Eni 9M 2020 Results

Eni biorefinery in Venice

October 28, 2020
9M HIGHLIGHTS

**NATURAL RESOURCES**

- **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 CO₂)

**ENERGY EVOLUTION**

- **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

**FINANCIALS**

- **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

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

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

Eni inserted in the highest “advanced” band

Bloomberg ES
Eni 1st for Environmental Score amongst peers

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

Top Level 4 Star Strategic Assessment for Management Quality

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

2020 PRODUCTION CONFIRMED

1.72 – 1.74 Mboed
CCS – CARBON CAPTURE & STORAGE

ADRIATIC BLUE

RAVENNA, ITALY

2022
DEMO STARTUP

2026
STARTUP

FIRST CCS PROJECT IN THE MEDITERRANEAN

UK PROJECTS

LIVERPOOL BAY

OCT ’20: LICENCE AWARDED

2025: EXPECTED STARTUP

TEESSIDE

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

**PROVEN BASIN**

**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

2020 GUIDANCE: > € 0.3 bln

R&M includes pro-forma ADNOC Refining & Trading

($/bbl)
SERM 4.4 2.2
Spread Ural-Brent 0.1 -0.4
REFINING – FOCUS ON BIO

BIO REFINERIES CAPACITY | Mton

1.1 MTPA
FEEDSTOCK: 20%
2nd & 3rd GEN
2020

1.3 MTPA
FEEDSTOCK: 80%
2nd & 3rd GEN
end 2023

15% INTERNAL RATE OF RETURN

€ 60 MLN
9M EBIT ADJ
CASH RESULTS

9M CASHFLOW | € bln

5.1
3.8
1.3

9M CFFO
9M CAPEX
9M FCF

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

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

LEVERAGE

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Guidance/Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>1.72 - 1.74 mboed</td>
</tr>
<tr>
<td>Exploration discoveries</td>
<td>&gt; 300 mln boe</td>
</tr>
<tr>
<td>GGP Adj EBIT</td>
<td>€ 0.2 bln</td>
</tr>
<tr>
<td>Energy Evolution Adj EBIT</td>
<td>&gt; € 0.3 bln</td>
</tr>
<tr>
<td>CFFO @ 40 $/bl</td>
<td>~ € 6.5 bln</td>
</tr>
<tr>
<td>CAPEX</td>
<td>~ € 5.2 bln</td>
</tr>
<tr>
<td>Gross Disposals</td>
<td>~ € 1 bln</td>
</tr>
<tr>
<td>Leverage (pre IFRS 16 lease liabilities)</td>
<td>&lt; 0.3</td>
</tr>
</tbody>
</table>
MARKET SCENARIO

BRENT | $/bbl

<table>
<thead>
<tr>
<th>9M 2019</th>
<th>9M 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>64.7</td>
<td>40.8</td>
</tr>
</tbody>
</table>

EXCHANGE RATE | €/$

<table>
<thead>
<tr>
<th>9M 2019</th>
<th>9M 2020</th>
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</thead>
<tbody>
<tr>
<td>1.124</td>
<td>1.125</td>
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</tbody>
</table>

EUROPEAN GAS PRICES | €/kcm

<table>
<thead>
<tr>
<th>PSV</th>
<th>TTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>175</td>
<td>146</td>
</tr>
<tr>
<td>97</td>
<td>81</td>
</tr>
</tbody>
</table>

STANDARD ENI REFINING MARGIN | $/bbl

<table>
<thead>
<tr>
<th>9M 2019</th>
<th>9M 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4</td>
<td>2.2</td>
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**ASSUMPTIONS AND SENSITIVITY**

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

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

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