

ENI

Sector: Energy

NEUTRAL

Price: Eu13.98 - Target: Eu14.50

Margins Expected to Fall Due to Lower Commodity Prices

 Paolo Citi +39-02-77115.430
 paolo.citi@intermonte.it

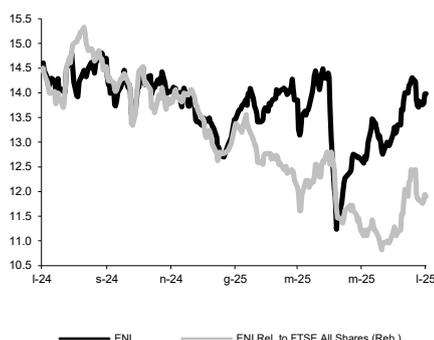
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 13.50 to 14.50		
	2025E	2026E	2027E
Chg in Adj EPS	4.4%	3.1%	-0.8%

Next Event

2Q25 Results Out 25 July -

ENI - 12M Performance



Stock Data

Reuters code:	ENI.MI		
Bloomberg code:	ENI IM		
Performance	1M	3M	12M
Absolute	5.1%	2.3%	-3.3%
Relative	5.4%	-5.8%	-21.0%
12M (H/L)	14.81/11.23		
3M Average Volume (th):	14,461.63		

Shareholder Data

No. of Ord shares (mn):	3,684
Total no. of shares (mn):	3,622
Mkt Cap Ord (Eu mn):	51,510
Total Mkt Cap (Eu mn):	51,510
Mkt Float - Ord (Eu mn):	32,297
Mkt Float (in %):	62.7%
Main Shareholder:	
Government	33.3%

Balance Sheet Data

Book Value (Eu mn):	52,328
BVPS (Eu):	15.93
P/BV:	0.9
Net Financial Position (Eu mn):	-16,038
Enterprise Value (Eu mn):	65,104

■ **Oil price rollercoaster due to Israel-Iran conflict.** After climbing more than \$10/bl when Israel unleashed airstrikes against Iran on 13 June and US launched targeted bombs on three Iranian nuclear facilities on 20 June, oil prices fell back to previous levels last week after Israel and Iran agreed a ceasefire. Brent came back from \$80/bl to \$67/bl as reduced geopolitical tensions in the Middle East eased fears of supply disruptions. After recent draws on US crude and fuel inventories, the market's focus is shifting to potential tariff removals and the OPEC+ meeting.

■ **2Q25 results preview** (results out on 25 July). 2Q25 was a highly volatile quarter for commodities, with prices under pressure in April due to recession fears following the introduction of US tariffs, sharply up from mid-June after the outbreak of the Israel-Iran conflict and US strikes on Iranian nuclear sites, then erasing gains as the ceasefire eased supply concerns. Despite rebounding in mid-June, both oil and gas prices were down QoQ, with Brent at US\$67.0/bl (-11% QoQ, -21% YoY), and Italy's PSV at Eu38.3/MWh (-21% QoQ, +15% YoY). In the Downstream segment, refining margins were up QoQ (but still down YoY), driven by higher gasoline and middle distillate (aviation jet) cracks, while Chemical cracks remained in the red. On the ForEx side, the dollar weakened further, closing at 1.13x (vs. 1.05x in 1Q25 and 1.08x in 2Q24). In this scenario, we expect ENI's 2Q25 margins to have narrowed both QoQ and YoY, with E&P in particular penalised by lower oil and gas price realisations. At Group level we are projecting adj. EBIT of Eu1,660mn (-48% YoY, -36% QoQ) and adj. net income of Eu837mn (-45% YoY, -41% QoQ). Looking at the different areas, for E&P we are projecting adj. EBIT of Eu1,560mn (-42% YoY, -30% QoQ), then Eu295mn for GGP & Power (-19% YoY), Eu270mn for Enilive & Plenitude (-8% YoY), and Eu-280mn for Refining & Chemicals (vs. Eu-246mn in 2Q24). On the balance sheet, net debt is expected to have remained broadly stable at Eu16.7bn (D/E 0.29x, D/E pre-IFRS16 0.17x) from Eu16.5bn at the end of March, after Eu2.1bn of CapEx, a Eu0.8bn dividend payment, around Eu0.3bn for the share buyback and a Eu0.6bn cash-in from M&A (5% of Enilive to KKR).

■ **Updated estimates and valuation.** We have raised our 2025-26 oil price assumptions slightly, reflecting a more balanced supply/demand situation in light of potential US trade deals in the coming weeks (Brent: 2025 US\$69.5/bl from US\$67.5/bl, 2026 US\$67.5/bl from US\$65.0/bl, 2027 onwards unchanged US\$65.0/bl). We have also moved our EURUSD assumption, from 1.12x to 1.15x. These changes translated into a 3-4% upward revision to our 2025-26 bottom line estimates. As for the valuation, we are lifting our target price from Eu13.50ps to Eu14.50ps, still based on a mix of DCF and SoP.

■ **Investment conclusion.** While we continue to appreciate ENI's strong track record in Exploration and the generous distribution policy for shareholders, we are concerned that the current highly volatile macro scenario could burden the stock's performance after the share price recovery recorded in the last two months. NEUTRAL confirmed.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	93,717	88,852	85,466	83,564	83,910
EBITDA Adj (Eu mn)	21,415	18,231	15,873	16,098	16,995
Net Profit Adj (Eu mn)	8,298	5,264	4,252	4,262	4,627
EPS New Adj (Eu)	2.458	1.603	1.295	1.298	1.409
EPS Old Adj (Eu)	2.458	1.603	1.240	1.259	1.420
DPS (Eu)	0.940	1.000	1.050	1.080	1.080
EV/EBITDA Adj	3.1	3.8	4.1	4.0	3.7
EV/EBIT Adj	4.9	6.7	8.1	8.1	7.4
P/E Adj	5.7	8.7	10.8	10.8	9.9
Div. Yield	6.7%	7.2%	7.5%	7.7%	7.7%
Net Debt/EBITDA Adj	0.8	1.0	1.0	0.9	0.8

DISCLAIMER (for more details go to [DISCLAIMER](#))

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Ave, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5%-6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 30 June 2025 Intermonte's Research Department covered 133 companies. As of today Intermonte's distribution of stock ratings is as follows:

BUY:	31.85 %
OUTPERFORM:	37.78 %
NEUTRAL:	30.37 %
UNDERPERFORM:	00.00 %
SELL:	00.00 %

As at 30 June 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (80 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM:	00.00 %
SELL:	00.00 %

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte SIM S.p.A. operates or has operated in the last 12 months as the person in charge of carrying out the share buyback plan approved by the shareholders' meeting of ABITARE IN, ANIMA HOLDING, AZIMUT, CIVITANAVI SYSTEMS, ELEN, ELICA, INTRED, PHARMANUTRA, SERVIZI ITALIA, SESA, TMP GROUP, UNIDATA, VALSOIA, WEBUILD

Intermonte SIM S.p.A. provides or has provided corporate brokerage services to ALLCORE, ALMAWAVE, ANTARES VISION, AQUAFIL, AVIO, CASTA DIVA GROUP, CLUBE LABS, CY4GATE, CYBEROO, DIGITOUCH, DOMINION HOSTING HOLDING, ELICA, ESPRINET, EVOIS, EXECUS, FINE FOODS & PHARMACEUTICALS NTM, FNM, FRANCHI UMBERTO MARMÌ, G.M. LEATHER, GPI, GREEN OLEO, GREENTHESIS, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTRED, ISCC FINTECH, ITALIAN EXHIBITION GROUP, LEMON SISTEMI, LUVE, MAPS, MARE ENGINEERING GROUP, NEODECORTECH, NOTORIOUS PICTURES, PREATONI GROUP, REDFISH LONGTERM CAPITAL, REVO INSURANCE, REWAY GROUP, SERI INDUSTRIAL, SPINDOX, STAR7, TALEA GROUP, ULSISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA in the last 12 months

Intermonte SIM S.p.A. operates or has operated in the last 12 months as Financial Content Provider on the company ALLCORE, ALMAWAVE, B&C SPEAKERS, BANCA SISTEMA, BIFIRE, CASTA DIVA GROUP, CLEANBNN, COFLE, CROWDFUNDIME, CLUBE LABS, DIGITOUCH, DOMINION HOSTING HOLDING, ECOSUNTEK, EDILIZIACROBATICA, ELES, ENERGY, EVOIS, EXECUS, FAE TECHNOLOGY, FIERA MILANO, FOPE, G.M. LEATHER, GREEN OLEO, HIGH QUALITY FOOD, IGD, IKONISYS SA, INTERCOS, INTRED, ISCC FINTECH, LEMON SISTEMI, MAPS, MARE ENGINEERING GROUP, MASSI AGRICOLA, MISITANO & STRACUZZI SPA, NEODECORTECH, NOTORIOUS PICTURES, OLIDATA, OSAI AUTOMATION SYSTEM, PREATONI GROUP, RACING FORCE, REDFISH LONGTERM CAPITAL, RETI, SCLUKER FRAMES, SG COMPANY, SIMONE, SOLID WORLD GROUP, SPINDOX, TALEA GROUP, TAMBURI, TINEXTA, TMP GROUP, TPS, ULSISSE BIOMED, XENIA HOTELLERIE SOLUTION, Zest Group SpA

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of intermediary appointed in the public purchase and/or exchange offer transaction of SAES GETTERS, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as liquidity provider of BANCA SISTEMA, Zest Group SpA

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM acts as financial advisor to Banco BPM in the context of the offer promoted by Unicredit.

Intermonte SIM acts as ECM advisor to Banca IFIS in the offer promoted on Illimity Bank.

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of financial advisor for AQUAFIL, BANCA GENERALI, BANCA IFIS, BANCO BPM, RETEX SPA, TINEXTA

Intermonte SIM S.p.A. operates or has operated in the last 12 months as market maker on financial instruments with underlying shares issued by AZA, AMPLIFON, AZIMUT, BANCA IFIS, BANCA MEDIOLANUM, BANCO BPM, BCA MPS, BCA POP SONDRIO, BFF BANK, Bper Banca, BREMBO, BUZZI, CAMPARI, DANIELI & C, DIASORIN, ENEL, ENI, ERG, FERRARI, FINCOBANK, INDUSTRIE DE NORA, INTERPUMP GROUP, INTESA SANPAOLO, INWIT, IREN, ITALGAS, IVECO GROUP, LEONARDO, LOTTOMATICA GROUP, MEDIOBANCA, MFE B, MONCLER, MONDADORI EDIT., NEXI, OVS, PIRELLI & C, POSTE ITALIANE, PRYSMIAN, SAIPEM, SESA, SNAM S.p.A., STELLANTIS, STIMICROELECTRONICS, TECHNOGYM, TECHNOPROBE, TELECOM ITALIA, TELECOM ITALIA R, TENARIS, TERNA, UNICREDIT, UNIPOL, WEBUILD

Intermonte Sim S.p.A. has or had in the last 12 months a marketing contract on instruments issued by BARCLAYS, BNP PARIBAS, GOLDMAN SACHS GROUP INC, LEONTEQ, MAREX FINANCIAL, MEDIOBANCA, MORGAN STANLEY, NATIXIS, SOCIETE GENERALE, UNICREDIT, VONTOBEL N, WISDOMTREE IRELAND LIMITED

Intermonte SIM S.p.A. performs or has performed in the last 12 months the role of specialist on financial instruments issued by ABITARE IN, ALKEMY, BANCA IFIS, BANCA SISTEMA, CIVITANAVI SYSTEMS, COFLE, CYBEROO, DIGITOUCH, ECOSUNTEK, ELEN, EMAK, ENERGY, GREEN OLEO, GREENTHESIS, MISITANO & STRACUZZI SPA, MONDADORI EDIT., OLIDATA, OMER, PHARMANUTRA, QF ALPHA IMV, REPLY, SAES GETTERS, SERVIZI ITALIA, SESA, SG COMPANY, SOMEC, SYS-DAT, TAMBURI, TESMEC, THE ITALIAN SEA GROUP, TINEXTA, TMP GROUP, TXT E-SOLUTIONS, UNIDATA, WIIT with the obligation to disseminate studies

Intermonte SIM S.p.A. plays or has played in the last 12 months the role of sponsor for UNIDATA S.p.A.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short
-----------	---	------------

© Copyright 2025 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website [MIFID](#)

Further information is available