

# BOOSTING OUR TRANSFORMATION



STRATEGY PRESENTATION  
2021-2024

19 February 2021



# DISCLAIMER



*This document contains forward-looking statements regarding future events and the future results of Eni that are based on current expectations, estimates, forecasts, and projections about the industries in which Eni operates and the beliefs and assumptions of the management of Eni. In addition, Eni's management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on capital, risk management and competition are forward looking in nature. Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Eni's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed in Eni's Annual Reports on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") under the section entitled "Risk factors" and in other sections. These factors include but are not limited to:*

- *Fluctuations in the prices of crude oil, natural gas, oil products and chemicals;*
- *Strong competition worldwide to supply energy to the industrial, commercial and residential energy markets;*
- *Safety, security, environmental and other operational risks, and the costs and risks associated with the requirement to comply with related regulation, including regulation on GHG emissions;*
- *Risks associated with the exploration and production of oil and natural gas, including the risk that exploration efforts may be unsuccessful and the operational risks associated with development projects;*
- *Uncertainties in the estimates of natural gas reserves;*
- *The time and expense required to develop reserves;*
- *Material disruptions arising from political, social and economic instability, particularly in light of the areas in which Eni operates;*
- *Risks associated with the trading environment, competition, and demand and supply dynamics in the natural gas market, including the impact under Eni take-or-pay long-term gas supply contracts;*
- *Laws and regulations related to climate change;*
- *Risks related to legal proceedings and compliance with anti-corruption legislation;*
- *Risks arising from potential future acquisitions; and*
- *Exposure to exchange rate, interest rate and credit risks.*

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# BOOSTING OUR TRANSFORMATION



**LEADING ENERGY TRANSITION**  
CARBON NEUTRAL BY 2050



**LEVERAGING INTEGRATION**  
COMBINING RENEWABLES & CLIENTS



**FINANCIAL ROBUSTNESS**  
2024 CASH NEUTRALITY < \$ 40/BBL



**STAKEHOLDER VALUE CREATION**  
ENHANCED REMUNERATION

# HIGHLIGHTS 2020



# 2020: FAST REACTION TO COVID CRISIS



## PEOPLE HEALTH AND BUSINESS CONTINUITY



### COSTS

**>35% CAPEX REDUCTION**  
vs original 2020 guidance

**-€ 1.9 BLN COST SAVINGS**  
vs pre-covid level



### PORTFOLIO

**FID RESCHEDULING ON  
LARGE UPSTREAM PROJECTS**

**INCREASED CAPEX ON  
GREEN PROJECTS**



### FINANCIALS

**LEVERAGE\* MAINTAINED  
AT 30%**

**FIRST ISSUANCE OF HYBRID  
BONDS OF € 3 BLN**



## NEW COMPANY ORGANIZATION

## LONG TERM DECARBONISATION PLAN



\*Pre IFRS

# 2020 MAIN RESULTS



OIL, GAS, LNG CCS/CCUS AND FORESTRY

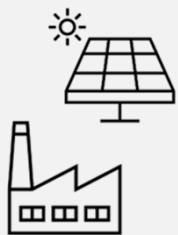
## NATURAL RESOURCES



- ✓ PRODUCTION: **1,733 KBOE/D**
- ✓ DISCOVERED RESOURCES: **400 MBOE**
- ✓ GAS & LNG: EBIT **€ 330 MLN (+70%)**
- ✓ FORESTRY REDD+: OFFSET **1.5 MTON CO<sub>2</sub>EQ.**; **CCUS UK LICENSE AWARDED**

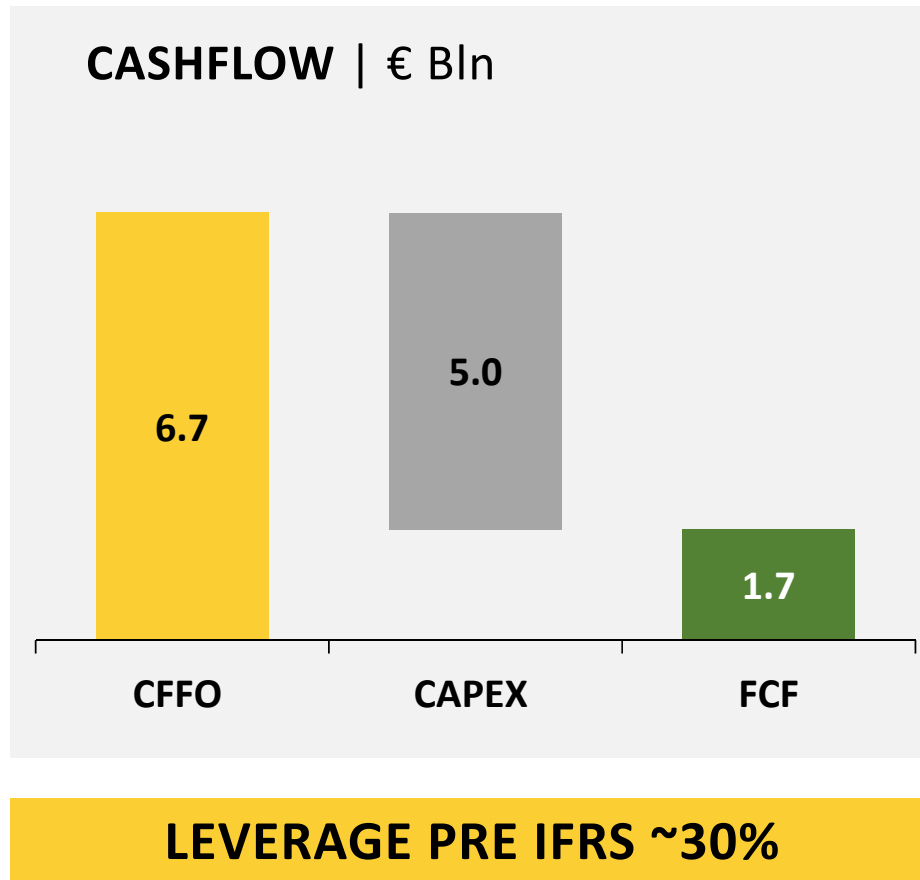
TRADITIONAL TO BIO, BLUE, GREEN PRODUCTS

## ENERGY EVOLUTION



- ✓ RENEWABLES: **1 GW** CAPACITY INSTALLED AND SANCTIONED
- ✓ ENTERED WORLD'S LARGEST OFFSHORE WIND PROJECT IN UK
- ✓ RETAIL G&P: EBIT **€ 330 MLN (+ 17%)**
- ✓ BIO REFINING & MARKETING: EBIT **€ 550 MLN (+27%)**

# 2020 FINANCIALS



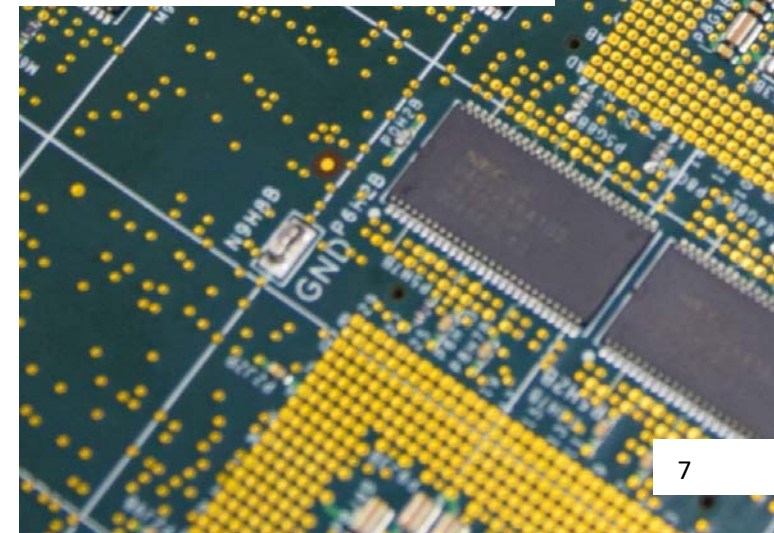
*CFO and FCF @ Replacement Cost before Working Capital Adj*



STRATEGY  
PRESENTATION  
2021-2024



**2020 CFO GUIDANCE  
ACHIEVED**

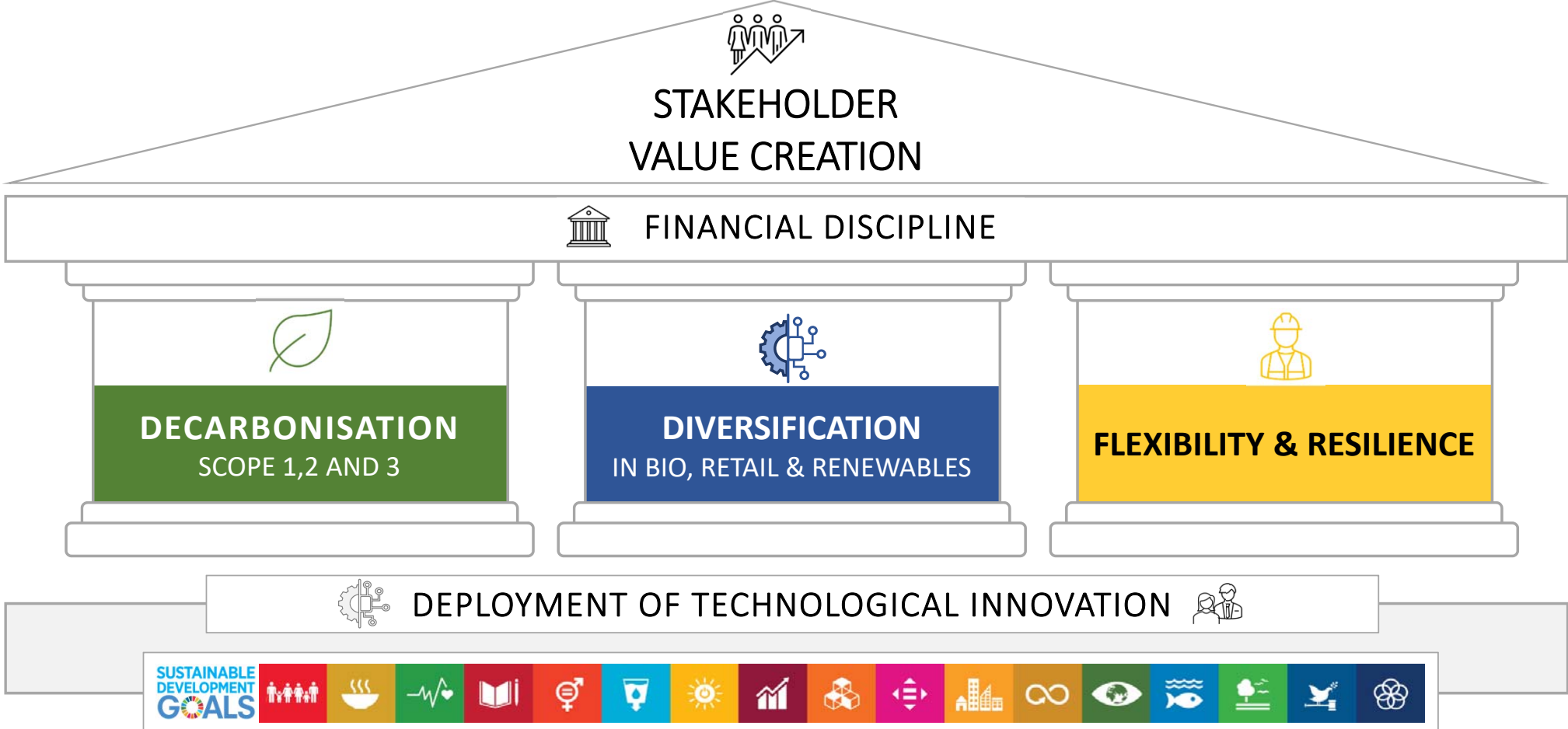


# OUR STRATEGY





# AN INTEGRATED, ZERO CARBON, ENERGY COMPANY



# ENHANCING VALUE THROUGH DIGITALIZATION & NEW TECHNOLOGIES

## SUPPORTING BUSINESS...

HSE



ASSET  
INTEGRITY



SUPERCOMPUTING  
CAPACITY



MODELING  
ALGORITHMS



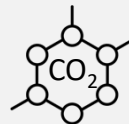
## ...SHAPING THE FUTURE



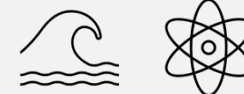
CIRCULAR ECONOMY &  
CHEMICALS FROM  
RENEWABLES



SUSTAINABLE  
MOBILITY



CCU  
TECHNOLOGIES



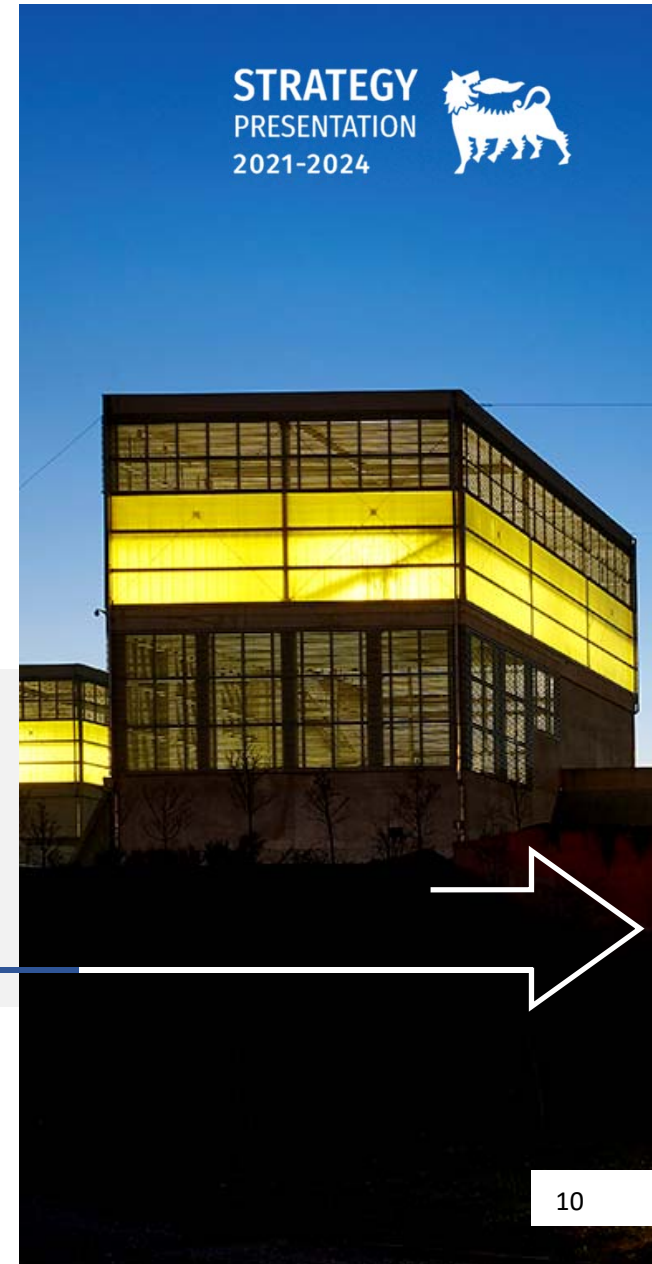
RENEWABLES &  
BREAKTHROUGH  
TECHNOLOGIES

**€ 1 BLN 4YP**  
**INNOVATION EXPENDITURE**

**€ 4 BLN 4YP**  
**GREEN ORGANIC CAPEX**

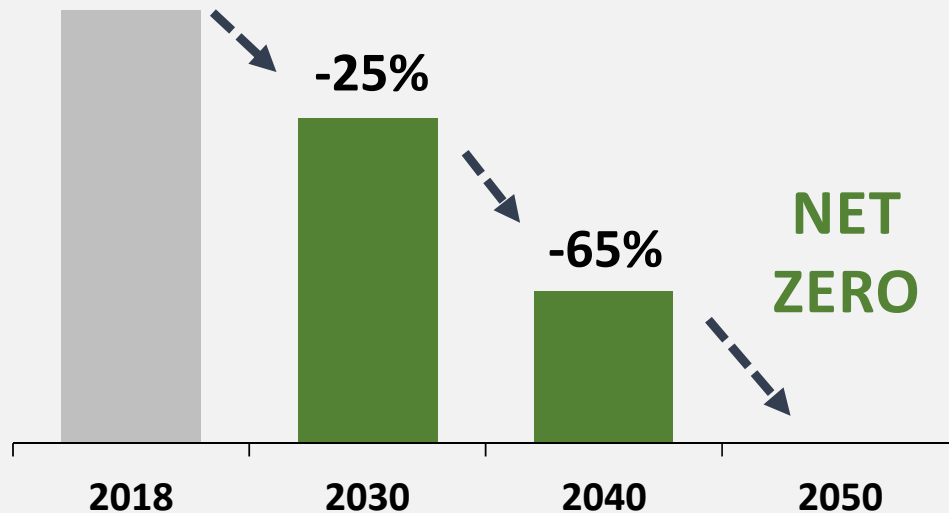
*Green capex: Decarbonisation, Circular and Renewables*

STRATEGY  
PRESENTATION  
2021-2024

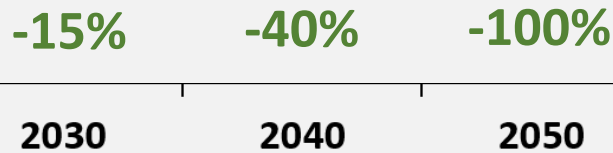


# ENI NET ZERO EMISSIONS BY 2050

## ABSOLUTE NET SCOPE 1+2+3 GHG EMISSIONS



## NET CARBON INTENSITY Scope 1+2+3



## LEVERS

- ✓ CARBON FREE PRODUCTS AND SERVICES
- ✓ INCREASED SHARE OF GAS ON TOTAL PRODUCTION
- ✓ BIO-METHANE FOR DOMESTIC USE AND MOBILITY
- ✓ BIOREFINERIES AND CIRCULAR ECONOMY
- ✓ BLUE AND GREEN HYDROGEN
- ✓ CCS AND REDD+ PROJECTS

## FULLY COMPREHENSIVE METHODOLOGY

CONSIDERING ALL OUR ACTIVITIES AND ALL PRODUCTS WE TRADE



# NATURAL RESOURCES

2021-2024

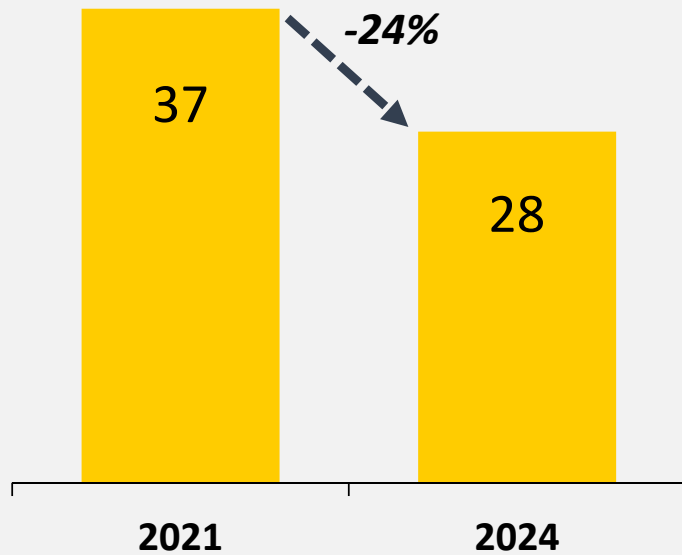


# UPSTREAM FLEXIBILITY AND RESILIENCE



## RESILIENCE

UPSTREAM CAPEX COVERAGE | \$/Bbl



## 2021-2024

CAPEX

**€ 4.5 BLN**

AVERAGE PER YEAR

## FLEXIBILITY

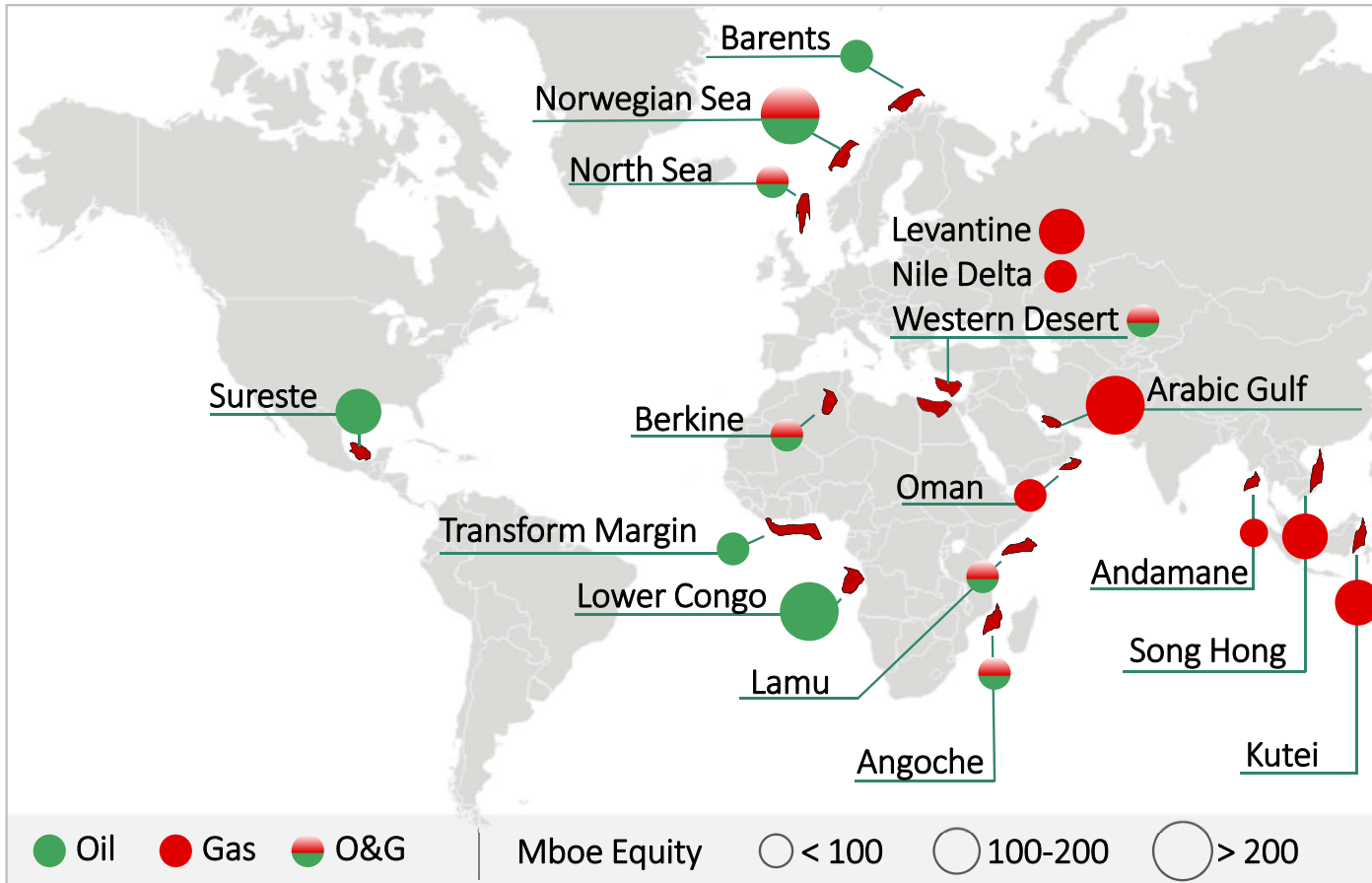
>55% UNCOMMITTED IN 2023-24



*Upstream capex coverage = Brent price at which upstream capex are covered by upstream CFFO*

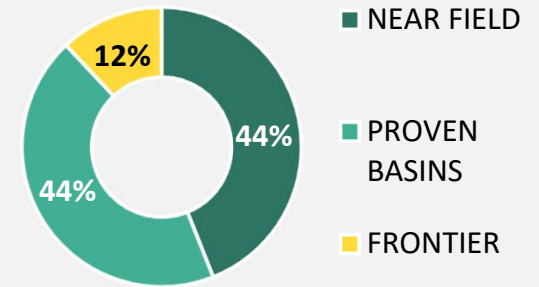
# EXPLORATION LED BY GAS, TIME TO MARKET & EFFICIENCY

## MAIN BASINS & DISCOVERY EXPECTATIONS IN 4Y PLAN



### LOW RISK PORTFOLIO

### 2021-2024 WELLS



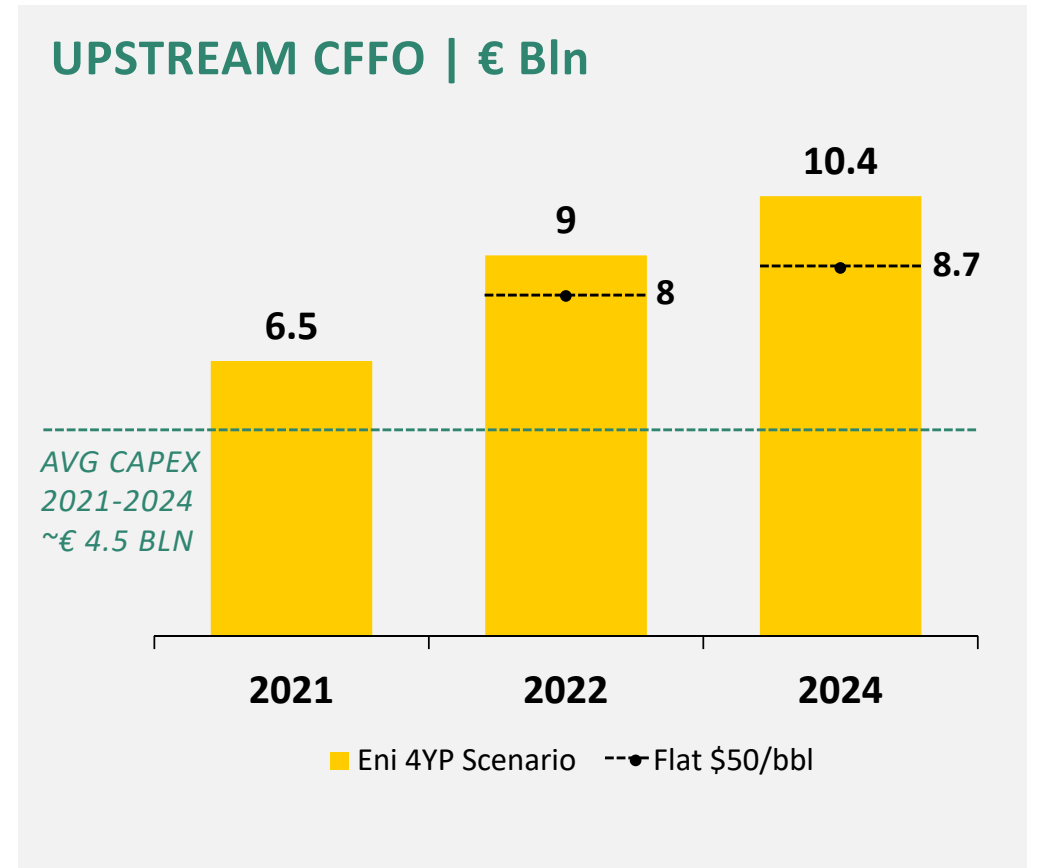
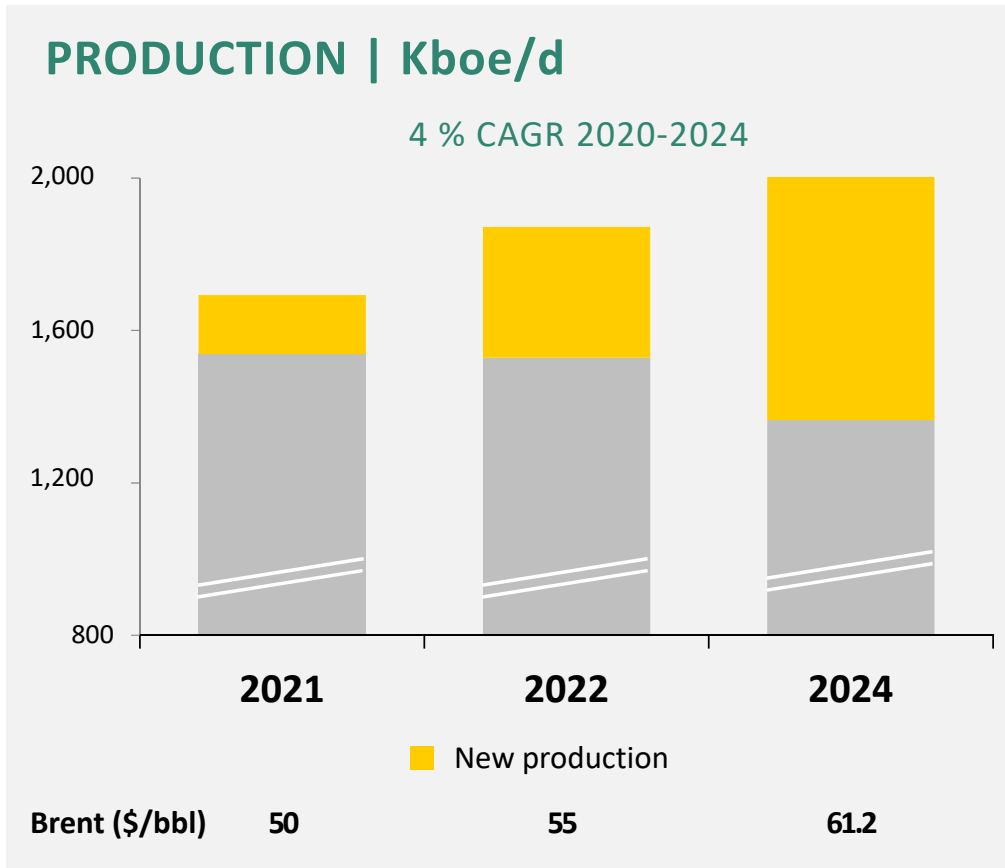
### 2021-2024

Target

**2** Bln boe equity

UEC \$ **1.6**/boe

# CASH FLOW GROWTH



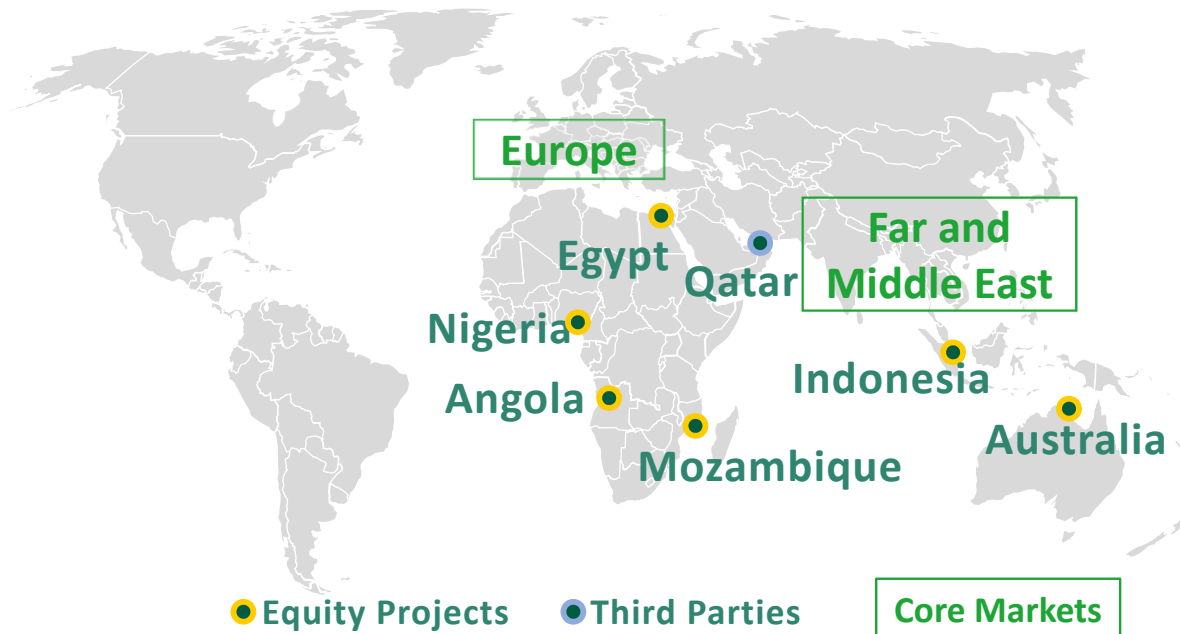
**2024 PROVEN RESERVES: 55% GAS**

2021 after OPEC cut  
CFFO after Working Capital

# GAS & LNG ENHANCING EQUITY MONETIZATION



## BUILDING THE LNG PORTFOLIO



**LNG GROWTH:**  
**14 MTPA in 2024**  
CONTRACTED VOLUMES

**EQUITY SHARE:**  
**>70% in 2024**

**2021-2024 CUMULATIVE FCF: € 0.8 BLN**



# REDUCING OUR CARBON FOOTPRINT TOWARDS NET ZERO EMISSIONS



## REDD+ FORESTRY INITIATIVES



AFRICA:  
Angola, DR Congo, Ghana,  
Malawi, Mozambique, Zambia



LATIN AMERICA:  
Colombia, Mexico



ASIA:  
Vietnam, Malaysia

## MAIN CCS PROJECTS



REDD+ FORESTRY OFFSET @ 2024: > 6 MTON CO<sub>2</sub>

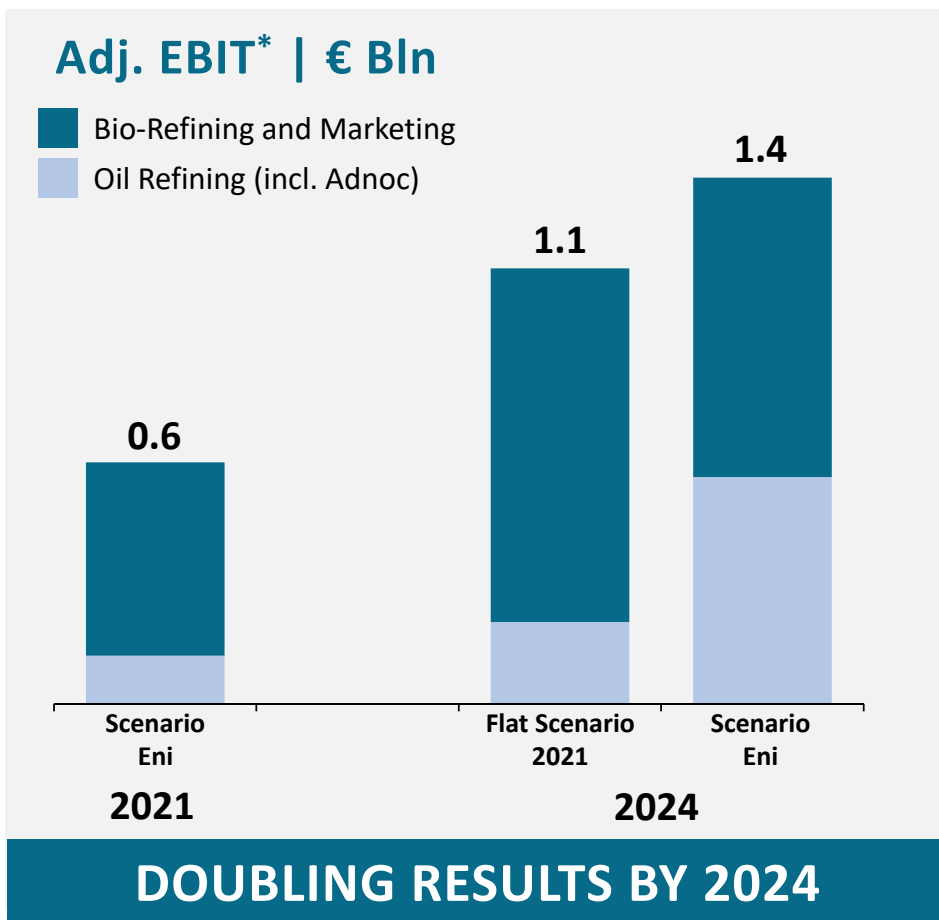
# ENERGY EVOLUTION

2021-2024

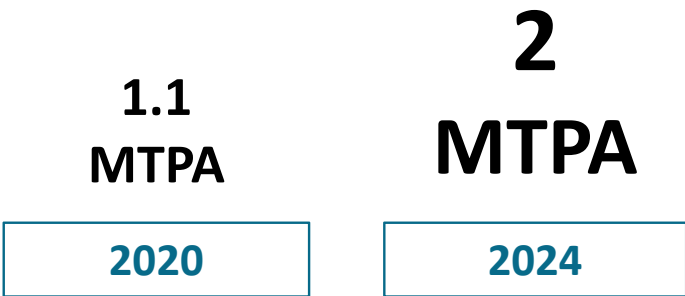


# REFINING & MARKETING

A PROGRESSIVE CONVERSION TO BIO-PRODUCTS



## BIO-REFINERIES CAPACITY



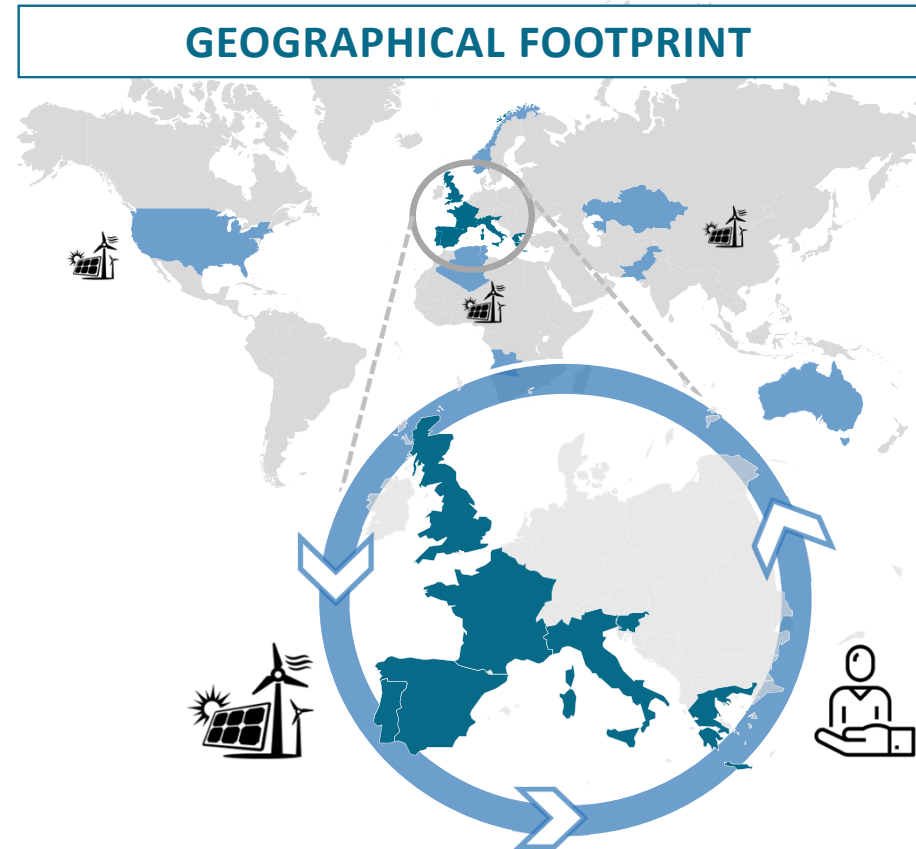
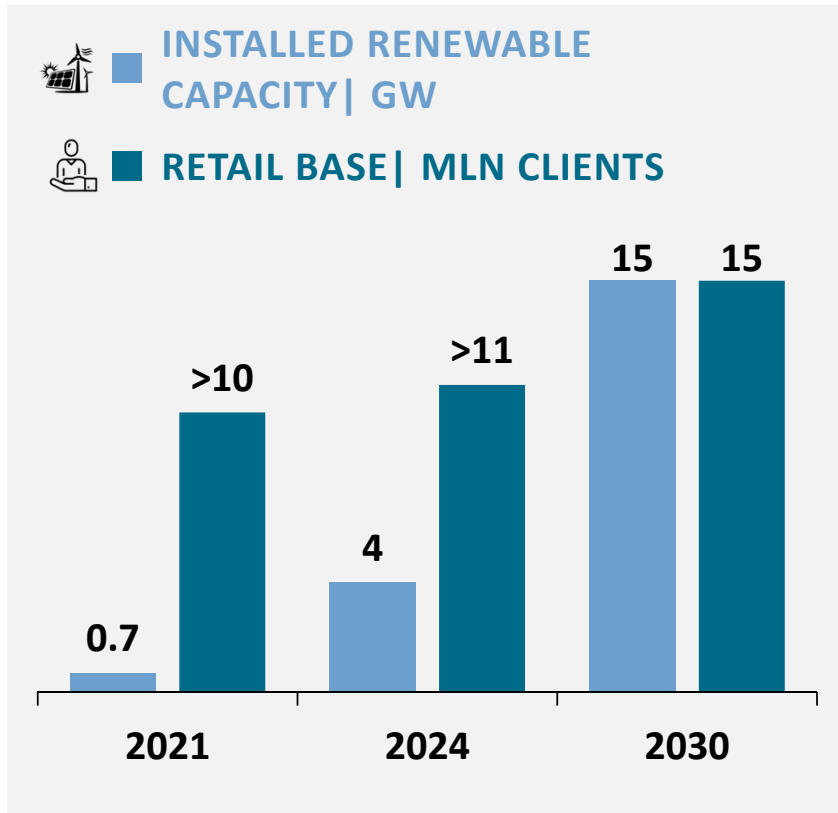
**PALM-OIL FREE IN 2023**



\*Pro-forma with Adnoc

# RETAIL + RENEWABLE

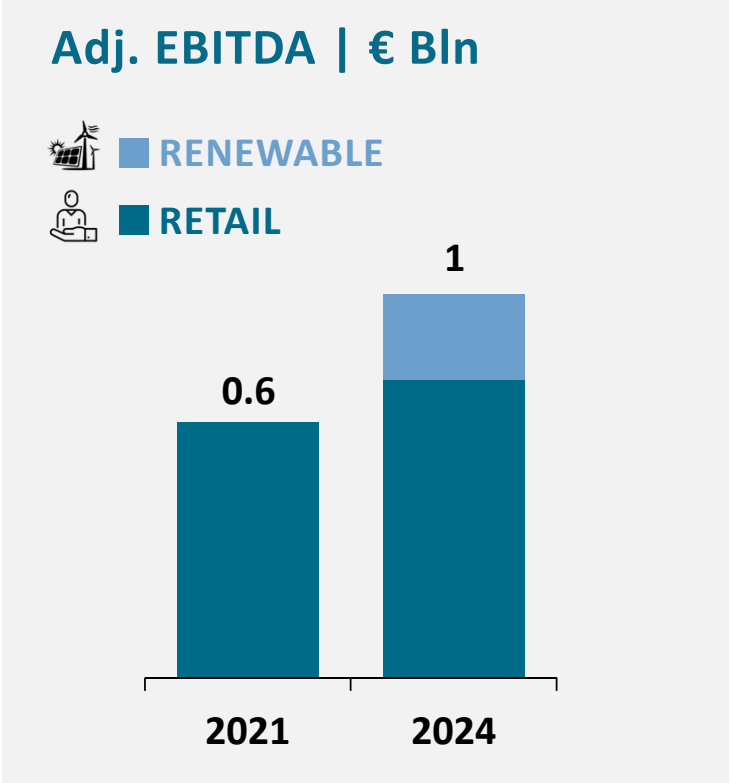
INCREASING INTEGRATION ALONG THE GREEN POWER VALUE CHAIN



**VALUE ADDED PROPOSITION LEVERAGING OUR RETAIL BASE**

# RETAIL + RENEWABLE

INCREASING INTEGRATION ALONG THE GREEN POWER VALUE CHAIN

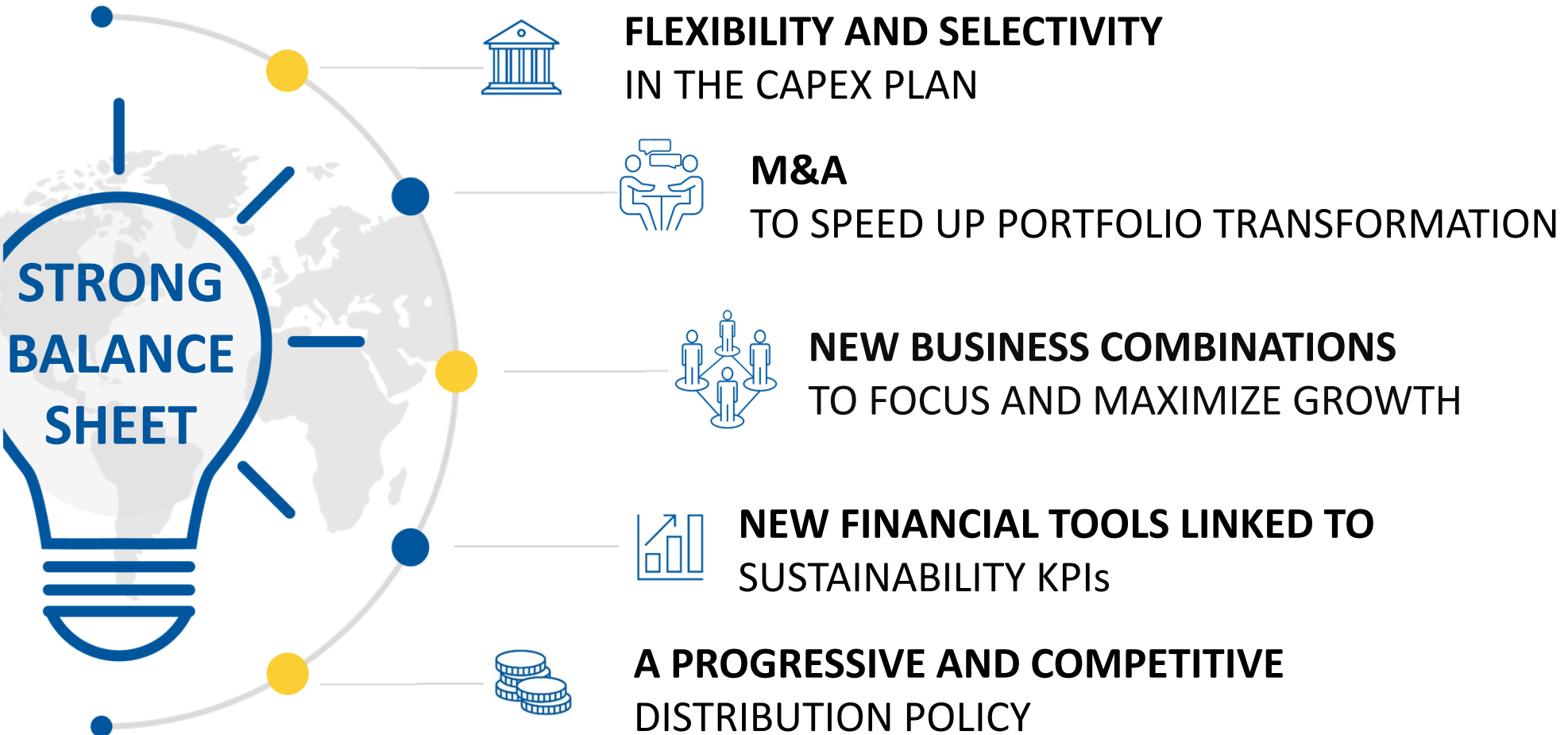


MAXIMISING  
**VALUE GENERATION**

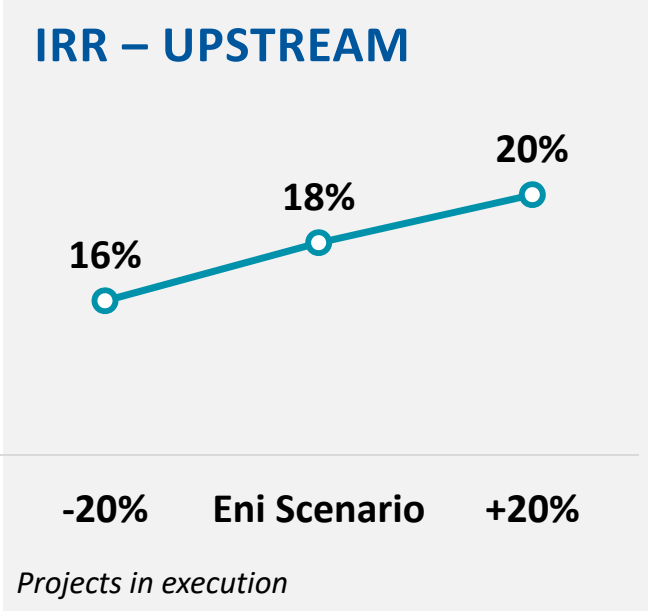
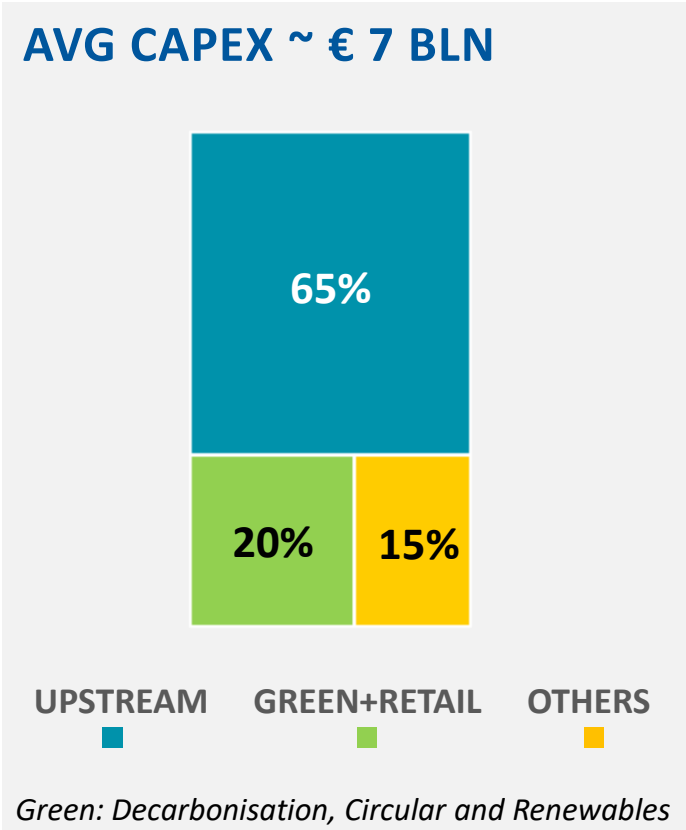
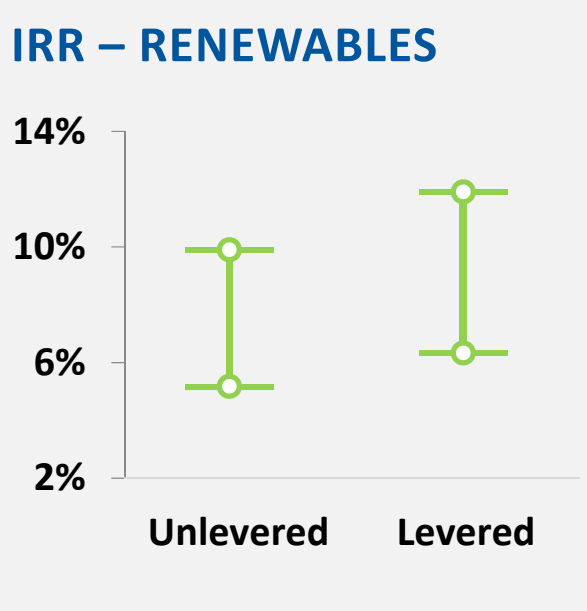
# 2021-2024 FINANCIALS



# FINANCIAL STRATEGY



# SELECTIVE CAPEX AND HIGH VALUE PORTFOLIO



**FOCUS ON GREEN & RETAIL AND SHORT CYCLE PROJECTS**



# PORTFOLIO OPTIMIZATION STRATEGY



2021 - 2024  
**DISPOSAL  
PLAN**

**€ >2 BLN**  
GROSS

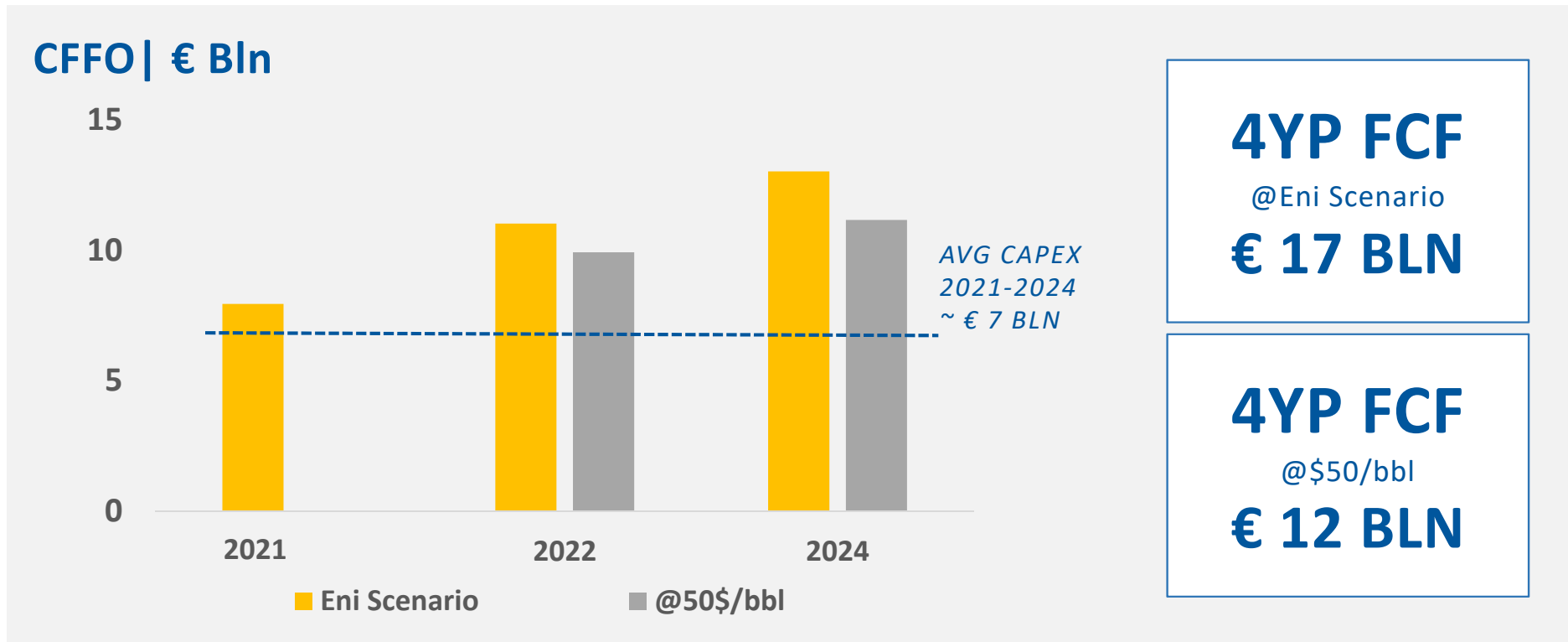
**UPSTREAM**  
RATIONALIZATION OF  
NON CORE ASSETS

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**OTHER BUSINESSES**  
ASSETS OPTIMIZATION

**NEW BUSINESS COMBINATIONS**  
(REPLICATE VÅR ENERGI SUCCESS)

# RESILIENT CASH GENERATION AND FLEXIBILITY



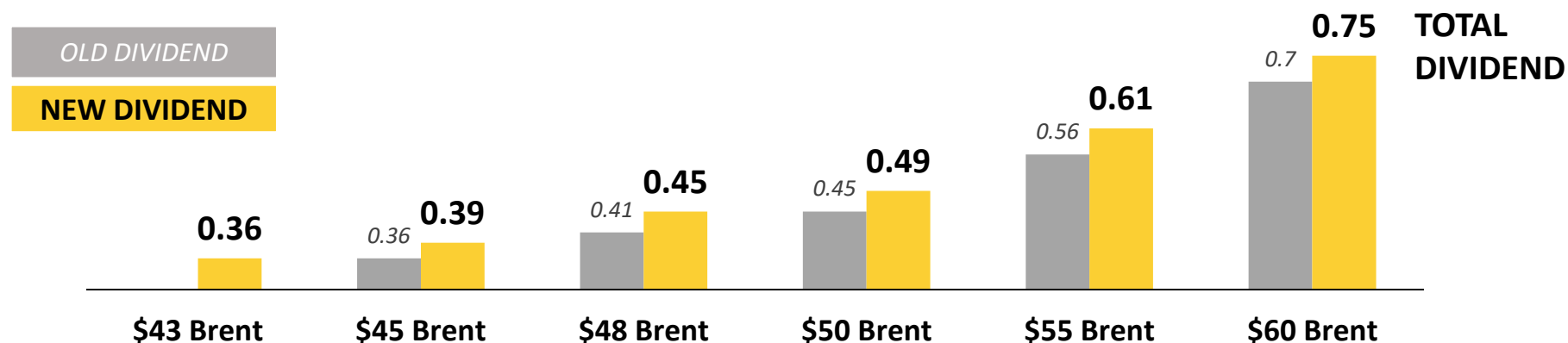
**2024 CASH NEUTRALITY @ FLOOR DIVIDEND < \$40/BBL**

CFFO and FCF @ Replacement Cost before Working Capital Adj. Eni Scenario 2021: Brent \$50/bbl, PSV €147/kcm & €/€ 1.19

# REMUNERATION POLICY



## DIVIDEND BASED UPON ENI'S ANNUAL BRENT SCENARIO\* | €/share



### PROGRESSIVE FLOOR DIVIDEND

€0.36 dividend when Brent Scenario is \$43 / bbl or above

Floor is evaluated every year considering the execution of the strategic plan

### ADDITIONAL VARIABLE DIVIDEND

Equal to 30 – 45% of additional FCF generated between \$43 – 65 / bbl Brent

### ANNUAL BUYBACK

€300 mln for Brent between \$56 – 60 /bbl

€400 mln for Brent between \$61 - 65 / bbl

€800 mln for Brent above \$65 / bbl

\* To be announced in July

# CONCLUSIONS



DECARBONISATION | **CARBON NEUTRAL BY 2050**

DIVERSIFICATION | **RETAIL + RENEWABLES EBITDA > € 1 Bln @2024**

FLEXIBILITY & RESILIENCE | **CASH NEUTRALITY < \$ 40/bbl @2024**

ENHANCED REMUNERATION | **DIVIDEND INCREASE AND  
ACCELERATED BUYBACK**

# BACK UP



# SCENARIO ASSUMPTIONS

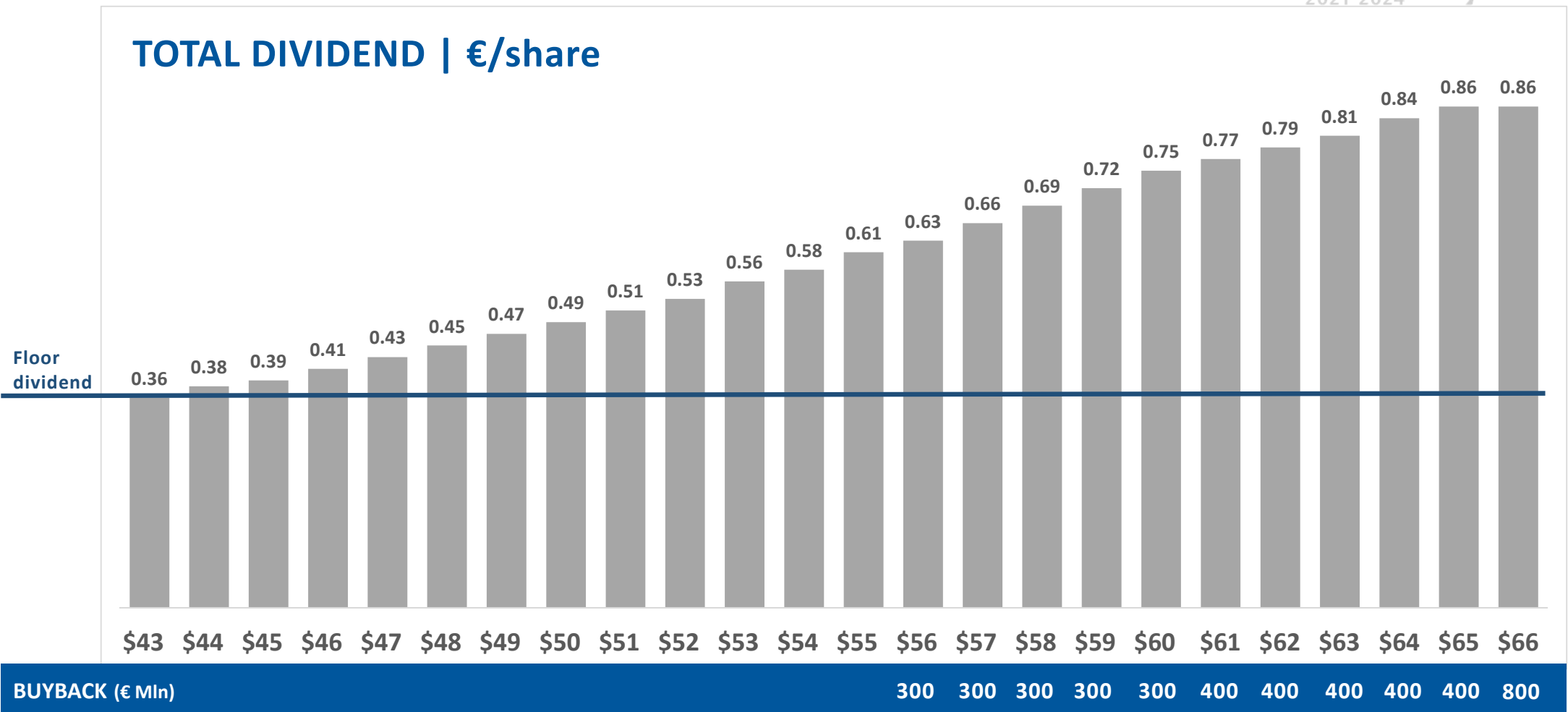


<u>4YP Scenario</u>	2021	2022	2023	2024
Brent dated (\$/bbl)	50	55	60	61.2
FX avg (\$/€)	1.190	1.190	1.200	1.230
Ural MED c.i.f. - Med Dated Strip (\$/bbl)	-1.0	-1.4	-1.5	-1.7
Std. Eni Refining Margin (\$/bbl)	3.8	4.5	4.6	4.6
NBP (\$/mmbtu)	4.3	4.9	5.2	5.7
PSV (€/kcm)	147	163	167	181

<u>Sensitivity 2021</u>	EBIT adj (€ bln)	net adj (€ bln)	FCF (€ bln)
Brent (+1 \$/bbl)	0.21	0.14	0.15
Std. Eni Refining Margin (+1 \$/bbl)	0.16	0.11	0.16
Exchange rate \$/€ (-0.05 \$/€)	0.18	0.08	0.14

# REMUNERATION POLICY

## TOTAL DIVIDEND | €/share



# MAIN PLAN TARGETS



## DECARBONISATION

UPSTREAM  
NET EMISSIONS  
SCOPE 1+2

**-50% vs 2018**



## DIVERSIFICATION

BIO REFINING: **2 MTPA**  
+70% vs 2020

RENEWABLES: **4 GW** installed  
4X vs 2020 installed + sanctioned

RETAIL: **>11 MLN** CLIENTS  
+15% vs 2020



## FLEXIBILITY & RESILIENCE

2024 GROUP CFFO:  
**€ 13 BLN**

UPSTREAM CAPEX COVERAGE  
**\$28/BBL**

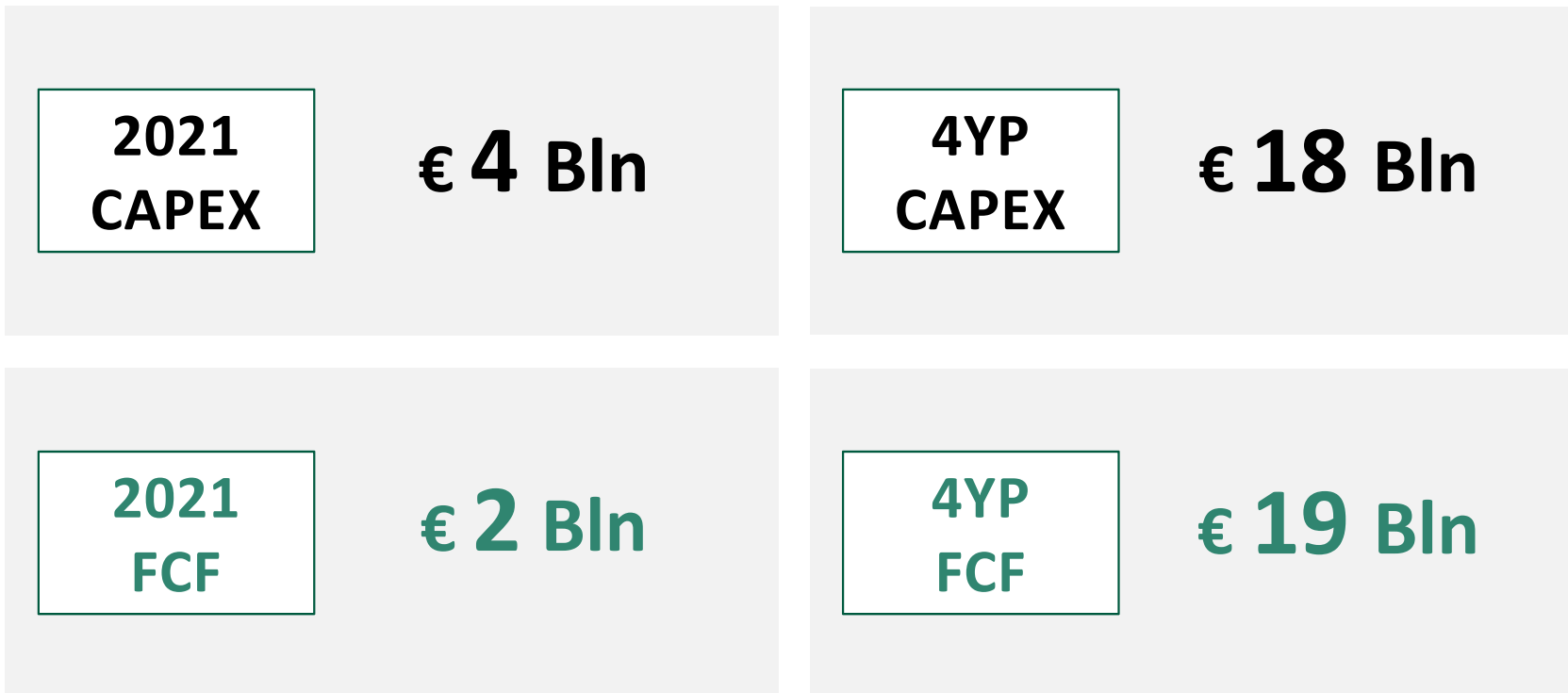
**2024 CASH NEUTRALITY @ FLOOR DIVIDEND: < \$40/BBL**

ALL TARGETS REFER TO 2024



# NATURAL RESOURCES

## UPSTREAM + GLOBAL GAS&LNG TARGETS



**LOWER BREAK-EVEN AND CARBON FOOTPRINT**

# ENERGY EVOLUTION

G&P RETAIL, RENEWABLES, POWER, R&M AND CHEMICALS

STRATEGY  
PRESENTATION  
2021-2024



**2021  
CAPEX**

**€ 1.6 Bln**

**4YP  
CAPEX**

**€ 7.9 Bln**

**2021  
ADJ. EBIT**

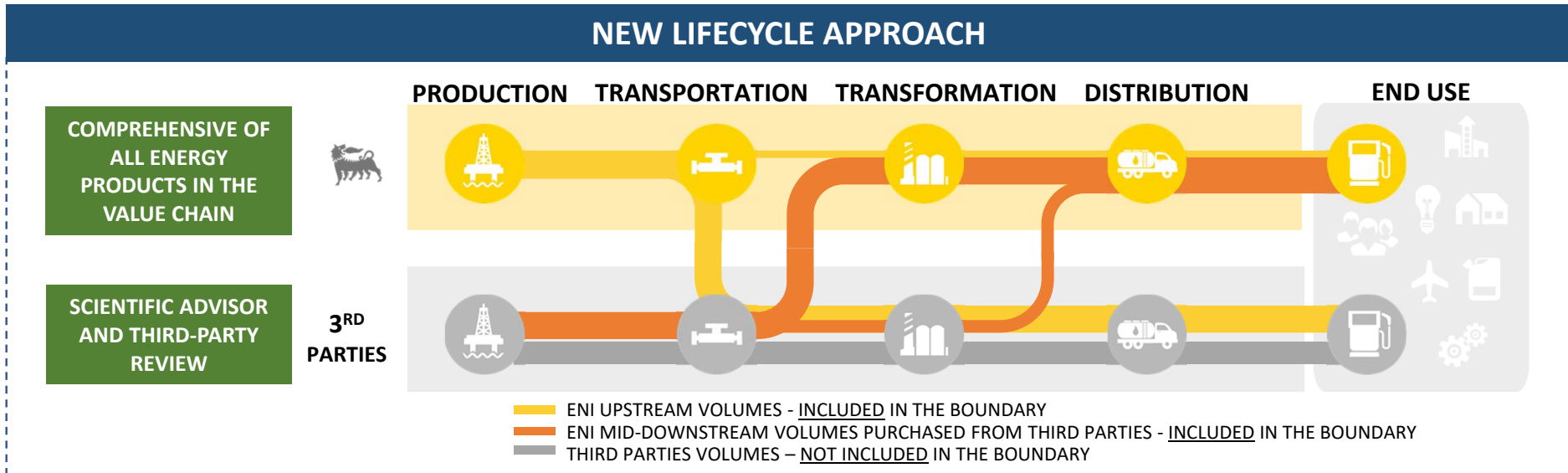
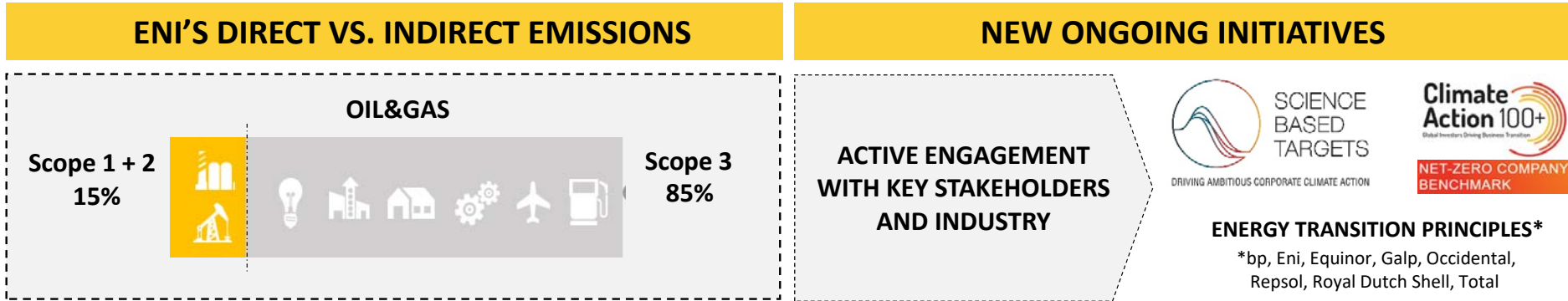
**€ 0.9 Bln**

**2024  
ADJ. EBIT**

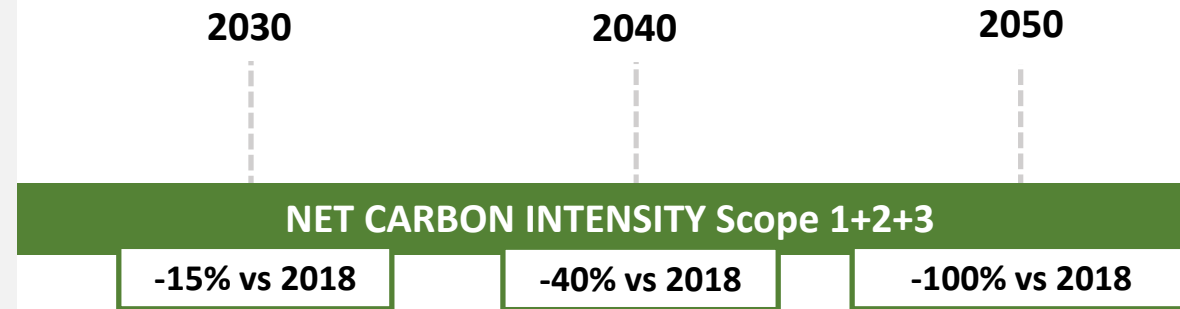
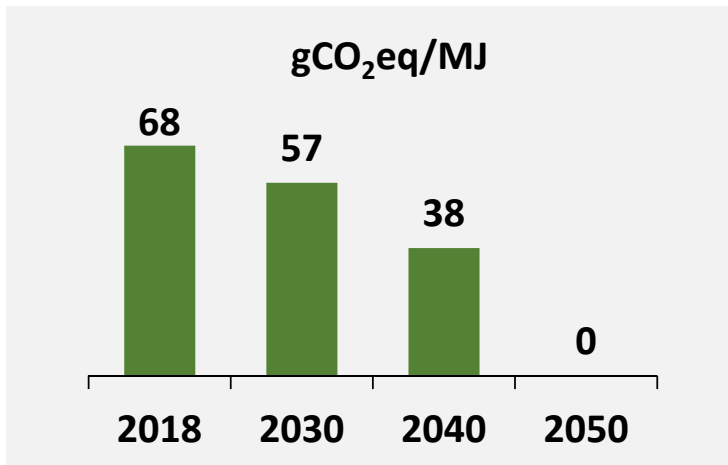
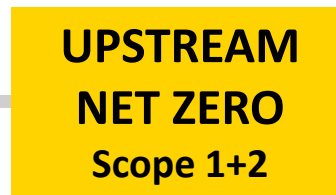
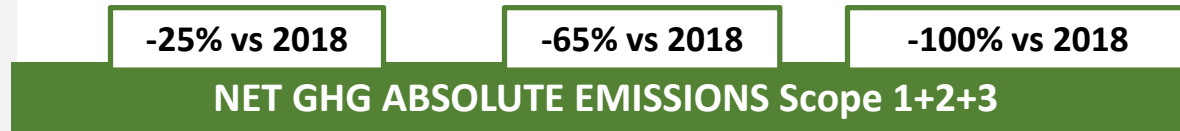
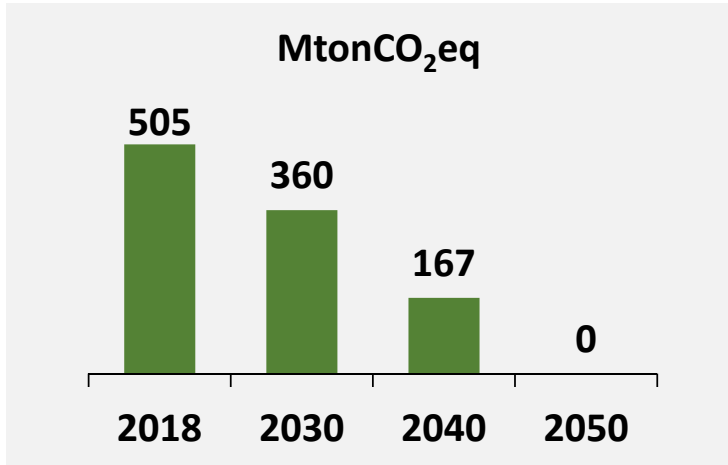
**€ 2.1 Bln**

**A SELF-FINANCED SUSTAINABLE TRANSFORMATION**

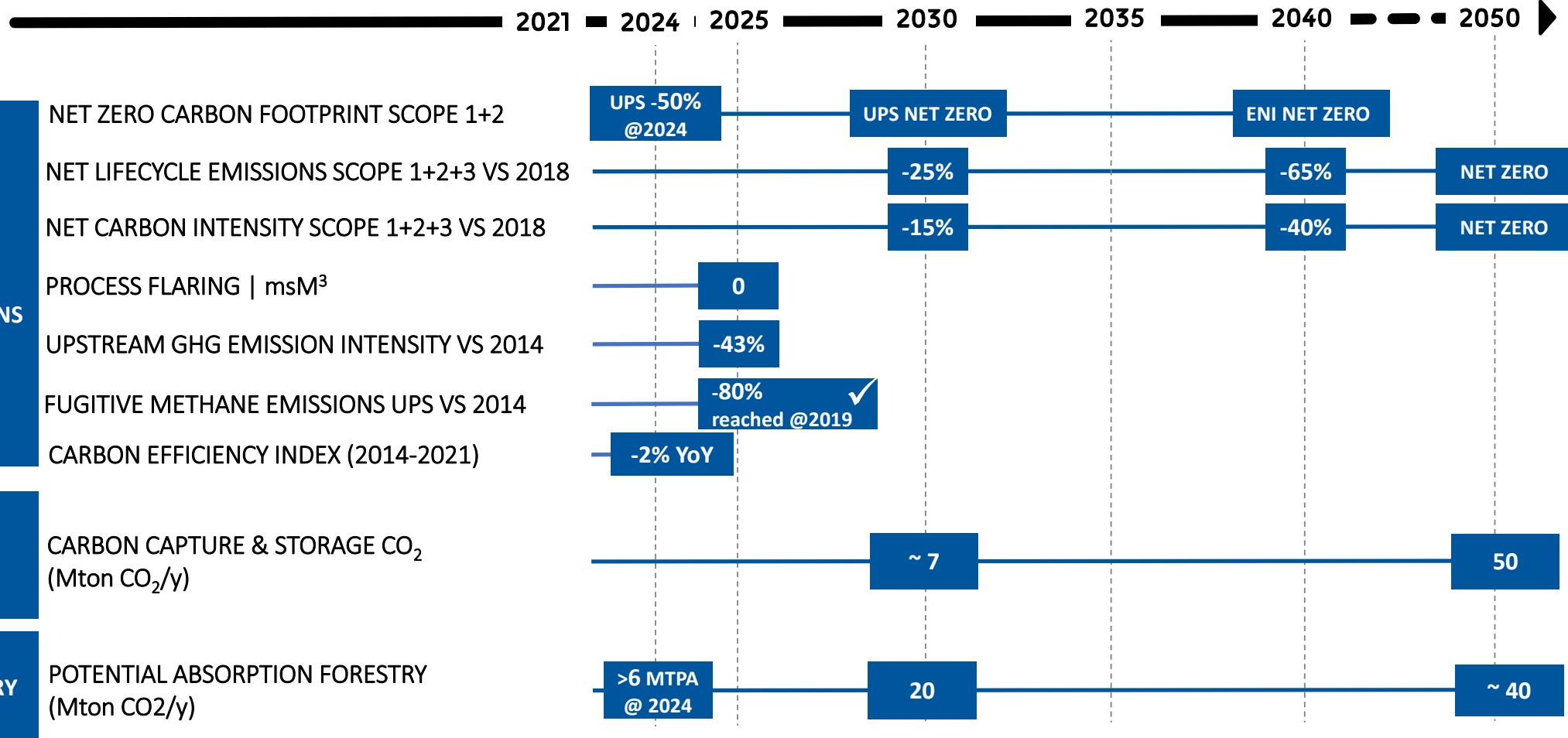
# BOUNDARY OF ENI GHG ACCOUNTING



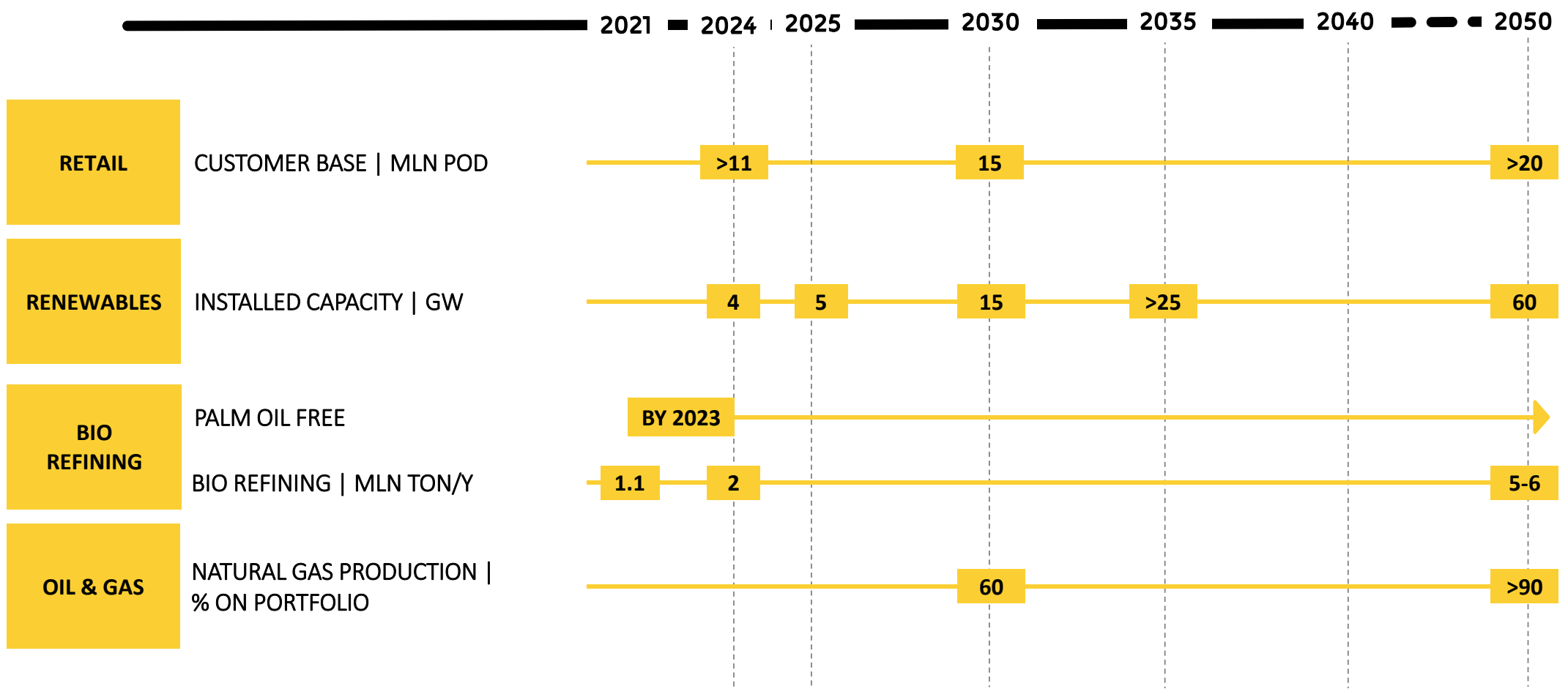
# ENI'S ROADMAP TO 2050




# MAIN DECARBONISATION TARGET



# MAIN BUSINESSES TARGETS




# KEY PROJECTS STARTING UP IN 2021-24 [1/2]



**UAE** GAS  
LIQ

**Mahani** **50% WI**


**Start up:** January 2021  
**2021 Equity:** 2 kboed  
**Production (kboed):**  
 18 (100%) – 9 (equity) @2023



**INDONESIA** GAS

**Merakes** **65% WI**


**Start up:** Q2 2021  
**2021 Equity:** 34 kboed  
**Progress:** 88%  
**Production (kboed):**  
 84 (100%) – 50 (equity) @2022



**ANGOLA** LIQ

**Cabaça North** **37% WI**


**Start up:** H2 2021  
**2021 Equity:** 1 kboed  
**Production (kboed):**  
 10 (100%) – 4 (equity) @2023



**MEXICO** LIQ

**Area 1 Full Field** **100% WI**


**Start up:** 2022 (Early Prod.: June '19)  
**2021 Equity:** 19 kboed  
**FF Progress:** 53%  
**Production (kboed):**  
 92 (100%) @ 2025 - 60 (eq.) @2022



**NORWAY** LIQ

**Fenja** **31% WI**


**Start up:** 2022  
**Progress:** 74%  
**Production (kboed):**  
 31 (100%) – 10 (equity) @2024



**CONGO** LIQ

**Nené ph. 2B Full Field** **65% WI**


**Start up:** 2022 (Early Prod.: March '20)  
**2021 Equity:** 1 kboed  
**Production (kboed):**  
 15 (100%) – 10 (equity) @2024



**MOZAMBIQUE** GAS

**Coral FLNG** **25% WI**

**Start up:** 2022  
**Progress:** 81%  
**Production (kboed):**  
 107 (100%) – 28 (equity) @2023



**NORWAY** LIQ

**Balder X** **63% WI**

**Start up:** 2022  
**Progress:** 26%  
**Production (kboed):**  
 78 (100%) – 49 (equity) @2023

NOTE: Average yearly production in peak year/ at plateau

# KEY PROJECTS STARTING UP IN 2021-24 [2/2]




**ANGOLA**

**Agogo EP ph.2** **37% WI**

LIQ

**Start up:** 2023 (Ph.1: Dec '19)  
**2021 Equity:** 6 kboed  
**Production (kboed):**  
 30 (100%) – 10 (equity) @2023



**UAE**

**Dalma Gas** **25% WI**

GAS  
LIQ

**Start up:** 2023  
**Production (kboed):**  
 54 (100%) – 13 (equity) @2024

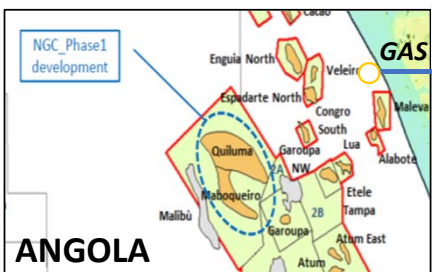


**NORWAY**

**Johan Castberg** **21% WI**

LIQ

**Start up:** 2023  
**Progress:** 55%  
**Production (kboed):**  
 190 (100%) – 40 (equity) @2025



**ANGOLA**

**Northern Gas Complex** **26% WI**

GAS

**Start up:** 2024  
**Production (kboed):**  
 130 (100%) – 33 (equity) @2025




**NORWAY**

**Breidablikk** **29% WI**

LIQ

**Start up:** 2024  
**Progress:** < 5%  
**Production (kboed):**  
 57 (100%) – 17 (equity) @2026



**KAZAKHSTAN**

**KEP 1A** **29% WI**

GAS  
LIQ

**Start up:** 2024  
**Production (kboed):**  
 26 (100%) – 3 (equity) @2026



# RENEWABLE FUTURE GROWTH

