

ENI SPA
Form 6-K
April 04, 2019

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of March 2019

Eni S.p.A.

(Exact name of Registrant as specified in its charter)

Piazzale Enrico Mattei 1 — 00144 Rome, Italy

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2b under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
_____)

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- Press release dated March 14, 2019;**
- Press release dated March 15, 2019.**

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorised.

Eni S.p.A.

/s/ Vanessa Siscaro

Name: Vanessa Siscaro

Title: Head of Corporate
Secretary's Staff Office

Date: March 31, 2019

2018 Consolidated Financial Statements

and Draft Financial Statements of the Parent Company

Convening of the Annual Shareholders' Meeting

· **Consolidated and separate financial statements**

· **Dividend proposal: €0.83 per share (of which €0.42 already paid in September 2018)**

San Donato Milanese, March 14, 2019 – Today, the Board of Directors approved Eni's consolidated financial statements and the separate draft financial statements of the parent company for the year ending December 31, 2018. They confirm the 2018 preliminary adjusted results announced on February 15, 2019. Consolidated net profit amounted to €4,126 million and net profit of the parent company amounted to €3,173 million. Reported net profit has been revised to €4,126 million (the preliminary net profit was €4,226 million) mainly to factor in the subsequent release of results of certain equity accounted entities.

The Board of Directors intends to submit a proposal for the distribution of a cash dividend of €0.83 per share at the Annual Shareholders' Meeting. Included in this annual distribution is the €0.42 per share, which was paid as an interim dividend in September 2018. The balance of €0.41 per share is payable to shareholders on May 22, 2019 with the ex-dividend date being May 20, 2019.

An Annual Report on Form 20-F will be filed with the U.S. SEC and Italian market authorities by the first ten days of April 2019. This report will be disseminated via the Company's headquarters, and on Eni's website (eni.com) and through other sources provided by the current regulation.

Enclosed are the 2018 IFRS consolidated statements and those of the parent company Eni SpA.

The Board of Directors also approved the “Consolidated report on non-financial information” included in the management discussion of the 2018 Annual Report. This report, prepared in conformity with the Italian Legislative Decree N. 254/2016, discloses the group’s activities, the performances achieved and the outcomes in environmental, reduction of carbon footprint, social, employees matters, respect for human rights, as well as anti-corruption and bribery matters.

The Board of Directors also approved the Report on Corporate Governance and Shareholding Structure and the Remuneration Report prepared in conformity with article No. 123-bis and 123-ter of the Italian comprehensive code for exchanges and securities, respectively. These reports will be made available at the Company's headquarters and published on Eni’s website, in the “Publications” section and in accordance with current regulation, together with the 2018 Annual Report on Form 20-F.

The Board of Directors also convened the Annual Shareholders' Meeting on May 14, 2019.

¹ Dividends, depending on the receiver, are subject to a withholding tax on distribution or are partially cumulated to the receiver’s taxable income.

* * *

Eni's Chief Financial and Risk Management Officer, Massimo Mondazzi, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies pursuant to rule 154-bis paragraph 2 of Legislative Decree No. 58/1998, that data and information disclosed in this press release correspond to the Company's evidence and accounting books and records.

* * *

Company Contacts

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* * *

Eni

Società per Azioni Roma, Piazzale Enrico Mattei, 1

Share capital: €4,005,358,876 fully paid

Tax identification number 00484960588

Tel.: +39 0659821 - Fax: +39 0659822141

This press release is also available on the Eni web site eni.com.

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Attachment

IFRS Consolidated Financial Statements

PROFIT AND LOSS ACCOUNT

| (€ million) | Full Year | |
|--|------------------|----------------|
| | 2018 | 2017 |
| REVENUES | | |
| Net sales from operations | 75,822 | 66,919 |
| Other income and revenues | 1,116 | 4,058 |
| Total revenues | 76,938 | 70,977 |
| COSTS | | |
| Purchases, services and other | (55,622) | (51,548) |
| Impairment reversals (impairment losses) of trade and other receivables, net | (415) | (913) |
| Payroll and related costs | (3,093) | (2,951) |
| Other operating (expense) income | 129 | (32) |
| Depreciation, Depletion and Amortization | (6,988) | (7,483) |
| Impairment reversals (impairment losses), net of tangible and intangible assets | (866) | 225 |
| Write-off of tangible and intangible assets | (100) | (263) |
| OPERATING PROFIT (LOSS) | 9,983 | 8,012 |
| FINANCE INCOME (EXPENSE) | | |
| Finance income | 3,967 | 3,924 |
| Finance expense | (4,663) | (5,886) |
| Income (expense) from financial assets held for trading | 32 | (111) |
| Derivative financial instruments | (307) | 837 |
| | (971) | (1,236) |
| INCOME (EXPENSE) FROM INVESTMENTS | | |
| Share of profit (loss) of equity-accounted investments | (68) | (267) |
| Other gain (loss) from investments | 1,163 | 335 |
| | 1,095 | 68 |
| PROFIT (LOSS) BEFORE INCOME TAXES | 10,107 | 6,844 |
| Income taxes | (5,970) | (3,467) |
| Net profit (loss) | 4,137 | 3,377 |
| attributable to: | | |
| - Eni's shareholders | 4,126 | 3,374 |
| - Non-controlling interest | 11 | 3 |
| Net profit (loss) per share attributable to Eni's shareholders (€ per share) | | |
| - basic | 1.15 | 0.94 |
| - diluted | 1.15 | 0.94 |

BALANCE SHEET

(€ million)

Dec. 31, 2018 Dec. 31, 2017

ASSETS**Current assets**

| | | |
|-------------------------------------|--------|--------|
| Cash and cash equivalents | 10,836 | 7,363 |
| Financial assets held for trading | 6,552 | 6,012 |
| Financial assets available for sale | | 207 |
| Other current financial assets | 300 | 316 |
| Trade and other receivables | 14,101 | 15,421 |
| Inventories | 4,651 | 4,621 |
| Current tax assets | 191 | 191 |
| Other current tax assets | 561 | 729 |
| Other current assets | 2,258 | 1,573 |

39,450 36,433**Non-current assets**

| | | |
|------------------------------------|--------|--------|
| Property, plant and equipment | 60,302 | 63,158 |
| Inventory - compulsory stock | 1,217 | 1,283 |
| Intangible assets | 3,170 | 2,925 |
| Equity-accounted investments | 7,044 | 3,511 |
| Other investments | 919 | 219 |
| Other non-current financial assets | 1,253 | 1,675 |
| Deferred tax assets | 3,931 | 4,078 |
| Other non-current assets | 792 | 1,323 |

78,628 78,172**Assets held for sale****295 323****TOTAL ASSETS****118,373 114,928****LIABILITIES AND SHAREHOLDERS' EQUITY****Current liabilities**

| | | |
|-----------------------------------|--------|--------|
| Short-term debt | 2,182 | 2,242 |
| Current portion of long-term debt | 3,601 | 2,286 |
| Trade and other payables | 16,747 | 16,748 |
| Income taxes payable | 440 | 472 |
| Other taxes payable | 1,432 | 1,472 |
| Other current liabilities | 3,980 | 1,515 |

28,382 24,735**Non-current liabilities**

| | | |
|----------------------------------|--------|--------|
| Long-term debt | 20,082 | 20,179 |
| Provisions for contingencies | 11,886 | 13,447 |
| Provisions for employee benefits | 1,117 | 1,022 |
| Deferred tax liabilities | 4,272 | 5,900 |
| Other non-current liabilities | 1,502 | 1,479 |

38,859 42,027**Liabilities directly associated with assets held for sale****59 87****TOTAL LIABILITIES****67,300 66,849****SHAREHOLDERS' EQUITY**

| | | |
|---|----------------|----------------|
| Non-controlling interest | 57 | 49 |
| Eni shareholders' equity: | | |
| Share capital | 4,005 | 4,005 |
| Retained earnings | 36,702 | 35,966 |
| Reserve related to currency translation differences | 6,605 | 4,818 |
| Other reserves | 1,672 | 1,889 |
| Treasury shares | (581) | (581) |
| Interim dividend | (1,513) | (1,441) |
| Net profit (loss) | 4,126 | 3,374 |
| Total Eni shareholders' equity | 51,016 | 48,030 |
| TOTAL SHAREHOLDERS' EQUITY | 51,073 | 48,079 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 118,373 | 114,928 |

CASH FLOW STATEMENT

| (€ million) | Full Year | |
|---|------------------|-----------------|
| Net profit (loss) | 2018 | 2017 |
| | 4,137 | 3,377 |
| <i>Adjustments to reconcile net profit (loss) to cash provided by operating activities:</i> | | |
| Depreciation, depletion and amortization | 6,988 | 7,483 |
| Impairment losses (impairment reversals), net of tangible and intangible assets | 866 | (225) |
| Write-off of tangible and intangible assets | 100 | 263 |
| Share of (profit) loss of equity-accounted investments | 68 | 267 |
| Gains on disposal of assets, net | (474) | (3,446) |
| Dividend income | (231) | (205) |
| Interest income | (185) | (283) |
| Interest expense | 614 | 671 |
| Income taxes | 5,970 | 3,467 |
| Other changes | (474) | 894 |
| Changes in working capital: | | |
| - inventories | 15 | (346) |
| - trade receivables | 334 | 657 |
| - trade payables | 642 | 284 |
| - provisions for contingencies | (238) | 96 |
| - other assets and liabilities | 879 | 749 |
| <i>Cash flow from changes in working capital</i> | <i>1,632</i> | <i>1,440</i> |
| Net change in the provisions for employee benefits | 109 | 38 |
| Dividends received | 275 | 291 |
| Interest received | 87 | 104 |
| Interest paid | (609) | (582) |
| Income taxes paid, net of tax receivables received | (5,226) | (3,437) |
| Net cash provided by operating activities | 13,647 | 10,117 |
| Investing activities: | | |
| - tangible assets | (8,778) | (8,490) |
| - intangible assets | (341) | (191) |
| - consolidated subsidiaries and businesses net of cash and cash equivalent acquired | (119) | |
| - investments | (125) | (510) |
| - securities | (432) | (316) |
| - financing receivables | (554) | (657) |
| - change in payables in relation to investing activities and capitalized depreciation | 408 | 152 |
| <i>Cash flow from investing activities</i> | <i>(9,941)</i> | <i>(10,012)</i> |
| Disposals: | | |
| - tangible assets | 1,089 | 2,745 |
| - intangible assets | 5 | 2 |
| - consolidated subsidiaries and businesses net of cash and cash equivalent disposed of | (47) | 2,662 |
| - income taxes paid on disposals | | (436) |
| - investments | 195 | 482 |
| - securities | 61 | 224 |
| - financing receivables | 496 | 999 |

| | | |
|--|----------------|----------------|
| - change in receivables in relation to disposals | 606 | (434) |
| <i>Cash flow from disposals</i> | 2,405 | 6,244 |
| Net cash used in investing activities | (7,536) | (3,768) |

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(continued) CASH FLOW STATEMENT

| (€ million) | Full Year | |
|---|------------------|----------------|
| | 2018 | 2017 |
| Increase in long-term debt | 3,790 | 1,842 |
| Repayments of long-term debt | (2,757) | (2,973) |
| Increase (decrease) in short-term debt | (713) | (581) |
| | 320 | (1,712) |
| Dividends paid to Eni's shareholders | (2,954) | (2,880) |
| Dividends paid to non-controlling interests | (3) | (3) |
| Net cash used in financing activities | (2,637) | (4,595) |
| Effect of change in consolidation (inclusion/exclusion of significant/insignificant subsidiaries) | | 7 |
| Effect of exchange rate changes and other changes on cash and cash equivalents | 18 | (72) |
| Net cash flow of the year | 3,492 | 1,689 |
| Cash and cash equivalents - beginning of the year | 7,363 | 5,674 |
| Cash and cash equivalents - end of the year | 10,855 | 7,363 |

(a) Cash and cash equivalents as of December 31, 2018, include €19 million of cash and cash equivalents of consolidated subsidiaries held for sale that were reported in the item "Assets held for sale" in the balance sheet.

IFRS Financial Statements of the parent company

PROFIT AND LOSS ACCOUNT

(€ million)

| | Full Year | |
|--|------------------|---------------|
| | 2018 | 2017 |
| REVENUES | | |
| Net sales from operations | 31,795 | 28,984 |
| Other income and revenues | 331 | 2,316 |
| Total revenues | 32,126 | 31,300 |
| COSTS | | |
| Purchases, services and other | (30,622) | (27,205) |
| Impairment reversals (impairment losses) of trade and other receivables, net | (26) | (153) |
| Payroll and related costs | (1,128) | (1,159) |
| Other operating (expense) income | 113 | (239) |
| Depreciation, Depletion and Amortization | (635) | (727) |
| Impairment reversals (impairment losses), net of tangible and intangible assets | (13) | (111) |
| Write-off of tangible and intangible assets | (1) | (5) |
| OPERATING PROFIT (LOSS) | (186) | 1,701 |
| FINANCE INCOME (EXPENSE) | | |
| Finance income | 1,616 | 1,682 |
| Finance expense | (1,879) | (2,698) |
| Income (expense) from financial assets held for trading | 33 | (110) |
| Derivative financial instruments | (97) | 480 |
| | (327) | (646) |
| INCOME (EXPENSE) FROM INVESTMENTS | 3,689 | 2,702 |
| NET PROFIT BEFORE TAXES | 3,176 | 3,757 |
| Income taxes | (3) | (171) |
| NET PROFIT | 3,173 | 3,586 |

BALANCE SHEET

(€ million)

Dec. 31, 2018 Dec. 31, 2017

ASSETS**Current Assets**

| | | |
|-----------------------------------|---------------|---------------|
| Cash and cash equivalents | 9,654 | 6,214 |
| Financial assets held for trading | 6,100 | 5,793 |
| Other current financial assets | 2,689 | 2,700 |
| Trade and other receivables | 5,574 | 5,887 |
| Inventories | 1,324 | 1,389 |
| Current income tax assets | 66 | 59 |
| Other current tax assets | 204 | 267 |
| Other current assets | 1,013 | 693 |
| | 26,624 | 23,002 |

Non-current assets

| | | |
|------------------------------------|---------------|---------------|
| Property, plant and equipment | 7,579 | 7,178 |
| Inventory - compulsory stock | 1,200 | 1,297 |
| Intangible assets | 180 | 195 |
| Equity-accounted investments | 41,914 | 42,337 |
| Other non-current financial assets | 1,975 | 4,832 |
| Deferred tax assets | 1,169 | 1,152 |
| Other non-current receivables | 565 | 481 |
| | 54,582 | 57,472 |

Assets held for sales

| | | |
|--|----------|----------|
| | 1 | 2 |
|--|----------|----------|

| | | |
|---------------------|---------------|---------------|
| TOTAL ASSETS | 81,207 | 80,476 |
|---------------------|---------------|---------------|

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|-----------------------------------|---------------|---------------|
| Current liabilities | | |
| Short-term debt | 4,435 | 4,146 |
| Current portion of long-term debt | 3,178 | 1,973 |
| Trade and other payables | 5,632 | 6,225 |
| Income taxes payable | 2 | 64 |
| Other taxes payable | 787 | 809 |
| Other current liabilities | 1,448 | 872 |
| | 15,482 | 14,089 |

Non-current liabilities

| | | |
|----------------------------------|---------------|---------------|
| Long-term debt | 18,070 | 18,843 |
| Provisions for contingencies | 3,883 | 3,781 |
| Provisions for employee benefits | 370 | 353 |
| Other non-current liabilities | 787 | 881 |
| | 23,110 | 23,858 |
| TOTAL LIABILITIES | 38,592 | 37,947 |

SHAREHOLDERS' EQUITY

| | | |
|----------------|--------|--------|
| Share capital | 4,005 | 4,005 |
| Legal reserve | 959 | 959 |
| Other reserves | 36,572 | 36,001 |

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| | | |
|---|---------------|---------------|
| Interim dividend | (1,513) | (1,441) |
| Treasury shares | (581) | (581) |
| Net profit | 3,173 | 3,586 |
| TOTAL SHAREHOLDERS' EQUITY | 42,615 | 42,529 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 81,207 | 80,476 |

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PRICE SENSITIVE

“In the past five years we have been rapidly delivering a strategy of transformation that was designed to enhance our business model by drastically reducing debt, increasing production and finding new ways to diversify our company. We have built a new Eni based on efficiency, integration and deployment of new technologies. We will further strengthen and diversify our portfolio in low cost-high potential basins, we will pursue more opportunities along the value chain and we will grow in renewables and biofuels making our company more profitable. Decarbonisation is a strategic priority for our Board. We are committed to a low carbon future and today we are setting a new target to reach upstream carbon neutrality by 2030. Creating shareholder value remains our top priority and to this end we announce an increase in our 2019 dividend by 3.6% to €0.86 per share, in line with our progressive remuneration policy. On top of this we will start a four-year buyback programme envisaging a capital allocation of €400 million in 2019 and in the following three years, assuming a leverage steadily below 20%, an annual share buyback of either €400 million in a \$60-65 Brent scenario or €800 million with a scenario above \$65 Brent”.

Claudio Descalzi, Eni CEO

CREATING STAKEHOLDER VALUE THROUGH THE ENERGY TRANSITION

DIVIDEND €0.86 PER SHARE, +3.6% vs 2018; €400 MILLION SHARE BUYBACK IN 2019

MAIN TARGETS

UPSTREAM

- o **Exploration: 2.5 bln boe of new resources**
- o **Production: CAGR 3.5% per year up to 2025**
- o **New projects breakeven: \$25/bbl Brent**
- o **Cumulated Free Cash Flow: €22 bln**

CEO Descalzi: “We will continue to grow organically in upstream. Thanks to the large amount of new acreage in high potential basins, we target 2.5 billion barrels of new resources by drilling 140 exploration wells in the plan period. Production is expected to grow by 3.5% per year over the plan and beyond thanks to the ramp-up and start-up of new projects and the large inventory of future FIDs based on 3 billion barrels of reserves. We will continue to keep a strong discipline on investment and we expect our new development projects to have a breakeven at \$25/boe generating a cumulative cash flow of €22 billion in the course of the plan”.

MID-DOWNSTREAM

- o **Mid-Downstream**
- o **EBIT end of plan: €2 bln**
- o **Free Cash Flow 2019-2022: ~€5 bln**
- o **LNG: 14 MTPA by 2022, 16 MTPA by 2025**
- o **Refining breakeven: \$1.5/bbl from 2023**

CEO Descalzi: *“We expect mid-downstream operating income to grow to 2 billion euro by the end of the strategy plan, more than double 2018 levels. After our acquisition of a 20% stake in the Ruwais refining complex in UAE, we have strengthened our refining business accessing to a top class asset. The acquisition has increased our overall refining capacity by 35% and ultimately by 40% in 2023, and will drive our breakeven margin to around \$1.50 per barrel. LNG is set to play a crucial role in our future growth and we expect to reach 14 million tonnes per annum (MTPA) by 2022 and 16 MTPA by 2025 of contracted volumes, an increase vs previous guidance. In Chemicals we plan to strengthen the business and be more resilient by leveraging portfolio differentiation to improve our margins”.*

ENERGY SOLUTIONS

>1.6 GW of renewable capacity installed by 2022, 5 GW by 2025

Capex 2019-2022: € 1.4 bln

CEO Descalzi: "We are committed to growing our renewables business organically during the plan. Our renewables portfolio is well diversified both geographically and in terms of technologies. In the future we are planning to increase our exposure to energy storage. In Italy, we will expand the "Progetto Italia", our industrial conversion project generating power from renewables on reclaimed industrial areas".

DECARBONIZATION

Net zero upstream carbon emissions by 2030

Large forestry initiative: natural carbon sink to capture >20 Mton/yr of CO₂ by 2030

Circular Economy: 4y spending ~€1 bln

CEO Descalzi: "Decarbonisation is structurally embedded in our overall strategy and ambitions. Addressing the dual challenge of satisfying increasing energy needs, while reducing emissions in line with the Paris Agreement goals, is a strategic priority for our Board. As a first step, our objective is to achieve net zero emissions in our upstream business by 2030. We will accomplish this by increased efficiency to minimize direct upstream CO₂ emissions and offsetting residual upstream emissions through large forestry projects. We will use our scale to deliver wider benefits from direct forestation initiatives including new jobs and economic empowerment of local communities. Furthermore, we will apply a circular approach to maximize the use of waste as feedstock and to extend the lives of industrial sites. A key role will be played by the deployment of our own new technologies".

FINANCIALS

- o **Financial discipline**
- o **4YP Capex €33bln, €8 bln in 2019**
- o **Free cash flow growth: +17% CAGR 2019-2022 @ 2019 scenario**
- o **Sustainable growth**
- o **Organic cash neutrality after dividend: \$55/bbl in 2019, declining to \$50/bbl end of plan**
- o **Progressive shareholder remuneration**
- o **2019 dividend proposal: €0.86 per share (+3.6% vs 2018)**

o **Share buyback programme: €400 mln in 2019; in 2020-2022 either €400 mln in a 60-65 \$ Brent scenario or €800 mln in a scenario >\$65 Brent (leverage <20%)**

***CEO Descalzi:** “The progress we have made in enhancing our portfolio has been remarkable as reflected in our 2018 figures. In the next four years we will continue to pursue our distinctive model of sustainable growth combined with strong financial discipline further improving our cash neutrality to \$50 per barrel by the end of the plan. These results underpin our progressive shareholder remuneration that envisage a 2019 dividend increase of 3.6% to €0.86 per share. Furthermore, we will start a four-year buyback programme with a capital allocation of €400 million in 2019 and in the following years, assuming a leverage steadily below 20%, an annual capital allocation either of €400 million in a \$60-\$65 Brent scenario or €800 million with a scenario above \$65 Brent”.*

2019-2022 Strategic Plan

San Donato Milanese, March 15, 2019 – Claudio Descalzi, Eni’s CEO, today presents the company’s 2019-2022 Strategic Plan to the financial community. Building on the strong foundations of the last few years, Eni’s 2019-2022 plan marks a new era in the company’s evolution to a world-leading global energy provider.

After having completed the transformation of its business model, now swifter, faster and with a more efficient value chain, Eni will consolidate its organic growth in all businesses leveraging on three main pillars: integration, efficiency and technology deployment.

Technology deployment will play a very strategic role in all sectors, contributing to Eni's worldwide operational excellence, enhancing and pursuing the decarbonisation of all activities within the company, and implementing the improved industrial efficiency using a circular economy model.

Upstream will continue to represent the key driver of Eni's organic growth, while keeping a disciplined capital and operational spending. The mid-downstream businesses are expected to double their operating income, creating value even in a lower scenario thanks to the restructuring, repositioning, and improvements undertaken during the recent downturn.

The 2019-22 plan represents a natural development of the strategy implemented in previous years and is designed to increase the value of all businesses through the strategic role of technology research, development and deployment.

On this basis, Eni intends to increase the 2019 dividend to €0.86 per share and to start a four-year share buyback programme with a capital allocation of €400 million in 2019 and, in the following three years, assuming a leverage steadily below 20%, an annual capital allocation of €400 million in a \$60-65 Brent scenario or €800 million with a scenario above \$65 Brent.

Upstream

In exploration, a key driver of value growth, Eni expects to spend about 3.5 billion euros in the period 2019-2022 targeting 2.5 billion barrels of new resources at the unit cost of below \$2, drilling around 40 wells per year in more than 460,000 km² of net acreage.

Hydrocarbon production is expected to grow 3.5% a year over the plan period thanks to the ramp-up and start-up of new projects, which will contribute about 660,000 barrels of oil equivalent per day in 2022, and the expansion of existing fields adding 290,000 barrels of oil equivalent per day in 2022. Over the plan period, 18 major start-ups will be completed. Eni will operate approximately 77% of the overall equity production.

The potential of new areas will underpin hydrocarbon production growth, thus widening Eni global diversification:

- Middle East, with its massive set of opportunities made of fast track production and potential resources;
- Norway, thanks to the establishment of Vår Energi that represents a solid platform for long-term production;
- Mexico, where production in Area 1 is expected to start-up in 2019, with an industry-leading fast-track development.

The three areas will contribute 260,000 barrels of oil equivalent per day at the end of the plan.

The success of the exploration strategy and the growing and broader portfolio of new conventional projects, together with a rigorous financial discipline, will generate a cumulative free cash flow of €22 billion in 2019-2022.

Gas & Power

Gas & Power will grow thanks to the consolidation of its integrated and optimized model, through the following actions:

• Enhanced synergies with all businesses and a deeper integration with upstream activities, in order to capitalize on equity gas;

- Accelerated development of LNG portfolio, thus reaching 14 million tons per year of contracted volumes by 2022 and 16 million by 2025;

• Growth in the retail sector in Europe, reaching a customer base of around 12 million customers in 2022, up approximately 26% versus 2018.

These actions will allow G&P to continue to grow in the future, achieving an EBIT of €700 million in 2022, of which 70% coming from the retail sector. Cumulative free cash flow is expected to be €2.3 billion over the plan.

Refining & Marketing and Versalis

Eni plans to strengthen the Refining and Marketing business, aiming to double the 2018 results thanks to the following main drivers:

- Optimization of the refining process, mainly thanks to the EST restart by mid-2019;

Green refinery operations: through the start-up of Gela and the second phase of Venice, Eni's green refining capacity will grow to 1 million tonnes per year;

Increase in refining capacity by 40% by the end of 2023, thanks to the acquisition of a 20% stake of the Ruwais refinery in the UAE;

Marketing: increase in market share in Italy to 25% with a growing contribution from premium products and green fuels, and grow sales in Germany and France.

These actions should allow R&M to achieve a cumulative free cash flow of €2.6 billion over the plan period.

Versalis will continue to focus on enhancing its business resilience to reach an EBIT of over €270 million at the end of the plan period.

Energy Solutions

Eni plans to complete 60 brownfield and greenfield projects for a total in excess of 1.6 GW of renewable capacity by 2022, investing €1.4 billion, and up to 5GW by 2025. Energy Solutions is expected to deliver a stable cash flow in the long term, with an unlevered IRR in the range of 8-12%. Moreover, an additional upside on upstream operating costs will be achieved by replacing gas consumption in our operations through renewables.

Decarbonization

Eni confirms its deep commitment to reducing its carbon footprint by setting the ambitious target of net zero direct emissions in the upstream business by 2030, on equity basis.

This will be accomplished by further increasing operational efficiency to minimize CO₂ emissions and offsetting residual upstream emissions through large forestry projects. Additional actions will be the increase in the share of gas in our portfolio, the growth of our biofuels business, the enhancement of the zero carbon emission sources usage such as renewables, and the application of a circular approach to maximize the use of waste as feedstock and extend the lives of industrial sites. A key role along our path to a more sustainable model will be played by the deployment of new technologies.

Financial strategy and Shareholder remuneration

Eni continues to pursue its model of sustainable growth combined with strong financial discipline and with a progressive shareholders' remuneration.

The four-year investment plan, focused on high-value projects with rapid returns, envisages capital expenditures of approximately €33 billion. The upstream investment plan, which represents 77% of the overall capital expenditure, is well diversified in terms of geographies thanks to the developments in Middle East, Norway and Mexico. Eni also reinforced the pipeline of long term/long plateau projects that will further underpin the growth beyond the plan, improving production CAGR to 3.5% to 2025 compared with the previous guidance of 3%.

Approximately €3 billion is expected to be invested to further strengthen Eni decarbonisation strategy through energy efficiency and flaring down projects, Circular Economy and Renewables initiatives.

Eni capital investment program is valuable and resilient even in a stressed scenario. The current portfolio of upstream projects in execution is more profitable than before with a new reduced breakeven price of \$25 per barrel and an overall Internal Rate of Return of around 22%. Furthermore, Eni projects portfolio remains competitive and with stable returns even when applying low carbon scenarios.

Considering a flat 2019 scenario, which implies a Brent price of \$62 per barrel and a gas price similar to 2018, the cash generation grows strongly over the next 4 years. In particular, in 2019 CFFO is expected to increase of around €1 billion compared to 2018 and will further increase by €2.6 billion in 2022 with a strong contribution from all businesses.

Eni expects dividend cash neutrality to improve from \$55 per barrel in 2019 to \$50 per barrel by the end of the plan supporting a progressive shareholder remuneration that envisages, for 2019, a 3.6% dividend increase to €0.86 per share and the start of a four-year buyback programme with an initial capital allocation of €400 million in 2019. In the following three years, assuming a leverage steadily below 20%, the annual capital allocation will amount either to €400 million in a \$60-65 Brent scenario or €800 million with a Brent scenario above \$65.

For further information on the presentation and to follow the live streaming please visit: www.eni.com

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