

CAPITAL MARKETS DAY

February 28, 2019



AGENDA OF THE DAY

Tab

11:00 – 12:15

2018 performance
Strategic orientation
Capital allocation & medium-term guidance

Judith HARTMANN p. 3
Isabelle KOCHER p. 27
Judith HARTMANN p. 59

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12:15 – 1:00

Buffet lunch

1:00 – 2:30

Operational plans by business line

Shankar KRISHNAMOORTHY p. 86
Paulo ALMIRANTE p. 107
Gwenaelle HUET p. 126
Franck BRUEL p. 156

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2:30 – 3:30

Q&A and closing remarks

Judith HARTMANN

EVP, Chief Financial Officer

2018 PERFORMANCE



KEY MESSAGES

NRIGS GUIDANCE ACHIEVED

**SOLID ORGANIC GROWTH
DESPITE NUCLEAR HEADWIND**

**SOUND OPERATING CASH GENERATION
AND STRONG FINANCIAL STRUCTURE**

2018 STRATEGY EXECUTION

More profitable through focused investments and cost efforts

Strong growth in client solutions driven by targeted acquisitions in services, despite retail headwinds

Acceleration in renewables 1.1 GW of wind & solar capacity added in 2018 and targeted capacity addition of 9 GW over 2019-21

Increased regulated asset base thanks to storage regulation

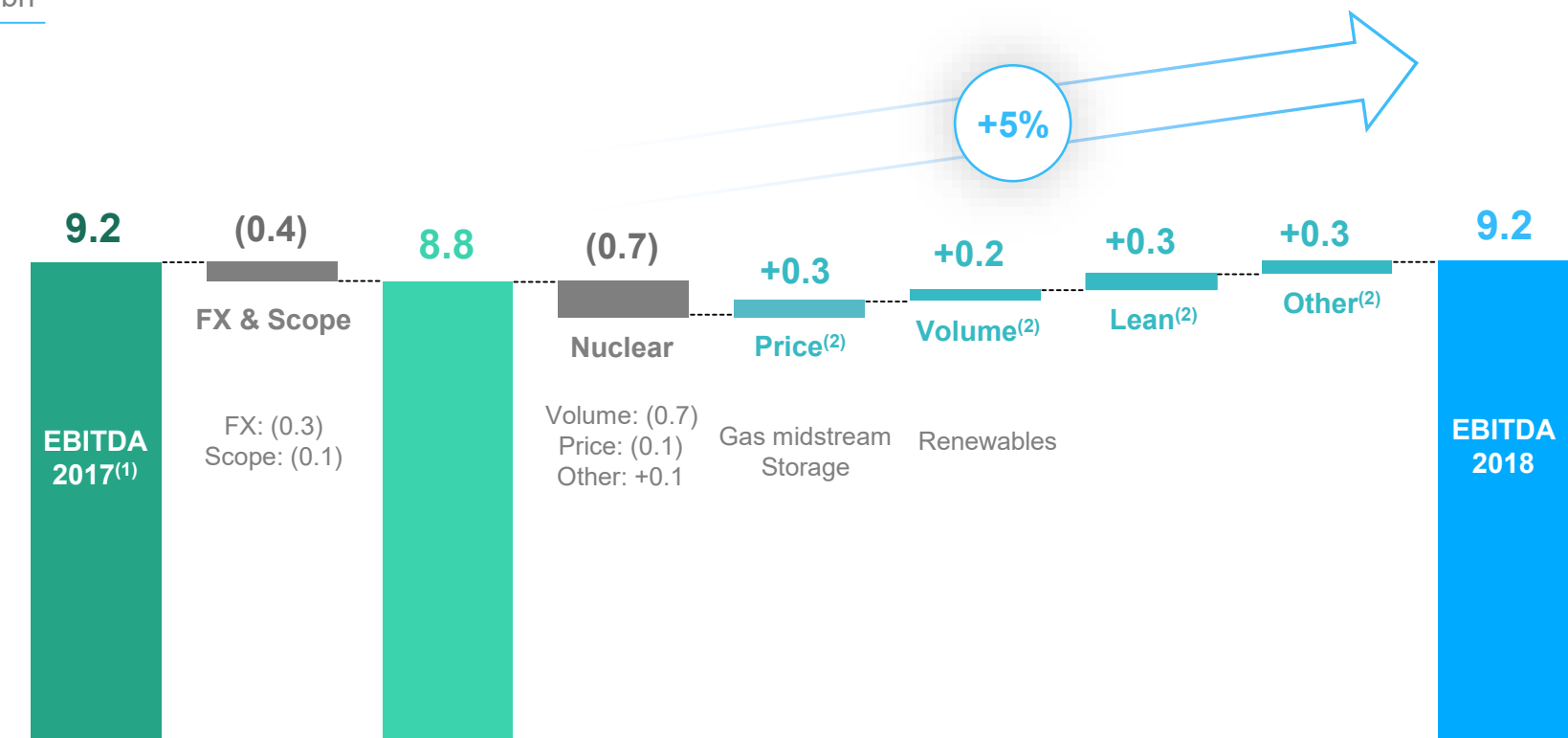
Reduced coal exposure: sale of Loy Yang B and announcement of Glow disposal

EBITDA & COI UP 5% ORGANICALLY

2018 FY RESULTS – In €bn	Actual	Δ Gross ⁽¹⁾	Δ Organic ⁽¹⁾
EBITDA	9.2	0%	+5%
COI ⁽²⁾	5.1	-1%	+5%
NRIGs ⁽³⁾	2.46	+10%	+17%
NIgs	1.0	-22%	
CFFO ⁽⁴⁾	7.3	-1.2	

SOLID ORGANIC EBITDA GROWTH

In €bn

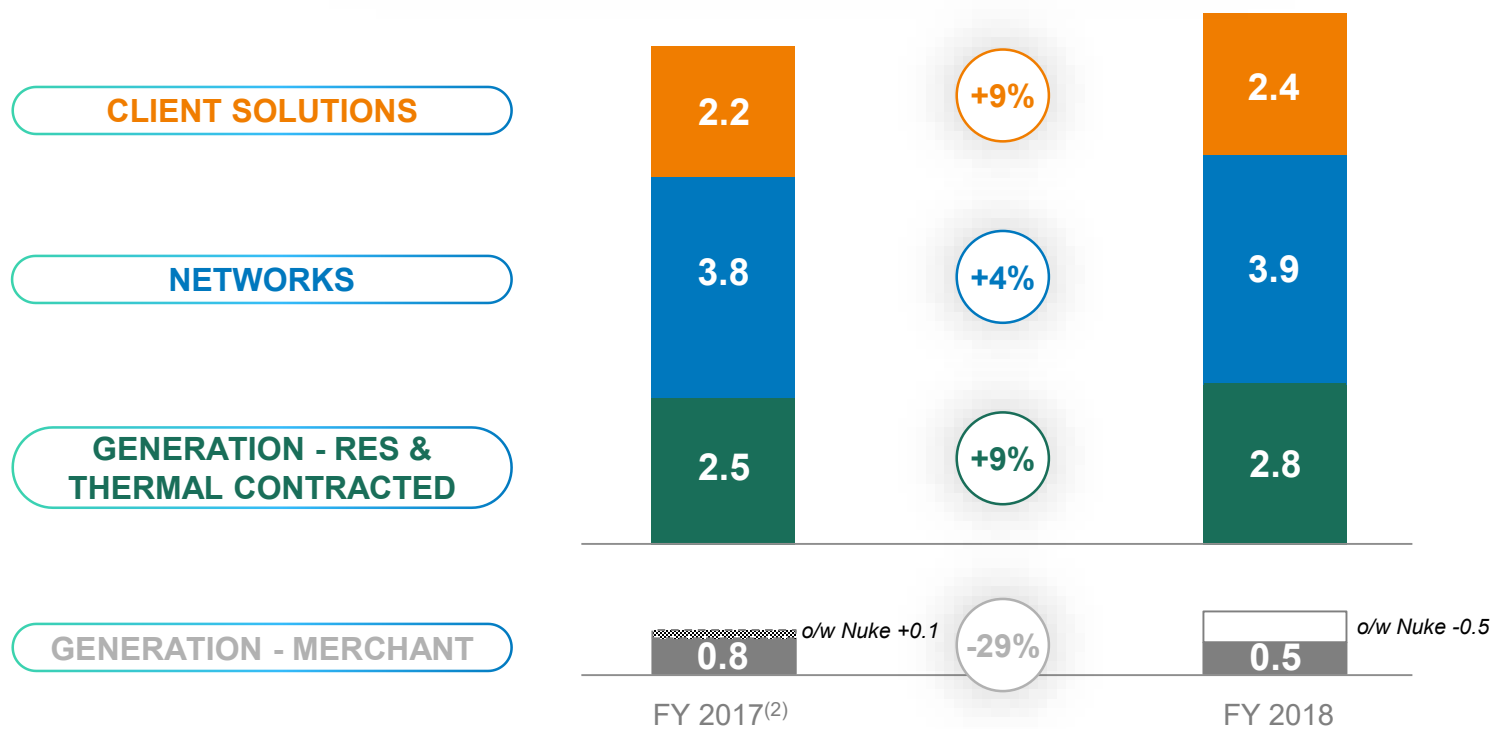


By reportable segment⁽³⁾

- NORTH AMERICA
- LATIN AMERICA
- AFRICA/ASIA
- BENELUX
- FRANCE
- EUROPE excl. France & Benelux
- INFRASTRUCTURES EUROPE
- GEM
- OTHER

GROWTH DRIVEN BY SERVICES, RENEWABLES & GAS STORAGE

EBITDA⁽¹⁾ - In €bn, unaudited figures



STRONG SERVICES PERFORMANCE AND NEGATIVE IMPACT IN RETAIL MARGINS



Key dynamics

Strengthening of our positions by **targeted acquisitions**

Strong increase in demand and backlog

B2C supply margin pressure

Key performance and financial indicators

B2B/B2T services

Revenues **€18.6 bn +8.5% gross**

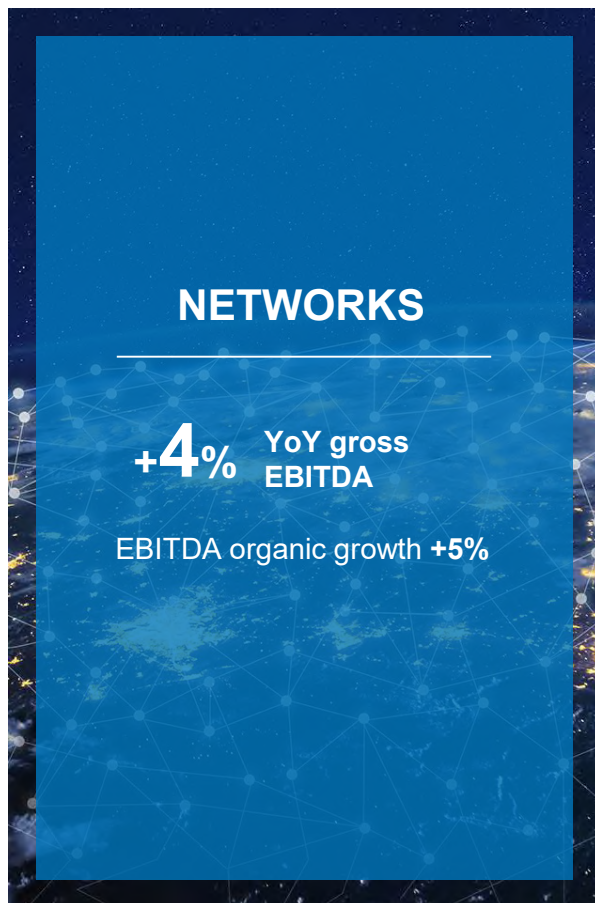
EBIT margin **+30 bps**

Installations backlog **€6.9 bn +10%**

B2C

+0.9m retail contracts (+4%)

GROWTH DRIVEN BY FRENCH STORAGE REGULATION



Key dynamics

France

Gas storage regulation

Inauguration of **Val de Saône** transport pipe

International

Gralha Azul power transmission line

concession signed in Brazil in 2018

Key performance and financial indicators

France

+€3.6 bn of storage **RAB**
(total French RAB **+16%**)

2.5m gas smart meters
Installed by end 2018

International

Solid EBITDA organic growth
+€24%

STRONG GROWTH DRIVEN BY RENEWABLES



Key dynamics

Renewables

Financial **closing of Moray East Offshore Windfarm** (UK)
Acquisitions of **renewables developers** (USA and France)

Thermal contracted

New and extensions of **power purchase agreements** in Chile and Peru

Key performance and financial indicators

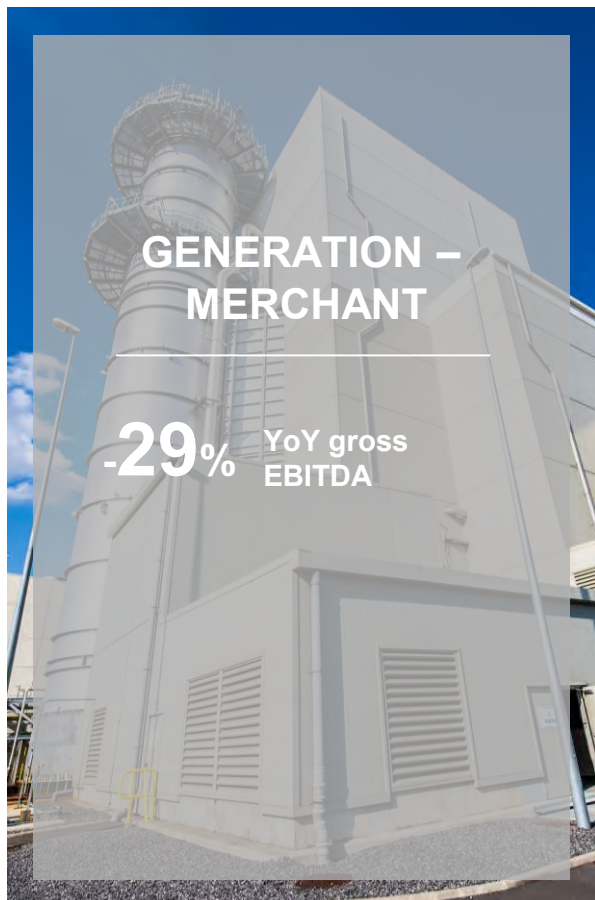
Renewables

+33% volumes hydro France
+1.1 GW capacity added in 2018

Thermal contracted

+1.3 GW commissioned

STRONG GROWTH IN ENERGY MANAGEMENT AND SPREAD GENERATION FLEET PARTLY OFFSETTING NUCLEAR HEADWINDS



Key dynamics

Significant unplanned nuclear outages

Positive portfolio effect on thermal power production

Dynamic management of optionality in the gas supply portfolio

Key performance and financial indicators

52% availability rate at Belgian nuclear plants

-€2/MWh lower achieved price on nuclear power production

FROM EBITDA TO NET INCOME

From EBITDA to NRlgs

	2018	2017 ⁽¹⁾	Δ yoy
EBITDA	€9.2bn	€9.2bn	+0.0
D&A and others	(4.1)	(4.0)	(0.1)
COI⁽²⁾	€5.1bn	€5.2bn	(0.0)
Net interest expense ⁽³⁾	(1.2)	(1.2)	(0.0)
Income tax	(0.9)	(1.1)	+0.2
Minorities & Other	(0.8)	(0.7)	(0.0)
NRlgs continued	€2.5bn	€2.2bn	+0.2
NRlgs discontinued	€(0.0)bn	€0.3bn	(0.3)
NRlgs	€2.4bn	€2.5bn	(0.1)

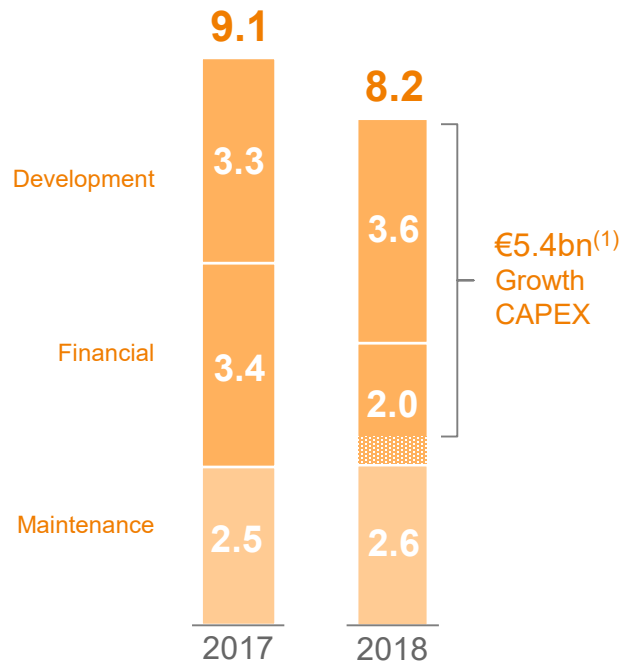
From NRlgs to Nlgs

NRlgs 2018	€2.4bn
MtM below COI	(0.2)
Impairments	(1.8)
Restructuring costs	(0.2)
Capital gains	(0.3)
Others ⁽⁴⁾	+1.1
Nlgs 2018	€1.0bn

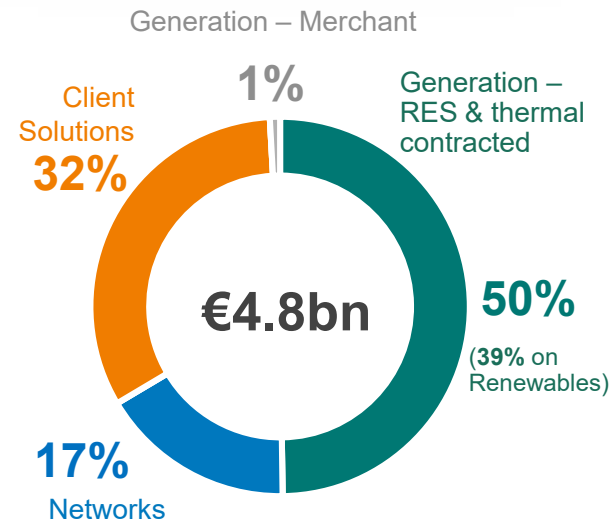
- (1) FY 2017 restated for IFRS 5, 9 and 15 treatments
 (2) After share in net income of associates
 (3) Cost of net debt + unwinding of discount on long-term provisions
 (4) Mainly coming from capital gains from E&P and LNG disposals (Group share)

€4.8BN GROWTH CAPEX IN 2018 ON CORE STRENGTHS

CAPEX by nature - In €bn



Growth CAPEX by métiers - In €bn



€4.8bn net of DBSO proceeds and excl. corporate Capex

TRANSFORMATION DRIVING HIGHER CAPITAL EFFICIENCY

ROCEp⁽¹⁾

	2015	2018
ENGIE	6.5%	7.4%
CLIENT SOLUTIONS⁽²⁾	10.4%	12.2%
GENERATION - RES & THERMAL CONTRACTED	10.3%	12.8%
NETWORKS	7.3%	7.7%

Scope impact
-€0.8bn
 2018 COI impact vs 2015

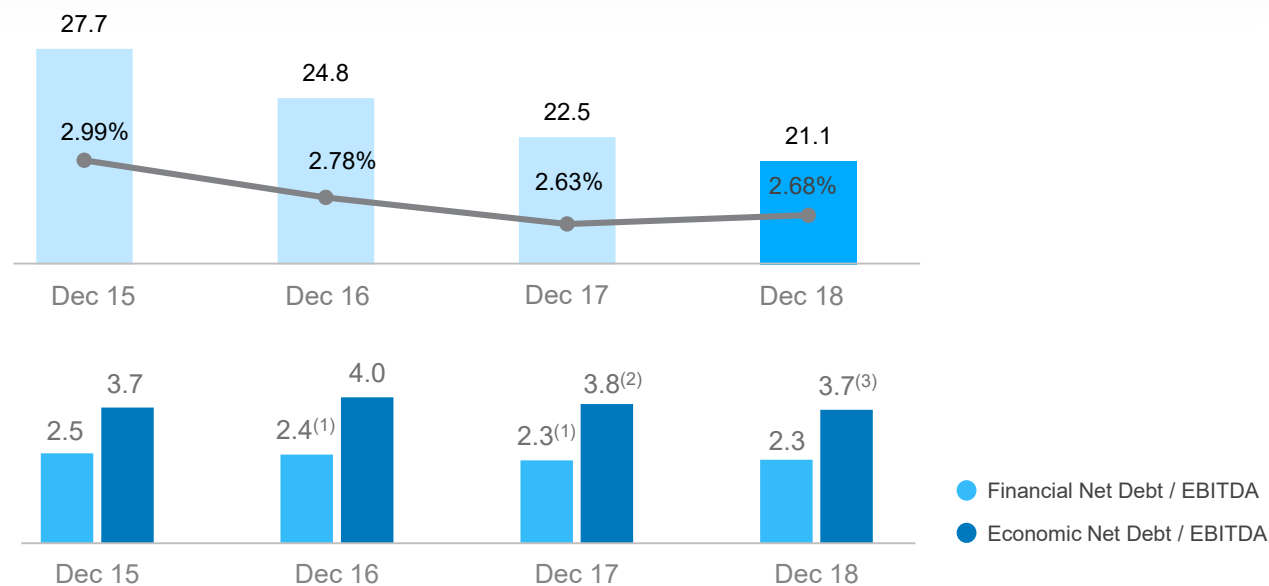
Nuclear impact
-€0.8bn
 2018 COI impact vs 2015

CAPEX 2016-18⁽³⁾
€1.0bn
 COI contribution as from 2019

Lean 2018
€1.3bn
 net cost savings at EBITDA level

STRONG FINANCIAL STRUCTURE

Financial net debt & cost of gross debt - In €bn



In 2018, **S&P** confirmed its **A-/A-2 rating** and revised its **outlook** from negative to **stable**; **Moody's** also confirmed its **A-2 rating** with **stable outlook**

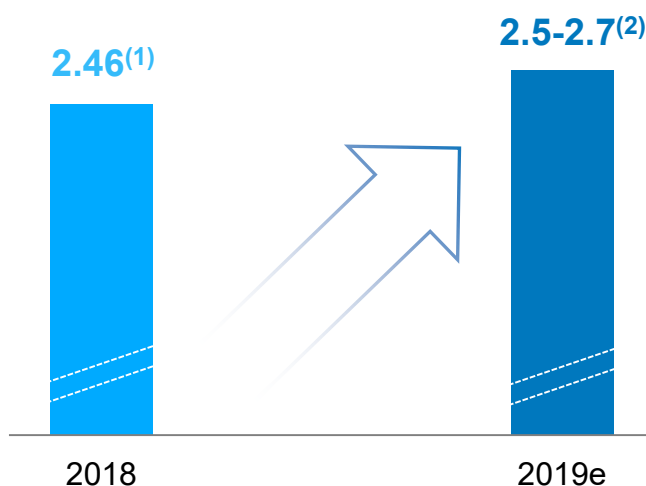
(1) Net debt pro forma E&P interco debt

(2) Figures restated for LNG midstream and upstream activities classified as discontinued operations as from March 2018 (IFRS 5)

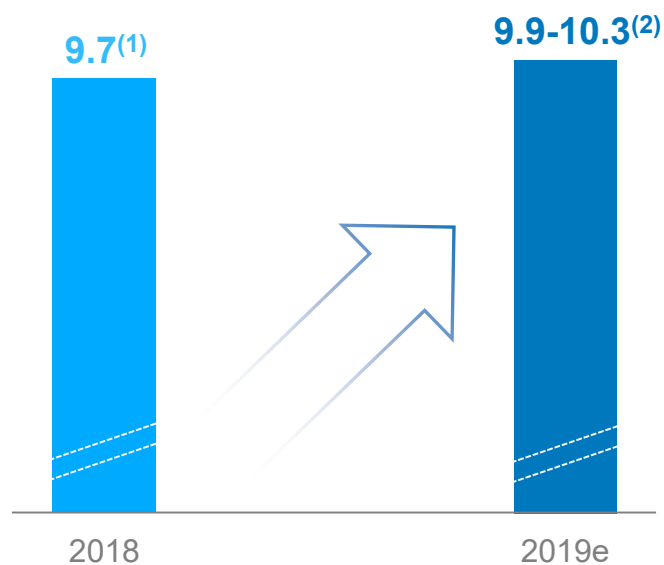
(3) Leases commitments included in economic net debt are restated in EBITDA (for ca. €0.5bn), reflecting the implementation of IFRS 16 from 2019 onwards

2019 GUIDANCE

Net recurring income
Group share - In €bn



EBITDA indication - In €bn



Dividend for 2019

65-75%

pay-out ratio on NRIGs

Leverage & rating⁽³⁾

Financial net debt / EBITDA $\leq 2.5x$
"A" category rating

(1) Without E&P and LNG contributions, restated for IFRS16 treatment (€0.5 bn at EBITDA level, negligible at NRIGs level)

(2) Main assumptions: average weather in France, full pass through of supply costs in French regulated gas tariffs, no major regulatory and macro-economic changes, market commodity prices as of 12/31/2018, average forex for 2019: €/€\$: 1.16; €/BRL: 4.31, no significant impacts from disposals not already announced

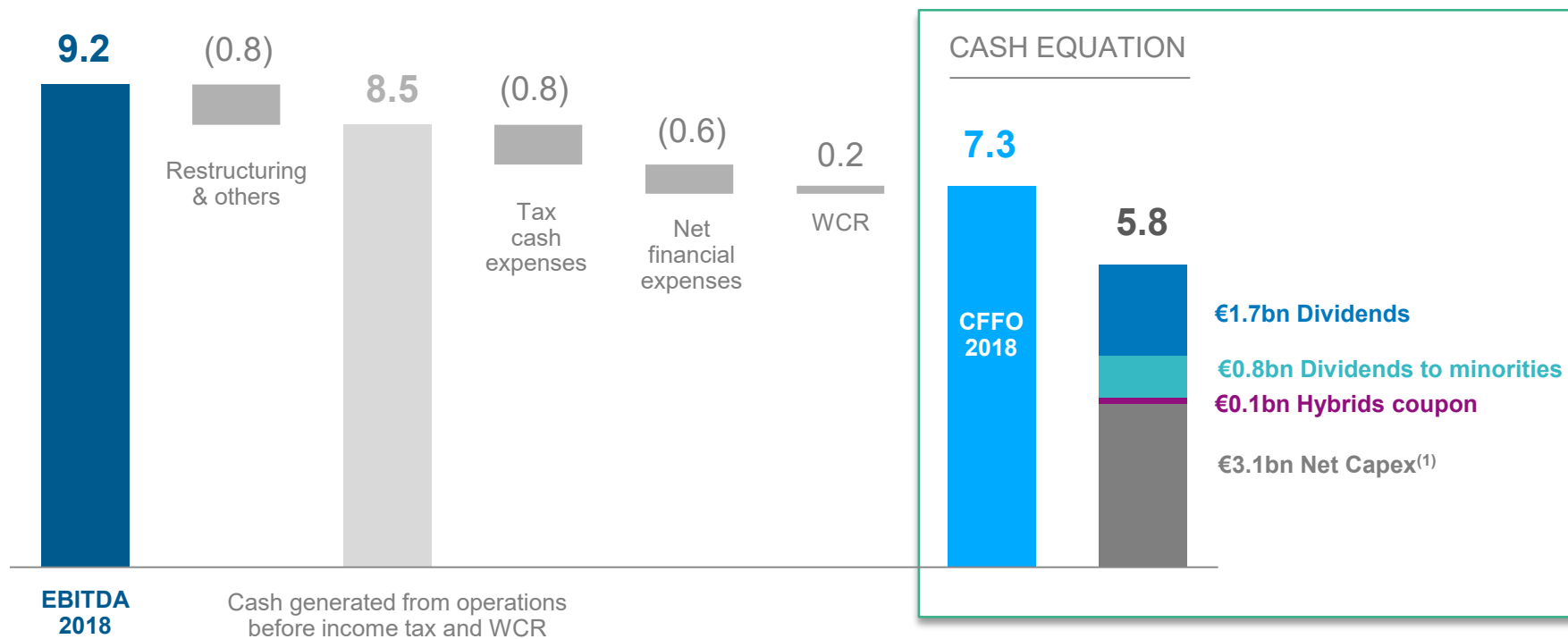
(3) The debt forecasts assume no change in the existing Belgian nuclear provision legal and regulatory framework.



ADDITIONAL MATERIAL

CASH EQUATION IN SURPLUS

In €bn



ADDITIONAL MATERIAL: 2018 PERFORMANCE

CLIENT SOLUTIONS

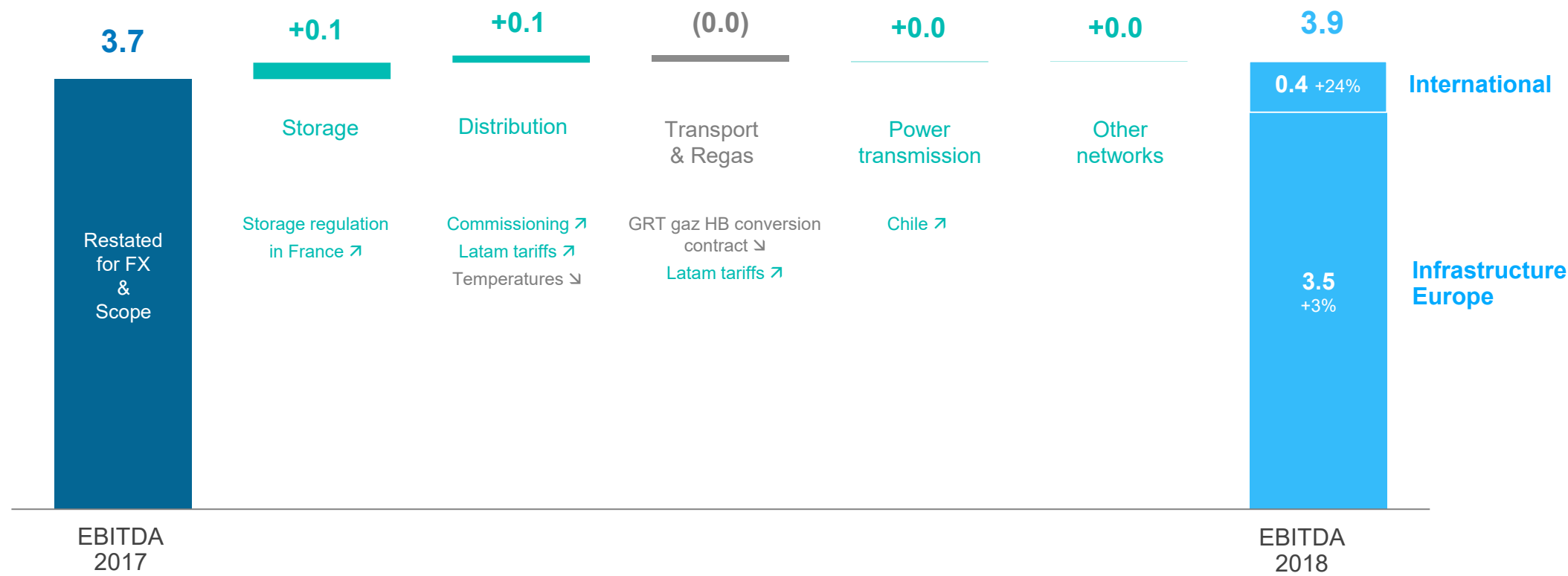
In €bn, % yoy organic



RESILIENT IN CHALLENGING CONDITIONS

NETWORKS

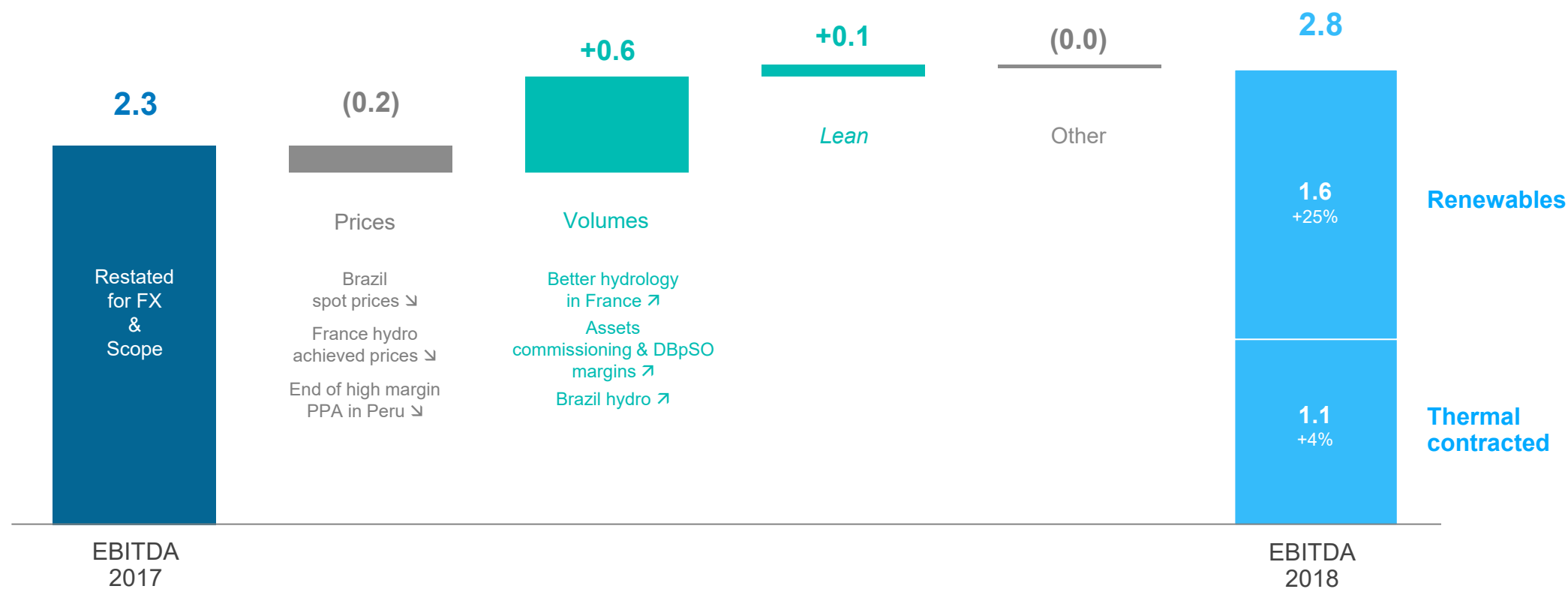
In €bn, % yoy organic



EBITDA INCREASE DESPITE ADVERSE CLIMATE EFFECTS

GENERATION - RES & THERMAL CONTRACTED

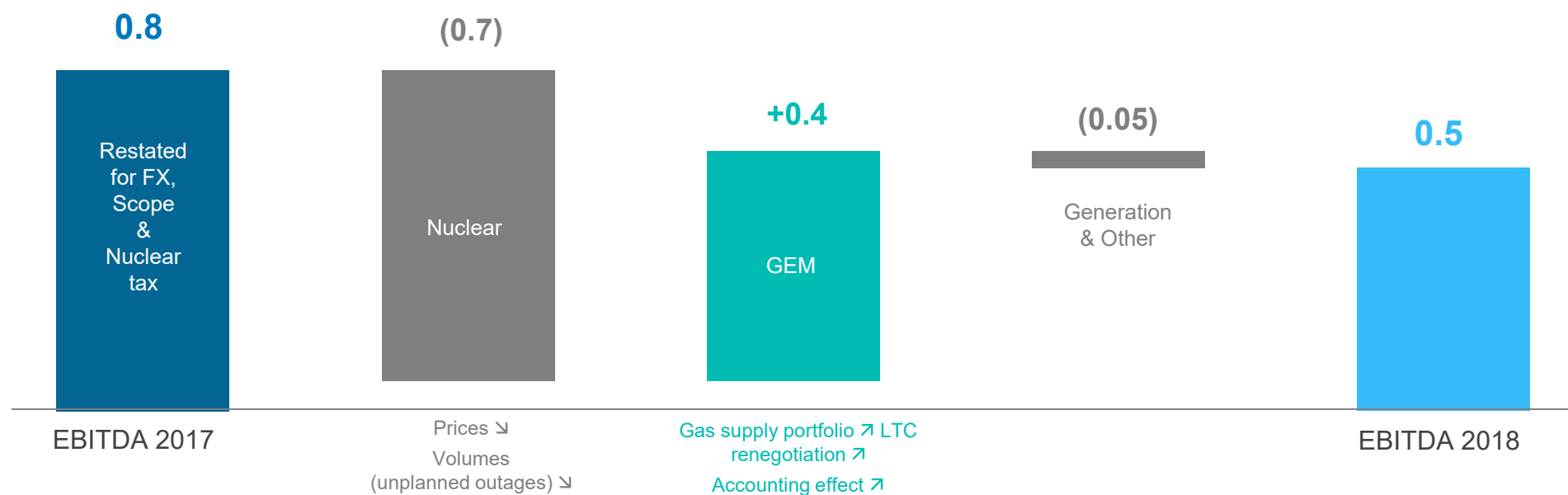
In €bn, % yoy organic



STRONG GROWTH IN ENERGY MANAGEMENT AND SPREAD GENERATION FLEET OFFSETTING NUCLEAR

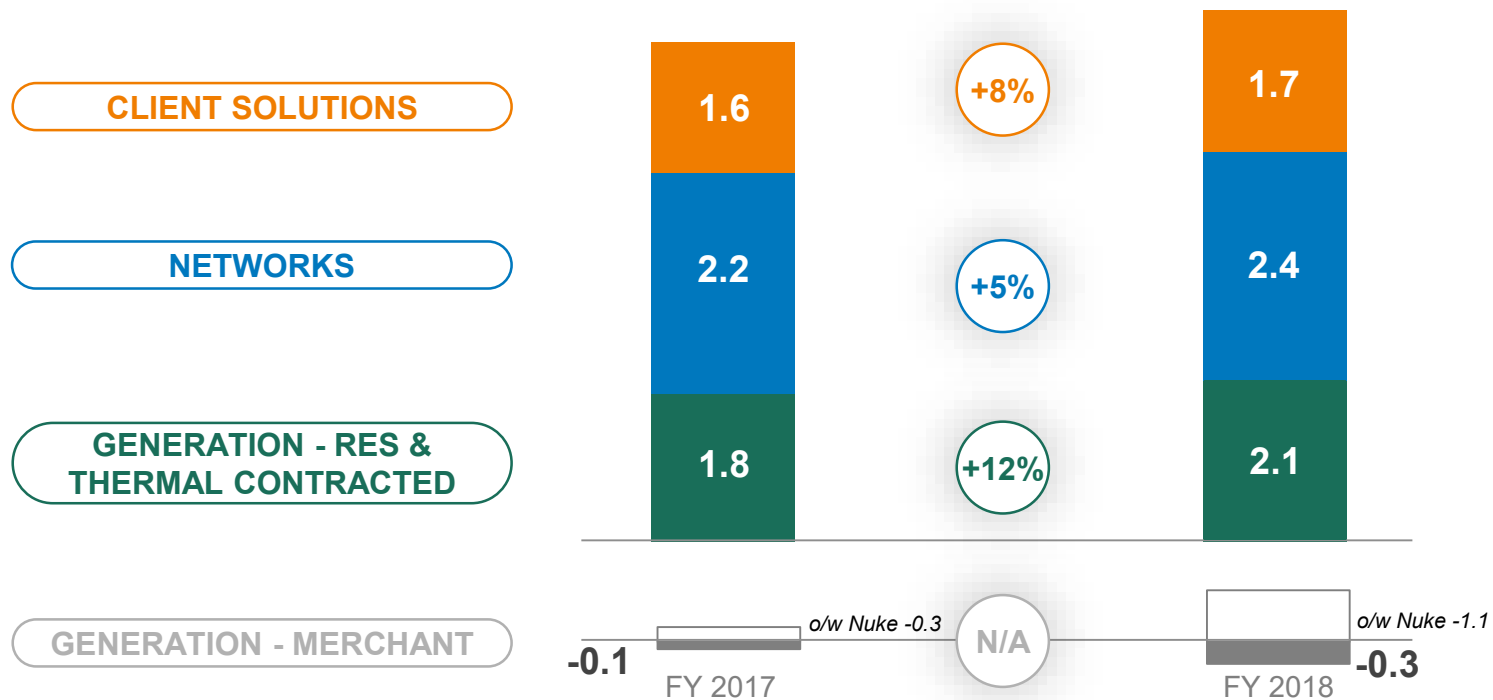
GENERATION - MERCHANT

In €bn, % yoy organic



GROWTH DRIVEN BY SERVICES, RENEWABLES & STORAGE

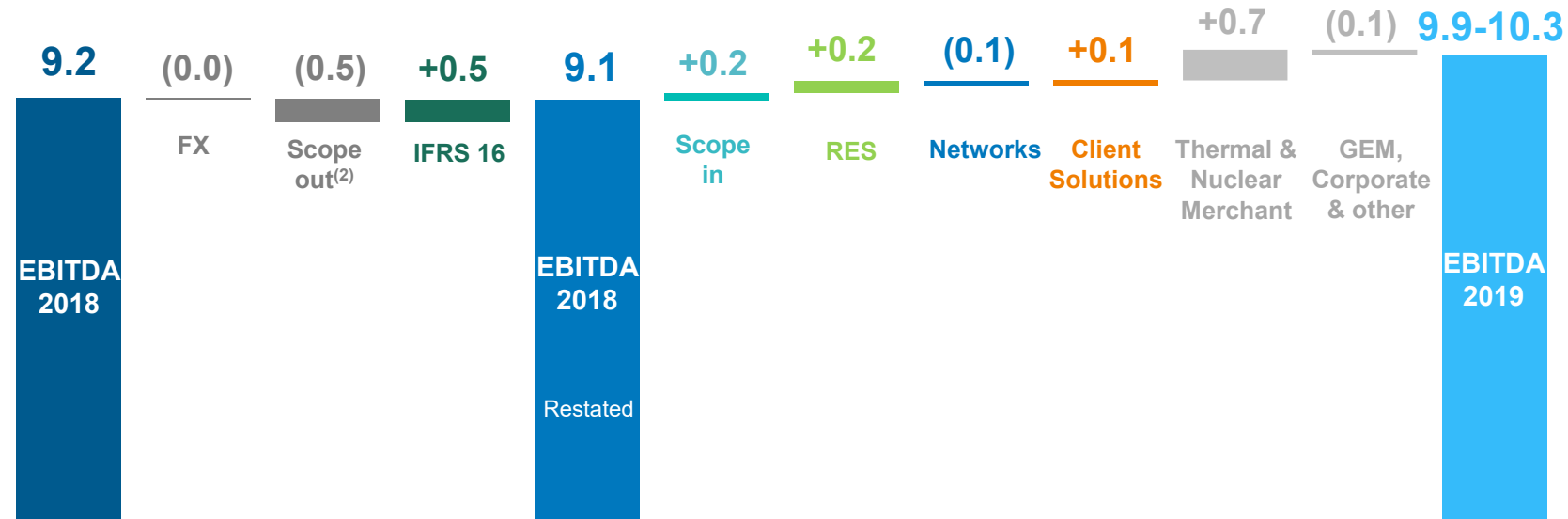
COI⁽¹⁾ - In €bn, unaudited figures



2019 EBITDA INDICATION⁽¹⁾

By business line - In €bn

By reportable segment⁽³⁾



- FRANCE
- LATIN AMERICA
- MIDDLE EAST AFRICA ASIA PACIFIC
- REST OF EUROPE
- USA & CANADA
- OTHER

(1) Main assumptions: average weather in France, full pass through of supply costs in French regulated gas tariffs, no major regulatory and macro-economic changes, market commodity prices as of 12/31/2018, average forex for 2019: €/\$: 1.16; €/BRL: 4.31, no significant impacts from disposals not already announced.

(2) Scope impact of disposals already announced

(3) Gross variations

CAPITAL MARKETS DAY

February 28, 2019



Isabelle KOCHER

Chief Executive Officer, ENGIE



STRATEGIC ORIENTATION

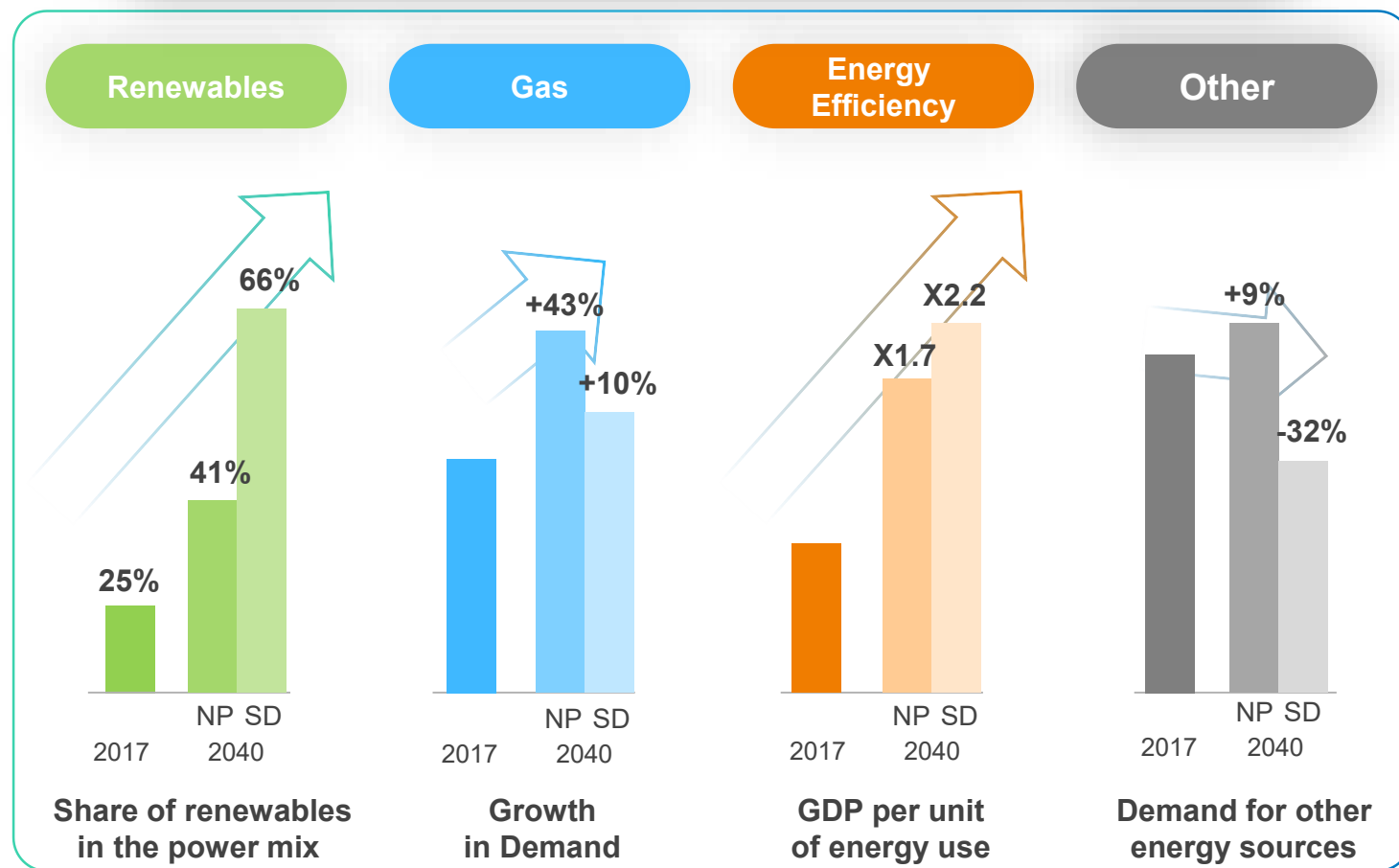


A group of five people are silhouetted against a bright sunset sky. They are holding up lit sparklers, creating a celebratory atmosphere. In the background, a large wind turbine stands tall, its silhouette also against the bright light of the setting sun. The overall scene conveys a sense of achievement and progress in a sustainable energy context.

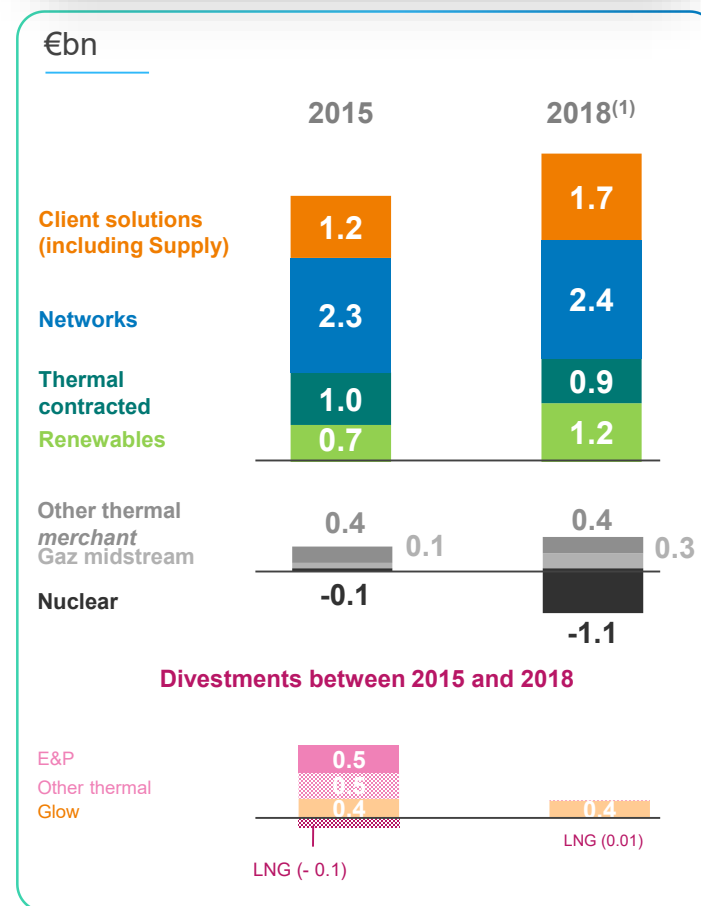
OUR STORY SO FAR

WE HAVE REFOCUSSED OUR GROUP ON THREE GROWING SEGMENTS

IEA World Energy Outlook 2018



ENGIE COI



WE ARE WELL-POSITIONED IN OUR CENTRAL AND EMERGING BUSINESSES

CENTRAL

We have built a development platform for Renewables

We have reinforced leadership in Client Solutions

We have strong Networks positioning in France & LatAm



EMERGING

Off-grid
market leader in Africa
~300k customers

Public Lighting
1.5M lighting points managed

#2 in charging points
worldwide (EV box)

#1 cooling networks
in the world

#1 in microgrids
in the world (EPS)

Green Corporate PPA
Spain, USA, Norway

Floating offshore
(Portugal and France)

Wind offshore
UK, Belgium, France

Rooftop solar
(green yellow)

#1 in biomethane
in France

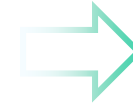
Hydrogen H2 Mobility,
GRHYD power to gas project

2.5M gas smart meters
in France

WE HAVE BOOSTED OUR INTERNAL DYNAMIC AND BUILT UP OUR HUMAN CAPITAL

**DECENTRALIZED
& PURPOSE-DRIVEN
ORGANIZATION**

Training & skills
management



€100M

Invested over 3 years

Accountability



65% - 35%

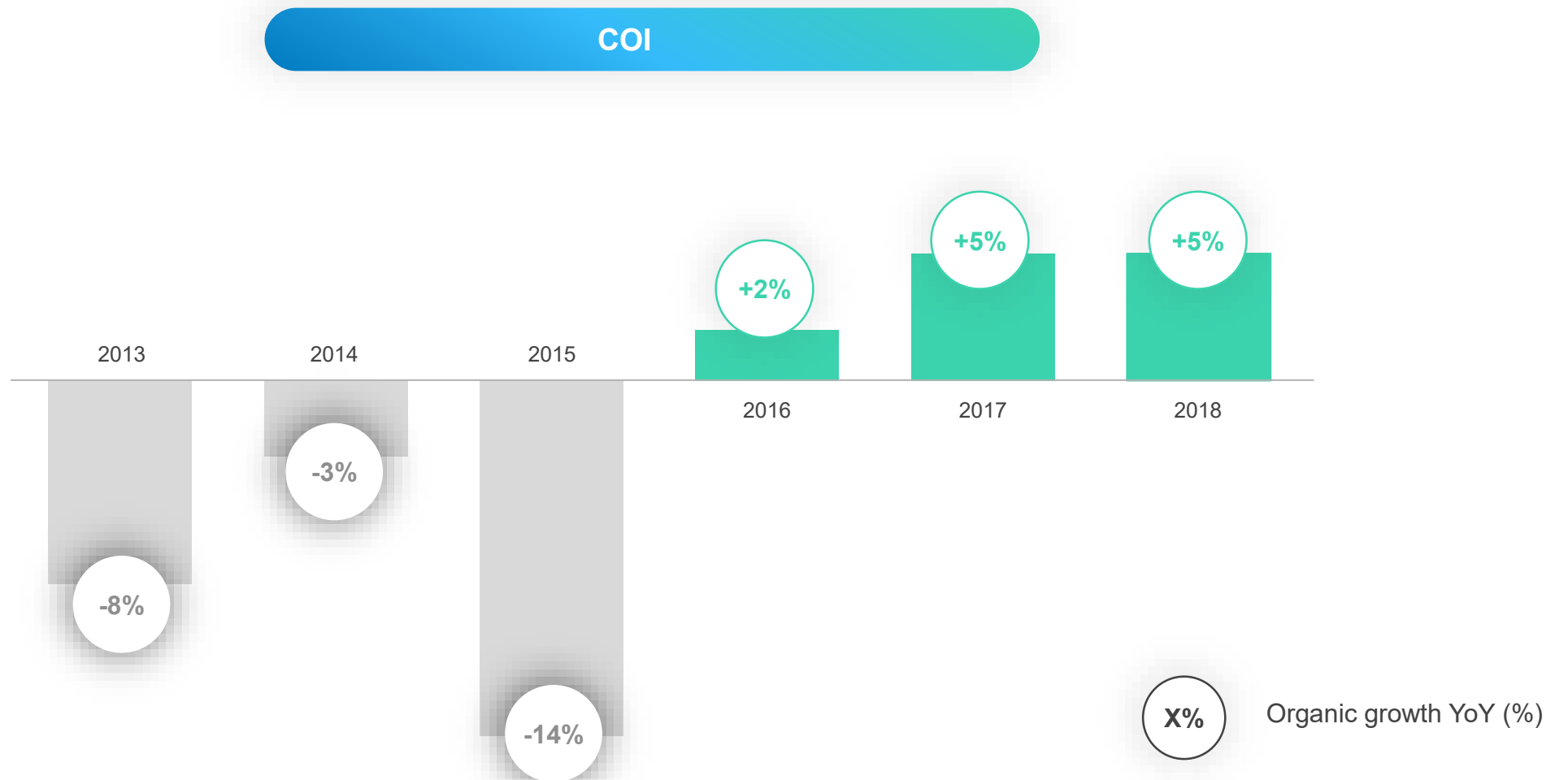
collective – individual bonuses



INCREASED

participation and engagement

WE HAVE TURNED AROUND OUR PROFIT TRAJECTORY



ENGIE IS NOW THE BENCHMARK FOR THE ENERGY TRANSITION

-56%

CO₂ emissions
from 2012 to 2018

INVESTORS



A list



DJSI index



+13 points
most 500 valuable
brands 2019

CLIENTS

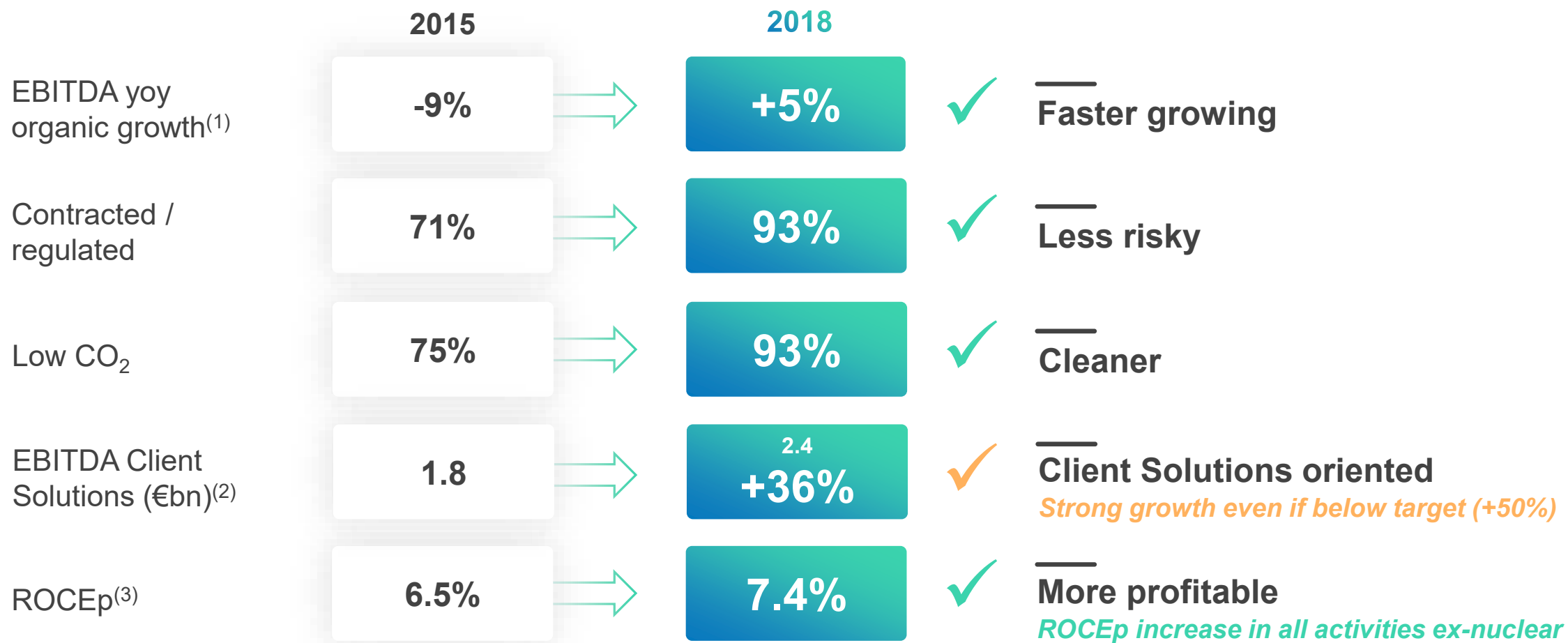


1.5 Million
Power Green offer in France

EMPLOYEES

82%
believe strongly in the products
and services ENGIE provides

WE HAVE LARGELY REACHED OUR TARGETS



An aerial photograph of a large green lawn with many people scattered across it. In the center of the lawn is a large, dark blue rectangular area representing a lake. On the right side of the lake, a yellow and red canoe with two people inside is moving across the water. The text 'WHAT THE MARKET TELLS US' is overlaid in white, bold, sans-serif font in the center of the lake area.

WHAT THE MARKET TELLS US

TOGETHER WITH OUR EMPLOYEES, WE ENVISIONED THE FUTURE

Over
15,000
people

70
countries

13,476
posts

16,600
reactions



**IN THE PAST, THE ENERGY TRANSITION WAS
PUSHED BY CENTRAL GOVERNMENTS...**

...A SECOND WAVE HAS STARTED...

**...PULLED BY INDUSTRIES
& LOCAL AUTHORITIES**

DECARBONIZATION AND DIGITALIZATION CONTINUE, DECENTRALIZATION ACCELERATES



DECARBONIZATION



DIGITALIZATION

**Local
Authorities**

Industries



DECENTRALIZATION

INDUSTRIES ARE RALLYING FOR SUSTAINABLE DEVELOPMENT

PRESSURE TO ACT IS INCREASING



NGOs denouncing the financing of fossil fuel



Philippines, US (NYC), Netherlands: oil companies called to court hearings in climate-related cases



38% of Australians changed brand preference due to CSR positioning



In France, ~30,000 students from leading universities signed "green manifesto" to decline jobs at companies with poor sustainability

COMPANIES ARE TAKING INITIATIVES



500+ companies taking SBT actions



7,000 companies sharing their data: doubling since 2010



H1 2018: +70% in France (€350M) mostly for companies



150+ companies certified

Renewable combined
heat & power plant

Investment
by ENGIE

Supply 17,500 households
with cleaner electricity

PHARMACEUTICALS: MULTI-CUSTOMER INDUSTRY SOLUTION



Cooling

Rooftop
solar

Energy
Efficiency

FILINVEST: OPPORTUNITIES IN DISTRICT COOLING, ENERGY EFFICIENCY AND SOLAR



Walmart's ambition: operating with 100% renewable energy

150 MW Virtual PPA

Windfarm in South Dakota

WALMART: VIRTUAL RENEWABLES PPA



LOCAL AUTHORITIES ARE FIGHTING CLIMATE CHANGE

**PRESSURE
TO ACT
IS INCREASING**



2019:
2M+ signatures



2019: students protesting for
climate action in the EU and US



2018: Ugandan government
sued by young citizens for
inaction on climate change



2018: Gilets Jaunes

**LOCAL
AUTHORITIES
ARE TAKING
THE LEAD**



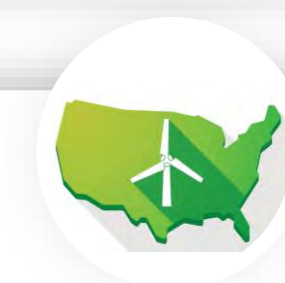
Since 2012: 10% CO₂ emission
reduction in 27 cities



2017: 12 large cities to ban
diesel by 2030



2018: 40+ cities committing
to 0 waste by 2050



2017: 30 US states heading
towards 50% RES by 2030

30% green gas by 2030

Circular
economy

Adaptation of gas
infrastructure

HAUTS-DE-FRANCE: GREEN GAS DEVELOPMENT



Investment by ENGIE
with 50 year contract

Building retrofit
program

Green power generation
& electric vehicles

OHIO STATE UNIVERSITY: INTEGRATED ENERGY EFFICIENCY SOLUTION



Cleaner source
of energy

Financing and
payment solutions

Partnership
for efficient devices

TANZANIA: BRINGING CLEAN ENERGY TO OFF-GRID VILLAGES



Zero-Carbon Transition

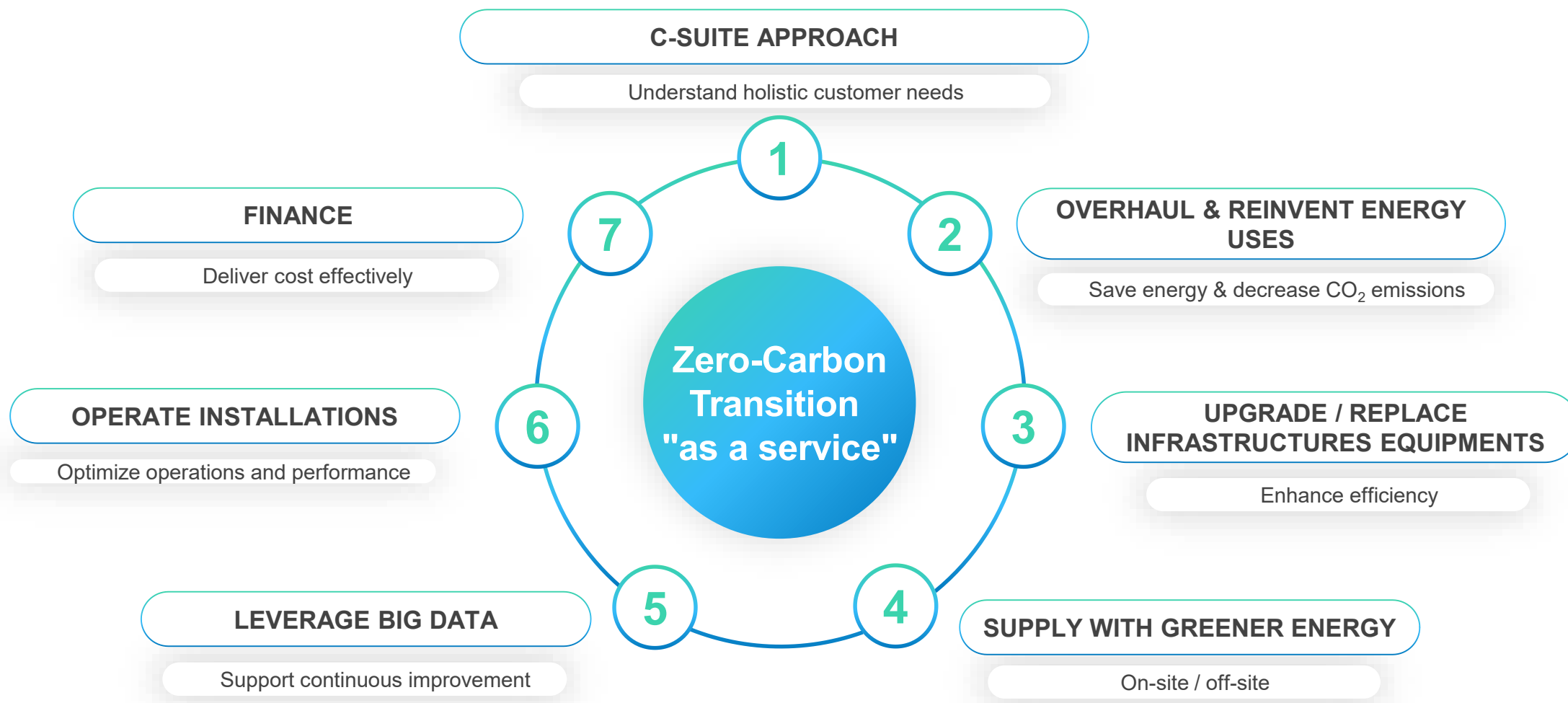
FINANCED

COST EFFECTIVE

**STRENGTHENS
CLIENTS CORE MISSION**

**“AS A SERVICE”
INTEGRATED ZERO-CARBON TRANSITION
SOLUTIONS HAVE CONSIDERABLE POTENTIAL**

HIGH ADDED VALUE OFFERS



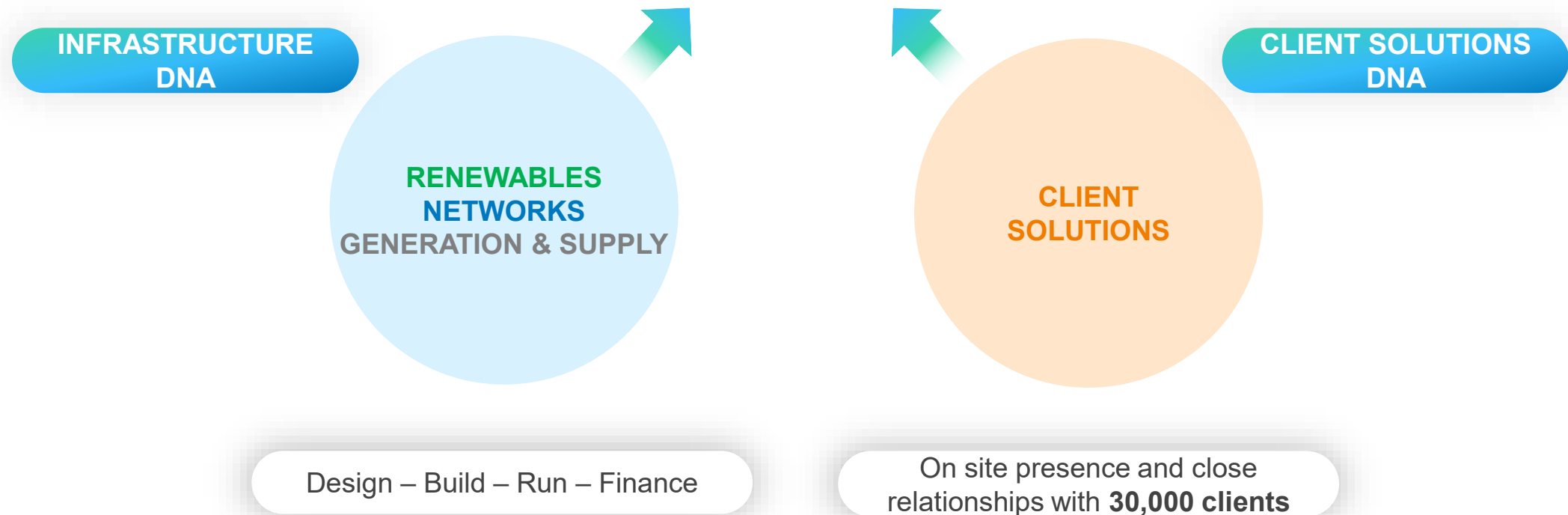


OUR AMBITION

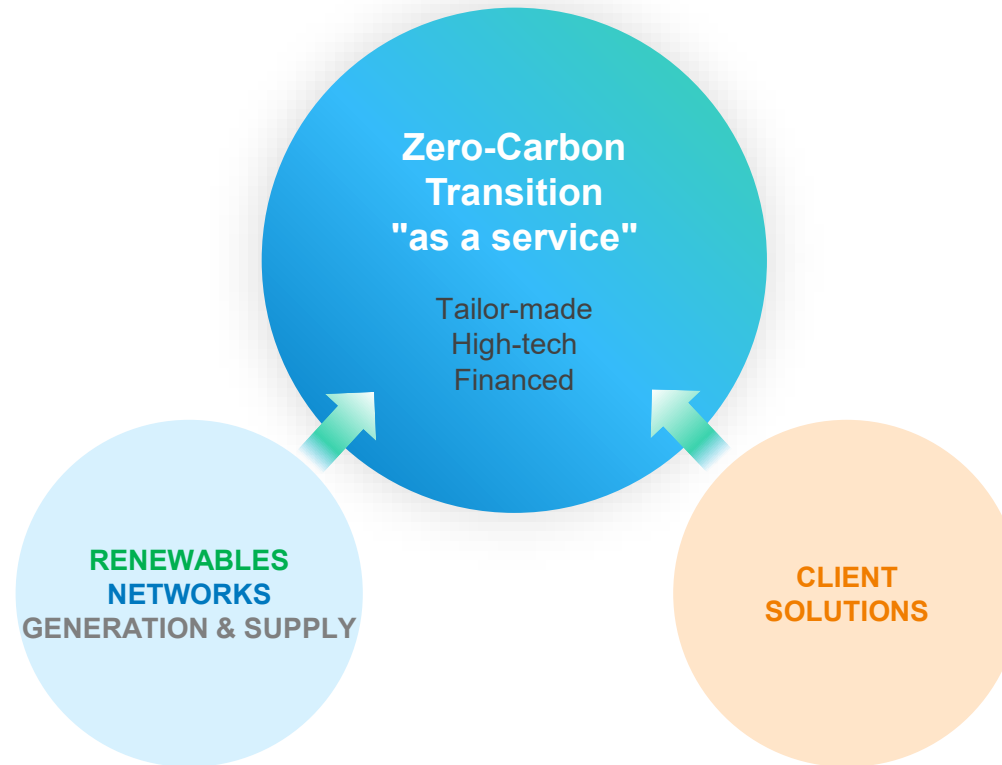
**BE THE WORLD LEADER
IN ZERO-CARBON TRANSITION
"AS A SERVICE"**



ENGIE IS BEST-POSITIONED TO BE THE WORLD LEADER IN COST-EFFICIENT ZERO-CARBON TRANSITION “AS A SERVICE”



ENGIE IS BEST-POSITIONED TO BE THE WORLD LEADER IN COST-EFFICIENT ZERO-CARBON TRANSITION “AS A SERVICE”



WE SPECIALIZE IN HIGH ADDED VALUE SOLUTIONS

RENEWABLES

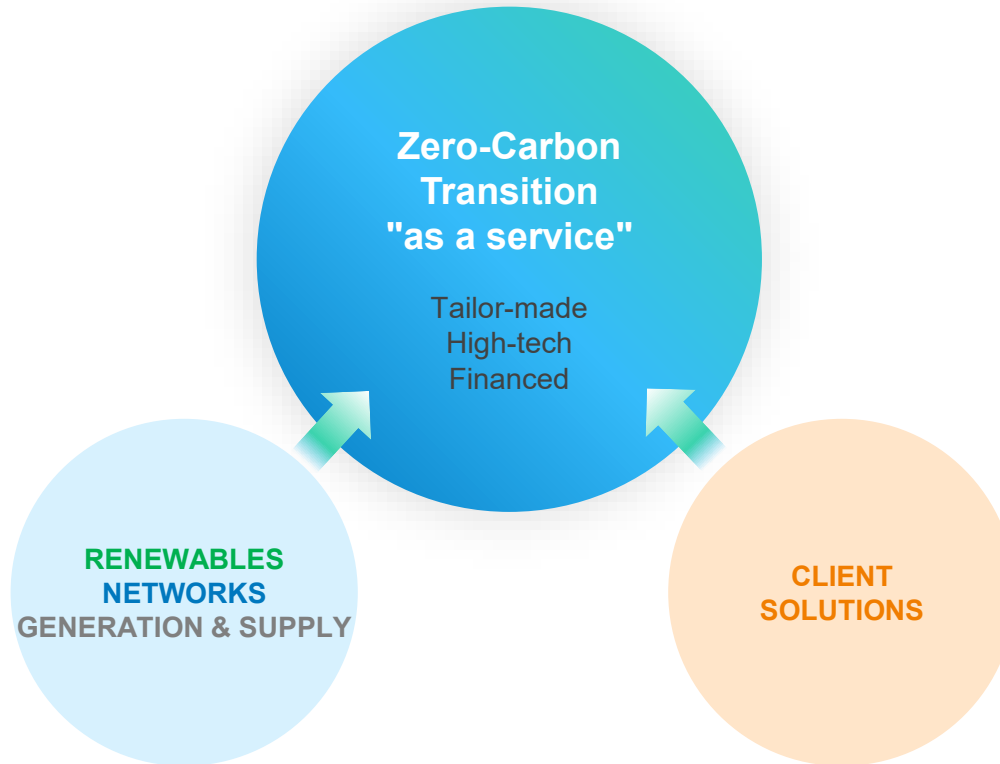
- + Sophisticated technologies, 50% new RES projects dedicated to specific clients by 2021
- Commoditized renewables

NETWORKS

- + Growth in dynamic development markets
- = Attractive returns & cash flows
- = Priority to convert gas infrastructure to green gas

GENERATION & SUPPLY

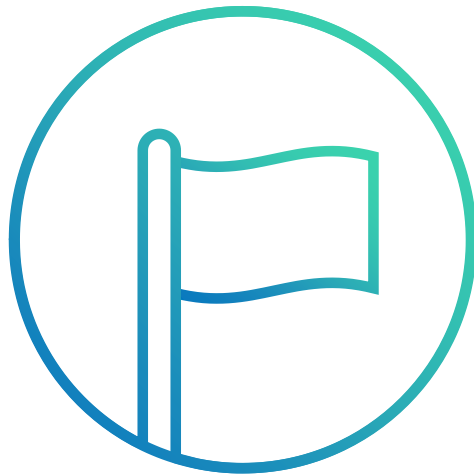
- + Back to normal operations for nuclear
- = BtoC supply limited to current country footprint
- Further reduction in thermal capacity led by continuing disposals of coal generation



CLIENT SOLUTIONS

- + Asset-based solutions a rising proportion of CS COI
- Commoditized service offer

WE FOCUS ON FEWER GEOGRAPHIES FOR GREATER IMPACT



20

countries



30

urban areas



500

Global companies

WE SIMPLIFY OUR ORGANIZATION AND REPORTING

A decentralized organization:
24 business units

4 business lines

Simplified reporting



THREE BOOSTERS TO ACCELERATE

STRATEGY DESIGN

C-suite approach to help clients build their own **tailored zero-carbon strategy**

Cost-efficient, trackable and consistent with their sustainability ambitions

DIGITAL ACCELERATION

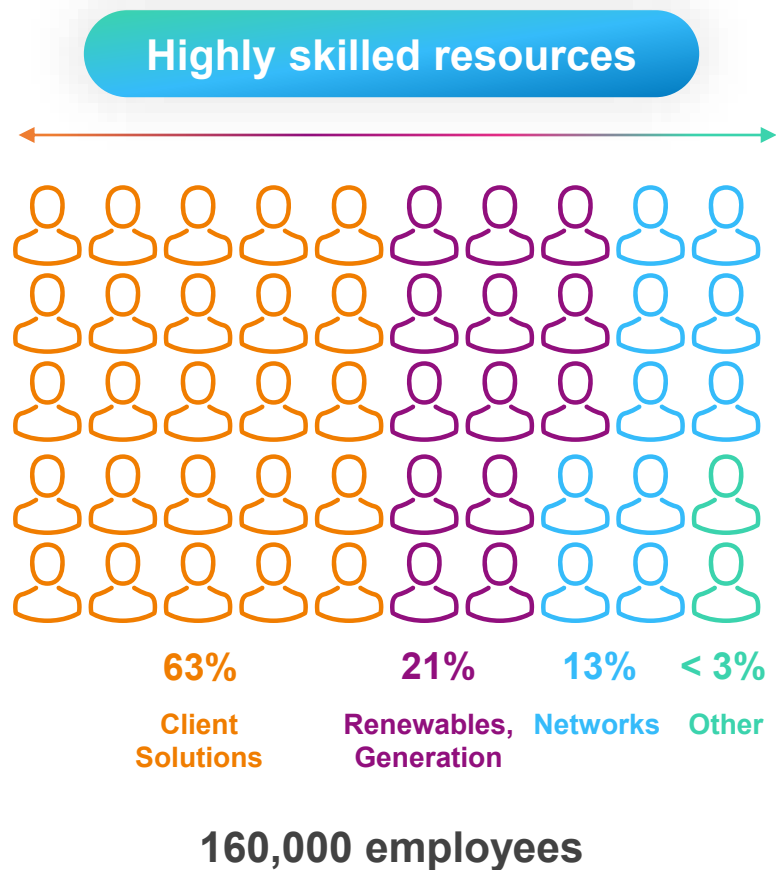
Scale up **software content** in our solutions to differentiate us as the leading proprietary energy software provider

FINANCING SYNDICATION

Deployment for all asset-based activities, including DBpSO models successfully developed in RES & Thermal



LARGE-SCALE STRATEGIC INVESTMENT IN OUR PEOPLE



10% of ENGIE's French staff will be apprentices by 2022

50% female managers by 2030

80% of employees to receive annual training by 2022

CONCLUSION

Faster Growth

7-9%
NRIGs CAGR,
2018-21

Higher Value

ROCEp increase
7.4% in 2018
↗ **Upper single digit in 2021**

Better Impact

CO₂ ↘
Energy access ↗
...
HARMONIOUS PROGRESS

CAPITAL MARKETS DAY

February 28, 2019



Judith HARTMANN

EVP, Chief Financial Officer



**CAPITAL ALLOCATION &
MEDIUM-TERM GUIDANCE**



STRATEGIC INTENT

CONTINUED LEADERSHIP
IN ENERGY TRANSITION



RENEWABLES



GAS



ENERGY
EFFICIENCY

ACCELERATE GROWTH



TARGETED
INVESTMENTS



ACTIVE PORTFOLIO
MANAGEMENT



OPTIMIZED
CAPITAL
ALLOCATION

CAPITAL ALLOCATION STRATEGY TO DRIVE GROWTH

ALIGNMENT TO ENGIE'S STRATEGY



Bias towards sophisticated solutions, conducive to profitability



Focus on core geographies to build leadership at scale



Differentiation over distinct time horizons

HIGHLY SELECTIVE INVESTMENT CRITERIA

CLEAR PERSPECTIVE ON ATTRACTIVE CHARACTERISTICS – ORGANIC AND INORGANIC

Very Attractive

Complex and innovative offers
(outcome accountability as differentiator)

Integrated offers
spanning full customer value chains

Medium to long term contracts,
providing predictability & recurrence

Customer outcome
with performance-based remuneration

Optimized financing syndication

Less Attractive

Commoditized offers
(price as primary competitive lever)

Simple offers of piecemeal services

Short-term contracts with high renewal risk

Standard fee-for-service contracts

Third party financing value leakage

REFOCUS ON CORE GEOGRAPHIES

**PRIORITIZE
20 COUNTRIES
AND
30 EMERGING
MARKET URBAN
AREAS**



ARCHETYPE 1

Acceleration of demand
for sophisticated solutions

ARCHETYPE 2

Early stage
in energy transition

ARCHETYPE 3

High growth
in energy infrastructure



**EXIT
20 COUNTRIES
IN THE NEXT
3 YEARS**

ACCELERATION OF DEMAND FOR SOPHISTICATED SOLUTIONS

ARCHETYPE 1

MARKET CHARACTERISTICS

- Moderate growth
- Well-equipped energy infrastructures
- Mature energy consumption
- Strong environmental awareness

CUSTOMER PRIORITIES

- Conversion to green energy
- Infrastructures renewal
- Increased focus on sustainability



**Western Europe, North America,
Australia and Singapore**

EARLY STAGE IN ENERGY TRANSITION

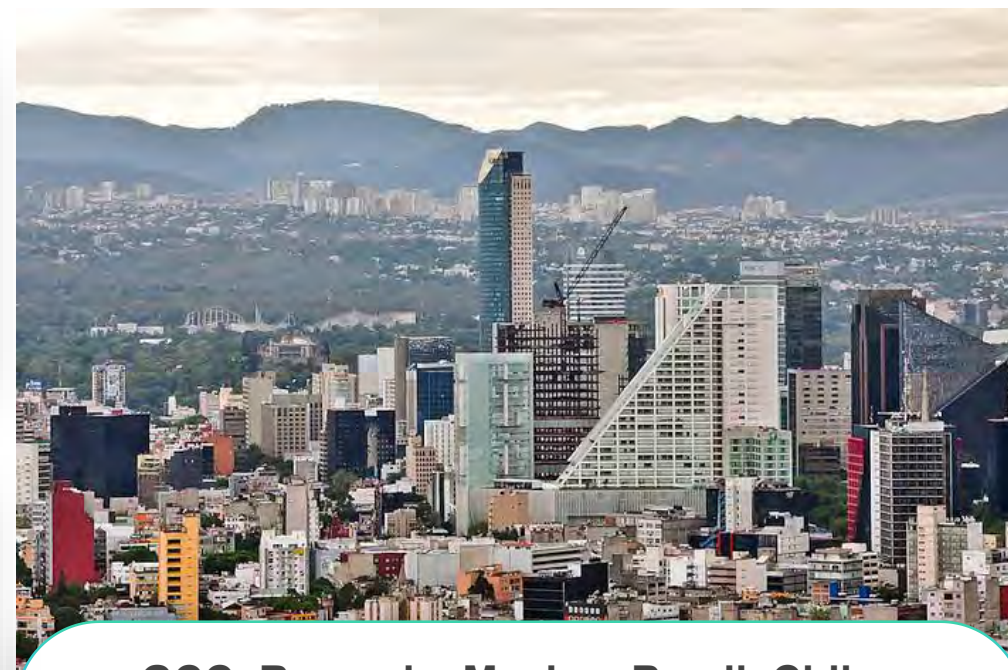
ARCHETYPE 2

MARKET CHARACTERISTICS

- Well-equipped centralized energy infrastructures
- Dynamic economic growth and energy consumption
- Heterogeneous ecological awareness

CUSTOMER PRIORITIES

- Large infrastructures
- Development of renewable energies
- Sustainability
- Modernisation of city infrastructures



**GCC, Romania, Mexico, Brazil, Chile,
Peru and Colombia**

HIGH GROWTH IN ENERGY INFRASTRUCTURE

ARCHETYPE 3

MARKET CHARACTERISTICS

- Under-equipped energy infrastructures
- Energy access challenges
- Rapid urban development

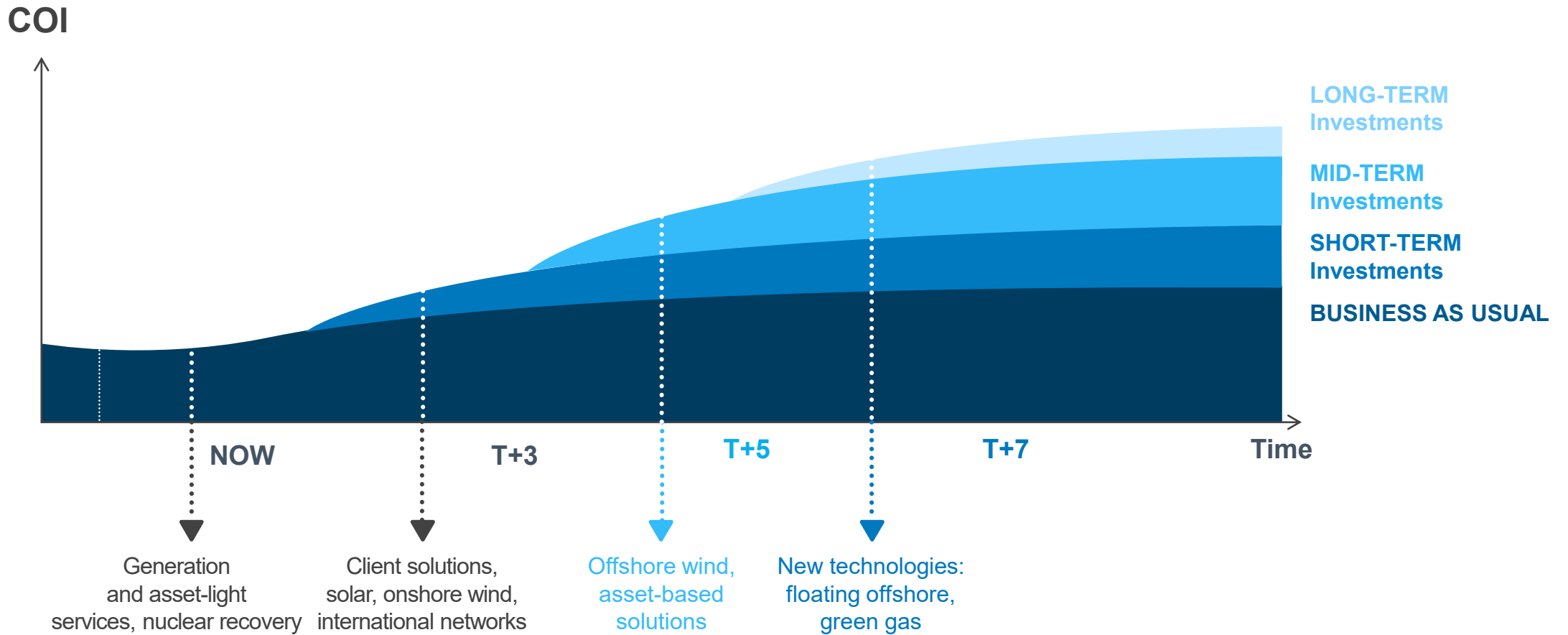
CUSTOMER PRIORITIES

- Development of renewable energies
- Solar microgrids and home systems
- Sustainable city



Urban areas in Africa, China, India and Southeast Asia

DISTINCT TIME HORIZONS FOR INVESTMENT, GROWTH AND SHAREHOLDER RETURNS



CAPITAL ALLOCATION – COMMON THEMES

**Attractive IRR profile:
target WACC +200bps /
COE + 400bps**

**Resilience
of the business case
to various sensitivities,
notably prices**

**Optimized positioning
within each segment's
value chain,
balancing risks/rewards**

CLARITY IN REPORTING

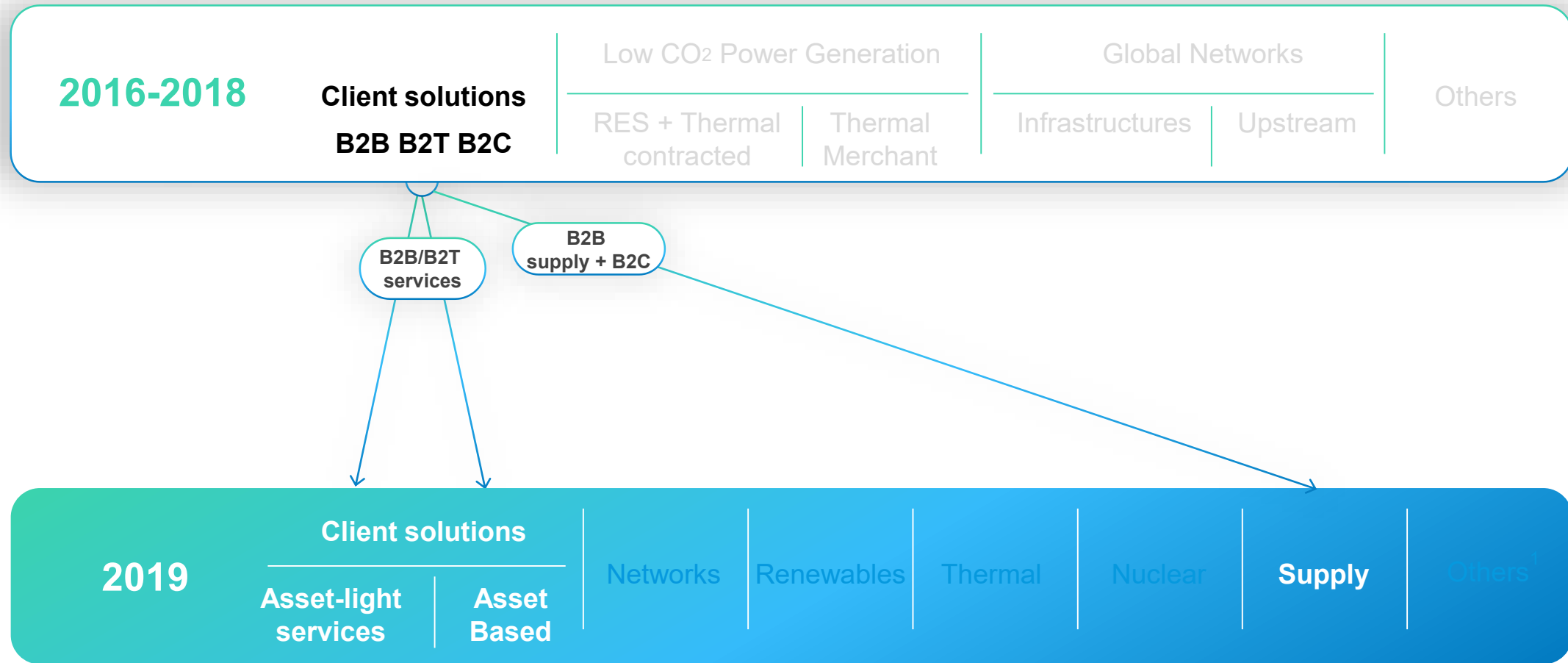
A group of five people are silhouetted against a bright sunset sky. They are holding up sparklers, creating a celebratory atmosphere. In the background, a tall wind turbine stands prominently. The overall scene is set against a backdrop of blurred city lights at night, suggesting a modern, urban environment.

NEW DETAILED REPORTING FOR FURTHER CLARITY

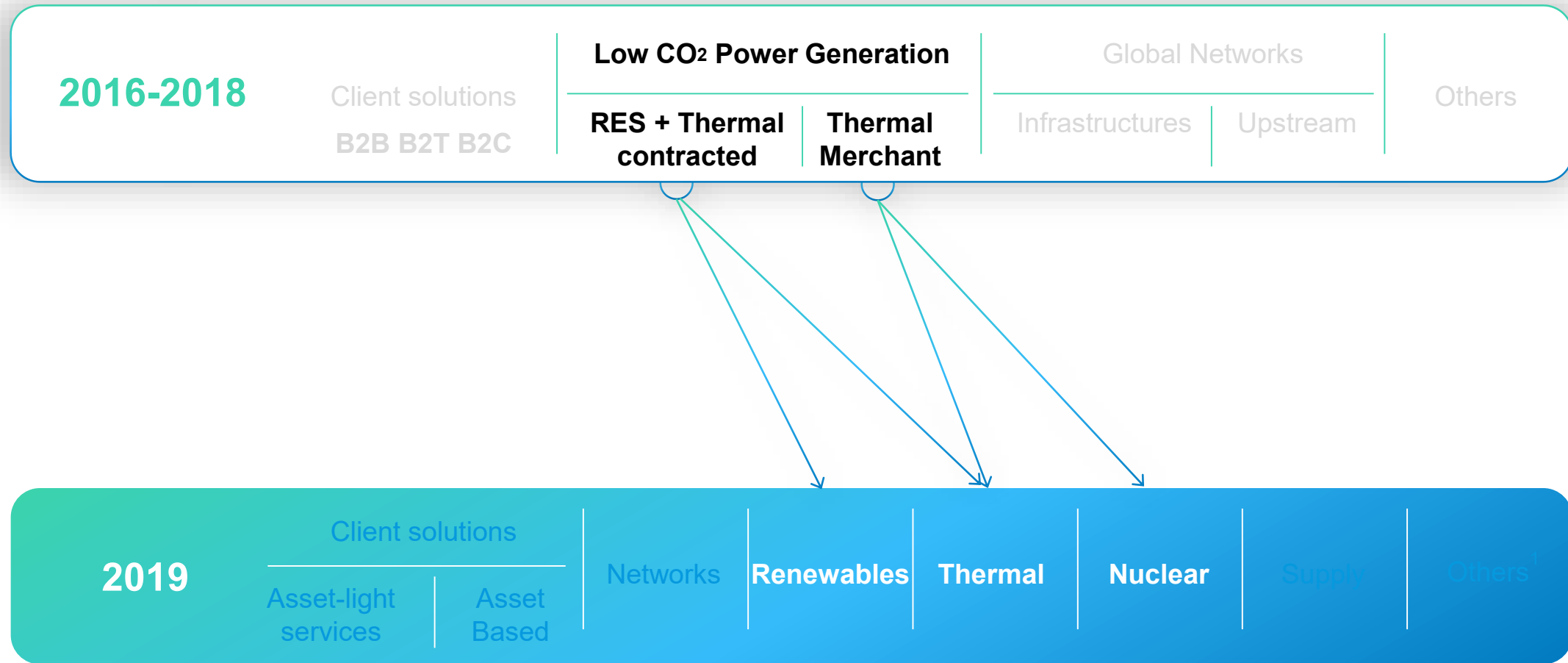
COI 2018 in €M⁽²⁾

	Client solutions		Networks	Renewables	Thermal	Nuclear	Supply	Others ⁽¹⁾	Total
	Asset-light Services	Asset Based							
France	288	260	2,016	258			210		3,033
Rest of Europe	232	33	82	76	402	(1,057)	277		46
Latin America	-		194	754	366		47		1,355
USA & Canada	10	19		12	33		18	59	151
Middle East, Asia & Africa	13	38	54	60	676		52		893
Others	29	45	-	-17	-		10	(409)	(353)
Total	566	396	2,340	1,142	1,474	(1,057)	615	(350)	5,126

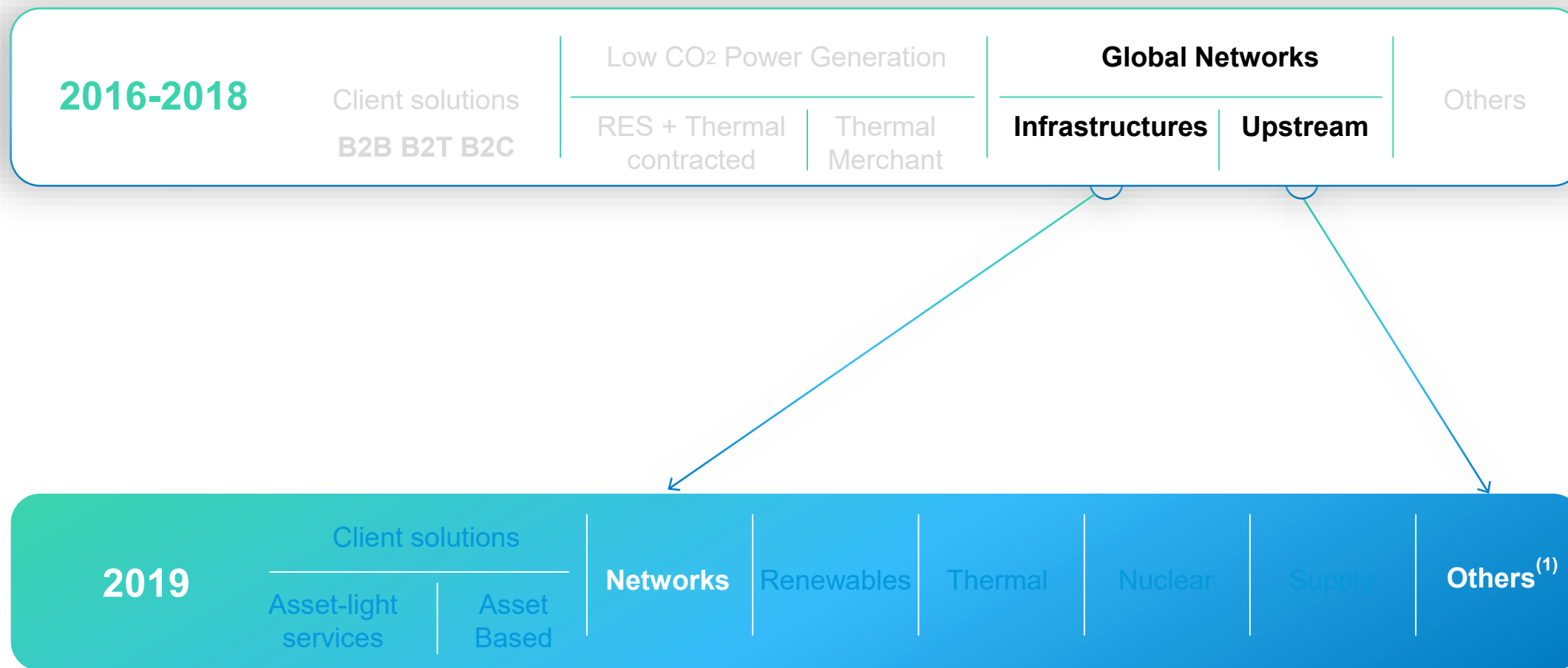
CHANGE IN REPORTING: SIMPLER AND CLEARER FORMAT



CHANGE IN REPORTING: SIMPLER AND CLEARER FORMAT



CHANGE IN REPORTING: SIMPLER AND CLEARER FORMAT

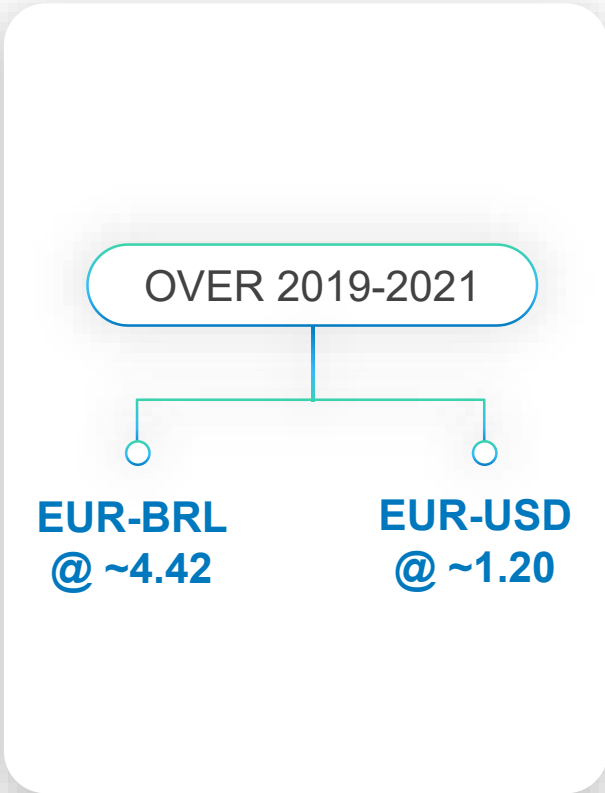




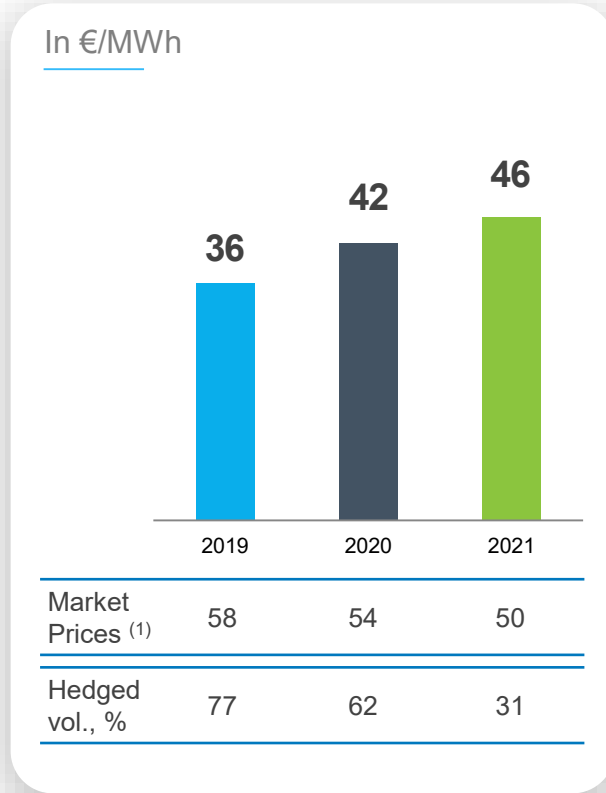
KEY EXTERNAL & OPERATIONAL ASSUMPTIONS

KEY ASSUMPTIONS – MACRO & EXOGENEOUS

FOREX



Achieved Prices European outright



Weather Conditions

Normalized conditions in France:
gas distribution and energy supply
normalized hydro production

Hydrology in Brazil to improve
by 2021

KEY ASSUMPTIONS - OPERATIONS

NETWORKS



Review of regulatory returns of our French infrastructures business in 2020-21

NUCLEAR



Belgium nuclear availability 78%/79%/93%⁽¹⁾ for 2019/2020/2021

CONSUMER



Full pass through of supply costs in French regulated gas & power tariffs

EFFECTIVE TAX RATE



30% in 2019 reducing by c. 200bps in 2021

CONTINGENCIES ON BELGIAN OPERATIONS

2020 **€0.15bn** 2021 **€0.2bn**

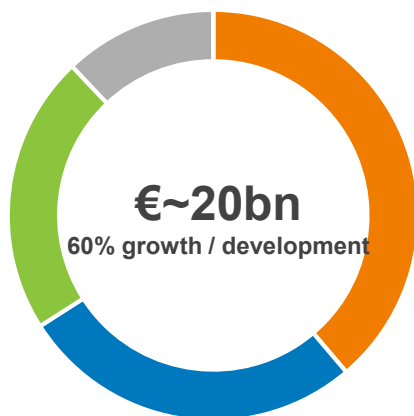
A group of five people are silhouetted against a bright sunset sky. They are holding up lit sparklers, creating a celebratory atmosphere. In the background, a tall wind turbine stands prominently. The overall scene is set against a blurred cityscape at night, with various lights and buildings visible in the background.

MEDIUM TERM INDICATIVE EXPECTATIONS & GUIDANCE

CAPEX INDICATIVE EXPECTATIONS – 2019-2021

OPERATING CASH FLOW RISING WITHIN THE RANGE OF €6.5-8.5BN PER YEAR

CUMULATIVE CAPEX 2019-21⁽¹⁾



ASSET DISPOSALS 2019-21

~€6.0bn

CUMULATIVE €~11-12BN GROWTH CAPEX 2019-21⁽²⁾

CLIENT SOLUTIONS €4.0 - 5.0bn

NETWORKS €3.0 - 3.3bn

RENEWABLES €2.3 - 2.8bn

THERMAL & SUPPLY €1.0 - 1.2bn

PROFIT ACCELERATION: LEAN 2021 PERFORMANCE PLAN

NET COI IMPROVEMENT

€800M

BY 2021

COST REDUCTION

PROCUREMENT

Category management, pooling, insourcing, spending centralization & standardization

DIGITALIZATION

CRM, process engineering and automation, asset optimization

SHARED SERVICES CENTER

Coverage and optimization

REVENUE ENHANCEMENT

INDUSTRIAL ASSETS PERFORMANCE IMPROVEMENT

Asset and networks availability, efficiency

IMPROVED & NEW SERVICES OFFERING

INDICATIVE EBITDA, COI & RETURN EXPECTATIONS – 2018-2021

GREATER CAPITAL EFFICIENCY DRIVING OPERATING LEVERAGE

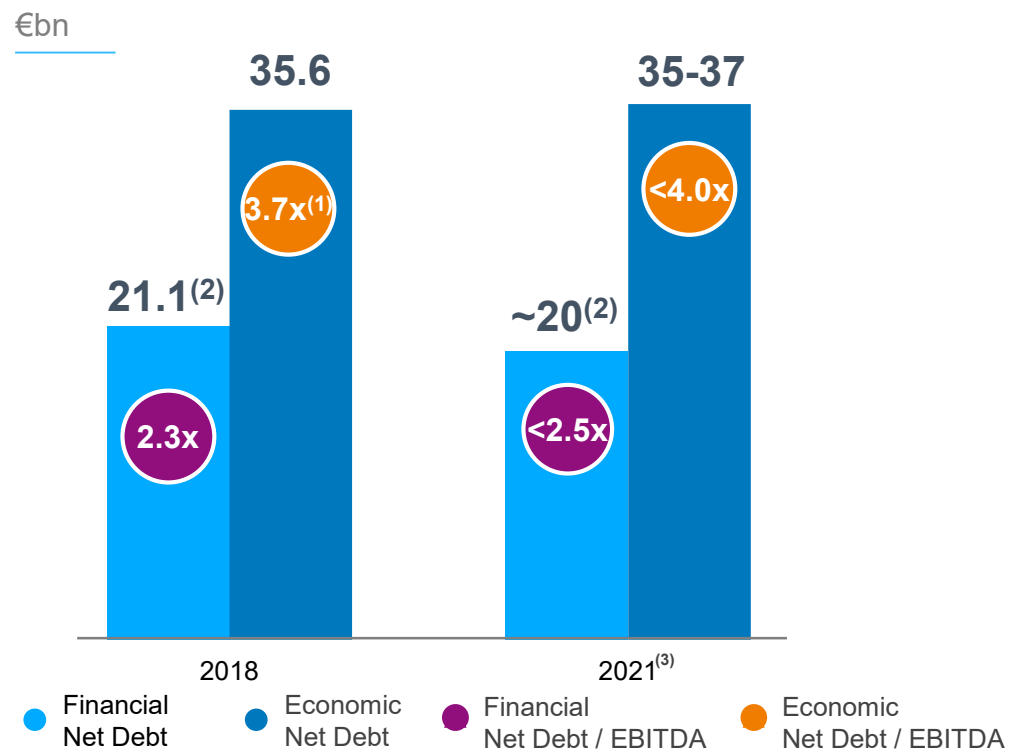


COI INDICATIVE EXPECTATIONS BY BUSINESS LINE

BUSINESS	18 COI (€bn)	COI CAGR 18-21	KEY DRIVERS
CLIENT SOLUTIONS	1.0	11 - 14%	<ul style="list-style-type: none"> Revenue 2018-21 CAGR of 4-7%
NETWORKS	2.3	(4)% - (1)%	<ul style="list-style-type: none"> French regulatory return review in 2020-21, international growth opportunities
RENEWABLES	1.1	8 - 11%	<ul style="list-style-type: none"> Addition of c. 9GW of capacity by 2021, increasingly client contracted
THERMAL	1.1 ⁽¹⁾	(6)% - (3)% ⁽¹⁾	<ul style="list-style-type: none"> Continue optimizing portfolio, exit from a number of assets over time
NUCLEAR	(1.1)	n.a.	<ul style="list-style-type: none"> Stem losses and COI neutrality by 2021
SUPPLY	0.6	=	<ul style="list-style-type: none"> Flat outlook

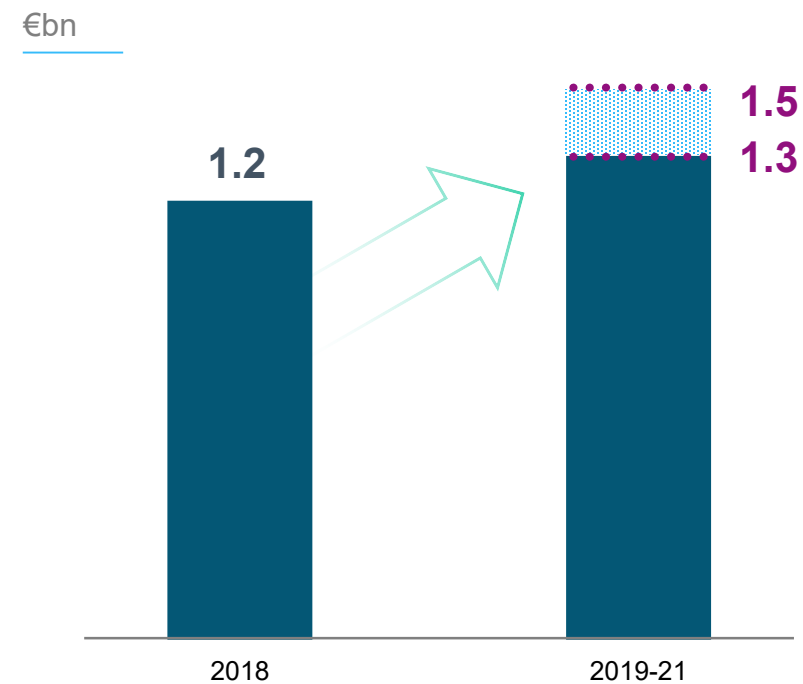
BALANCE SHEET INDICATIVE EXPECTATIONS

FINANCIAL AND ECONOMIC NET DEBT



RETAIN CURRENT COMMITMENT TO "A" RATING⁽³⁾

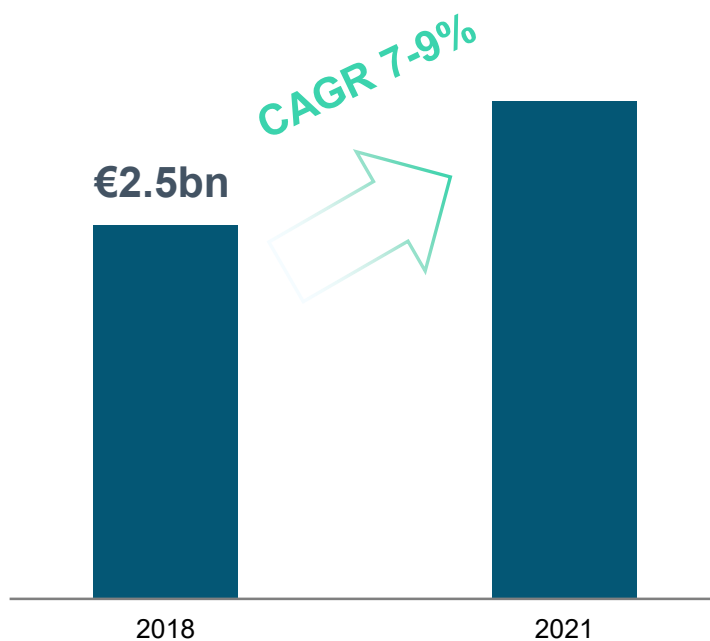
NET INTEREST EXPENSE ⁽⁴⁾



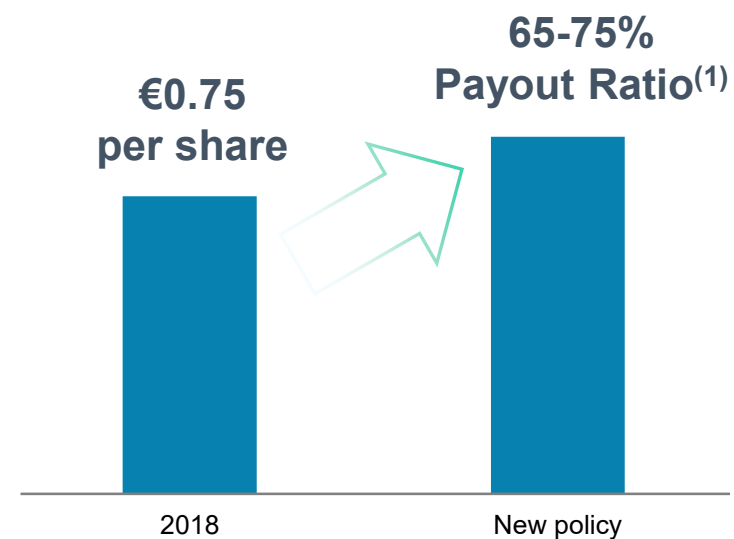
- (1) Leases commitments included in economic net debt are restated in EBITDA (for approximately €0.5bn), reflecting the implementation of IFRS 16 from 2019 onwards
- (2) Before IFRS 16 changes
- (3) Assuming no change in the nuclear provision legal and regulatory framework
- (4) Cost of net debt + unwinding of discount on long-term provisions

EARNINGS GUIDANCE, ATTRACTIVE DIVIDEND POLICY

NET RECURRING INCOME GROUP SHARE



DIVIDEND POLICY



CLOSING REMARKS

DISCIPLINED CAPITAL ALLOCATION PRINCIPLES TO DELIVER ATTRACTIVE RETURNS

**GEOGRAPHIC REFOCUS TOWARDS 20 COUNTRIES
AND 30 EMERGING MARKET URBAN AREAS**

NRIGS GROWTH OF 7-9%

ATTRACTIVE DIVIDEND POLICY: 65-75% PAYOUT RATIO⁽¹⁾

CAPITAL MARKETS DAY

February 28, 2019



Shankar KRISHNAMOORTHY

Executive Vice President



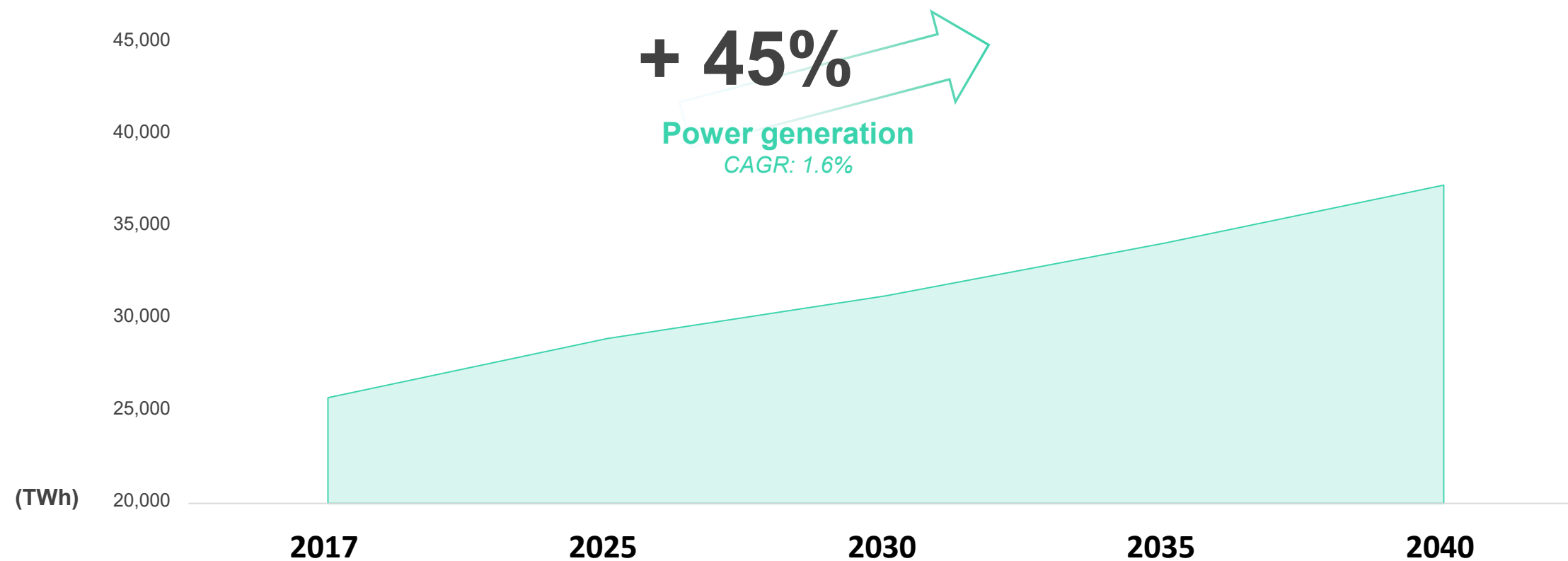
**INDUSTRY GROWTH DRIVERS
AND SEGMENTATION CRITIQUE**





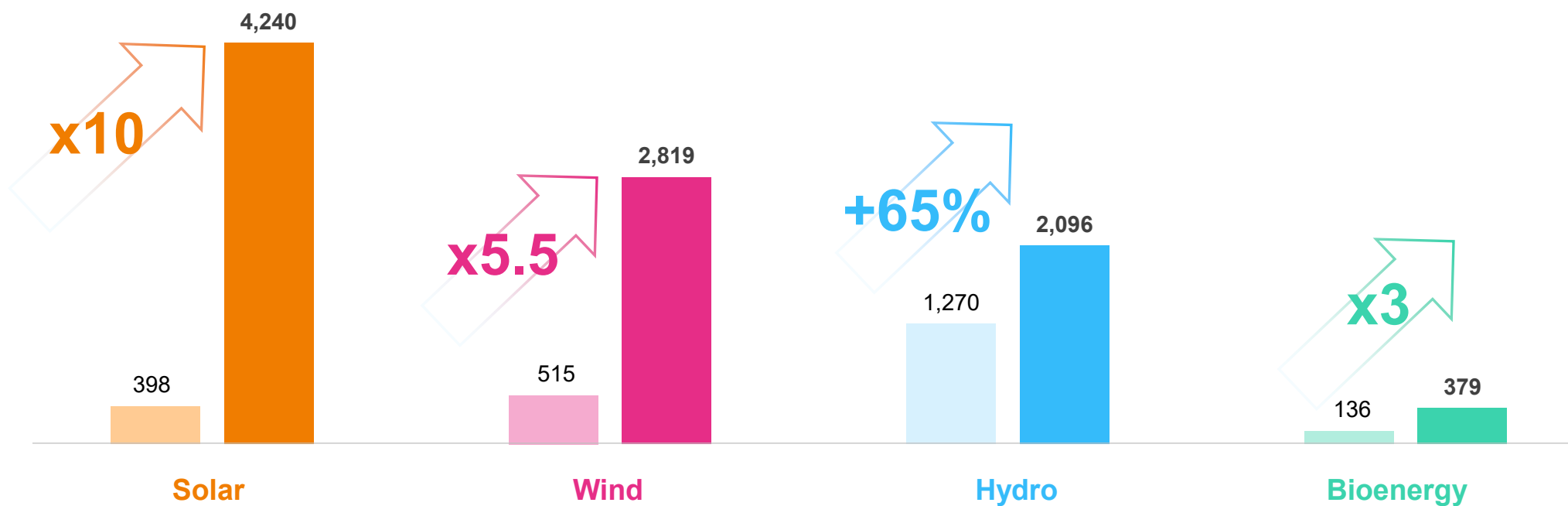
WHERE IS THE POWER SECTOR GOING?

STRONG GROWTH IN ELECTRICITY DEMAND

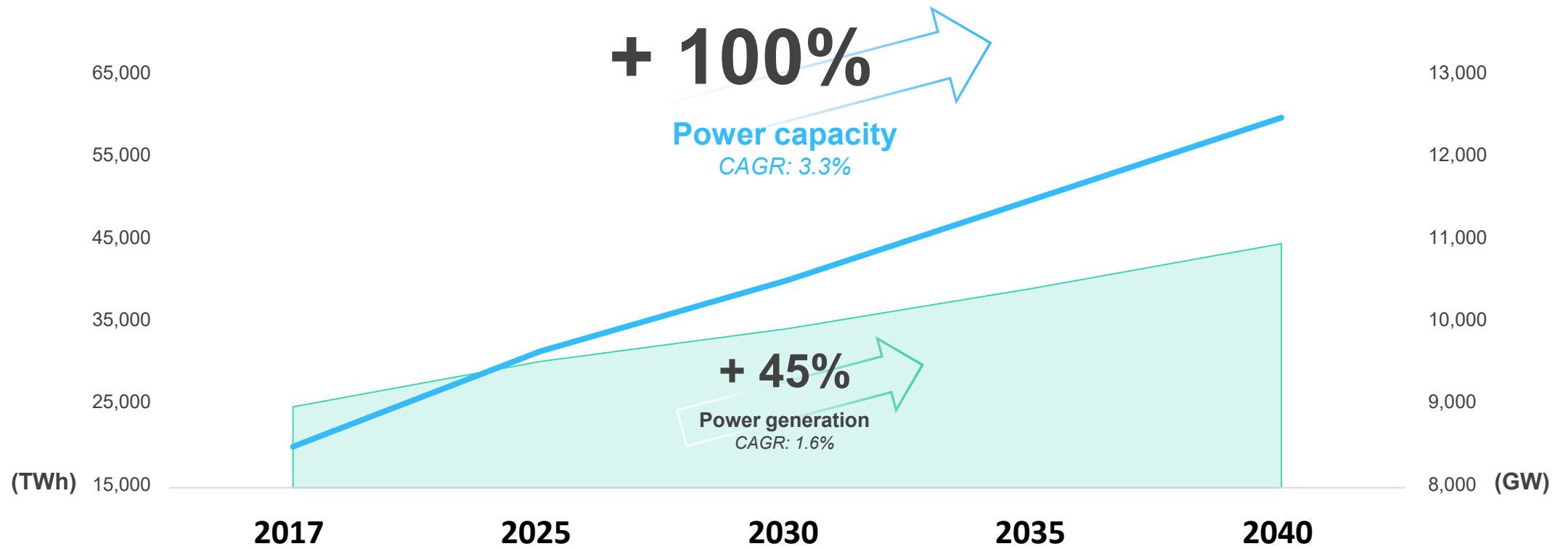


MASSIVE GREENING OF THE POWER SYSTEM COUPLED WITH A NEED TO MANAGE INTERMITTENCY

Global low-CO₂ power generation installed capacity (GW) 2017/2040



STRONGER GROWTH IN GLOBAL POWER CAPACITY



POWER SECTOR

Lower barriers to entry

Phenomenal growth

**Complex segments emerging that need
to consider more than price to be successful**

A group of four people are silhouetted against a bright, hazy night sky, celebrating with sparklers. A tall, thin structure, possibly a wind turbine tower, is visible in the background. The overall scene is festive and celebratory.

WHAT'S HAPPENING ON THE CLIENT SIDE?

HIGHLY ENERGY EFFICIENT TECHNOLOGIES AVAILABLE IN VARIOUS DOMAINS

LEDs



5x

as efficient as incandescent light bulbs

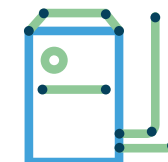
District Heating



50% more

efficient than individual heating systems

In-Home Condensation Boilers



30% more

efficient than standard ones

Air Conditioners



3x

as efficient as they were 20 years ago

District Cooling



50% more

efficient than individual units

Cogeneration Units



25% more

efficient than separate electricity plus boilers

AS-A-SERVICE MODELS FOSTER THE EARLY REPLACEMENT OF UNSUSTAINABLE ASSETS

Traditional energy efficiency solutions

Energy Audit

Lighting Retrofitting

Building Retrofitting

Retail Choice Procurement

Energy as-a-service solutions

Strategic Portfolio Guidance

Energy Performance Contract

Intelligent Building Energy Management & Automation

Large Off-Site Wind & Solar Procurement

On-Site Energy Generation & Storage DBFMO*

ON THE CLIENT SIDE

Faster phasing out of energy-consuming equipment

Emergence of “as a service” models

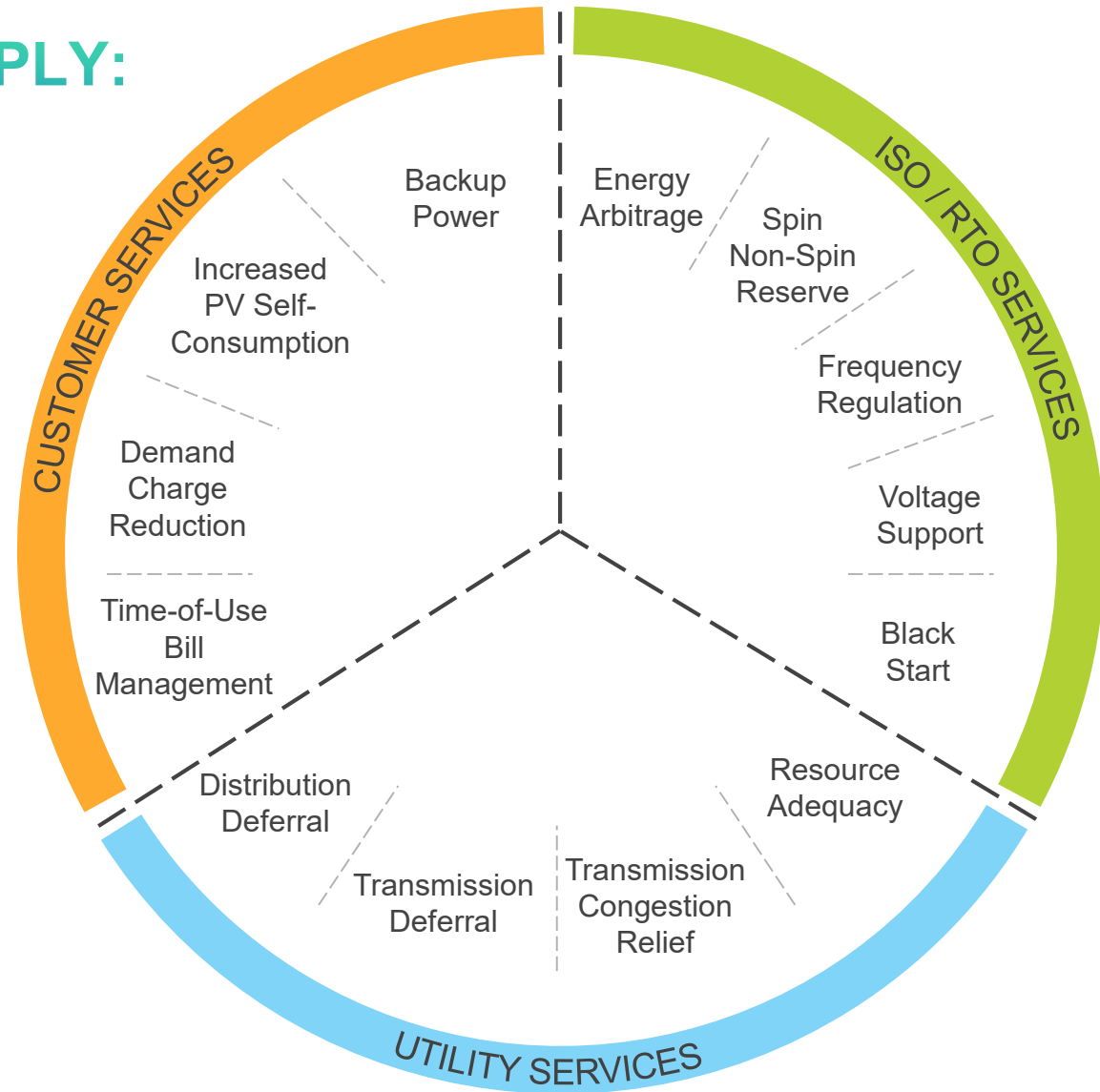


WHAT ARE THE WINNING "AS A SERVICE" BUSINESS MODELS?

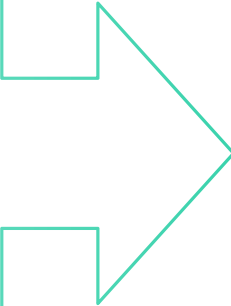


ACHIEVING 24/7 GREEN SUPPLY: INTEGRATION TO CREATE NEW VALUE

**Batteries can provide
up to 13 services
to 3 stakeholder groups**



ACHIEVING 24/7 GREEN SUPPLY: THE UPSTREAM-DOWNSTREAM LINK



X10
RE100 members
between 2014 and 2018

The world's most influential companies committed to 100% renewable power

HOW TO WIN WITH “AS A SERVICE” MODELS

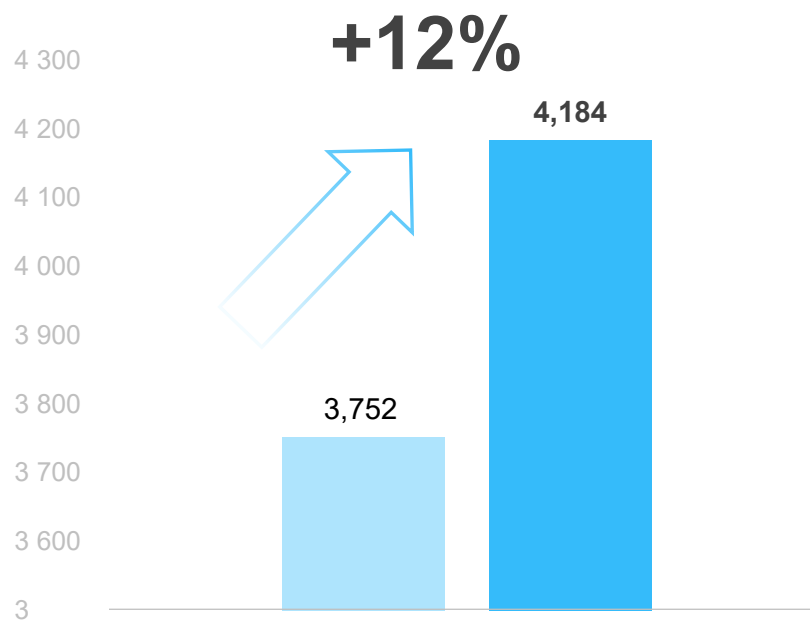
Value in being able to provide integrated solutions

Value in upstream-downstream link

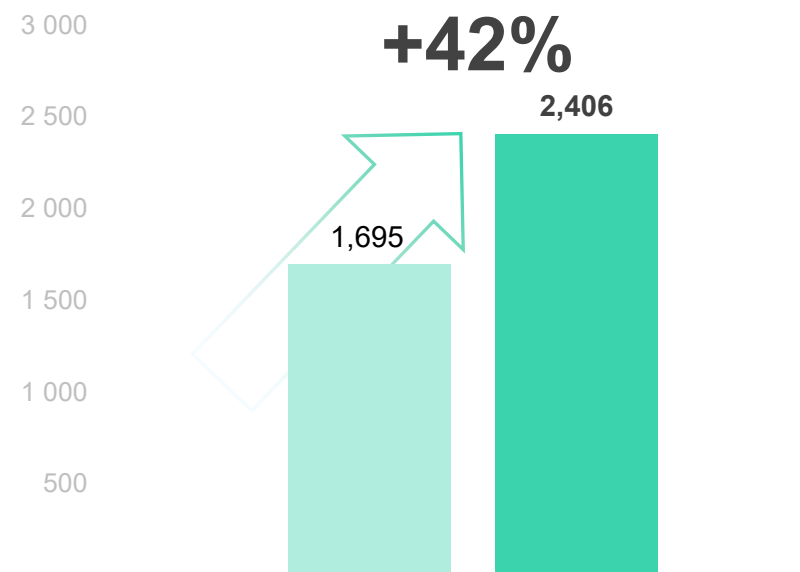


WILL WE MAKE OUR PLANET GREAT AGAIN WITH GAS?

GAS TO STILL FLOW IN THE PIPES



GLOBAL GAS DEMAND (BCM) 2017/2040



GLOBAL GAS POWER INSTALLED CAPACITY (GW) 2017/2040

GAS TO STILL FLOW IN THE PIPES, BUT IT WILL GET GREENER

**Global Biogas
Market in 2016**

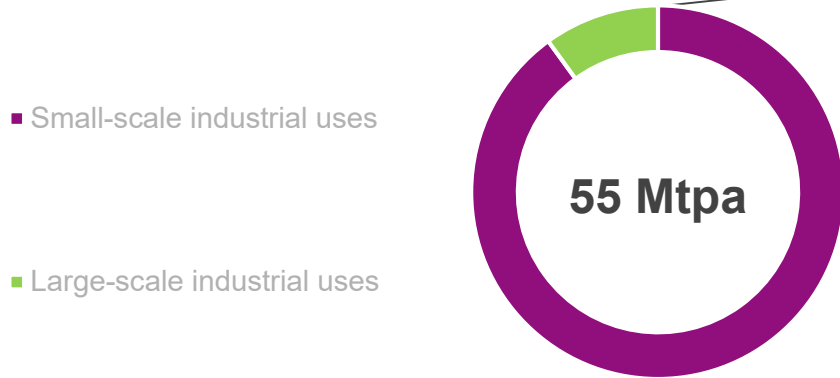
364 TWh/y

**Global Biogas Market
Potential in 2050**

7,500 TWh/y

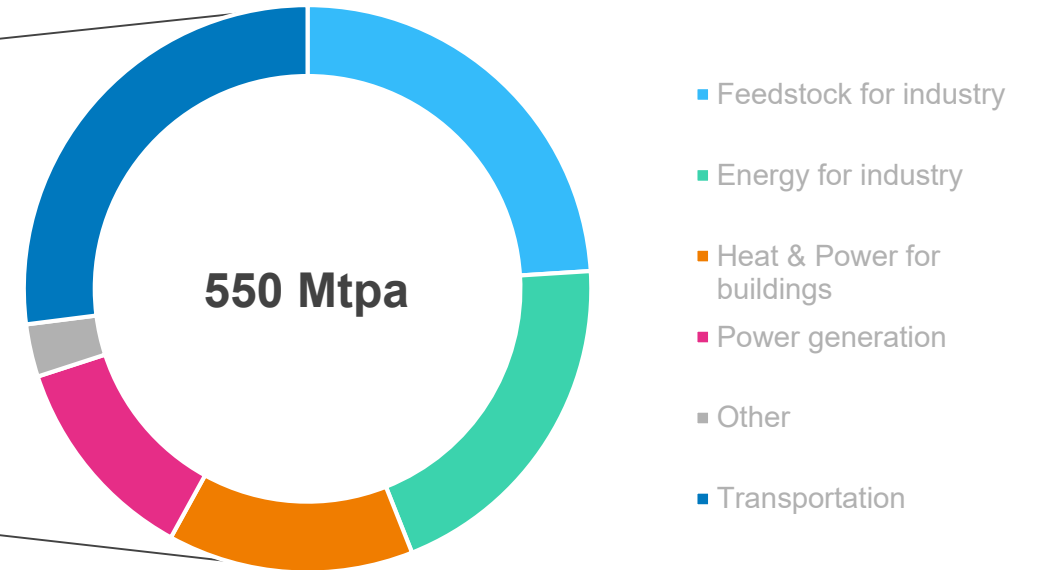
GAS TO STILL FLOW IN THE PIPES, BUT IT WILL GET GREENER

Global Hydrogen Market in 2018



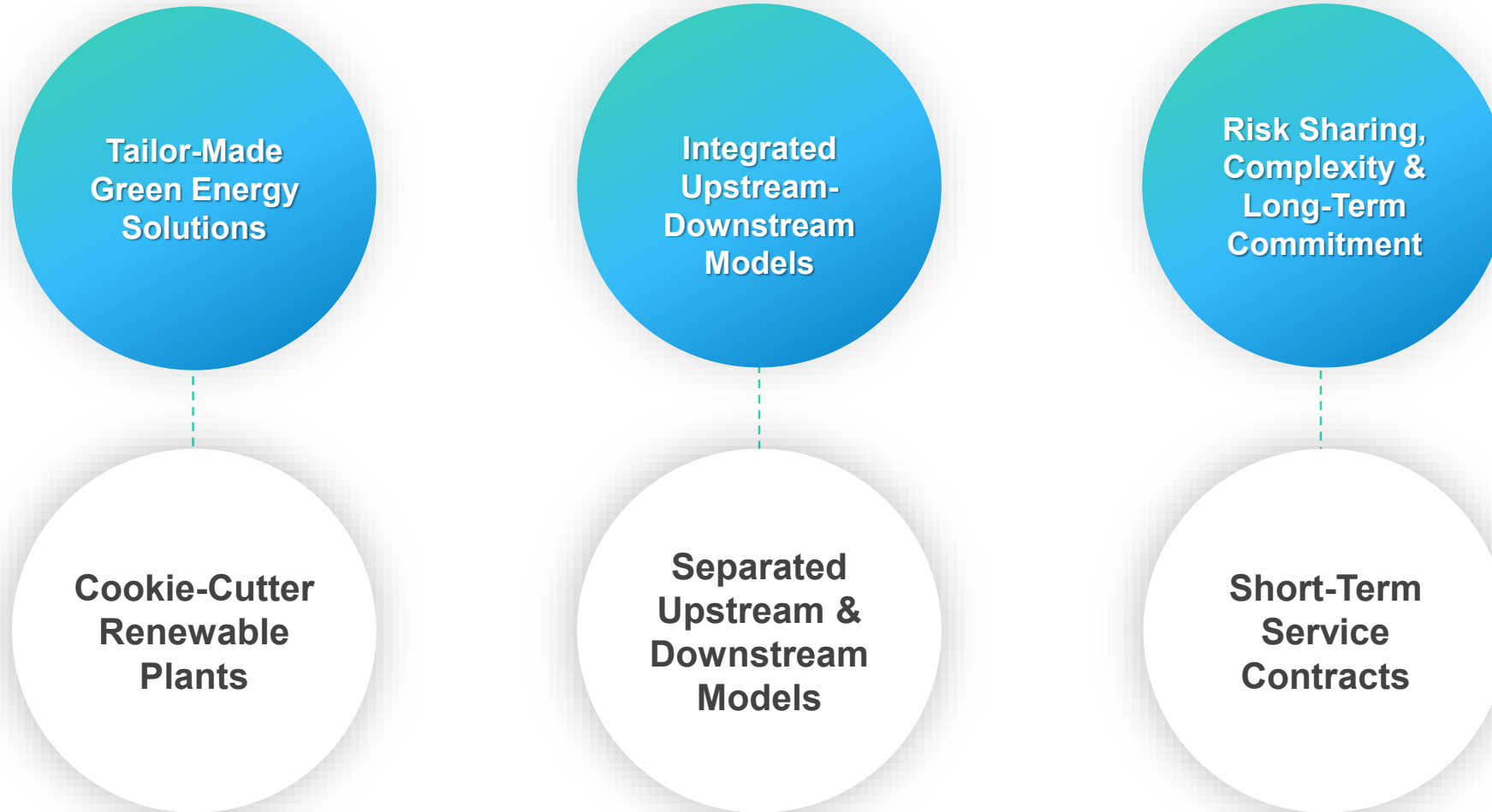
x10

Global Hydrogen Market in 2050
incl. 75% green H₂



**Greener gas to still flow in the pipes,
and will be more integrated with power**

CLOSING REMARKS - WHERE IS THE VALUE HEADING?



CAPITAL MARKETS DAY

February 28, 2019



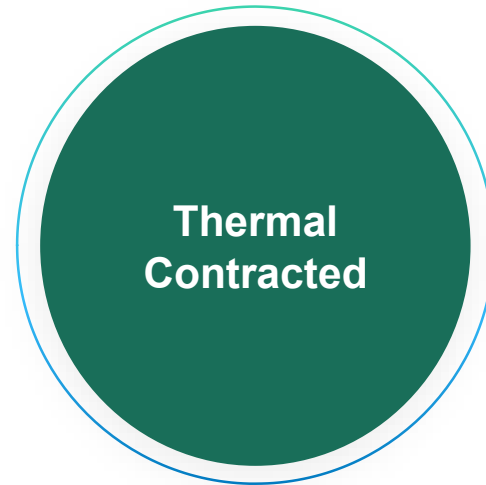
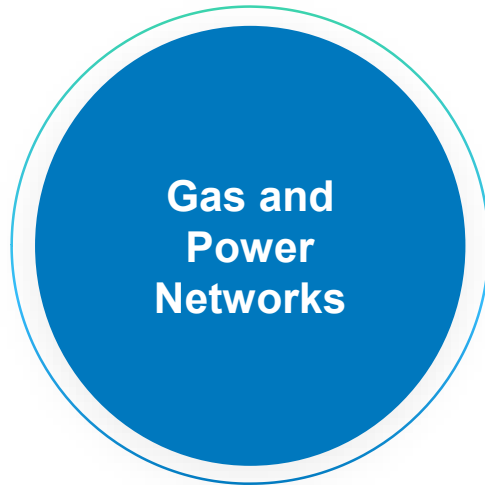
Paulo ALMIRANTE

Executive Vice President
Chief Operating Officer

**SOLID EARNINGS COMBINED
WITH OPTIONALITY VALUE**



AGENDA



An aerial photograph of a large body of water, likely a lake or reservoir, with a vibrant blue-green hue. The water's surface is textured with small ripples. In the lower right quadrant of the water, a yellow and red canoe is visible, carrying two people wearing life jackets. The shoreline is a lush green lawn, densely populated with numerous people, some sitting and some standing, suggesting a public park or recreational area. The overall scene is bright and sunny.

STRONG REGULATED NETWORKS AND CONTRACTED GENERATION

GAS AND POWER NETWORKS

A LEADING POSITION IN GAS NETWORKS IN FRANCE,
COMPLETED BY A GROWING INTERNATIONAL PRESENCE

Global Presence 2018



EUROPE
€28.7bn



LATAM
€1.3bn



OTHER
€0.1bn

RAB/CE
2018⁽¹⁾

COI 2018

€2.3bn

COI 2021

€2.0-2.2bn

NETWORKS

⊖ Attractive returns & cash flows

Zero-Carbon
Transition
"as a service"

Tailor-made
High-tech
Financed

RENEWABLES
NETWORKS
GENERATION & SUPPLY

CLIENT
SOLUTIONS

90% of RAB/CE
is located in France

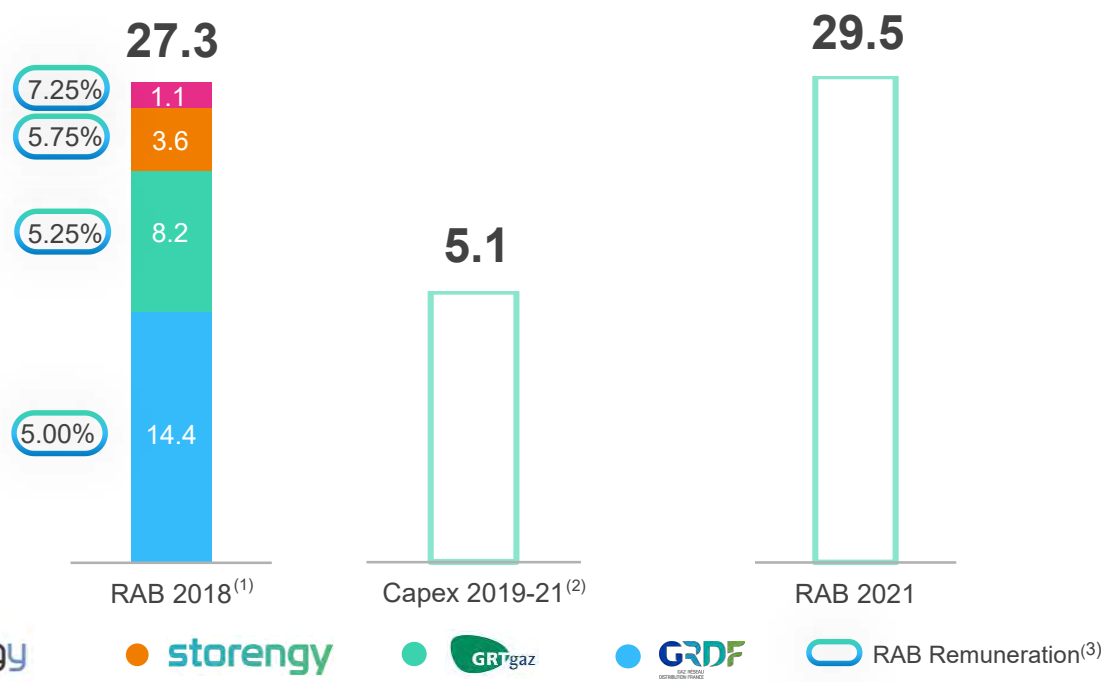
Networks accounted
for 45% of Group COI in 2018

GAS AND POWER NETWORKS

A LEADING POSITION IN GAS NETWORKS IN FRANCE, COMPLETED BY A GROWING INTERNATIONAL PRESENCE

Focus on France

€bn



New regulatory period starting in H1 2020⁽⁴⁾

Rebalance our geographic exposure

(1) RAB 01/01/18 @ 100%
 (2) Gross Capex (growth + maintenance)
 (3) RAB Remuneration base rate (real pre-tax) w/o incentives
 (4) 2021 for Elengy

GAS AND POWER NETWORKS

INTERNATIONAL GROWTH OPPORTUNITIES LEVERAGING OUR RECOGNIZED TRACK RECORD AS AN INDUSTRY PLAYER

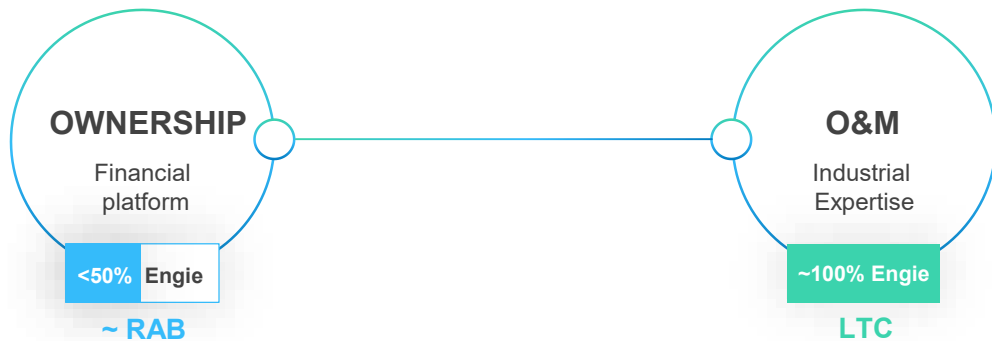
Opportunistic approach



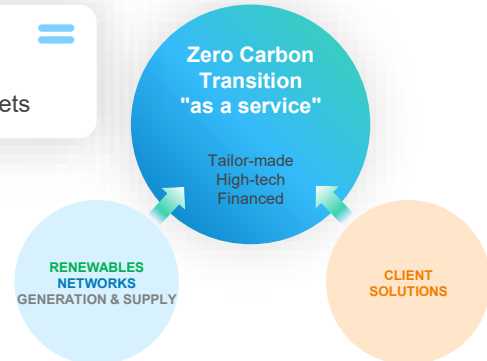
6,000 km/y | **1,000 km**
 auctions in Brazil | under construction



4,500 km
 under negotiation



NETWORKS =
 (+) Growth in dynamic development markets



Complex projects with industrial expertise

Financial discipline is key

GAS AND POWER NETWORKS

INTERNATIONAL GROWTH OPPORTUNITIES LEVERAGING OUR RECOGNIZED TRACK RECORD AS AN INDUSTRY PLAYER

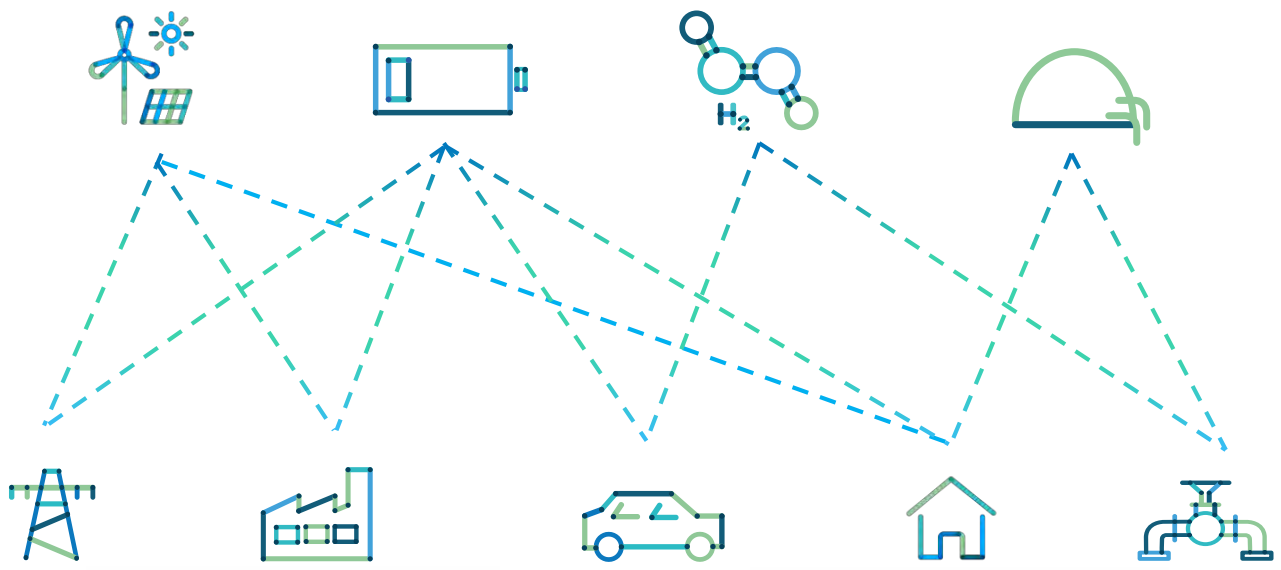
NETWORKS
Priority to convert gas infrastructure to green gas

Zero Carbon Transition "as a service"
Tailor-made High-tech Financed

RENEWABLES NETWORKS
GENERATION & SUPPLY

CLIENT SOLUTIONS

Networks in the Energy Transition



€0.3bn
Green gas related investments in networks 2019-2021

30 MW
Grid scale storage Operation & construction

Power and gas networks will continue to grow

We are an industrial partner of choice

THERMAL CONTRACTED GENERATION

LIMITED PPA TERMINATION IMPACT BEFORE 2025 WHILST WE CONTINUE TO REDUCE OUR EXPOSURE TO COAL

Global presence 2018⁽¹⁾



MIDDLE EAST

30.1 GW

Gas

Coal



LATAM

1.9 GW

1.9 GW



OTHER

4.5 GW

2.3 GW

COI 2018⁽²⁾

€0.8bn

COI 2021

€0.5-0.6bn

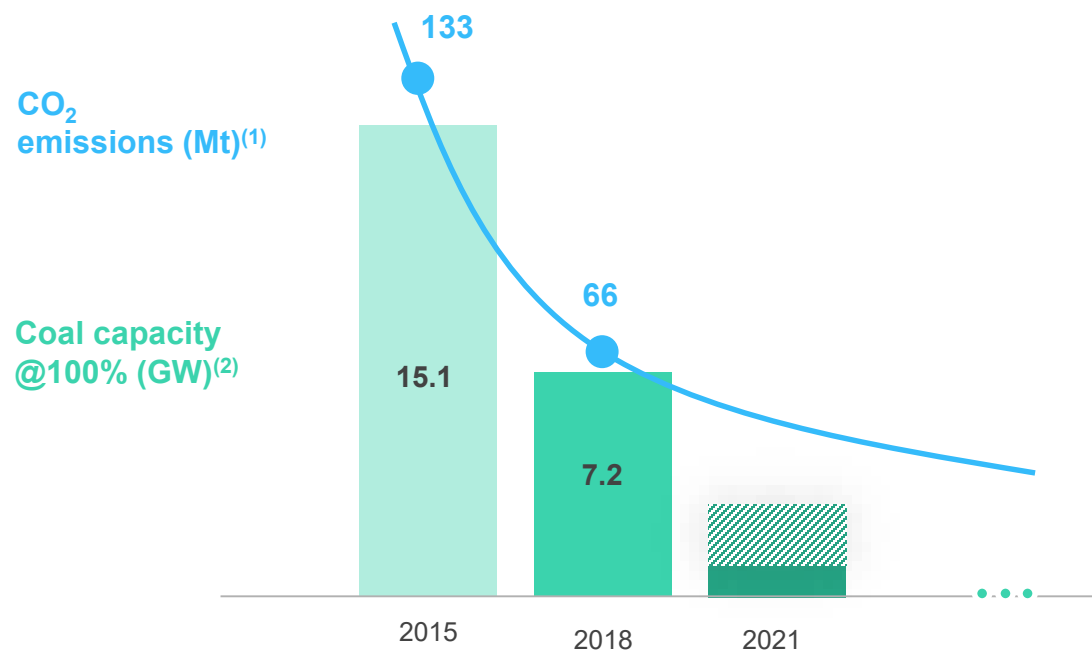
Increase performance
and digitalization

COI reduction
related to divestments

THERMAL CONTRACTED GENERATION

LIMITED PPA TERMINATION IMPACT BEFORE 2025
WHILST WE CONTINUE TO REDUCE OUR EXPOSURE TO COAL

Coal phase out and CO₂ reduction



GENERATION & SUPPLY

⊖ Further reduction in thermal capacity led by continuing disposals of coal generation

Zero Carbon Transition
"as a service"

Tailor-made
High-tech
Financed

RENEWABLES
NETWORKS
GENERATION & SUPPLY

CLIENT
SOLUTIONS

Steep decline
in coal generation

Direct emissions projections
follow 2°C trajectory

THERMAL CONTRACTED GENERATION

OPPORTUNITIES AND NEW GROWTH DRIVERS LINKED TO ASSET-BASED SOLUTIONS

Projects under development in the Middle East

KSA



CHP1: 900 MWe
CHP2: 600 MWe
RO: 200 MIGD⁽¹⁾

QATAR



IWPP⁽²⁾: 1,500 MW

ABU DHABI



CCGT: 2,000 MW

Leading positions in the Middle East on power and water production

Investment focus on sophisticated and tailor-made solutions

THERMAL CONTRACTED GENERATION

OPPORTUNITIES AND NEW GROWTH DRIVERS LINKED TO ASSET-BASED SOLUTIONS

Long-term partnerships with energy intensive industrials in Europe

PRODUCTS

CHP

CCGT

Waste to Power

Conversion
of siderurgical gases

KEY FIGURES

14

partnerships
in 3 countries

2 GW

electrical power

1,600 t/h

steam delivery

**Industrial opportunities linked
to Energy Efficiency**

**Security of supply and price
visibility “as a service”**