ENI 1H 2026 Results
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Presentation
Speaker
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Our second-quarter and first-half results clearly reflect our successful execution of the strategy and the objectives we have consistently communicated.

In Q2, Eni generated 5.4 billion € proforma EBIT and 2.3 billion € of net income, both doubling year-on-year, and 4.5 billion € of cash flow from operations, up over 60%.

This growth significantly outpaced the increase in Brent prices over the same period, demonstrating the strength of our operating leverage and our ability to absorb a highly unfavorable foreign exchange environment. Looking at the first half of the year, we delivered a remarkable 40% year-on-year increase in proforma EBIT.

Reported gearing remained stable quarter-on-quarter, while proforma gearing declined to 10%, reaching the lower end of our target range. Overall, this performance reflects excellent operational execution, effective capture of market opportunities, and the continued delivery of our consistent strategy.

The first half of 2026, marked by the emergence of a new crisis in the Gulf, has once again exposed our industry to extraordinary volatility. Yet, Eni has demonstrated its ability to effectively mitigate external pressures. Our resilience is underpinned by broad geographic diversification, strong operational efficiency, and the deployment of proprietary technologies. At the same time, our robust organic growth continues to be fueled by our outstanding exploration success and a deep pipeline of development opportunities.

Most importantly, our growth is increasingly multidimensional. While Exploration & Production remains our highly competitive core business, we are rapidly scaling attractive growth platforms right across the energy value chain.

Specifically, I would like to highlight three key pillars of our strategy:

1. First, **diversification:** We are well diversified across geographies, businesses, and technologies. While some of our operations have been affected by events in the Middle East, the overall impact has not been material. Actions taken in 2026 have further strengthened this diversification, increasing our exposure to Asia and South America, expanding our transition-related businesses and opening new opportunities in trading activities, critical minerals and stationary batteries.

2. Second, **growth**: We continue to deliver a unique double engine of growth, combining industry-leading organic upstream production with a rapid, parallel expansion in low-carbon energy.

3. Third, **financial performance**: We continue to generate outstanding financial results, with over 60% of our original plan targets already met year-to-date, also thanks to the fast time-to-market of our project. Our satellite model, increasingly acknowledged as a material positive differentiator for Eni, continues to de-risk the balance sheet attracting third-party capital, to fund our expansion across new technologies and geographies.

Turning to Upstream, we delivered an outstanding **8% year-on-year reported production growth** in the first half of the year, or 11% underlying. We fully offset Middle East volume losses, thanks to the efficient execution of major operated projects, including Agogo in Angola, Amoca in Mexico, Congo LNG Phase 2, as well as a strong contribution from Vår Energi.

This growth is entirely organic and reflects investments and exploration successes achieved over several years.

As discussed during Q1, our unique 2026 exploration performance has added over **1 billion boe of new resources** supported by credible development pathways.

- This success is driven by **key discoveries** including Algaita-01 in Angola, Murene South-1 in Côte d'Ivoire, two offshore gas discoveries near Bahr Essalam in Libya, the Denise discovery offshore Egypt, and the giant Geliga-1 gas-condensate discovery in Indonesia. We have further refreshed our future pipeline with new acreage positions in Uruguay, Timor-Leste, and The Gambia.

- Furthermore, to secure our medium-term production capacity during the Plan period, we have sanctioned **three major projects**: Baleine Phase 3 in Côte d'Ivoire, Geng North in Indonesia, and Cronos in Cyprus.

Beyond these projects, we are reshaping our global footprint through the build-out of two diversified regional clusters:

- In **Asia**, the **Searah business combination**, completed in June, created our largest satellite platform to date and established a leading player in the Pacific region. Initial production exceeded expectations, surpassing 300 kboed, and backed by a 3 Bboe reserve upside, it has a clear path to approach 800 kboed by 2030.

- In the **Americas**, we continue to advance significant opportunities in Argentina and Venezuela, which, together with our existing positions in Mexico and the United States, represent an increasingly important component of our upstream portfolio.

- In detail: **in Venezuela,** we are finalizing negotiations for new contracts for Junin 5 and Corocoro. Simultaneously, we have finalized the gas export agreement for the giant Perla field. Collectively, our footprint in Venezuela unlocks an outstanding gross potential of more than 5.5 Bboe of recoverable resources; meanwhile, in **Argentina**, our newly consolidated assets hold an exceptional 25 Tcf of gas, equivalent to 4.3 Bboe of recoverable resources, plus an additional 500 Mbbl of condensates, bringing total gross recoverable resources in the country to 4.8 Bboe.

The new material initiatives in Argentina, Venezuela, EastAsia together with our African portfolio, provide absolute confidence in our long-term trajectory.

As a result, we now expect **production growth to be around 4% CAGR** guidance through 2030, while we are also developing unique visibility on a further wave of growth opportunities beyond 2030.

Importantly, through portfolio high-grading and strategic moves like our recently announced Mercuria JV, this volume growth will translate directly into cash flow, underpinning our primary target: **growing our Upstream free cash flow per barrel by more than 50% by 2030.**

Our Q2 results demonstrate Eni's ability both to capture favorable market conditions and to enhance underlying profitability.

- E&P delivered outstanding production growth and successfully captured the benefits of the market environment, with particularly strong contributions from Norway and Congo.
- GGP generated proforma EBIT of 0.47 billion €, confirming better-than-expected performance and supporting a further increase in our EBIT guidance to over 1.4 billion €. We also see additional upside potential in the second half, supported by current pricing conditions and inventory replenishment dynamics.
- Plenitude and Enilive together generated 607 million € of proforma EBITDA in the quarter and 1.13 billion € in the first half, supporting an increase in full-year guidance to 2.6 billion €, compared with the original 2.4 billion €.
- Within Transformation businesses, refinery utilization recovered following the major turnaround activities completed during the first half. Versalis also continued to reduce losses in line with the improvement plan, also supported by better market conditions.
- Contributions from associates benefited from supportive macroeconomic conditions and the consolidation of Searah from June onward.
- The first-half tax rate of approximately 39% was below our full-year guidance, reflecting: the impact of high-grading upstream production; the accounting impact of the satellites; the transition towards a more sustainably diversified overall income mix and the benefits of our restructuring and performance improvement initiatives.

Cash flow from operations remained strong, supported by dividend contributions from associates and continued working-capital improvements.

Operational working capital generated a positive contribution in the quarter, and we continue to expect an overall reduction throughout 2026.

Capital expenditure amounted to 1.8 billion € in Q2, and we continue to expect approximately 7 billion € of gross capex for the full year, while we also reduced the net figure to below 5 billion €.

We paid the fourth and final quarterly dividend relating to 2025 and repurchased 600 million € of shares. Since 2021, outstanding shares have been reduced by around 18%. In light of the raised guidance for CFFO to 15 billion €, we now expect to repurchase 3.4 billion € of shares in the 2026 programme, representing a combined yield to our investors of around 10%.

Proforma gearing at quarter-end remained at 10%, the lower end of our target range, and we expect reported gearing to converge towards that level by year-end.

In conclusion, the combination of our upstream positioning and growth outlook, our integration across the entire energy value chain, the increasing value creation from our transition businesses, and our strong financial foundations, position us competitively in a world that has entered a new energy paradigm. This is confirmed by the revised guidance for most of our businesses that translates into an increased distribution:

- underlying oil&gas production growth is now seen exceeding 5%, above the upper end of the previous range
- GGP proforma EBIT is raised to over 1.4 billion €, +40% compared with the initial level

- Enilive proforma adjusted EBITDA is revised up by 18%, at 1.3 billion €
- And at a revised scenario of 85 $/bbl Brent, adjusted CFFO is expected at 15 billion €, determining a higher buyback of 3.4 billion €.

The new buyback represents a 127% increase over the initial guidance of 1.5 billion € at the budgeted cash flow.

The potential special dividend related to oil price above 90$/bbl or gas prices and SERM margin more than 50% of the original budget assumption will be determined in the last quarter.

In this environment, Eni is in one of the strongest positions in its history.

That concludes my remarks. Together with my colleagues from Eni's management team, I am now happy to take your questions.