Eni 2025 Capital Markets Update & 2024 Full Year Results
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Presentation
Speakers
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Good morning. Welcome to Eni 2025 Capital Markets Update.

We are experiencing enormous change in energy and capital markets, and the wider environment in which we operate. This change brings challenges but also huge opportunities which our strategy is designed to capture. 2024 was a year of decisive execution on the objectives we have set over the past two years. We have a strong sense of purpose to ensure 2025 delivers at the same pace.

Just this morning we have announced a significant new initiative: the creation of a strategic business combination with Petronas in the Indonesia-Malaysia area – a region of the world that has huge potential for value creation.

This, together with our other strategic actions, demonstrates once again our ability to translate our strategy into tangible results, further reinforcing confidence in our direction. Eni has never been in either a stronger position or had greater potential.

In an increasingly complex and fast changing energy landscape, our strategic objective is unchanged: to generate strong and competitive financial returns while delivering the energy products our customers demand. We achieve this by combining new and existing technologies, leveraging our internal expertise, and developing innovative economic and financial models that allow us to capitalise on emerging opportunities. Our ability to create shareholder value is directly tied to our commitment to providing affordable, reliable and progressively lower-carbon energy solutions.

It is clear to us that traditional approaches are no longer sufficient to navigate this market transformation. Meeting our objectives requires adaptability and a willingness to challenge conventional models – an approach that has always defined Eni.

In this context, we have taken decisive actions:

1) First, Focussed Execution: We concentrate exclusively on a carefully selected portfolio of proprietary technologies along with assets and value chains where we have distinct and sustainable competitive advantage.

2) Second, Integrated Business Models: We are strengthening our industrial and customer businesses by integrating them along the value chain with an optimal balance of growth potential and risk-adjusted returns.

3) Third, driving continued momentum in our Satellite model: Azule, Var, Enilive, Plenitude, now Ithaca and soon CCUS and Indonesia.

4) Fourth, Resilient Financial Structures: We are designing financial frameworks that align with the evolving dynamics of energy and capital markets, ensuring disciplined capital allocations, transparency, and self-funded growth.

5) And lastly, Flexibility and Optionality: We maintain a high degree of strategic adaptability in order to be able to respond quickly and profitably to the shifts in our competitive environment.

Clarity in our strategy allows us to act materially and effectively. In 2024 we generated many important proof points for our strategy and in our choices:

- In our results, published this morning, we reported full year adjusted pro-forma EBIT of 14.3 bln€ and adjusted Cash Flow from Operations of 13.6 bln€, around 1.7 bln€ and 1 bln€ above our Plan on a scenario normalised basis, respectively.
- In the Upstream we delivered production growth at the upper end of our guidance at 1.71 Million barrels of oil equivalent per day and we reinforced our status as the industry's leading explorer with yet another exceptional year.
- Plenitude grew its installed renewables capacity by >30% and significantly expanded its pipeline while exceeding our full year EBITDA expectation.
- Enilive maintained resilient profitability, and took FID on 3 new biorefineries. Our unique agri-feedstock grew production by 3 times.
- We launched the transformation plan for Versalis that will deliver a materially positive impact to the Eni bottom line.
- CCS has also significantly advanced in 2024: in September we started up Phase 1 at Ravenna while the FID for the Hynet project in the UK is forthcoming.
- Our Upstream operations have achieved a 55% reduction in scope 1 and 2 net GHG emissions, in line with our Upstream net zero target by 2030.
- On the financial side we have been highly active in our portfolio management, moving faster and for better value than expected. On a proforma basis we raised 3.5 bln€ of net cash, with significant Upstream high-grading at good prices; we realised 22 bln€ of implied enterprise value in our Plenitude and Enilive companies; we completed the highly accretive acquisition of Neptune Energy and then combined our UK upstream with Ithaca plc to create a new focussed satellite in the North Sea. Because of these actions, and a continuous effort to optimize our investments, pro-forma net capex of 5.3 bln€ was significantly lower than our guidance. These outcomes also meant that in terms of the distribution to shareholders, we have completed a 2024 buy back of 2 bln€, some 900 mln€ above our initial guidance and representing around 4.5% of shares in issue. We also distributed 3.1 bln€ in dividend, while also reducing leverage to 15% on a proforma basis, enhancing the resiliency of our financial position.

Our strategy has been built progressively, leveraging our strengths, our proprietary technologies, in a consistent way, with a clear objective to create value and transform the company while maintaining a strong balance sheet.

2025 will be another year of delivery of similar performance and progress.

Global Natural Resources, which encompasses E&P, mid-stream gas and CCUS, has now expanded to include two additional growth areas: gas-fired power generation and trading. This strategic expansion strengthens our ability to capture value across the entire energy chain, fully integrating with our equity production, in order to maximise efficiency and returns.

Our approach is built on a foundation of in-house expertise, proprietary technologies, and a deep understanding of subsurface potential – built over decades. This model is a key differentiator, allowing us to systematically optimize discovered resources, accelerate timelines and enhance efficiency across our operations.

Our edge in exploration and development is driven by:

- Industry-leading technological capabilities, including proprietary seismic interpretation models and advanced techniques that minimize both geological and operational risks.
- A high efficiency development model which enables us to convert discovered volumes into production faster, cheaper and with lower risk.
- High-performance computing and AI as exemplified by the startup of HPC6 - one of the top five supercomputers in the world – which enhances our ability to analyse complex reservoirs and optimize decision making.

While others have opted for outsourcing, we have strengthened our in-house competencies, a strategic choice that gives us a competitive advantage.

This strategy delivers clear results:

- Since 2014, we discovered more than 9 Bln boe of resources equivalent to around 140% of our cumulative production over that period, from multiple geographies and plays at an average cost of only 1$/boe.

- At the same time our dual exploration model has allowed us to accelerate value realisation, generating 7 bln$ in the past decade, and 11 bln$ since inception, while continuing to fuel organic growth.

- We have converted 60% of our exploration success into new production and we are currently developing 12 major new projects.

2024 was another outstanding year for exploration – we discovered 1.2 Bln Boe at a finding cost of 1$/boe highlighted by the Calao discovery offshore Ivory Coast and resource additions in Cyprus and in the Kutei Basin in Indonesia.

We are set to maintain this momentum in 2025 and beyond. Our upcoming exploration programme is focussed on high-impact opportunities in core geographies including: Ivory Coast; Indonesia, where we see up to 30 TCF of unrisked resource upside; Libya, where we will be exploring the untested potential of the Sirte Gulf; and also via our affiliate activities in Var and Azule.

Exploration remains at the heart of strategy, driving efficient organic production growth, accelerating value creation through the Dual Model, and reinforcing our ability to deliver long-term, high-quality returns.

Another recent transformational achievement of our Dual Model is the business combination we are now creating in the Indonesia-Malaysia area with Petronas. Building upon our outstanding exploration success in the area and its further potential, this self-funding combination will invest in new gas development projects with the target of delivering in the medium term a sustainable 500 Kboepd equity production, in a region that demands huge quantities of gas, generating material value for the two countries and both companies.

Moving on to production then, we confirm that, thanks to our exploration successes and efficient development approach we expect to generate:

1. Annual organic production growth of 3-4% through to 2030;

2. Reported production growth averaging 2-3% per annum after the impact of portfolio high-grading and Dual Exploration actions.

Adding new, high-quality barrels allied with continuing portfolio actions will translate into an underlying Free Cash Flow/boe improvement of 40% over the remainder of this decade, confirming we are growing value as well as volume.

Our long-term strategy focussing GGP on our equity gas was accelerated due to the energy crisis. This successful transformation of GGP has seen it generate material value in the past 3 years while also contributing towards customer security of supply.

We expect GGP to report around 0.8 bln€ in proforma EBIT on average over the Plan period. In particular for 2025, our base case is 0.8 bln€ with potential upside to over 1 bln€ in the 5 event of positive negotiation outcomes and supportive market conditions.

In September 2024, with the new organizational structure, we incorporated oil and bio trading, and power generation into Global Natural Resources, with the aim, similar to that achieved with GGP and in the medium term a similar scale, of better capturing the full margin of commercial opportunities around integration, physical flows, and hard assets across the business.

We expect Global Natural Resources to raise ROACE to over 15 %, without including any upside from the new marketing and trading structure.

In 2025, Eni will launch a new Carbon Capture and Storage satellite company, a further realization of our distinctive model.

This initiative aims to consolidate our CCS projects under a single entity. In 2024 we started up Ravenna Phase 1 where performance has been excellent, and we are making encouraging progress towards the sanctioning of Hynet in the UK in the first half of this year. We see a significant value opportunity in addressing hard-to-abate sector decarbonization, combining transportation and storage activities and supporting emitters along the entire value chain. Importantly we have a large and attractive pipeline of advantaged projects consisting of depleted reservoirs close to industrial sites and with increasing visibility over financial returns and regulatory oversight.

Supported by our financial model and strong investor demand for long-term stable infrastructure projects, we can develop a business of visible material value through the 2020s and 2030s.

Both Enilive and Plenitude have emerged as high growth businesses supporting our customers in decarbonising their energy use.

Each was purposely established as an integrated value chain combining a growth component with the backbone of a large and diversified customer base:

- Enilive ranges through the agri-feedstock and waste and residues supply, biofuel production to marketing complemented with non-oil services, to people and mobility;
- Plenitude, meanwhile, spans renewable electricity generation to the final sale of the products alongside ancillary services, including charging stations, into a large and diverse customer base.

Together these two businesses currently generate around 2 bln€ in EBITDA, having almost doubled over the last 4 years and are among the leading players in their respective sectors. Their integrated models ensure resiliency and internal cash generation for growth delivery in all phases of the cycle.

As they continue to grow, they represent an increasingly material source of additional income for Eni, diversifying and enhancing the value of the overall company, with excellent risk-6 adjusted returns.

This differentiated profile has been recognised by private markets and we have successfully introduced new and important investment capital: in 2024 we realised excellent value for 25% of Enilive and 10% of Plenitude, collecting a total of 3.7 bln€.

We still have several further expressions of interest and it's likely that, also for Plenitude, we will finalise external investments up to a level of around 30%, as recently happened for Enilive with KKR.

Turning now to each business.

Biofuels are the only realistic solution for emissions reduction in a number of hard-to-abate transportation sectors – most notably aviation but also marine and heavy trucking – enabling the achieving of their decarbonisation goals.

Notwithstanding temporary imbalances, underlying demand growth for bio is strong, more than 15% in 2024, while regulatory and mandate impacts over 2025-26 will help to absorb the current surplus and support margins. Indeed, it is likely that capacity will then struggle to keep pace with high demand growth – most notably in SAF where demand will grow at a rate of 2-3 Mln tonnes annually over the rest of this decade.

Eni was among the first movers into the bio refining space, since 2014, building up significant know-how, with a supply position supported by a strong trading presence and the unique agri-hub initiative. Through our agri-hubs production we are building a competitive edge in terms of security of feedstocks supply and resilience against volatility.

We expect Enilive to leverage its unique model, growing annual biofuel production capacity to over 5 Mln tonnes by 2030, of which SAF optionality will account for more than 2 Mln tonnes. By then, we expect to have available for use around 20% of our worldwide throughputs from our own agri feedstock chain.

The expansion of our commercial offerings will complement this production growth, leveraging the 1.5 Mln customers visiting our service stations every day.

From a 2025 EBITDA base of around 1 bln€ we anticipate growth to 2.5 bln€ by 2028 and tripling to 3 bln€ by 2030 from a business with the capability to generate over 15% ROACE.

Plenitude has more than doubled EBITDA and installed 4.1 GW of renewable energy capacity over the past 4 years. We have also become Italy's second-largest player in electric charging infrastructure, with more than 21,000 charging points. We are servicing over 10 Mln customers, 42% of whom are connected to our power services. Continuing to hit operational and financial targets against the backdrop of a volatile market is testament to the effective and resilient integrated model.

Growth will continue to be deeply impressive. This year will see a further 1.5 GW of capacity added, and an EBITDA rise to more than 1.1 bln €, while by 2030 we continue to target 15 7 GW, almost 4 times end-2024, 40 thousand charging points across Europe and a significantly larger customer base. This business growth will translate into 1.9 bln € of EBITDA by 2028 and more than 2.5 bln € by 2030. Allied to this outstanding growth, we also expect returns to rise as Plenitude evolves and matures with ROACE close to 10%, depending on our choices around investment levels before the end of the decade.

Furthermore, we intend to make significant progress in developing a unique customer client model that will unify the customers bases of Plenitude and Enilive, offering increasing upside potential for both companies.

As the energy industry evolves, we are also mindful of the structural responses required in some of our legacy activities. For this reason, a transformation plan is underway.

We are advancing in the conversion of our Italian refineries into biorefineries, following the successful model established with Porto Marghera in 2014 and Gela in 2019: the conversion of Livorno commenced last year.

Following the same transformative approach, we are progressing with the restructuring of our chemicals business, as part of the overarching strategy.

Last year we developed our plan to restructure and transform Versalis. We are closing steam cracking, challenged by the European scenario, and we will continue to pursue our shift to new platforms as compounding and specialized polymers, biochemistry, and circularity through chemical and mechanical recycling.

This transformation plan for Versalis also includes setting up, in the reclaimed old industrial areas, new industrial initiatives, consistent with Eni's strategy across both biorefining, energy storage and potentially data center and artificial intelligence.

We expect an EBIT break-even by 2027, and an EBIT turnaround of around 900 mln € by the end of the 2028. Our strategy will also enable a reduction in capital intensity of around 350 mln€ versus the previous Plan helping us to Free Cash Flow break even by 2028 and a ROACE related to the new platforms of around 10% by 2030.

Now having covered the main business perspectives, I will pass over to Francesco to summarise the financial aspects of our strategy and outlook.

Thank you Claudio.

Over the next 4 years we plan to invest below 7 bln € in net capex per year. This in line with the previous plan, even though 2024 was such a successful year for divestments and despite the pressures of cost inflation and a stronger USD.

We will continue to be selective and disciplined in our gross investment, which is aimed at delivering consistent growth and competitive returns and fueling our portfolio optionality and divestment plan. For 2025 we see gross capex at under 9 bln €, with net capex at 6.5-7 bln € assuming a proforma disposal plan. Integral to our gross capex planning is also a level of flexibility that contributes to our financial resiliency and we estimate around 1.5 bln € of capex in 2025 remains uncommitted with a further 20% of the gross amount in each subsequent year.

Growth is an important and distinctive feature of our investment case. Business growth accounts for around 65% of our gross capex and will yield us CFFO/share growth of 14% CAGR at constant scenario that in our scenario conditions would imply Cash Flow From Operations of 60 bln € over the 4YP from a 2025 figure of 13 bln € at 75$/bbl to 17 bln € by 2028, with that trajectory set to continue through 2030.

With our outlook for lower net capex this generates Free Cash Flow over the period of 33 bln €, equivalent to more than 70% of our current equity market capitalization.

Alongside competitive top-line growth we are focussed on a material improvement in corporate level returns. This is driven by the multiple initiatives we have underway and have discussed including:

- The new phase of development in our Transition businesses;
- Continued disciplined investment;
- Portfolio high-grading and improved margin capture in Global Natural Resources;
- Our continuing corporate simplification and cost management actions along with the optimisation of our corporate structure.

Taken together we project an improvement of 6 percentage points in ROACE to around 13% by 2030.

Year-end 2024 leverage, pro-forma of agreed divestments was 15%. Moving forward we expect-leverage to remain in a 10-20% range, with an average of 16%, 500bps lower than the previous Plan.

Moreover, full consolidation of Plenitude where the double-digit growth model demands higher leverage masks an even better underlying balance sheet – the ex-Plenitude leverage over the Plan would be 3-4% lower.

Our actions around our satellites provide an efficient source of capital and support the balance sheet.

In the last 6 years we have cashed in, as dividend and disposal values, 12 bln€ and we expect an even higher amount, of 13 bln€, in the coming 4 years.

However, the transactions also serve an additional function in highlighting value creation and we can observe from the external marks we have that these businesses represent an aggregate equity gross value of more than 30 bln€, highly material in the context of Eni's overall enterprise value.

Distributions to shareholders confirms the growth in shareholder value created through the execution of our strategy. In the past 3 years we have distributed around 16 bln€, equivalent to 35% of our current market capitalization, in the form of dividend and buyback.

The link to total distribution from Cash Flow From Operations provides a transparent connection to business performance while the dividend remains our first priority.

The proportion of CFFO we allocate to distributions is a function of many considerations, including the business and scenario outlook, strategy execution and our balance sheet position. Incorporating all of these and reflecting our considerable progress we can announce an enhanced distribution for 2025 with between 35-40% of expected CFFO to now fund dividends and buybacks.

Going forward dividend per share will continue to grow, supported by our rising cashflows and the reduction of shares in issue by operation of the buyback. For 2025 we are proposing a dividend of 1.05 €/share, a 5% increase on 2024 and in line with the raises in 2023 and 2024, an important trend. As crucial as dividend growth is the dividend quality. Our dividend breakeven under the 2025-28 Plan is under 40$/bbl, emphasising the resiliency of the payout.

Based on our Cash Flow From Operations expectation and in line with our enhanced policy we plan to repurchase 1.5 bln € shares under the 2025 programme, equivalent to a full distribution totalling 36% of CFFO. We intend to use our financial flexibility to execute the buyback in the case of any CFFO shortfall, and, as we did last year, we will allocate up to 60% of any incremental CFFO over-performance to additional purchases. Additionally, if our disposal plan is more material than planned we could decide, as we also did in 2024, to further increase the percentage of CFFO distribution. Solely assuming the lower end of our distribution range, we estimate total combined dividend and buyback payouts equivalent to around 45% of the current market cap over the Plan period and over 70% by 2030.

And these are the key highlights of our financial plan. Now I will return back the floor to Claudio for his final remarks.

As we have seen, we have the resources, strategy and optionality to navigate energy markets for the long-term and we are seizing emerging opportunities, building new businesses with real longevity beyond 2030.

Up to 2030 the energy we are going to produce will grow by around 20% vs 2024 and will be more and more diversified, ensuring an attractive balance of return and resilience.

We are also investing to add further value drivers to the portfolio and contribute to Eni's lower carbon and higher value future.

Looking longer-term, CFS, the leading developer of fusion energy and in which Eni is an important investor and a technological partner, continues to work towards the start-up, in Massachusetts, of its pilot reactor named SPARC. As well as demonstrating net fusion energy, SPARC will be used to refine the technology for ARC, the world's first grid-scale fusion plant targeted for the early-2030s at a site in Virginia. With the evident need for clean and secure base-load power, fusion can be a game changer in the energy market.

But even before the introduction of new base load technologies, the rapid expansion of artificial intelligence and digital services seems likely to drive significant demand growth in computational power and hence for clean energy. This also presents an opportunity for us to develop a new business that complements our existing energy transition activities and skills. We expect demand for power from data centers in Europe and Italy could triple between now and 2030. To support this development Eni enjoys significant advantages in key areas positioning itself as a critical player in the market, thanks to:

- Our edge high performance computing.
- Availability of our industrial sites for new data centers construction: an estimated 200 hectares is already suitable for this aim.
- Capacity and expertise to deliver and develop further gas fired and renewable power. We already have 5 GW of installed gas fired capacity to ensure fast time to market.
- Finally, the most innovative aspect of our unique model is the possibility to coupling power generation with CO2 capture and storage, supplying data centers with reliable blue power, thereby enabling the gradual decarbonization of the supply chain in an integrated fashion.

This has the potential to be a business opportunity for us with upper end double digit returns along the full value chain and could form part of a specific Eni satellite – something we are fully assessing in order to be ready to start-up in 2025.

In this regard, we have signed a MoU with Group42 and MGX, the investment vehicle that G42 and Mubadala have created for AI, to build a hyperscale data center in our site in Ferrera Erbognone, with a phased implementation, aiming for a total IT capacity of up to 500 MW, with further potential upside.

In conclusion, the energy sector is transforming at an unprecedented pace, presenting challenges but also unique opportunities, that we've embraced with agility and clarity of direction.

We have expanded our global reach in gas markets, from Mozambique to Egypt, West Africa, and Indonesia, while pioneering new business models through listings, partnerships, and valorisation of growth platforms.

The energy transition has also allowed us to breathe new life into declining industrial assets, as seen in our conversion of refineries in Gela and Venice into bio-refineries, a model we intend to expand further across Italy.

2024 was a year of outstanding delivery and we expect to maintain strong momentum in 2025 – reinforcing our sense of purpose and competitive edge.

Our focus remains on businesses where we have distinctive strengths and can drive competitive growth while delivering attractive, risk-adjusted returns. This means capitalising on our legacy expertise in Upstream, reshaping and repositioning traditional businesses like Refining and Chemicals and expanding into high-potential areas such as Plenitude, Enilive, and CCUS.

At the same time, we are streamlining our corporate structure to enhance efficiency and align with our long-term growth ambitions.

We have significantly strengthened our financial framework to support sustainable growth and shareholder returns. We expect to grow CFFO per share at over 14% annually through this decade, improve ROACE by approximately 6 percentage points and maintain financial leverage within an historically low range of 10-20%.

With our strong cash flow growth, we are committed to increasing dividends, with an attractive share buy-back program, that enhance total shareholder returns exceeding 70% of Eni's current market capitalisation by 2030. At the same time, we are building a more valuable and resilient business.

We are not just responding to change - we are driving the response to change, with strategic clarity, financial strength, and technological leadership.

The opportunities ahead are immense, and we are ready to seize them.

Thanks for your attention, we are now ready to answer your questions with my team.

For the complete version with the Q&A Session, please refer to the following link.