ENI 1H 2026 Results
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Presentation
Speaker
Claudio Descalzi, CEO

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.

Q&A Session

Corporate Respondents

Claudio Descalzi, CEO

Francesco Gattei, CT&FO

Guido Brusco, DG Global Natural Resources

Giuseppe Ricci, COO Industrial Transformation

Cristian Signoretto, Director Global Gas & LNG Portfolio

Lorenzo Fiorillo, Director Technology, R&D & Digital

Adriano Alfani, CEO Versalis

Stefano Ballista, CEO Enilive

JON RIGBY: Thank you, and thank you everybody, for attending. We're going to go through this in polling order and again to ask you to keep your questions to 2, if that's okay, and we'll aim to finish the call around the top of the hour. We'll start with Alejandro Vigil at Santander. Alex?

ALEJANDRO VIGIL, SANTANDER: Thank you for taking my questions. The first question is about the guidance about production. Definitely, this year looks very strong also with the Searah consolidation. If you can give us some numbers about the outlook of 2030 production, just to have some indication of the range of potential volumes that year.

And the second question is about the European natural gas market. You mentioned that in the guidance for global gas and LNG, you are not including any upside from the current situation. If you can elaborate about that, how you see the second half of the year? Thank you.

CLAUDIO DESCALZI: Thank you. For production outlook, Guido will take the question. Cristian will give you an update on gas in the second half, as you asked.

GUIDO BRUSCO: On production, of course, you noticed that we have improved our guidance in 2026. Originally, we provided a range of 3% to 4% growth underlying, which now we increased to 5%, and this is coming from a higher contribution from some countries like

Libya, Mexico, Kazakhstan, and of course, the anticipation of the business combination in Searah. While for the 2030, we have also provided a stronger support to our originally provided guidance. And you have noticed that we have accelerated some major FIDs. We have included some projects which initially were beyond 2030 and that we have now anticipated to the 2030 plan.

CLAUDIO DESCALZI: To give some more color on our production. If we look at all the projects that were in our slide, we have 54 projects that are coming from our organic growth, our exploration, there is something that is coming from the exploration we performed in the last 10 years. And most of these projects are already in a very advanced state. Some we took the FID, some are really in execution, but most of them are with the POD done. So that is going to give that 4% we've said by 2030 and it's going to confirm a solid growth also after 2030.

CRISTIAN SIGNORETTO: When it comes to the gas market scenario for the second half, I would say our scenario is currently in line with the forward curves, as you can see. But I think we can say that the situation is fairly fragile given the geopolitical situation, and the delay in the replenishment of European storage.

So, we think that depending on the evolution of the situation, we can see upside potential in terms of volatility and flat price numbers when it comes to the second half. And I think the idea is that we are ready, clearly with our assets, to take advantage of that situation.

ALEJANDRO VIGIL, SANTANDER: Grazie.

JON RIGBY: Thanks, Alex. We're going to now move on to Biraj Borkhataria of RBC. Biraj, are you there?

BIRAJ BORKHTARIA, RBC: The first one is just on Venezuela, which you touched on in your initial remarks. There were some reports recently that the government had presented new terms to the industry. I'm just wondering if you thought those were sufficient to drive investment beyond 2027 and 2028 and as we see more on the oil side than the gas side.

And then the second question is just on refining. The strength in the downstream has been a big theme this quarter. I know you don't have a huge amount of exposure to this, but I just noticed your indicator was down quarter-on-quarter. I guess we're looking at the cracks on the screen, which are very strong. So could you just help me understand why you're not able to take advantage of that and how we should think about that going to the second half? Thank you.

CLAUDIO DESCALZI: On Venezuela, maybe Guido can complement what I'm going to say. In Venezuela, we are in negotiation, very open, clear and transparent, and very good negotiation. We are discussing very well with the minister, with PDVSA, clearly also with our American partners. And we have a big potential, as we said. We have one of the best blocks, Junin 5, we have Corocoro, we have Perla, for which we have already signed a contract that has been very, very quick, a couple of months ago, for export.

That is very good because it's going to complement our domestic production and that gives more breadth and more space for future investment. As you know, we have already developed most of the infrastructure for the second phase, so we can really go fast for the second phase and then put in place a floating LNG for export.

So, up to now, Venezuela is responding very well. Clearly, we are going to negotiate a contract that allows us to make investments. We have to remember the history of this country. It's not that we forgot what we had in the past. So we are prudent. But I think that what happened until now is encouraging us to go ahead with our Venezuelan partner with PDVSA and the minister.

Just to talk about SERM, I'd like that maybe Francesco says something about SERM and then if there is anything to add for Venezuela or in general, for downstream, also Pino, can add something and Stefano Ballista, if there is something for the biofuel refineries.

FRANCESCO GATTEI: Yes. About our benchmark refining margin, clearly, this benchmark is, let's say, a nominal value that represents a status, that is a normalized status of the market. So, it takes account of the crudes that are generally imported in our refineries, taking into account the freight costs that are normally assumed for this transportation and for these logistic events. The situation that we have faced since March is completely, let's say, out of the norm.

So the SERM that you can read on adjusted generic way is not the actual margin that we are able to capture because there are some factors of discount, mainly higher freight costs, higher logistic costs, differential of crudes that are not matching the original crudes that were included in formula, and different yields. And also there is some hedging factors that weighted because we covered a small portion of the throughput during the quarters because we took advantage of the scenario.

The spike that occurred in the last months, let's say, is so material that has limited this opportunity. In general, you have to consider that what you read as an average on a nominal SERM to be converted in our actual figure will be with a discount of 2-3 $/bbl.

GIUSEPPE RICCI: The fundamental is in any case that we have completed all the turnaround in the first and in second quarter. And so we are very able to maintain the maximum capacity in the third quarter. And that means with this current margin a lot of results.

GUIDO BRUSCO: If I may, I'd like to complement with some operational information. On the gas business, Venezuela of course, as you know, in March, we signed a sustainability agreement on Cardon IV. And PDVSA is honoring this agreement, so it's providing cargo to pay the current gas invoices. On the other hand, we are preparing a plan of development for Perla to export gas and the filing of this POD is imminent.

On the oil business, as Claudio said, we are at the very final stage of the negotiation, and we have also prepared ourselves, and we are ready to mobilize as soon as we sign this contract, the rigs to exploit the resources there and make use of the spare capacity that the facilities in Venezuela have to increase production, of course.

BIRAJ BORKHTARIA, RBC: Thank you.

JON RIGBY: Thanks, Biraj. We're now going to move to Josh Stone at UBS, Josh.

JOSHUA STONE, UBS: Thanks, Jon, good afternoon, 2 questions, please. Firstly, on capex, and thanks for the project list on Slide 6, it's useful. If I understand correctly, you want to develop these new projects without increasing spending. So it sort of brings up the question

of which projects are falling off the list? And I noticed in the release; there was some impairments related to a slowdown in more marginal fields. So maybe anything around the sort of, which fields are more marginal, which geographies are more marginal to make room for these new projects would be useful. Thanks.

And then second question on chemicals. The losses clearly narrowed this quarter, but you're still losing money. Maybe just talk about the trends of earnings, what you're seeing for margins in chemicals and how much of the improvement could be attributed to the self-help versus the wider macro? Thank you.

CLAUDIO DESCALZI: So, for capex, it's true, we are growing. We have demonstrated in the last couple of years that we are growing without increasing capex. That means that it comes from at least 2 factors. One, we are very effective and efficient in developing fields. So, in the last projects, I think in the last 10 projects that we developed, I talk about last projects, we respected not just the timing, but also the budget. So, we never exceed our budget. That is a very critical point in the upstream, especially when you develop deep offshore or floating LNG or other stuff that you're able to respect time and budget.

Secondly, we have created a different kind of economic model. The satellite model through which we deconsolidate and through the growth component and the value component, they have production, they can justify their investments without really creating additional burden on our balance sheet. And that allows us to go faster and keep a very clean or light balance sheet that allows us to expand or increase our remuneration policy, for example, that is, as you know, our priority, and that's what we have demonstrated in the last couple of years.

So, it's not a question of deleting or writing off marginal fields, we never write-off marginal fields. We farm out through an M&A process that is very successful through which we got some good income. But I think those are the 2 principal reasons is what I told you. So, I don't know if Guido would like to add something. Otherwise, I'll pass the ball to Adriano to talk about chemicals and chemical trends and how we're going to do.

ADRIANO ALFANI: Thanks for the question. As you well described in the question, the result in terms of chemical, is improving quarter-over-quarter. In the second quarter compared to the same quarter of last year, we have seen a major improvement in the range of 3 digits, above 3 digits. We need to make a distinction between what is transformation and what is the scenario that is also what you asked. In terms of transformation, we are performing in line with what we said to the market that we expect that on a yearly basis, we have in the ballpark of EUR 250 million. And if you see right now the trajectory of result of the transformation, we are a little above 10% above this target of EUR 250 million. Right now, we estimate more in the range of EUR 280 million, EUR 300 million.

Part is also scenario; we have seen an improvement in the scenario in the second half. You need to consider the net impact of the scenario, because you know that we are energy intensive, or feedstock intensive. So of course, whatever you have seen in terms of increase of feedstock energy, of course, is higher cost for us, but we have seen also a shortage in the market, not an increase of demand. This is something that we should ground as a scenario. There is no increase of demand, but there's a shortage of product because for 6, 8 weeks, due to the Hormuz closure, we have not seen imports from Middle East. But after 8 weeks, we have seen an increase of imports from the US. So whatever probably was not coming

from Middle East has been replaced. So, we are now back to the starting point. But for sure, in the second quarter, we've seen an improvement of the scenario.

To the last part of your question, how much is this trajectory going forward, it's based on what we declared to the market. We expect to continue to improve performance due to transformation of the improvement on a yearly basis for coming years is 50% transformation, 50% is new platforms, more or less.

JON RIGBY: Thanks, Josh. We're now going to move to Alessandro Pozzi at Mediobanca. Alessandro?

ALESSANDRO POZZI, MEDIOBANCA: Thank you for the questions. The first one, for Claudio. And going back to production, of course, you have a lot of production coming through to 2030. But if you add all the other opportunities that you have in Cyprus, additional upside in Indonesia, Argentina, Venezuela, it looks like the potential for underlying growth is very large even beyond 2030. And of course, there's always a need for disposal. But putting disposals aside, what could be the potential underlying growth of the portfolio that you have today looking into, let's say, middle of next decade?

And the second one, kind of follow-on on disposals. Can you give us an update on the disposals that you expect in the upstream, maybe Indonesia as well, there's a bit more to be sold there, and also on the scope of the agreement with Ares in the upstream? Thank you.

CLAUDIO DESCALZI: Thank you for your question. Clearly in the next year, we are going to have an update. But what we said was the expectation up to 2030 is 4% growth. After 2030, maybe it can be better than that for sure. I don't think that there is another company that has more than 54 projects for start-up ready, organic, with very low cost. So we're going to see. Clearly, we have to understand, you know, what is the situation. It's very difficult to talk about the end of the year with this kind of volatility with all this happening. And it's hard to talk about 2027. We don't want to scare anyone. But clearly, if we have to talk in 5, 6, 7 years, what is going to happen.

I think that we are in a situation where the world needs more energy. That is clear. There is an energy race among the big champions, the big countries for different reasons, demography, we talk about hyperscale data centers, AI, and the growth rate as the industry and a lot of countries are demonstrating. So we need energy. And now we understood that we need oil and gas, that is clear. And we are really well placed to give an answer to this big call on oil and gas. I don't think that we've ever been so strong. And inside the industry in terms of number of projects and geographies because when I talk about 54 new projects, we are talking about at least 13 or 14 different countries.

So diversification is a key word, diversification. That means that we don't have all our eggs in the same basket. And each country is very rich in terms of future growth. So from what I can tell you, we are in a good position. We are in a good position in a world that needs energy. They are hungry for energy, starving for energy, and Eni is really in a very strong position, never been so strong.

For disposals, I give the floor to Francesco to talk about the status of our disposals.

FRANCESCO GATTEI: The plan for this year is almost completed. As you mentioned, we are in advanced stage for the last step that is the Indonesia 10% that has already entered the last stage. We have completed a number of deals that are pending the closing. We have done the Nigeria onshore disposal. We are running the increase of capital in Plenitude with the consequence in terms of balance sheet. We announced this deal related to infrastructure. So, there are various activities. For the coming years, we will continue to maximize the valorization of our portfolio. Our portfolio is a living animal. We have added opportunity through exploration, through business development, business combination.

And this means that there's opportunity to valorize part of that, to reduce exposure to areas or regions that are not core anymore or eventually to improve the valuation of transformation business. I remember the analysts who were considering last year as top of our disposal plan, I think that this year we have proved that we have new ideas to put on the table. I think this will continue in the coming years, but that will be part of the next 4-year plan.

ALESSANDRO POZZI, MEDIOBANCA: And what is the perimeter of the infrastructure deal?

FRANCESCO GATTEI: The infrastructure deal is a partnership that is working on a generic, not a specific set of assets. You know that the upstream business has many kinds of infrastructures. The idea is not to build or to identify a geography, a field or something that is well defined, but it is a generic description of a broader portfolio and creating a financial synthetic element that simulates the cash flow related to that infrastructure. And this is the way that we, let's say, created a potential to extract more value from infrastructure that has a fixed return, while we would like to invest in double-digit, high-double-digit returns in our upstream assets.

ALESSANDRO POZZI, MEDIOBANCA: Alright. Thank you very much.

JON RIGBY: Thanks, Alessandro. We're going to move to Ahmed Ben Salem at Oddo. Are you there?

AHMED BEN SALEM, Oddo: Thank you for taking my question. You mentioned the possible extraordinary dividend review in Q3. What would trigger that decision? And if cash flow remains strong, would buyback still be your preferred way of returning excess cash to shareholders? Thank you.

FRANCESCO GATTEI: We have set the rules for the excess dividend. So the rules are, if we are assuming in a full year, the 90 $/bbl Brent scenario, currently we are at 91 $/bbl. So we are in the money for the dividend, excess dividend distribution. If we assume the 50% increase of refining margin, 9$/bbl is the trigger, and we are well above that number. And we assume it is 50% on the 36 €/MWh that was a budget for TTF and 54 €/MWh means the 50% increase. So we will be above the 54 €/MWh on average. And currently, we are probably in the range of 47-48 €/MWh. So there will be an extra dividend. So if we want to say simulate with the current level of year-to-date price, there is an extra dividend. We will see in September how the market will evolve, which are the expectations for the end of the year and clearly, how the company has performed in terms of cash generation.

CLAUDIO DESCALZI: What we said, just to specify that in October, we have to take the decision. We're going to pay the extra dividend in the fourth quarter, so by December. So just to remember what is going to happen.

FRANCESCO GATTEI: Yes. And just another element. If we are clearly in that situation where there is an extra dividend, you have to consider there is probably also an extra buyback, because if we enter in a higher price, there will be a ceiling up to EUR 4 billion, but we are currently at EUR 3.4 billion. But we can saturate the 60% cash flow from operations distribution up to the limit, yes.

JON RIGBY: Great. Thanks, Francesco. Thanks, Ahmed. We're going to move to Michele Della Vigna at Goldman Sachs. Michele?

MICHELE DELLA VIGNA, GOLDMAN SACHS: Thank you. And again, congratulations on the strong results. 2 questions. First, I wonder if you had any comment on the situation in Kazakhstan around the enforcement of this USD 5 billion environmental fine on Kashagan?

And secondly, could you shed a bit more light on this Mercuria Eni global trading JV? What you expect it could contribute in the coming years and whether effectively GGP becomes part of the joint venture? Thank you.

CLAUDIO DESCALZI: Okay. I think for both Kazakhstan and Mercuria, Guido will answer and maybe I can add something, but I'm sure that Guido will cover completely the two questions.

GUIDO BRUSCO: So let's start on arbitration and this ongoing arbitration. Of course, first of all, let me clarify that the operator and all the shareholders in support, I mean, the operations have been conducted in compliance with the law of Kazakhstan. And NCOC had all the permits required to do so. That's an important element that we always have to underline. However, the Republic of Kazakhstan through various instrumentalities and agencies continues to pursue the sulfur fine. And it has also commenced some enforcement steps.

Despite this, we have to say, that under the commercial arbitration under the PSA, which is ongoing, there was a restraining order from an international tribunal prohibiting the Republic to take any measure to enforce the fine during the arbitration. And of course, the operator is continuing to challenge this sulfur fine. So including an investment treaty arbitration, which is currently ongoing. At the moment, they made some steps. But at the moment, they are on hold on any other kind of enforcement. And this is the current situation on Kazakhstan.

As far as the trading, this is part of our transformation of the trading business. The trading business initially was more a kind of a business service provider in our corporation. Then we became more a marketplace player, again within the company. And then the third and last step was made to merge with a pure trader to combine the best of the 2 worlds, to combine the variety, the diversified set of industrial assets, the structured supply portfolio of a corporate like Eni, very well diversified, as Claudio said, both in terms of business and geographies with the operational flexibility, the systems of a pure player.

Of course, I mean, it is a 50/50 JV and we expect in the long term that this JV and the trading activity will help to raise and lift our ROACE by one or 1 or 2 percentage points, and the cash flow per barrel and the overall result of the company.

MICHELE DELLA VIGNA, GOLDMAN SACHS: Thank you.

JON RIGBY: Very good. Thanks, Michele. We're going to move to Fergus Neve at Rothschild & Redburn. Fergus?

FERGUS NEVE, ROTHSCHILD & CO REDBURN: Brilliant. Thank you very much for taking my questions. 2 questions, please. First on Enilive, where the results were particularly strong this quarter, and it was great to see that feed through to the guidance upgrade. Could you just give us some color on the relative split of the results between the marketing business and the biofuels business this quarter? And perhaps also comment on how your biofuel margins have been looking so far in 3Q. And then secondly, just following-up from the earlier refining question, so the assumption in the scenario for the SERM has stepped up quite a bit for the second half, for the overall number in the full year. I just wondered if you could give us some color on where the new kind of adjusted SERM is set, or has been tracking so far in July, and perhaps some thoughts on how much of an uplift that might give to the business moving forward, in the second half. Thanks.

CLAUDIO DESCALZI: Okay. The first question for Stefano and the second one for Pino. Stefano and Pino as well.

STEFANO BALLISTA: Yes. Thank you for the question. The quarter has been very strong, and the result has been driven by a step up of the biorefinery performance. In terms of overall result, out of the EUR 375 million EBITDA adjusted, as a rough number it's around 35-40% contribution from the biorefinery. This has been driven by the scenario improvement, a significant scenario improvements, but also by a very strong performance from the assets. If you look at the available assets, Chalmette and Gela in this quarter, overall utilization rate has been above 90%. And then on top, we put in place several optimization levers in order to extract all the value available. Moving forward, the situation is going to proceed in that direction. Rational is given by the fact that this market scenario is underpinned by an increased demand.

Demand for 2026 is foreseen around 20 million tonnes versus the 16 million tonnes of 2025. And this is due to the rollout of new regulation in Europe. With the Renewable Energy Directive we got just a few days ago, Spain again confirming its target, moving from energy content to GHG reduction and banning double counting. And then on top in the US, where we got a confirmation in April on the new target from the Environmental Protection Agency. If we look at the market as a whole, we saw that the flows from US to Europe are pretty much dropping. And this is because the value of both markets is quite relevant and strong, given what I said. So, this is another strong signal moving forward.

Giuseppe Ricci: Okay. About the SERM, what we are seeing now in July is a very, very high level, above 30 $/bbl. That should remain very bullish in the next months because of the combination of many factors. First of all, the storage is very, very low for all the products. There is a low refining capacity in operation. And we are in the driving season. The crack spreads that we are seeing in gasoil but also in gasoline are very, very high and there is also

some premium to import products. So what we expect in the next months is a very, very bullish period, and we are gaining on this because we anticipated the shutdown of Sannazzaro and Milazzo refineries that are the 2 main capacity and conversion refineries that we have. The third refinery, Taranto, had the planned shut down for maintenance in September, but we are moving this shut down a couple of months in order to gain over the period.

FERGUS NEVE, ROTHSCHILD & CO REDBURN: Very good. Thanks.

JON RIGBY: We are now going to move to Paul Redman at BNP Paribas. Paul?

PAUL REDMAN, EXANE BNP PARIBAS: First Hi, everyone, and thank you very much for your time. I had one question on strategy, and that was just around the 320 service stations you recently acquired in Europe. I just want to understand the strategic rationale for buying fuel stations today, but also what the impact could be on earnings from the deal.

And then secondly, you guide to underlying improvement in your cash flow from operations at EUR 700 million this year. I wanted to ask what are the key drivers of that underlying improvement? Thank you.

FRANCESCO GATTEI: About the acquisition in Central Europe, mainly Germany and Denmark, this is part of a strategy of expanding our Enilive marketing activity. Enilive has already exposure to marketing in the country, in Germany. That is the second country by the number of stations. We thought this is a good opportunity to buy a second tire brand that could be improved, enhanced in terms of valorization, thanks to our clear rebranding, possibility to add shopping and convenience stores, and benefiting of local logistic support from our Germany refinery participation. We have 2 participations in 2 plants in Germany. The contribution, this is an asset that has generated in the range of EUR 40-50 million of EBITDA.

In terms of cash flow from operations improvement, it is related to all the improvement that we mentioned during this conference. Production growth, upstream production growth, cash flow per barrel related to that growth, opportunity and growth generated by GGP and Enilive benefit improvement that we mentioned through scenario and plant availability. All these elements are the major contributors of the cash flow revised guidance.

PAUL REDMAN, EXANE BNP PARIBAS: First Thank you very much.

JON RIGBY: Thanks, Paul. We are going to now move to Nash at Barclays. Nash?

NAISHENG CUI, BARCLAYS: Thanks, Jon. Good afternoon, all. 2 questions, please. The first one is on downstream. Both Enilive and Plenitude continue to improve profitability, and outlook has improved too, especially on Enilive. I wonder, does this change your view or your partner's strategic view over those businesses?

And my second question is on upstream. You have a very busy upstream growth pipeline, 54 organic growth projects, as you mentioned. Could you talk about what Eni has done right to progress them in time and under budget? Are you worried about future capex cost inflation, please? Thank you.

FRANCESCO GATTEI: On the view about Enilive and Plenitude, I think that these businesses confirm the model, the way we generated, we created these businesses that are putting together renewable content and transition content, plus retailer, and therefore marketing outcome, this reinforces the possibility to navigate through the cycles. You saw in these businesses a different cycle up and down because sometimes there are improvements, then there is a slowdown, etc but through the combination of these 2 elements, we are able to manage, in any case, this kind of trend. We have a stronger balance sheet in each of them, so we have the possibility to use the generation of cash on one side, of the retailer, in order to supply the growth of the renewable side.

And therefore, I think this is a confirmation that what we set up in the last 4 of 5 years related to these 2 businesses and the partnerships that recognize the value that is effective and working. This also helps us to have a faster view towards a potential IPO that is a final goal for each of them.

GUIDO BRUSCO: On our pipeline of projects, a couple of things. First of all, we proved in the past, as Claudio said, that we have been able to manage a project within cost and within budget and we have been able also to run multiple projects. Just to remind, last year, we started up 5 major projects. So we demonstrated that we are able to handle quite a large number of projects. Because of our fast-track model, which is designed for that, it's designed to run parallel activity, it's designed to have a quite a high degree of on-hand features. We have an engineering company in the corporation, which is helpful in these kind of projects.

As far as inflation is concerned, you are right. I mean the inflation was already in the region of 3-4%, 2026 to 2025. And after the Middle East conflicts, the range is becoming more 4-6% because of the cost of the fuel and the dislocation of the markets. But to ensure cost discipline and schedule reliability across the projects, on top of this designed fast-track model, we have also an integrated procurement strategy, which allowed us to expand the supply chain into new frontier markets, strengthen strategic partnership through master framework agreement, and also applying some refined tendering approach. Consider that most of the contracts for the project we are talking about were already locked in before the crisis in the Middle East.

NAISHENG CUI, BARCLAYS: Very helpful. Thank you.

CLAUDIO DESCALZI: I want to add something about what Guido said, because we are in this situation today because strategically, we built the company in that way. When 15 years ago, everybody was outsourcing, we insourced. It was against the mainstream, against the trendy situation of 20, 15 years ago. People preferred to reduce risk going through M&A, but we decided to in-source. We decided, as we said, to create an engineering company. We decided to be specialized in exploration. And then we decided to be specialized in development, becoming the main contractor and moving the different packages. So when you talk about cost, to be able to contain cost, you must have the skills to control your activities in each single step. If you are not able to control your activity, you can use the best model you want, you are not able to control your cost. If you build your project, you are able. If you build your company with this purpose, you are able to do that. And not only have we demonstrated but was our strategy. When we presented this kind of strategy more than 15, 16 years ago, people were surprised because we were not following the trend in exploration, in everything. But now that, I think we are in the best position to not just find

new exploration resources, but be able to develop, be able to control our costs, be able to give the right guidance to our contractors. Thank you.

NAISHENG CUI, BARCLAYS: Very helpful. Thanks, Claudio.

JON RIGBY: Thanks, Nash. I'm conscious, I said we'd close at the top of the hour, but I'm going to take my contingency and go to 3:10. We may not get around to everybody asking questions, so I apologize for that, and you can follow up later. We're now going to move to Henry Tarr at Berenberg. Henry?

HENRY TARR, BERENBERG: Hi there, and thanks for taking my questions. I have 2. One is - you have several projects obviously underway currently in the UAE and in Qatar. Is there any indication of the impact so far of the Hormuz disruption on these projects? I guess sort of following on from the cost question?

And then secondly, the sites in transformation, I guess costs have been running at sort of EUR 50 million a quarter through the first half. Is that a sensible indication for the second half? Thank you.

GUIDO BRUSCO: On the first one, the answer is very short. There's no impact on the projects. Most of the activity and the manpower and material were already in country, and so it's progressing. And this is both in Qatar and of course, in UAE.

FRANCESCO GATTEI: About the sites in transformation, this is already a flat trend, a steady quarterly trend that we expect to decline in the next years, because clearly you reduce the amount of activities that have to be transformed.

JON RIGBY: Thanks, Henry. I am going to move now to Al Syme at Citigroup. Al?

ALASTAIR SYME, CITI: Thanks, Jon. Can I just return to the question on Venezuela? I mean, can you give us some clue about what you are looking at in terms of ways of protecting your investment? I mean, clearly, there is big potential, but there is also quite a big investment. So, is it a service agreement or a PSC? What sort of fiscal structure is it?

And then I have a second question, which actually is on fusion. I saw this quarter you signed this Fusion Fuels agreement in the UK. Obviously, you have got CFS starting up in Boston next year. Can you talk about what you think the next couple of years in fusion looks like? Should we be getting very excited about it? Thank you.

CLAUDIO DESCALZI: For Venezuela, I think that we already said before that is a different kind of contract. So it is more likely a PSC or something like that. I am talking about Junin-5, because Junin-5 is the main topic. So Perla, no problem, we can export. Corocoro is good. It is good, can give a contribution, but it is small. But the big contributor, we talk about a really big contribution, because it is almost 5 or 6 billion gross recoverable resources.

This field is mainly about drilling, because it is a shallow reservoir, 1,000 feet. So you can imagine what we do or what people do in the Lower 48 in Permian. So very fast drilling, and then you recover. So you invest, you recover. You invest, you recover. It is not really a standard upstream project where you have to invest for 4 or 5 years or 3 years, what you want, and then you start recovering. So you have a lot of inactive capital and big exposure.

In this case, it is more operating spending. The structure of the business gives you protection, because it is a very fast recovery. Clearly, you have to invest, yes. You have to continue investing. The depletion rate is not the same of the Permian, it is much better. I mean, the drainage area is quite good, also it is very heavy. That continues to produce also for some time without a big depletion. But we have the contract from one side. It's not "empresa mixta". Clearly, we are not going to invest with the oil contract. And from the other side, the kind of E&P project that protects you from exposure in your capital. You want to add something. No?

Okay, so talking about fusion, Lorenzo, he is our Director, Head of Technology and R&D and is in charge of fusion. Maybe he can spend some words.

LORENZO FIORILLO: Thank you, Claudio. Just to provide you an update on CFS, the activity is going very well. We are at the final stage of construction. We are physically assembling the machine. We are more than 75% of advancement, so we are very confident by next year, beginning of 2028, the machine will be ready, and then we will start up the commissioning to reach the positive Q greater than 1.

,Concerning the activity in UK, we have signed an agreement with the UKAEA, which is the nuclear agency. We are building a machine, a plant to treat the tritium. We are in the range of the 30% of advancement. And recently, like you correctly said, we created a private company called RH3OVA, with the aim of commercializing these technologies, and so to become an opportunity for industrial purposes. So, activities are going very well in this direction.

JON RIGBY: Thanks, Lorenzo. Thanks, Al. We're going to now move, and I think this will have to be the last question, and I apologize to those still waiting. Maybe we can talk to you later. So this will be to Matt Lofting at JP Morgan. Matt.

MATT LOFTING, JP MORGAN: Thanks, Jon. Congratulations to you all on a very strong update this morning. I wanted to just ask you about Latin America as a portfolio hub. You talked about Venezuela earlier, but when you look at the continent, as a whole, it looks like it's becoming increasingly important to the diversification strategy and growth profile that you've talked about over the last hour or so. Can you just expand there in terms of the extent to which that's becoming more significant to Eni as you look forward to 2030 plus, and how you think about best structuring investments in that part of the world in order to optimize investment paybacks? Thank you.

GUIDO BRUSCO: Yes. As we already said also in the capital markets update back in March, if you look at the production distribution at 2030, South America will play a significant role in our share of production. Mainly from, of course, Argentina, Venezuela but also Mexico. In Mexico, we are running at 95,000 barrels of oil equivalent per day, and we are the largest international producer. The 2 assets, I mean, assets in Venezuela, we have described already, Claudio gave some interesting features. On Argentina we are talking of a world-class basin, 25 Tcf, 500 million barrels of condensate, which makes 4.8 billion boe to be recovered. We have an estimated production at peak of around 550,000 barrels of oil equivalent per day, of which 200,000 barrels of oil equivalent per day is liquids and the remaining is LNG for export. And this is the inventory of the reserves already discovered and to be developed. We are also expanding our exploration portfolio. We have acquired blocks in Uruguay, which

is a very, I would say, promising basin, and soon we will update you also on our plans in Uruguay.

As far as the financial structure in Venezuela, Claudio already said, which will be our setup. In Argentina, we are in partnership with YPF, the national oil company, and XRG, and this will be an incorporated venture, which will manage the whole value chain from upstream to midstream up to the export. The export is on an equity-like basis from at least the 2 international shareholders.

CLAUDIO DESCALZI: Thank you Guido, I want just to add something in perspective. We talk about an energy race. So we really, we have to increase production and find energy. And the situation is quite different in respect to what happened 5 years ago only, or maybe 10 years ago. We had Russia. We had all the Gulf. Now, what was certain a few years ago now is no more certain. And you know we lost some countries where we can go and buy energy. Russia. Okay? They produce. They still produce, or to Qatar or to others. In the future, we are going to have again? I hope so. But in any case, we need more energy. And the race to energy now is different because there is no country where you can go and buy energy. You have to go there and explore. You have to go there and develop. You have to go there and put in production. And then you can have your energy.

So not just diversification, you know if you say that we need just diversification, you are superficial. You must have the skill to go there and find your resources and stay on the value chain. So that is a very different paradigm. So the world is changing. It's not a question of buying stuff and selling stuff anymore. We are not in the commercial or just trading. You must be in the industrial situation where you are able to explore, develop, and produce. Is it something like going back to the basics? Maybe yes, but that is the situation of today. Diversification is not enough. You must do the work from the beginning to the end if you want to win this energy race. Thank you very much.

JON RIGBY: Thank you, Matt, for that question. I'm going to wrap the Q&A up right now. So again, apologies to those who weren't able to ask a question. Do please follow up with the investor relations team. I'm going to say good luck for the rest of the reporting season, and please do enjoy a nice holiday period, and we look forward to seeing you in September. Bye.