

ENGIE H1 Financial Results for the period ending 30 June 2020

Delivery of essential services despite challenging market conditions
2020 FY guidance provided, expected NRIs between EUR 1.7-1.9bn¹

Business Highlights

- Continued delivery of essential services and ensured health and safety of employees
- New partnership agreement for 2.3 GW renewable portfolio in the US, commissioned 0.9 GW of renewables
- Strong contribution from TAG pipeline and acquisition of further 10% closed
- Negative temperature effect in France (EUR 195 m at COI level)
- To date, CS activity levels back to nearly 100% following material drop in Q2
- Successful project delivery with EUR 2.1bn growth CAPEX executed

Financial Performance

- Significant impact of Covid-19 on H1 results (c. EUR 0.85bn), particularly on Customer Solutions and Supply
- Networks, Renewables and Thermal relatively resilient
- Negative FX impact of EUR 94m at COI² level mainly due to BRL depreciation
- CFFO³ improved by EUR 0.3bn and net financial debt reduced by EUR 0.8bn, strong liquidity of EUR 23.5bn maintained
- Commitment to dividend policy re-affirmed, within the framework announced in 2019

Key H1 financial figures as of June 30, 2020⁴

In EUR billion	06/30/2020	06/30/2019	Δ 2020/19 gross	Δ 2020/19 organic ⁵
Revenues	27.4	30.2	-9.3%	-8.8%
EBITDA	4.5	5.3	-15.8%	-14.0%
Current operating income (COI)	2.2	3.1	-30.8%	-29.3%
Net recurring income Group share (NRIs)	0.7	1.5	-50.0%	-51.9%
Net income Group share	0.0	2.1	EUR -2.1bn	
Cash flow from operations	3.0	2.7	EUR +0.3bn	
Capex ⁶	3.0	5.5	EUR -2.5bn	
Net financial debt	25.1	EUR -0.8bn vs. 12/31/2019		

Judith Hartmann, EVP member of ENGIE's executive leadership team and Group's Chief Financial Officer, commented: "During the first half, our Networks, Renewables and Thermal activities demonstrated their inherent resilience and the Group continued to deliver essential services without major disruption, even at the height of the pandemic. Our Client Solutions and Supply activities experienced the most notable financial impact of the crisis. We took prompt actions to reduce costs and optimize cash expenditure, contributing to an overall improved cash flow. Our performance this year is impacted by the crisis and we continue to work on mitigating the impacts of the crisis to drive a strong recovery from Q2 levels, whilst maintaining a strong financial position for the Group. Overall

N.B. Footnotes are on page 11.



ENGIE is confident of a substantial improvement in its financial performance over the medium-term as a result of the ongoing economic recovery and our actions taken.”

Claire Waysand, interim CEO, said: *“Faced with an acute phase of the Covid-19 crisis in Q2, the Group remained fully committed to the health and safety of its employees, maintained critical energy activities and services for customers. Client solutions activities, which were the most affected, are now getting back close to normal in most of our countries of operations. Looking ahead, with carbon-neutrality at the heart of our strategy and purpose, we are well positioned to benefit from opportunities arising from green recovery efforts across our portfolio. Notably in the EU, for example through increased support for renewable energy, focus on green hydrogen, and through increased focus on energy efficiency programs”.*

2020 Guidance¹ and Medium-Term Outlook

ENGIE is strongly focused on mitigating the impacts of the Covid-19 crisis and is determined to play a clear role in enabling a strong, green recovery. While H1 2020 experienced a significant impact as a result of this unprecedented crisis, ENGIE is fully prepared for the second half of the year and expects performance to recover from Q2 levels in line with the ongoing economic recovery and improving energy demand. Assuming a continued, gradual return from lockdowns across its key geographies, ENGIE anticipates **2020 net recurring income Group share to be between EUR 1.7 billion and EUR 1.9 billion**. This guidance is based on an indicative EBITDA range of EUR 9.0 billion to EUR 9.2 billion and COI range of EUR 4.2 billion to EUR 4.4 billion.

Further details on the guidance are provided page 7.

Looking ahead to medium-term prospects, ENGIE is focused on driving a strong recovery. With carbon-neutrality at the heart of the Group's strategy, ENGIE is well positioned to benefit from new growth opportunities through government actions to drive a green recovery. Following a significantly impacted 2020 performance mainly due to Covid-19, the Group is confident of a substantial improvement in its financial performance.

ENGIE benefits from stability and good visibility for the majority of its operations. Networks have clarity through regulatory frameworks; Renewables and Thermal generation benefit from PPAs (Purchase Price Agreement) and long-term contracts, and market prices and spreads are near pre-crisis levels for merchant power generation activities.

In Asset-Light Client Solutions, although some uncertainty remains of the potential ongoing economic impacts of Covid-19, activity levels have improved considerably compared to Q2 and the order book is healthy. Similarly, for B2B gas and power Supply activities, whilst there could be a potential ongoing impact on activity levels due to Covid-19, energy demand levels have recovered significantly compared to Q2.

These medium-term expectations assume that the easing of lockdowns continues and that there are no new major lockdowns in the Group's key geographies.

Operational and financial overview by Business Line

ENGIE remains focused on simplifying the Group and exiting 25 countries by the end of 2021. The Group has stopped development in some countries and for the countries to be exited specific plans are in progress. The Group has also continued to streamline operations, for example by merging the regional organizations of Africa and MESCOT Business Units, as well as APAC and China Business Units to be completed in early 2021.



ENGIE's results for the first half of 2020, and in particular for the second quarter, were down significantly with an estimated COI impact of c. EUR 0.85 billion due to the unprecedented Covid-19 crisis.

Asset Light Client Solutions and B2B Supply were most impacted with a strong decrease in activity levels and energy consumption. Thermal maintained robust operational performance, Networks demonstrated resilience (excluding temperature impact) and Nuclear benefitted from improved achieved prices. Throughout the period, strong progress was made on developments across the Renewables portfolio. Warm temperatures in France impacted Group results, mainly in Networks and Supply with a total negative impact of EUR 195 million at COI level.

The Group's COI also reflects deterioration of foreign exchange with a total effect of EUR 94 million mainly driven by the depreciation of the Brazilian real. Negative scope effect of EUR 20 million was mainly driven by the disposal of Glow in March 2019 and coal plants in Germany and the Netherlands, partly offset by the TAG acquisition in June 2019.

H1 COI contribution by reportable segment*:

In EUR million	06/30/2020	06/30/2019	Δ 2020/19 gross	Δ 2020/19 organic
France	1,239	1,610	-23.0%	-22.8%
France excl. Infrastructures	212	482	-56.0%	-57.1%
France Infrastructures	1,027	1,128	-8.9%	-9.0%
Rest of Europe	168	291	-42.2%	-40.5%
Latin America	696	820	-15.1%	-15.0%
USA & Canada	1	22	-97.6%	-171.6%
Middle East, Asia & Africa	243	378	-35.7%	-17.2%
Others	(179)	15	-	-
TOTAL	2,169	3,135	-30.8%	-29.3%

*Detailed commentary on page 9

H1 COI² contribution by Business Line:

In EUR million	06/30/2020	06/30/2019	Δ 2020/19 gross	Δ 2020/19 organic
Client Solutions	(142)	414	-	-
Networks	1,266	1,359	-6.8%	-11.4%
Renewables	512	559	-8.4%	9.7%
Thermal	588	682	-13.8%	-0.5%
Nuclear	(107)	(216)	50.5%	50.6%
Supply	3	340	-99.1%	-97.9%
Others	49	(3)	-	-
TOTAL	2,169	3,135	-30.8%	-29.3%



Estimated Covid-19 impacts by Business Lines:

In EUR billion	Estimates at COI level	Nature
Client Solutions	(0.49)	Loss of revenues / contracts, bad debts, specific purchases
Networks	(0.04)	Lower volumes, lower capitalized costs, specific purchases
Renewables	(0.02)	Lower volumes dispatched
Thermal	(0.02)	Lower demand
Nuclear	-	-
Supply	(0.24)	Lower demand, unwinding of hedges, lower B2C services, bad debts
Others	(0.05)	Credit losses
TOTAL	(0.85)	Net of economies / action plans

These estimates have been prepared in accordance with a standard guidance applied across our businesses under a dedicated oversight process (losses of revenues being inherently subject to more judgement than the identification of specific costs incurred). These estimates relate to operating items only, and are presented net of savings and mitigating management action plans. By construction, these estimates exclude foreign exchange and commodity price effects incurred in our various businesses, whether positive or negative.

Client Solutions: Activities strongly impacted by Covid-19 in Q2

Client Solutions' COI decreased significantly to EUR -142 million, mainly as a result of the Covid-19 crisis. After a year over year increase of +5% in Q1 2020, Client Solutions revenues decreased by -16% in Q2. The Business Line experienced a strong impact in the asset-light business model predominately in Europe but also in the US. Revenues decreased significantly in all geographies during the containment periods with a very gradual recovery.

In France, as well as in other countries in Europe and Latin America, the Group utilized government temporary unemployment schemes. To further mitigate revenue impacts, the Group focused on variabilising costs as much as possible. Subcontractor and labour costs were reduced in all geographies. Other costs areas such as energy, equipment, consumed materials, consulting and IT were also lowered. All in all, ENGIE managed to reduce costs by 9% in Q2 2020.

Covid-19 weighed strongly on Suez's results.

Temperature and energy price effects in Europe also negatively impacted the asset-based activities. Excluding these negative effects, DHC and on-site generation activities were relatively resilient, showing for example an increase in installed capacity of heat and cold of 2.5%.

Lastly, start-up costs from ENGIE Impact and other investments for the future were also reflected in asset-light results.

Networks: Performance demonstrates overall operational and financial resilience

Networks' COI was EUR 1,266 million, down 11% on an organic basis.

In France, the Networks performance was impacted by unusually mild temperature and Covid-19 on distributed volumes, particularly during the second quarter, despite lower levels of expenditure in distribution and transmission activities during lockdown. Nevertheless, negative volume effects will be recovered in the medium-term under the clawback accounts mechanism.

Networks in Mexico and Argentina suffered from negative volume effects.



Lastly, headwinds related to price and temperature effects weighed on Networks in the rest of the world.

Overall, in Networks, the Group maintained strong operational performance with high levels of network safety and reliability. In France, along with the pick-up in activity levels, gas smart meter installation is resuming.

In Latin America, following the acquisition of 90% of TAG in June 2019, ENGIE, with its partner *Caisse de Dépôt et Placement du Québec*, successfully acquired the remaining 10% in July 2020. In addition, earlier this year ENGIE closed the acquisition of a 30-year greenfield concession project in northern Brazil that comprises the construction, operation and maintenance of a 1,800 km electric power transmission line, a new substation and the expansion of 3 additional substations.

Renewables: Continued growth and operational progress; FX impact from weaker BRL

Renewables COI contribution was EUR 512 million, up 10% on an organic basis. This is mainly due to higher hydroelectric and wind generation volumes in France, relatively favourable wind conditions in most European countries, only partly offset by less favourable hydro conditions in Brazil. Successful commissioning in North America also contributed to this increase.

During the first half of 2020, almost 1.2 GW of onshore wind and solar capacity was added, including 0.9 GW of capacity commissioned and, as of June 30th, 2020 5.5 GW of renewables capacity is under construction.

On July 27th, 2020, ENGIE and its partners finalized the commissioning of WindFloat Atlantic, a 25 MW floating wind farm in Portugal, the world's first semi-submersible floating wind farm. This commissioning is a landmark achievement for the sector as floating wind technology contributes to the diversification of energy sources and provides access to untapped marine areas.

On July 21st, 2020, ENGIE and *EDP Renováveis* announced the creation of Ocean Winds, a joint venture in the floating and fixed offshore wind energy sector equally controlled by both partners. The new company will act as the exclusive investment vehicle of each partner to capture offshore wind opportunities around the world and aims to become a top five offshore global operator by combining the development potential of both partners.

On July 2nd, 2020, ENGIE announced the signing of an agreement to sell 49% of its equity interest in a 2.3 GW US renewables portfolio to Hannon Armstrong, a leading investor in climate change solutions. ENGIE will retain a controlling share in the portfolio and continue to manage the assets. When commissioned, this 2.3 GW portfolio, will comprise 1.8 GW onshore wind and 0.5 GW solar photovoltaic projects and will represent a major milestone in achieving ENGIE's goal of commissioning 9 GW additional renewable capacity between 2019 and 2021. ENGIE has secured nearly USD 2 billion of tax equity commitments for this portfolio. Tax equity financing is the traditional structure used in the United States to support the development of renewable projects. This tax equity financing – the largest ever in the US – demonstrates ENGIE's successful development in this market.

Lastly, in March 2020, ENGIE finalized *Renvico's* acquisition to strengthen its growth in onshore wind in Italy and France. This acquisition has enabled ENGIE to double its installed onshore wind capacity in Italy to over 300 MW.

Thermal: Robust operational performance maintained and expected COI impact of scope changes

Thermal COI amounted to EUR 588 million, flat on an organic basis. The Thermal business has shown resilience, as a result of its highly contracted portfolio and high achieved spreads and ancillaries mainly in Europe.

The negative impacts of the Covid-19 crisis leading to lower demand in Chile and Peru, and the significant liquidated damages received in 2019 in South America have been fully offset by the performance of thermal assets in Europe, the positive timing effects on the reinstatement of the Capacity Remuneration Mechanism in the UK and higher generation in Brazil, including Pampa Sul since its COD in June 2019.

In June 2020, the sale of New York's Astoria Energy facilities was finalized and represents another step in ENGIE's transition in the US from a merchant generator.



In March 2020, ENGIE reaffirmed its leading position as an independent power producer in the Middle East with the commissioning of Fadhili's 1.5 GW gas plant, a cogeneration plant in Saudi Arabia in which ENGIE has a 40% equity ownership.

Nuclear: Performance benefitted from improved achieved prices in H1

Nuclear COI reached EUR -107 million, up 51% on an organic basis. Nuclear activities benefited from higher energy margin due to a positive price effect, and lower Opex, partly offset by higher depreciation. The ongoing Long-Term Operations (LTO) works have continued well with works for Doel 1 and 2 complete and Tihange 1 underway. Including these LTO, the nuclear availability rate for H1 2020 stood at 66%. The availability rate in 2021 is expected to increase significantly.

Supply: Performance impacted by lower volumes due to Covid-19 and temperature

Supply COI amounted to EUR 3 million, down 98% on an organic basis. Financial performance was highly affected by Covid-19 (EUR -240 million) in Europe and in the US due to lower gas and electricity consumption during the lockdown periods (primarily B2B). This sharp and unexpected reduction in demand led to a negative volume effect as related margins were been booked, together with a negative price effect as power and gas positions had to be unwound in a lower price environment. Also, lower B2C services were provided during the lockdowns. Warm temperature in France and Benelux also contributed to the strong decrease. These effects were only marginally offset by better results in Romania and B2C margins in France.

Others

Others' COI strongly increased, up to EUR 49 million. This increase reflects mainly higher contribution of GTT thanks to a good order book and GEM's (Global Energy Management) good performance in a context of high market volatility.

Strong Financial Position and Liquidity

ENGIE has maintained a sharp focus on maintaining a robust financial position through securing a strong liquidity position, disciplined capital allocation and OPEX and SG&A reduction. The Group has one of the strongest balance sheets in its sector, with EUR 23.5 billion of liquidity (net cash + undrawn credit facilities – outstanding commercial paper) including EUR 13.1 billion of cash, as of end of June.

Issuances of a triple tranche senior bond for a total of EUR 2.5 billion in March 2020 and EUR 750 million in June 2020 further improved ENGIE's financial position.

Net financial debt stood at EUR 25.1 billion, down EUR 0.8 billion compared with December 31, 2019. This variation was mainly due to (i) cash flow from operations (EUR 3.0 billion), (ii) the impact of the portfolio rotation program (EUR 0.6 billion, including notably the EUR 0.4 billion proceeds from the Astoria sale in the United States) and (iii) other elements (EUR 0.5 billion) mainly related to foreign exchange rates and partly offset by new right-of-use assets. These items were partly offset by (i) capital expenditures over the period (EUR 3 billion) and (ii) dividend paid to non-controlling interests and treasury stocks changes (EUR 0.3 billion).

Cash flow from operations amounted to EUR 3.0 billion, up EUR 0.3 billion. This increase resulted from working capital requirement improvement. Firstly from margin calls on derivatives for EUR 0.7 billion and secondly from cash action plans at working capital requirement level of EUR 0.6 billion, partly offset by the EBITDA decrease.



At the end of June 2020, the **net financial debt to EBITDA ratio** amounted to 2.6x, increasing compared with the end of 2019. The average cost of gross debt was 2.38%, down 32bps compared with the end of 2019, thanks to optimized liability management and to a slight decrease in interest rates in Brazil and to a lesser extent in Europe. In addition, Brazilian real depreciation has reduced the proportion of higher-rate debt to lower-rate euro-denominated debt.

At the end of June 2020, **net economic debt⁷ to EBITDA ratio** stood at 4.3x, also increasing compared with the end of 2019.

On April 24th S&P lowered its long-term rating to BBB+ and its short-term rating to A-2, and on May 5th Moody's affirmed its long-term rating of A3 and changed the outlook from stable to negative.

Governance Update

Since February 2020, the CEO transition has been carried out by Claire Waysand, General Secretary, as Interim CEO, as part of a collective management team together with Paulo Almirante, EVP and COO and Judith Hartmann, EVP and CFO.

ENGIE expects to announce the appointment in September, with the aim of the new CEO starting by the end of the year.

The process is well on track, in line with schedule announced earlier.

Dividend policy maintained

As previously communicated at the Group's General Meeting on May 14th, 2020, ENGIE affirms its intent to resume dividend payment, within the framework of the policy announced last year, i.e. 65% to 75% of pay-out ratio on the basis of net recurring income Group share. The Board will decide on the dividend to be proposed at the time of the 2020 financial closing.

2020 Guidance

ENGIE anticipates **2020 net recurring income Group share to be between EUR 1.7 billion and EUR 1.9 billion**. This guidance is based on an indicative EBITDA range of EUR 9.0 billion to EUR 9.2 billion and COI range of EUR 4.2 billion to EUR 4.4 billion.

ENGIE expects a strong recovery from Q2 levels. In Client Solutions ENGIE has focused on variabilizing costs and the order backlog remains healthy. In Supply, there has been a swift recovery in B2B power and gas demand and B2C services activity has resumed.

For 2020 ENGIE expects CAPEX to be between EUR 7.5 billion and EUR 8.0 billion, including c. EUR 4 billion of growth investments, c. EUR 2.5 billion of maintenance CAPEX and c. EUR 1.3 billion of nuclear funding.

ENGIE anticipates an economic net debt/EBITDA ratio above 4.0x for 2020 and below or equal to 4.0x over the long-term.

This guidance assumes continued, gradual return from lockdowns across ENGIE's key geographies and does not anticipate new major lockdowns in key regions.



Focused on energy transition that drives growth

With decarbonization at the heart of its strategy, ENGIE is fully aligned with the EU Green Deal objectives and is well positioned to be a key contributor in most of the deal's components. The EU Green Deal's objective to increase the volume of renewables tenders and simplify the tendering processes will bring additional opportunities to the development of ENGIE's Renewables business, one of its key pillars to growth.

As leader in energy efficiency solutions in France and in Belgium, ENGIE is very well-positioned to benefit from the stimulus package's increased support for building renovation, efficient new-build, city planning and clean mobility. For green gases, ENGIE is already focused on producing large volumes of green hydrogen and is also committed to having 12TWh of biomethane injection in the network by 2023.

Lastly, ENGIE has a long track record of operating and maintaining district heating and cooling facilities and is well positioned to provide these solutions to additional cities and industries. For instance, in France, ENGIE has a pipeline of more than 10 DHC networks for which development and / or decarbonization could be accelerated, and there are further opportunities to accelerate industry decarbonation.

H1 financial review

Revenues of EUR 27.4 billion

Revenues were EUR 27.4 billion, down 9.3% on a gross basis and 8.8 % on an organic basis.

The reported revenue decrease includes a negative foreign exchange effect, mainly due to the depreciation of the Brazilian real against the euro and to a lesser extent to the depreciation of the Argentinian peso against the euro, only partly offset by the appreciation of the US dollar against the euro, and to a smaller degree to an aggregate slightly positive scope effect. Changes in the scope of consolidation included various acquisitions in Client Solutions, primarily in the United States and in France, partly offset by the disposals of the stake of Glow in Thailand in March 2019 and the B2C Supply activities in the UK at the beginning of 2020.

The organic² revenue decrease was primarily driven by the Covid-19 crisis and mild temperatures, impacting mainly Supply and to a lesser extent, Client Solutions activities across all geographies, the termination of an LNG contract in North America and to a lesser extent lower distribution in Networks.

These impacts have only been partly offset by higher revenues in Brazil thanks to the commissioning of *Pampa Sul* in Thermal and *Umburanas* in Renewables and a higher level of thermal dispatch.

EBITDA of EUR 4.5 billion

EBITDA was EUR 4.5 billion, down 15.8% on a gross basis and 14.0% on an organic basis.

These gross and organic variations are overall in line with the current operating income decrease, except for the increase in depreciation attributable to the increase of the dismantling asset resulting from the triennial review of nuclear provisions that occurred at the end of last year and to the amortization of some gas distribution assets in France, which are not taken into account at EBITDA level.

In addition, the *Lean 2021* plan continued to deliver results at EBITDA and COI levels, and is currently slightly above plan.

Current operating income of EUR 2.2 billion

Current operating income amounted to EUR 2.2 billion, down 30.8% on a reported basis and 29.3% on an organic basis.

Organic COI performance varied across segments:

In EUR million	06/30/2020	06/30/2019	Δ 2020/19 gross	Δ 2020/19 organic
France	1,239	1,610	-23.0%	-22.8%
<i>France excl. Infrastructures</i>	212	482	-56.0%	-57.1%
<i>France Infrastructures</i>	1,027	1,128	-8.9%	-9.0%
Rest of Europe	168	291	-42.2%	-40.5%
Latin America	696	820	-15.1%	-15.0%
USA & Canada	1	22	-97.6%	-171.6%
Middle East, Asia & Africa	243	378	-35.7%	-17.2%
Others	(179)	15	-	-
TOTAL	2,169	3,135	-30.8%	-29.3%



France reported an organic COI decrease. For France excluding Infrastructures, the organic decrease was driven by Covid-19 impacts and negative temperature effects on Supply and Client Solutions, partly offset by higher hydroelectric and wind power generation. For France Infrastructures activities, the decrease in revenues in distribution activity already mentioned was partly offset by lower costs in distribution and transmission activities. COI remained stable versus last year in terminalling and storage activities where the impact of new tariffs in effect since April 1st, 2020 was offset by a better commercial performance in the UK and the absence of customer penalties as in 2019.

Rest of Europe showed an organic COI decrease. This decrease was mainly driven by Client Solutions notably in Benelux, the UK and Italy as a result of the Covid-19 crisis. Supply activities were also negatively impacted by warm temperatures and the impact of the Covid-19 crisis which resulted in a drop of consumption of B2B and B2C professional clients, partly offset by a better performance of Supply in Romania. Networks' contribution decreased in Romania with a significant negative climate effect, the impact of Covid-19 and a reduction of the distribution tariff. Those negative effects were only partially compensated by Nuclear activities that benefited from higher prices and lower operational expenditures partly offset by higher depreciation, by Thermal activities, which demonstrated good performance in Italy, higher spreads, and in the UK, a 2020 catch-up in Capacity Market remuneration and ancillary services and by Renewables activities, which recorded good performance thanks to favourable wind conditions in most countries.

Latin America reported an organic COI decrease, mainly due to a positive one-off in 2019 in Chile, lower power demand and PPA prices in Peru and lower gas volume distributed in Argentina and Mexico, these impacts were partly offset by organic growth in Brazil with higher generation in Thermal offset by lower contribution in renewables mainly due to lower prices.

USA & Canada reported an organic COI decrease. Main drivers were the end of a LNG contract, lower performance in Supply activities mainly due to the Covid-19 crisis and to a lesser extent, warm temperatures. This decrease was partly offset by contributions of four renewable projects commissioned since last year and higher contribution from Thermal activities.

Middle East, Asia & Africa reported an organic COI decrease. The organic decrease mainly resulted from Thermal with unfavourable net negative one-offs in the Middle-East, the expiry of a PPA in Turkey as well as from difficulties in Supply in Australia and Africa. These negative effects were slightly offset by the higher performance in Renewables and in Client Solutions.

Others reported a significant organic COI decrease. This decrease was mainly due the Covid-19 crisis impact on Suez, *Entreprises & Collectivités* (also impacted by climate) and new businesses. These negative impacts were partly offset by the good contribution of GTT and of GEM which, notwithstanding significant Covid-19 impact, benefited from sound performance of market activities in a context of high volatility.

Net recurring income Group share of EUR 0.7 billion

Net income Group share of EUR 0.02 billion

Net recurring income, Group share amounted to EUR 0.7 billion compared with EUR 1.5 billion in first-half 2019. This decrease was mainly driven by the decrease in current operating income, partly offset by lower tax expense, while financial costs remained stable.

Net income Group share amounted to EUR 0.02 billion, down EUR 2.1 billion as a result of the decrease in net recurring income, lower income from disposals and negative impact arising from the mark-to-market of nuclear



provision funds and financial derivatives, partly offset by the positive effect of commodity mark-to-market compared to first-half 2019.

The presentation of the Group's first half 2020 financial results used during the investor conference call is available to download from ENGIE's website: <https://www.engie.com/en/finance/results/2020>

UPCOMING EVENTS

November 13, 2020: Publication of financial information as of September 30, 2020

February 26, 2021: Publication of FY 2020 results

Footnotes

¹ Main assumptions for these targets and indications: average weather in France, full pass through of supply costs in French regulated gas tariffs, no major regulatory, accounting or macro-economic changes, market commodity prices as of 06/30/2020, average forex for 2020: €/£: 1.11; €/BRL: 5.79, no significant impacts from disposals not already announced, continued / gradual return from lockdowns across key geographies with no new major lockdowns in key regions

² New Current Operating Income (COI) definition excludes the non-recurring share in net income of equity method entities

³ Cash flow from operations: Free Cash Flow before maintenance Capex

⁴ Variations vs. H1 2019

⁵ Organic variation: gross variation without scope and foreign exchange effect

⁶ Net of DBSO (Develop, Build, Share & Operate) and tax equity proceeds

⁷ Net economic debt amounted to EUR 41.1 billion at the end of June 2020, stable compared with the level at end of December 2019); it includes, in particular, nuclear provisions and post-employment benefits



Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the “Risk Factors” section of the ENGIE (ex GDF SUEZ) reference document filed with the AMF on March 18, 2020 (under number D.20-141). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavourable impact on ENGIE.

About ENGIE

Our group is a global reference in low-carbon energy and services. Our purpose (“raison d’être”) is to act to accelerate the transition towards a carbon-neutral world, through reduced energy consumption and more environmentally-friendly solutions, reconciling economic performance with a positive impact on people and the planet. We rely on our key businesses (gas, renewable energy, services) to offer competitive solutions to our customers. With our 170,000 employees, our customers, partners and stakeholders, we are a community of Imaginative Builders, committed every day to more harmonious progress.

Turnover in 2019: 60.1 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

Press contact:

Tel.: +33 (0)1 44 22 24 35

Email: engiepress@engie.com

Investor Relations contact:

Tel.: +33 (0)1 44 22 66 29

Email: ir@engie.com



[ENGIEgroup](https://twitter.com/ENGIEgroup)

APPENDIX 1: FINANCIAL STATEMENTS



Summary statements of financial position

In €bn

ASSETS	06/30/2019	06/30/2020	LIABILITIES & EQUITY	06/30/2019	06/30/2020
NON CURRENT ASSETS	99.3	95.7	Equity, Group share	33.1	30.8
			Non-controlling interests	5.0	4.8
CURRENT ASSETS	60.5	59.5	TOTAL EQUITY	38.0	35.6
of which cash & equivalents	10.5	13.3	Provisions	25.1	25.7
			Financial debt	38.5	40.7
			Other liabilities	58.1	53.2
TOTAL	159.8	155.2	TOTAL	159.8	155.2

H1 2020 Net Debt €25.1bn - Financial debt of €40.7bn - Cash & equivalents of €10.5bn - Other financial Assets of €2.0bn (incl. non-current assets) - Derivative instruments hedging items included in the debt of (€0.4bn)



Summary income statement

In €M

	H1 2019 ⁽¹⁾	H1 2020
REVENUES	30,245	27,433
Purchases and operating derivatives	-20,484	-17,606
Personnel costs	-5,751	-5,858
Amortization, depreciation, and provisions	-2,126	-2,281
Taxes	-747	-632
Other operating income	763	536
Share in net income of equity method entities	276	209
CURRENT OPERATING INCOME INCLUDING OPERATING MTM & SHARE IN NET INCOME OF EQUITY METHOD ENTITIES	2,177	1,800
Impairment, restructuring, disposals and others	1,220	-100
INCOME FROM OPERATING ACTIVITIES	3,397	1,700
Financial result	-719	-913
of which recurring cost of net debt	-337	-366
of which cost of lease liabilities	-22	-24
of which non-recurring items included in financial income/(loss)	-112	-298
of which others	-249	-225
Income tax	-221	-431
Non-controlling interests	373	332
NET INCOME/(LOSS) GROUP SHARE	2,084	24
EBITDA	5,321	4,478
CURRENT OPERATING INCOME (COI)	3,135	2,169

(1) H1 2019 proforma (Change in commodity derivatives presentation and COI excluding non recurring share in net income of equity method entities)

Cash flow statement

<i>In €M</i>	H1 2019	H1 2020
Gross cash flow before financial loss and income tax	5,202	4,190
Income tax paid (excl. income tax paid on disposals)	-205	-235
Change in operating working capital	-2,038	-733
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES	2,959	3,221
Net tangible and intangible investments	-2,996	-2,467
Financial investments	-2,293	-475
Disposals and other investment flows	2,529	566
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	-2,759	-2,558
Dividends paid	-2,196	-264
Balance of reimbursement of debt/new debt	2,263	3,187
Net interests paid on financial activities	-349	-316
Capital increase/hybrid issues	-20	179
Other cash flows	-591	-530
CASH FLOW FROM (USED IN) FINANCIAL ACTIVITIES	-894	2,257
Impact of currency and other	-10	-338
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,700	10,519
TOTAL CASH FLOWS FOR THE PERIOD	-705	2,763
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7,995	13,282

APPENDIX 2: COMPARABLE BASIS ORGANIC GROWTH ANALYSIS

<i>In EUR million</i>	June 30, 2020	June 30, 2019	Gross/organic variation
Revenues	27,433	30,245	-9.3%
Scope effect	-572	-537	
Exchange rate effect		-255	
Comparable basis	26,861	29,453	-8.8%

<i>In EUR million</i>	June 30, 2020	June 30, 2019	Gross/organic variation
EBITDA	4,478	5,321	-15.8%
Scope effect	-127	-150	
Exchange rate effect		-113	
Comparable basis	4,351	5,058	-14.0%

<i>In EUR million</i>	June 30, 2020	June 30, 2019	Gross/organic variation
Current operating income	2,169	3,135	-30.8%
Scope effect	-114	-135	
Exchange rate effect		-94	
Comparable basis	2,055	2,906	-29.3%

The calculation of organic² growth aims to present comparable data both in terms of the exchange rates used to convert the financial statements of foreign companies and in terms of contributing entities (consolidation method and contribution in terms of comparable number of months). Organic growth in percentage terms represents the ratio between the data for the current year (N) and the previous year (N-1) restated as follows:

- The N-1 data is corrected by removing the contributions of entities transferred during the N-1 period or *pro rata temporis* for the number of months after the transfer in N.
- The N-1 data is converted at the exchange rate for the period N.
- The N data is corrected with the N acquisition data or *pro rata temporis* for the number of months prior to the N-1 acquisition.