

Rating object	Rating information	
Eni S.p.A. Creditreform ID: 400981187 Incorporation: 1953 Based in: Rome, Italy (Main) Industry: Oil, power and gas CEO: Claudio Descalzi <u>Rating objects:</u> Long-term Corporate Issuer Rating: Eni S.p.A. Long-term Corporate Issuer Rating: Eni Finance International SA Long-term Local Currency (LC) Senior Unsecured Issues	Corporate Issuer Rating: BBB+ / stable	Type: Initial rating Unsolicited
	LT Senior Unsecured Issues, LC: BBB+ / stable	Other: n.r.
	Rating date: 26.04.2019 Monitoring until: withdrawal of the rating Initial rating: 26.04.2019 Rating methodology: CRA "Corporate Ratings" CRA "Non-Financial Corporate Issue Ratings" CRA "Government-Related Companies" CRA "Rating criteria and definitions" Rating history: www.creditreform-rating.de	

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Summary

Company

Eni S.p.A., full name Ente Nazionale Idrocarburi S.p.A., ("Eni" or "the Company", or "the Group"), headquartered in Rome, was founded in 1953 in Milan from the existing company Agip, which was created in 1926 with the aim to explore for oilfields and to acquire and commercialize oil and derivatives. With the inception of Eni S.p.A., Agip was integrated into the Eni Group, thus continuing the Group's business operations. Starting in 1954, Eni acquired exploration rights in North Africa, signing an agreement with the Egyptian government while providing an active and equal role for the crude oil-producing countries through the establishment of joint ventures.

Today Eni is an Italian multinational oil and gas company, which has operations in 71 countries and is currently with approximate 33 thousands employees one of the world's largest 20 industrial companies. As a petroleum and energy company, Eni operates in the fields of crude oil, natural gas, electricity production, petrochemicals, and as a provider of engineering services for oil fields. Eni sells gas, electricity, LNG and oil products in the European and extra-European markets, also leveraging on trading activities. In German market, Eni has been operating in the fields of refining, marketing, and natural gas since 1960.

In 2018, the Company generated revenues of EUR 72,822 million (2017: EUR 66,919 million) and an EAT of EUR 4,137 million (2017: EUR 3,377 million).

The main shareholder of the publicly listed company is the Italian government, with a share of 30.10% (of this, 4.34% is held directly and 25.76 indirectly via Cassa Depositi e Prestiti S.p.A.). In addition to private investor shareholdings of 11.05%, 57.14% is free floating (the majority of which is in Italy, with 44%). Eni has been operating in the fields of refining, marketing, and natural gas since 1960 in Germany. Using our Corporate Rating sub-methodology for 'state-affiliated companies', we conclude that Eni represents a strategically important shareholding for the State of Italy and, as such, falls into the category of a state-affiliated company. Hence, we assume that the Italian government would provide some degree of financial support in the event of a crisis despite of the currently lower rating of Italy.

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Rating result

The current rating attests Eni S.p.A. a highly satisfactory level of creditworthiness, which represents a low-to-medium default risk.

Eni is of strategic importance for Italy and has a profile of essentially low economic and financial risks. The rating result is based as well on the strong position of the Company in its relevant geographical markets, on the high level of diversification, and on its leading technological position. We have based the rating on our assessment that the Group is dependent on the Italian government as main shareholder and moderately dependent on the country's overall economic situation. The rating of Eni is constrained by the sovereign rating of the Italian Republic (CRA: BBB- / stable as of 31 August 2018). Hence, given the positive performance of Eni in the year 2018 we attest the Group a corporate rating that lies two notches above the sovereign rating of the Italian Republic. Our future ratings of Eni could exceed the sovereign rating of Italy up to three notches with good economic development of Eni.

Outlook

The one-year outlook of the rating is stable. This outlook reflects our estimate that the Eni Group, based on the 2018 fiscal year and in comparison with the previous two years, should largely be able to achieve increases in yield and profitability, an improved development of cash flows, and to achieve its strategic and business targets for the near future. This outlook is based on the assumption of a stable political framework in Europe and on the expectation that the market for raw materials will also remain largely stable. It is also based on our assumption that the indirect shareholding and strategic interest on the part of the Italian government will remain unchanged, that CRA's sovereign rating of Italy will remain stable, and that there are no changes in our assessment of the will and ability on the part of the Italian government to provide support for the Eni Group in the event of a crisis.

Relevant rating factors

Table 1: Financials of Eni Group | Source: Eni S.p.A. Annual report 2018, standardized by CRA

Excerpts from the financial key figures analysis 2018

- + Increased revenues
- + Solid cash flows from operating activities
- + Low ratio of interest expenses to debt
- + Solid equity ratio
- High short-term capital lock-up
- High capital lock-up period
- Lower asset coverage ratio

Note:

General rating factors summarize the key issues that – according to the analysts as per the date of the rating – have a significant or long-term impact on the rating, positive (+) as well as negative (-).

Current rating factors are the key factors that have, in addition to the underlying rating factors, an impact on the current rating.

Eni S.p.A. Selected key figures of the financial statement analysis Basis: Annual accounts of 31.12 (IFRS, consolidated)	CRA standardized figures ¹	
	2017	2018
Sales (million EUR)	66,919	75,822
EBITDA (million EUR)	14,853	18,278
EBIT (million EUR)	7,368	11,288
EAT (million EUR)	3,377	4,137
Total assets (million EUR)	109,646	113,158
Equity ratio (%)	44,41	44,30
Capital lock-up period (days)	59,40	56,06
Short-term capital lock-up (%)	17,52	20,95
Net Debt/ EBITDA adj. (Factor)	3,24	2,50
Ratio of interest expenses to debt (%)	2,11	1,98
Return on Investment (%)	4,04	4,57

General rating factors

- + Nationwide presence in Italy and strong presence in other European countries
- + Low sensitivity to economic cycles
- + National leader in its strategic business areas
- + Good access to financial markets
- + Generally stable, significant cash flows from operating activities
- + High entry barriers
- Very specialised product portfolio with a focus on power and gas
- High investments necessary to maintain the leading market position
- High concentration on the Italian market
- Above-average Country risk

Current rating factors (rating 2019)

- + Successful 2018 business year, also with regard to business policies and operations
- + Positive development of main sources of revenue
- + Investment activities are according to schedule as far as we can see
- + Future-oriented strategy

¹ The key figures shown here correspond to the values of Creditreform Rating determined for analytical purposes. These often deviate from similar, originally communicated values by the assessed companies. Thus, e.g. the characteristic Net-Debt / EBITDA adj. based on the total balance sheet liabilities, net of financial resources, of the Group. The calculation of equity also generally involves adjustments. As a result, we regularly deduct the goodwill for analytical purposes from equity in whole or in part. In the case of Eni, we subtracted the goodwill from the equity and the amount of active deferred taxes and we added the amount of passive deferred taxes.

Prospective rating factors

are factors and possible events that – according to the analysts as per the date of the rating – would most likely have a stabilizing or positive effect (+) and a weakening or negative effect (-) on future ratings, if they occurred. This is not a full list of possible future events with potential relevance for future ratings. Circumstances can arise that are not included in the list of prospective factors whose effects are impossible to assess at the time of the rating, either because these effects are uncertain or because the underlying

Base-case-scenario	A-
Worst-case-scenario:	BBB-

Note:

The scenarios are based on the information available at the time of the rating. Within the forecast horizon, some circumstances could occur that would lead to a rating change out of the indicated range.

Prospective rating factors

- + Diversified portfolio
- + Development of new oil fields (e.g. Zora)
- + Improved financial indicators after completion of the investment plan 2019-2022
- Deterioration of creditworthiness of main (Italy rating)
- Legislative changes which may adversely impact the economic and financial situation, or the ownership structure
- Delay of a number of large, important projects
- Insufficient action related to megatrends and environmental protection measures
- Deterioration of financial indicators due to stagnating economy and/or increased indebtedness
- Economic and geopolitical risks both in Europe as well as globally

Best-case-scenario

In our best-case scenario for one year, we assume a stable rating of A- based on our assessment that the business development proceeds according to schedule and that balance sheet and P&L ratios show better development as in the 2018 fiscal year. In our sub-methodology for 'state-affiliated companies', we assume a high degree of willingness on the part of the Italian government to provide financial assistance to Eni if necessary, which has a stabilizing effect on the rating outcome. Here we also assume that the sovereign rating of Italy will at least remain stable.

Worst-case-scenario

In the worst-case scenario for one year, we assume a rating of BBB-, based on the assumption that there is a change, e.g. due to legislative changes, in our assessment of the ownership structure or prospective financial assistance. In addition, substantial political or geopolitical changes could result in a downgrade in the worst-case scenario. Moreover, delays in the context of the Group's strategy plan for 2019-2022 could entail a significant deterioration for the company. We currently view these scenarios as unlikely.

Business development and outlook

The Company achieved positive results during the financial year 2018. Total revenues increased by 14.7% to EUR 75,822 million (2017: EUR 66,119 million), EBT amounted to EUR 10,107 million (2017: EUR 6,844 million), and EAT increased to EUR 4,137 million (2017: EUR 3,377). Thus, Eni was able to significantly increase both its revenues and annual result from the previous year.

Eni's business areas include crude oil, natural gas, electricity generation, the development and construction of plants, and petrochemicals. The three core areas include:

- Exploration & Production,
- Gas & Power,
- Refining & Marketing and Chemicals.

The Eni-Group prepares a rolling strategic plan for a period of four years. The following core goals are laid out according to the current strategic plan 2019 to 2022:

Exploration & Production

The Hydrocarbon production is expected to grow to 1.88 million boed/d. This will be driven by:

- Ramp-ups of fields in Angola, Egypt, and Libya,
- Start-ups of fields in Algeria, Egypt, and Mexico,
- In Exploration we target 600 mln boe discoveries with a UEC of 1.8\$/boe.

Gas & Power

Continued outstanding performance with an adjusted EBIT target of EUR 0.5 billion with increased synergy between our businesses.

Refining & Marketing and Chemicals

- Gela Green Refinery to start-up in the 1st quarter of 2019 will add to our biofuel production capacity,
- R&M EBIT is expected to be EUR 0.7 billion,
- The Chemicals business is expected to operate with continued structural resilience in unfavourable market conditions,
- The closing of the ADNOC Refinery deal will increase the refining capacity by 35%.

Table 2: The development of Business of Eni S.p.A.. Source: Consolidated annual accounts 2015 - 2018

Eni S.p.A.				
In million EUR	2015	2016	2017	2018
Sales	72.286,0	55.762,0	66.919,0	75.822,0
EBIT	-3.076,0	2.833,0	7.368,0	11.288,0
EBT	-6.251,0	479,0	6.844,0	10.107,0
EAT	-9.373,0	-1.457,0	3.377,0	4.137,0

Considering the Eni's strong market position, we believe that Eni will meet its growth targets over the medium to long term. Most of the Group's revenues are derived from transparent and stable cash flows generated through solid business activities. In addition, Eni benefits from easy access to the capital market.

Structural risk

The Eni Group is active in three areas: upstream, mid-downstream and new energy solutions.

An important goal in the **upstream** area is the utilization and increase of flow rates. In order to reach these goals, the following strategic and operational targets, among others, were specified:

- Focus on near-field exploration with reduced time-to-market and rapid cash flow in Countries with operated infrastructures.
- Build-up of exploration activities in "high risk-high reward" areas.
- Drilling of more than 140 wells located in more than 25 Countries.
- Cash generation growth with a cumulative free cash flow at EUR 22 billion in the 2019-2022 period.
- Production growth at an average annual rate of 3.5% in the 2018-2022 period focusing on value, leveraging on the ramp-ups at fields started up in 2018 and new planned

production in the next four years with a level of cash flow per boe higher than the portfolio average and sustainable even at lower Brent prices.

- Start-up and strengthening of integration with the Gas & Power segment to monetize gas equity.
- Optimizing efficiency by means of several initiatives to reduce operating costs and “Non-Productive Time”.
- Use of Digital Transformation to support asset integrity and operational efficiency. Eni has initiated the digitalization for the past three decades. Technological progress has always gone hand-in-hand with developing the skills of Eni’s staff, creating a winning blend. The company recently began a far-reaching digital transformation process, involving innovation in workflows and organisational models in addition to new technologies. In September 2018, a Digital Business Unit was launched to define the company’s digital strategy and implement the transformation in an integrated manner right across the business. The unit is responsible for coming up with digital initiatives, including promoting channels for open innovation, helping to integrate new digital skills and launching a major change-management programme.

In the **mid-downstream area for gas & power**, the company pursues the following core targets, among others, according to the annual report 2018:

- Growth in economic and financial results in the four-year plan: adjusted operating profit expected at EUR 0.7 billion in 2022; cumulated organic free cash flow at EUR 2.3 billion in the 2019-2022 period.
- Growth in LNG business benefitting from the development of the Asian market, the entry in the new markets and the greater integration with upstream business for the enhancement and monetization of gas equity; LNG contracted volumes to 14 MTPA in 2022 and 16 MTPA in 2025.
- Ongoing restructuring of Eni supply portfolio and reduction of logistic costs, through contracts renegotiations.
- Increasing integration with other Eni’s businesses, in particular in LNG and Trading.
- Growth and enhancement of the retail business’ customer base also by developing new products/services and implementing transformation initiatives leveraging on accelerating channels and digitalization. In 2022 customers will increase to around 12 million, up by 22% vs. 2019.
- Geographical rebalancing in Italy in the retail business leveraging on acquisitions, catching the opportunities arising from the market consolidation process.

In the **mid-downstream area for refining & marketing**, the following core targets are being focused on according to the 2018 annual report:

- Sustainable financial results in the four-year plan with a cumulated organic freecash flow at EUR 2.6 billion in the 2019-2022 period.
- Breakeven refining margin at 2.7 US-\$/barrel by 2020, following Ruwais acquisition, maximization of asset integrity and logistic optimizations. In the long-term breakeven refining margin at 1.5 US-\$/barrel.
- Ongoing development of green projects, final market diversification and development of projects of waste conversion based on circular economy.
- In marketing business, consolidation of market position in Italy combined with a selective growth abroad, development of sustainable mobility.

Against the background of the projects and measures already initiated by Eni in order to meet its targets, we assume that these targets, although in part ambitious, should be attainable provided that the economic and geopolitical conditions in Europe, as well as in the regions outside of Europe where Eni has operations, remain stable.

The main shareholder of the publicly listed company is the Italian state, with a share of 30.1% (of this, 4.34% is held directly and 25.76% indirectly via Cassa Depositi e Prestiti S.p.A.). In addition to private investor shareholdings of 11.05%, 57.14% is free floating (the majority of which is in Italy, with 44%). Eni's shares are listed on the New York Stock Exchange (NYSE) and the Milan Stock Exchange Borsa Italiana.

The Company is managed by the Board of Directors (currently featuring 21 members) and the Board of Statutory Auditors (currently featuring 7 members). Hereof are 5 standing Statutory Auditors and 2 alternate Statutory Auditors.

The company reports its financial statements in accordance with IFRS and employed on average approximately 31.700 people at year end 2018.

Due to its national systemic importance and its relevance for the capital market, the Company has to comply with high legislative, regulative and corporate governance standards. We do not see any core risks in connection with the Company's structure.

Business Risk

Eni engages in oil and natural gas exploration, fields development and production, mainly in Italy, Algeria, Angola, Congo, the United Arab Emirates, Egypt, Ghana, Libya, Mozambique, Nigeria, Norway, Oman, Kazakhstan, the UK, and the United States, for overall 43 Countries.

Eni sells gas, electricity, LNG and oil products in the European and extra-European markets, also leveraging on trading activities. Products availability is ensured by oil and gas production in the upstream business, long-term gas supply contracts, CCGT power plants, Eni's refinery system as well as by Versalis' chemical plants. The supply of commodities is optimized through trading activity.

Integrated business units enable the company to capture synergies in operations and reach cost efficiencies.

Eni's three business can be described in detail as follows:

- **Exploration & Production**

Eni extracts crude oil and gas in Italy, North and West Africa, the North Sea, the Gulf of Mexico, and Australia, as well as in other regions possessing a high exploration potential. Among these are the Caspian Sea, the Middle and Far East, as well as India and Alaska.

The Hydrocarbon production belief sich 2018 auf 1,85 Mio. Barrel of Oil Equivalent (boe) per day. The profit per boe achieved 9,3 US-\$ per boe and could be increased by 0,2 US-\$ per boe in comparison to the previous year. The adjusted operating profit amounted in 2018 to EUR 10,850 million in comparison to EUR 5,173 million in 2017. Thus, the area of Exploration & Production accounted by far for the largest share of turnover and yield.

- **Gas & Power**

A former state monopolist, Eni is the largest gas provider in Italy and operates in the fields of delivery, transport, distribution, and sale of crude oil. The area Gas & Power is the second-largest pillar of the Eni Group in terms of earnings. Global natural gas sales amounted to 76.71 bcm in 2018, a decrease of 5.1% from 2017. The adjusted operating profit came to EUR 513 million in 2018 up from EUR 214 million in 2017.

Eni also operates in the production and sale of electricity (EniPower). Business development in this field remained stable over the last three fiscal years.

- **Refining & Marketing and Chemicals**

The area of Refining & Marketing of crude oil products includes the refineries, storage, transport, and the distribution network of Agip. The adjusted operating profit amounted to EUR 380 million in 2018 after reaching EUR 991 million in 2017, thus a significant decrease in this area.

Eni operates approximately 5,300 petrol stations throughout Europe under the brand name of Agip, of which roughly 4,000 are located in Italy, making Eni the nationwide largest petrol station operator. In Germany Eni operates 417 petrol stations, in Austria 318, in Switzerland 243 and in France 155 petrol stations.

The Group's value chain is divided into the three following areas:

- Upstream: Exploration, development and extraction of oil and natural gas (offshore and onshore),
- Mid-Downstream: Transport and storage of hydrocarbons, refining and distribution of the products,
- Final market: Sale of gas, electricity, LNG and products in the European market and in markets outside Europe through trading activities (B2B and B2C).

With its integrated business model we believe, that the Group is well established in its relevant markets. Challenges also arise for Eni from digitization, and the decarbonization trend. As far as we can assess, the Group operates a well-developed and constantly evolving business risk management system, which is in line with current market and regulatory requirements and supported by many years of experience in the industry. We also evaluate the risk of a further deterioration in the country risks of Italian as significantly as the other average country risks. This has a limiting effect on the current rating assessment.

Financial risks

The Company is exposed to general financial risks such as currency exchange rate risks, counterparty credit risks, as well as liquidity, rating and debt covenant risks. As far as we can assess, the Group's prudent financial policy and well-developed financial risk management system allow an efficient identification and prevention of financial risks.

For the purposes of its financial ratio analysis, Creditreform Rating AG ("CRA") adjusted the original values in the financial statements. The following representations and calculations are based solely on these adjustments.

The Company is highly capital intensive. Approximately 65% of the company's balance sheet total is tied up in long-term assets, reflecting the specific conditions of the business and empha-

sising the importance and high levels of investments required for the development and maintenance of the infrastructure supporting the further development of the Company. The asset coverage ratio of 102.99 as of 31 December 2018 shows the 2018 shows appropriate financing.

CRA calculated an adjusted equity for 2018 of EUR 50,130 million (2017: EUR 48,697 million), which accounts for 44.30% of the balance sheet total (2017: 41.41%). The equity did not increase over the last four years but equity-ratio is very solid. The dividends paid to Eni's shareholders for 2018 amounted to EUR 2.954 million (2017: EUR 2.880 million). The high capital intensity of the company is partly offset by the long-term character of most of its obligations. The long-term and medium-term liabilities accounted for 54,88% of the Group's total liabilities (EUR 34,587 million out of EUR 63,028 million) as of 31 December 2018. CRA's adjusted ratio of net debt / EBITDA – 2.5 as of 31 December 2018 - is still adequate in our view based on the Group's solid and predictable cash flows.

Eni has financed itself – in addition to equity - mainly through long-term bond issues. These bonds have increased as of 31 December 2018 up to 17,313 EUR million (31 December 2017: EUR 16,907 million). Most of the bonds are part of the EMTN programme that had last renewed in October 2018 with a maximum total amount of up to EUR 20 billion. The book value of other borrowings, the most of which are bank borrowings amounted to approx. EUR 4,856 million as of 31 December 2018.

The Company has an adequate liquidity position, taking into consideration its reliable, highly predictable and stable cash flows, the fact that these cash flows are predominantly generated by a highly regulated business, its good liquidity reserves and its good access to financial markets. The volume of the reported operating cash flow was at EUR 13,647 million in 2018 (2017: EUR 10,117). At the end of 2018, the Company had cash and cash equivalents of EUR 10.836 million.

We see no significant short- or medium-term financial risks for Eni, taking into consideration its adequate current cash position and liquidity reserves, its reliable cash flows, and its well-coordinated and - in our view - realistic investment plans. Furthermore, the Group has an adequate capital structure and disposes of diversified financing resources that should allow Eni to pursue its strategic plan. Further significant increases of net debt could, however, have a negative impact on the rating assessment. Risks could arise in connection with financial covenants and a deterioration of the Company's rating following the possible down-grade of the sovereign rating of the Italian Republic.

Issue rating

Further issuer ratings

In addition to the rating of Eni S.p.A. the following Issuer and its issues (see below), have been rated.

- Eni Finance International SA

Due to the corporate, strategic, liability, financial, economic and performance-related interdependencies of the aforementioned subsidiary (which is direct or indirect 100% subsidiary of Eni S.p.A. and has been consolidated into the group annual accounts) we derive the unsolicited issuer rating of the Eni Finance International SA from the unsolicited issuer rating of Eni S.p.A. and set it equal to its rating of **(BBB+ / stable)**.

Eni S.p.A. is guarantor of the above listed group company and the issues that have been issued under the Euro Medium Term Note (EMTN) programme, with the last basis prospectus of 05.10.2018 and with the last supplement of 23.04.2019. This subsidiary has also been assessed in this rating report.

As a wholly-owned direct subsidiary and financing vehicle of Eni S.p.A. its activities are directly related to the financing needs of the Group, which in turn depend on the development of the operating business and the investments in the Group. Additionally, the business development of the Eni Finance International SA depends on the ability of Eni S.p.A. to service the payment obligations resulting out of the intercompany loans granted by the subsidiary to the parent company and/or other group companies. Overall, the future development of Eni Finance International SA will be determined by the business development, strategy and capital and investment needs of the parent company, taking into account its specific and general business risks. In this respect, we consider a consolidated view of the business development and the outlook for the rating assessment of Eni Finance International SA as appropriate. Because of these economic, financial and liability relationships between the Eni S.p.A., we set the rating of Eni Finance International SA equal to the rating of Eni S.p.A. Therefore the rating of Eni Finance International SA is **BBB+ / stable**.

Issue rating details

The rating objects of this issue rating are exclusively the long-term senior unsecured issues, denominated in euro, issued by Eni S.p.A. and Eni Finance International SA, and which are included in the list of ECB-eligible marketable assets. The ECB list of eligible marketable assets can be found on the website of the ECB. The issues have been issued under the EMTN with their latest prospectus from 05 October 2018.

The notes have been issued within the framework of the Euro Medium Term Note (EMTN) programme, of which the latest base prospectus dates from 05 October 2018. This EMTN programme amounts to EUR 20 bn. The notes under the EMTN programme are senior unsecured, and rank at least pari passu among themselves and with all other present and future unsecured obligations of the issuer. Additionally, the notes benefit from a negative pledge provision, a change of ownership clause and a cross default mechanism.

We have provided the debt securities issued by Eni S.p.A. with a rating of BBB+. The rating is based on the corporate rating of Eni S.p.A. Other types of debt instruments or issues denominated in other currencies of the issuer have not been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG.

The following tables provide an overview of the ratings issued by Creditreform Rating AG in this context, as well as the key features of the Euro Medium Term Note programme or issue prospectuses of 05 October 2018 considered here.

Result corporate issue rating

We derive the rating of the in euro denominated bonds of the issuers from the corporate issuer rating of Eni S.p.A. The rating/s of the issues is/are therefore set equal to the corporate rating of the issuer. The rating result is BBB+. For the issue ratings we have applied our rating methodology for corporate issues. The outlook is stable.

Overview

Table 3: Overview of CRA Ratings | Source: CRA

Rating category	Details	
	Date	Rating
Eni S.p.A. (Issuer)	26.04.2019	BBB+ / stable
Eni Finance International SA (Issuer)	26.04.2019	BBB+ / stable
Long-term Local Currency (LC) Senior Unsecured Issues	26.04.2019	BBB+ / stable
Other	--	n.r.

Table 4: Overview of 2018 Euro Medium Note Programme | Source: Eni, prospectus dated 05 October 2018

Overview 2018 EMTN programme			
Volume	EUR 20,000,000,000	Maturity	Depending on the respective bond
Issuer / Guarantor	Eni S.P.A. (Garantor) Eni Finance International SA	Coupon	Depending on the respective bond
Arranger	Goldman Sachs International	Currency	Depending on the respective bond
Credit Enhancement	none	ISIN	Depending on the respective bond

All future LT LC senior unsecured Notes that will be issued by the issuers considered here and that have similar conditions to the current EMTN programme, denominated in Euro and included in the list of ECB-eligible marketable assets will, until further notice, receive the same ratings as the current LT LC senior unsecured Notes issued under the EMTN programme. Notes issued under the programme in any currency other than Euro, or other types of debt instruments, have not yet been rated by CRA. For a list of all currently valid ratings and additional information, please consult the website of Creditreform Rating AG. For the time being, other emission classes or programs (such as the Commercial Paper Program) and issues that do not denominate in euro will not be assessed. The current ratings and information on the issuer and the issues can be viewed on the website of Creditreform Rating.

Structured financial ratios of Eni S.p.A.

Table 5: Financial ratios of Eni S.p.A. (Group) | Source: Eni S.p.A. annual report 2018, standardized by CRA

Asset structure	2015	2016	2017	2018
Fixed asset intensity (%)	64.65	70.99	65.27	64.18
Asset turnover	--	0.47	0.58	0.68
Asset coverage ratio (%)	83.05	66.29	103.28	102.99
Liquid funds to total assets (%)	4.46	4.70	12.39	15.37
Capital structure				
Equity ratio (%)	52.73	46.34	44.41	44.30
Short-term-debt ratio (%)	28.59	34.44	22.64	25.13
Long-term-debt ratio (%)	0.96	0.72	23.00	21.80
Capital lock-up period (in days)	48.50	72.25	59.40	56.06
Trade-accounts-payable ratio (%)	8.23	9.14	9.93	10.29
Short-term capital lock-up (%)	11.61	24.96	17.52	20.95
Gearing	0.81	1.06	0.97	0.91
Leverage	--	2.02	2.20	2.25
Financial stability				
Cash flow margin (%)	--	11.85	36.61	14.01
Cash flow ROI (%)	--	5.47	22.31	9.39
Debt / EBITDA adj.	4.22	6.03	4.17	3.45
Net Debt / EBITDA adj.	3.82	5.50	3.24	2.50
ROCE (%)	7.36	3.79	12.67	19.57
Debt repayment period	--	-21.64	10.45	5.82
Profitability				
Gross profit margin (%)	--	27.35	22.97	26.64
EBIT interest coverage	-2.36	2.13	5.73	9.05
EBITDA interest coverage	4.49	8.08	11.37	14.66
Ratio of personnel costs to total costs (%)	--	5.37	4.41	4.08
Ratio of material costs to total costs (%)	--	72.65	77.03	73.36
Return on investment (%)	-6.91	0.09	4.04	4.57
Return on equity (%)	--	-2.48	6.45	8.37
Net profit margin (%)	-12.97	-2.61	5.05	5.46
Interest burden (%)	--	31.49	96.43	98.08
Operating margin (%)	-4.26	5.08	11.01	14.89
Liquidity				
Cash ratio (%)	15.61	13.64	29.66	38.10
Quick ratio (%)	103.11	65.35	129.46	123.39
Current ratio (%)	123.64	84.22	153.41	142.53

Appendix

Rating history

The rating history is available under <https://www.creditreform-rating.de/de/ratings/published-ratings/>

Corporate issuer rating of Eni S.p.A.

Event	Rating Date	Publication date	Monitoring period	Result
Initialrating	26. Apr. 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Corporate issuer rating of Eni Finance International SA

Event	Rating Date	Publication date	Monitoring period	Result
Initialrating	26. Apr. 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Rating of LT LC senior unsecured issues of Eni S.p.A. / Eni Finance International SA

Event	Rating Date	Publication date	Monitoring period	Result
Initialrating	26. Apr. 2019	www.creditreform-rating.de	Withdrawal of the rating	BBB+ / stable

Regulatory requirements

The present rating is an unsolicited rating. Creditreform Rating AG was not commissioned by the Issuer with the preparation of the rating. The present analysis was prepared on a voluntary basis.

The rating is based on the analysis of published information and on internal evaluation factors. The quantitative analysis is primarily based on the last annual report of the Issuer, the basis prospectuses and on press releases of the company. The information and documents meet the requirements and are in accordance with the published Creditreform Rating AG's rating methodology.

The rating was conducted on the basis of Creditreform Rating's "Corporate Ratings" methodology, the "Government related companies" methodology and the "Non-Financial Corporate Issue Rating" methodology. A complete description of Creditreform Rating's rating methodologies is published on the following internet page: www.creditreform-rating.de.

The documents submitted and information gathered were sufficient to meet the requirements of Creditreform Rating AG's rating methodology. A complete description of Creditreform Rating's rating methodologies and Creditreform's basic document "Rating Criteria and Definitions" is published on the following internet page:

www.creditreform-rating.de/en/regulatory-requirements/

This rating was carried out by analysts Holger Becker (h.becker@creditreform-rating.de) and Natallia Berthold (n.berthold@creditreform-rating.de), both located in Neuss, Germany. A management meeting did not take place.

The rating was presented to the rating committee on 26 April 2019. The company has previously received the rating result, along with the key reasons that led to the rating prior to publication

and was given at least one full working day to appeal the rating committee's decision and to provide additional information. The rating decision was not amended following this examination.

The rating will be monitored until CRA removes the rating and sets it to non-rated (n.r.).

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on this registration, Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Please note:

This report exists in an English version only. This is the only binding version.

Conflict of interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

In the event of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

Rules on the presentation of credit ratings and rating outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our 'Rating Committee' policy, all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

Corporate Issuer rating:

1. Annual report
2. Website
3. Internet research

Corporate Issue rating:

1. Issuer corporate rating incl. information used for the Issuer corporate rating
2. Documents on issues / instruments

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the CRA website. Furthermore, CRA considers as satisfactory the quality and extent of information available on the rated entity. With respect to the rated entity, Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

The 'Basic Data' information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

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The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the 'Basic Data' card as a "rating action"; initial release is indicated as "initial rating", other updates are indicated as an "update", "upgrade" or "downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within 'Basic Data' information card.

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