ENI Q3 2026 Results

Friday, October 23, 14:00 CET

Presentation

Speaker

Francesco Gattei, CT&FO

Good afternoon and welcome to Eni's Q3 conference call.

In this quarter, Eni has once again shown that its strategy is working and delivering outstanding results.

We are driving distinctive, real asset driven, organic growth in both the Upstream, expanding into new geographies with major projects, and in our new businesses linked to the energy transition. At the same time, we are generating strong cash flow and bringing our debt down to its lowest level ever.

As we grow, we want all our shareholders to share in the upside. That is why we combine our industrial strategy with a progressive distribution policy that has also reached a record level.

Before describing our additional distribution, let me highlight the key milestones of this quarter and of 2026.

Starting with Upstream, where production growth is already sector-leading, propelled by our differentiated, industrial, organic, technology-led capabilities.

- We've already had a stand-out year for exploration, even when set against a decade long track-record of success with discovered resources of more than 1.2 bln boe. Our technical rate of success is 80% and our commercial rate at 70%. Really remarkable. But remarkable still is that this has been achieved with a discovery cost of below $1/boe.
- Strong execution of our strategy has enabled us to raise our FY underlying production guidance to 6-7%. The growth primarily comes from Congo, Libya, Cote d'Ivoire, Mexico, Ghana and from our business combination in Indonesia-Malaysia called Searah, and comes despite the complex operating environment in the Middle East and constraints on Kazakh exports.

- And we are locking-in future production growth with key FIDs this year of Baleine Phase 3 in Cote d'Ivoire, Kutei North and Gendalo & Gandang in Indonesia, Cronos in Cyprus, and Greater Paj in Angola.
- Nor is volume growth our single target – we are guided by value. Hence through Dual Exploration valorization in Cote d'Ivoire and Indonesia we have raised around $2 bln of accelerated value.
- On top of that, we are working up an unprecedented level of access to discovered resources, employing our technology and fast track development skills to mature opportunities in Venezuela and Argentina. Our two listed satellites are also adding new resources with Vår Energi and Ithaca recently announcing acquisitions expanding their geographical footprint, and deepening their resource base in Denmark and Canada respectively. A proof point in their delivery of value is that both companies recently reached record market capitalization with an equity stake value for Eni now at around €10.5 Bln, almost doubling the original level.
- Our gas and LNG strategy is delivering tangible value already. New LNG supply contracts signed in Indonesia and Cyprus for a total of up to 3.4 MTPA strengthen the path towards our target of more than 20 MTPA of LNG equity production by 2030 and support the increase of our 2026 full-year Pro forma EBIT guidance to around €1.5 Bln.
- As to the CCUS business, this year we completed the installation of the new Douglas CCS platform in Liverpool Bay, the world's first purpose-built offshore platform dedicated to industrial-scale CO_2 transportation and storage. We also progressed the development of the Ravenna Phase 2 project, securing further support through the award of European Commission's Innovation Fund.

It is worth looking at this in the context of our expanding and increasingly balanced global footprint.

- Exploration success has come in West Africa, Egypt, and Indonesia. It is a mix of infrastructure-led in known plays and higher impact discoveries, but all representing considerable value.
- We have built and strengthened four major growth hubs across the Far East, the Americas, Africa and the Mediterranean, giving us a deep and diversified resource base.
- Projects sanctioned in full year 2026 will deliver around 600 kboed of new production at 2030, underscoring the scale and quality of our development pipeline.
- And this is a continuously evolving portfolio: new agreements and additional opportunities have been identified or implemented in 2026, contributing around 4.6 Bboe of additional equity resources.

Let me also take a moment to update in a bit more detail on our progress in Venezuela, where we appreciate things have been moving very quickly:

- In early September we signed the new contractual regime that will govern the Junin-5 field for the next 25 years. We have already submitted a development plan to the Venezuelan authorities. Upon approval, we intend to quickly move forward to FID on Phase 1, which will add 200 kbd gross in 24 months. This could be before the end of this year. Further phases could then take full field production to a gross 1 Mbd.
- Also, earlier this year, we signed a Sustainability Agreement on Perla giving Eni control of exports and revenues from which we will pay our royalties and taxes, while resuming payments for our gas. In addition, the Agreement allows for some debottlenecking of production for the domestic market while also defining a new expansion phase for future LNG exports, roughly doubling production.
- It's important to emphasise, our objective is to manage our FCF position over both Junin and Perla, carefully managing net capital. Phased developments and timely farm-downs to manage risk/reward are a fundamental feature of Eni's Upstream strategy, as you know.

Before going into more detail on our performance for the quarter, let's also cover Transition. Providing further important balance to our company, we continue to capture value from our Transition activities, where Enilive has reported record results this quarter, coming ahead of a year when we expect to add significant new biorefining capacity, and bring in, by year end, the benefits of our recent purchase of the marketing assets in Germany.

At the end of the quarter, we have also completed the additional investment in Plenitude with Ares taking a larger share. This new structure will efficiently support the next phase of growth for Plenitude.

In fact, emphasising our value creation, we now have market valuations implying a value of our two largest companies in the transition businesses at a combined €25 Bln+. Our satellite strategy is a key tool to our success in building new Transition businesses without sacrificing investment into E&P.

Turning to Q3 results, these fully reflect our objective to grow Eni while simultaneously reducing risk and adding the optionality that comes with a low-geared balance sheet and delivering an attractive return to our shareholders.

- E&P. Reported production growth of 4.2%. Combined with a supportive market environment and the focus on efficient operations we generated pro forma EBIT of €4.6 Bln.
- GGP pro forma EBIT of €0.4 Bln came without one-time benefits seen in Q2 2026, and was driven by strong gas and LNG optimization results. There were no one-off contract adjustments in the quarter.
- In Transition, Enilive and Plenitude together reported pro forma EBITDA of €0.7 Bln, corresponding to €0.6 Bln of pro forma EBIT with Enilive benefiting from supportive biorefining margins, while Plenitude results were impacted by the current competitive environment in the retail space.

- Transformation saw Refining report a further recovery in utilization as the major turnaround activity was completed, meaning we were provided important supply to customers and were able to capture the strong market conditions. Versalis suffered from a reversal in the scenario from Q2 but the underlying performance remains on track towards its target of breakeven in 2028.
- Contributions from associates reflect a full-quarter of Searah; while our share of the ADNOC refinery returned to profitability.
- The Group tax rate of 32% reflects a tax rate of 35% in E&P helped by high-grading of production, a higher proportion of results in lower tax regimes and the effect of the satellites; plus also the improved contribution from Enilive and Refining. We now expect a full year charge of between 36% and 37%.
- Net income of €2.8 Bln was up 20% q/q despite lower oil prices and up 2.2x y/y.
- CFFO before working capital effects was €4.3 Bln, broadly in line with Q2 despite lower crude oil prices and 30% up y/y.
- Capital expenditure of €1.35 Bln is consistent with the €7 Bln we have guided to, and consistent with our comments to expect a lower figure in 2H with the deconsolidation of Plenitude and E&P activities in Indonesia.
- The impact of strong CFFO generation, our disciplined net investment and deconsolidation of Plenitude debt (€2.75 Bln) improved our balance sheet with a reported gearing now at 10%, the bottom end of guided 10-15% range, while pro forma gearing is at 9%, both levels representing a record minimum. The continued improvement in our balance sheet metrics is also confirmed by a recent upgrade by S&P on Eni's credit rating and its initiation of an investment grade rating on Plenitude.

For the full year 2026 we now see CFFO at €16.5 Bln, 43% above our initial guidance. This underpins our shareholder returns and covers the dividend, our first priority, by more than 5x. Our historically strong balance sheet position and excellent CFFO also allow us to confirm the raise in our share buyback and the announcement of a special dividend.

Today we are raising our 2026 share buyback to €3.8 Bln from €3.4 Bln, 2.5 times above original guidance. And additionally, we can confirm we are declaring an exceptional dividend of €1.3 Bln, with ex-dividend date on the 7th December, bringing our total cash dividend this year to €4.4 Bln, the highest level in Eni's history. This represents a total payout of €8.2 Bln or 50% of CFFO, equivalent to a yield on our share price of more than 11%.

With this, I conclude my remarks on what I think you will agree was another excellent quarter, consistent with our view shared at Q2 that Eni is in one of the strongest positions in its history. Together with my colleagues from Eni's management team, I am now happy to take your questions.

Q&A Session

Corporate Respondents

Francesco Gattei, CT&FO

Guido Brusco, DG Global Natural Resources

Giuseppe Ricci, COO Industrial Transformation

Stefano Pujatti, Director Global Portfolio & Trading

Adriano Alfani, CEO Versalis

Stefano Ballista, CEO Enilive

Q&A

JON RIGBY: Thanks very much. We're going to move to the first question in the queue, and that's Alejandro Vigil at Santander. So Alex, if you would like to ask your question? Thanks.

ALEJANDRO VIGIL, SANTANDER: Thank you for taking my questions and congratulations for these results. Probably 2 questions that are related also potentially with the Capital Markets Day in '27. But basically, looking at the strong underlying growth in the upstream business, my question is, what's the level of CAPEX you need to maintain this profile in the coming years, if the €7 billion is enough or you have to look at this number?

And the second question is about Venezuela. I'm very interested on the Junin-5 and the Perla project. If you can give us an indication on the total CAPEX needed to reach those levels of production, although you also highlighted the possibility of farm-out, but just if you can give us some numbers. Thank you.

FRANCESCO GATTEI: Okay. I will answer the question on CAPEX. Clearly, it's a bit early now to discuss about Capital Markets Day, because we are working…we are starting to work in the coming weeks on the plan that we are going to present next year. But sure, what you could expect is that the model that we have built, has proved, and has the potential to make you grow in different directions, different businesses and geographies without compromising the amount of investment, actually maximizing the opportunity and therefore, the speed of this transformation and growth while keeping a steady level of CAPEX. So, we could continue to expect something that is in the range of what we have seen this year and last year.

On Venezuela, I leave the question to Guido Brusco.

GUIDO BRUSCO: On Venezuela, as you know, it's a phased project, first of all, and then we will leverage on facilities with spare capacity. Of course, over time, we will have to build new facilities as the production volumes will increase. So I would say we are still in an assessing phase to understand the level of capital. But for sure, at the very beginning, will be low intensity, utilizing spare capacity, which is available in the country.

ALEJANDRO VIGIL, SANTANDER: Okay. Understood. Grazie.

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

MICHELE DELLA VIGNA, GOLDMAN SACHS: Thank you very much and congratulations on the very strong results. I wanted to ask 2 questions. First, on tanker rates for crude, we've seen a crazy increase over 20 times the normalized level. Could you give us an idea of how much of your crude transport needs are covered by long-term agreements versus spot rates? It's never really mattered that much before, but it is very important, especially as we start to model the fourth quarter realizations?

And then secondly, you've achieved very low tax rates in the last 2 quarters. You're guiding 36-37% for this year. Is that also what we should use for modeling next year or perhaps with a more normalized refining environment, let's say, maybe something closer to 40-45% would be more appropriate. Thank you.

FRANCESCO GATTEI: Okay. I'll leave to Stefano Pujatti, Head of Trading the answer about the tankers rate, and then we'll come back to the tax rate.

STEFANO PUJATTI: So in terms of shipping strategy, I would say 60% roughly of the shipping that we do is under long-term agreements. So this is providing us a mitigation on the current very high prices that we are seeing on the market from one side. And from the other, it is giving us a certainty of being able to deliver the volumes. The remaining 40% is more, let's say, on the spot market. But more than half of those, we are able through, the sales contracts, to pass through those costs to the buyer.

FRANCESCO GATTEI: Okay. About the tax rate, clearly, the tax rate evolution is related to 2 factors. One is the level of pricing, the contribution of the different segments of different upstream geographies on one case, but also from the point of view of the different businesses, R&M on one side or gas and power on another side and Enilive are supporting on helping to reduce the tax rate. The other factor that is more structural and not related to the price is the fact that the business combination reduces the tax rate. So, you receive just practically the net result from this company, and therefore, you don't have any rate applied to that result. For this reason, you should expect a range that is much lower than the historical level that we had in the past in a normalized price environment. Clearly, if the price remains where it is now, this is also helping to keep it even lower. Thank you.

MICHELE DELLA VIGNA, GOLDMAN SACHS: Thank you.

JON RIGBY: Thank you, Michele. We're going to move to Alessandro Pozzi at Mediobanca. Alessandro.

ALESSANDRO POZZI, MEDIOBANCA: Thank you, Jon. I have 2 questions. The first one is going back to Venezuela. You talked about a phased approach. You talked about the initial phase of 200 Kbd increasing to potentially 1 Mbd, which is quite significant. And I believe is that just for Junin-5, that's what I understood. And I was wondering, can you give us a bit of maybe the timing within which you aim to get there? And also, I think Junin is in the Orinoco

Belt and historically it's been heavy oil. You need a lot of diluents to extract the oil. I was wondering about any technical challenges that you may face there basically.

And on the second question is on Argentina. I believe there is an FID targeted around year-end. Can you give us an update about the regulatory approvals that you need, the RIGI framework and financing as well? And then can you clarify what will be the accounting for Argentina upstream and LNG? Thank you.

FRANCESCO GATTEI: I leave both answers to Guido.

GUIDO BRUSCO: Okay, starting from Venezuela, a bit of a timing. On the Phase 1, which would reach 200 Kbd, we expect between 18 and 24 months. Then we have another intermediate level, which is 400 Kbd which we will achieve by end of 2029. And then the 1 Mbd is the potential, which we will achieve in mid, let's say, 2032-2033. You have to consider that this is a super-giant with 35 Bbbls oil in place. So the potential is there. Clearly, we have to build as you have appreciated, the right logistics, the right supply chain. And this will take some time, of course. But from a subsurface standpoint, the rocks, we know the rocks, we know the reservoir.

You spotted the right point. We need a lot of diluents, but we also have synergies with our assets in Venezuela. We have condensate from Perla, and we expect to double the production of condensate in Perla with the future export of LNG. And so, this could be used as a diluent for the heavy oil of Junin-5. Equally, we have another asset, Corocoro, on which we also have a plan to increase production. It's light oil or lighter than the oil of Junin-5. And this could also be used as a diluent. So the amount required is large, but we have some synergies we can leverage in country to overcome that.

Going to Argentina, there are a few things required for the FID. From a technical point of view, commercial point of view, and also supply chain, contractors have been identified. So that part of the work is done. RIGI, we have just submitted the application, and we expect to get it approved before, of course, the FID. The government and the stakeholders are very supportive. And RIGI has been designed for this kind of project. So RIGI is all about mega projects like this one. The financing, of course, we made market sounding. We've tested the market. There is a very strong appetite. Our target is to achieve a 65-70% financing for this project.

FRANCESCO GATTEI: I will complement that. On the accounting, both the upstream and the midstream activities will be deconsolidated, because it will be structured around a special purpose vehicle that, as Guido said, will attract the specific financing tools.

ALESSANDRO POZZI, MEDIOBANCA: Okay. That includes the LNG, the midstream part?

GUIDO BRUSCO: Correct.

FRANCESCO GATTEI: Yes. It's midstream.

ALESSANDRO POZZI, MEDIOBANCA: Okay. All right. Thank you.

JON RIGBY: Thanks, Alessandro. We are now going to move to Lydia Rainforth at Barclays. Lydia.

LYDIA RAINFORTH, BARCLAYS: Thanks, Jon, and good afternoon, everyone. And again, thank you for the results and the presentation. A quick one just on Venezuela, I just want to come back to, I think it was Slide 5, where you talk about 600 kboed of new production in 2030 alone has been sanctioned in 2026. Can I just check, does that include Venezuela or not? Just obviously that one hasn't been sanctioned yet. So I just want to check on that one?

And then just when you look at that idea of 2026, materially changing the portfolio and adding as much resource as you have. Can you just give us a sense of the scale of that change in terms of, how do you feel that this has been a year where actually Eni has been a step change in the resource additions? Thanks.

FRANCESCO GATTEI: I think Guido is the right person.

GUIDO BRUSCO: In the 600 kboed, Venezuela is not included to give you a straight answer. 2026 was clearly a very strategic and turning point for us. We've continued our phenomenal exploration success, but also, with the strategic agreements in Venezuela and Argentina, we've accessed very large resources in Vaca Muerta and of course, in Junin-5. And the 4.6 Bboe reflects that access. Of course, the lion's share is done by Argentina and Venezuela. But I mean, as you could have appreciated also in the slide, we have created 4 major hubs engine of growth. It's not only Americas, it's also Indonesia with the 2 FIDs, and the third hub coming with Geliga, but it's also Africa and Mediterranean with Cronos in the Mediterranean, with the discovery of Denise in Egypt with Baleine Phase 3 with Greater PAJ in Angola, with the ramp-up of Congo LNG, Coral North in Mozambique. So it is Venezuela and Argentina, but not only that.

LYDIA RAINFORTH, BARCLAYS: Thank you.

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

JOSHUA STONE, UBS: Thanks, Jon, and thanks, Francesco. Thanks, everyone else. One question on the balance sheet that is quite striking your gearing now being below 10% on a pro forma basis. So wondering how you're thinking about that, Francesco, looking into 2027. If the current upturn continues, would you consider going net cash potentially or is the idea to just keep giving excess cash back to shareholders? I'm just curious about your thoughts there.

And then second question is on chemicals. Everything seems to be going better than expected, except for Versalis, where it seems to be losing more money than it was at least under 9 months versus last year if I include the transformation cost. So I understand the macro has been very difficult for petrochemicals, but is there anything else you think that can be done to help stop the losses here? Thanks.

FRANCESCO GATTEI: Thank you, Joshua, for the question about gearing. Clearly, we have a model that allows us to grow and distribute, as we said, at a record level, but also to manage different cycles in the oil prices and the commodity prices. So, what is the real advantage of

what we built is a sort of ship that is able to navigate different seas. And clearly, in a period as the one that we have seen in this 2026, there is an amount of cash that was originally not included, but that we considered in any case, and I would say, we were quite able to anticipate a potential scenario to share this upside to the shareholders. On the other side, to use this upside for our balance sheet.

In 2027, clearly, we have to see how the crisis is evolving in the coming months. It will take time to recover a normalized price environment. But what is more important is that for us, the opportunity is to use at best the financial potential that we have inside the company. It is not only gearing of Eni a reference, but also the different financial potentials that are inside the different combinations, the different entities that we've built. So do we expect to reach net cash positive? It is not in our assumption, but it is something that could happen in the case of scenario. The distribution policy is something we are going to discuss with the board for the plan, it's under our eyes with the board next year. But clearly, it is something that will follow the same logic. If there is an upside related to our capability to capture and to execute better than expected, we would like to share the upside.

I leave the question to Adriano for Versalis.

ADRIANO ALFANI: Thank Josh for the question. I think we need to make a distinction between what is the trajectory and what was the second quarter of 2026, that was a special quarter. Let me say special from the impact of Hormuz. When we look, as you ask, compared to the same quarter of 2025, the EBIT pro forma is slightly better, I would say in line or slightly better than the third quarter of 2025. As a result of a scenario, that remains extremely weak from a demand point of view, but that is significantly worse from a utilities point of view. You know that the chemical sector is very energy intensive, and also from a negative impact of import duties that starting from the 1st of July of 2026, h been eliminated completely versus the US. And of course, this is putting Europe even in a weaker position from a competitiveness point of view.

So, what we have done and what we are doing is moving on with our transformation plan that on a quarterly base represent almost €90 mln. But unfortunately, this is offset completely by utilities and by the negative scenario. What else we can do? I mean, you need to consider that as we always discussed that, Europe does not have the strong demand of Asia, and Europe does not have the competitiveness in terms of feedstock and energy that the Middle East and the US have. Europe has to play with competencies and innovation to transform, and this is what we are doing, and this is what we are going to share more also in the next Capital Markets Day on how we are going to accelerate our transformation.

JOSHUA STONE, UBS: Thank you.

JON RIGBY: Thanks, Adriano. Thanks, Josh. Next up is Paul Redman at BNP Paribas. Paul.

PAUL REDMAN, BNP PARIBAS: Hello, everyone, and thank you very much for your time. And my first question was just on refining margins. If I look at your macro assumptions for 2026, I think you are implying about 25 $/bbl SERM margin for 4Q. I wanted to ask what you have

seen so far in October, on SERM margins, and whether that includes shipping costs, as was discussed at the beginning of the call.

And then secondly, as part of your Eni for Italy commitments, you put in fuel caps. I wanted to ask what the quarterly impact on earnings and cash flow could be from those.

Thank you.

FRANCESCO GATTEI: Okay. I'll leave the answer to Pino Ricci, and then I will answer about the cap.

GIUSEPPE RICCI: Yes. Thank you for the question. About refining margin, of course, the adjusted SERM, the standard margin that we use, includes the freight cost that increased a lot during the last period, because of the Hormuz situation. And it also includes the different yields that, of course, result from a complete change in the crude slate.

FRANCESCO GATTEI: About the…

PAUL REDMAN, BNP PARIBAS: I am sorry, just…

FRANCESCO GATTEI: Yes.

PAUL REDMAN, BNP PARIBAS: Apologies for interrupting. I was just going to ask, and what is the SERM today?

FRANCESCO GATTEI: The SERM today, I tell you which is the figure. It is 22 $/bbl. And the quarter to date is 18 $/bbl.

PAUL REDMAN, BNP PARIBAS: Thank you.

FRANCESCO GATTEI: Okay, about the cap that you mentioned, clearly it is worthwhile to mention that, for us, doing business means managing a strategy to pursue sustainable and long-term value. So, we believe that companies have social responsibility. We cannot be a company that is, let's say, living in a sort of bubble outside the real world. So, we would like – we have to be – realistic and thinking that supporting customer is a priority for a company that is working on a basic need as energy. For this reason, we have decided to introduce a cap to our sales of gasoline and diesel. This is a cap that will be, let's say, assessed periodically. And, in terms of impact, we estimate that under the current market conditions, assuming the level that we have seen so far, the impact in a quarter will be in the range of a few hundred millions. So, this is the logic of what we have been and the magnitude of the impact.

PAUL REDMAN, BNP PARIBAS: Thank you for that.

JON RIGBY: Thank you, Paul. We're going to move now to Henry Tarr at Berenberg. Henry.

HENRY TARR, BERENBERG: Hi, there and thanks for taking my question. Could we focus on Enilive? Another very strong quarter in Q3. What's the outlook for that business into Q4 and then into 2027? It seems as though policy in Europe remains very supportive. Do you see that continuing to be the case, even if we continue with very high prices to consumers, or do you think security of supply sort of trumps the cost issue? Thank you.

FRANCESCO GATTEI: Yes. I leave to Stefano Ballista, the CEO of Enilive.

STEFANO BALLISTA: Yes. The market scenario is very constructive. The key point is mainly driven by fundamentals. Fundamentals means that in Europe, the Renewable Energy Directive that has been deployed already in 17 countries, and we got draft from other 7 countries that are going to do it just after. So this demand is going to stay there. In the US, rationale is the same. On top of EPA new target, that we discussed in previous quarter, we got extra clarity on clean fuel production credit during this quarter that are going to increase and reduce market uncertainty. On top, we got reallocation of small refinery exemption to all rest of demand. So keeping the scenario very supportive. Moving forward, we see the situation remaining. And the current geopolitical context actually is going to give the biofuel an extra contribution on top of the environmental sustainability in terms of security of supply, because value chain on biofuel are decoupled from the oil one. So, they can be used with the same distribution network and with the same engine, so this is an extra value that we see on biofuel enforcing current strong fundamentals.

HENRY TARR, BERENBERG: Thank you. And if I could just have a quick follow-up. Are you exporting volumes to the US today?

STEFANO BALLISTA: Today, we are not exporting volume to the US, because the optimal outlet is Europe, given the arbs. We got the volume from the US to Europe up to, let's say, a couple of months ago due to open arbs. Now, given the change of the economics in the US, that are at a very high level, the optimal solution is to keep that volume in the US.

HENRY TARR, BERENBERG: Thank you very much.

STEFANO BALLISTA: You're welcome.

JON RIGBY: Thank you, Henry. We're going to move now to Massimo Bonisoli at Equita. Massimo.

MASSIMO BONISOLI, EQUITA: Hello, Jon. Thank you and good afternoon. One question on Plenitude. You lowered the EBITDA guidance to €1.2 Bln from €1.3 Bln, citing increasing competitive pressure in retail and weaker conditions in renewable. Could you elaborate on which factors are driving the downgrade and whether you expect these headwinds to persist into 2027? Thank you.

FRANCESCO GATTEI: Yes, about Plenitude, the market environment, in particular retail, was particularly challenging because there are a number of players that are entering the market with aggressive policies. So they are trying to open, to build, their customer bases and therefore, they are defining aggressive marketing activities. We are actually working and reacting, as you have seen also recently with the policy, with the new announcement that we have done, and we see improvement in return of, let's say, quite a number of new entries in our customer base, that was also enlarged by Acea Energia acquisition that we completed this year. There is another factor that is impacting our performance this year that was a one-off. It was related to the fact that during the summer, there was a spike in terms of demand,

of power demand, that has practically pushed well above our expectation for the request of our customers.

And therefore, we had to buy that energy on a spot basis. So this is something that will return positively, clearly related to the weather or to the climate conditions.

We have to continue to adapt our retail marketing activity to take into account this new environment that is characterizing mainly the Italian market. We do expect clearly an improvement. We have also to consider that with the new injection of capital, Plenitude has probably one of the strongest positions in terms of financial power among the players of the sector. We need to use this money in the best way.

MASSIMO BONISOLI, EQUITA: Thank you, Francesco.

JON RIGBY: Thanks, Massimo. We're going to move now to Chris Kuplent at Bank of America. Chris.

CHRIS KUPLENT, BANK OF AMERICA: Yes, thank you very much. In the same vein, if I may ask you, Francesco, maybe you can give us an overall estimate for the impact about all these price caps that you've press-released in the last few weeks, whether it's on fuels, whether it's on power, etc. In whatever shape or form you can give us a little bit of an idea what the financial impact is on that?

And then I just wanted to follow-up and ask you whether you can give us more insight into the timing of dividends from your affiliates? So, we can get a better handle for what is in your Q4 budget, and what you're expecting there, because it seems like Q3 was a rather handsome receipt in terms of dividend payments to the mothership. Thank you.

FRANCESCO GATTEI: About the price cap, we have already said that, assuming the current level of caps and the current forward curve, we are speaking about a few hundred million in a quarter. So that is related to the fuel. While for the marketing position of Plenitude is just some million for this year and a bit more for the next year, but it's not changing the overall number that I mentioned before.

In the fourth quarter, the key contributors for the distribution policy will be Searah, that is material. And there is also some contribution coming from Vår Energi and I think also from Azule.

CHRIS KUPLENT, BANK OF AMERICA: Great. Thank you.

JON RIGBY: Thank you, Chris. Getting to the end of the list, we have Al Syme at Citigroup. Al, are you still with us?

ALASTAIR SYME, CITI: I am, Jon. Maybe this is a question to Stefano. I was looking at the Enilive sales data and somewhat surprised to see quite strong growth, particularly in Italy. I think you're talking about retail sales up 11% year-on-year. Maybe just some perspective on that? Are we looking at same-store sales data, I mean, you know we're kind of in the midst of an energy crisis, unusual to see double-digit growth numbers. Thank you.

FRANCESCO GATTEI: Yes, I leave the question to Stefano.

STEFANO BALLISTA: Yes, thanks for the question. Well, the growth is driven by retail demand. This is clearly related to our pricing strategy as well. So, this is part of the focus on customers, so part of the social responsibility that Francesco just highlighted. On top, actually, we got a very focused, let's say, before the price cap, pricing approach, in order to optimize value, including also non-oil contribution as a whole. The other side of this approach is that, in order to optimize portfolio, we reduced our wholesale exposure exactly to maximize the value, so reducing exposure on the lowest-margin segment on the wholesale, given the current portfolio and given the ongoing market dynamics in terms of plus price plus premium.

ALASTAIR SYME, CITIGROUP: So just to be clear, Stefano, what we're seeing is some sort of market share gain then on the retail side? Is that the way to interpret it?

STEFANO BALLISTA: Yes definitely, absolutely. There is a significant market share gain, yes. It's exactly the implication. This number is related to us, not to the global market. Global market is pretty much in line. In Italy there's not been any significant swing, compared to the expectation. This is an extra volume we are capturing, thanks to the overall strategy we have in place.

ALASTAIR SYME, CITIGROUP: Perfect, thank you very much.

JON RIGBY: Thanks, Al. We're going to move to the last question now. It's Sasi at Jefferies. Sasi, are you there?

SASIKANTH CHILUKURU, JEFFERIES: Yes, thanks for taking my question. Yes, I had one left on Venezuela regarding Perla. I was just wondering if it was possible to provide a timeline for the development of the export facility there as well. Recent press reports have indicated that an initial partner could be brought into the project. I was just wondering if you can comment on those discussions, if you're marketing it currently and clarify whether a farm down is necessary to take an FID on the export project there.

FRANCESCO GATTEI: Guido.

GUIDO BRUSCO: Thank you. Yes, on Perla we have submitted the plan of development, which foresees 2 steps. One is a debottlenecking of the current onshore plant, to provide additional 90 Mscf/d to the domestic market. And then the second phase is the export through a floating LNG of about 3.4-3.5 MTPA. We have stated already that, once we will take the FID, it will take 3.5 years, give and take, to bring this volume on production. And the FID, of course, is subject to the approval of the plan of development from the first party, from the government. On the technical work, the good news is that the technical work has been done and also the supply chain has been somehow identified.

SASIKANTH CHILUKURU, JEFFERIES: Thank you.

JON RIGBY: Thanks, Sasi. Thanks, Guido. With that, we're going to close the call. Thank you very much for your interest. Any other questions, don't hesitate to reach out to the Investor Relations team. And have a great weekend. Thank you very much.

FRANCESCO GATTEI: Thank you.