

FINANCIAL INFORMATION AS OF JUNE 30, 2019

July 30, 2019



KEY MESSAGES

**H1 RESULTS REFLECT IMPROVEMENT IN SECOND QUARTER
OVERALL ALIGNED WITH 2019 PHASING EXPECTATIONS**

**FIRST HALF GROWTH DRIVEN BY STRONG ENERGY MANAGEMENT AND NUCLEAR,
PARTIALLY OFFSET BY NETWORKS**

**STRATEGIC PROGRESS PARTICULARLY IN RENEWABLES,
COMPLEMENTED BY TAG ACQUISITION IN NETWORKS**

**FURTHER ACCELERATION EXPECTED IN H2
FY 2019 GUIDANCE CONFIRMED**

H1 IN LINE WITH MANAGEMENT'S 2019 PHASING EXPECTATIONS

H1 RESULTS– In €bn, unaudited figures ⁽¹⁾	Actual	Δ Gross ⁽²⁾	Δ Organic ⁽²⁾
EBITDA	5.3	+1%	+2%
COI ⁽³⁾	3.2	+3%	+6%
NRlgs (continued)	1.5	0%	+2%
NIgs	2.1	+1.2	
NET DEBT	26.1	+2.8 vs year-end 2018	
CFFO ⁽⁴⁾	2.7	-0.8	

COI YoY gross - by reportable segment

 FRANCE INFRASTRUCTURES
  FRANCE EXCL. INFRASTRUCTURES
  REST OF EUROPE
  LATIN AMERICA
  USA & CANADA
  MIDDLE EAST, ASIA & AFRICA
  OTHER

(1) Unaudited figures throughout the presentation

(2) Unaudited 2018 figures adjusted for IFRS 16 throughout the presentation

(3) Including share in net income of associates

(4) Cash Flow From Operations = Free Cash Flow before Maintenance Capex

MAJOR BUSINESS DEVELOPMENTS

Client Solutions

Networks

Renewables

Thermal / Nuclear

Achievements

Strong momentum in revenues

35-year **DHC contract**
in Ottawa, Canada

Acquisition of Conti,
energy services in the US

European partnership
with Fiat-Chrysler
for new **e-mobility solutions**

Acquisition of **TAG**
in Brazil

1.4 GW COD in H1
8.7 GW installed, under construction
or secured to reach 9 GW
CMD target

ENGIE-EDP MoU to create
a **leading global offshore**
wind player

Renewable JV announced
in Mexico with Tokyo Gas

Completion of **Glow disposal**
(Thailand)

Signing of disposal of **German**
and Dutch coal assets

Successful delivery of nuclear
availability increase

Challenges

Subdued momentum
in few build & install entities
Contract **renewals**
Engineering

French networks **regulatory**
review

Hydrology **volatility**

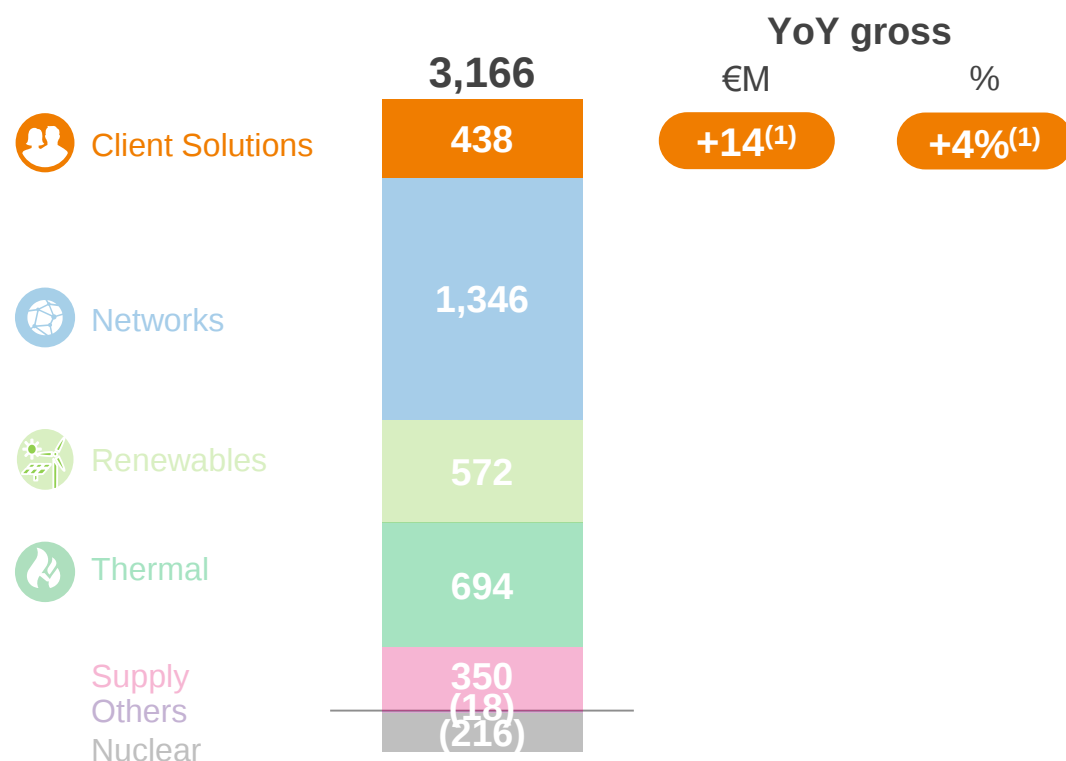
UK capacity market **suspension**
Challenging Business
Development
comparables in MESCAT

LEAN 2021 ON TRACK

CLIENT SOLUTIONS

IMPROVED PERFORMANCE ON A SEQUENTIAL BASIS FROM THE FIRST TO THE SECOND QUARTER

H1 2019 COI - In €M



- Revenues up 10%
- Good performance from decentralized energy & onsite generation
- Contract phasing and selected market dynamics affecting certain renewals in Western Europe
- Difficulties in few build & install entities, action plan launched
- = New start up development costs to lay foundations for new business

(1) Year-on-year growth excludes the 2019 positive one-off from Suez linked to the Argentina court case (c.€50M), including it Client Solutions COI is up 17%

OUTLOOK MAINTAINED WITH EXPECTATION OF GROWTH STILL WEIGHTED TOWARDS SECOND HALF IN 2019 FOR CLIENT SOLUTIONS

FY 2019 COI OUTLOOK: UP MID TO HIGH SINGLE DIGITS ⁽¹⁾

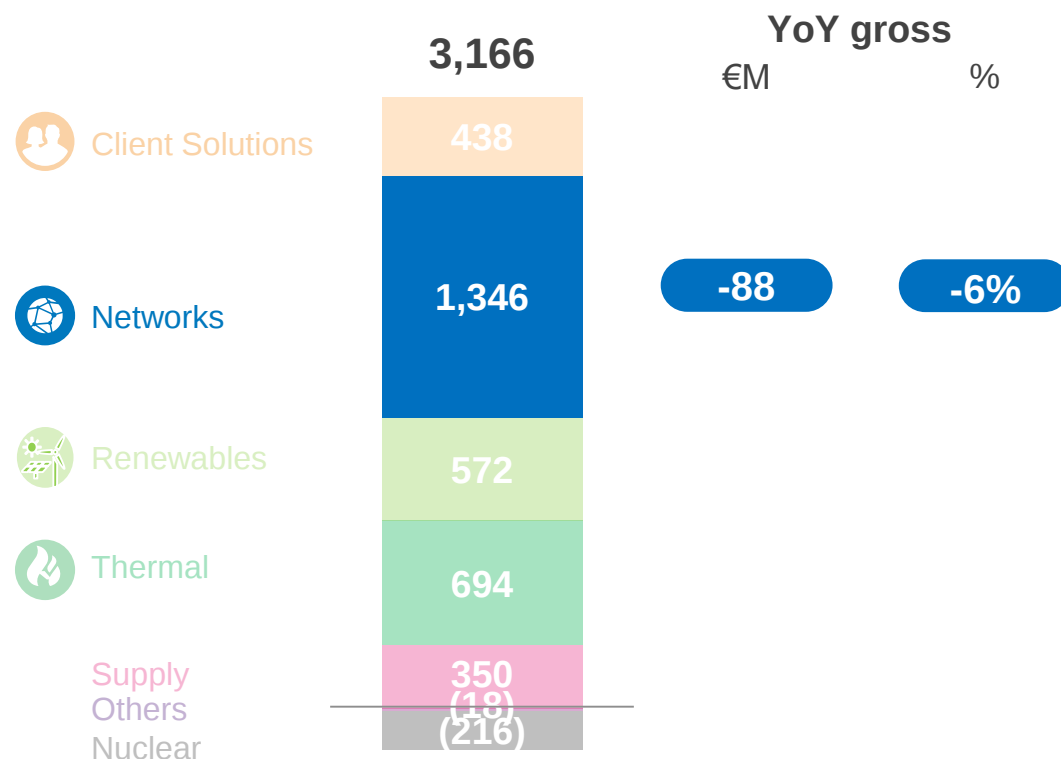
- Favorable momentum in revenues, supported by an increasing backlog
- Contract phasing negative effect to subside Q3 onwards
- Competitiveness improved through performance plans
- Contributions from tuck-in acquisitions to be back-end weighted in 2019

(1) Year-on-year growth outlook excludes the 2019 positive one-off from Suez linked to the Argentina court case

NETWORKS

SEVERAL HEADWINDS, PARTICULARLY IN TRANSMISSION, IN LINE WITH EXPECTATIONS

H1 2019 COI - In €M, unaudited figures



- Transmission: driven mostly by temporary impacts
 - Negative volume effect in France
 - Revenues smoothing in France
- Storage:
 - Client penalties due to technical issues in France
 - Contract renewals at lower prices in Germany
- Positive 2018 one-offs in Latin America (LDs)
- TAG contribution

OUTLOOK UPGRADED FOR NETWORKS

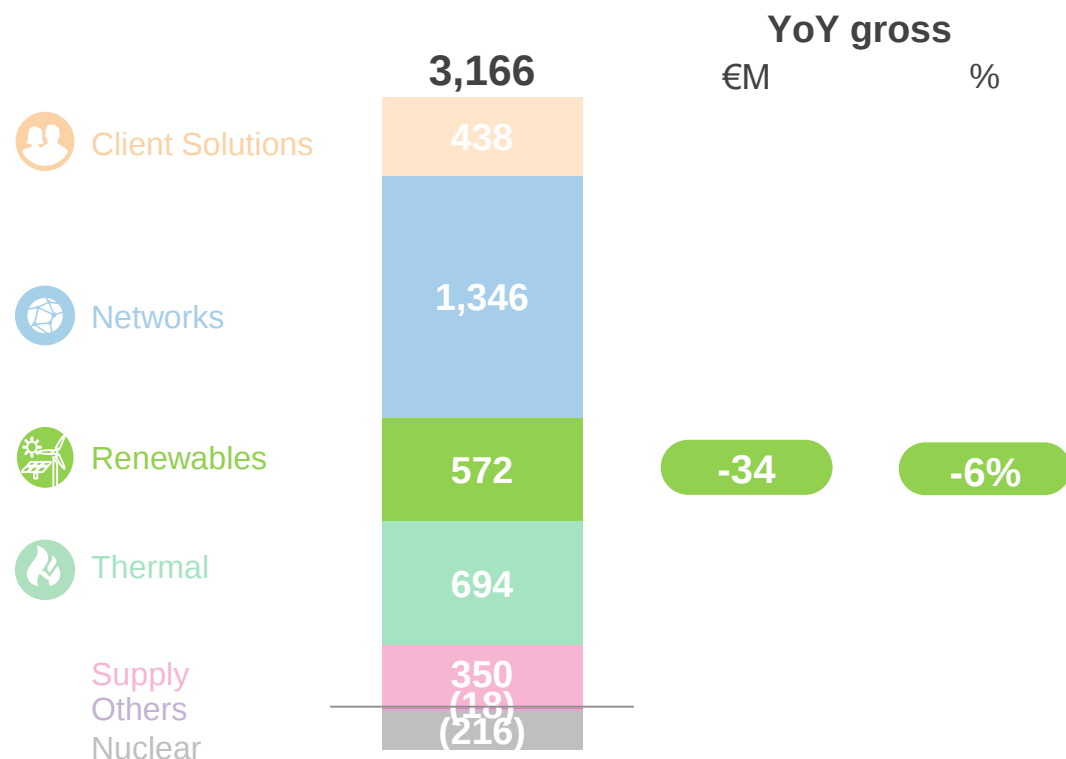
FY 2019 COI OUTLOOK: DOWN LOW SINGLE DIGITS

- Incremental TAG contribution in H2, estimated at ~€60M
- French distribution annual revenues revision
- H2 forecasts are based on temperature normalization

RENEWABLES

HYDRO IMPACTED BY LOWER VOLUMES, STRONG WIND & SOLAR PERFORMANCE

H1 2019 COI - In €M, unaudited figures



- ↘ Lower hydro volume in France (-26 % YoY)
- = Brazil: forex and industry intra-year volatility in Brazilian hydrology
- ↗ Wind & solar earnings up >50% mainly due to commissioning of new onshore wind capacities, notably in Brazil

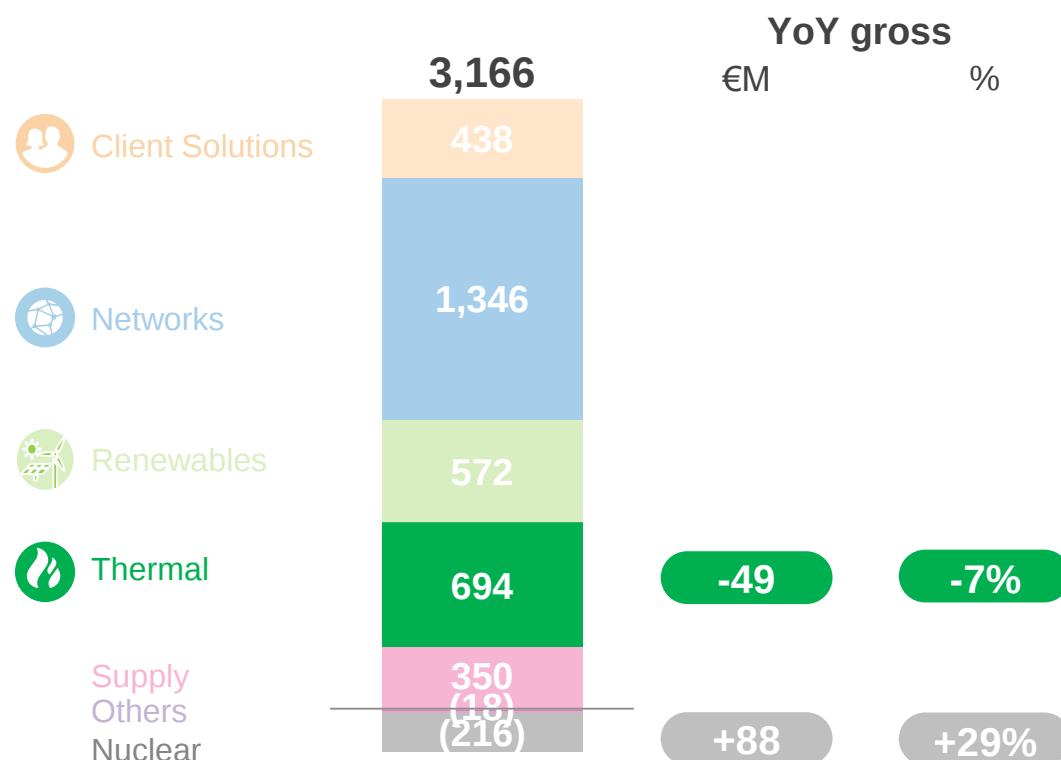
OUTLOOK REASSESSED FOR RENEWABLES WITH EXPECTATION OF GROWTH STILL WEIGHTED TOWARDS SECOND HALF IN 2019

FY 2019 COI OUTLOOK: UP MID TO HIGH SINGLE DIGITS

- Ramp-up of wind and solar contributions in Brazil
- H2 French hydro forecasts are based on average historical volumes
- 2019 DBSO margins mainly in H2; FY contribution significantly lower due a particularly strong 2018

GROWTH IN NUCLEAR WITH AVAILABILITY RECOVERY BUT DECREASE IN THERMAL DUE TO GLOW DISPOSAL

H1 2019 COI - In €M, unaudited figures



THERMAL

- COI growth of 5% on an organic basis
- Glow and LYB disposals
- US: higher LNG sourcing costs and lower capacity prices
- UK CRM⁽¹⁾ mechanism suspended
- Positive 2019 one-offs and LatAm PPA ramp up in Latam
- Higher power production and prices in Australia

NUCLEAR

- More favorable achieved prices (+3€/MWh)
- Lower D&A following 2018 impairments
- Higher volumes due to YTD restarts (+4% volumes and +590bps availability in Belgium)

(1) CRM: Capacity Remuneration Mechanism, suspended since October 2018

OUTLOOK UPGRADED BOTH FOR THERMAL AND NUCLEAR

THERMAL **FY 2019 COI OUTLOOK:** **REDUCTION OF C.15%**

- Glow and European coal plants disposals
- Organic PPA growth in Latin America
- Higher power spreads in Europe
- Assumed reinstatement of UK capacity market mechanism

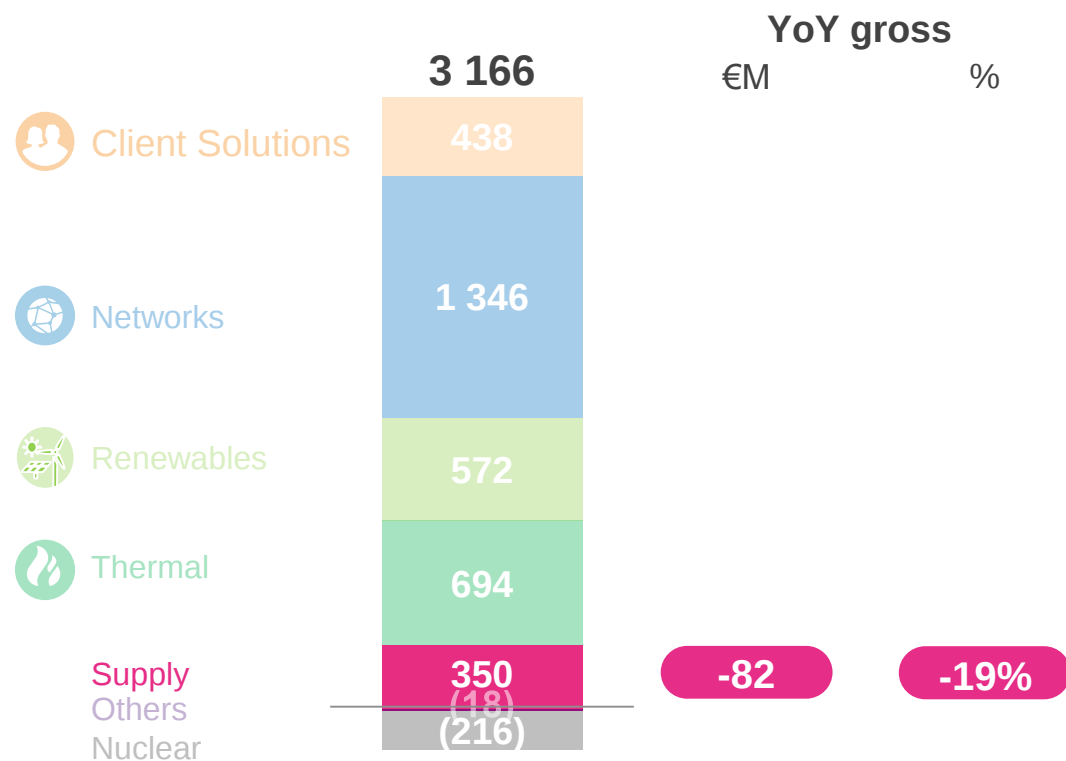
NUCLEAR **FY 2019 COI OUTLOOK:** **2018 LOSSES CUT BY 75%**

- Continuous improvement in volumes
- Higher hedged prices

SUPPLY

FRENCH RETAIL MARKET CONDITIONS CONTINUE TO BE A CHALLENGE

H1 2019 COI - In €M, unaudited figures

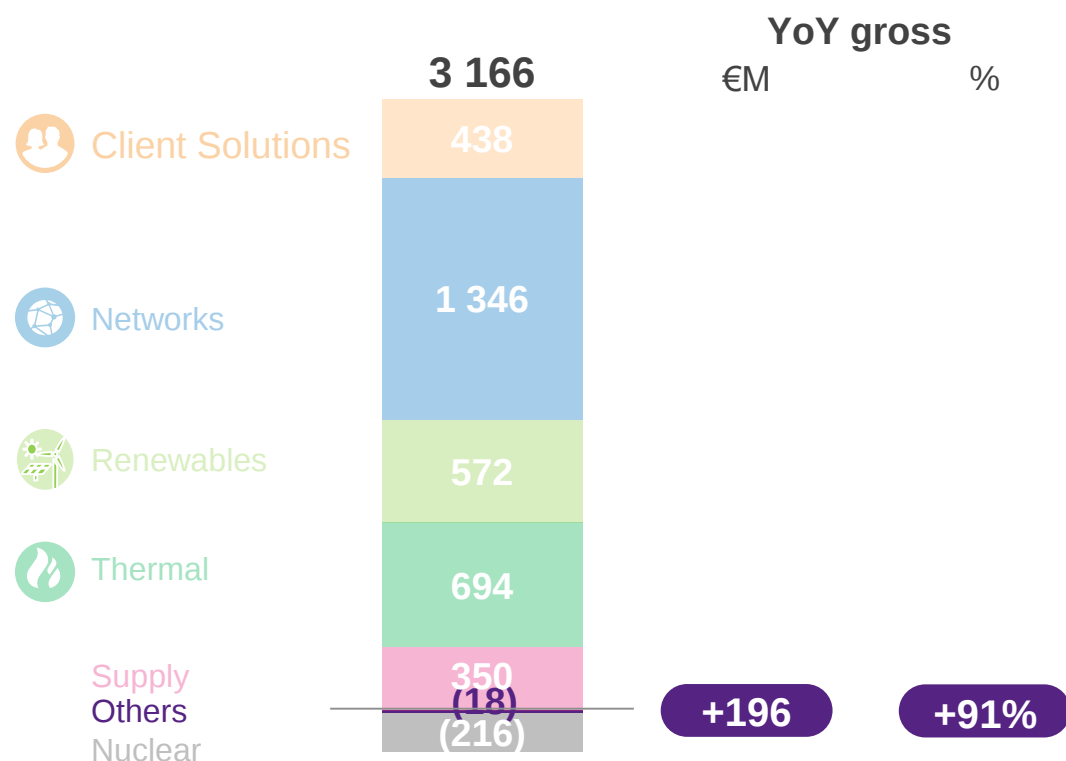


- ✗ Margin squeeze in French retail (market offers in gas and power)
- ✗ Temperature in Australia
- ✗ Lower volumes and higher capacity payments in North America
- ✔ B2B higher power margins

OTHERS

STRONG PERFORMANCE IN ENERGY MANAGEMENT

H1 2019 COI - In €M, unaudited figures



➤ Energy Management:

- Long term gas contract renegotiations
- Gas sourcing optimization, benefitting from market volatility
- Development of international activities & trading performance
- 2018 cold snap

➤ Corporate

- 2018 costs of Link 2018 employee shareholding plan
- *Lean 2021*

OUTLOOK UPGRADED FOR SUPPLY & OTHERS

SUPPLY **FY 2019 COI OUTLOOK:** **DOWN MID SINGLE DIGITS**

- Continuing margin pressure in France
- B2B supply power margins
- H2 forecasts are based on temperature normalization

OTHERS **FY 2019 COI OUTLOOK:** **2018 LOSSES CUT BY c.15%**

- Normalization of energy management performance

H1 2019 RESULTS IN NEW DETAILED REPORTING

COI H1 2019 in €M

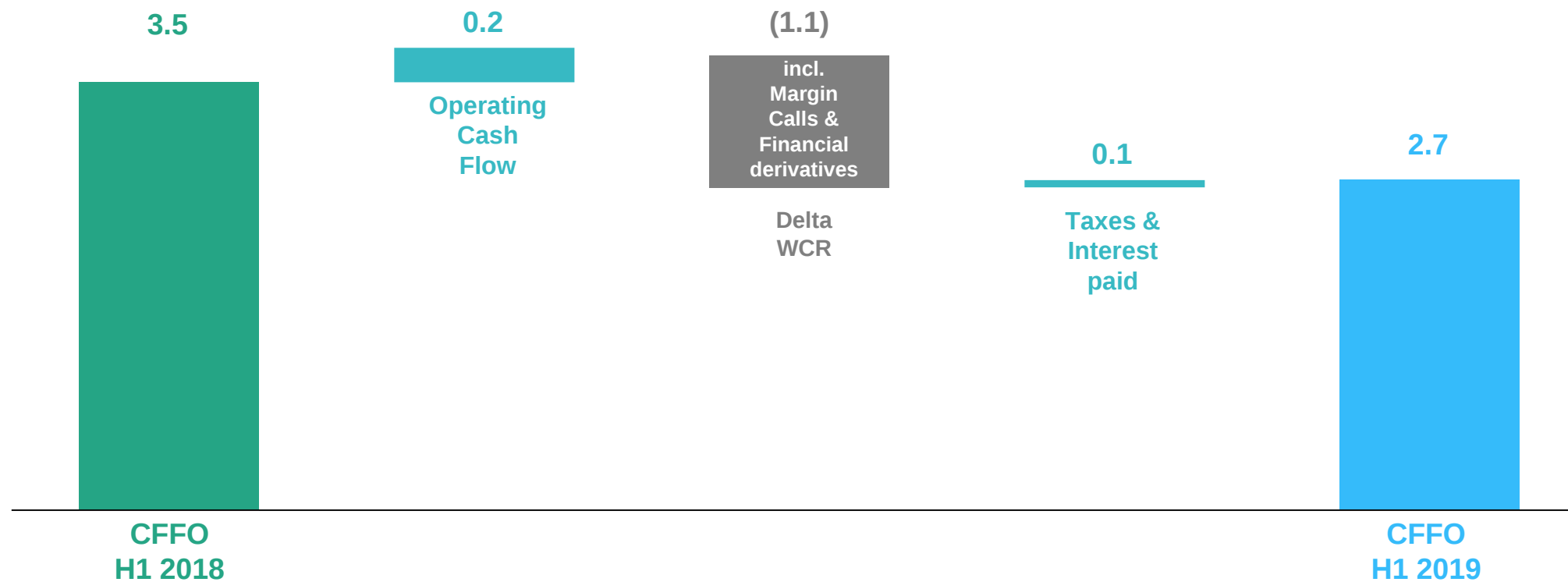
	Client solutions	Networks	Renewables	Thermal	Nuclear	Supply	Others ⁽¹⁾	Total	YoY change
France	252	1,129	80	-	-	155	-	1,616	-10%
Rest of Europe	135	76	29	122	(216)	133	-	279	+9%
Latin America	(3)	133	420	246	-	21	-	818	+13%
USA & Canada	(30)	1	17	17	-	(7)	33	30	-58%
Middle East, Asia & Africa	5	11	43	330	-	(13)	-	376	-18%
Others	79	(3)	(17)	(21)	-	61	(52)	47	NA
Total	438	1,346	572	694	(216)	350	(18)	3,166	+3%

(1) Including corporate, GTT, LNG activities in Noram and GEM

CFFO

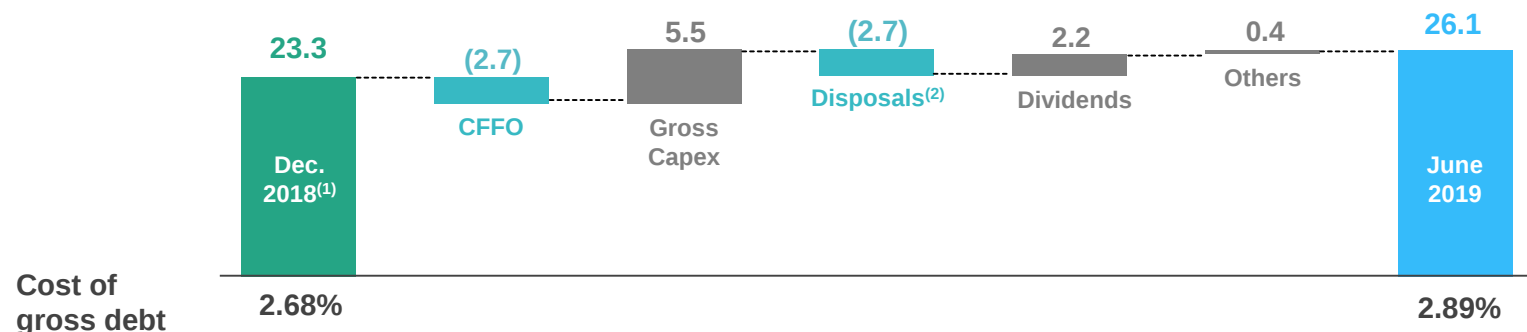
DECREASE DUE TO COMMODITY RELATED MARGIN CALLS AND FINANCIAL DERIVATIVES

In €bn

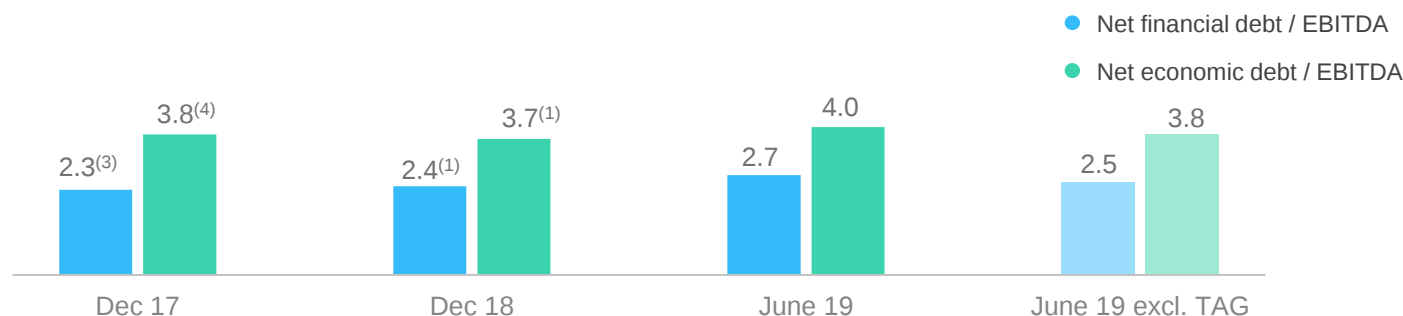


LEVERAGE TO REDUCE BY YEAR-END

Net financial debt and cost of gross debt – in €bn



Leverage ratios



- In April 2019, **S&P** confirmed its **A- long-term rating**, upgraded its **short-term rating to A-1** and maintained its **outlook** at **stable**.
- In June 2019, **Fitch** confirmed its **A long-term rating** and its **F1 short-term rating** and maintained its **outlook** at **stable**.
- In June 2019, **Moody's** downgraded its **long-term rating to A3** and its **short-term ratings to P-2** following the adoption of the *Loi PACTE* in France that has prompted a reappraisal of its one notch uplift for government support.

(1) Figures restated for IFRS 16 treatment

(2) Incl. net scope impact from disposals & acquisitions

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

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

CONCLUSION

**H1 RESULTS REFLECT IMPROVEMENT IN SECOND QUARTER
OVERALL ALIGNED WITH 2019 PHASING EXPECTATIONS**

**FURTHER ACCELERATION EXPECTED IN H2,
NOTABLY IN NUCLEAR AND RENEWABLES ACTIVITIES**

FY 2019 GUIDANCE CONFIRMED



ADDITIONAL MATERIAL

FROM EBITDA TO NET INCOME

From EBITDA to NRlgs

	H1 2019	H1 2018 ⁽¹⁾	Δ yoy
EBITDA	€5.3bn	€5.3bn	+0.03
D&A and others	(2.2)	(2.2)	(0.06)
COI⁽²⁾	€3.2bn	€3.1bn	0.09
Financial result	(0.6)	(0.6)	(0.01)
Income tax	(0.6)	(0.6)	(0.06)
Minorities & other	(0.4)	(0.4)	(0.03)
NRlgs continued	€1.5bn	€1.5bn	-
NRlgs discontinued	-	€(0.0)bn	0.03
NRlgs H1 2018	€1.5bn	€1.5bn	0.03

From NRlgs to NIgs

NRlgs H1 2019	€1.5bn
MtM below COI	(1.0)
Impairments	(0.2)
Restructuring costs	(0.1)
Change in scope	1.5
Others ⁽³⁾	0.4
NIgs H1 2019	€2.1bn

(1) H1 2018 restated for IFRS 16 treatment

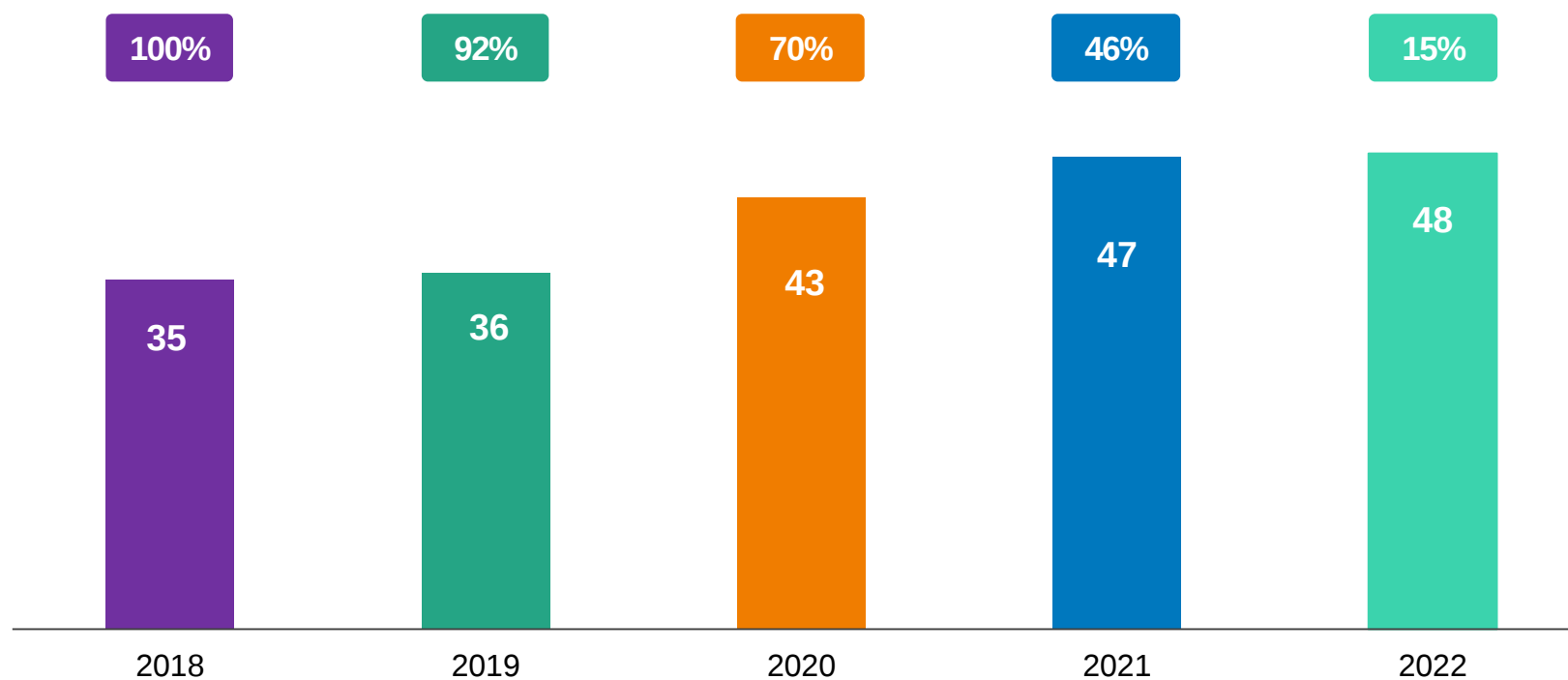
(2) After share in net income of associates

(3) Mainly coming from income tax on non-recurring results

OUTRIGHT POWER PRODUCTION IN EUROPE

NUCLEAR AND HYDRO

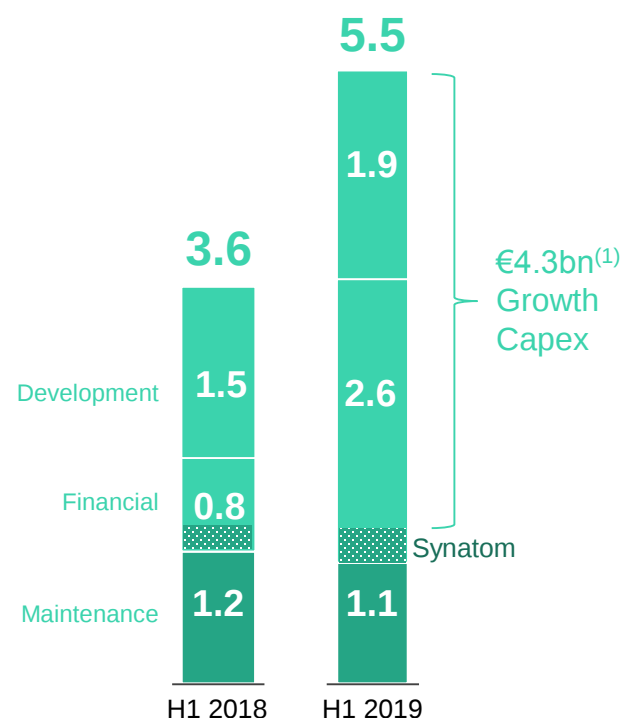
Outright hedges: prices & volumes - In €/MWh and %



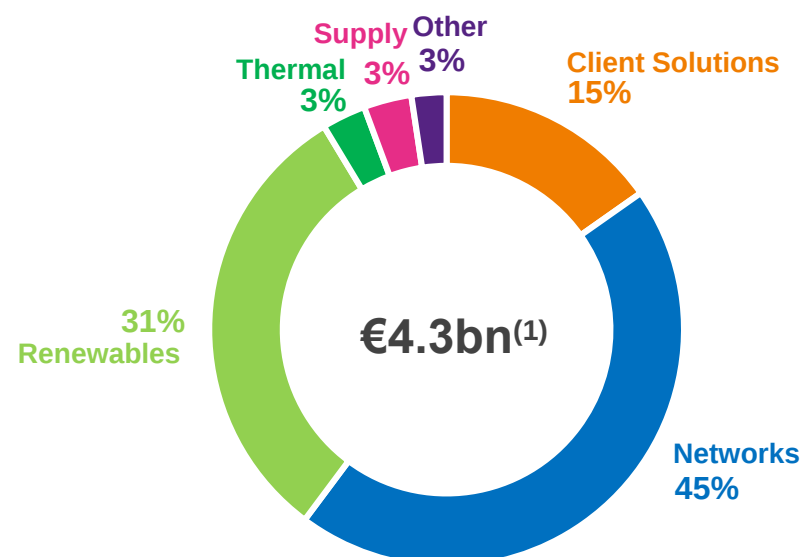
*As of 06/30/19
Belgium and France (+ Germany until April 2019)*

€4.3BN GROWTH CAPEX IN H1 2019 ON CORE STRENGTHS

Breakdown by nature - in €bn



Growth Capex⁽¹⁾ by business line - in €bn



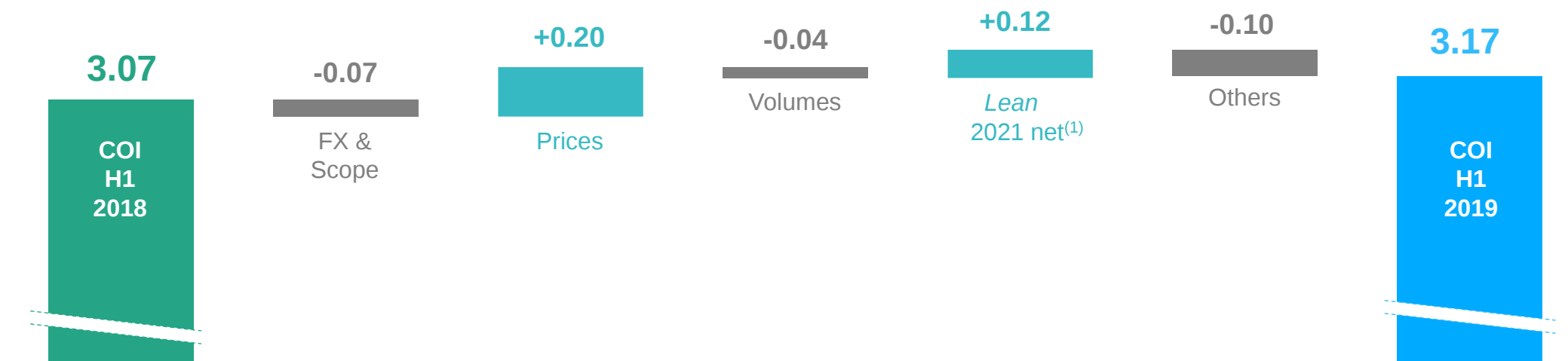
Main projects

Client Solutions	~0.6
NECST – various acquisitions (o/w OTTO in Germany)	~0.2
France – various tuck-in acquisitions (o/w Certinergy and Pierre Guérin)	~0.1
Networks	~1.9
TAG (Brazil)	~1.5
GRDF	~0.2
Renewables	~1.3
NORAM – Infinity (Wind)	~0.4
Brazil – mainly Wind (Umburanas, Campo Largo)	~0.2
France – Wind, solar and Vol-V biomasse	~0.2
LATAM – Mexican solar	~0.1
MESCAT – Kadapa (India, solar)	~0.1

(1) Net of DBSO proceeds, Corporate excluded, Synatom financial Capex reallocated to Maintenance

COI BRIDGE BY EFFECT

In €bn



(1) Gross gains (recurring and non-recurring) less inflation (on a total cost basis) and retrocessions

DISCLAIMER

Forward-Looking statements

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FOR MORE INFORMATION ABOUT ENGIE

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