
ENI 1Q 2026 Results

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Presentation

Speaker

Francesco Gattei, CT&FO

Amid the volatility and disruption to the energy system over the past 2 months, at Eni we have continued to focus on the delivery of financial performance and key strategic milestones.

As we set out at our CMU just over a month ago, we are working to deliver reliable, affordable and lower carbon energy for our customers. Our industrial strategy, anchored to technology, skills and long-term investments into top tier assets across a diversified portfolio has, if anything, been further validated in the context of the events of this year. Our investment framework, underpinned by strong cashflows and a robust balance sheet, supports us in delivering sector leading growth. As a result, we can also reward our investors through a combination of attractive distribution and the continue rise of the capital value of the business – something that has been reflected by the share price improvement.

It's also worth keeping in mind that while energy markets have been highly volatile since March, Q1 averages, although higher than the planning assumption set out at our CMU, were well within an historically normal range for our volatile industry. Actually, in Euro terms, it was bit softer than last year.

2026 has seen very positive advancement in strategic terms and Q1 supports this progress with strong financials. I will analyse the Q1 financials in more detail shortly, but we reported €3.5 bln of pro forma EBIT, CFFO of €2.9 bln and proforma gearing at 15%, within our expected 10-15% range. Our proforma gearing, assuming the full effect of Plenitude deconsolidation is even lower, at 12%.

Major strategic events of the year-to-date include probably the ever best start to a year for exploration with an exceptional level of new resources discovered in 7 different countries; the FID of Geng North and Gehem in Indonesia; the Dual Exploration strategy valorization of a stake in our Baleine; strong production growth helped by start-up of production at NGC in Angola and first LNG exports from the second Congo LNG; and in the transition sector, the agreement to reorganize and de-consolidate Plenitude, and advancing 2 new biorefineries at Sannazzaro and Priolo.

But before we get into the details on the financials, I will spend a bit more time on what was the most remarkable start to the year for Exploration. As you know we have established a track-record as the leading exploration company in the sector, discovering an average 900 mln Boe per year over the past 10 years.

And while our high-impact activity is somewhat front-loaded, in the first 4 months of 2026 we have added around 1 Bln of new resources. Critically, these new resources also all have a credible and visible pathway to development and production, consistent with our focus on efficient time to market where we are also an industry leader. Our production growth to 2030 is visible and sector-leading and we are building material optionality for the 2030s:

- In **Angola**, our Azure affiliate, as operator, announced the significant oil discovery of Algaita-01 on Block 15/06. Preliminary estimates put oil in place at around 500 mln bbls and the presence of an FPSO merely 18km away promises a speedy and efficient development.
- In **Cote d'Ivoire**, the Murene South-1 well significantly extended the proven area of the Calao gas/condensate discovery confirming a world class discovery of up to 5 Tcf and 450 mln bbls in place.
- In **Libya**, in March we announced 2 offshore gas discoveries estimated to total more than 1 Tcf in place and close by the existing Bahr Essalam facilities, enabling rapid tie-back.
- In early April we announced the Denise discovery in the Temsah concession, offshore **Egypt**. Our preliminary estimate for Denise is 2 Tcf of gas and 130 mln bbls of condensate in place, situated less than 10 km from existing production infrastructure.
- Last, but certainly not least, this week we announced the giant Geliga-1 gas condensate discovery, in the Kutei Basin, offshore **Indonesia**. Our preliminary resource estimate is in-place gas of 5 Tcf and 300 mln bbls of condensate – effectively a second Geng. Because Geliga is close to the undeveloped 2 Tcf Gula discovery (that includes an additional 70 mln bbl of condensates) and has development synergies plus the same infrastructure and time-to-market advantages of Geng, there is a clear case for a fast-track development of a third major production hub and the significant production and value uplift this implies.

Q1 results were consistent with the scenario conditions we faced and the positive momentum we are generating in growing the company. But not all the upside of the scenario was captured in this quarter as our downstream and biorefineries were under the traditional maintenance before the start of the driving season:

- E&P delivered 9% y/y production growth and consistent capture of benchmark prices. Year-over-year growth contributions from Norway and Congo were especially notable, and the outcome is after disruption to Middle East volumes in March.

- GGP proforma EBIT of €0.3 bln is reflecting the more volatile scenario and it is consistent with our updated guidance of €1.3 bln in proforma EBIT.
- In our Transition businesses, proforma EBITDA of €0.52 bln is consistent with our full year guidance of €2.4 bln EBITDA. Plenitude, that will continue to grow both on clients and new capacity, will increase its gross EBITDA by 20% to €1.3 bln, while Enilive will continue to see supportive bio-refining margins and will reach an EBITDA of €1.1 bln (+16% vs last year).
- Our refinery utilization was low reflecting a major turnaround programme which should position us well for the remainder of the year. Meanwhile, our results in Versalis highlight some evident progress in the reported results of curtailing its losses, in line with our plan.
- Contribution from associates reflected the macro scenario conditions with Var reporting a strong production growth. A higher scenario along the year will enhance the results of our satellites and could improve their distribution and our cashflows too.
- The tax rate of 42% was in line with our full year guidance.

CFFO generated was in line with our expectations with good contributions from associate dividends and a cash tax rate of around 25%. Working capital had a large negative impact on cashflows consistent with the sharp rise in prices in March but is not out of the ordinary in that context. We do expect to reverse this in the coming quarters.

Capex was €1.9 bln in line with the full year amount of €7 bln for the year. Net capex was broadly equal to gross, with limited portfolio activity in the quarter beyond announcing but not completing the sale of a 10% stake in Baleine to SOCAR. After the quarter ended, we completed on the previously announced acquisition by Plenitude of Acea Energia for around €500 mln.

We paid the third quarterly dividend referring to 2025 in March and repurchased €280 Mln in shares. Shares in issue have reduced by 17% since end-2021. Proforma gearing of 15% incorporates M&A transactions announced but not concluded and represents a broadly balanced quarter for cash in and cash out. We expect the deconsolidation of Plenitude to close in the third quarter with a benefit to consolidated net debt over following quarters as Plenitude funding is restructured. If we incorporate this effect, our proforma gearing is actually at 12%.

Updating our guidance for 2026 we confirm the outlook for E&P production with a growth rate of 3-4% incorporating our current assumptions for the impact of Middle East disruption. We have also updated our market Scenario projections for the year in the context of the current situation, raising FY Brent to \$83/bbl from \$70, the TTF to €50/MWh from €36, as we believe that higher prices will be necessary for the refilling of empty storage, and the refining margin in Europe (SERM) to \$8/bbl from \$6.

From a financial perspective, reflecting the changed Scenario and underlying outperformance, we now estimate CFFO pre-working capital of €13.8 bln, up 20% from €11.5 Bln set in March.

Applying our proposed updated distribution policy this implies a share buyback raised by around 90% to €2.8 bln. As previously communicated, this is a floor for 2026 that will be maintained even in the case of future scenario deterioration. Actually, taking into account that current market prices are well above that level we should expect even further increases in our distribution policy in the coming quarters. Our new policy will be put to shareholders for approval at the AGM on 6th May.

This concludes my remarks and along with my colleagues from Eni's top management on the call I am ready to take your questions.

Q&A Session

Corporate Respondents

Francesco Gattei, CT&FO

Guido Brusco, DG Global Natural Resources

Adriano Alfani, CEO Versalis

Stefano Ballista, CEO Enilive

Cristian Signoretto, Director Global Gas & LNG Portfolio

Stefano Goberti, CEO Plenitude

Aldo Napolitano, Director Exploration

Q&A

JON RIGBY: We are going to start with Biraj at RBC.

BIRAJ BORKHATARIA, RBC: How should we think about that EUR 55 million this quarter and what we should assume for the full year 26 and into 27? And then second question is just on Indonesia, and congratulations again on the exploration success. Now that we are closer to the deal closing in Q2, are you able to say what the cash adjustment is set to be net to Eni? Thank you.

JON RIGBY: Biraj, can you just repeat your first question because we missed the start of it.

BIRAJ BORKHATARIA, RBC: Sorry. It's the transformation costs, the EUR 55 million you've broken out, what should we expect for the full year?

FRANCESCO GATTEI: Okay. I will leave the question about the transformation cost to Adriano Alfani. On Indonesia, we do expect a cash settlement. And also, you know that we work in this kind of model with some distribution that is related to the capability of funding of this entity stand-alone. But we do not disclose this amount that will be in any case irrelevant.

ADRIANO ALFANI: Sure. Thanks for the question. I mean on the EUR 55 million, while we started a new project, we continue to drive efficiency on all the sites that are in transformation. So, you should read on annualized basis, roughly EUR 50 million of efficiency that we are going to bring. So you should not multiply EUR 55 million by 4, but you should discount about EUR 50 million at least of efficiency that we are going to bring. But you need to consider that today, the sites are in transformation for the future, adding value through the new projects, because we are going to start new activities. This is something that in the future will generate value. And by the way, it is incorporated in our CFFO guidance.

JON RIGBY: Thanks, Biraj. We'll now move to Alejandro Vigil at Santander.

ALEJANDRO VIGIL, SANTANDER: The first one is about the situation in the Middle East in your portfolio. How are you managing the situation and potential impact in terms of your supply contracts, your oil and gas production in general, how are you managing this context? And the second one is about Indonesia. I remember that you were talking about the plateau of the new joint venture of about half million barrels per day. With the new discoveries, is this now a very conservative assumption? Or do you reiterate this half million as a guidance for the production?

FRANCESCO GATTEI: I leave to Guido Brusco to answer both questions.

GUIDO BRUSCO: First, on Middle East, the impact overall is marginal, both on oil production and of course, on free cash flow. We have limited exposure in terms of production, 3% of our total production comes from Middle East. As far the products and LNG are concerned, exposure is limited, if not zero impact. On LNG, thanks to the flexibility of our portfolio, the diversified geographical footprint, we could basically cope with the missing volumes coming from Qatar essentially. While for the products, on all the commodities - gasoline, diesel and even jet fuel - we are prepared to honor all of our commitments with our customers.

On Indonesia, yes indeed, I would say - that assumption was reflecting the status of the base of resources at that time. Of course, having discovered Geliga, which is equivalent in terms of volume in place to Geng and having also another stranded asset there, Gula, which is give and take 2 Tcf, we can basically replicate another hub in the region. So, clearly this will raise the production target in the medium to long term to more than 500 kboed, I would say, 700-750 kboed might be a reasonable figure.

JON RIGBY: Thank you, Guido. We are going to move to Josh at UBS.

JOSHUA STONE, UBS: Two questions. One, just on the buyback and your decision to lift it. Obviously, I understand there's sort of mechanical nature here given the new cash flow guidance, but more a question of the timing of why you felt now was the time to do it so soon after the Capital Markets Day and your confidence there? And then, second question, looking at your macro deck, one thing that does stand out is the gas assumption at 50 €/MWh, which is above the curve. You're involved in the market, you have a storage business, can you explain maybe why prices haven't moved higher so far? What do you think are the main reasons? And why you set your assumption above the forward curve?

FRANCESCO GATTEI: Thank you for the question that are partially connected, clearly. We decided to move the buyback because we believe that it is already evident that there is a completely different trend even versus the Capital Markets Day. The Capital Markets Day occurred in the middle of March, the events at the time were just starting, once we were presenting our first scenario that was based clearly on a crisis, but that could be solved in a shorter time. There were not yet bombings of the facilities that occurred at that specific time and expanded in the following weeks. And we see there is a continuous or practically 2 months already inside the crisis. This crisis is not just a matter of reaching a sort of cease fire or peace, but it's also to restart a lot of infrastructures and production facilities, processing facilities that were shut down or were impacted by fire and bombing. So, it will take longer. For this reason, we

believe that there is a quite unexpected compliance by the market on the duration of this crisis that appears, I would say, much more impactful than the market is probably evaluating. On the gas specifically, we believe that in a 40-45 €/MWh environment, with extended shortage of gas, particularly from Qatar because even if Qatar will be able to restart or there will be some kind of agreement in the coming weeks it will take time to restart all these plants or these facilities, to restart the flow - you have to consider there are also bottlenecks in terms of tankers or ships and clearly LNG carriers. So, the overall process of refilling European storage that completed the winter at the minimum, almost at the minimum at 25% - now we are at 30% - and have to reach at least 80-90% before the start of the next winter, will require some price signals that should be increased. Price signals not only in the amount of the first front month value, but also on the structure of the curve that is not supportive. We believe that both on oil and on gas, our price deck that we have uplifted is still conservative.

JON RIGBY: We are going to move to Alessandro Pozzi at Mediobanca.

ALESSANDRO POZZI, MEDIOBANCA: The first one is on the number of discoveries that you've made so far this year. I was wondering if there is - in your capital allocation framework – there is little room for increase in capex. And we all appreciate the need to be disciplined when it comes to capex budgeting. And I was wondering, to this point, is capex more of an input to your modeling assumption? I mean, do you want to stick to that level of capex despite the current scenario, or there is some headroom for maybe accelerating some of these projects, especially the ones in Indonesia? And the second question on GGP. Just wondering whether you can give us more color behind the increase in guidance and whether that is connected to your higher macro assumptions as well.

FRANCESCO GATTEI: Okay. Just a very short introduction, then I'll leave to Guido Brusco and Cristian Signoretto for the two questions. Clearly, on capex, we are strict to a level of capex that we want to keep under certain range. You have to consider in exploration that there are explorations that are occurring inside our business combinations or affiliates, associates that are reported in equity. So, once you see a discovery in Azule or in Indonesia, this will have a different treatment in terms of capex. Then I leave to Guido to explain also why capex will be relatively softer in this case.

GUIDO BRUSCO: Yes. I think there are 2 angles here. One is some of the discoveries are discoveries near infrastructures. So, are a tieback, which are not requiring massive capital intensity. And I mean those are the ones that, on top of what Francesco said, in Angola, like Algaita, like the one in Libya or the one in Egypt, basically, those are tie in with, I mean, low cost. The other angle is the others, which we have made in Ivory Coast and in Indonesia. The one in Indonesia, it applies again the concept that Francesco just illustrated. It is in a business combination. But on those, we can also eventually apply our dual exploration model. So, the net capex would be even accretive from our perspective. Now Cristian...

CRISTIAN SIGNORETTO: Well, on guidance of GGP. So I'd say based on the Q1 results, which were fairly strong and the volume increase and the increase of asset-backed trading that we have seen in a more volatile scenario, we updated the guidance, taking that into consideration. And as we said before also

extending this, let's say, situation and scenario broadly along the next months, given the situation that Francesco just explained before to you.

ALESSANDRO POZZI, MEDIOBANCA: Is there any new arbitration that we need to be aware of for the rest of the year?

CRISTIAN SIGNORETTO: Say it again, sorry?

ALESSANDRO POZZI, MEDIOBANCA: Is there any new arbitration that we need to be aware of for the next year.

CRISTIAN SIGNORETTO: No. Absolutely, not.

JON RIGBY: Next, we're going to move to Al Syme at Citigroup.

ALASTAIR SYME, CITI: First question just on gearing. Can you just confirm exactly how much net debt sits in Plenitude that obviously gets deconsolidated in third quarter? And then secondly, just a question around the biofuels market. Obviously, we've seen massive price increases throughout the first quarter. You're putting a lot of growth capital in that business. But also this week, we've seen Europe's largest airline announced cuts to routing because of the price of jet fuel. And yet, I look and see sustainable aviation fuel, SAF, is 40% more expensive than jet fuel. I wonder how you think about the issue of affordability of biofuels in your forecasting and investments?

FRANCESCO GATTEI: Yes, about the Plenitude amount of debt that we are going to deconsolidate is EUR 2.6 billion, that clearly will be reduced once there will be the capital increase in the new entity. And then I'll leave to Stefano Ballista to answer about the biofuel and SAF.

STEFANO BALLISTA: Yes, as you said, the scenario significantly improved. And actually, the main reason for the scenario improvement, is driven by market fundamentals. It's driven by the demand increase that we are seeing due to the regulation and the mandates that are under deployment. And these are rules, mandates, targets that have been defined. If we look at the most recent definition of new target, I'm thinking about U.S. with a new renewable volume obligation, we got an increase of about 60% of demand for the next couple of years. So this is the main reason. The geopolitical situation is going to give a little bit of extra headroom but marginally compared to the fundamentals. This means actually that the perspective on biofuel is and remains definitely strong. When you look at biofuel, you need to look both at renewable diesel on one side and sustainable aviation fuel. The market is coupled. Sustainable aviation fuel is going to be the only answer to decarbonize the aviation transport, there is no other answer at the moment. And even with a small target in terms of blending, now in Europe we are about 2%, you can create significant demand but pretty much affecting marginally the overall cost position. So we've got significant space for improvement, not only on renewable diesel as it's happening, but also on sustainable aviation fuel with a marginal impact on a marginal component - on one side of the component - of the aviation business as a whole. So this is the view on the biofuel. And as I said, there is no other answer to decarbonize the aviation sector for a long while.

ALASTAIR SYME, CITI: Stefano, I mean, Europe's largest airline has basically said they can't afford jet fuel at this price. And I accept the mandate is only 2%, but it's meant to go up. So how on earth are they going to be able to afford a high percentage of biofuel or SAF, if it's 40% more expensive than the price of jet fuel, which they can't afford. It seems to be a conundrum.

FRANCESCO GATTEI: Okay, we can comment about what the statement was. But from our point of view, clearly, biofuel is now a solution to have a resource, fuel, in a situation of scarcity. The premium eventually could reflect the impact of the scarcity, and you have to consider the supply chain or the chain of production of SAF is relatively young and small. Once you have a potential larger market, you have also improved synergies. So the cost position is not just a matter of, let's say, industrial process. It's also a matter of having this process aligned in terms of size and materiality with demand potential. We do expect that, after this crisis, there will be, as a reply, not only on environmental solution but also a reply towards a potential diversification risk, to deploy a larger use of this kind of alternative solution for ships, for airplanes and for cars too.

JON RIGBY: We're now going to move to Michele Della Vigna at Goldman Sachs.

MICHELE DELLA VIGNA, GOLDMAN SACHS: I wanted to follow up on your exceptional exploration success. And I believe you've also completed the first deepwater well in Libya and I was wondering what were the early results there. And second, I wanted to come back to aviation, but from a different side, I think we keep reading that we may be short of kerosene this summer. How do you see the situation? And how low do you think inventories can go before flights are starting to be grounded? And how much do you think that in your refineries, you can actually tilt towards more jet fuel production?

FRANCESCO GATTEI: I leave Guido to answer both questions.

GUIDO BRUSCO: So the one in Libya has resulted in a noncommercial discovery. But it was very important for us to have a better understanding of the basin, which is quite large, huge and diverse in terms of number of prospects. And so you have to think that this is a block where the last well drilled was drilled by us in the early 2000s. So we are talking of a large basin with quite a number of untapped resources. So it's the first well, but we'll have, for sure, more understanding of the basin.

As far as jet fuel is concerned, as I said before, we are prepared to satisfy and honor our commitment to our customers. Of course, the situation is very different and diverse if you look at the different flight operators and suppliers. But as far as Eni is concerned, we are prepared to satisfy our customers.

JON RIGBY: We're going to now move to Paul Redman at BNP.

PAUL REDMAN, EXANE BNP PARIBAS: First question just comes back to Enilive. Could you give us some insight into what you've seen in terms of margins, February-March, and what you're seeing in April for the biofuel business? And if they're a lot stronger, I was surprised the EBITDA guidance didn't get upgraded. Is this because biofuels is positive, but the commercial business, maybe having a few more

issues? And then secondly, just on working capital, I think you mentioned in your prepared remarks that you expect this to come down. Could you just talk to us about how you expect that to play out?

FRANCESCO GATTEI: I'll let Stefano to answer on Enliver, and then I will reply on the working capital.

STEFANO BALLISTA: First of all, on the scenario. Actually, the scenario on biofuel improved significantly along the first quarter even before the start of the conflict. This is what's true in Europe. And it's, as I said before, linked to mandates, so to fundamentals. An example, we got recently approved in Holland, the new GHG target, which is 28% versus a RED III of 14%, and we got no more double counting. So, good news, to be honest, fully expected. Same in U.S., we got a market significantly increasing, again, linked to fundamental. Even in the first quarter, we got an average on the RIN - about \$1.5 per RIN. It was less than \$1 last year. And now we are about \$1.8 after the approval of the new target. So the market was already expecting the new mandates. In terms of output, it has been even better. So this got an extra drive in terms of overall margin. This is in terms of market setting.

In terms of results, a comment. In the first quarter, we got as Enliver as a whole, EUR 220 million of EBITDA pro forma adjusted. This means EUR 50 million above the first quarter of last year. And this has been fully driven by biorefinery performance. It actually, on top of driving the upside, as you said, balanced the partial pressure on retail prices that we are experiencing in Europe linked to fossil fuel prices. On top, I want to highlight that actually in the first quarter, we got Venice under maintenance – an upgrading maintenance – so it has been shut down for the whole quarter. And that result has been achieved without that kind of production. Venice is going to come in place during the second quarter, and we're going to be at full potential for the second half, so being the condition of capturing results. Last comment, as I said, we were definitely expecting the scenario improvement even in the business plan. So this improvement has been for the majority already crafted in our business plan, that one related to fundamentals. The extra upside, assuming the extra upside is going to last for the time being, this is going to get an additional value that we are capturing and we're going to keep capturing.

JON RIGBY: Thanks, Paul. So watch this space. The next questions come from Lydia Rainforth of Barclays.

LYDIA RAINFORTH, BARCLAYS: Two questions, if I could.

FRANCESCO GATTEI: SORRY, I would like to answer about the working capital very fast. The working capital will turn back, will improve immediately in the next quarter and clearly along the year. It is subject to the evolution of the spike of the prices that we, let's say, recognized in the first quarter. Sorry, Lydia, please continue. Thank you.

LYDIA RAINFORTH, BARCLAYS: No, no, that was important. Just 2 questions. One, I just wanted to touch on Venezuela and what you're seeing there. And then the second one, sorry, this is more of a long-term thing. But are you seeing in terms of the conversations you're having with host nations, with governments, has anything changed yet? Are they suddenly going, actually, we'd like to accelerate plans

around exploration, we want more in terms of energy security, we want you involved more. So just if there's anything on those sort of conversations, or is it just too early for that at this point?

GUIDO BRUSCO: On Venezuela, just a month ago, we've signed an agreement, which we called the Cardón IV Sustainability Agreement, which would allow us to basically produce sustainably the gas and provide energy to the country. And this is fixed for the future essentially, and implies some activity to do some debottlenecking to the plant to increase slightly the amount of volume to the domestic and to have an export outlet for the larger resources, which Perla carries. Basically, Perla is a reservoir of 20 Tcf. So, there is quite a significant potential for export.

On the oil side, we have 2 assets there, one in conventional water and one unconventional onshore. Two things happened. First, a new general license was issued by OFAC, which allows the operator to carry activities in Venezuela. And second, a new hydrocarbon law was enacted at the end of January this year and this provides a framework, a legal and fiscal framework, to develop our oil assets in a sustainable way. And of course, we are engaging the authorities to make this happen.

JON RIGBY: And Lydia's second question was on host governments and changing.

GUIDO BRUSCO: In Venezuela?

JON RIGBY: More broadly, I think, as well.

GUIDO BRUSCO: Yes, I mean, broadly, there is, of course, a positive reaction from governments. And we are noticing in several geographies that governments are more prone to provide the right enabler for the operator to increase exploration, provide fiscal terms to produce stranded resources. Of course, there is a price element which plays a significant role, but many governments are trying to introduce enablers to make it possible. The focus is on energy security, of course, most of them are trying to maximize the domestic production on the government side.

On the international oil company side, of course, diversification is another pillar of the strategy. It has proven in the last 5 years that 2 major providers of energy, Russia and Middle East, for both oil and gas, have failed to or have proven that they could fail to deliver and diversification in other geographies like Far East and South America or America in general and Africa is very welcomed now in the strategy.

As Eni, we are very well positioned in these 3 geographies. We had very limited exposure to Russia. We have, as I said before, limited exposure to the Middle East. And if you look at the portfolio in the long term, which we presented also at our last CMU, the Americas, Africa and Far East will play a larger role in our portfolio.

JON RIGBY: Thanks, Guido. We're now going to move to Martijn Rats at Morgan Stanley. Martijn?

MARTIJN RATS, MORGAN STANLEY: I've got 2. First of all, I just thought I'll ask you a broad question about demand destruction. Clearly, it is a topic with a broad range of views of whether there is and how much oil and gas demand might have been destroyed as a result of these high prices. I was wondering

if you could share a perspective. And to be clear, the nature of the question goes just beyond jet fuel, which is sort of separate topic in its own. But what do you think is the amount of oil demand that has been destroyed as a result of these very high prices? And the second thing I wanted to ask you is about the Argentina LNG FID. I noticed there wasn't a mention any more of it in the 1Q statement, but that should still be on the schedule for later this year, no? I just wanted to confirm that.

FRANCESCO GATTEI: About demand destruction, I think that thinking about demand destruction in a matter of 1.5 months, is too early. I think that demand is there. Clearly, there is potentially some small reduction, potential buyers who cannot afford it, but demand destruction is generally happening in a certain time frame. So for the time being, you see that there is no demand destruction. There is supply destruction, there is storage use and there is some kind of switch wherever it is possible to switch, eventually in certain coal gas plants. But I haven't seen a real material destruction in terms of demand from the data that we can collect. About the Argentina LNG, I leave it to Guido for completing the question.

GUIDO BRUSCO: On Argentina LNG, we are still projecting an FID by the year-end and just to give you more visibility on the activity, the engineering work is almost completed. All the major EPC tenders are progressing, and we are estimating to complete the majority of those by Q2 and in early Q3 the remaining. In parallel, a significant progress has been made also in LNG and NGL marketing, as well as on project financing. So definitely, we are setting up ourselves and our partner and all the stakeholders in Argentina for an FID by the year-end.

JON RIGBY: Thanks, Martijn. And to be clear, it's probably more of a function of a long list of projects that we can't fit in every quarter.

MARTIJN RATS, MORGAN STANLEY: Excellent. Yes.

JON RIGBY: Moving on, we've got Matt Lofting at JPMorgan. Matt, have you got some questions?

MATT LOFTING, JP MORGAN: Yes. Two, please. First, it struck me looking at the revised cash flow guidance for 2026 that if we annualize Q1, the new full year targets look comfortably above that. I imagine there's probably some price lagging effects in oil and gas that impacted the numbers in Q1, particularly given prices rallied sharply in March. I wondered if you could sort of share the price lagging impact and how that might come through.

And then secondly, obviously it is unusual in many respects to raise distributions and buybacks so much, so early in the year. Obviously, it's an unusual macro situation that we're in, in that context as well. But in the past, you've talked about effectively a sort of a hard floor and a sort of a soft ceiling to buyback revisions. Does that still apply for 2026 against the EUR 2.8 bln baseline?

FRANCESCO GATTEI: Yes. About the cash flow from operation results, the fact is clearly that in the first quarter, as we mentioned, there was some maintenance in the downstream. So we were not able to capture certain results. Also from the point of view of GGP, there were some benefits that we were able to capture partially but just the last month of the quarter. There is a ramp-up of production in E&P that will improve and further benefit along the year. And on the other side, you have to consider that there

is distribution from associates that follows in certain cases quarterly, but in other cases there are half-year or yearly distributions. So there are various elements that will determine a different distribution in the next three quarters versus what we had in the first quarter.

The unusual distribution is because we have a policy and we apply the policy. I think that I do expect that this distribution will become potentially even more unusual in the coming quarters if the market persists.

JON RIGBY: We're going to move to Massimo Bonisoli at Equita.

MASSIMO BONISOLI, EQUITA: Two questions. One on the discovery in Indonesia regarding the Searah JV with PETRONAS. In light of the significant discovery in Indonesia, can you clarify whether the terms of the agreement already incorporated the option of the additional resource upside you just discovered ahead of the closing?

And the second, on the sensitivity table, given the recent increase in volatility in physical commodity markets with a widening differential across crude qualities and geographies, do you believe the sensitivities you provided on benchmark prices are still fully representative? Or should we expect some divergence between benchmark movements and your realized profitability in the current environment?

FRANCESCO GATTEI: On the sensitivity, then I will leave to Guido for the question about Indonesia. On the sensitivity, you remember that, we applied it assuming a broader volatility range. So it is different than a usual sensitivity that we fixed on a shorter size fluctuation. Clearly, a sensitivity is just a theoretical number. We do not capture all the arbitrage, also because the arbitrage cannot be modeled because we don't know where this potential gap and the effect on the physical barrel bottleneck that could emerge. So you keep it as a key reference, but it's clear there will be some specific spot situation where the sensitivity is not applied, but the sensitivity is applied also on 1.7 million barrels per day of production. So that effect is already, in a certain way, diluting any specific case. I leave the floor to Guido.

GUIDO BRUSCO: There are adjustments on the free cash flow pre working capital, but there are also adjustments on the new resources discovered in the interim period and beyond the interim period. So there are mechanisms in the agreement to readjust value accordingly.

JON RIGBY: We're going to move to Fergus Neve at Rothschild. Fergus?

FERGUS NEVE, ROTHSCHILD & CO REDBURN: There has been a flurry of exploration success at the start of this year and the 1 billion boe of resources discovered is very impressive. I just wanted to know whether there was any color you could give on further wells being drilled this year, that we might be looking out for and if there are any others you're particularly excited about? And then secondly, it was positive to see the chemicals result improved sequentially this quarter. How should we think about this improvement in terms of the contribution from the Versalis restructuring and then also the scenario in the quarter? And looking forward to 2Q, do we expect the business to be able to capture any improved margins should they materialize?

FRANCESCO GATTEI: I leave to Aldo Napolitano for the exploration and Adriano Alfani for Versalis.

ALDO NAPOLITANO: Yes. In terms of the exploration program for the rest of the year, of course, we had a program this year that was really front-loaded. So many of the high-impact wells have been drilled. And in 4 months, we had the sequence of results that you mentioned. However, we still have some interesting wells to drill during the year, again, in Indonesia, in the Kutei Basin. We plan to drill another well, another interesting prospect. And we will have a couple of wells in Egypt and a well in Ghana. So these will complete the wells at least with a certain materiality. There's a large part of our exploration portfolio anyway that is interested by drilling for near-field ILX drilling, so contributing to production in very short-term but in those cases with more limited reserves.

ADRIANO ALFANI: On the chemical side, if we look back to Q1, the transformation had a positive impact of roughly EUR 100 million. Although we are facing a negative scenario because in the first quarter, clearly, there was a sort of a time lag between, what Francesco was talking about before, the effect on the demand versus the negative effect of supply because we had higher cost in terms of feedstock, higher cost in terms of utilities. At the end, the positive impact quarter-on-quarter at pro forma level is a little less than EUR 100 million because of the effect of the negative scenario, roughly EUR 85 million. If we go in the second quarter, we are putting in place a significant actions in addition to further reduce costs and to continue the transformation plan, and we expect the second quarter significantly better than the Q1, also catching some shortage that we see on the polymer market despite the high costs in terms of feedstock and utilities.

JON RIGBY: Thank you, Adriano. We're going to now move to Mark Wilson at Jefferies. Mark?

MARK WILSON, JEFFERIES: You say how you can honor commitments to customers, gasoline, jet fuel, diesel, etc, totally understandable. And just does that flag the idea that margins can be squeezed given feedstock prices? That's the first question. And then the second one, more general, yes, yet more exploration success, deepwater, talking about additional developments as well. You commented previously, Francesco, on the service market and how there could potentially be tightness. We're seeing service providers talking about renewed developments. So how would you see tightness in that contractor market and any particular services you feel may be under pressure given developments that we're looking at?

FRANCESCO GATTEI: About the first question on the potential risk of margin squeeze, this is for us, a relative risk because substantially, in our supply chain, we are able to cover most of the products that we are delivering to our customers. So from our point of view, we are not in a situation where we have to rely too much on the cargo market. There could be some volumes related specifically on jet fuel, but this is a marginal amount. So for this reason, we do take the commitment. This is a commitment that is clearly related to our integrated value along the chain. About the contractual services in the oil market, I leave it to Guido.

GUIDO BRUSCO: There are 2 elements that are driving costs at the moment. One is driving the short-term cost inflation, and this is mainly driven by the conflict in the Middle East and, of course, across the whole oil and gas value chain, higher energy prices, logistics, insurance, commodity costs are increasing, and these are bringing almost immediate cost inflation. But for one moment, let's imagine that this cost pressure will be shortly fixed, assuming that this cost pressure on the short term will disappear. There

are, of course, longer-term drivers of cost pressure, a general increase in the activity in the upstream. And we've noticed that basically, I mean, if you look at the inflation trends from 2022 to 2023, 2023-24, up to 2025, we already had a 15% cost increase, I mean, starting from the 2022 and the pre-war 2026 and coming here, we were in the region of the 3% to 4% of cost increase. But if you add up this short term, which I was mentioning before, the range would expand from 4% to 7%. Of course, this is the average. There are costs which are in the long term, more under pressure like the vessel installation for deepwater activity and others which are less under pressure like the onshore drilling rig, but this is the general overview that we see in the market and that is backed up also by sources like IHS UCCI Index.

JON RIGBY: Good stuff. Thanks, Guido. Thanks, Mark. We're going to move now to Chris Kuplent at Bank of America. Chris?

CHRIS KUPLENT, BOFA: Just two quick detailed questions to follow up on. I wonder whether you can talk to us about those exploration blocks that have ended up with BP. Was there a consideration whether to do this with Azule? I'm talking about Namibia, sorry. And maybe you can tell us why not with Azule. And second, even smaller detail, I just wonder whether between your CMD and now, you've changed your expectations regarding receiving dividends from ADNOC Refining.

FRANCESCO GATTEI: I leave the answer to Aldo for the block in Namibia and then on ADNOC I will reply later.

ALDO NAPOLITANO: So if I understood correctly you're talking about the new blocks that BP has taken in Namibia. So these are real exploration blocks in frontier areas. So for the time being, it's an initiative of BP. We are, of course, talking to each other, but they are not part of the Azule Energy activity.

FRANCESCO GATTEI: About the ADNOC Refining, you have to consider that the dividend is based on two activities. One is the refining of crudes. The other is related to trading. So these two activities clearly have different perspectives under the current crisis. We have not changed any assumptions. It's not material in the overall amount of dividend that we receive in the year. So I will keep the assumption as it is and eventually, we do believe there is a relative hedging between these 2 activities.

JON RIGBY: Thanks, Chris.

CHRIS KUPLENT, BOFA: Sorry, the first answer was this was too much greenfield. I'm aware that you are not taking part, but I just wondered why not.

ALDO NAPOLITANO: So as I said, it's an initiative taken by BP, based on their geological reconstruction. And so I think the question should be made to BP, sorry.

JON RIGBY: We're going to move now to Sadnan Ali at HSBC.

SADNAN ALI, HSBC: First of all, could you just remind us of the divestment proceeds you're expecting for the rest of the year? And secondly, I was wondering if there's any further updates or developments in your plans to get back into trading. Of course, the volatile price environment that we're seeing now is a perfect opportunity to capture trading profits, which your peers will benefit from. So I was wondering if the current environment has accelerated your plans at all?

FRANCESCO GATTEI: On M&A, you know that we have completed Baleine in the first quarter and also on the other side, we have completed in the acquisition side, ACEA Energia, with Plenitude in April. We do expect to have a further disposal completed during the year. You have the one that we announced last year. There will be further opportunities that we are valorizing, the dual exploration model, some tail assets or areas that we do not consider core. So there is activity, ongoing, negotiations that are getting closer to completion, and we do expect eventually to disclose later on. So this year remains, as we said before, quite material. On top of that, you should include the deconsolidation of Plenitude as an opportunity. Clearly, Indonesia is another factor that will benefit from the partial disposal of Indonesia, referring to the 10% that will benefit not only of a scenario that is quite supportive, but also of the new discoveries that are emerging and the overall upside potential that is related to that basin. On the trading, I leave it to Guido.

GUIDO BRUSCO: Yes. On the trading, we had a journey which started with step one was to include the trading into the overall value chain of global natural resources to try to capture all the margin. This was the step one. Step two was to change the model, to do some transformation internally and turn our trading arm from a pure service provider of a different business to a marketplace where we've optimized our activity in the assets driven by the market needs. And then there is this third stage where we wanted to improve our soft skills in trading. We have a large base of assets. We have refineries, we have storage, we have physical oil, we have physical gas. We have a lot in terms of resources and assets, and we wanted to improve our soft skills. So we started this engagement with other trading players to try to combine the best of the two: the best of an oil company and the best of a trading company. And this is the objective of the third step, which is definitely forthcoming and this scenario, of course, will accelerate it. But despite this contingent situation, we would have done in any case.

JON RIGBY: We're going to move to the last question, which is from Bertrand Hodee at Kepler.

BERTRAND HODEE, KEPLER CHEUVREUX: I have just one left. On Venezuela, you had outstanding receivables of around USD 2.3 billion, with an estimated realized value of USD 1 billion. Do you expect to recover more than the USD 1 billion because of the new Cardón IV Sustainability Agreement?

GUIDO BRUSCO: As I said before, we just signed one agreement, the Cardón IV Sustainability Agreement to fix the future. And now with this new engagement and conversation we are having on how to develop the oil assets, we will fix also the past.

BERTRAND HODEE, KEPLER CHEUVREUX: And so how should we think about this USD 2.3 billion of outstanding receivables?

GUIDO BRUSCO: There will be mechanisms developed to recover these past dues within the framework of the development of the oil field. Is that more clear?

BERTRAND HODEE, KEPLER CHEUVREUX: Yes. So it's not going to be within the Cardón IV JV, but within the new oil framework?

GUIDO BRUSCO: Or a combination. It's very flexible, but it will be essentially more focused or centered around oil development.

FRANCESCO GATTEI: New development that will clearly give more flexibility in terms of cargo that could be used or new revenues that could emerge by production - additional production.

JON RIGBY: Think of it as a holistic solution to all the challenges that we have there. Thank you, Bertrand.

Thank you, everybody, for joining the Q&A and your attention on Eni's Q1. We look forward to speaking to you soon. Have a great weekend. Thank you.