ENI 1H 2025 Results
Friday 25 July 2025, 14:00 CEST

Presentation
Speaker
Claudio Descalzi, CEO

Good afternoon and welcome to our Q2 2025 results presentation.

I'm pleased to say that the strong and consistent pace of strategic progress we have set in transforming Eni has continued through the first half of 2025.

Our speed of action is enabled by the clarity of our strategic intent. That can be summarised as:

- In Upstream delivering efficient, competitive growth and improving the returns of our portfolio, most notably through exploration success, active portfolio management and organic production starts ups and ramp ups;
- Integrating our equity gas production into the LNG chain to maximise value; in particular, Eni is the leader in FLNG, which provides an opportunity to unlock large amount of resources in associated gas or from deepwater far from shore discoveries;
- In parallel, building new, complementary and competitively advantaged energy businesses related to end-product decarbonization, such as Enilive, Plenitude and CCS;
- Transforming the downstream and chemicals, converting these businesses to new growth opportunities such as our plan for Versalis;
- Enhancing profitability and margin capture in areas such as Trading to take benefit of more complex energy markets; and anticipating new trends such as data centers and nuclear fusion.

Critically, our business initiatives are supported and improved by a unique and innovative financial strategy that discloses value, supports investment and growth and contributes to our enhanced balance sheet strength, with leverage at historic lows.

Executing this strategy, we expect to grow CFFO by around a total 40% by 2030, and to materially improve return on capital employed.

This, in turn, drives shareholder returns which are our first commitment: combining a competitive Euro denominated dividend, that has been growing at over 5% per year and is our top priority, with our share buyback programme.

If we now take a look at the important developments of the year to date and their context.

We continue to grow and enhance our Upstream.

- The key engine of our organic growth remains our industry-leading exploration. In 1H we discovered around 600 Mln Boe of new resources including from Namibia, Ivory Coast and Norway and in 2H we have significant further activity including follow drilling in Namibia, Angola and material prospects offshore Indonesia.
- Our Norwegian satellite, Var, started up two major projects – Johan Castberg in March and Balder X in June, which will contribute towards driving Var's production to more than 400 kboed in Q4 this year. These are the first 2 of 5 major projects in the Eni portfolio due for first production in 2025 with Agogo and NGC in Angola and 2nd FLNG in Congo to come onstream in 2H.
- We are now advancing our fourth and largest Upstream satellite, focused on Asian LNG, in combination with Petronas in Indonesia and Malaysia. I will come back to this in a moment.
- In June we also opened a new equity gas to LNG opportunity by signing an agreement with YPF for the Argentina LNG project, combining significant resources in the Vaca Muerta and a 12 Mln/tonne per year floating export facility.
- Alongside our existing development portfolio, focus on time to market, and our continuing exploration success, we are forming compelling visibility over the profile of our long-term Upstream activities.

Alongside growing Upstream, our strategy in building Transition businesses, supported by aligned fresh investment, is unique and delivering material value while strengthening and diversifying Eni's overall returns:

- With the conversion of Sannazzaro into a biorefinery, we have now four additional biorefinery projects in pipeline, of which two are located in the Asian market.
- Plenitude's binding offer for Acea Energia made in June grows the customer base by more than 10% parallel to the expansion of renewable capacity. Indeed, that capacity growth will also be marked in 2025, growing by over 30% year-on year to over 5.5GW net to Plenitude or more than 7GW in gross terms.
- The growth outlook for Enilive and Plenitude – with EBITDA close to tripling between 2024 and 2030 is being recognised by important investors:
    - In addition to the top up by EIP taking their stake to 10% we announced the €2Bln investment by Ares for a 20% stake valuing Plenitude at around €12 Bln in Enterprise Value. This transaction is expected to close around the end of the year.
    - In April KKR topped up its stake to 30% in Enilive by investing €601 Mln following the €2.96

Bln we collected in March.

- Our satellite model is also adaptable to supporting a more nascent business. In May we agreed an exclusivity agreement with GIP related to the sale of a 49.99% stake in our CCUS activities providing aligned capital ahead of the build-out of a wider platform of CCUS projects and is expected to close in the second half of 2025. The agreement follows the financial close reached in April with the UK government on our Liverpool Bay project.

Finally, our goal of improving financial performance and profitability is also focussed on corporate cost efficiency.

But in this respect our transformation plan for Versalis is a critical lever. In this we are accelerating our actions: in March we closed the Brindisi steam cracker and we closed Priolo in July, well ahead our original plan. These closures will allow us to address a significant portion of the losses through the remainder of 2025 and 2026. Together with the investments into new platforms, they will contribute to delivering a turnaround in EBIT of almost €1 Bln, bringing Versalis back to FCF breakeven at the end of our 4 Year Plan.

Q2 results broadly reflect Eni's sensitivity to the Scenario and were delivered [in line] with our guidance.

- In the Upstream production was 1.67 Million boed, in line with our guided range. EBIT for the quarter was around €1.7 Bln and Proforma EBIT of €2.4 Bln was both consistent with the prevailing Scenario.
- GGP results benefit from the positive effects of a contract re-negotiation and Full Year proforma EBIT is now expected to be around €1Bln, capturing the original guidance upside.
- Enilive saw an improvement in EBITDA versus Q1, almost unchanged year-over-year. This positive momentum should be supported by typically stronger marketing contribution in Q3 and the recovery in bio spreads, that we already saw towards the end of Q2. Plenitude was supported by retail business and continued progress in renewable production. Both Transition businesses remain on-track to meet their full year guided result.
- Versalis results show an improvement quarter-on-quarter but remain significantly loss making, ahead of the expected positive impact of the Transformation Plan now underway, the first effects of which should be observable in 2H. Our refining operations improved on Q1 on a better margin but were impacted by downtime at key assets.

Cashflows before working capital in the quarter were €2.8Bln, or €6.2Bln for the half year, maintaining our efficient conversion of earnings into cash.

Gross capex year-to-date stands at €3.9 Bln and we are on-track to deliver the lowered guidance of under €8.5 Bln for the full year, while net capex is expected below €6 Bln, thanks mainly to the Ares investment into Plenitude and Upstream valorizations.

Of the cash initiative of €2 Bln announced with our Q1 results, €1 Bln has been delivered; moreover, we have identified a further €1Bln to be captured by the end of the year raising the total benefit to €3 Bln

In the first half of the year, we repurchased €0.66 Bln shares, of which €0.3 Bln relates to our 2025 programme, that we confirm to complete in Q1 2026.

Net debt fell again q/q to €10.2Bln, €2 Bln lower than year-end 2024, and leverage stood at 19%, despite the impact from Forex on equity balances. With outstanding valorization receipts pro-forma leverage was 10%, equivalent to 9% net debt to capital - the lowest level in our history.

Before moving to the Q&A I want to update on an important achievement in this quarter - proposed Upstream combination with Petronas in Indonesia and Malaysia. Since announcing the MOU in February significant work has continued, culminating in the Framework Agreement signed in June setting out key principles - including the asset level valuations of the respective contributions yielding a 50:50 split. Work is continuing on completing financial due diligence, in defining the business plan and in receiving the relevant approvals ahead of the completion targeted around the end of 2025.

Our Upstream satellite model is proving to be a powerful means of creating critical mass and new strategic options and generating material additional cashflow – Var, Azule and Ithaca clearly demonstrate this. Our combination with Petronas replicates the model and will be our largest to date creating a leading regional player, with an exceptional growth outlook in a highly dynamic area of the world where gas demand is forecast to increase substantially; and with significant capacity to independently fund its investment programme.

Together with Petronas' assets the Combination will combine 19 blocks and across Indonesia and Malaysia spanning production, development and exploration activities. 5 FIDs are targeted for 2026 and 4 more in the following years and we expect gross production of over 300kboed at closing with the prospect of over 500kboed in 4-5 years. Additional exploration success offers the prospect of even higher production levels extending well into the 2030s - as emphasised by the over 10 billion Boe of estimated unrisked resources in place.

Indeed, at least 10 high probability of success, high impact, wells are planned to be drilled over the next 3 years aiming to prove up this material upside. We have also agreed a mechanism for the JV to compensate the legacy acreage owner for the new discoveries made, representing a further source of cash upside. In addition, we continue to expect to valorize a retained minority equity stake in the Kutei blocks in a separate portfolio operation, likely in 2026.

The Petronas combination is a compelling example of how Eni uses its distinctive features – exploration skills and technologies, valuable relationships, dual exploration, and satellite models – to deliver portfolio high-grading, growth, cash and ultimately value – in a way I would say is unique in the industry, and is highly material to Eni.

Looking ahead, the second half of the year will build on our strategic execution speeding up growth and value delivery into 2026:

- Production will benefit from the start-ups and ramp-ups to hit our 1.7Mboed full year guidance. The third quarter will reflect this implied growth but also the usual seasonal maintenance activity with production seen at between 1.70 and 1.72 Mboed.

- New renewable power generation capacity will come onstream to reach the target of over 5.5 GW by the end of the year
- We now expect CFFO in 2025 to be €11.5 Bln, €0.5 Bln higher than our Q1 outlook and €0.5 Bln higher, on an underlying basis, than our original guidance. In addition, we will realise the remaining €2 Bln of the overall €3 Bln of cash initiatives I highlighted earlier.
- Distribution will continue as promised with a steady pace of buyback to recognise to our investors an attractive and resilient return in a volatile market.

We will continue to keep the company proforma leverage between 15%-20% in 2025, within the Plan range.

On the basis of these results, our operational momentum, and with the closing of the currently live deals, we can expect a positive 2nd half of the year and an even more promising 2026 that will build on a larger, diversified and more valuable set of assets.

And now with Eni management we are ready to reply to your questions.

Q&A Session

Corporate Respondents

Claudio Descalzi, CEO

Francesco Gattei, CT&FO

Guido Brusco, DG Global Natural Resources

Giuseppe Ricci, COO Industrial Transformation

Adriano Alfani, CEO Versalis

Stefano Ballista, CEO Enilive

Stefano Goberti, CEO Plenitude

Cristian Signoretto, Director Global Gas & LNG Portfolio

Q&A

Jon Rigby: Okay. Thank you, Claudio. We are going to move to questions. Good afternoon, everybody, I should say. And the first question is from Josh Stone at UBS. So Josh, if you'd like to ask your questions. And if I can again ask if you can keep it to 2 questions just so that everybody can participate.

Joshua Stone, UBS: First question I'll ask is on GGP. You signed a fairly large contract with Venture Global this quarter starting 2030. It's the first significant U.S. LNG contract you've signed. I'm sure when you partially buy, there's an arbitration ongoing with some of your competitors peers. So I was curious if you could elaborate on the terms of that contract? And what gives you the confidence that these volumes will appear as promised when the project starts up? And then second question, actually, a bit more of a modeling question around the satellites, your stake in Enilive has now gone to 70% and Plenitude will go to the same level at the end of the year. It's quite material to model the minority interest. But in terms of the minority dividends, are you able to give any guidance there? I presume your private equity backers want to get paid at some point? And is there any dividend policy within these? And how should we account for that in our cash flow balances would be helpful.

Claudio Descalzi: Thank you for the question. The first question is for Guido for GGP and the second, Francesco is going to answer.

Guido Brusco: Well, of course, we cannot comment on the third-party contract and proceedings. We know that there is an arbitration ongoing. We know what provision has been posted by Venture Global. And of course, we rely very much on their ability to deliver modular plants as they did already in the past. As far as the contract is concerned, we've actively scouted the market, and we found this project very competitive. We found it very much in line with our need to complement our portfolio of contracted volumes. As you know, we have a target to hit 20 million tonnes per annum, and also to cover geographically the whole globe and this contract is very complementary to our current portfolio, which covers East and West Africa, the Middle East and the Far East.

Francesco Gattei: Yes, about the distribution policy that is related to Enilive and Plenitude, we do not disclose this value which is clearly related to net results and a proportion of that. And I think we can provide further details in the future. But for the time being, we are not disclosing that volume as it is not particularly material at this stage.

Jon Rigby: Thanks, Josh. We're going now to Biraj at RBC.

Biraj Borkhataria, RBC: The first one just on the asset sale to Vitol. There's roughly a 2-year gap between the effective date and the expected close based on what you said. And the headline price - it's a project where you're obviously spending quite a lot of development Capex. So, I was just wondering if the adjustment would be in Eni's favor, i.e., the cash received will be higher than the headline value or if it would be lower? Just any kind of sense of the magnitude of that adjustment there. And then as we heard you on the call, Claudio, I wanted to ask about succession planning. You've been CEO for over a decade now, strategy in the business has changed quite a bit over that time. Just wondering if you could give any comment around whether you're looking to be present within Eni from 2026, either as Exec Chairman or as CEO for another term?

Francesco Gattei: Yes, that is right. You are correct in describing the deal, the consideration, let's say, the effective date of the deal. And clearly, the closing will take into account the amount that is cashed in terms of production because both assets are producing assets. And clearly, in terms of investment because as you are correct in saying, there is a ramp up of investment to reach the plateau of the different phases. Clearly, it is still an uncertain amount because it will be determined at the time of closing, but the consideration has to be adjusted for that amount.

Claudio Descalzi: So, for the succession plan, what I can say is that the strength of Eni is not the CEO alone, is not the CEO, it's the team. We have a very competent, strong team, that is the strength. We built together this, I can say, fantastic strategy, very resilient that has been able to navigate a very agitated sea. We are clearly within a succession plan. But Eni people - our people - our management has a very strong sense of belonging, competence and knows the company and the strategy. So I just can say that there is no worry. I think Eni is strong because it's Eni, because we have a culture, because we have a strong management.

Jon Rigby: Thanks, Biraj. So, we'll move now to Peter Low at Redburn.

Peter Low, REDBURN: Yes. The first was just on the tax rate. It has come in a bit lower than your previous guidance for a couple of quarters now. Can you perhaps just elaborate on what's driving that and kind of where we should expect it to be going forward? And then the second was on the refining market. We've seen a step-up in margins in the third quarter. There seems to be mixed views out there as to whether it's transitory or maybe a bit more structural. I'd be interested in your perspective on what's driving that? And then whether there's any reason you won't fully capture the improvement in 3Q?

Claudio Descalzi: So, Francesco, is going to answer for the two questions.

Francesco Gattei: Yes, about the tax rate, you know that we drove the tax rate in the year between 50% to 55% related clearly to our assumption on the scenario, performance of the different businesses and the different ways of return and results related to the business are impacting the tax rate. Another element that is more important and that is becoming relevant is the conversion of loss-making businesses that make Italian assets profitable and not instead, let's say, a factor weighing negatively on the tax rate. And another factor that will allow also to restate certain tax credits that were considered not recoverable, assuming a long-term loss-making activity. So the conversion of - refineries, the conversion of crackers to new opportunities as the battery storage will help also to reduce the tax rate. So we can now provide a lower expectation for the tax rate closer to the 50%, so the lower boundaries or lower range of the original assumption. I leave then to Pino for the question about the margins.

Giuseppe Ricci: About our vision on the refining margin, what we are seeing is a sudden increase in the margin starting from the end of June, early July. And what we expect is that for some months, the situation could remain because the storage of products is very low. The crack spread of gas oil is very,

very high because of the stress in the ban on Russian crude, Russian gas oil. This is very positive for at least the whole driving season.

Jon Rigby: Thanks, Peter. And we're going to move now to Irene Himona at Bernstein.

Irene Himona, BERNSTEIN: My first question is on Plenitude. As you clearly are moving towards the '28 capacity target of 10 gigawatts, and then 15 by 2030, can you provide a timeline for that satellite turning cash flow neutral? So will it be by 2030 or later? And then my second question on this very material new upstream satellite in Indonesia. To better appreciate the materiality in near term, can you perhaps give us a sense of the uplift to your 2026 production, CFFO, et cetera?

Stefano Goberti: Yes. Thank you for the question, Irene. This is Stefano Goberti. For Plenitude, Plenitude is a growth company today. We - of course, we will reach our 10 gigawatts, financing that growth by 60%, 70% from cash from operations generated by the company, the remaining through debt. We want to maintain a very strong financial statement balance sheet. And so the net debt to EBITDA ratio will be below 3 in our statutory numbers. And the growth will continue up to when our retail domestic clients will be shared with our production from the renewable plants. And we expect this to happen between ‘35 and ‘40. So before that date, also the cash flow will turn positive.

Claudio Descalzi: Yes. For Indonesia, it's clearly a big project, a transformational project for us, not just for the - where it is, but also for the size and the potential that it can express. We cannot now disclose, for sure, we will be positive and see an upside in 2026. We cannot disclose exact figures in terms of returns, financial returns or dividends or production. It's something that we're going to clarify in February when we'll present the 4-year plan. But clearly, it's one of the best deals we have done in the last period and will be very accretive for Eni overall.

Jon Rigby: Thanks, Irene. We are going to move to Henry Tarr at Berenberg.

Henry Tarr, BERENBERG: The first one is just on the YPF Argentina project. Could you give more color just around what might need to happen for it to reach FID? And are you happy to push ahead with potentially large-scale LNG projects currently, just given large ramp-up in capacity that we're seeing in LNG towards the end of the decade? And then the second question is just on the buyback. Clearly, the balance sheet continues to be in good shape. You have had strong divestment proceeds coming in. What could cause you to reassess the buyback as you look towards the rest of the year?

Claudio Descalzi: Okay. Guido will answer on the YPF, and then I'll take care about the buyback.

Guido Brusco: Yes. Of course, quite a number of steps need to be made and fine-tuned with YPF, which include the final project configuration and the final field development plans, commercial agreements and then offtake agreements and project financing. So this will require some time. Our expectation is to finalize all of this by the very end of the year or the beginning of next year.

Claudio Descalzi: Good. for the buyback, we said that we presented it during our Q1 results as a floor. Clearly, the trend is very positive. So we are improving. The execution of the strategy is, I think, really very positive. The leverage, all the KPIs are good. So we're going to see in the next months if we are able to continue. We are very convinced that we can continue this trend. So, given our balance sheet and what I said, we can consider increasing the buyback. We will be clear in the next months, but there is this possibility.

Jon Rigby: Thanks, Henry. I would just actually just to complement one thing that Stefano said earlier on is we do disclose the net debt position of Plenitude. So you can see the capacity that the company has, just to add to Stefano's comments. We're going to move now to Lydia Rainforth at Barclays.

Lydia Rainforth, BARCLAYS: Two questions, if I could. The first, just coming back to the EUR 3 billion cash management. Obviously, that looked quite a long way from where we were at 1Q. Can you just talk through that a little bit more? And have you been surprised that how easy it's been to actually kind of manage that cash and to get those savings? And does it make you think about the rest of the business where else you can make savings? And then secondly, I just wanted to touch on the pockets of financing that you're tapping. When I take a step back and look at the transactions that you've done, it's the combination of national oil companies, it's trading companies, it's private equity. What advantages over traditional sources of financing and partners, do you think that gives you both short term and long term?

Claudio Descalzi: So, before asking Francesco to talk about the EUR 3 billion, first of all, it was not an easy exercise. It's not something that we started 1 week ago. It's something that we work and all the strategy is working. It's clearly part of the efficiency that we are finding also with the new model. With the business combination, the satellites, we are trying to delete all the overcost or additional overlaps we have in the structure. So as I said before during the presentation in February, this model is not just to give us dividends or the capacity to invest or to give value, but it's also a complete new organization charter for the company. And clearly, step by step, you can improve. And this -- so we -- we didn't need this for today to express an additional EUR 1 billion. But after the work, we got this EUR 1 billion more. It was not and easy work, because it's organizational work. Then we -- we can be more flexible on our stocks with the new organization and other financial moves that Francesco made. So that is the main reason. So it's not -- we are not defending ourselves because we need more cash, we are adapting our organization to the new models. Francesco, you want to say something more?

Francesco Gattei: Yes. What is clear is possible in all organization to think and work differently than in the past. There are a lot of tools, financial tools or capability to redesign what was a typical cycle, for example, for payment, a typical cycle for storage, et cetera, that could be shortened to improve in terms of financial needs. So it's a sort of just-in-time logic that you had, for example, in the automotive industry 20 years ago. And this gives you a lot of more availability and an efficiency in terms of use of cash because at the end of the day, the cash for an oil and gas company is expensive. And outside of this company, there are other suppliers of capital and cash that are much more, let's say, cheaper and, therefore, optimizing the overall cost.

Claudio Descalzi: So the second question about new partners. It's true, we opened up to new partners, so traders or national oil energy companies, funds, I think that is also linked to the new organization that we are expressing with the model, with the satellite model, because we give more opportunities. Clearly, these partners are very good partners, especially when we work in a local situation like in Indonesia and Malaysia with a state company, we go faster. They know the assets. They know the country. They are quite -- they are in the need to give priority to their own production, to their own project. So the same need we have. They don't have any other priority than giving value to their own resources. Then we have other, the fund. The fund clearly has been very key. And so these private partners in developing our transition satellite. That is good because they do due diligence, they go deep, they dive deep inside your model, they challenge you and it's not typically the role of another oil and gas company because they put money, we run the show. We are in charge. We are operator and we define a different -- so it's a different logic. So once again, the model that we started 3 years ago that now is going very well and is giving strength to our -not just balance sheet- but to our organization, open up new possibilities, more focused, faster and that for us is essential. We need to go fast. We don't want to lose money and time. And when there are resources, we try to find the partner, the right partner that is focused to deliver as soon as possible return on that resources, and those are the right partners.

Jon Rigby: Thanks, Lydia. We're going to move to Spain now. I'll hand over to Alejandro Vigil at Santander.

Alejandro Vigil, SANTANDER: Yes. The first question is about the -- you can share with us the opportunity of Acea Energia, you can discuss this potential investment. And the second is hearing all these comments about satellites. Just a question about the -- if Namibia could be another potential satellite considering the process that Galp is now currently trying to execute there.

Claudio Descalzi: Stefano, Acea, please.

Stefano Goberti: Yes, about Acea. We submitted a binding offer and the Board of Directors of Acea accepted the binding offer. You know that we offered a value for the company, an enterprise value of EUR 460 million, plus a potential another EUR 100 million to be verified in terms of KPI and target KPI on the quality of the customer base in June 2027, plus the cash position normalized for another EUR 130 million. The operation for us is pretty in line and in our strategy because we will acquire, counting on the customer base at the end of 2024, 1.4 million clients, 70% of which are power clients, so perfectly in line with our strategy to increase the power client customer base. So I would say, a very good operation, and we hope to complete it as soon as possible. The process is taking the necessary authorizations mainly from antitrust. So we envisage by the first half of 2026 to close the operation.

Guido Brusco: Well, Namibia is a clear example of how effective our -- is our business model with the satellite. So when we created the satellite of Azule, the objective was, of course, to develop the resources in the country, but of course, also to expand regionally, and Namibia is a clear example of that strategy materializing into an execution.

Alejandro Vigil: No interest in the Galp process?

Guido Brusco: No, we are not interested. We have found our resources. We have a new exploration well coming. So we are focused on our block and our resources at the moment.

Jon Rigby: Thank you, Alejandro. Okay. So we're going to move from Alejandro to Alessandro Pozzi, Mediobanca.

Alessandro Pozzi, MEDIOBANCA: So I have two questions. And the first one is going back to your opening remarks around Versalis. You talked about the acceleration in the restructuring plan. Can you maybe talk about what would be the next milestones in the second half into next year for the restructuring of Versalis? And how do you expect chemicals margins to evolve? And the second question, always on the outlook, but this time on biofuels. One of your competitors reported really good results the other day. Maybe can you talk about the dynamics in biofuel markets as we go into second half and 2026 again?

Claudio Descalzi: Okay. Thank you for the questions. Adriano, and then Stefano for biofuels.

Adriano Alfani: Thanks, Alessandro, for the question. So, as you might have seen from the public announcement, we decided to speed up a little bit the action plan that we announced about the closing of the cracker in Brindisi and the closing of the cracker in Priolo. You kn ow, when you close a big machine, the positive impact start to materialize after 12 months. But that said, in the second half of 2025, we are going to see some positive effects in the range of EUR 90 million, almost EUR 100 million. And this is coming from more or less EUR 60 million, EUR 65 million from the shutdown of the two big machines, another EUR 20 million, EUR 25 million from the development of the new platforms. Clearly, when I say that practically you start to see the big effect by the second half of 2026. So the effect of this efficiency and this shutdown will be in the range of EUR 250 million on a yearly basis. So you start to see from the second half of 2026. And of course, you start to see more in 2026 coming from the development of the new platform plus a more efficient plan. Going to your question about how we see the scenario. Honestly, we see lack of meaningful economic recovery in the chemical sector in Europe. So we see some slight improvement in the scenario, but as I said, there are very slight improvements. So all this number that we provide to you are based on pretty much flat scenario. Yes.

Stefano Ballista: Alessandro, thank you for the question. Definitely, market dynamics are improving significantly. And reasons we can simplify are twofold. From one side, we are seeing additional demand. This is in line with our expectations. We said demand would have come, for example, from Germany or from SAF close to the second half of the year, and this is what's going on. Second, there is a set of very good news, both in the EU and in the U.S. about future demand target. An example, Germany published a proposal on the Renewable Energy Directive III deployment. And this proposal is moving the 14% of GHG reduction to 25% by 2030, and they're even setting a target for 2040, very relevant one. And second, they are proposing to get rid of the double counting feedstock. This means a significant increase of demand given that every HVO will count for 1 and not for 2. In the U.S., we have a similar situation. We have a proposal from the EPA for the new renewable volume obligation for 2026. And it's a big step-up in terms of demand, above 50%. And on top, actually, we got eventually approved the new LCFS target in California from 13% GHG to 22% starting 1st of July. This has been delayed compared to initial assumption, but now it's there. So it's going to start to make the difference. And finally, it's not a detail, we got clarification about the new clean fuel production credit, the so-called 45Z that was full of uncertainty until a few weeks ago and clarification creates value. So these are pretty much the main reason, structural reasons underlying the market upside and improvement you are seeing right now.

Alessandro Pozzi, MEDIOBANCA: What could be the demand uplift from the new proposals in Germany, especially the double counting, the removal?

Stefano Ballista: On Germany, you mean the -- yes, the expectation is to have an uplift around 1.5 million tonnes. That's a rough number. But it's a very significant one, considering that actually, we are already seeing an increase of around 0.5 million this year in Germany and that we are coming from previous year of pretty much no demand. So this is all on top of all the other major trajectories.

Jon Rigby: Thanks, Alessandro. We're going to move to Martijn Rats at Morgan Stanley.

Martijn Rats, MORGAN STANLEY: Yes. I wanted to follow up briefly on the comments that there is, at least depending on, I would imagine, the macro and other things, but there is the potential for the buyback to go up. If I'm not mistaken, on Page 3 of the statements, there is guidance that the proforma leverage ratio will go up back into the 15% to 20% range by the end of the decade from the 0.1 level now. So it does suggest sort of quite a bit of an increase in gearing in the second half of the year, which in itself does not point in the direction of a lot of room for the buyback to go higher. So I was wondering how these two things sort of relate to each other? And sort of perhaps, as part of that question, maybe you can give us a little bit of a refresher on the timing of the various disposal proceeds that are coming in, in the next couple of quarters, maybe this more that sort of falls over the second half of this year. Is there a timing impact there that leads you to think that - lead you to suggest that - the buyback might go up even though the gearing in the second half itself might still trend higher.

Francesco Gattei: Thank you, Martijn. First of all, you have to consider that a range of 15% to 20% is a wide range, and it was what we presented at the beginning of the year. And this 20%, or 15-20% means that potentially you could go - you see towards the lower bar of this range. Secondly, there is in the scenario, an assumption that certain businesses will be less generative, clearly, because we are assuming eventually in terms of price of oil 68$ consequently to the average for the full year, or certain returns that are lower. For example, we are assuming a quite conservative view on margins, downstream margins. We are not probably taking into account some upsides that are emerging in biofuels. You have also to consider that in the proforma logic, the disposal plan has already happened in terms of event. But this doesn't mean that it's ended, because we have negotiations and opportunities that could emerge, that are not included within the evaluation or the range. So it's our view, it's conservative, or a is process that takes into account risked disposals and also a certain scenario, conservative and prudent scenario. So the two sentences about potential buyback uplift and 15%-20% are fully compatible one with the other.

Jon Rigby: Thank you, Martijn. We are now going to move to Bertrand Hodee at Kepler?

Bertrand Hodee, KEPLER: Yes. Hello, I have two small questions. The first one is a clarification on the Argentina LNG, do you intend to take an FID early 2026? Or it was just the closing of the, I would say, agreement with YPF? And then the second question is also related to LNG, but to Mozambique. Eni and partners have awarded partial awards to contractors. What refrain Eni at this stage to take a full final investment decision? And what will be the stake of Eni after everything is being closed on Coral Norte?

Guido Brusco: So on Argentina, yes, the plan is to have an FID by Q1 of 2026, while the agreement with YPF on how to progress the project will be reached before that, of course. On Mozambique, we have, as you may have noticed, we've got the government approval, full approval, and we are now in the process to progress and finalize the JV FID. However, we have already secured the long-lead items. We have already secured the yards and all the critical elements to secure the schedule of the project.

Bertrand Hodee, KEPLER: And your final stake?

Guido Brusco: Sorry, say it again?

Bertrand Hodee, KEPLER: Because on Coral South, your participating interest was, if I remember well, 25%. And on Coral Norte?

Guido Brusco: We have 50%, we have 50% because we have an agreement with one of the other partners to swap interest between the onshore and offshore projects. And so we have taken an higher stake in the offshore.

Jon Rigby: Thanks, Bertrand. We're going to move to Matt Lofting at JPMorgan next.

Matthew Lofting, JPMORGAN: Congratulations on the strong strategic execution throughout the first half of the year. I think it's been very impressive and important to acknowledge. Two questions. First, the production ramp-up. The guidance implies a strong ramp-up in the second half of the year versus first half. If you could just remind us of the, let's say, the key milestones over the next sort of 2-3 months to derisk the full year target and perhaps where any risks could sit as well? And then secondly, the cash efficiency or cash initiatives that you highlighted in the press release this morning, increasing from EUR 2 billion to EUR 3 billion. I mean, it strucks me the EUR 3 billion quite a significant proportion of CFFO and FCF on an underlying basis. So wondered if you could just expand there on the main initiatives and how perhaps underlying versus transitory, some of them may be.

Guido Brusco: On production ramp-up, as you know, this was a very key year for organic growth. We had 5 major projects coming, two in Norway, two in Angola and one in Congo. And basically, three of them have been delivered. The last two are Johan Castberg and Balder X in Norway. Johan Castberg already reached its plateau production while Balder is in its ramp-up phase, which will be completed by the end of the year. We have a project in Angola coming very soon. It's an FPSO of 170,000 barrels per day as overall capacity. We have also another project coming towards the end of the year, the NGC. It's a gas project to feed the Angola LNG plant. And then we have the second floating LNG in Congo coming by the end of the year. So -- of course, the whole production profile was backloaded. So we will have a pretty strong exit rate, which will set ourselves for a great 2026 also.

Francesco Gattei: About the cash initiatives. Clearly, these are mainly related to working capital management, some cost efficiency, nothing to do with the cash flow from operation or marginal impact on the cash flow from operation. Everything else is related to other lines of the cash.

Jon Rigby: Thanks, Matt. We're now going to move to Massimo Bonisoli at Equita.

Massimo Bonisoli, EQUITA: I have just one question left on Libya. If you can provide an update on the status of your Libya gas project, specifically the structures A&E. And what is the expected timing of first gas, please.

Guido Brusco: On Libya, actually we have more than one project ongoing. We have three projects, one which is the monetization of some gas in one of our Mediterranean platform, which will come on stream by Q3 of next year. Then we have a compression project to expand the plateau of one of our offshore platforms, which is forthcoming by the end of the year, would help to maintain the plateau. And we have the A&E structure where we are executing the main contract, and the first production is expected by the end of 2027, the first production.

Jon Rigby: Thanks, Massimo. Into the final stretch. We have Paul Redman, BNP Paribas.

Paul Redman, EXANE BNP PARIBAS: I've got two relatively brief ones, I think. The first one is just on the CFFO guidance upgrade. If I run the sensitivities and have a little bit more on for GGP uplift, I'm just trying to work out why the increase in CFFO from last quarter, i.e., the guidance for the year, is not as much as the sensitivities would suggest. And secondly, when we talk about these working capital initiatives for 2025, should I kind of see these as one-offs? They can't be replicated in 2026. Is that how I should think about it? Thank you

Francesco Gattei: Yes. About the cash flow from operation increase. This is related to the fact that substantially, you have to take into account that the scenario is not just Brent and FX. Scenario is biofuel, is power, is margin, is chemical, is a lot of stuff. And therefore, these are clearly not completely reflected in the benchmark we provide, in the simple calculation of the three metrics. There is an uplift in the scenario on valuation and performance versus the scenario, and this is what is happening, taking into account of all the variable and not just the three that you are referring to. About the cash initiatives, you have to consider cash initiatives are improvements in the way you manage your cycle of payment. And therefore, the time you apply this on the first step, is a step up. And then you continue to roll over this initiative in all the remaining year and the following years. So this is a way to change the way you manage your cycle of payments and your cycle of storage.

Jon Rigby: Thanks, Paul. And finally, and thanks for your patience, we're going to move to Matt Smith at Bank of America for the final question.

Matthew Smith, BOFA: Just 1 left from me, which I don't think we've covered coming on to GGP gas trade in another strong quarter, once again for Eni, just has been an interesting quarter for trading performance across the space at some point to good results, some less good and usually talking about too much volatility for the traders in some sense. So, I just wanted to pick up obviously, how you saw the opportunities in the quarter, clearly played out quite well, but how do you see the rest of the year in the current conditions? How conducive is it for that business to keep outperforming, please?

Cristian Signoretto: Well, thanks for the question. In terms of performance this quarter has been marked by two elements. One is the one-off settlement that we discussed before. And the second one also was the fact that the volatility, as you said, has been somehow less than first quarter 2025, but still in a good shape, especially, I would say, on the LNG global scenario because of the volatility between JKM and TTF and oil. So that allowed us to take advantage of few arbitrage opportunities globally, and set up that result for this quarter.

Jon Rigby: Thank you, Matt. Thank you, Christian. That wraps us up for the second quarter call. Thank you to everybody for attending. Any follow-ups, then myself and the team are available for your questions. And if we don't speak, have a great summer, and we'll see you again in the autumn. Goodbye.