-Year Plan.

- A key feature of our 2023 CMD was the introduction of an enhanced and simplified distribution policy. On 10 May shareholders will be asked to vote to approve a buyback of up to €3.5bn and a proposed €0.94/share 2023 dividend.

2023 GUIDANCE

	GUIDANCE		
PRODUCTION	1.63-1.67 MBOED	✓	
DISCOVERED RESOURCES	700 MBOE	✓	
GGP EBIT	€ 2 – 2.2 BLN	↑	
PLENITUDE EBITDA[1]	> € 0.7 BLN	✓	
DOWNSTREAM EBIT[1]	€ 1 – 1.1 BLN	✓	adjusted for FX
SUST. MOBILITY EBITDA[1]	> € 0.9 BLN	↑	
EBIT	€ 12 BLN	↑	adjusted for scenario and FX
CFFO[2]	> € 16 BLN	↑	adjusted for scenario and FX
CAPEX	~ € 9.2 BLN[3]	✓	adjusted for FX
DIVIDEND	€ 0.94/SHARE	✓	first interim payment in September
BUYBACK	€ 2.2 BLN	✓	

[1] Plenitudeand SustainableMobility EBITDAis pro-forma; Downstream: EBITis pro-forma.
[2] Cash Flows areadjustedpre working capitalat replacementcost andexcludeeffects of derivatives
[3] Additionalpotentialfor lower capex fromcontinuedoptimizationefforts and flexibility.

Updated2023 Scenariois: Brent 85 $/bbl (unchanged), SERM 8 $/bbl (from 7 $/bbl), PSV 529 €/kmc (from 970 €/kmc) and averageEUR/USDexchangerate: 1.08 (from 1.03)

FOCUSING ON DELIVERY

GROWING BUSINESSES

GENERATING CASH

DISCIPLINED CAPEX

SHAREHOLDER DISTRIBUTION A PRIORITY

SLIDE 8 - GUIDANCE

So having covered Q1 performance and context let's move to updating guidance for the full year.

In the short-term we can help with some pointers for 2Q:

- We expect that upstream production will be in the range of 1.6 mlnboed, as a result of planned turnaround activity concentrated in the quarter, with production fully recovered and growing from 3Q.
- We expect GGP Q2 Ebit to be much lower than Q1 consistent with the normal seasonality of the business.
- Conversely, in R&M 2Q and 3Q are normally stronger quarters for our marketing business and 2Q will see lower planned turn around at our refineries than either 4Q22 or 1Q23.
- Assuming our Buyback receives approval at the AGM we expect to begin repurchases shortly after.

I would add that we expect to pay our 2023 Windfall Tax in Italy at the end of Q2 amounting to around €500m. We anticipate closing both the PBF and Novamont transactions in the second half of 2023.

In terms of updating our Full Year guidance:

- We are updating our 2023 guidance with a scenario of a Brent price of $85/bbl, unchanged from February, a SERM of $8/bbl versus $7/bbl, a lower PSV of €50MWh and a stronger Euro at $1.08.

- **We can confirm our Natural Resources division outlook for production in the range of 1.63-1.67 million boe/day** and discovered resources of 700 million boe.

- We now **expect GGP adjusted EBIT to be in the upper range of the €1.7-€2.2bn** communicated in February, exceeding €2bn.

- We confirm Full Year Downstream pro-forma EBIT of €1.0-€1.1bn, in line with prior guidance at a constant exchange rate scenario which **includes the contribution from Sustainable Mobility of >€0.9bn of EBITDA, better than planned.**

- With a lower natgas scenario and a stronger Euro under our updated scenario we expect to be able to generate EBIT of €12bn and CFFO of over €16bn - **this represents an improvement versus the original guidance at the same scenario.**

- **Capex is now expected to be around €9.2bn, lower than originally planned incorporating the effect of the Euro:Dollar; and we also retain the potential from continued optimization efforts and flexibility** to further reduce spend.

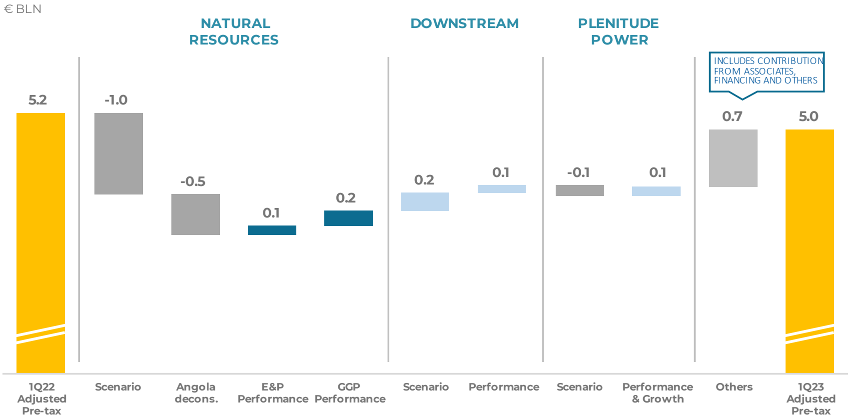
- **We confirm our buyback plan of €2.2bn and the dividend increase to 0.94€/share from 0.88€/share that will imply a CFFO distribution in excess of 30%** but is maintained by virtue of the considerable flexibility in our capex and balance sheet that we retain.

ANNEX

St. Bernard Biofinery in Chalmette, LA

1Q 2023 vs 1Q 2022 EARNINGS

RESISTING SCENARIO HEADWINDS TO DELIVER



ADJ PROFIT PRE-TAX: NEARLY FLAT DESPITE FALL IN PRICES

SHARES IN ISSUE: 5.5% LOWER YEAR -ON-YEAR

UPSTREAM HOLDING PRODUCTION AFTER CHALLENGES FACED IN 2022

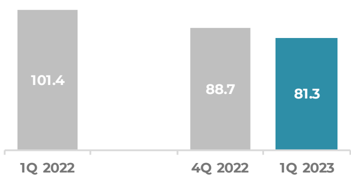
GGP DELIVERING IMPROVEMENTS IN CONTEXT OF ABSENT RUSSIAN GAS

SCENARIO AND PERFORMANCE POSITIVE POINTS TO STRUCTURAL STEP-UP IN DOWNSTREAM PROFITABILITY

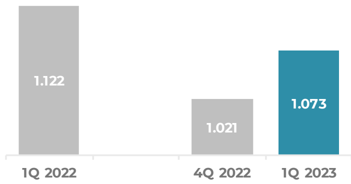
PLENITUDE DELIVERING GROWTH DESPITE VOLATILE MARKETS

MARKET SCENARIO

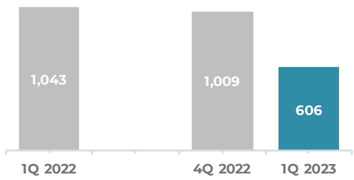
BRENT | $/bbl



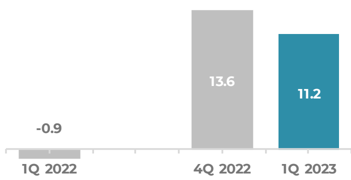
EXCHANGE RATE | €/$



PSV | €/kcm



STANDARD ENI REFINING MARGIN | $/bbl



SENSITIVITY 2023

SENSITIVITY 2023	EBIT ADJ (€ bln)	Net adj (€ bln)	CFFO before WC (€ bln)
Brent (1 $/bbl)	0.18	0.13	0.13
European Gas Spot Upstream (1 $/mmbtu)	0.15	0.12	0.13
Std. Eni Refining Margin (1 $/bbl)	0.14	0.10	0.14
Exchange rate $/€ (+0.05 $/€)	-0.49	-0.28	-0.63

Brent sensitivity applies to liquids and oil-linked gas.
Sensitivity is valid for limited price variation.
For energy use purposes PSV variation of 1$/MMBTU has an impact -15 mln € on SERM calculation.