



# H1 2022 Results



29 JULY 2022



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# CATHERINE MACGREGOR

CEO

# ENGIE CONTINUES TO PERFORM STRONGLY UNDERPINNED BY STRENGTH OF ITS INTEGRATED MODEL



**H1 performance  
positions us well  
for strong results  
in 2022**



**Exposure to  
Russian gas  
significantly  
reduced**



**Milestone in Belgium  
with negotiations  
commenced under a  
balanced framework**



**Maintaining sharp  
focus on strategic  
plan with strong  
commitment to the  
energy transition**

# PLAYING A KEY ROLE IN SUPPORTING ENERGY SECURITY OF SUPPLY

## ► Diversification of gas sourcing

### Continuing efforts to diversify from Russia

- Engaged with existing and new suppliers from different countries including Norway, the Netherlands, Algeria and the United States
- Signed new contracts, both for pipeline gas and for LNG

## ► French networks delivering robust operational performance and contributing to security of supply

**GRTgaz:** high level of transported<sup>1</sup> volume in France, reaching 366 TWh, up 10% yoy

**Elengy:** Record ships unloaded<sup>1</sup>, 108 TWh, up +54% yoy

Completion of extension of LNG capacity through debottlenecking (+11 TWh)



ENGIE operates 3 LNG terminals out of 4 in France

**Storengy:** gas storage levels in France above last year and historical average

**76%** (75 TWh<sup>1</sup>)  
As at 25/07/2022

## ► Supporting growth of Renewable gases

Biomethane production units connected to GRTgaz & GRDF

**425** total production units  
**↑ +74** vs. Dec. 31, 2021

**7.2** TWh/yearly production capacity

**Further progress on hydrogen projects**

<sup>1</sup> Capacity operated by ENGIE

# ACTIONS AND COMMITMENTS SUPPORTING ENERGY AFFORDABILITY

## Energy bill, Demand Management & Energy efficiency support

### EXAMPLE

#### **Proactive** contribution in France

Top up energy voucher of **€100 on average** for vulnerable individual customers

+

**Fund** to help SME customers

## Working Capital support

### EXAMPLE

**Supply: €1.1bn<sup>1</sup>**  
in France,  
Belgium and Romania

## Well-established profit sharing mechanisms

### EXAMPLE

**€467m shared** in H1 2022 in  
Belgium and France

<sup>1</sup> O/w €0.9bn in France Nov. 2021-June 2022 - before monetization effect, €0.1bn in Belgium and €0.1bn in Romania

# ASSESSING THE POTENTIAL FEASIBILITY OF EXTENDING 2 NUCLEAR UNITS IN BELGIUM

## **Signed Letter of Intent with the Belgian State**

- Focus on ensuring a fair balance of risk and reward
- Letter of Intent comprises number of inseparable conditions
- This is the start of negotiations with a binding deal targeted by the end of the year
- ENGIE will continue to work constructively with the Belgian State towards supporting the security of supply for Belgium

# H1 Financial and Strategic Progress



# H1 PERFORMANCE IN UNPRECEDENTED MARKET CONDITIONS

- Significant growth in EBIT
- Robust balance sheet
- Strong liquidity: €23.1bn, incl. €14.5bn of cash
- FY 2022 guidance unchanged
- NRIs expected in the range of €3.8-4.4bn

## EBIT

**€5.3bn**

Up 73% organically, yoy

## NRIs

**€3.2bn**

Up €1.9bn organically, yoy

## GROWTH CAPEX<sup>1</sup>

**€2.2bn**

60% o/w in Renewables

## SHARE OF RENEWABLES

**36%** vs. 34% end of 2021

<sup>1</sup> Net of DBSO and US tax equity proceeds for Renewables

# EXECUTION OF STRATEGIC PLAN CONTINUES WITH MOMENTUM (1/2)

## Simplify, refocus and improve business mix

### Progress

**€9.9bn** disposals  
signed or completed since the start of 2021

Footprint: **35<sup>1</sup>** countries (vs. **70** in 2018)

**2.7%** of coal  
in centralised power generation capacity

### TARGET

at least **€11bn**  
disposals between 2021-23

**< 30** countries by 2023

**0%** in Europe by 2025 and globally by 2027

## Step up renewables growth

### Progress

**>36 GW<sup>2</sup>**  
renewable capacity  
2.2 GW addition in H1 22

**~4 GW<sup>2</sup>**  
in 2022 on track

**71 GW<sup>2</sup>**  
pipeline

### TARGET

**50 GW<sup>2</sup>**  
renewable capacity by 2025

**4 GW<sup>2</sup>**  
average addition p.a. over 2022 to 2025

**80 GW<sup>2</sup>**  
renewable capacity by 2030

<sup>1</sup> After signed or closed agreements

<sup>2</sup> At 100%

# EXECUTION OF STRATEGIC PLAN CONTINUES WITH MOMENTUM (2/2)

## Increase efficiency & capital allocation discipline

### Progress

**€2.2bn**

growth Capex<sup>1</sup> in H1 22

**60% growth Capex<sup>1</sup>**  
in Renewables in H1 22

**3.0x**

Economic net debt to EBITDA in H1 22

### TARGET

**€15-16bn**

growth Capex<sup>1</sup> 2021-23

**40-45% growth Capex<sup>1</sup>**  
in Renewables over 2021-23

### **Balance sheet**

Economic net debt to EBITDA ≤ 4x

## Organisation and performance culture

### Progress

**4 GBUs** (vs. **25 BUs** in 2020)  
benefiting from synergies of  
scale and scope

**€0.2bn performance plan**  
net EBIT contribution in H1 22

### TARGET

Simpler and more agile company  
with a strong performance culture

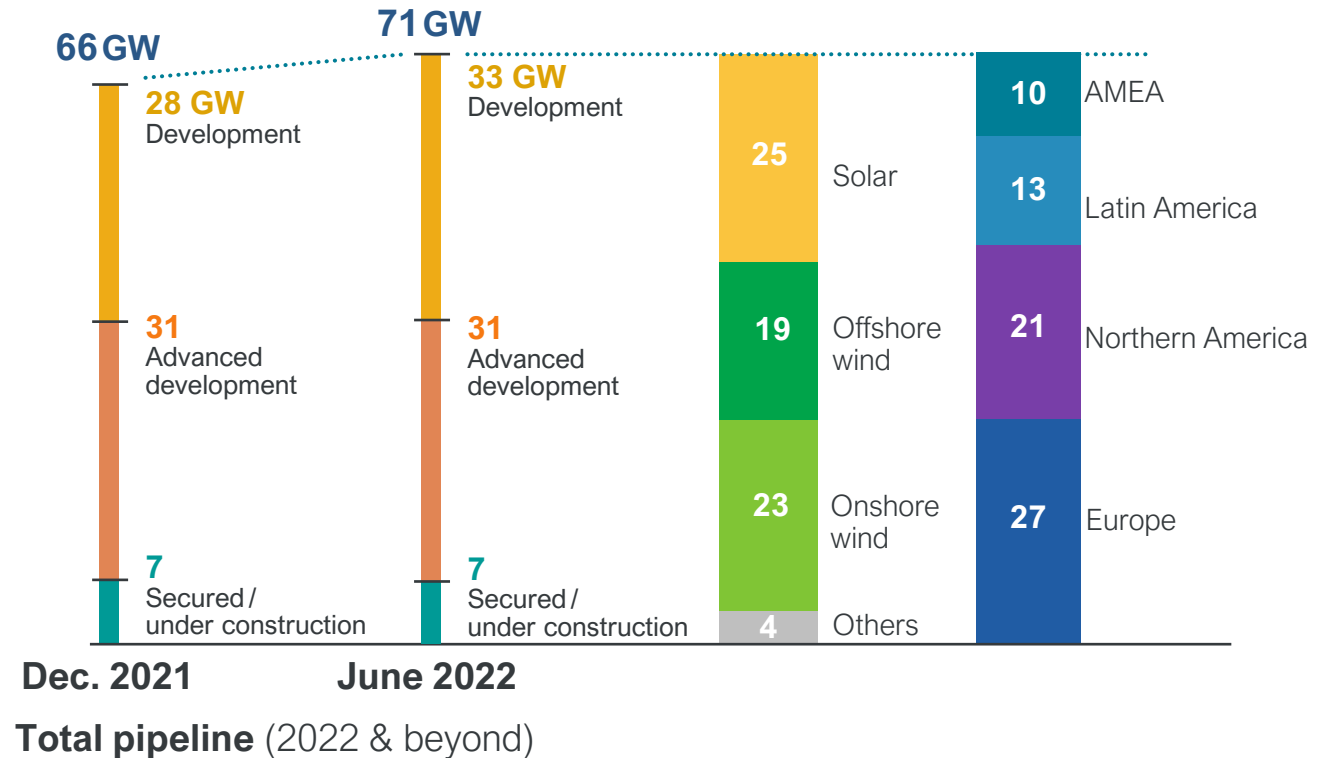
**€0.6bn**  
net EBIT contribution over 2021-23

<sup>1</sup> Net of DBSO and US tax equity proceeds for Renewables

# A STRONG RENEWABLES PLATFORM FOR LONG-TERM GROWTH

- 2.2 GW capacity added in the last 6 months
- Renewables output in GBU increased to 57.9 TWh<sup>1</sup> in H1
- Further progress at Ocean Winds
- 71 GW of pipeline, o/w 7 GW secured & under construction

## Continuously reinforcing the pipeline (GW at 100%)





# H1 2022 FINANCIALS

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**PIERRE-FRANÇOIS  
RIOLACCI**

CFO

# CONTINUED POSITIVE MOMENTUM WITH STRONG EARNINGS, HIGH CASH FLOW GENERATION WITH WORKING CAPITAL RECOVERY

- EBIT up 75% on a gross basis and 73% organically
- NRIs up 143% on a gross basis and 144% organically
- Cash flow generation recovery, CFFO up €+2.5bn
- Capex on track
- Strong performance driving improvement in credit ratios, despite higher net debt
- 2022 guidance unchanged

## H1 RESULTS

€bn, unaudited figures

|                                     | Actual | Δ Gross            | Δ Organic <sup>1</sup> |
|-------------------------------------|--------|--------------------|------------------------|
| <b>EBITDA</b>                       | 7.5    | +44%               | +43%                   |
| <b>EBIT</b>                         | 5.3    | +75%               | +73%                   |
| <b>NRIs (continuing activities)</b> | 3.2    | +1.9               | -                      |
| <b>NIgs</b>                         | 5.0    | +2.7               | -                      |
| <b>CFFO<sup>2</sup></b>             | 6.8    | +2.5               | -                      |
| <b>Capex<sup>3</sup></b>            | 3.3    | +0.5               |                        |
| <b>Net Financial Debt</b>           | 26.3   | +1.0 <sup>4</sup>  | -                      |
| <b>Economic Net Debt</b>            | 38.5   | +0.2 <sup>4</sup>  | -                      |
| <b>Economic Net Debt / EBITDA</b>   | 3.0x   | -0.6x <sup>4</sup> |                        |

1. Organic variation = gross variation without scope and foreign exchange effect

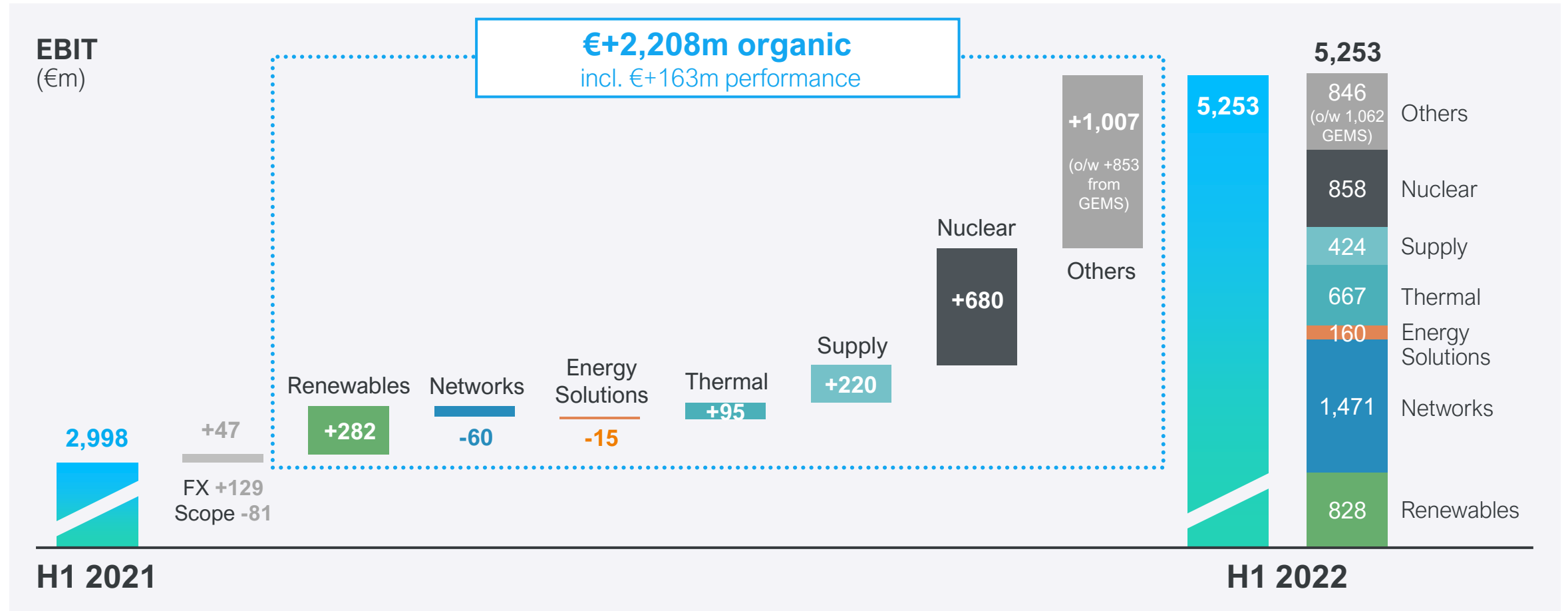
2. Cash flow from Operations = Free Cash Flow before Maintenance Capex and nuclear provisions funding

3. Net of DBSO and US tax equity proceeds

4. vs. 31 December 2021

# EBIT UP +73% ORGANICALLY

In unprecedented market conditions

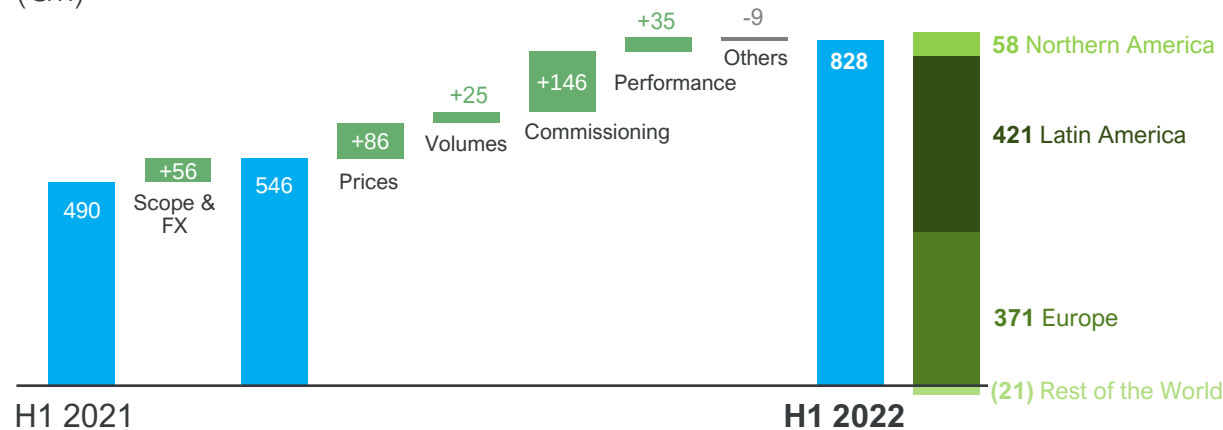


# RENEWABLES EBIT

Strong growth with contribution of newly commissioned assets and price tailwinds

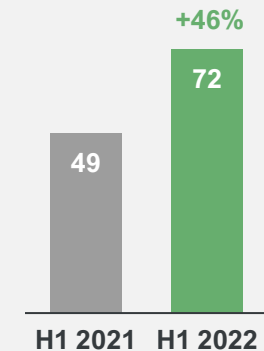
**+54%**  
organic growth

## EBIT H1 2021 vs H1 2022 (€m)

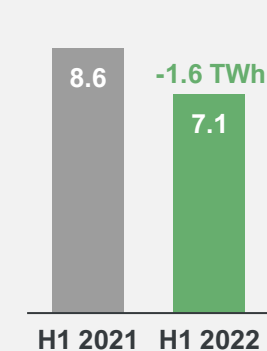


- **Scope & FX:** Positive FX (mainly BRL) and scope (Eolia acquisition closed early May 2022)
- **Prices:** mainly higher prices for French hydro, partly offset by hydro buybacks (Portugal and France) and specific “basis” impacts in the US
- **Volumes:** mainly reversal of the ~€-90m impact of Texas extreme weather event in Q1 2021, partially offset by lower hydro in France and Portugal
- **Commissioning:** for all key geographies (Europe, Latin America and US) and technologies (wind on- and offshore, solar PV)

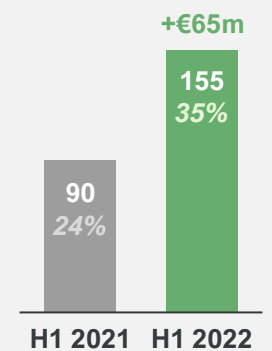
### ACHIEVED PRICES<sup>1</sup> HYDRO CNR FRANCE (€/MWh)



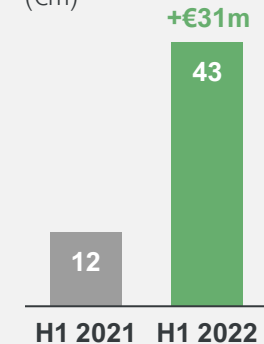
### OUTRIGHT VOLUMES HYDRO FRANCE (TWh)



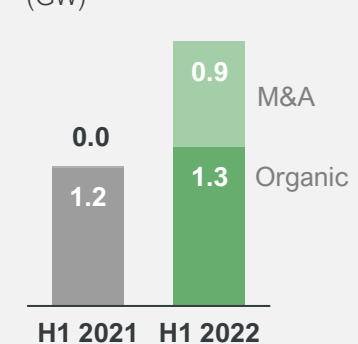
### HYDRO TAX CNR FRANCE (€m - % tax rate<sup>2</sup>)



### DBSO MARGINS (€m)



### CAPACITY ADDITIONS (GW)



1. before hydro tax  
2. on revenue

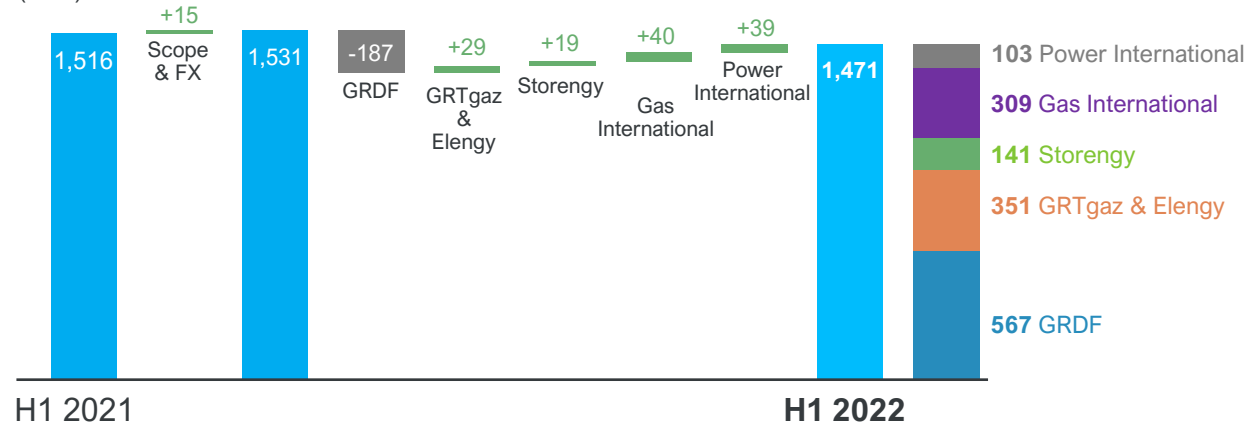
# NETWORKS EBIT

Contribution impacted by mild temperature in Europe  
Strong performance outside France

**-4%**  
organic decrease

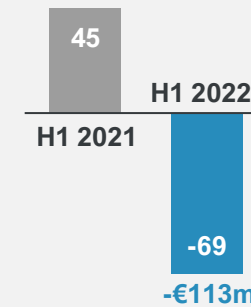
## EBIT H1 2021 vs H1 2022

(€m)

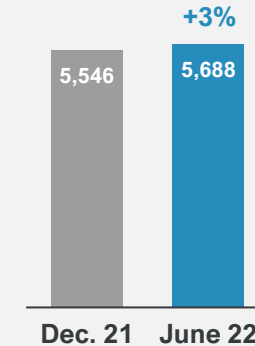


- **Scope & FX:** Positive FX (mainly BRL), negative scope (Turkey disposal)
- **EBIT organic drivers:**
  - ~€-0.13bn from warmer temperature in Europe (mainly GRDF in France)
  - Lower regulated revenues in French gas networks due to RAB remuneration decrease (smoothed over the regulatory period)
  - Higher contribution from Latin America, driven by intrinsic growth and inflation indexations
  - Higher margins for UK storage in a volatile price context

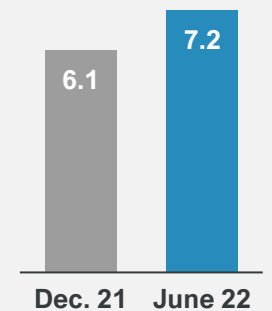
## TEMPERATURE EFFECT IN FRANCE (€m)



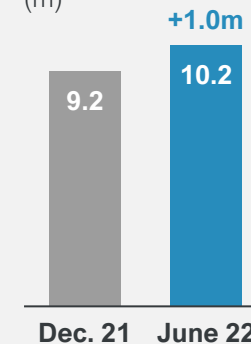
## POWER TRANSMISSION NETWORK LENGTH (km)



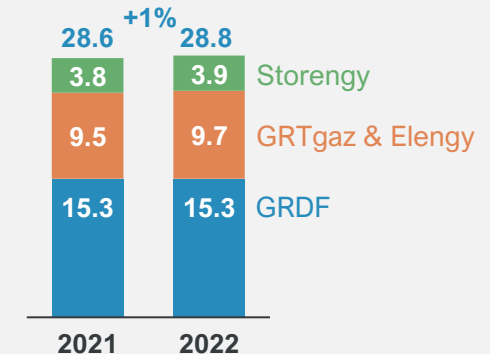
## BIOMETHANE PROD. CAPACITY CONNECTED TO GRDF/GRTgaz (TWh/y)



## GAS SMART METERS INSTALLED IN FRANCE (m)



## FRENCH RAB<sup>1</sup> (€bn)



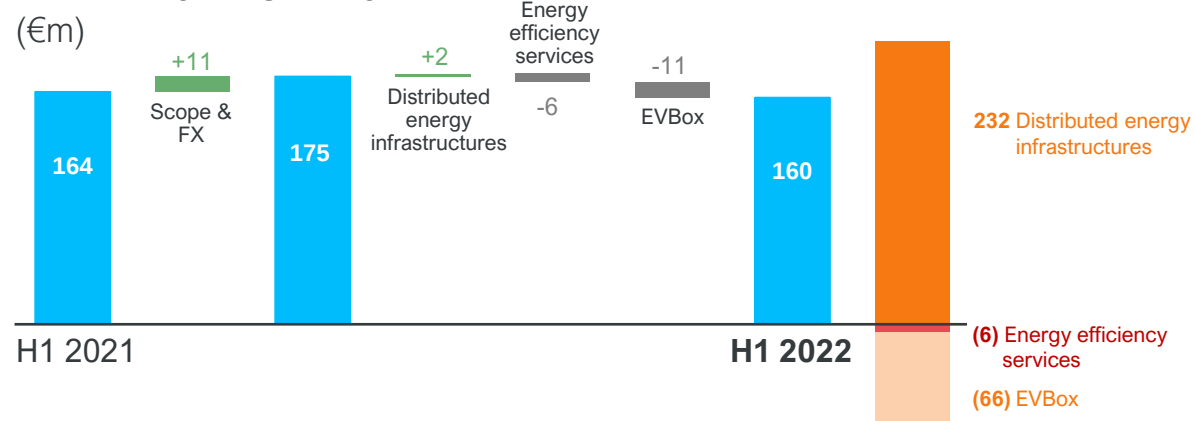
1. RAB as of 01.01.YY, with 2022 RAB update not totally finalized yet

# ENERGY SOLUTIONS EBIT

Impacted by warm temperature, despite strong commercial and operational performance  
Focus on improving EVBox performance continues

**€-15m**  
organic decrease

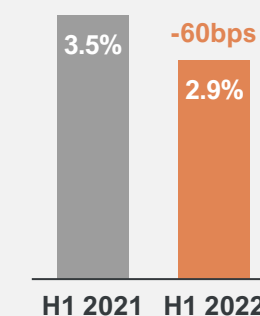
## EBIT H1 2021 vs H1 2022



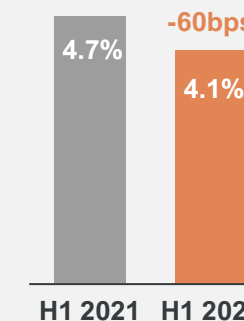
- **Scope & FX:** mainly positive scope (mainly disposal of loss-making activities)
- **Distributed energy infrastructures:** commercial market dynamic (mainly new DHC customers), partly offset by warmer temperature (mainly for District Heating in Europe)
- **Energy efficiency services:** higher energy prices and good performance on energy sales, more than offset by positive one-offs in 2021 and increase in digital costs
- **EVBox:** production ramp up and process enhancements ongoing, H1 2022 underperformance mainly reflects balance sheet adjustments

1. December 2021 capacity restated

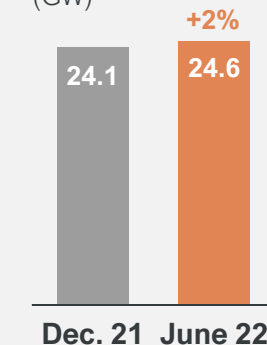
## EBIT MARGIN (%)



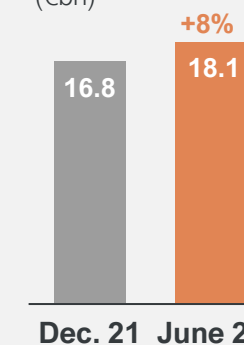
## EBIT MARGIN EXCL. EVBOX (%)



## INSTALLED CAPACITY<sup>1</sup> (GW)



## BACKLOG FRENCH CONCESSIONS (€bn)

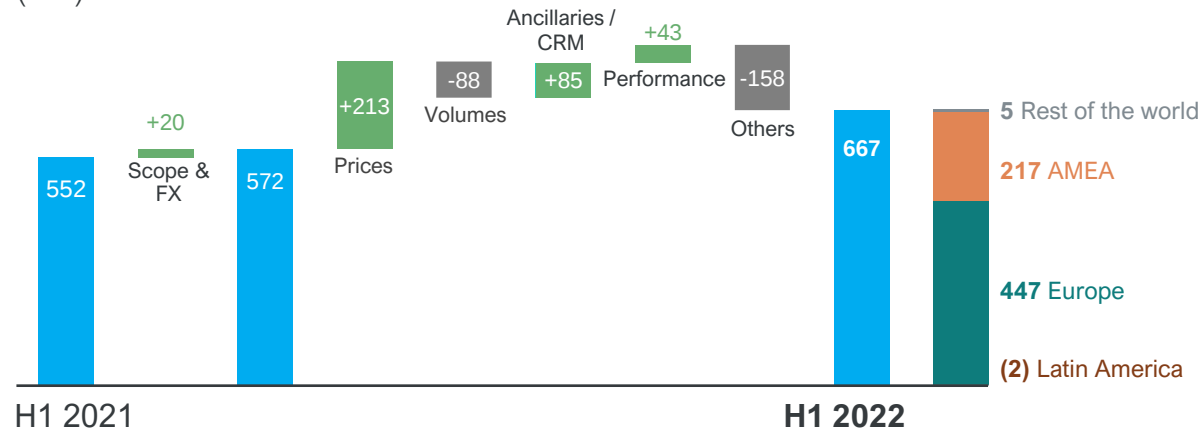


# THERMAL EBIT

Higher spreads and ancillaries captured by flexible assets in Europe  
Headwinds in Italy, Chile and Australia

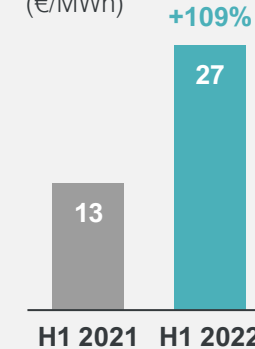
**+17%**  
organic growth

**EBIT H1 2021 vs H1 2022**  
(€m)



- **Scope & FX:** positive FX (mainly USD), negative scope (coal and country exits)
- **Prices:** higher spreads for European gas plants and pumped storage, reduced PPA margins due to higher sourcing spot prices in Chile caused by overall poor hydrology and lower production, adverse gas merchant position in Australia
- **Volumes:** higher cost of unavailability in Europe, lower demand in Peru and Chile
- **Ancillaries / CRM:** higher ancillaries / CRM for European gas plants and pumped storage
- **Others:** mainly Italian extraordinary tax (contested by ENGIE)

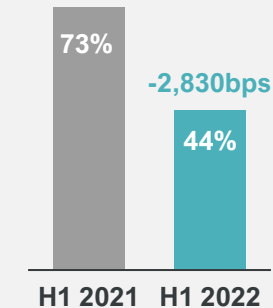
**AVERAGE CAPTURED SPARK SPREADS EUROPE**  
(€/MWh)



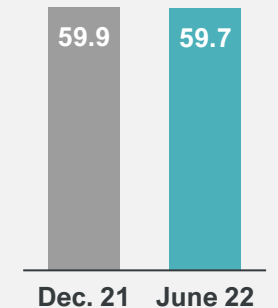
**INTERNAL UNPLANNED UNAVAILABILITY**  
(%)



**PERCENTAGE CONTRACTED EBIT**  
(%)



**CAPACITY @ 100%**  
(GW)

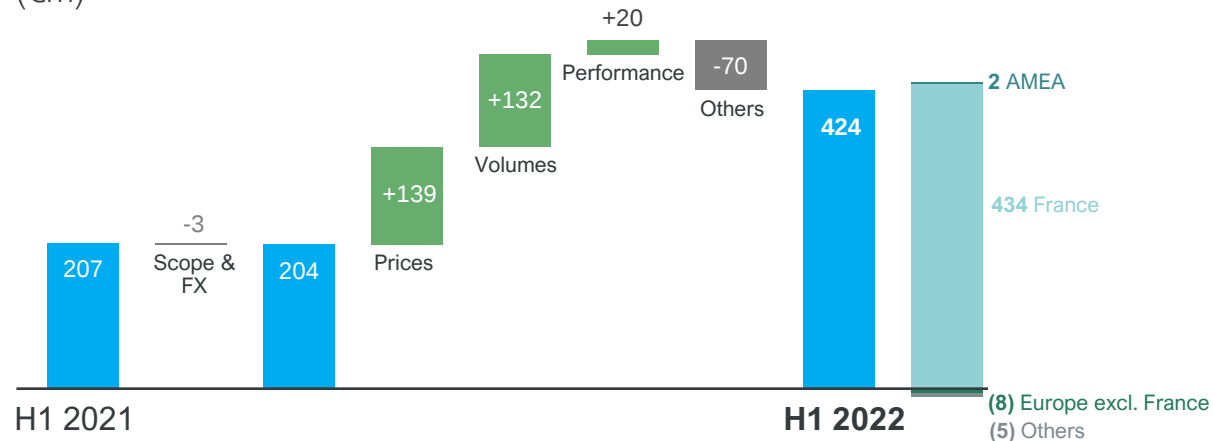


# SUPPLY EBIT

Long gas position due to warm temperature sold at high prices in Q1 and positive timing effects in France

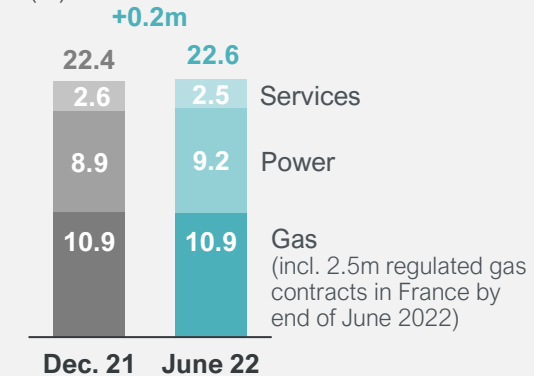
**€+0.2bn**  
organic growth

**EBIT H1 2021 vs H1 2022**  
(€m)

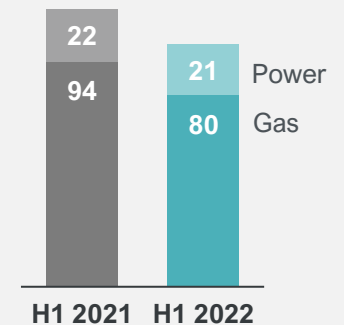


- **Scope & FX:** both broadly neutral
- **Prices:** positive timing effects on power margins in France, partly offset by impacts of gas and power price caps in Romania
- **Volumes:** warmer temperature in Europe having led to long positions sold at high prices
- **Others:** including higher bad debt provisions

**# B2C CONTRACTS**  
(m)



**B2C SUPPLY VOLUMES**  
(TWh)



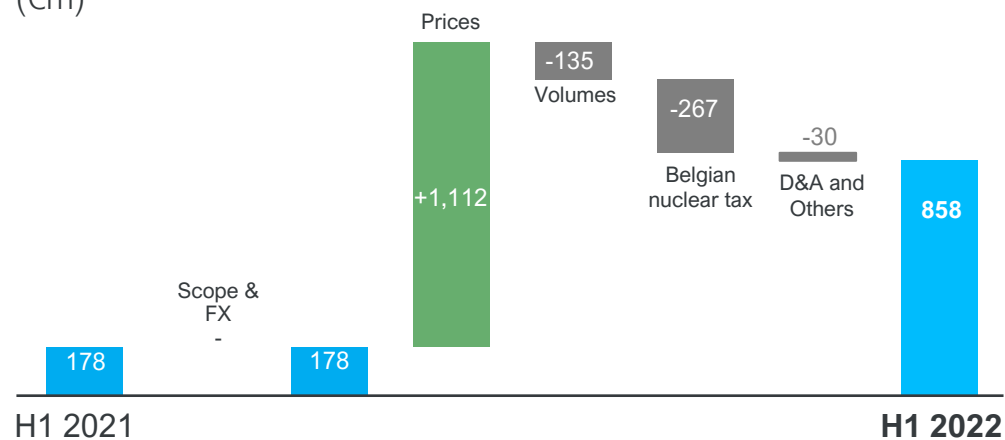
Internal reclassification:  
**Bulk of B2B moved from 'Supply' to 'Others'**

# NUCLEAR EBIT

Exceptional performance driven by higher prices, leading to higher profit sharing through specific Belgian nuclear tax

**€+0.7bn**  
organic growth

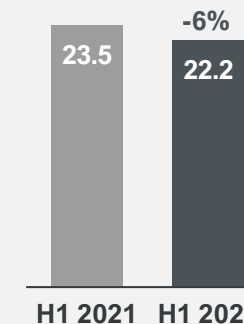
**EBIT H1 2021 vs H1 2022**  
(€m)



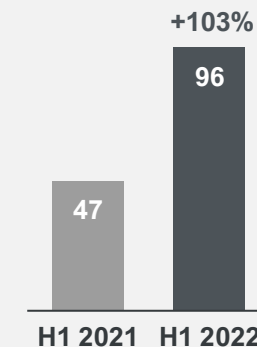
- **Price:** higher power prices captured
- **Volume:** lower availability in Belgium, mainly due to planned maintenance, and EDF drawing rights in France
- **Belgian nuclear tax:** higher profit sharing due to floor exceeded for second-generation units

1. before nuclear tax in Belgium

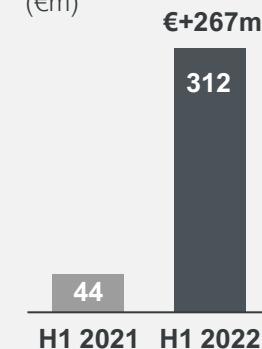
**VOLUMES**  
**BE+FR @SHARE**  
(TWh)



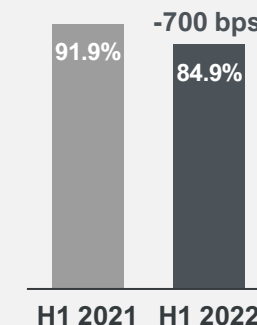
**PRICES<sup>1</sup>**  
**CAPTURED**  
(€/MWh)



**NUCLEAR TAX**  
**BELGIUM**  
(€m)



**AVAILABILITY**  
**BELGIUM**  
(%)

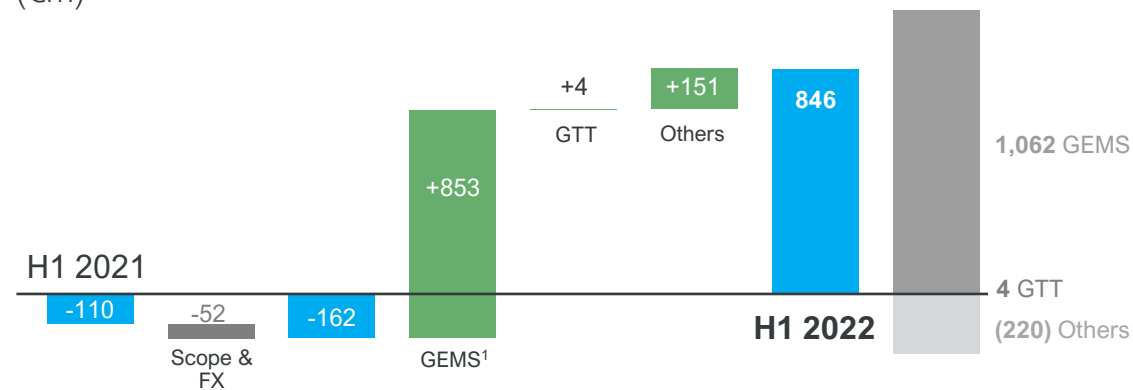


# OTHERS EBIT

Unprecedented contribution from GEMS in a context of extreme market conditions

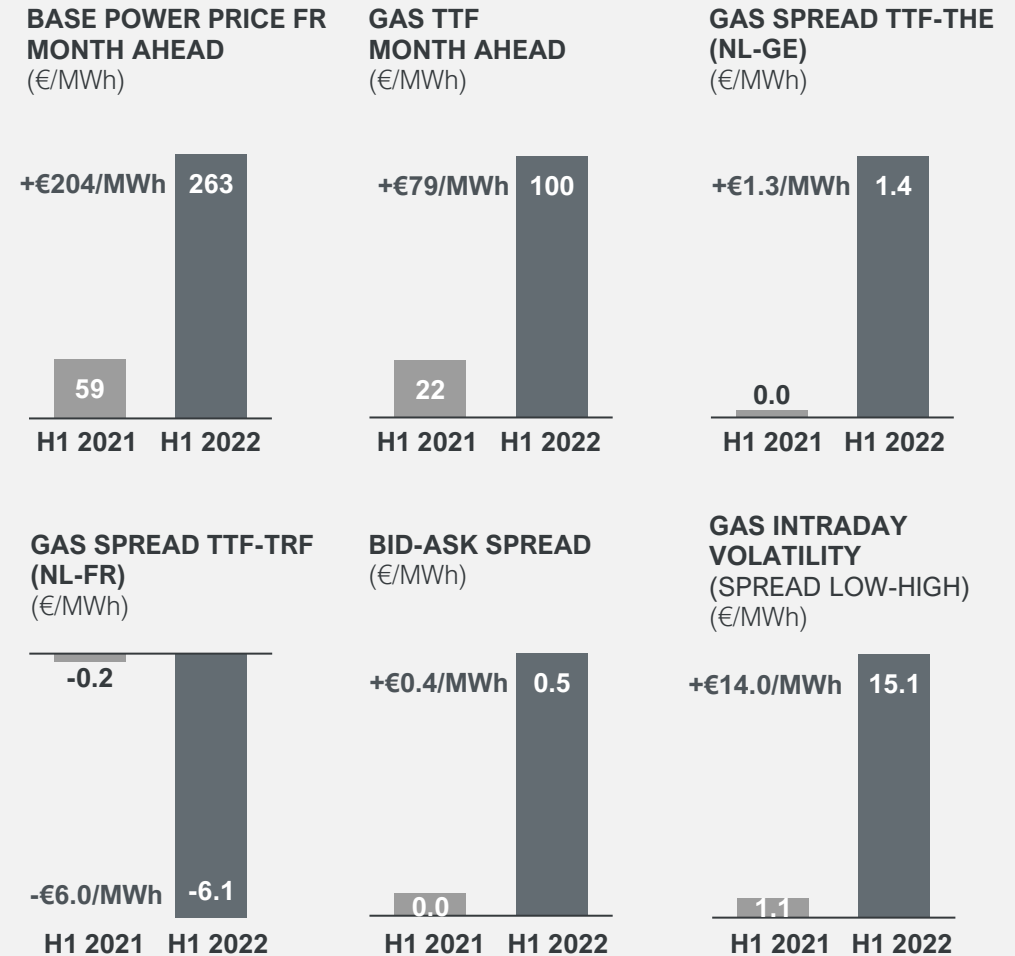
**€+1.0bn**  
organic growth

**EBIT H1 2021 vs H1 2022**  
(€m)



- **Scope & FX:** mainly 10% partial disposal of GTT in May 2021 triggering a change of consolidation method as from June 2021 (from full consolidation to equity method)
- **GEMS:**
  - strong performance on all activities (gas optimization, customers risk management and trading) in a context of exceptional market conditions
  - costs of hedging actions to reduce Gazprom exposure
  - Italian extraordinary tax (contested by ENGIE)
- **Others:** including internal costs reclassification and lower net insurance costs (timing)

Internal reclassification:  
**Bulk of Supply B2B moved from 'Supply' to 'Others'**



# REDUCTION OF DIRECT GAZPROM AND RUSSIAN EXPOSURES

## Gas portfolio massively derisked in case of full disruption of Gazprom deliveries

### More resilient physical gas balance

- Yearly contractual exposure reduced to a residual exposure of about 4% of our European gas demand, mainly through portfolio length and new contracts
- Residual exposure manageable, either in a « classical » market or with scarcity management organized by governments

### Increased financial immunity

- Short-term price exposure reduced from max. 15 TWh to 4 TWh as at June 30, mainly through specific hedging actions
- Limited value downside, covered by guidance ranges and strong balance sheet
  - Financial impacts from physical imbalance limited by design, with supply-demand indexations replications
  - Loss of opportunity / upsides through Gazprom contractual flexibility not significant anymore for earnings / cash

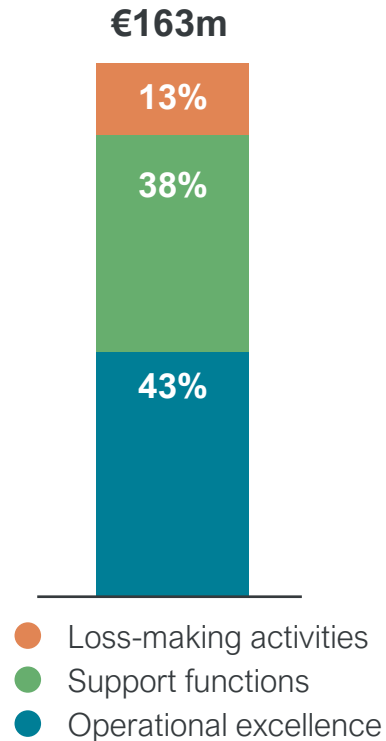
## Further balance sheet derisking of exposure to Nord Stream: from €1.6bn before the war to €0.3bn today

- **Nord Stream 1:** valuation of the 9% equity stake reviewed, reduced from €0.6bn to €0.3bn as of June 30
- **Nord Stream 2:** credit loss of €1.0bn for the loan and accrued interests recognized as of March 31

# PERFORMANCE PLAN

Ramping up with a strong H1 2022 net contribution in an inflationary context

## H1 2022 YTD progress



- **Operational excellence:** procurement, industrial actions and structure optimizations
- **Support functions:** keep pushing in an inflationary context
- **Loss-making activities:** net positive improvement, despite further need to improve, esp. on EVBox

### Operational excellence

Internalization of the O&M of the TAG gas pipeline in Brazil

### Support functions

Lower G&A through streamlining of support functions in the US and geographical refocus (country exits) in AMEA

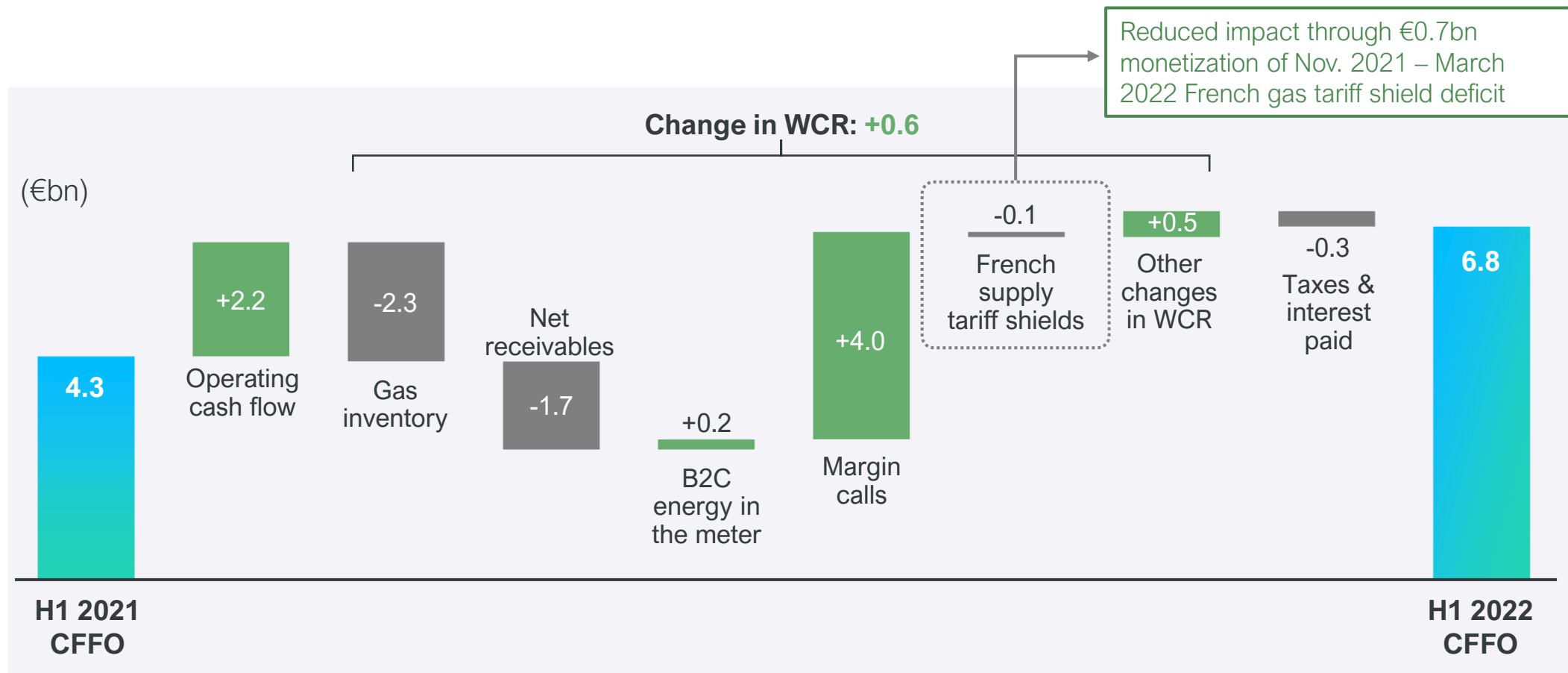
## Ramp-up within the 2021-23 performance plan

| Period  | Achieved |
|---------|----------|
| FY 2021 | €85m     |
| H1 2022 | €163m    |

| Period  | Target |
|---------|--------|
| 2021-23 | €0.6bn |

# CASH FLOW FROM OPERATIONS

Higher CFFO supported by strong operating cash flow, positive margin calls effect and monetization of French gas tariff shield deficit

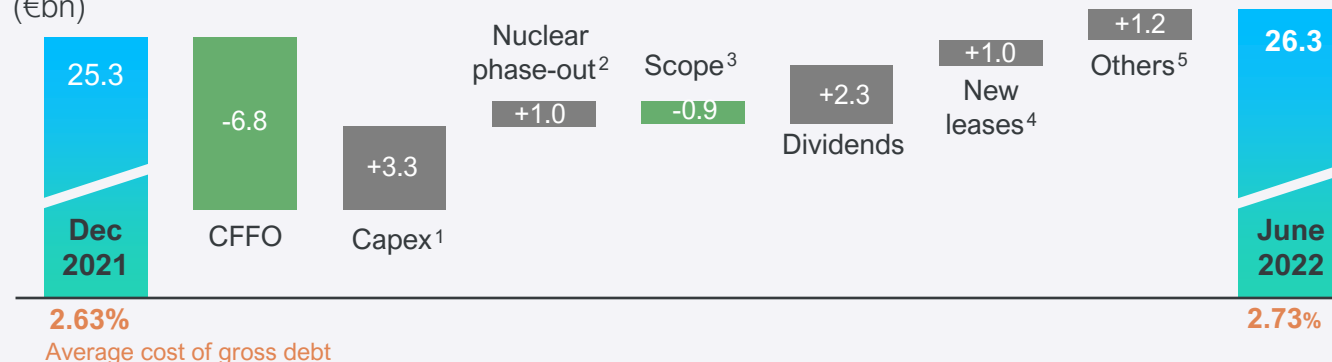


# NET DEBT UP IN H1 2022, STRONG LIQUIDITY AND RATING MAINTAINED

Liquidity of €23.1bn as at 30 June 2022, incl. €14.5bn of cash

## Net Financial Debt

(€bn)

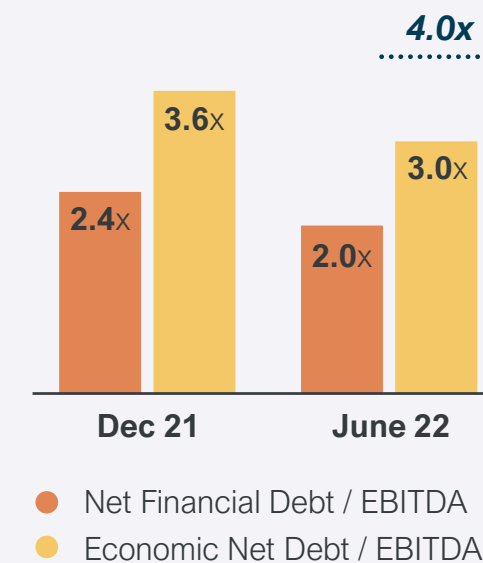


## Economic Net Debt

(€bn)



## Leverage ratios



**Rating:** 'Strong investment grade' maintained

<sup>1</sup> Growth + maintenance Capex, net of DBSO and US tax equity proceeds for Renewables

<sup>2</sup> Including Synatom funding previously reported in gross Capex and waste/dismantling expenses previously reported in CFFO

<sup>3</sup> Including net scope impact from disposals & acquisitions

<sup>4</sup> Mainly following the renewal of the CNR hydro concession

<sup>5</sup> Mainly FX, also including hybrid repayment, derivatives and MtM

<sup>6</sup> Asset Retirement Obligations for dismantling, decommissioning, nuclear waste management, ...

<sup>7</sup> Fair value variation of dedicated assets relating to nuclear provisions and related derivative financial instruments

# FY 2022 GUIDANCE UNCHANGED

In the current environment that continues to face uncertainties

## EBITDA indication

€11.7-12.7<sub>bn</sub>

## EBIT indication

€7.0-8.0<sub>bn</sub>

## NRIs guidance

€3.8-4.4<sub>bn</sub>

## Rating

“Strong investment grade”

Economic Net Debt / EBITDA  $\leq$  4.0x over the long term

## Dividend

65-75%

payout ratio based on NRIs

Floor of €0.65

## Key assumptions<sup>1</sup>

### FX:

- €/USD: 1.07
- €/BRL: 5.58

**Market commodity forward prices**  
average Dec. 2021 – May 2022

### Nuclear Belgium

Nuclear availability as per REMIT and  
€0.3bn contingencies

### Average weather conditions

**Recurring net financial costs**  
€(1.8-2.0)<sub>bn</sub>

**Recurring effective tax rate**  
~20%

<sup>1</sup> Mainly for H2 2022, as H1 2022 actuals are embedded in this upgrade. Guidance and indications based on continuing operations. Assumptions also include no major regulatory or macro-economic changes as well as no change in accounting policies.

# SUMMARY



**H1 performance  
positions us well  
for strong results  
in 2022**



**Exposure to  
Russian gas  
significantly  
reduced**



**Milestone in Belgium  
with negotiations  
commenced under a  
balanced framework**



**Maintaining sharp  
focus on strategic  
plan with strong  
commitment to the  
energy transition**

# ADDITIONAL MATERIAL



# H1 2022 EBIT CHANGE BY ACTIVITY

| Y/Y change (€m)             | Gross         | FX / Scope                                             | Organic       | Key drivers for organic change                                                                                                                                                        |                                                                                                                                                                                           |
|-----------------------------|---------------|--------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RENEWABLES</b>           | +339          | BRL appreciation<br>Eolia acquisition in Spain         | +282          | <ul style="list-style-type: none"> <li>Higher prices in Europe (mainly benefitting hydro)</li> <li>Commissioning of new capacity</li> <li>2021 Texas extreme weather event</li> </ul> | <ul style="list-style-type: none"> <li>Hydro buybacks (Portugal and France)</li> <li>Lower hydro volumes in Europe</li> </ul>                                                             |
| <b>NETWORKS</b>             | -45           | BRL appreciation<br>Disposal Turkey                    | -60           | <ul style="list-style-type: none"> <li>Latin America (intrinsic growth and inflation indexation)</li> <li>Higher margin UK storage</li> </ul>                                         | <ul style="list-style-type: none"> <li>Warmer temperatures in Europe (mainly for GRDF)</li> <li>Lower regulated revenues in France due to RAB remuneration decrease (smoothed)</li> </ul> |
| <b>ENERGY SOLUTIONS</b>     | -4            | Disposal of loss-making activities                     | -15           | <ul style="list-style-type: none"> <li>Energy prices (mainly in France)</li> <li>Commercial market dynamic (mainly new customers connected to DHC networks)</li> </ul>                | <ul style="list-style-type: none"> <li>Warmer temperatures</li> <li>EVBox</li> <li>Positive 2021 one-offs</li> </ul>                                                                      |
| <b>THERMAL &amp; SUPPLY</b> | +115          | USD appreciation<br>Disposals (coal and country exits) | +95           | <ul style="list-style-type: none"> <li>Higher spreads in Europe</li> <li>Higher ancillaries and CRM in Europe</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Italian extraordinary tax</li> <li>Price drop in energy margins in Chile</li> <li>Adverse gas merchant position in Australia</li> </ul>            |
|                             | +217          | -                                                      | +220          | <ul style="list-style-type: none"> <li>Positive timing effects on power margins in France</li> <li>Warmer temperatures in Europe</li> </ul>                                           | <ul style="list-style-type: none"> <li>Gas and power price caps in Romania</li> <li>Higher bad debt provisions</li> </ul>                                                                 |
| <b>NUCLEAR</b>              | +680          | -                                                      | +680          | <ul style="list-style-type: none"> <li>Better achieved prices</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>Higher Belgian nuclear taxes</li> <li>Lower availability in Belgium and France</li> </ul>                                                          |
| <b>OTHERS</b>               | +955          | GTT deconsolidation                                    | +1,007        | <ul style="list-style-type: none"> <li>GEMS: Higher prices and volatility</li> <li>Others: internal costs reclassification and lower net insurance costs</li> </ul>                   | <ul style="list-style-type: none"> <li>GEMS: Italian extraordinary tax</li> </ul>                                                                                                         |
| <b>ENGIE</b>                | <b>+2,256</b> | <b>+47</b>                                             | <b>+2,208</b> |                                                                                                                                                                                       |                                                                                                                                                                                           |

# EBIT BREAKDOWN

| H1 2022<br>(€m)     | France       | Rest of Europe | Latin America | Northern America | AMEA       | Others     | TOTAL        |
|---------------------|--------------|----------------|---------------|------------------|------------|------------|--------------|
| RENEWABLES          | 205          | 166            | 421           | 58               | 9          | (30)       | 828          |
| NETWORKS            | 1,059        | 69             | 351           | (2)              |            | (5)        | 1,471        |
| ENERGY SOLUTIONS    | 170          | 47             | (1)           | 5                | 22         | (84)       | 160          |
| THERMAL             |              | 447            | (2)           | 21               | 217        | (16)       | 667          |
| SUPPLY              | 434          | (8)            | 3             |                  | 2          | (8)        | 424          |
| NUCLEAR             |              | 858            |               |                  |            |            | 858          |
| OTHERS <sup>1</sup> |              | (4)            |               | 8                |            | 842        | 846          |
| <i>o/w GEMS</i>     |              |                |               |                  |            | 1,062      | 1,062        |
| <b>TOTAL</b>        | <b>1,868</b> | <b>1,575</b>   | <b>772</b>    | <b>90</b>        | <b>249</b> | <b>700</b> | <b>5,253</b> |

| H1 2021<br>(€m)     | France       | Rest of Europe | Latin America | Northern America | AMEA       | Others       | TOTAL        |
|---------------------|--------------|----------------|---------------|------------------|------------|--------------|--------------|
| RENEWABLES          | 137          | 61             | 325           | (42)             | 23         | (14)         | 490          |
| NETWORKS            | 1,197        | 79             | 226           | 1                | 18         | (4)          | 1,516        |
| ENERGY SOLUTIONS    | 152          | 63             | (1)           | (6)              | 16         | (60)         | 164          |
| THERMAL             |              | 175            | 152           | 19               | 218        | (13)         | 552          |
| SUPPLY              | 135          | 98             | (1)           |                  | (15)       | (11)         | 207          |
| NUCLEAR             |              | 178            |               |                  |            |              | 178          |
| OTHERS <sup>1</sup> |              |                | 1             | (9)              |            | (100)        | (110)        |
| <i>o/w GEMS</i>     |              |                |               |                  |            | 201          | 201          |
| <b>TOTAL</b>        | <b>1,622</b> | <b>654</b>     | <b>701</b>    | <b>(38)</b>      | <b>261</b> | <b>(202)</b> | <b>2,998</b> |

<sup>1</sup> Including mainly GEMS (GEM + main Supply B2B activities), Corporate and GTT

# OVERVIEW OF P&L FROM EBITDA TO NET INCOME

NRlgs and Nlgs growth

## From EBITDA to NRlgs

| (€bn)                                         | H1<br>2022   | H1<br>2021 | Delta |
|-----------------------------------------------|--------------|------------|-------|
| <b>EBITDA</b>                                 | <b>7.5</b>   | 5.2        | +2.3  |
| <b>D&amp;A and others</b>                     | <b>(2.2)</b> | (2.2)      | -0.0  |
| <b>EBIT</b>                                   | <b>5.3</b>   | 3.0        | +2.3  |
| <b>Recurring financial result<sup>1</sup></b> | <b>(1.0)</b> | (0.7)      | -0.3  |
| <b>Recurring income tax</b>                   | <b>(0.7)</b> | (0.6)      | -0.1  |
| <b>Minorities &amp; Others</b>                | <b>(0.3)</b> | (0.3)      | -0.0  |
| <b>NRlgs (continuing activities)</b>          | <b>3.2</b>   | 1.3        | +1.9  |

## From NRlgs to Nlgs

| (€bn)                                       | H1<br>2022   |
|---------------------------------------------|--------------|
| <b>NRlgs (continuing activities)</b>        | <b>3.2</b>   |
| <b>Impairment</b>                           | <b>(0.0)</b> |
| <b>Restructuring costs</b>                  | <b>(0.0)</b> |
| <b>Capital gains<sup>2</sup></b>            | <b>(0.2)</b> |
| <b>Commodities MtM</b>                      | <b>3.7</b>   |
| <b>Non-recurring income tax<sup>3</sup></b> | <b>(1.1)</b> |
| <b>Others<sup>4</sup></b>                   | <b>(0.6)</b> |
| <b>Nlgs</b>                                 | <b>5.0</b>   |

1. Mainly cost of net debt + unwinding of discount on long-term provisions

2. Mainly coming from negative results linked to disposals of Energy Solutions activities in France and Africa

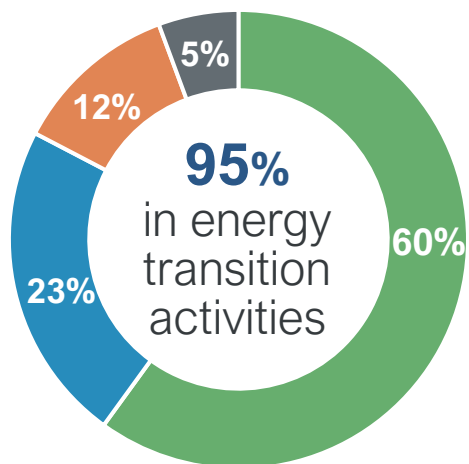
3. Mainly coming from non-recurring of Deferred Tax Assets

4. Non-recurring income of minority interests, non-recurring financial result (mainly impacted by the €1.0bn credit loss for the loan and accrued interests of Nord Stream 2) and net income of EQUANS

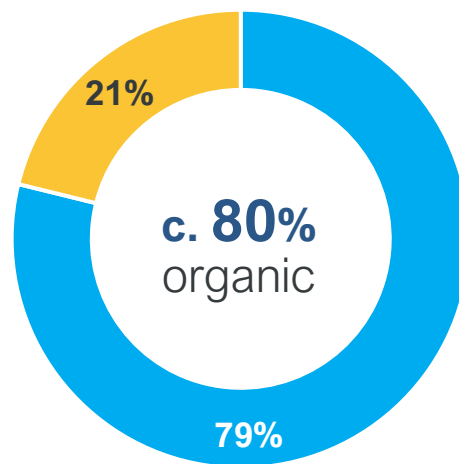
# CAPEX

On track

**€2.2bn growth Capex<sup>1</sup>**  
invested in H1 2022



● Renewables  
● Networks  
● Energy Solutions  
● Other activities



● Organic  
● External

## H1 2022 Capex<sup>1</sup> (€bn)

|                           |            |
|---------------------------|------------|
| Growth Capex <sup>1</sup> | 2.2        |
| Maintenance Capex         | 1.0        |
| <b>Total</b>              | <b>3.3</b> |

1. Net of DBSO and US tax equity proceeds for Renewables

# GUIDANCE:

## 2022 UPDATED COMMODITY FORWARD PRICES ASSUMPTIONS

**Main commodity forward prices<sup>1</sup>**  
(average M12 2021 – M05 2022)  
**Basis for the confirmed 2022  
indications and guidance**

| (€/MWh - €/t)         | 2022 <sup>1</sup> |
|-----------------------|-------------------|
| <b>Power Base BE</b>  | 215               |
| <b>Power Base FR</b>  | 276               |
| <b>Gas TTF</b>        | 91                |
| <b>CO<sub>2</sub></b> | 83                |

Belgian contingencies: **€0.3bn**

**Main commodity forward prices<sup>1</sup>**  
(as at June 30, 2022)  
**Basis for the sensitivity**

| (€/MWh - €/t)         | 2022 <sup>1</sup> |
|-----------------------|-------------------|
| <b>Power Base BE</b>  | 318               |
| <b>Power Base FR</b>  | 577               |
| <b>Gas TTF</b>        | 147               |
| <b>CO<sub>2</sub></b> | 90                |

Belgian contingencies: **€0.4bn**

<sup>1</sup> Relevant for the H2 2022 unhedged volumes

# DIRECT EXPOSURE TO INCREASING INFLATION AND INTEREST RATES: OVERALL NEUTRAL FOR ENGIE

Various direct effects at different levels of the P&L and balance sheet from increasing inflation and interest rates expected to be overall neutral to slightly beneficial, with following main effects:

- **Yearly inflated Regulated Asset Based for French gas networks** bringing additional revenue. With regards to costs, discrepancies between actual inflation and the level set by the regulator are covered over time by the tariff claw back mechanism
- **Inflation indexed revenues for various contracted activities**, including Renewables (Latin American activities, part of corporate PPAs), gas and power Networks in Brazil, asset-based Energy Solutions or some contracted Thermal activities
- **Inflation linked discount rates for social debt (pensions)** reducing liabilities and economic net debt
- **Net financial debt >90% at fixed rates** with a c. 12 years duration, reducing short term exposure to interest rates
- **Higher costs**, notably for wages and salaries as well as O&M
- **Limited higher financial expenses** linked to unwinding the discount on the provision of Brazilian concession and to negative price impact for social debt (pensions)

Most of the current inflationary pressures are driven by the **rise in energy prices** globally. Therefore, even without direct indexation to inflation rates, **merchant activities** are currently benefitting from positive commodity price impacts.

## Focus on **Renewables**: Wind and Solar

- **Operating assets:**
  - Corporate PPAs: inflation on Opex offset by partial inflation indexation
  - FiT / CFD: low Opex business model, so inflation on Opex not materially detrimental
- **Secured projects:** Capex level secured at FID before inflation increase, inflation on Opex not materially detrimental
- **Not yet secured projects:** inflation (mainly Capex, but also Opex) taken into account in new auctions / corporate PPAs prices

## Focus on **Nuclear**: Provisions

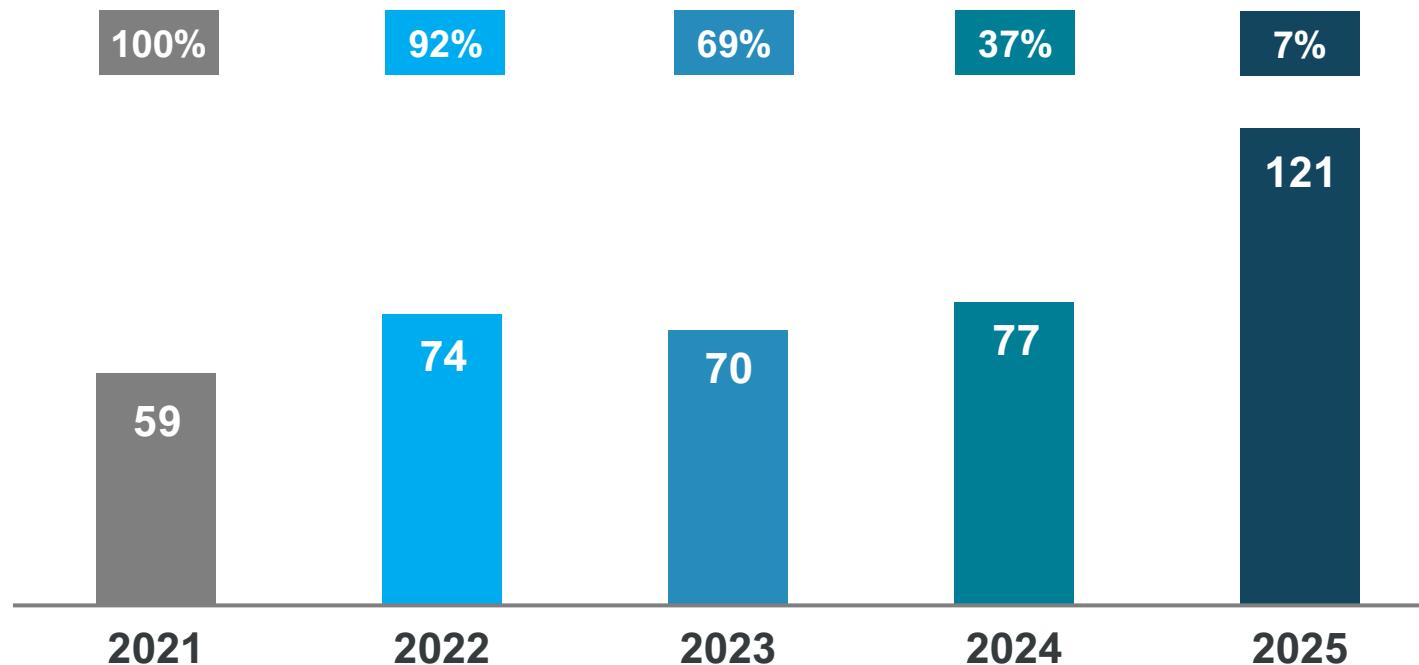
- **Specificities:**
  - not marked to market, but revised every 3 years
  - back-end liability is expected to be almost fully funded in 2025
  - biggest exposure linked, by far, to the technical assumptions
- **Inflation** (long term fundamental view, currently 2.0%) is a positive driver for discount rates and a negative driver for unit costs

# OUTRIGHT POWER PRODUCTION IN EUROPE

## NUCLEAR AND HYDRO

### Hedged positions and captured prices

(% and €/MWh)



As at 30 June 2022  
Belgium and France

**Captured prices** are shown

- **before specific** Belgian nuclear and French CNR hydro tax **contributions**
- **excluding** the mark-to-market **impact of the proxy hedging** used for part of Belgian nuclear volumes, which is volatile and historically unwinds to close to zero at delivery

# DISCLAIMER

## Important Notice

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# FOR MORE INFORMATION ABOUT ENGIE

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