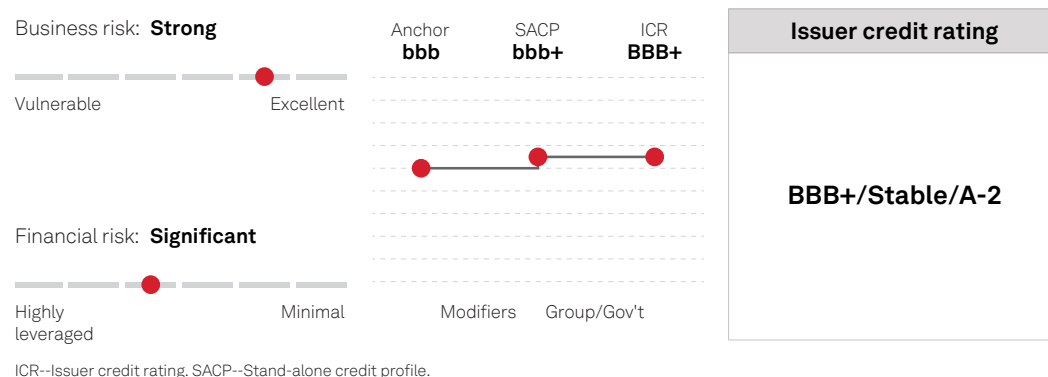


# Engie SA

June 25, 2026

*This report does not constitute a rating action.*

## Ratings Score Snapshot



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## Credit Highlights

### Overview

#### Key strengths

Large global integrated utility, with significant business and geographic diversity and reported EBITDA of €14.7 billion in 2025.

Following the acquisition of UKPN, the contribution from strongly regulated activities to EBITDA is expected to increase to 37%-38% from about 28% in 2025.

Supportive financial policy targeting economic net debt to EBITDA of below 4.0x and strong liquidity.

#### Key risks

High, although reducing, exposure to gas (power generation, networks, midstream, and supply together accounting for more than 40% of EBITDA) and an evolving role in the energy transition.

Exposure to fast-growing but historically volatile emerging markets, with a substantial presence in Latin America (24% of 2025 EBIT), although this will be diluted with the UKPN acquisition.

Negative discretionary cash flows and an increase in debt expected over 2026-2028 driven by rising investments and sizable dividends, totaling over €36 billion and €12 billion respectively for the period.

**We expect growth in Engie's S&P Global Ratings-adjusted EBITDA, estimated at €15 billion-€17 billion in 2026-2028, to be largely driven by the integration of UK Power Networks (UKPN).** In May 2026, Engie completed the acquisition of UKPN, one of the largest power distributors in the

U.K. with a regulated asset value (RAV) of £9.2 billion as of March 31, 2025. S&P Global Ratings expects the newly acquired company to contribute €1.5 billion-€2.0 billion to annual group EBITDA from 2027. The acquisition will also increase strongly regulated activities' share of consolidated EBITDA to 37%-38% from about 28% in 2025. As a result, power assets are expected to account for about one-third of total networks regulated asset base (RAB) in 2028. We think the UKPN acquisition strengthens Engie's business risk profile toward the middle of the 'strong' category. We will monitor the contribution of strongly protected revenue sources--such as long-term power purchase agreements (PPAs) and capacity market contracts--to Engie's cash flow mix, since these credit-supportive arrangements can enhance cash flow predictability.

**Engie's first quarter 2026 results were broadly supportive, with a limited impact from the Middle East war on its activities and performance.** The group's reported EBITDA (excluding nuclear activities) decreased by 6% year-on-year to €4.6 billion, reflecting normalized market conditions following an exceptionally favorable gas price environment in 2025, and despite being partially offset by a €120 million contribution from the group's performance improvement plan. Leverage improved as economic net debt fell by €4 billion to €41 billion, although this was mainly due to the €3 billion capital increase completed to partially finance the UKPN acquisition.

**Engie has earmarked about €34 billion-€38 billion in capex over 2026-2028 (about €12 billion per year), 90% focused on renewable energy production, batteries, and power networks.** The strategy supports Engie's long-term repositioning from a gas-focused utility and is expected to drive EBITDA growth of approximately 4%-6% per year over 2027-2030, underpinned by annual renewable and battery capacity additions of above 5.0 gigawatts (GW) on average as per our base case and increased contributions from regulated networks. About €10 billion of the total will be maintenance capex (half of which will go to gas networks maintenance) and the remainder will be growth capex, about 56% of which will be dedicated to renewables and batteries. As of March 31, 2026, the company had 93 renewables projects under construction, with total capacity of 6.6 GW, while total existing renewable and storage capacity was 57.7 GW. By 2030, Engie targets total installed capacity of 95 GW. We expect data center development to fuel renewables growth in coming years. In contrast, the contribution of business-to-business sales and energy management to EBITDA is expected to remain relatively stable over 2026-2028.

**We view the potential disposal of all nuclear activities to the Belgian state as further de-risking step for the group.** On April 30, 2026, the Belgian government, Engie, and Electrabel signed a letter of intent regarding the potential acquisition by the Belgian state of the entirety of Engie's and Electrabel's nuclear activities (including associated decommissioning and dismantling obligations). Negotiations are ongoing and are expected to conclude by October 2026. We think that Engie's exit from nuclear, if completed, will refocus the company on its core business and alleviate it from the sizable decommissioning liabilities related to nuclear activities, which weigh on adjusted debt and its overall risk profile. However, we will monitor potential cash outflows in case the transfer of liabilities is not fully covered by dedicated assets and mitigating measures adopted by the group. Engie's nuclear activities had already reduced significantly in the past years, in line with Belgium's progressive nuclear phase-out plan, with 2.0 GW of installed capacity in 2026 from 4.3 GW in 2024 (net ownership, including drawing rights on French nuclear). Only the Doel 4 and Tihange 3 plants have been operating from November 2025 through a JV co-owned by Electrabel and the Belgian state. We understand that the Belgian state is now willing to extend the operation of existing nuclear reactors and develop new nuclear capacity, but only with direct ownership of the assets.

**Financing for the £15.8 billion acquisition is advancing according to plan, in our view.** The group secured financing for the acquisition, having signed a bridge facility totaling about €12.0 billion

with a maturity commensurate with the financing plan. This included €3 billion of equity increase--completed in February, shortly after the deal announcement--and a combination of €4 billion asset in disposals and additional debt (about €3 billion of hybrid carrying 50% equity content and €2 billion in senior debt). The company already issued €2 billion of hybrids in April 2026 followed by a further AUD400 million hybrid in June 2026, and it is expected to continue with further bond issuances in 2026 and 2027. We will monitor the progress of the asset disposals (€6 billion in total over 2026-2028, as per our base case, including previously planned disposals and those related to the transaction), however, these are expected to materialize in 2027-2028.

**We expect Engie to maintain a financial policy that supports our 'BBB+' rating, since headroom is now relatively limited.** Following the announcement of the UKPN acquisition, we lowered our funds from operations (FFO) to debt guidance for the current rating to 18% from 20%, to reflect the higher share of strongly regulated activities in EBITDA after the acquisition. We expect Engie to maintain an FFO-to-debt ratio of 18%-19% during the integration phase in 2026-2028. We think the group will not embark on further sizable mergers and acquisitions (M&A) over the next few years and will maintain shareholder distributions in line with its public dividend policy of 65%-75% of net recurring income. The company could adjust the actual payout within that range to maintain FFO to debt above 18%.

## Outlook

The stable outlook reflects our expectation that, after the acquisition and on a full-year pro forma basis, Engie will maintain adjusted FFO to debt above 18%, while more than one third of its cash flows come from strongly regulated businesses on a proportionate basis. We do not expect Engie to embark on any further sizable M&A transactions until it has mitigated the impact of the UKPN acquisition on its credit metrics.

We expect the execution risk from renewable capacity additions to be mitigated by Engie's large pipeline of projects.

### Downside scenario

We could lower our rating if FFO to debt falls below 18% on a sustainable basis.

This could occur if the group fails to execute its funding plan for the UKPN acquisition; if renewable deployment did not attract the expected profitability; or if discretionary cash flows significantly exceeded negative €4 billion per year due to inflexible and high dividends.

We could also lower our rating should we perceive a dilution of the share of regulated and strongly protected businesses within the group. In the longer term, increased uncertainty about the role of gas infrastructure in France, evidenced by an unsupportive public policy and regulatory framework, could also pressure the rating.

### Upside scenario

We are unlikely to take a positive rating action. An upgrade would hinge on Engie generating higher free cash flow and a material increase in the contribution from regulated activities or strongly protected earnings. A positive rating action would also depend on more visibility over Engie's future business mix and profitability and over the continued role of gas in France.

## Our Base-Case Scenario

### Assumptions

- A significant reduction in the nuclear contribution from 2026 since only two reactors (Doel 4 and Tihange 3 with capacity of 1.8 GW) will operate through a joint venture (JV) co-owned with the Belgian state. The reactors will operate until 2035 and will have prolonged periods of works over 2026-2028 to extend their lives.
- Stable EBITDA in 2026, followed by growth in 2027 led by the full contribution of UKPN, renewables expansion, and growth in the network division from higher remuneration in France due to cost inflation.
- Some contained cost efficiencies in 2026-2028.
- Average capex of €12 billion per year over 2026-2028, including maintenance capex of €10.5 billion over the whole period.
- Disposals of about €4.4 billion over 2026-2028.
- A dividend payout of 65%-75% of the net recurring income group share (as defined by Engie), with a floor of €1.1 per share, implying about €4 billion cash outflow per year.
- Stable pension provisions over 2026-2028.
- Increasing hybrid debt in 2026 and 2027.

## Key metrics

### ENGIE SA--Forecast summary

Period ending	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Bil. EUR)	2024a	2025a	2026e	2027f	2028f
EBITDA	15.0	14.3	14.5-15.0	15.7-16.2	16.5-17.0
Funds from operations (FFO)	11.9	11.8	11.5-12.0	11.8-12.3	12.5-13.0
Capital expenditure (capex)	9.0	6.9	11.2-11.7	11.6-12.1	12.6-13.1
Dividends and share repurchases	4.2	4.5	4.0-4.5	4.0-4.5	4.0-4.5
Debt	51.4	48.8	66.0-68.0	64.0-66.0	67.5-69.5
<b>Adjusted ratios</b>					
Debt/EBITDA (x)	3.4	3.4	4.3-4.8	3.8-4.3	3.8-4.3
FFO/debt (%)	23.2	24.3	16.5-18.5	17.5-18.5	17.5-18.5

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro.

## Company Description

Engie is focusing on renewable power generation, gas and power infrastructure, and asset-backed energy services following the disposal of its upstream activities in oil and gas exploration and production and liquefied natural gas, as well as the asset-light client solutions activities of Equans SAS. The group's strategic plan is to increase the share of long-term contracted energy activities and increase the share of regulated networks to above one third of EBITDA. Engie operates the regulated French gas distribution and transmission networks, as well as downstream storage infrastructure.

The group had a global RAB of €37 billion in 2025, as well as installed generation capacity of about 105 GW at 100% (or 60 GW when accounting for the share related to minority interests in

## Engie SA

fully-consolidated subsidiaries). About 48% of total generation capacity was in Europe; 23% in Latin America; 16% in the Middle East, Asia, and Africa; and 13% in North America. The generation portfolio is skewed toward natural gas, the share of which (35% on a consolidated basis) is being gradually diluted by renewable development, including hydro (21%), wind (19%), solar (12%), and batteries (6%), as well as nuclear (3%).

Engie benefits from a large and broad customer base, including 5.3 million household and small business gas contracts (where it holds a 60% market share) and 5.4 million electricity contracts in France (roughly 15% market share) as of year-end 2025. The group is a world leader in energy services. It generated almost €829 million of EBITDA from energy management in 2025 and €2 billion from energy supply.

Engie reported revenue of €71.9 billion and EBITDA of €14.7 billion in 2025. The company is listed on the Paris Stock Exchange and is part of the CAC 40, a benchmark French stock market index. It had a market capitalization of about €65.5 billion as of June 25, 2026.

The French government owns 22.64% of the company and holds 33.08% of the voting rights post the €3 billion capital increase.

## Peer Comparison

Engie's closest peers are large European integrated utilities such as [Enel SpA](#) and [Iberdrola S.A.](#) We think that the acceleration into renewables will contribute to repositioning Engie closely with these two companies, which are leading the energy transition. We view UKPN's acquisition as positive for the group's rebalancing of its grid exposure toward electricity; we forecast that the group's network RAB will grow to €50 billion by 2030, with electricity representing a third and the rest coming from legacy gas transmission, distribution, and storage activities.

Engie has broad geographic diversification and a balanced but transitioning EBITDA mix, combining strong regulated networks, renewables, and gas infrastructure. This contrasts with Iberdrola and Enel, which focus heavily on regulated grids and renewables in their core markets, and SSE, which is more geographically concentrated in the U.K.

Engie's portfolio is transitioning to lower exposure to commodity price volatility having phased out merchant-based nuclear generation and reducing gas generation. While Engie's diversification provides resilience, its higher reliance on gas infrastructure and lower share of regulated earnings compared to Iberdrola and Enel, which generate more than 50% of EBITDA from regulated activities, make its cash flows less predictable.

### ENGIE SA--Peer Comparisons

	Engie S.A.	Electricite de France S.A.	Enel SpA	Iberdrola S.A.	SSE PLC
Foreign currency issuer credit rating	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB/Positive/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2025-12-31	2025-12-31	2025-03-31
Mil.	EUR	EUR	EUR	EUR	EUR
Revenue	71,944	113,266	80,196	44,045	12,112
EBITDA	14,258	33,093	20,929	14,558	3,815
Funds from operations (FFO)	11,845	26,957	15,231	11,201	3,217
Interest	2,640	3,214	3,237	3,268	552

**ENGIE SA--Peer Comparisons**

Cash interest paid	1,886	3,469	2,846	2,342	295
Operating cash flow (OCF)	(2,600)	28,942	14,061	9,090	2,790
Capital expenditure	6,935	24,832	9,148	9,482	3,599
Free operating cash flow (FOCF)	(9,535)	4,110	4,913	(392)	(809)
Discretionary cash flow (DCF)	(14,022)	1,410	(3,849)	(5,932)	(1,437)
Cash and short-term investments	14,507	31,758	5,115	5,124	1,304
Gross available cash	15,510	31,758	5,115	5,216	1,304
Debt	48,774	82,595	73,360	55,705	12,953
Equity	38,634	76,147	42,696	58,794	14,048
EBITDA margin (%)	19.8	29.2	26.1	33.1	31.5
Return on capital (%)	8.8	13.2	12.7	9.2	11.7
EBITDA interest coverage (x)	5.4	10.3	6.5	4.5	6.9
FFO cash interest coverage (x)	7.3	8.8	6.4	5.8	11.9
Debt/EBITDA (x)	3.4	2.5	3.5	3.8	3.4
FFO/debt (%)	24.3	32.6	20.8	20.1	24.8
OCF/debt (%)	(5.3)	35.0	19.2	16.3	21.5
FOCF/debt (%)	(19.5)	5.0	6.7	(0.7)	(6.2)
DCF/debt (%)	(28.7)	1.7	(5.2)	(10.6)	(11.1)

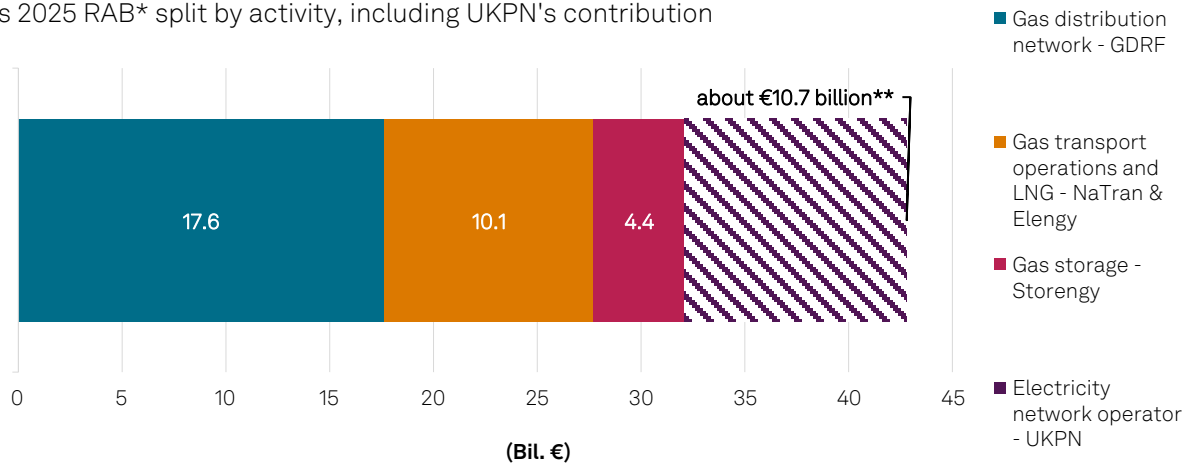
## Business Risk

**Engie's business risk profile will benefit from the increasing share of regulated and contracted activities, which support earnings visibility and cash flow stability.**

The acquisition of UKPN strengthens Engie's business profile by expanding its regulated electricity distribution activities and geographic diversification into the U.K., which has a stable and transparent regulatory environment. We expect UKPN to contribute about €1.5 billion-€2.0 billion to group EBITDA in 2026 on a full-year basis, to increase the share of strongly regulated activities to 37%-38% from about 28% in 2025, and to be a key contributor to EBITDA growth over 2026-2028. The deal means the U.K. will represent about 11% of Engie's EBITDA in 2027, benefitting the group's diversification, particularly since the U.K. is a low country risk jurisdiction. The group's RAB will expand materially following the integration of UKPN, which will add a power distribution RAV of about £9 billion in 2025 and about £10.5 billion by 2028. This will be in addition to Engie's existing gas network RAB of about €32 billion. We therefore expect the group's overall network capital employed to increase significantly, which will strengthen the scale and stability of its regulated earnings base. Following the acquisition of UKPN, we view Engie's business risk profile in the middle of the 'strong' category.

**The gas distribution network is the largest component of Engie's RAB in France**

Engie's 2025 RAB\* split by activity, including UKPN's contribution



\*Only European RAB (excl. Latam);\*\*£9.2 billion regulated asset value as of March 31, 2025. RAB--Regulated asset base. Source: S&P Global Ratings. Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

**Engie's investments in network infrastructure and renewable generation support growth, while we expect it to maintain a largely contracted earnings base.**

The group plans to invest about €34 billion-€38 billion over 2026-2028, with about 90% allocated to renewables, storage, and networks, supporting its repositioning toward electricity and infrastructure activities. We expect installed renewables and storage capacity to reach about 95 GW by 2030 from 58 GW at the end of Q1 2026, driving further earnings growth, while Engie should maintain a largely contracted revenue base through long-term power purchase agreements and capacity mechanisms, which enhance cash flow predictability.

**We view positively Engie's progress in further de-risking its nuclear exposure with a full exit possible.**

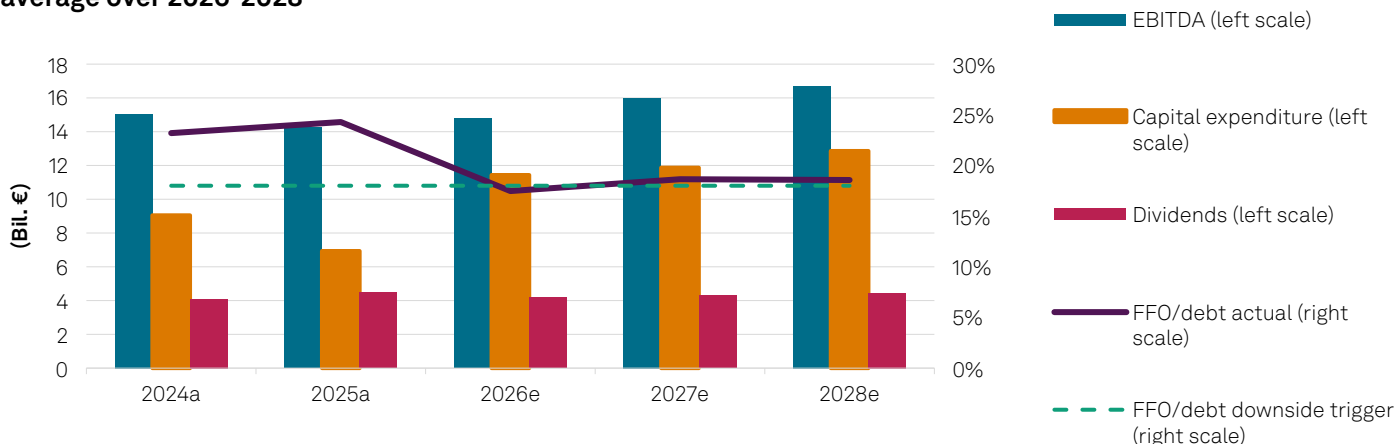
The group is progressing with its exit from nuclear activities, following the April 2026 letter of intent with the Belgian state for the disposal of its nuclear operations and associated liabilities. We think this transaction, if completed, will free up some capital idled in the form of dedicated assets to cover long-term nuclear provisions and reduce exposure to decommissioning and long-term operational risks. Overall, these developments strengthen Engie's focus on lower-risk, regulated, and contracted infrastructure activities, although execution risk related to its sizable investment program remains.

## Financial Risk

**We expect Engie's credit metrics to remain above our downside trigger, albeit with limited headroom following the completion of the UKPN acquisition.**

The transaction supports the group's business risk profile, through a higher contribution from regulated activities, but it will result in elevated leverage during the integration phase. The acquisition was funded through a balanced mix of equity, disposals, hybrid instruments, and debt, which partially mitigates the pressure on credit metrics. We therefore expect FFO to debt of 18%-19% over 2026-2028, with deleveraging to be gradual and dependent on the execution of the group's investment plan and EBITDA growth.

**Engie's FFO to debt is expected to remain above the 18% downside trigger on average over 2026-2028**



FFO--Funds from operations. a--Actual. e--Estimate. Source: S&P Global Ratings.  
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**Engie maintains a financial policy consistent with preserving credit metrics above the 18% FFO-to-debt threshold.** The group is committed to economic net debt to EBITDA at or below 4.0x. Shareholder remuneration remains governed by a payout ratio of 65%-75% of net recurring income, with flexibility to adjust distributions within this range to protect credit metrics if needed. We expect no material debt-funded M&A in the near term, with a focus on organic growth and portfolio optimization.

**We view Engie's liquidity as strong, supported by solid cash balances, committed credit facilities, and continued access to capital markets.** The group also benefits from a prudent and active hedging strategy, particularly in gas and power markets, which limits exposure to short-term price volatility and margin calls. Engie's largely back-to-back commercial model, combined with dynamic hedging practices, reduces earnings volatility and supports cash flow visibility. We expect the group to maintain sufficient liquidity buffers to cover its significant capex program and refinancing needs over the coming years.

**Debt maturities**

The debt maturities are spread over the years as follows:

- 2026: €3.6 billion
- 2027: €3.7 billion
- 2028: €3.8 billion
- 2029: €3.9 billion
- 2030 and beyond: €27.8 billion

**ENGIE SA--Financial Summary**

Period ending	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	55,751	57,866	93,865	82,565	73,812	71,944
EBITDA	8,903	10,203	12,967	14,964	15,045	14,258

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### ENGIE SA--Financial Summary

Funds from operations (FFO)	7,503	8,795	10,450	11,911	11,926	11,845
Interest expense	1,477	1,545	1,806	2,580	2,836	2,640
Cash interest paid	832	840	1,013	1,366	2,089	1,886
Operating cash flow (OCF)	6,888	6,102	7,643	12,426	12,252	(2,600)
Capital expenditure	5,012	5,895	6,226	7,039	9,049	6,935
Free operating cash flow (FOCF)	1,876	207	1,417	5,387	3,203	(9,535)
Discretionary cash flow (DCF)	1,318	(1,601)	(1,577)	1,303	(981)	(14,022)
Cash and short-term investments	12,912	13,718	15,558	16,578	16,928	14,507
Gross available cash	13,488	14,268	16,262	17,426	17,930	15,510
Debt	42,791	43,051	42,090	48,974	51,423	48,774
Common equity	31,817	40,096	37,589	34,028	39,116	38,634
<b>Adjusted ratios</b>						
EBITDA margin (%)	16.0	17.6	13.8	18.1	20.4	19.8
Return on capital (%)	5.5	6.4	10.6	12.5	10.7	8.8
EBITDA interest coverage (x)	6.0	6.6	7.2	5.8	5.3	5.4
FFO cash interest coverage (x)	10.0	11.5	11.3	9.7	6.7	7.3
Debt/EBITDA (x)	4.8	4.2	3.2	3.3	3.4	3.4
FFO/debt (%)	17.5	20.4	24.8	24.3	23.2	24.3
OCF/debt (%)	16.1	14.2	18.2	25.4	23.8	(5.3)
FOCF/debt (%)	4.4	0.5	3.4	11.0	6.2	(19.5)
DCF/debt (%)	3.1	(3.7)	(3.7)	2.7	(1.9)	(28.7)

### Reconciliation Of ENGIE SA Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

Financial year	Dec-31-2025	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Company reported amounts	50,894	32,950	71,944	14,220	8,291	1,837	14,258	(1,476)	4,529	7,267	
Cash taxes paid	-	-	-	-	-	-	(1,016)	-	-	-	
Cash interest paid	-	-	-	-	-	-	(1,512)	-	-	-	
Lease liabilities	3,674	-	-	-	-	-	-	-	-	-	
Intermediate hybrids (equity)	2,195	(2,195)	-	-	-	64	(64)	(64)	(64)	-	
Postretirement benefit obligations/deferred compensation	2,655	-	-	(52)	(52)	160	-	-	-	-	
Accessible cash and liquid investments	(15,510)	-	-	-	-	-	-	-	-	-	
Capitalized interest	-	-	-	-	-	310	(310)	(310)	-	(310)	
Capitalized development costs	-	-	-	(22)	(22)	-	-	(22)	-	(22)	

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### Reconciliation Of ENGIE SA Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Share-based compensation expense	-	-	-	112	-	-	-	-	-	-
Dividends from equity investments	-	-	-	1,088	-	-	-	-	-	-
Asset-retirement obligations	4,850	-	-	-	-	269	-	-	-	-
Income (expense) of unconsolid. cos.	-	-	-	(622)	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	64	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	(728)	-	-
Noncontrolling/ minority interest	-	7,879	-	-	-	-	-	-	-	-
Debt: Derivatives	(371)	-	-	-	-	-	-	-	-	-
Debt: Fair value adjustments	325	-	-	-	-	-	-	-	-	-
Debt: Put options on minority stakes	62	-	-	-	-	-	-	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E	-	-	-	(217)	(217)	-	-	-	-	-
EBITDA: Derivatives	-	-	-	(29)	(29)	-	-	-	-	-
EBITDA: other income/ (expense)	-	-	-	(220)	(220)	-	-	-	-	-
Total adjustments	(2,120)	5,684	-	38	(476)	803	(2,413)	(1,124)	(64)	(332)
<b>S&amp;P Global Ratings adjusted</b>	<b>Debt</b>	<b>Equity</b>	<b>Revenue</b>	<b>EBITDA</b>	<b>EBIT</b>	<b>Interest expense</b>	<b>Funds from Operations</b>	<b>Operating cash flow</b>	<b>Dividends</b>	<b>Capital expenditure</b>
	48,774	38,634	71,944	14,258	7,815	2,640	11,845	(2,600)	4,465	6,935

## Liquidity

The short-term rating is 'A-2'. We view Engie's liquidity as strong. We think that the group's proactive liquidity management, ample cash, and available committed facilities should provide an adequate buffer against high commodity prices, market volatility, sizable margin calls, and working capital requirements. We project sources of liquidity will exceed projected uses by at least 1.5x in the 12 months from March 31, 2026, and by 1.0x over the 24 months from that date.

Our assessment is further supported by the group's solid relationships with banks and proven access to the capital markets, even under dire market conditions.

Principal liquidity sources	Principal liquidity uses
<p>Over the 12 months from March 31, 2026:</p> <ul style="list-style-type: none"> <li>About €18.2 billion in available cash and marketable securities at the group level;</li> <li>Available committed credit lines of €8.5 billion maturing beyond the 12 month period; and</li> <li>Forecast cash FFO of about €12.0 billion.</li> </ul>	<p>Over the 12 months from March 31, 2026:</p> <ul style="list-style-type: none"> <li>Long- and short-term debt maturities of about €8.1 billion;</li> <li>An estimated €11.6 billion in capex; and</li> <li>Dividend cash payments of about €3.5 billion, including to subsidiaries' minority shareholders.</li> </ul>

## Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of Engie, although company has made progress in managing its environmental risks since 2015 through an in-depth transformation. Engie aims for net-zero emissions by 2045 across all scopes. It plans to reduce its greenhouse gas emissions (scope 1, 3.15) from energy production to 26 million-36 million tons of carbon dioxide equivalent (Mt CO<sub>2</sub>e) in 2030, then 16 million-26 million tons of CO<sub>2</sub>e in 2035, and 7 million-17 million tons of CO<sub>2</sub>e in 2040, down from 45 million tons of CO<sub>2</sub>e in 2025. The group's coal exit plan and larger share of renewables in the energy mix should help meet these targets, even if they remain ambitious given that Engie's greenhouse gas emissions from energy production are higher than best-in-class peers, such as [Iberdrola](#), [Orsted A/S](#), and [EDP S.A.](#)

The company's nuclear operations in Belgium represent a more manageable challenge for the group following the transfer of its €15 billion nuclear liabilities related to waste management to the Belgian state in 2025 eliminating valuation risks, while retaining the more predictable obligations related to plant dismantling of about €9.6 billion as of year-end 2025. We now project that nuclear liabilities net of dedicated assets will remain about €3 billion-€3.5 billion by the end of 2026 from €3.6 billion as of year-end 2025.

Social risks have diminished in France, with lower affordability pressures compared with 2022 when energy prices were very high.

## Government Influence

The French state is Engie's largest shareholder with a 22.64% direct stake and 33.08% of exercisable voting rights following the €3 billion capital increase, although it does not control the company. The French law for companies' growth and transformation--the Loi PACTE law approved in 2019--revised the obligation of the French state to hold minimal voting rights within Engie (previously set at one-third of voting rights by the Energy Law). In addition, Loi PACTE allows Engie, along with Caisse des Dépôts and CNP Assurances (CDC/CNP), to hold a majority stake in regulated transmission gas operator GRTGaz (currently Engie holds 60.8% and CDC/CNP hold 38.6%, with the remainder held by staff).

The government also holds a golden share (a nominal share that can outvote all other shares in certain specified circumstances) in the group to protect the national interest and ensure energy

supply security. The share entitles the state to veto any decisions made by the group and its subsidiaries to sell, transfer operations, or assign as collateral its regulated assets in France.

Overall, we view the likelihood of government support as low, and therefore there is no uplift to the issuer credit rating.

## Issue Ratings--Subordination Risk Analysis

### Capital structure

As of year-end 2025, Engie's capital structure comprised about €50.9 billion of senior unsecured debt and about €4.4 billion of hybrid securities issued by Engie and its financing subsidiaries. Even including UKPN's debt, we don't expect priority liabilities to exceed 25% of total assets.

### Analytical conclusions

We do not see any material structural subordination risk for the senior unsecured debt instruments and rate them 'BBB+', in line with our long-term issuer credit rating on Engie.

We rate hybrids at 'BBB-' (two notches below the stand-alone credit profile) to reflect their subordination (since the issuer credit rating is investment-grade) and optional deferability. The fact that they are deeply subordinated does not prompt additional notching under our criteria.

#### Engie SA--Rating component scores

<b>Foreign currency issuer credit rating</b>	<b>BBB+/Stable/A-2</b>
<b>Local currency issuer credit rating</b>	<b>BBB+/Stable/A-2</b>
<b>Business risk</b>	<b>Strong</b>
Country risk	Low
Industry risk	Intermediate
Competitive position	Strong
<b>Financial risk</b>	<b>Significant (medial volatility table)</b>
Cash flow/leverage	Significant
<b>Anchor</b>	<b>bbb</b>
<b>Modifiers</b>	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Positive (+1 notch)
<b>Stand-alone credit profile</b>	<b>bbb+</b>

## Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024

## Engie SA

- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating](#), Oct. 1, 2010

## Related Research

- [Utilities Handbook 2024: Western Europe Regulated Gas](#), Sept. 16, 2024
- [Industry Credit Outlook Update Europe: Utilities](#), July 18, 2024
- [Tear Sheet: Engie S.A.](#), June 25, 2024
- [France-Based Engie S.A.'s Proposed Green Hybrid Instrument Rated 'BBB-'; Equity Content Intermediate](#), June 6, 2024
- [Tear Sheet: Enel SpA](#), May 28, 2024
- [Tear Sheet: Iberdrola S.A.](#), May 7, 2024

### Ratings Detail (as of June 25, 2026)\*

#### [Engie S.A.](#)

Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Junior Subordinated	BBB-
Senior Unsecured	BBB+
Subordinated	BBB-

#### Issuer Credit Ratings History

24-Apr-2020	<i>Foreign Currency</i>	BBB+/Stable/A-2
25-Mar-2020		A-/Watch Neg/A-1
02-Apr-2019		A-/Stable/A-1
24-Apr-2020	<i>Local Currency</i>	BBB+/Stable/A-2
25-Mar-2020		A-/Watch Neg/A-1

## Engie SA

### Ratings Detail (as of June 25, 2026)\*

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02-Apr-2019	A-/Stable/A-1
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### Related Entities

#### Engie Energia Chile S.A.

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Issuer Credit Rating	BBB/Stable/--
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Senior Unsecured	BBB
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#### GIE ENGIE Alliance

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Issuer Credit Rating	BBB+/Stable/--
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\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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