**PRICE SENSITIVE**

*“In the past five years we have been rapidly delivering a strategy of transformation that was designed to enhance our business model by drastically reducing debt, increasing production and finding new ways to diversify our company. We have built a new Eni based on efficiency, integration and deployment of new technologies. We will further strengthen and diversify our portfolio in low cost-high potential basins, we will pursue more opportunities along the value chain and we will grow in renewables and biofuels making our company more profitable. Decarbonisation is a strategic priority for our Board. We are committed to a low carbon future and today we are setting a new target to reach upstream carbon neutrality by 2030***.** *Creating shareholder value remains our top priority and to this end we announce an increase in our 2019 dividend by 3.6% to €0.86 per share, in line with our progressive remuneration policy. On top of this we will start a four-year buyback programme envisaging a capital allocation of €400 million in 2019 and in the following three years, assuming a leverage steadily below 20%, an annual share buyback of either €400 million in a $60-65 Brent scenario or €800 million with a scenario above $65 Brent”.*

***Claudio Descalzi, Eni CEO***

# *CREATING STAKEHOLDER VALUE THROUGH THE ENERGY TRANSITION*

# *DIVIDEND €0.86 PER SHARE, +3.6% vs 2018; €400 MILLION SHARE BUYBACK IN 2019*

## *MAIN TARGETS*

### *UPSTREAM*

- **Exploration: 2.5 bln boe of new resources**
- **Production: CAGR 3.5% per year up to 2025**
- **New projects breakeven: $25/bbl Brent**
- **Cumulated Free Cash Flow: €22 bln**

***CEO Descalzi: "****We will continue to grow organically in upstream. Thanks to the large amount of new acreage in high potential basins, we target 2.5 billion barrels of new resources by drilling 140 exploration wells in the plan period. Production is expected to grow by 3.5% per year over the plan and beyond thanks to the ramp-up and start-up of new projects and the large inventory of future FIDs based on 3 billion barrels of reserves. We will continue to keep a strong discipline on investment and we expect our new development projects to have a breakeven at $25/boe generating a cumulative cash flow of €22 billion in the course of the plan".*

### *MID-DOWNSTREAM*

- **Mid-Downstream**
    - **EBIT end of plan: €2 bln**
    - **Free Cash Flow 2019-2022: ~€5 bln**
    - **LNG: 14 MTPA by 2022, 16 MTPA by 2025**
    - **Refining breakeven: $1.5/bbl from 2023**

***CEO Descalzi: "****We expect mid-downstream operating income to grow to 2 billion euro by the end of the strategy plan, more than double 2018 levels. After our acquisition of a 20% stake in the Ruwais refining complex in UAE, we have strengthened our refining business accessing to a top class asset. The acquisition has increased our overall refining capacity by 35% and ultimately by 40% in 2023, and will drive our breakeven margin to around $1.50 per barrel. LNG is set to play a crucial role in our future growth and we expect to reach 14 million tonnes per annum (MTPA)* *by 2022 and 16 MTPA by 2025 of contracted volumes, an increase vs previous guidance. In Chemicals we plan to strengthen the business and be more resilient by leveraging portfolio differentiation to improve our margins".*

**ENERGY SOLUTIONS**

- **>1.6 GW of renewable capacity installed by 2022, 5 GW by 2025**
- **Capex 2019-2022: € 1.4 bln**

***CEO Descalzi:*** *"We are committed to growing our renewables business organically during the plan. Our renewables portfolio is well diversified both geographically and in terms of technologies. In the future we are planning to increase our exposure to energy storage. In Italy, we will expand the "Progetto Italia", our industrial conversion project generating power from renewables on reclaimed industrial areas".*

***DECARBONIZATION***

- **Net zero upstream carbon emissions by 2030**
- **Large forestry initiative: natural carbon sink to capture >20 Mton/yr of $CO_2$ by 2030**
- **Circular Economy: 4y spending ~€1 bln**

***CEO Descalzi:*** *" Decarbonisation is structurally embedded in our overall strategy and ambitions. Addressing the dual challenge of satisfying increasing energy needs, while reducing emissions in line with the Paris Agreement goals, is a strategic priority for our Board. As a first step, our objective is to achieve net zero emissions in our upstream business by 2030. We will accomplish this by increased efficiency to minimize direct upstream $CO_2$ emissions and offsetting residual upstream emissions through large forestry projects. We will use our scale to deliver wider benefits from direct forestation initiatives including new jobs and economic empowerment of local communities. Furthermore, we will apply a circular approach to maximize the use of waste as feedstock and to extend the lives of industrial sites. A key role will be played by the deployment of our own new technologies".*

***FINANCIALS***

- **Financial discipline**
  - **4YP Capex €33bln, €8 bln in 2019**
  - **Free cash flow growth: +17% CAGR 2019-2022 @ 2019 scenario**
- **Sustainable growth**
  - **Organic cash neutrality after dividend: $55/bbl in 2019, declining to $50/bbl end of plan**
- **Progressive shareholder remuneration**
  - **2019 dividend proposal: €0.86 per share (+3.6% vs 2018)**
  - **Share buyback programme: €400 mln in 2019; in 2020-2022 either €400 mln in a 60-65 $ Brent scenario or €800 mln in a scenario >$65 Brent (leverage <20%)**

***CEO Descalzi****: "The progress we have made in enhancing our portfolio has been remarkable as reflected in our 2018 figures. In the next four years we will continue to pursue our distinctive model of sustainable growth combined with strong financial discipline further improving our cash neutrality to $50 per barrel by the end of the plan. These results underpin our progressive shareholder remuneration that envisage a 2019 dividend increase of 3.6% to €0.86 per share. Furthermore, we will start a four-year buyback programme with a capital allocation of €400 million in 2019 and in the following years, assuming a leverage steadily below 20%, an annual capital allocation either of €400 million in a $60-$65 Brent scenario or €800 million with a scenario above $65 Brent".*

## 2019-2022 Strategic Plan

***San Donato Milanese, March 15, 2019*** – Claudio Descalzi, Eni's CEO, today presents the company's 2019-2022 Strategic Plan to the financial community. Building on the strong foundations of the last few years, Eni's 2019-2022 plan marks a new era in the company's evolution to a world-leading global energy provider.

After having completed the transformation of its business model, now swifter, faster and with a more efficient value chain, Eni will consolidate its organic growth in all businesses leveraging on three main pillars: integration, efficiency and technology deployment.

Technology deployment will play a very strategic role in all sectors, contributing to Eni's worldwide operational excellence, enhancing and pursuing the decarbonisation of all activities within the company, and implementing the improved industrial efficiency using a circular economy model.

Upstream will continue to represent the key driver of Eni's organic growth, while keeping a disciplined capital and operational spending. The mid-downstream businesses are expected to double their operating income, creating value even in a lower scenario thanks to the restructuring, repositioning, and improvements undertaken during the recent downturn.

The 2019-22 plan represents a natural development of the strategy implemented in previous years and is designed to increase the value of all businesses through the strategic role of technology research, development and deployment.

On this basis, Eni intends to increase the 2019 dividend to €0.86 per share and to start a four-year share buyback programme with a capital allocation of €400 million in 2019 and, in the following three years, assuming a leverage steadily below 20%, an annual capital allocation of €400 million in a $60-65 Brent scenario or €800 million with a scenario above $65 Brent.

**Upstream**

In exploration, a key driver of value growth, Eni expects to spend about 3.5 billion euros in the period 2019-2022 targeting 2.5 billion barrels of new resources at the unit cost of below $2, drilling around 40 wells per year in more than 460,000 $km^2$ of net acreage.

Hydrocarbon production is expected to grow 3.5% a year over the plan period thanks to the ramp-up and start-up of new projects, which will contribute about 660,000 barrels of oil equivalent per day in 2022, and the expansion of existing fields adding 290,000 barrels of oil equivalent per day in 2022. Over the plan period, 18 major start-ups will be completed. Eni will operate approximately 77% of the overall equity production.

The potential of new areas will underpin hydrocarbon production growth, thus widening Eni global diversification:

- Middle East, with its massive set of opportunities made of fast track production and potential resources;
- Norway, thanks to the establishment of Vår Energi thatrepresents a solid platform for long-term production;
- Mexico, where production in Area 1 is expected to start-up in 2019, with an industry-leading fast-track development.

The three areas will contribute 260,000 barrels of oil equivalent per day at the end of the plan.

The success of the exploration strategy and the growing and broader portfolio of new conventional projects, together with a rigorous financial discipline, will generate a cumulative free cash flow of €22 billion in 2019-2022.

**Gas & Power**

Gas & Power will grow thanks to the consolidation of its integrated and optimized model, through the following actions:

- Enhanced synergies with all businesses and a deeper integration with upstream activities, in order to capitalize on equity gas;
- Accelerated development of LNG portfolio, thus reaching 14 million tons per year of contracted volumes by 2022 and 16 million by 2025;

- Growth in the retail sector in Europe, reaching a customer base of around 12 million customers in 2022, up approximately 26% versus 2018.

These actions will allow G&P to continue to grow in the future, achieving an EBIT of €700 million in 2022, of which 70% coming from the retail sector. Cumulative free cash flow is expected to be €2.3 billion over the plan.

**Refining & Marketing and Versalis**

Eni plans to strengthen the Refining and Marketing business, aiming to double the 2018 results thanks to the following main drivers:

- Optimization of the refining process, mainly thanks to the EST restart by mid-2019;
- Green refinery operations: through the start-up of Gela and the second phase of Venice, Eni's green refining capacity will grow to 1 million tonnes per year;
- Increase in refining capacity by 40% by the end of 2023, thanks to the acquisition of a 20% stake of the Ruwais refinery in the UAE;
- Marketing: increase in market share in Italy to 25% with a growing contribution from premium products and green fuels, and grow sales in Germany and France.

These actions should allow R&M to achieve a cumulative free cash flow of €2.6 billion over the plan period.

Versalis will continue to focus on enhancing its business resilience to reach an EBIT of over €270 million at the end of the plan period.

**Energy Solutions**

Eni plans to complete 60 brownfield and greenfield projects for a total in excess of 1.6 GW of renewable capacity by 2022, investing €1.4 billion, and up to 5GW by 2025. Energy Solutions is expected to deliver a stable cash flow in the long term, with an unlevered IRR in the range of 8-12%. Moreover, an additional upside on upstream operating costs will be achieved by replacing gas consumption in our operations through renewables.

**Decarbonization**

Eni confirms its deep commitment to reducing its carbon footprint by setting the ambitious target of net zero direct emissions in the upstream business by 2030, on equity basis.

This will be accomplished by further increasing operational efficiency to minimize $CO_2$ emissions and offsetting residual upstream emissions through large forestry projects. Additional actions will be the increase in the share of gas in our portfolio, the growth of our biofuels business, the enhancement of the zero carbon emission sources usage such as renewables, and the application of a circular approach to maximize the use of waste as feedstock and extend the lives of industrial sites. A key role along our path to a more sustainable model will be played by the deployment of new technologies.

**Financial strategy and Shareholder remuneration**

Eni continues to pursue its model of sustainable growth combined with strong financial discipline and with a progressive shareholders' remuneration.

The four-year investment plan, focused on high-value projects with rapid returns, envisages capital expenditures of approximately €33 billion. The upstream investment plan, which represents 77% of the overall capital expenditure, is well diversified in terms of geographies thanks to the developments in Middle East, Norway and Mexico. Eni also reinforced the pipeline of long term/long plateau projects that will further underpin the growth beyond the plan, improving production CAGR to 3.5% to 2025 compared with the previous guidance of 3%.

Approximately €3 billion is expected to be invested to further strengthen Eni decarbonisation strategy through energy efficiency and flaring down projects, Circular Economy and Renewables initiatives.

Eni capital investment program is valuable and resilient even in a stressed scenario. The current portfolio of upstream projects in execution is more profitable than before with a new reduced breakeven price of $25 per barrel and an overall Internal Rate of Return of around 22%. Furthermore, Eni projects portfolio remains competitive and with stable returns even when applying low carbon scenarios.

Considering a flat 2019 scenario, which implies a Brent price of $62 per barrel and a gas price similar to 2018, the cash generation grows strongly over the next 4 years. In particular, in 2019 CFFO is expected to increase of around €1 billion compared to 2018 and will further increase by €2.6 billion in 2022 with a strong contribution from all businesses.

Eni expects dividend cash neutrality to improve from $55 per barrel in 2019 to $50 per barrel by the end of the plan supporting a progressive shareholder remuneration that envisages, for 2019, a 3.6% dividend increase to €0.86 per share and the start of a four-year buyback programme with an initial capital allocation of €400 million in 2019. In the following three years, assuming a leverage steadily below 20%, the annual capital allocation will amount either to €400 million in a $60-65 Brent scenario or €800 million with a Brent scenario above $65.

For further information on the presentation and to follow the live streaming please visit: www.eni.com


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