

RESTATED FY 2018 FIGURES

FOR IFRS 16 TREATMENT
AND MARCH 2019 IFRIC DECISION

IFRS 16 – Leases treatment

In January 2016, the IASB has issued a new standard on leases. Under the new standard, all lease commitments will be recognized on the face of the statement of financial position, without distinguishing between operating leases and finance leases.

The main impact on the consolidated statement of financial position is an increase in the “right-of-use assets” on the assets side and an increase of the lease liabilities on the liabilities side, regarding leases where the Group acts as lessee and which are qualified as operating leases. They concern mainly real estate and vehicles. The IFRS 16 treatment will also lead to a **higher financial net debt without any impact on the economic net debt**, as these liabilities were already taken into account in the economic net debt.

In the consolidated income statement, reversal of the rental expenses of these operating leases will lead to an **increase in EBITDA**, which is largely offset by an increase in depreciation and hence there is an **almost neutral impact on current operating income**. There is also a **slight increase in financial expenses, with a global neutral impact at net recurring income, Group share level**.

March 2019 IFRIC decision

Following the March 2019 IFRIC decision regarding commodity derivatives presentation, the Group changed its accounting policy as from the year ended December 31, 2019, with no impact on net income, equity or the current operating income indicator used in the management dialogue and financial communication. The Group now presents unrealized income/(loss) relating to concerned derivatives, whether it represents a seller or buyer position, on the same line as realized income/(loss) arising from their physical settlement, i.e. under “Purchases” within the aggregate now named “Current operating income including operation MtM and share in net income of equity method entities”. The Group has also decided to improve the presentation by nature of the other items of “Current operating income including operating MtM and share in net income of equity method entities”, without impacting the total for this aggregate.

Key financial figures

In €m	FY 2018 Published	IFRS 16	Change in commodity derivatives presentation	FY 2018 Restated
REVENUES	60,596	-	(3,629)	56,967
ADJUSTED REVENUES	60,596	-	-	60,596
EBITDA	9,236	467	-	9,702
CURRENT OPERATING INCOME ⁽¹⁾	5,126	29	-	5,154
IFRS COI ⁽¹⁾ AFTER OPERATING MTM ⁽²⁾	4,903	29	-	4,932
CASH FLOW FROM OPERATIONS ⁽³⁾	7,300	437	-	7,736
CAPEX ⁽⁴⁾	7,643	-	-	7,643
FINANCIAL NET DEBT ⁽⁵⁾	21,102	2,167	-	23,268

(1) Incl. share in net income of entities accounted for using the equity method

(2) Not published in 2018

(3) Cash Flow From Operations (CFFO) = Free Cash Flow BEFORE Maintenance Capex

(4) Net of DBSO proceeds

(5) Excl. financial net debt from discontinued operations

Key figures

In €m	FY 2018 Published	IFRS 16	Change in commodity derivatives presentation	FY 2018 Restated
REVENUES	60,596	0	(3,629)	56,967
ADJUSTED REVENUES	60,596	0	0	60,596
Share in net income of entities accounted for using the equity method	361	(1)	0	360
CURRENT OPERATING INCOME	5,126	29	0	5,154
MtM, impairment, restructuring, disposals and others	(2,481)	0	0	(2,481)
INCOME FROM OPERATING ACTIVITIES	2,645	29	0	2,674
Financial result	(1,381)	(33)	0	(1,474)
Income tax	(704)	2	0	(702)
Non-controlling interests attributable to continued operations	572	0	0	572
Net income from discontinued operations, Group share	1,045	(2)	0	1,043
NET INCOME GROUP SHARE	1,033	(4)	0	1,029
EBITDA	9,236	467	0	9,702
NET RECURRING INCOME GROUP SHARE	2,425	(4)	0	2,421
<i>of which net recurring income from discontinued operations</i>	<i>(33)</i>	<i>(2)</i>	<i>0</i>	<i>(34)</i>
<i>of which net recurring income from continued operations</i>	<i>2,458</i>	<i>(2)</i>	<i>0</i>	<i>2,455</i>
CASH FLOW FROM OPERATIONS ⁽¹⁾	7,300	437	0	7,736
CAPEX (net of DBSO proceeds)	7,643	0	0	7,643
FINANCIAL NET DEBT (excluding net debt from discontinued operations)	21,102	2,167	0	23,268

(1) Cash Flow From Operations (CFFO) = Free Cash Flow before Maintenance Capex

Summary income statement – as presented in the consolidated financial statements following March 2019 IFRIC decision

In €m	FY 2018 Published	IFRS 16	Change in presentation	FY 2018 Restated
REVENUES	60,596	0	(3,629)	56,967
Purchases and operating derivatives	(32,190)	466	(6,470)	(38,194)
Personnel costs	(10,624)	0	0	(10,624)
Amortization, depreciation and provisions	(3,586)	(438)	0	(4,024)
Taxes	0	1	(1,069)	(1,068)
Other operating incomes and expenses	(9,431)	0	10,945	1,514
Share in net income of entities accounted for using the equity method	361	(1)	0	360
Current operating income including operating MtM and share in net income of equity method entities	5,126⁽¹⁾	29	(223)	4,932
Impairment, restructuring, disposals and others	(2,481)	0	223	(2,258)
INCOME FROM OPERATING ACTIVITIES	2,645	29	0	2,674
Financial result	(1,381)	(33)	0	(1,414)
<i>of which recurring cost of net debt</i>	<i>(626)</i>	<i>16</i>	<i>0</i>	<i>(610)</i>
<i>of which cost of lease liabilities</i>	<i>0</i>	<i>(49)</i>	<i>0</i>	<i>(49)</i>
<i>of which non-recurring items included in financial income / loss</i>	<i>(205)</i>	<i>0</i>	<i>0</i>	<i>(205)</i>
<i>of which others</i>	<i>(550)</i>	<i>0</i>	<i>0</i>	<i>(550)</i>
Income tax	(704)	2	0	(702)
Non-controlling interests attributable to continued operations	572	0	0	572
Net income from discontinued operations, Group share	1,045	(2)	0	1,043
NET INCOME GROUP SHARE	1,033	(4)	0	1,029
ADJUSTED REVENUES	60,596	0	0	60,596
EBITDA	9,236	467	0	9,702
CURRENT OPERATING INCOME	5,126	29	0	5,154

(1) Excluding MtM

Summary recurring income statement

In €m	FY 2018 Published	IFRS 16	FY 2018 Restated
EBITDA	9,236	467	9,702
<i>of which recurring contribution of share in net income of entities accounted for using the equity method</i>	<i>510</i>	<i>0</i>	<i>510</i>
Depreciation, Amortization and others	(4,110)	(438)	(4,548)
CURRENT OPERATING INCOME	5,126	29	5,154
Financial result	(1,176)	(33)	(1,209)
<i>of which recurring cost of net debt</i>	<i>(626)</i>	<i>16</i>	<i>(610)</i>
<i>of which cost of lease liabilities</i>	<i>0</i>	<i>(49)</i>	<i>(49)</i>
<i>of which others</i>	<i>(550)</i>	<i>0</i>	<i>(550)</i>
Income tax	(851)	2	(849)
Adjustment for non-recurring share in net income of entities accounted for using the equity method	149	0	149
Non-controlling interests attributable to continued operations	(790)	0	(790)
Net recurring income from continued operations, Group share	2,458	(2)	2,455
Net income from discontinued operations, Group share	(33)	(2)	(34)
NET RECURRING INCOME GROUP SHARE	2,425	(4)	2,421

Cash flow statement

In €m	FY 2018 Published	IFRS 16	FY 2018 Restated
Gross cash flow before financial loss and income tax	8,464	467	8,931
Income tax paid (excl. income tax paid on disposals)	(757)	0	(757)
Change in operating working capital	149	(9)	140
Cash flow from operating activities from continued operations	7,857	458	8,315
Cash flow from operating activities from discontinued operations	17	114	131
CASH FLOW FROM OPERATING ACTIVITIES	7,874	572	8,445
Net tangible and intangible investments	(6,202)	0	(6,202)
Financial investments	(1,604)	0	(1,604)
Disposals and other investment flows	2,993	0	2,993
Cash flow from investment activities from continued operations	(4,813)	0	(4,813)
Cash flow from investment activities from discontinued operations	(1,282)	0	(1,282)
CASH FLOW FROM INVESTMENT ACTIVITIES	(6,095)	0	(6,095)
Dividends paid	(2,659)	0	(2,659)
Share buy back	104	0	104
Balance of reimbursement of debt/new debt	(604)	(437)	(1,041)
Net interests paid on financial activities	(649)	(21)	(670)
Capital increase/hybrid issues	1,059	0	1,059
Other cash flows	(459)	0	(459)
Cash flow from financial activities from continued operations	(3,207)	(458)	(3,665)
Cash flow from financial activities from discontinued operations	1,279	(114)	1,165
CASH FLOW FROM FINANCIAL ACTIVITIES	(1,928)	(572)	(2,500)
Impact of currency and other from continued operations	(78)	0	(78)
Impact of currency and other from discontinued operations	(1)	0	(1)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,929	0	8,929
Reclassification of cash and cash equivalents relating to discontinued activities	0	0	0
TOTAL CASH FLOWS FOR THE PERIOD	(229)	0	(229)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,700	0	8,700

Breakdown of EBITDA

In €m	FY 2018 Published	FY 2018 Restated
FRANCE EXCLUDING INFRASTRUCTURES	1,670	1,775
FRANCE INFRASTRUCTURES	3,499	3,554
REST OF EUROPE	974	1,081
LATIN AMERICA	1,775	1,789
USA & CANADA	224	252
MIDDLE EAST, ASIA & AFRICA	1,122	1,133
OTHERS	(27)	119
TOTAL	9,236	9,702

Breakdown of Current Operating Income

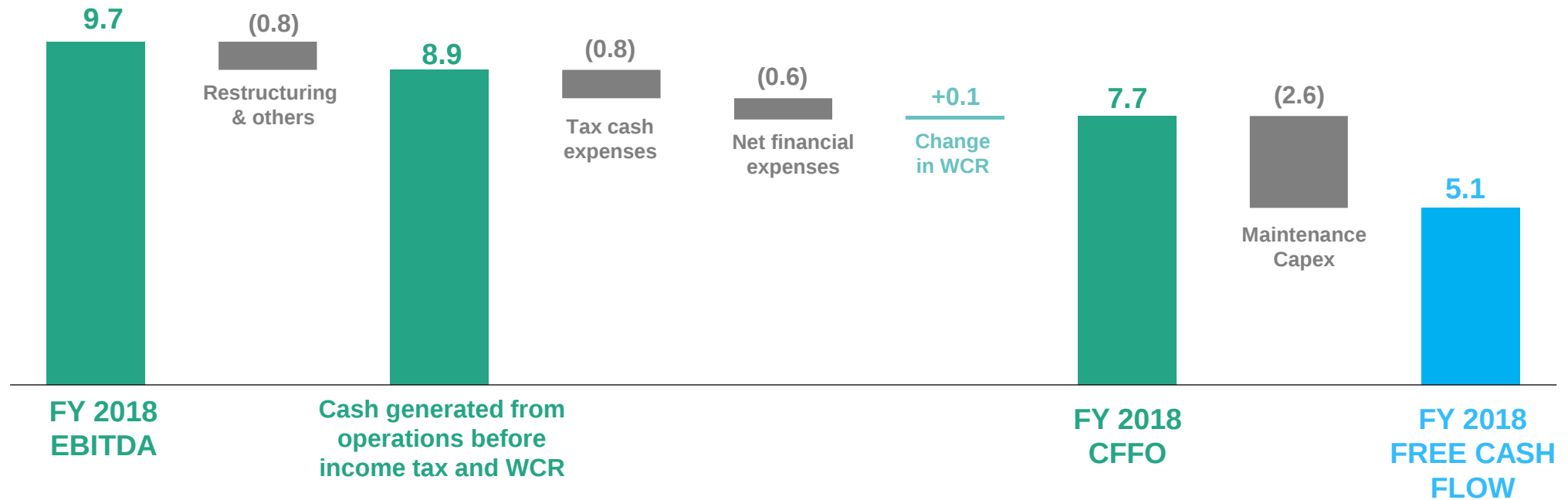
In €m	FY 2018 Published	FY 2018 Restated
FRANCE EXCLUDING INFRASTRUCTURES	1,035	1,039
FRANCE INFRASTRUCTURES	2,016	2,018
REST OF EUROPE	37	46
LATIN AMERICA	1,355	1,359
USA & CANADA	151	153
MIDDLE EAST, ASIA & AFRICA	893	896
OTHERS	(362)	(357)
TOTAL	5,126	5,154

Divisional reconciliation between EBITDA and COI

In €m - restated	France excl. Infrastructures	France Infrastructures	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	FY 2018 Restated
EBITDA	1,775	3,554	1,081	1,789	252	1,133	119	9,702
Depreciation	(728)	(1,533)	(1,026)	(426)	(98)	(142)	(367)	(4,320)
Share-based payments	(7)	(3)	(8)	(2)	(1)	(4)	(54)	(79)
Non recurring contribution of shares in net income of entities accounted for using the equity method	0	0	(1)	(2)	1	(91)	(55)	(149)
COI	1,039	2,018	46	1,359	153	896	(357)	5,154

From EBITDA to Free Cash Flow

In €bn – restated figures



Breakdown of investments

In €m - restated	Maintenance	Development	Financial	FY 2018 Restated
FRANCE EXCLUDING INFRASTRUCTURES	290	98	463	852
FRANCE INFRASTRUCTURES	951	671	(2)	1,619
REST OF EUROPE	887	199	344	1,430
LATIN AMERICA	119	1,463	177	1,758
USA & CANADA	34	438	446	918
MIDDLE EAST, ASIA & AFRICA	93	160	363	616
OTHERS	216	58	176	449
TOTAL	2,589	3,087	1,967	7,643

Disclaimer

Forward-Looking statements

This communication contains forward-looking information and statements. These statements include financial projections, synergies, cost-savings and estimates, statements regarding plans, objectives, savings, expectations and benefits from the transactions and expectations with respect to future operations, products and services, and statements regarding future performance. Although the management of ENGIE believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ENGIE securities are cautioned that forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ENGIE, that could cause actual results, developments, synergies, savings and benefits to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public filings made by ENGIE with the *Autorité des Marchés Financiers* (AMF), including those listed under “*facteurs de risque*” (risk factors) section in the *Document de Référence* filed by ENGIE (ex GDF SUEZ) with the AMF on 20 March 2019 (under no: D.19-0177). Investors and holders of ENGIE securities should consider that the occurrence of some or all of these risks may have a material adverse effect on ENGIE.

For more information about **ENGIE**

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