

A large-scale offshore wind farm is depicted against a clear blue sky and dark blue sea. The foreground shows a close-up of a wind turbine's nacelle and part of a blade. In the background, a series of wind turbines are spaced out across the horizon, receding into the distance. The overall scene is clean and modern, representing renewable energy.

# Q1 2023 FINANCIAL INFORMATION



11 MAY 2023



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# CATHERINE MACGREGOR

CEO

# Q1 2023 HIGHLIGHTS

**Continuous momentum  
on financial and  
operational delivery**



**Expanding renewables  
platform at full steam**  
with 5.5 GW of projects  
under construction



**Update in  
discussions on  
nuclear in Belgium**



# STRONG Q1 2023 RESULTS

- **EBIT ex. nuclear at €3.8bn** mainly driven by GEMS and Renewables
- **Strong Cash flow** generation
- **Robust balance sheet** and **liquidity**

## 2023 guidance reaffirmed

- now expecting NRIs in upper end of range

**EBIT** ex. nuclear

**€3.8bn**

Up 29% organically

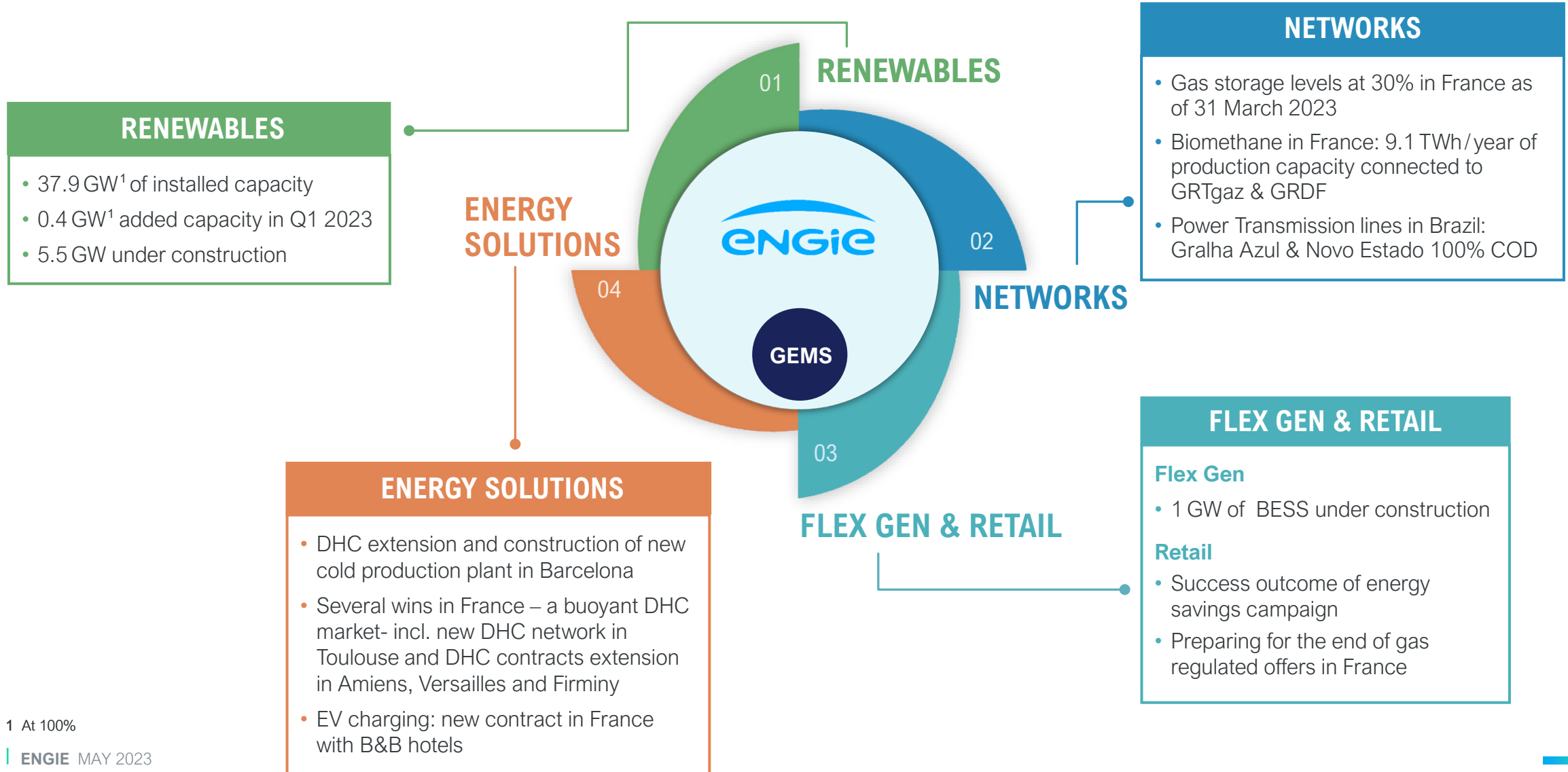
**CFFO**

**€3.8bn**

Up €3.8bn



# OPERATIONAL PROGRESS AT PACE



# RENEWABLES PLATFORM EXPANDING AT FULL STEAM

- **High level of capacity under construction** at end of March 2023

**5.5 GW**

under construction

**71**

projects

**1.8 GW**

entered in construction  
in Q1 23

## Flagship projects:

Moray West, Scotland **0.9 GW**

Gulf of Suez 2, Egypt **0.5 GW**

- **Pipeline acquisition of 3.5 GW** in solar and BESS in the US
- **Financial Investment Decision** in April of Ile d'Yeu & Noirmoutier and of Dieppe-Le Tréport offshore windfarms for a total capacity of **1.0 GW**
- **0.5 GW of PPAs signed**, o/w 0.4 GW with maturity **longer than 5 years**

Average of  
**4 GW**  
over  
2023 to 2025  
**On track**



# UPDATE IN DISCUSSIONS ON NUCLEAR IN BELGIUM

## Extension of the Doel 4 and Tihange 3 reactors

Despite progresses, some important parameters of the agreement still need to be discussed



- Alignment has progressed on key topics:
  - legal structure, owned equally by the Belgian State and ENGIE
  - business model of the extension with balanced risks allocation
  - Joint Development Agreement
  - legal framework for the transfer of all ENGIE's waste liabilities and relevant security package
- ENGIE keeps working constructively with the Belgian government with the aim to sign a definitive agreement by 30 June 2023
- The timely signing of this agreement is on the critical path to achieve the restart of the two units from November 2026 given the industrial and operational complexity of the extension project



## Q1 2023 FINANCIALS

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**PIERRE-FRANÇOIS  
RIOLACCI**

CFO

# STRONG OPERATIONAL AND FINANCIAL PERFORMANCE IN CONTINUED FAVORABLE ENERGY MARKET CONDITIONS

**EBIT ex. Nuclear**

**up 30%**  
gross basis

**up 29%**  
organically

- Strong cash flow generation leading to lower debt
- Improving credit ratios

## Q1 RESULTS

€bn, unaudited figures<sup>1</sup>

	Actual	Δ Gross	Δ Organic <sup>2</sup>
<b>EBITDA ex. Nuclear</b>	4.8	+22.8%	+21.9%
<b>EBIT ex. Nuclear</b>	3.8	+29.8%	+28.8%
<b>CFFO<sup>3</sup></b>	3.8	+3.8	-
<b>Net Financial Debt</b>	22.6	-1.4 <sup>4</sup>	-
<b>Economic Net Debt</b>	37.0	-1.9 <sup>4</sup>	-
<b>Economic Net Debt / EBITDA</b>	2.5x	-0.3x <sup>4</sup>	

**2023 guidance** confirmed – NRIs in the upper end of the range

1. Unaudited figures throughout the presentation

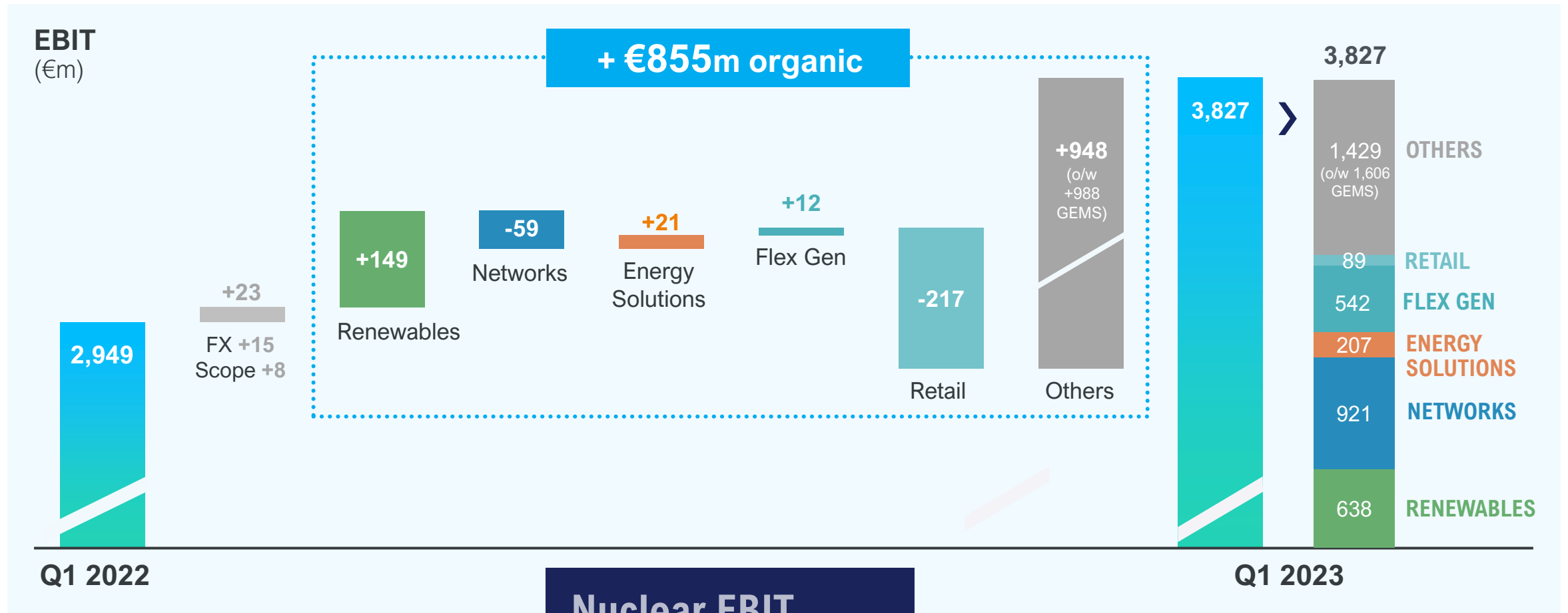
2. Organic variation = gross variation without scope and foreign exchange effect

3. Cash Flow From Operations = Free Cash Flow before Maintenance Capex and nuclear provisions funding

4. vs 31 December 2022

# EBIT EX. NUCLEAR UP 29% ORGANICALLY

Strong organic growth mainly driven by GEMS and Renewables



**Nuclear EBIT**  
down €194m to **€389m**

# GEMS IN Q1 2023

## Year on year variation supported by lower risk environment

- Q1 2022 negative impacts related to Gazprom contracts considering the risk of physical gas disruption not repeated
- Normalization of market conditions leading to reversal of market reserves

## Very strong performance in Q1 2023

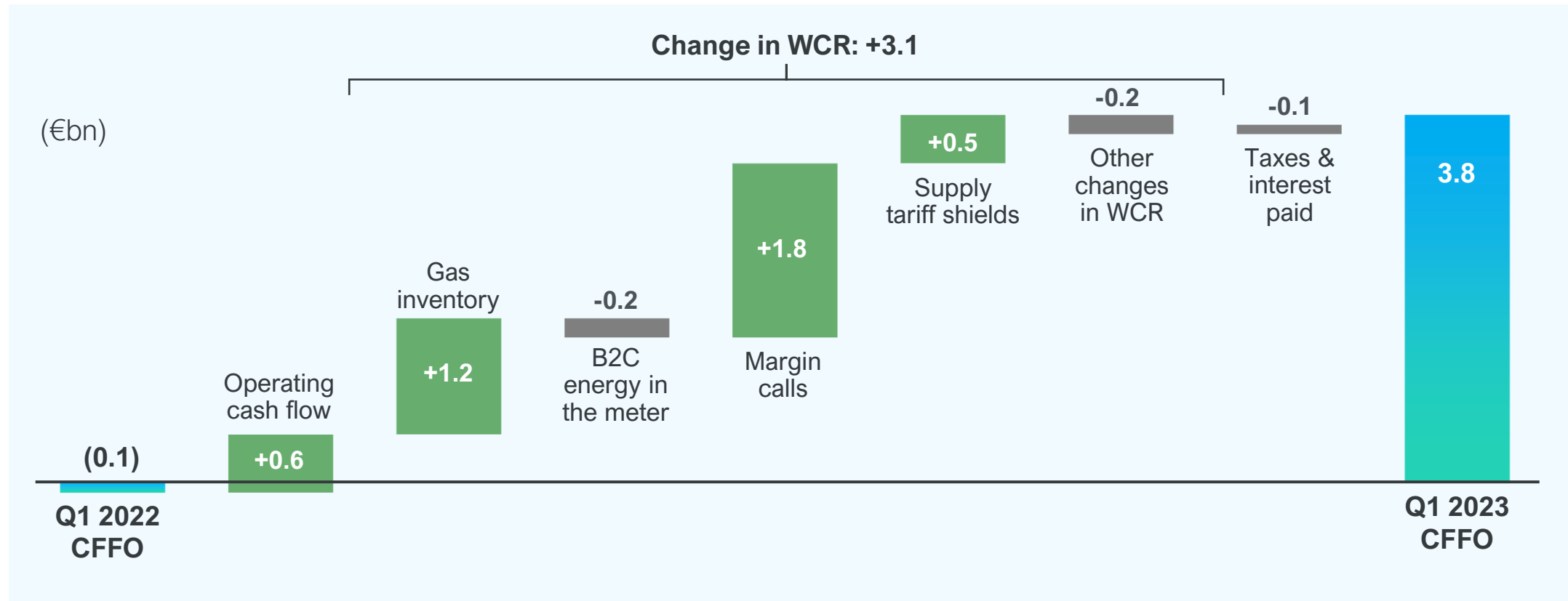
- High contribution of transactions locked in 2022, as they go through delivery – expected to normalize in upcoming quarters
- Market conditions remain positive for GEMS albeit less buoyant than last year
- Overperformance on all activities, both on asset optimization (mainly time and geographical spreads) and Clients - risk management

Key market drivers <sup>1</sup> (€/MWh)		Q1 2021	Q1 2022	Q1 2023
<b>Prices &amp; Spreads</b> (month ahead)	France baseload power	53	279	149
	Gas TTF	18	98	53
	France Clean Spark Spreads	1	49	10
<b>Gas geographical spreads</b>	TTF-THE (Netherlands-Germany)	(0.1)	1.5	0.8
	TTF-TRF (Netherlands-France)	(0.1)	(1.2)	(2.2)
<b>Volatility</b>	Bid-Ask spread	0.0	0.5	0.1
	Gas intraday volatility (spread low-high)	1.1	19.6	4.8

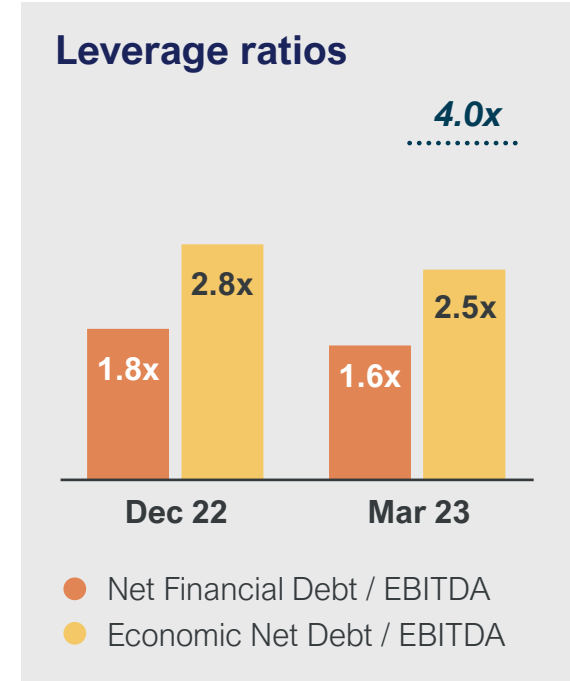
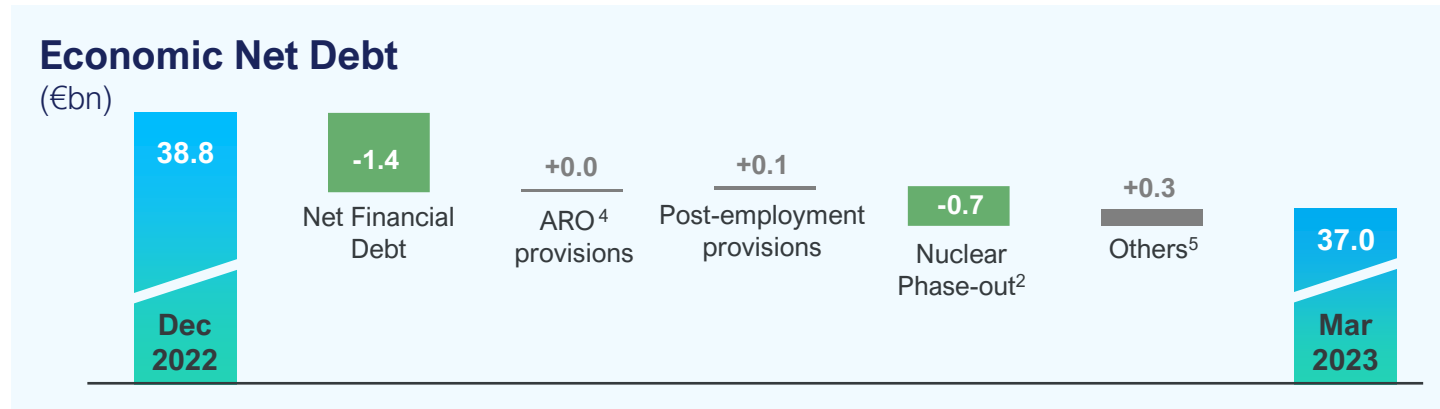
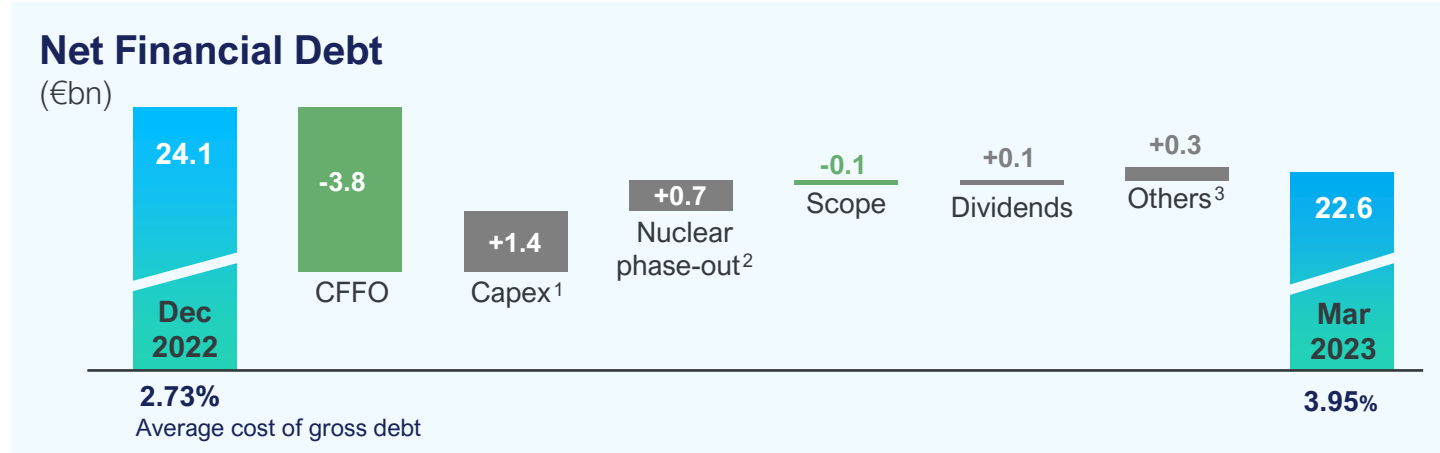
1. Average monthly values

# CASH FLOW FROM OPERATIONS

Strong WCR improvement driven by positive margin calls, price effects and timing effect in 'tariff shields' mechanisms



# STRONG DELEVERAGING, RATING MAINTAINED



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

1 Growth + maintenance Capex, net of DBSO and US tax equity proceeds, including net debt acquired

2 Including Synatom funding and waste/dismantling expenses

3 Mainly new right-of-use

4 Asset Retirement Obligations for dismantling, decommissioning, nuclear waste management, ...

5 Including fair value variation of dedicated assets relating to nuclear provisions and related derivative financial instruments

# FY 2023 GUIDANCE CONFIRMED

NRIs in the upper end of the range

**EBITDA**  
ex nuclear indication

**€10.9 - 11.9bn**

**EBIT**  
ex nuclear indication

**€6.6 - 7.6bn**

**NRIs**  
guidance

**€3.4 - 4.0bn**

## Rating

**“Strong investment grade”**

**Economic Net Debt / EBITDA**  
≤ 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:** 1.08
- **€/BRL:** 5.56

**Market commodity forward prices**  
as at 31 March 2023

### Nuclear Belgium

c. 90% nuclear availability and  
€0.3bn contingencies

### Average weather conditions

**Recurring net financial costs**  
€(2.2-2.6)bn

**Recurring effective tax rate**  
~23-26%

<sup>1</sup> Mainly for Q2-Q4 2023, as Q1 2023 actuals are embedded in this upgrade. Guidance and indications based on continuing operations. Assumptions also include full pass through of supply costs in French Retail tariffs, no major regulatory or macro-economic changes, no change in accounting policies, inframarginal rent caps based on current legal texts and additional contingencies

# SUMMARY

## Continuous momentum on financial and operational delivery



## Expanding renewables platform at full steam with 5.5 GW of projects under construction



## Update in discussions on nuclear in Belgium



A large-scale offshore wind farm is depicted against a clear blue sky and dark blue sea. In the foreground on the left, a large, detailed view of a wind turbine's nacelle and part of its tower is shown. In the background, a long line of smaller wind turbines stretches across the horizon. A blue rectangular frame with rounded corners is superimposed over the upper part of the image, containing the text 'ADDITIONAL MATERIAL'.

# ADDITIONAL MATERIAL

The ENGIE logo is positioned at the bottom center of the image. It features a white, curved, swoosh-like graphic above the word 'ENGIE' in a white, lowercase, sans-serif font.

ENGIE

# Q1 2023 EBIT CHANGE BY ACTIVITY

Y/Y change (€m)	Gross	FX / Scope	Organic	Key drivers for organic change
<b>RENEWABLES</b>	+167	BRL appreciation Eolia acquisition in Spain	+149	<ul style="list-style-type: none"> <li>↗ Higher hydro volumes in Europe</li> <li>↗ Higher prices in Europe (mainly benefitting hydro)</li> <li>↗ Commissioning of new capacity</li> </ul>
<b>NETWORKS</b>	-46	BRL appreciation	-59	<ul style="list-style-type: none"> <li>↗ Tariff increases in Germany and Romania</li> <li>↗ Latin America (intrinsic growth and inflation indexation)</li> <li>↗ Storage: favorable environment in the UK &amp; Germany</li> </ul>
<b>ENERGY SOLUTIONS</b>	+28	Disposal of loss-making activities	+21	<ul style="list-style-type: none"> <li>↗ Operational performance</li> <li>↗ Contribution of new capacity</li> </ul>
<b>FLEX GEN &amp; RETAIL</b>	+11	-	+12	<ul style="list-style-type: none"> <li>↗ Higher spreads in Europe</li> <li>↗ Energy margin recovery in Chile</li> </ul>
	-220	-	-217	<ul style="list-style-type: none"> <li>↗ Margin improvement in Romania</li> </ul>
<b>OTHERS</b>	+939	-	+948	<ul style="list-style-type: none"> <li>↗ GEMS: 2022 Q1 negative impacts related to Gazprom contracts not repeated</li> <li>↗ Better market visibility improving valuation of assets &amp; liabilities</li> <li>↗ Overperformance in all activities</li> </ul>
<b>ENGIE ex. Nuclear</b>	<b>+878</b>	<b>+23</b>	<b>+855</b>	
<b>NUCLEAR</b>	-194	-	-194	<ul style="list-style-type: none"> <li>↗ Better achieved prices</li> </ul>
<b>ENGIE</b>	<b>+684</b>	<b>+23</b>	<b>+660</b>	<ul style="list-style-type: none"> <li>↘ Lower DBSO margins</li> <li>↘ GRDF: lower gas consumption in France</li> <li>↘ Lower gas transported in Germany</li> <li>↘ Higher energy costs</li> <li>↘ Strikes in France</li> <li>↘ Higher energy prices in Europe</li> <li>↘ Lower ancillaries in Europe</li> <li>↘ Pakistan credit rating downgrade</li> <li>↘ Temperature in Europe: 2022 long position sold at higher prices &amp; 2023 long gas position sold at lower prices</li> <li>↘ Higher Belgian nuclear taxes incl IM rent cap</li> <li>↘ Increase in D&amp;A</li> <li>↘ Lower volumes in Belgium and France</li> </ul>

# EBIT BREAKDOWN

Q1 2023 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	232	146	242	23	3	(6)	638
NETWORKS	657	50	219	(1)		(3)	921
ENERGY SOLUTIONS	142	74	(1)	(9)	15	(14)	207
FLEX GEN		426	59	12	51	(7)	542
RETAIL	(70)	134			35	(9)	89
OTHERS <sup>1</sup>		(2)	0	4	(0)	1,427	1,429
						1,606	1,606
<i>o/w GEMS</i>						1,606	1,606
<b>EBIT ex. NUCLEAR</b>	<b>960</b>	<b>828</b>	<b>519</b>	<b>29</b>	<b>103</b>	<b>1,388</b>	<b>3,827</b>
<b>NUCLEAR</b>		389					389
Q1 2022 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	172	89	208	15	1	(13)	471
NETWORKS	716	90	165	(1)		(2)	967
ENERGY SOLUTIONS	140	47	(2)	(4)	8	(9)	180
FLEX GEN		397	28	11	106	(10)	531
RETAIL	338	(23)	2		(3)	(4)	309
OTHERS <sup>1</sup>		1	0	6	(0)	484	490
						626	626
<i>o/w GEMS</i>						626	626
<b>EBIT ex. NUCLEAR</b>	<b>1,366</b>	<b>601</b>	<b>401</b>	<b>26</b>	<b>112</b>	<b>444</b>	<b>2,949</b>
<b>NUCLEAR</b>		583					583

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

# GUIDANCE

## 2023 updated commodity forward prices assumptions

### Main commodity forward prices<sup>1</sup>

(31 March 2023)

**Basis for the confirmed 2023 indications and guidance**

(€/MWh - €/t)	2023 <sup>1</sup>
Power Base BE	136
Power Base FR	189
CSS Base / Peak NL	(5)/4
CSS Base / Peak BE	(1)/14
CSS Base / Peak FR	56/148
Gas TTF	50
CO <sub>2</sub>	91

Belgian contingencies: **€0.3bn**

### Main commodity forward prices

(30 December 2022)

**Basis for the initial 2023 indications and guidance**

(€/MWh - €/t)	2023 <sup>1</sup>
Power Base BE	204
Power Base FR	245
CSS Base / Peak NL	8/69
CSS Base / Peak BE	11/61
CSS Base / Peak FR	70/174
Gas TTF	80
CO <sub>2</sub>	82

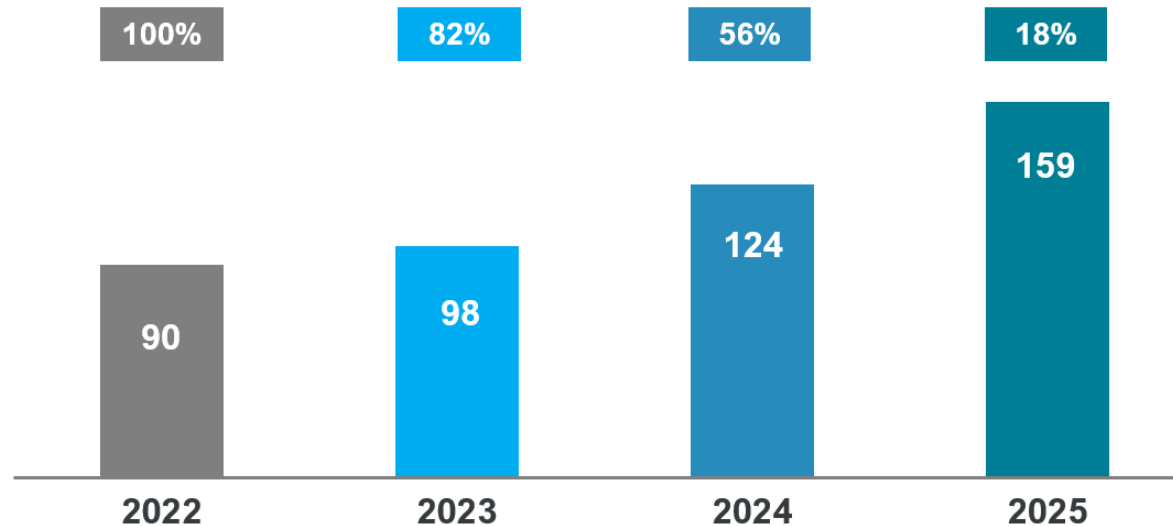
Belgian contingencies: **€0.5bn**

<sup>1</sup> Relevant for the Q2-Q4 2023 unhedged volumes

# OUTRIGHT POWER PRODUCTION IN EUROPE

## Nuclear and Hydro

### Hedged positions and captured prices (% and €/MWh)



As at 31 March 2023  
Belgium and France

**Captured prices** are shown:

- **before specific** Belgian nuclear and French CNR hydro tax **contributions**
- **before inframarginal** rent cap in Belgium and France
- **excluding** the mark-to-market impact of the proxy hedging used for part of Belgian nuclear volumes over 2023-2025, which is volatile and historically unwinds to close to zero at delivery



# DISCLAIMER

## 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) Universal Registration Document filed with the AMF on March 09, 2023 (under number D.23.0082). 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.

# FOR MORE INFORMATION ABOUT ENGIE

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**FOR MORE INFORMATION ABOUT Q1 2023 RESULTS:**

<https://www.engie.com/en/finance/results/2023>