

ENGIE 2019 9M FINANCIAL INFORMATION

9M 2018 IFRS 16 Restatement

9M 2019 Temperatures in France Broadly in Line with 9M 2018 Outright European Power Generation Increase YoY over 9M

ENGIE will release its financial results for the period ended September 30, 2019 on November 07, 2019, prior to the opening of the Euronext market.

The following components of the results are being released to assist analysis of the full 9M results upon their release: restated 9M 2018 financial figures under IFRS 16, temperature-related volume effects in France, and 9M 2019 outright European power generation volumes compared to the prior year.

9M 2018 IFRS 16 Restatement

In January 2016, the IASB issued a new standard under which reported lease commitments will not distinguish between operating and finance leases.

The main impact on consolidated financial statements is an increase in “right-of-use assets” and an increase in lease liabilities where the Group acts as lessee in qualified operating leases. This predominately impacts real estate and vehicles. The IFRS 16 treatment will lead to a **higher reported net financial debt without any impact on the net economic debt**, as these liabilities were already taken into account in the net economic 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**¹.

<i>In EUR M</i>	9M 2018 published	IFRS 16	9M 2018 restated
Revenues	43,043	-	43,043
EBITDA	6,462	351	6,813
Current operating income ¹	3,505	26	3,531
Cash flow from operations ²	4,691	334	5,026
Gross Capex	5,682	-	5,682
Net financial debt ³	20,635	2,267	22,902

¹ Including share in net income of entities accounted for using the equity method

² Cash flow from operations (CFFO) = Free cash flow before maintenance Capex

³ Excl. interco financial net debt from discontinued operations



The 9M 2018 current operating income figures (pro forma, unaudited) per business lines are presented in following table:

In EUR million	09/30/2018
Client Solutions	508
Networks	1,747
Renewables	726
Thermal	998
Nuclear	(539)
Supply	277
Others	(186)

9M 2019 Temperatures in France Broadly in Line with 9M 2018

After a very warm Q1 2019 due to a mild winter, Q2 French temperatures were relatively cold versus the prior year, especially in April and May. In Q3 2019, temperatures were warm again but generally in line versus the prior year.

Therefore, the limited negative temperature effect on our H1 French volumes remained broadly unchanged, resulting in a **limited negative year-on-year volume impact on 9M financial figures for the French supply activities** (reporting segment “France” – business line “Supply”) and for the French gas distribution networks activities of GRDF (reporting segment “France” – business line “Networks”).

Sensitivity at EBITDA / COI level:

- Supply (sales): ~EUR ±10 M/TWh
- Networks (distribution): ~EUR ±7 M/TWh

Actual figures (positive figures for a colder than average period, negative figures for a warmer than average period):

	Volume effect 9M 2018	Volume effect 9M 2019	Volume effect Delta 9M 19-18
Supply	+ 0.5 TWh	+ 0.4 TWh	- 0.1 TWh
Networks	+ 1.1 TWh	- 1.0 TWh	- 2.1 TWh

Outright European Power Generation Volumes Increase YoY over 9M

As expected, Belgian nuclear units reported significantly higher availability in 9M 2019 than in 9M 2018. However, 2018 was exceptionally rainy, especially in H1, and thus hydro power production in France was still lower through Q3 2019 than through Q3 2018.

As a result, outright European power generation had a **positive year-on-year volume impact on 9M financial figures, as the positive volume impact for the nuclear activities** (reporting segment “Rest of Europe” – business line “Nuclear”) **more than offsets the negative volume impact for the French hydro renewables activities** (reporting segment “France” – business line “Renewables”).



Nuclear (Belgium + France + Germany):

	9M 2018	9M 2019	Delta 9M 19-18
Power production (BE + FR + GE, @share)	25.4 TWh	31.7 TWh	+ 6.3 TWh
Availability (Belgium, @share)	56.6%	78.8%	+ 2,220 bps

Hydro (France):

	9M 2018	9M 2019	Delta 9M 19-18
Power production (CNR + SDEM, @100%)	13.5 TWh	10.8 TWh	- 2.7 TWh



Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This communication contains 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 the management of ENGIE 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 "Autorité des Marchés Financiers"), including those listed in the "Risk Factors" section ("facteurs de risques") of the ENGIE (ex GDF SUEZ) reference document ("Document de référence" filed with the AMF on March 20, 2019 (under number D.19-0177). Investors and ENGIE shareholders should note that, if some or all of these risks are realized, they may have a significant unfavorable impact on ENGIE.

About ENGIE

We are a global energy and services group, focused on three core activities: low-carbon power generation, mainly based on natural gas and renewable energy, global networks and client solutions. Driven by our ambition to contribute to a harmonious progress, we take up major global challenges such as the fight against global warming, access to energy to all, or mobility, and offer our residential customers, businesses and communities energy production solutions and services that reconcile individual and collective interests.

Our integrated - low-carbon, high-performing and sustainable - offers are based on digital technologies. Beyond energy, they facilitate the development of new uses and promote new ways of living and working. Our ambition is conveyed by each of our 160,000 employees in 70 countries. Together with our customers and partners, they form a community of imaginative builders who invent and build today solutions for tomorrow.

2018 turnover: EUR 60.6 billion. Listed in Paris and Brussels (ENGI), the Group is represented in the main financial (CAC 40, BEL 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, Euronext 100, FTSE Eurotop 100, Euro STOXX Utilities, STOXX Europe 600 Utilities) and extra-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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