

FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2019

Sustained Q3/9M Performance
FY 2019 Guidance Confirmed

November 07, 2019



SUMMARY

9M 2019 HIGHLIGHTING SOLID ORGANIC PERFORMANCE

FY 2019 GUIDANCE CONFIRMED

NEW GROWTH PHASE FOLLOWING RECENT TRANSFORMATION

CONTINUED FINANCIAL AND OPERATIONS PROGRESS

**SUSTAINED Q3 PERFORMANCE WITH THE EXPECTED IMPROVEMENT IN NUCLEAR AVAILABILITY
AS WELL AS GOOD MOMENTUM IN RENEWABLES**

**SOLID 9M ORGANIC COI GROWTH (+14% yoy)
DRIVEN BY NUCLEAR, THERMAL AND OTHERS (NOTABLY ENERGY MANAGEMENT),
PARTIALLY OFFSET BY NETWORKS**

IN CLIENT SOLUTIONS, IMPROVED PERFORMANCE OF DECENTRALIZED ACTIVITIES

SUSTAINED GROWTH ACROSS SEVERAL BUSINESS LINES; NET DEBT HIGHER DUE TO TAG ACQUISITION AND STILL MODERATE CFFO

9M RESULTS– In €bn, unaudited figures ⁽¹⁾	Actual	Δ Gross ⁽²⁾	Δ Organic ⁽²⁾
EBITDA	7.1	+5%	+7%
COI ⁽³⁾	3.8	+9%	+14%
NET DEBT	26.7	+3.4 vs year-end 2018	
CFFO ⁽⁴⁾	4.0	-1.0	

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

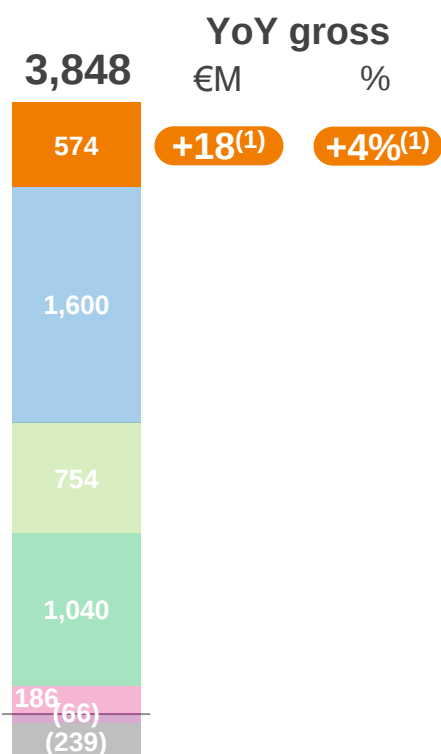
(3) Including share in net income of associates

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

CLIENT SOLUTIONS

GOOD PERFORMANCE ON DECENTRALIZED ENERGY ACTIVITIES BUT INCREASED COMPETITION IN CERTAIN SERVICES SEGMENTS;
SUEZ ONE-OFF ADDITIONALLY CONTRIBUTED POSITIVELY

9M 2019 COI - In €M



● Client Solutions
 ● Thermal
 ● Nuclear
 ● Networks
 ● Supply
 ● Others
 ● Renewables

9M PERFORMANCE

- Strong improvement in earnings dynamic since Q1. Revenues up 10%, including contribution of tuck-in acquisitions
- Good performance from decentralized energy activities
- High levels of competition in certain services segments, reinforcing our commitment to selective participation in the sector

DHC

5.6GW

Installed capacity

Engineering, Build & Installation

~ 1 year

Backlog

FY 2019 COI OUTLOOK: UP MID-SINGLE DIGIT

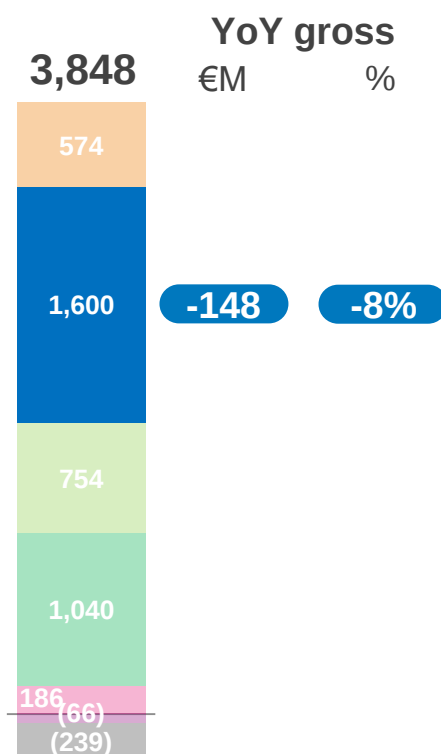
- Continued growth of decentralized activities
- Contribution from tuck-in acquisitions
- Some headwinds in selected BUs for some services
- Increase in development costs notably on newer growth businesses

(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 13%

NETWORKS

HEADWINDS IN TRANSMISSION AND STORAGE, BUT BROADLY IN LINE WITH EXPECTATIONS

9M 2019 COI - In €M,
unaudited figures



● Client Solutions
 ● Thermal
 ● Nuclear
● Networks
 ● Supply
● Renewables
 ● Others

9M PERFORMANCE

- ↘ 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
- ↗ TAG equity-accounted contribution
- = Distribution: tariff increase offset by negative temperature effect

Gas Transmission

+4,500km

Coming from TAG

Smart meters

4.3m

Total installed in France

Distribution

-2.9TWh

Volume in France

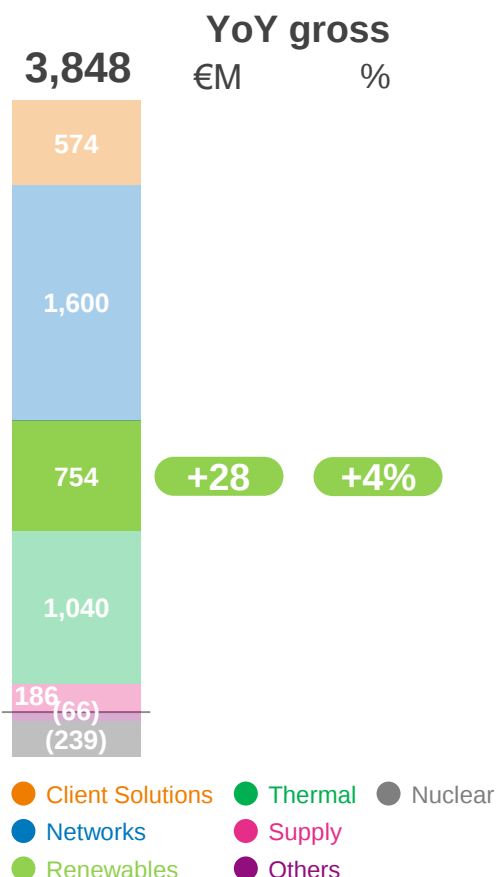
FY 2019 COI OUTLOOK: DOWN LOW SINGLE DIGIT

- 2019 headwinds for gas transmission and storage in France
- Incremental TAG contribution

RENEWABLES

STRONG WIND & SOLAR PERFORMANCE DRIVES RENEWED GROWTH DESPITE FRENCH HYDRO VOLUME EFFECT

9M 2019 COI - In €M,
unaudited figures



9M PERFORMANCE

Wind & solar earnings up >60%:

- Sell-downs
- Commissioning of new onshore wind capacities, notably in Brazil and the US

Hydro earnings down c. 10%:

- Lower hydro volume in France (-20 % YoY)
- Improved Brazilian hydrology (GSF up 2% YoY)

Commissioning

+1.8GW

Additional capacities YTD

Production

+48% yoy

Wind and solar

9 GW 2019-21 target

8.8GW

installed, under construction or secured

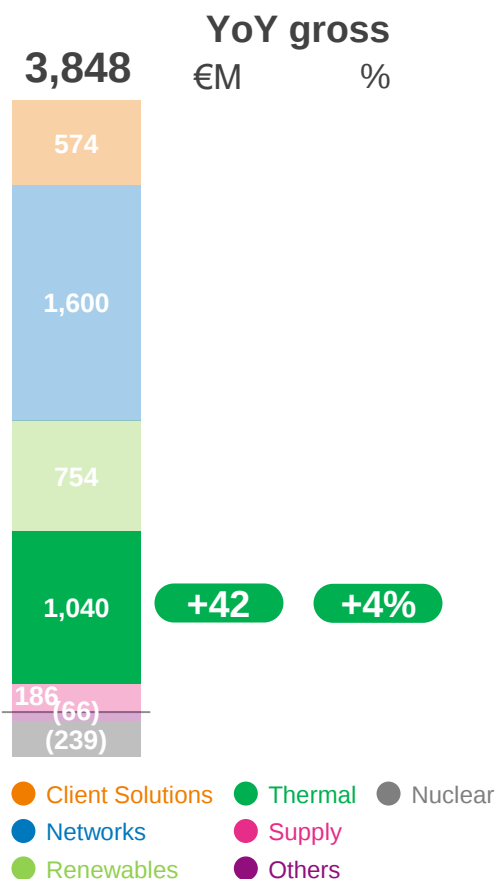
FY 2019 COI OUTLOOK: DOWN LOW TO MID-SINGLE DIGIT

- Negative yoy volume effect for French hydro
- Improving hydrology in Brazil
- FY 2019 DBSO contribution significantly lower due to a particularly strong 2018
- Ramp-up of wind and solar contributions, mainly in Brazil and the US

THERMAL

GROWTH DESPITE GLOW DISPOSAL

9M 2019 COI - In €M,
unaudited figures



9M PERFORMANCE

- Positive 2019 one-offs (LDs in Latin America)
- LatAm PPA ramp-up (Chile)
- Higher power production and prices in Australia
- Glow and LYB disposals
- US: higher LNG sourcing costs and lower capacity prices
- UK CRM⁽¹⁾ mechanism suspended

Merchant

+25%

Gas production Europe

Coal

6%

of total installed capacities

FY 2019 COI OUTLOOK: REDUCTION OF c.15%

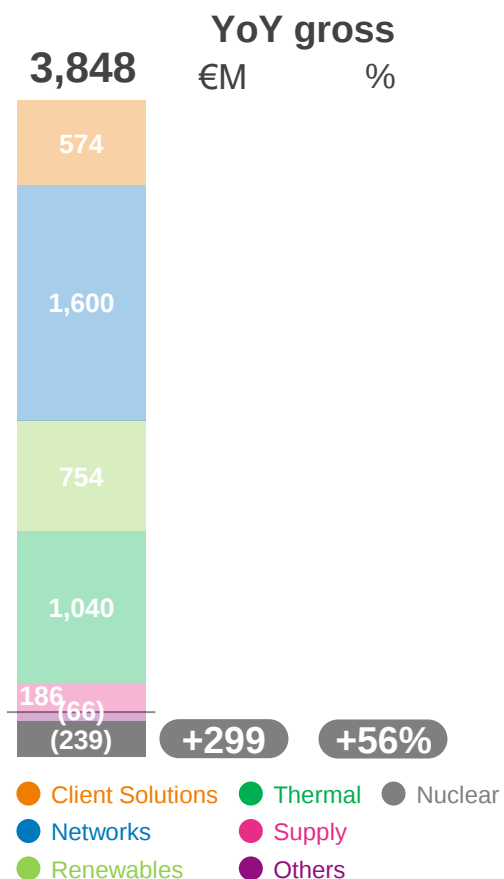
- Impact of Glow disposal
- Q4 2018 LDs in the Netherlands
- 2019 LDs in Latin America
- Reinstatement of UK capacity market mechanism

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

NUCLEAR

GROWTH AS EXPECTED - DRIVEN BY AVAILABILITY RECOVERY

9M 2019 COI - In €M,
unaudited figures



9M PERFORMANCE

- Higher volumes due to YTD restarts (+25% in Belgium)
- More favorable achieved prices (+2€/MWh)

Availability Belgium

79%

(vs. 57% last year)

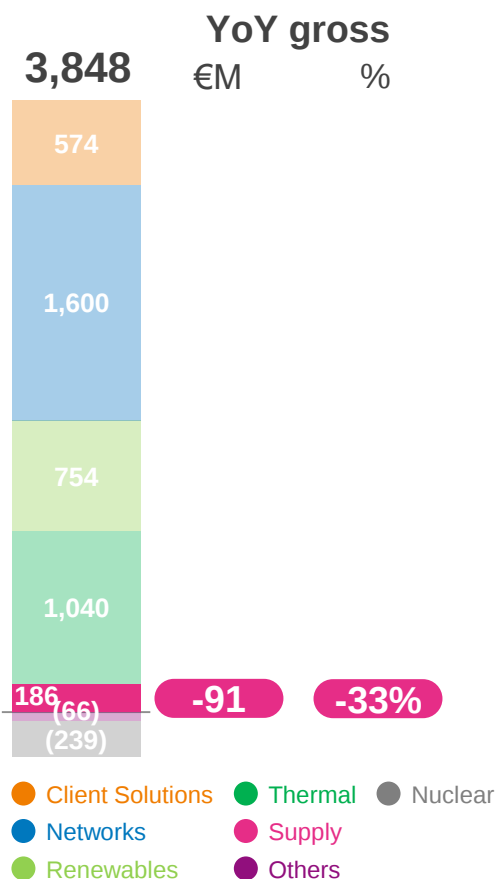
FY 2019 COI OUTLOOK: 2018 LOSSES CUT BY c.70%

- Significant improvement in volumes
- Higher hedged prices

SUPPLY

FRENCH RETAIL MARKET CONDITIONS CONTINUE TO BE A CHALLENGE

9M 2019 COI - In €M,
unaudited figures



9M PERFORMANCE

- ✗ Lower results in business sales in Benelux and in the United States
- ✗ Margin squeeze in French retail (market offers in gas and power)
- ✗ Temperature in Australia
- ✓ B2B higher power margins in France

Power customers

+0.4M

Over last 12 months

Service recurrent customers

+0.6M

Over last 12 months

Gas customers

-0.3M

Over last 12 months

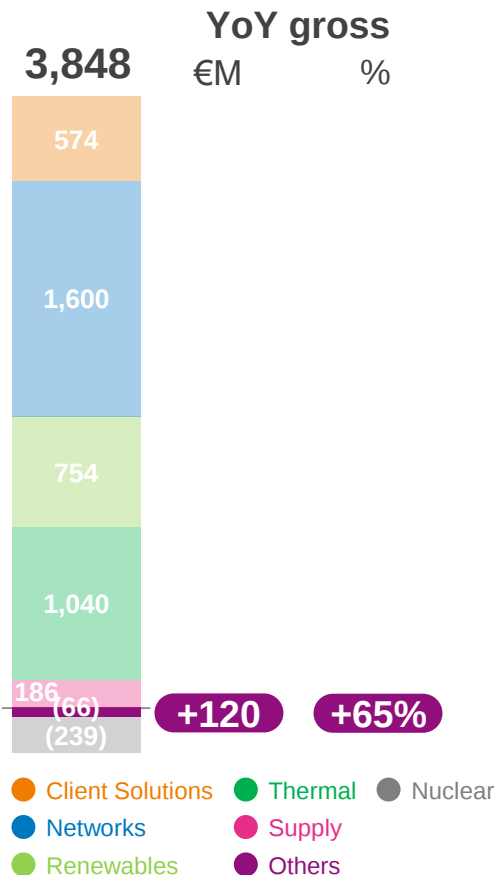
FY 2019 COI OUTLOOK: REDUCTION OF c.15%

- Margin pressure in France B2C market offers
- Negative temperature effect in Australia
- Higher B2B supply power margins in France

OTHERS

STRONG PERFORMANCE IN ENERGY MANAGEMENT

9M 2019 COI - In €M,
unaudited figures



9M PERFORMANCE

- ↗ Energy Management:
 - ↗ Long term gas contract renegotiations
 - ↗ Gas sourcing optimization, benefitting from market volatility
 - ↗ Development of international activities & trading performance
 - ↘ 2018 cold snap
- ↗ Corporate
 - ↗ *Lean 2021*
 - ↗ 2018 costs of Link 2018 employee shareholding plan

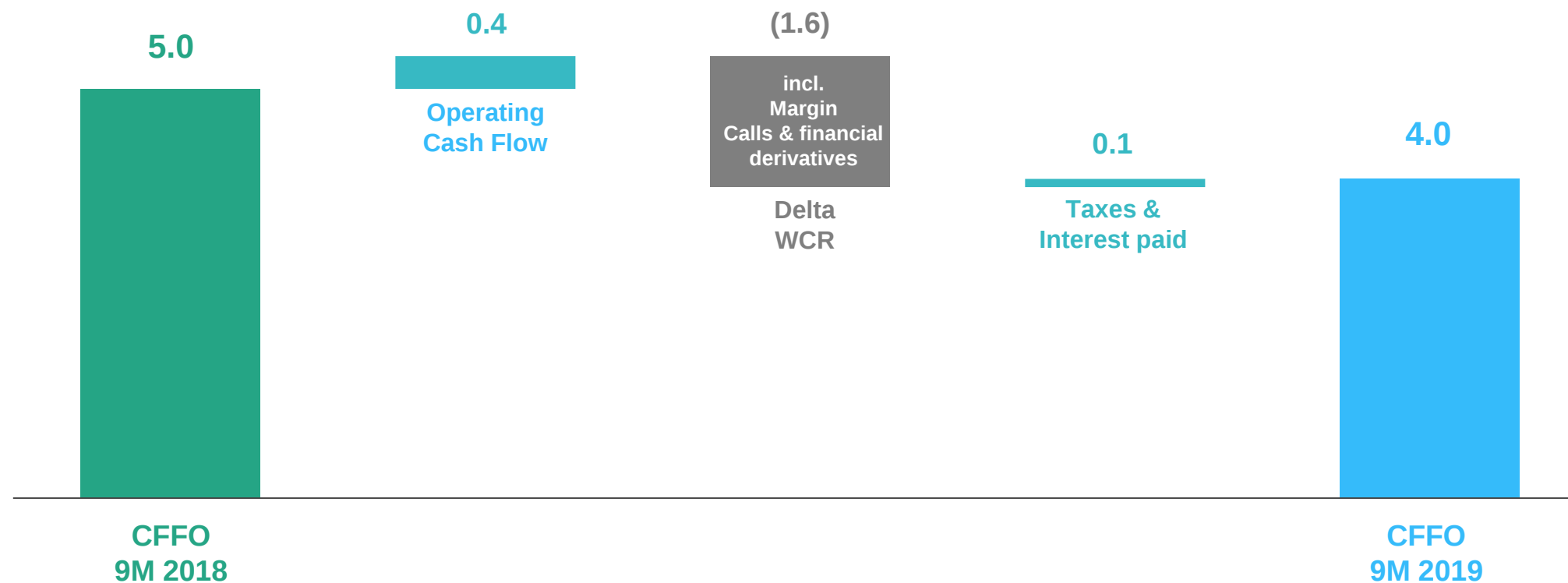
FY 2019 COI OUTLOOK: 2018 LOSSES CUT BY c.35%

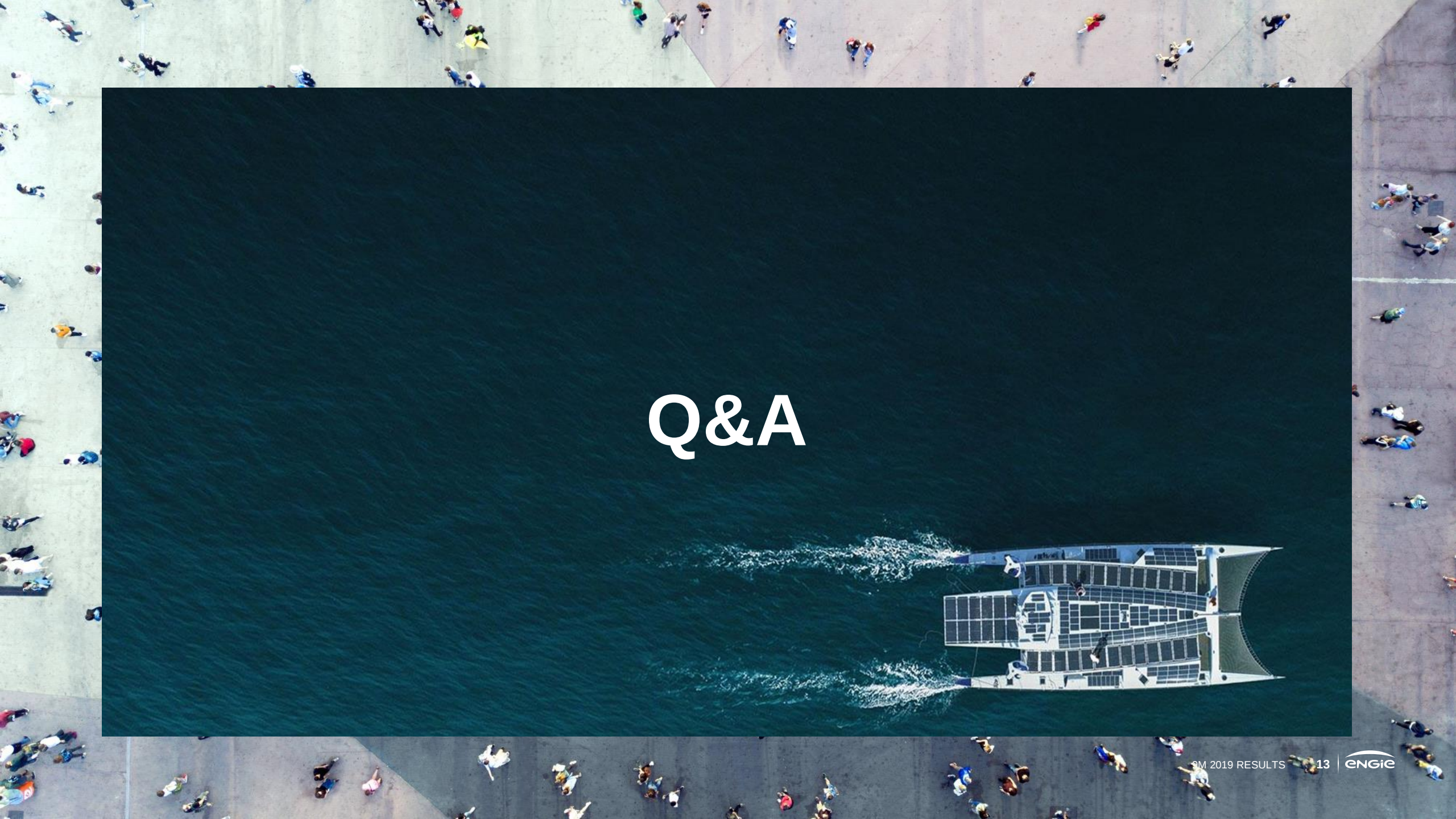
- Positive performance of energy management

CASH FLOW FROM OPERATIONS

DECREASE DUE TO COMMODITY RELATED MARGIN CALLS AND FINANCIAL DERIVATIVES

In €bn





Q&A

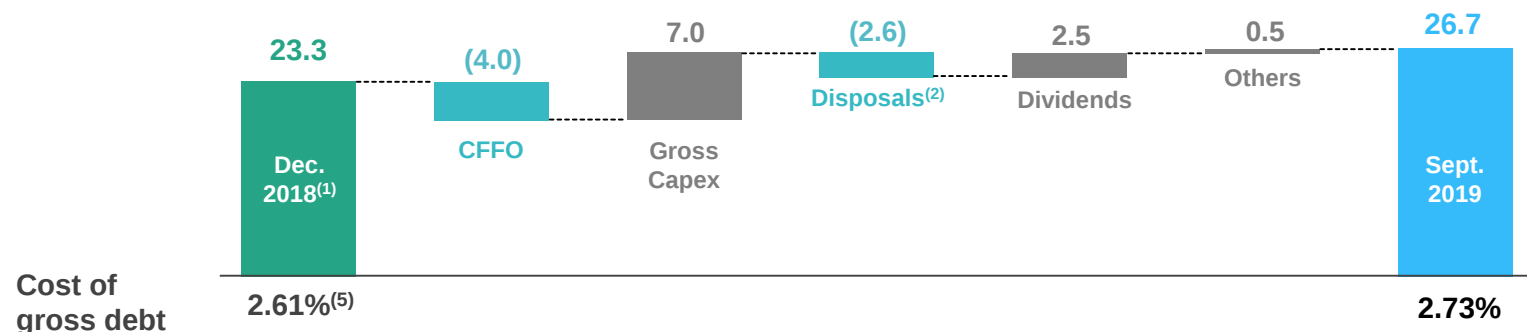
An aerial photograph of a large crowd of people walking on a paved plaza. A large, dark blue rectangular area is superimposed over the center of the image, containing the text 'ADDITIONAL MATERIAL'.

ADDITIONAL MATERIAL

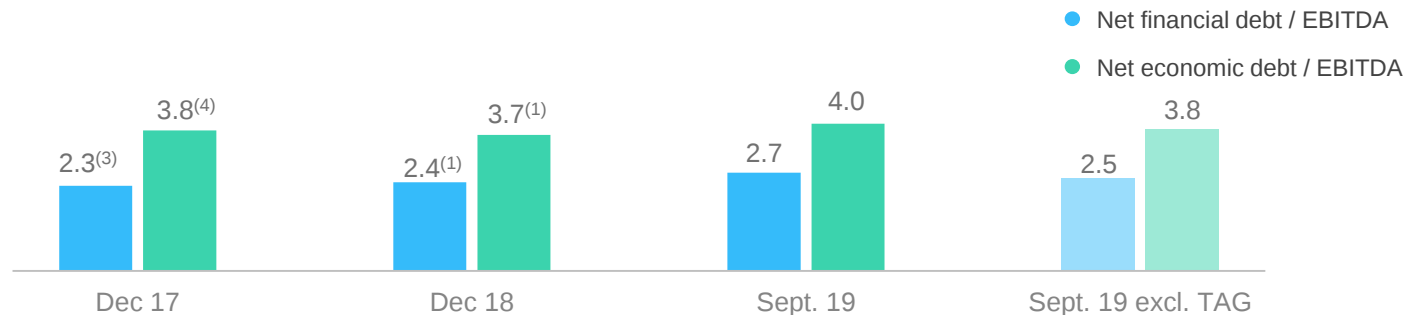


LEVERAGE TO REDUCE BY YEAR-END

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

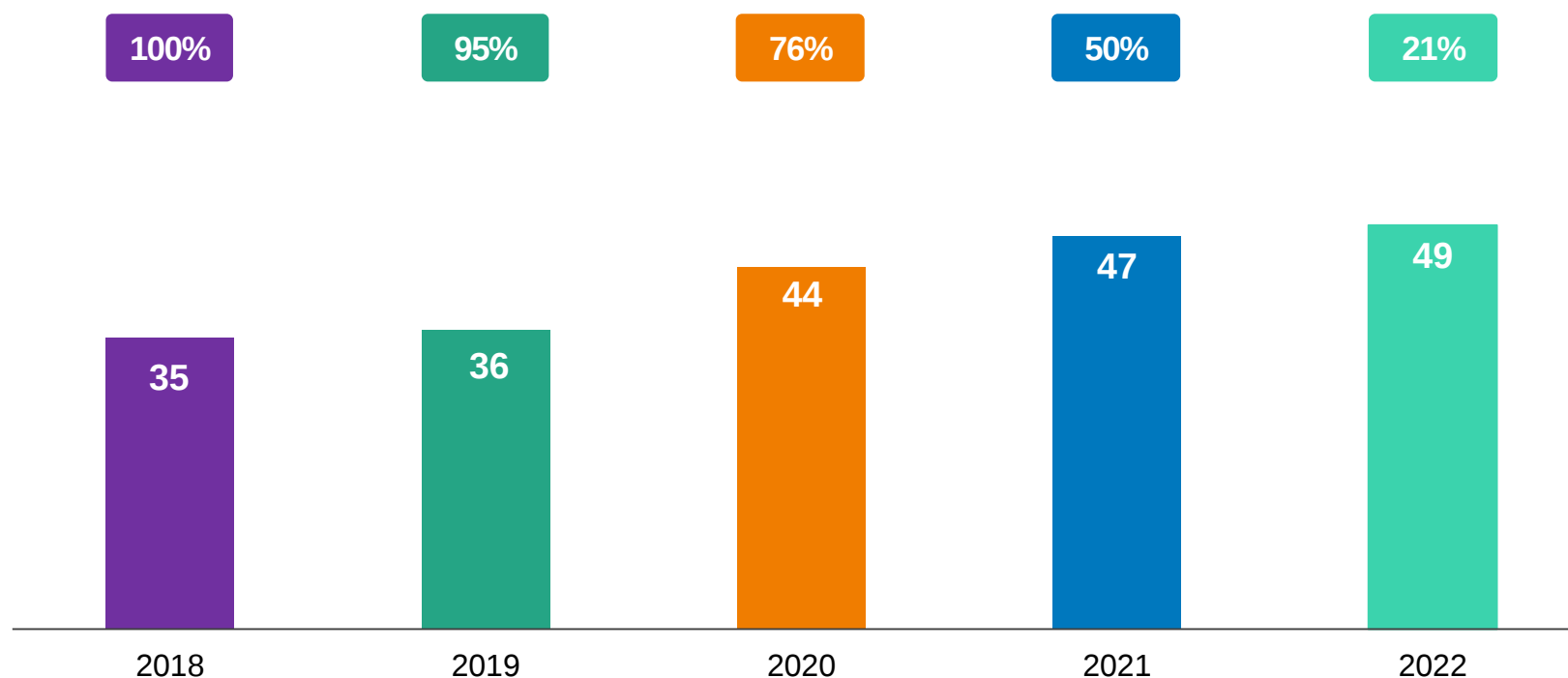
(4) Figures restated for LNG midstream and upstream activities classified as discontinued operations as from March 2018 (IFRS 5)

(5) Figure restated for reclassification of the costs of foreign exchange hedges on net financial debt

OUTRIGHT POWER PRODUCTION IN EUROPE

NUCLEAR AND HYDRO

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



As of 09/30/19
Belgium and France (+ Germany until April 2019)

DISCLAIMER

Forward-Looking statements

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FOR MORE INFORMATION ABOUT ENGIE

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**FOR MORE INFORMATION ABOUT 9M 2019 RESULTS:
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