FINANCIAL INFORMATION AS OF MARCH 31, 2019

May 14, 2019

Good morning, ladies and gentlemen, and welcome to the conference call on Engie Q1 financial information, organised by Engie. Along with Ms Isabelle Kocher, Chief Executive Officer of Engie, Ms Judith Hartmann, Executive Vice-President and Chief Financial Officer, and Mr Paulo Almirante, Executive Vice-President and Chief Operating Officer.

Isabelle Kocher

Good morning and thank you for being with us today. I'm very pleased to welcome you, together with Judith Hartmann, our CFO, and Paulo Almirante, our COO, to present our results for Q1 2019. I will start with a few key observations and an overview of the numbers, and Judith Hartmann will then provide an analysis of our results and full-year outlook. And we will then – the three of us – be happy to take your questions.

Our Q1 results, which you will have seen earlier this morning, were modestly down overall. These results are in line with Management 19 phasing expectations, except for climate effects, which we cannot, by definition, anticipate.

This quarter was primarily impacted by above-average winter temperatures in France and, excluding the negative temperature effect on our Networks and Supply businesses, our Group results were approximately level with the prior year, which is in line, again, with our 19 phasing expectations, based on several other factors.

As expected, we had lower nuclear power production, with lower availability of our Belgian nuclear units. And Client Solutions results were atypical, driven by timing effects and selected recent renewals driving a slower start than last year. Conversely, our Thermal and Renewable activities have demonstrated strong organic momentum with promising PPA growth.

For the rest of 19, we expect our prior year comps to ease, notably in Nuclear and Client Solutions activities. And, given the patterns of these comps, our underlying momentum and our ongoing operational action plans, we are confirming our previous full-year 19 guidance, with growth expected to be weighted towards H2.

To look, now, at our key Q1 numbers – and they will be detailed much more by Judith, of course – EBITDA and COI respectively were 3.1 billion and 2 billion, both down minus 4% on an organic basis. Net debt stands at roughly 23 billion, stable versus the end of 18, and CFFO decreased, notably due to timing effects from commodity-related margin calls and financial derivatives. Operating cash flow remained stable.

Beyond the figures, during this quarter, we continued to execute our Group's strategy, in accordance with our intent described at our recent Capital Markets Day. We finalised, you have seen, the sale of our coal generation in Thailand, and we announced the disposal of most of our European coal plants. Coal now only accounts for 4% of Engie's total power generation capacities.

Recently, we also announced the major acquisition of TAG in Brazil. This transaction is fully aligned with Engie's strategy, supporting Brazil, which is one of our largest countries of operation, in the decarbonisation of its energy mix. TAG owns and operates 47% of natural gas transmission in Brazil, with 4,500 km of gas pipelines and an attractive, growing portfolio of long-term capacity contracts. Moreover, Engie will manage the assets with the operations and maintenance being progressively insourced over the three years to come. Along with our Canadian partner, Caisse de Dépôt et Placement du Québec, and also our Brazilian subsidiary, we acquired a 90% stake in TAG while Petrobras will retain a residual 10% stake. And, given the financing structure of this acquisition, and net equity ownership, we expect a net debt impact of €1.6 billion. Post-closing, we will hold a separate call dedicated to this milestone, with insight into TAG's operations, and also its financial impacts on Engie's medium-term guidance, which does not include, for now, the contribution from TAG. This move is really great.

I now hand over to Judith for a detailed review of our Q1 financial performance and 19 outlook.

Judith Hartmann

Thank you, Isabelle, and good morning, everyone.

Q1 was indeed impacted by headwinds, which we expect to subside or reverse during the remainder of 2019. These were clearly led by the significant warm winter temperature effect in France.

Before diving into each business line, I want to highlight a few drivers illustrating our expectation for earnings growth weighted to H2 2019.

First, on Nuclear, as you all know, we were impacted mainly in H2 of last year by unplanned outages in Belgium. As you can see on the slide, our unfavourable Q1 trend is expected to completely reverse, based on current REMIT forecast availabilities.

Second, regarding French temperatures, we note the potential prospect of easing prior-year comps if temperatures are closer to normal, as last year's H2 was particularly warm.

And, third, on French Hydro production, you will remember that Q1 2018 was one of the best quarters in history, so it creates a tough comparison for Q1 this year. Assuming average historical production, this driver should not act as a drag over the next three quarters.

Let's now look at our Q1 performance by business line.

First, Client Solutions. Results were atypical this quarter. This activity faced challenging comps as Q1 2018 was exceptionally strong (up double digits at the time). Contract phasing, selected recent renewals and a slowdown in Engineering activity all contributed to a weaker start to the year. On Engineering, the situation is not new and there is an ongoing action plan. At the same time, our businesses are incurring increased development costs across Latin America, Europe and the United States, to lay foundations for new business, constraining our short-term margins. Accordingly, our revenue and our backlog both continued to rise during the quarter. In the context of seasonally small Q1, these factors have a higher proportional impact on the smaller base of profits.

Given our ongoing assessment of the Client Solutions business, we remain confident in our prospects for the rest of the year and we expect mid- to high-single-digit COI growth for the full year 2019. We do believe that this strong underlying performance will be weighted towards H2 as prior-year comparables will ease and contract phasings are expected to subside by Q3. Increasing order backlog and contributions from tuck-in acquisitions will deliver greater impact. We continue to address some market dynamics through performance plans in order to continue to improve our competitiveness and, like I said, revenues increased 8% in Q1 and we expect this momentum to remain favourable. We are also reiterating our mid-term guidance, provided at the CMD, which includes a significant contribution from the tuck-in acquisitions planned over 2018 to 2021. These should account for approximately 50% of the Client Solutions capex.

Let's now move to Networks, where COI was down 5% in Q1. This winter's warm temperatures weighted on performance with lower volumes in gas distribution in France and, excluding the abnormal temperature effects in France, the business line's COI would have actually risen by 2%. We also faced a tough comparable in relation to positive one-offs in 2018 in Latin America – notably in Mexico, with a liquidated damages settlement last year that you might remember. Those headwinds were partly offset by the continuing beneficial effect of French storage regulation since April 2018.

With respect to our Networks outlook for mid-single-digit COI decline in 2018, that you can see on the next page, last year's H2 saw particularly warm temperatures, providing an easing comparable for the remainder of 2019. French transmission and distribution volume headwinds will be partly offset by positive tariff variants. Please note that the Storengy regulation was introduced in April 2018; therefore, for the remainder of the year, profit outlook for Storengy will be broadly stable compared to last year. Lastly, we expect a positive swing in international activities.

In Renewables, we see sustained growth. COI was up 7% in Q1 (on a gross basis). Organically, Renewables COI grew 13% despite significantly lower hydro volumes in France, demonstrating our strong momentum in this business. Our operational progress continued, with the commissioning of 900 MW of additional solar and wind capacity. Key projects were completed in our targeted geographies, including Umburanas in Brazil, Live Oak in the United States and our first concentrated solar panel project, Kathu, in South Africa.

Offshore wind progress was demonstrated in Q1 with two construction starts in the UK and in Belgium. And we have created an exciting joint venture with Tokyo Gas to create a financing platform for our renewable activities in Mexico, illustrating our ability to implement our DBpSO model.

Looking at the rest of 2019, we anticipate acceleration in our Renewables profit delivery to a growth rate in the low teens for the full year – compared, again, to the 7% of Q1. This performance will be enhanced by improving hydrology and increasing solar contribution in Brazil, and a more favourable comparison for French hydro in H2.

DBpSO projects sell-downs and associated bookings for… of P&L profits across a range of targeted geographies are intended to take place, mainly in H2 2019, as was the case in 2018.

Let's move to Thermal and Nuclear. Our Thermal and Nuclear businesses delivered contrasting performances in Q1. Thermal COI was up 6%, mainly driven by growth momentum in Latin America PPA contracts as well as positive spot market conditions in Chile and Peru. In addition, we benefited from dynamic management of the optionality of our European gas generation portfolio and lower D&A due to the IFRS 5 treatment for Glow. Conversely, as expected, Nuclear COI was down 45% in Q1, given the unavailability of three of our Belgian reactors earlier this year. Today, six out of seven reactors are up and running.

On the full-year outlook, we expect a gross Thermal COI reduction of approximately 20% due to our completed Glow disposal, partly offset by continuing PPA growth in Latin America and higher Thermal spreads. On Nuclear, negative trends will reverse very markedly in H2, given our improving availability comparisons and higher hedge prices, and we expect 2018's losses at COI level to reduce by approximately two-thirds in 2019. We reiterate our mid-term guidance, excluding the Glow contribution, which we mentioned, to be negative 6% to negative 3%.

If we now move to Supply, the significant COI reduction of approximately 20% in Q1 was mainly driven by the negative temperature effects in France, and Australia to some extent, as well as continuing margin pressure in French retail. In Others activities, our Energy Management business performed well internationally and in its renegotiation of long-term gas contracts. In addition, our latest Group efficiency programme, Lean 21, has begun to deliver cost savings at the corporate level.

For the total year, in Supply, we anticipate a slightly lower decline for the full year, COI to be down in the upper teens on the basis of assumptions of normal temperatures for the rest of the year, versus a warm H2 2018. In the Others segment, we expect slower, low-teen COI growth in 2019, as Energy Management should normalise while the sale of US LNG activities should have a negative impact.

Turning now to cash flow, CFFO was down in Q1 by 1.6 billion, year on year, mainly due to timing effects from commodity-related margin calls and financial derivatives. Our operating cash flow remained, in fact, broadly stable. We expect Group CFFO to substantially increase by year-end, notably on the back of a significant reversal of the margin calls and financial derivatives.

With that, I will hand back to Isabelle to conclude.

Isabelle Kocher

Thank you, Judith. So, to very briefly summarise the key points, our Q1 19 results suffered from particularly warm winter temperatures and were also subject to some challenging comparables. But they were otherwise in line with our overall Group's expectations and phasing outlook for 19. We are pleased with our organic performance delivery in Renewables and in Thermal, while trends in Nuclear and Client Solutions will reverse by year-end. Therefore, we reconfirm today our full-year guidance for 19. And we are now happy to take your questions.

Q&A

UBS

Good morning, everyone. Thanks a lot for the presentation.

My question is on the gas networks in Europe. The Capital Market Day you said you expected consolidation. If I'm right, the Pacte law has been adopted now in France. Is there any update you can give us on the consolidation of gas in Europe? Thank you.

Isabelle Kocher

Well, we effectively spoke about that during our Capital Market Day and we very clearly stated that, in our view, it would make sense to provoke a consolidation between the players in Europe, as far as transmission… networks. Transportation networks are concerned. And this is still true. That's a bit early, you know, because the Pacte law has been voted, not yet promulgated, but that's true that it opens some options and I confirm that we are absolutely open to pursue in that direction. And you will be updated if any option effectively becomes available.

UBS

Thank you.

J. P. Morgan

Good morning. So I will skip the question on the TSO… and the Pacte law (it's been done).

Another question I would have is, you also talked about a potential partnership with a large fund on your DBpSO type of model and I think this would have been in coming months, if I remember properly. Are the discussions still going on? Are we still to expect something like that? That would be one question.

The other question would be related to your Client Solutions: when you provided your guidance, were you aware of these timing effects and was this already taken into account? Thank you.

Judith Hartmann

Yes, hello Vincent. So I think your first question was around the DBpSO and you mentioned, you know, the activity that we mentioned around this at the Capital Markets Day. So, really, there is different approaches that we're taking here. One is to have regional platforms that we have started to implement. As you know, we have one in place in… or have had one in France for quite some time. The one I mentioned earlier is related to Mexico (renewables), where we have signed a joint venture with Tokyo Gas. And really what it means is, you know, our new projects are going to be able to be dropped into this and, as opposed to having a project-by-project, basically, sell-down, we now have a platform where we can drop in projects. The same… We're working on the same in India, in, I would say, in all of our big Renewables countries. Brazil is another one I would mention, so all of that is ongoing, and I feel very confident on being able to execute this as planned through the rest of the year.

You had a question on the Client Solutions guidance and the Q1 impact of the results. You know, what I would say about that is we feel confident on this turnaround, if I can say, timing-wise, for the rest of the year. Q1 is quite a small quarter for Client Solutions. It's about… Like you saw, it's about 200 million, so it is really a relatively small quarter. And there's a few things that happened that we already know that are going to reverse. There were a couple of very specific contracts in the UK and in Italy that had an impact, that were renegotiated, and we already know that those two countries have signed significant contracts to offset that for the rest of the year. There is an impact on tuck-in acquisitions that are going to be much more positive at the end of the year. In fact, when I mentioned that in Q1 we have some impact from investments, those are also some… you might call it investments, you might call it startup losses, but investments that we're doing. Examples are Chile, examples are e-mobility, that are also going to start… have more positive contributions for the rest of the year. And then the third aspect that I've mentioned is really the one that is a structural pressure, if I might call it that way, is the Engineering activity, where, in line with what we have said in the past, with the decentralisation of the energy world, you have less very large projects, and that means – not just for us but, you know, in general for the energy sector – which means we have very… less very large engineering topics. And that is known… a spot that we know and that we're addressing with action items. So, you know, we feel… we feel confident on the best estimate that I've mentioned on the page, and there is very clear action plans in place to get us there, to make sure that we're executing on these expectations.

J. P. Morgan

Thank you. I would have one last follow-up question on that: when the result came… really the last minute before the conference call, so sorry if I missed something (I've been trying to do both at the same time)… regarding the CFFO, I wanted to understand a bit what was the order of magnitude of the margin calls and financial derivatives, and how we should look at it over the coming quarters. I think you talked about a reversal by year-end. Thank you.

Judith Hartmann

Yes, indeed, so a big… a very big impact, very significant impact, on our Q1 results, on margin calls, and that's really the bulk of the explanation. And we do believe that those are going to, you know, temper out over the rest of the years. As you know, gas prices are down and we're in a net buyer position so, when you have a movement in the prices like we had just recently, then you have basically a temporary dissymmetry, if I may call it that way, between the hedging tool and the underlying operational flow, meaning that you have the impact in Q1 on the hedging tool and then it will resorb itself over the rest of the year. That's really the bulk: that's 1.3 billion of impact. We had a much smaller… to a much, much smaller extent, impacts on our operating cash flow, and I would mention two things here: of course, there is an impact on inventory with the warmer temperatures, meaning you have higher inventory because you sell less gas, but again that obviously is going to be worked on for the rest of the year. So not concerned there. And then there is an impact on accounts payables, where lower prices on gas had an impact. So, quite frankly, we feel confident for the rest of the year on the cash flow. It should be in line with what we said… with what we had last year.

J. P. Morgan

Thank you.

Morgan Stanley

Hello. Good morning, everyone. Thanks for taking my questions. I have three.

The first one, if you can give us at least a ballpark of how much TAG will contribute to your 2019 earnings.

Second question is, you had unfavourable weather, some headwinds in Services, but you also have… you expected some tuck-in acquisitions, and you have TAG, so are you in a position to guide us of where do you think you are, on the lower, mid or upper range of your guidance for 2019?

And my final question is, Judith, you mentioned that there's a positive effect of gas contract renegotiations in Q1 results: is this a release of a provision or is this just like better margins that therefore are going to be… are going to continue through the coming quarters?

Judith Hartmann

OK, so hi Carolina. Three questions from your side.

On the… I'll take the guidance one first. So, you know, we are… It's only one quarter in, it's only one datapoint, obviously, we feel confident to confirm the total year guidance and, quite frankly, I wouldn't want to specify it more than that.

TAG contribution: we should… we are hoping to close this at the end of H1 and, like Isabelle said earlier, we will do an investor call on this transaction, which we really see as very positive for our growth. If there… So, you know, assuming that it's going through mid-year, quite frankly, the impact would be… would already be there and it would be below 50 million.

And then your question was on the gas negotiations that I mentioned. Those are actual negotiations and it is actual better margin that we are seeing in Q1. So very positive.

Morgan Stanley

Ok, thank you.

Société Générale

Good morning.

I'd like to focus my questions on the Client Solutions business: the performance was down in Q1, you said minus 42 million in COI, and I would love a bit more colour on the explanation you provided in answer to a previous question. I didn't quite understand what you meant by a renewal of contracts in the UK and Italy. Could you explain to us what the headwind was and what the solution is going to be here?

And, stepping back, you are still guiding for a mid-to-high single-digit growth in the full year. So we are starting the year 40 million down and, in the full year, if we look at the bottom of that mid-to-high single-digit, it would add around 50 million. So, all in all, in the remaining nine months of the year, you need to make a growth of between 90 and 100 million, let's say. Could you explain to us, maybe in broad brackets, where this growth is going to come from? I can think of a number of brackets: organic growth, outside of cost-cutting, then there is probably cost-cutting contribution, and scope, i.e. tuck-ins. Are you able to give us some… I know, to basically fill us with some confidence about meeting that target through these, I would say, brackets of growth? Thank you very much.

Judith Hartmann

Yes, hello Emmanuel.

On your first question, Client Solutions, and what I mentioned on Q1, there are two very specific contracts that were negotiated. So, again, you have to… first of all you have to take it into… put it into perspective that the Q1 numbers on Client Solutions are actually relatively small because of the seasonality of this activity, as they always are, quite frankly, and so any move that I'm going to describe has proportionally a bigger impact on the variances. So there was two specific contracts – one in the UK and one in Italy that I've mentioned – that were… that had a combined impact of close to 15 million, of a mix of negotiation, newer prices, lower prices, and also with a couple of million of upside last year in that same contract. The reason why I said I was not concerned about that… because that's quite frankly normal course of business, and we have, in both of those countries, signed other contracts that are going to create the growth that we were expecting for the rest of the year.

And so that leads into your second question, which was, where do we take the confidence from to get to mid-to-high single-digit growth, which you calculated to be about 100 million, that we had to catch up for the rest of the year. And that's roughly the number that I'm looking at, which really related to exactly the topics that you brought up: obviously organic growth, I mentioned some of the contracts already signed… of course the cost is going to continue to… the cost items are being worked on, North America and France are examples that I can think of. And then, yes, the acquisitions that had… or scope… the acquisitions that have already been done, will have a more significant impact in the second half. I will mention one, which is the OTTO acquisition, which was done at the end of the last year, in Germany, not yet in the Q1 numbers, but there is… there is a number of small acquisitions that will contribute positively, and so it is going to be a good mix of all the three levers that you've mentioned that are going to get us there. And, needless to say, like I mentioned earlier, there are very precise action plans in place to make sure that we're actually coming through on this. This is very important for us and so we have really lined up our action plans to make sure that this is coming through. A lot of it already in the bag, if I may call it that, we signed contracts and some of the acquisitions, but the cost actions we have our… the full force of the organisation to make sure that we're coming through on this.

Isabelle Kocher

And maybe to prolong Judith's answer, to highlight revenues: revenues are up, as you've maybe seen in the press release, backlog is good also (plus 10%) so this is really a timing effect that leads to our Q1 numbers. And, effectively, these one-offs, let's say, more generally, they are… they have an impact on… which is significant because, in proportion, this is… they have to be compared with numbers that are traditionally low over Q1.

Société Générale

One follow-up, if I may: you mentioned that Q1 provided a negative base effect, what about the last nine months of the year? Were there any sizeable negative contributors to COI that actually will no longer be negative in the last nine months, that help the comparison?

And, number two, are you able to share with us, as far as you can see today, how much the tuck-ins will contribute in the last nine months for Client Solutions?

Judith Hartmann

So, on the… I assume you're still on Client Solutions, by the sounds of it, so there is… you will remember that last year we had mentioned a one-off in Canada. That is going to help us, quite frankly, to… with the comparison for the rest of the year, which was close to 20 million.

And then, on your tuck-in acquisitions question, the… it is roughly in the… it's below 50 million but not far away from that, of the positive impact that you're going to see in the remainder of the year. So it's quite significant, you know, on the Client Solutions number.

Société Générale

Thank you.

UBS

Hi there, thank you. Good morning. Thanks for the presentation, as always.

I just wanted to take the opportunity to ask you a broader question, if you don't mind, just on your experience in the last few months in wind and solar: your numbers look pretty good to us this morning: you're posting, I think, plus 7% in Renewables but after the hydro effect and you're signalling more action to come in H2. I'd say that's in line with what we're seeing from EDF this morning with their largest renewable pipeline ever, Eon and Innogy in the last 24 hours, in the sort of 20 to 30% growth range. But, on the other hand, there's been this IEA report recently suggesting that the global renewables market was kind of flattening out a bit in 2018, and triggered a lot of newspaper articles and a bit of concern. It just would be great if you could share your perspective as one of the major international operators on how you see the global wind and solar market now developing, what you thought of the IEA report, and, you know, what your expectations are for the market this year.

Isabelle Kocher

Well, you have the numbers of the quarter, so I won't go back through that but, if you want… but, more generally, so we see – and that's very obvious in the market, in our view – the fact that this market is accelerating. We have set up a development platform that is now very good. We consider we are number-two if you compare Engie with other European players in terms of ability to commission, every year, additional capacities. And you've seen that we announced this 9 GW over 3 years, meaning more or less 3 per year on average. So we became – it was not the case a few years ago, it was maybe not our strongest point – but we became a very solid player. The trends are relatively clear and the competition on price will continue, will be extremely high. We have decided, as you know, to focus on the most sophisticated technologies. That's the reason why we push offshore a lot. And Judith mentioned some milestones we went through. We push also, I would say, advanced technologies, more generally. We just inaugurated our Kathu plant in South Africa. So I believe, really, that, for a group like Engie, the solution is to focus on sophisticated projects. Sophisticated through technologies, as I just said, or sophisticated because our clients are asking for more integrated offers. And, typically, some specific profiles that fit with their consumption profile. So that's really our efforts: to develop a lot of capacities, yes, but focused on the most advanced solutions. And we are able to create a lot of value. You have seen our figures. We leverage the DBpSO system in order to increase the return, and we gave a lot of details on that during our last Capital Market Day. Happy to update, over the next months, with new cases, and you will see that this DBpSO system allows us to increase, significantly, our margins. So we expect a positive trend. As Judith explained, we expect, for the full year, a very dynamic growth. And I believe that we had a very good start.

UBS

That's a fantastic answer, thank you very much. I appreciate your comments.

Bernstein

Good morning. Thank you very much for taking my question. One question at this point: regarding your strategic outlook for the US and Client Solutions, if you don't mind, could you elaborate on how attractive you find that market and what your ambitions are to grow in Client Solutions in the US.

Isabelle Kocher

Well, thank you for your question. Very, very quickly, I would say this is a huge market for Client Solutions. As we said during our Capital Market Day, we intend to focus on integrated solutions for companies, in particular that are under pressure, if I say that a negative way, to demonstrate that they take care about climate change. A lot of US groups started ambitious projects in this domain and the energy-saving component is a key ingredient for them. So, yes, we believe that this is a very promising market. By the way, we started… we started to build in this country a relatively interesting business, not yet at the scale of the country, but we really intend to continue to reinforce it.

Bernstein

Thank you.

J. P. Morgan

Good morning again. Doing some follow-up, actually, on the Client Solutions. We've been talking about the States, there have been some articles about Emcor. That leads to one question. Obviously you will not comment on whether you're looking at this one or not. However, what I'm more interested in is, in Energy Services, there is, as well, a part of the business which is related to construction. We have seen, for example, at Suez, that, when you delegate that to third parties, EPC for buildings and everything, you're still at risk. How do you see that? How do you consider this building and construction: as part of the overall energy service? Is it really strategic or is it something you want to be less exposed to? Do you have to do it in order to gain access to certain markets and contracts? So that would be the question regarding Energy Services. And that would potentially provide us some colour on Emcor.

And, finally, as well, now, going back to Suez, you have a partnership in developing solar on their different real-estate assets and landfills. Now, one… one question is do you see further integration, going forward, of the different services? Could you potentially offer Waste and Water services? How do you see the convergence going? Thank you.

Isabelle Kocher

Thank you. Regarding Client Solutions, if you look at France, for example, we effectively have part of our activities in that field, that is installation. And this is important to have that. This is important because, when you sign a big, a long-term contract with a company to help support the company to reduce its energy consumption, you need people to replace the installations. You need to replace the cooling systems, heating systems, lighting systems, and you cannot rely fully on outsourcing. We outsource part of that but we need to master, at least partly, the way we operate. By the way, this is a good business, and I insist on the information I shared with you a few minutes ago: the backlog of our Client Solutions, more generally, is still very good. So the fundamental elements of this activity are very strong. It has to be managed in a very efficient way. This is not new. But we are used to do so, and this is a very dynamic business. And I would say exactly the same for the US.

Regarding Suez, nothing new. I… You ask the question almost every quarter. So we said that we intend to keep our stake. We effectively want to develop our partnerships. Concretely, on the field, we have several tenders in progress, where we partnered. And, well, we have, effectively, we believe, a lot of things to do together. And, in particular, since the move of Suez towards industrial clients. So this is something we work together with Suez teams, and will of course update progressively.

J. P. Morgan

Thank you.

Société Générale

Hello again. A couple of follow-ups, some details.

First of all, I am very sorry: I don't know if you already gave this indication but I was wondering about the contribution of the DBpSO to COI in Q1. Can we have the contribution, please, or at least whether it was up or down versus Q1 18?

Second question: on slide 12, where you show a positive contribution from the Thermal businesses (plus 24 million), in the comments you do mention that there is a positive impact from D&A related to Glow. Could we have this positive impact on D&A for Glow, please?

And, last, stepping back on your guidance, the parameters guiding this… driving this guidance are detailed in your footnotes. We already know about the negative weather impact in Q1 on what you expect for the remainder… what normalisation could do in the remainder of the year. I was wondering about the impact from FX on commodity prices. Have you done the exercise of marking to market, so to speak, what the current FX on prevailing commodity prices would do compared to your budget? That would be interesting at this stage of the year. Thank you.

Judith Hartmann

Okay, Emmanuel, thank you for those questions.

So, on the DBpSO margin, actually, it is more oriented towards the end of the year, so the COI impact in Q1 was actually zero. And… But, like I said, because we have signed, just now, one of the platforms, because we're working on the others, I do feel confident that the number that we projected for the year is going to come through.

You had a question on the D&A of Glow impact… The impact of the reduction of D&A on Glow is about 30 million-ish. And then, yes, of course, we are looking at the negative – negative or positive for that matter – impact of FX on commodity prices. And, basically, there is about… you know, when I look at the mark to market for the total year, it is about 90 million positive on foreign exchange and 100, 120 negative on price. So we believe… So, you know, we're going to obviously continue to monitor that. That's one of the risks and opportunities for the rest of the year. But, so far, not that much of a significant impact for the remainder of the year. And, quite frankly, even for 2020 and 2021, very similar to what I just said. You know, the precise numbers of what we've included, when… the ones that are impacting us the most are the Brazilian real and the US dollar, and so there… from an FX perspective, so there's some slight variance but, quite frankly, it should remain within the range of what I've just mentioned.

Société Générale

Sorry, did you say plus 90 or 19? Sorry.

Judith Hartmann

On FX, plus 90.

Société Générale

OK, plus 90 on FX and minus 120 on commodities. That would be mark-to-market versus budget. So one offsets the other, kind of thing.

Judith Hartmann

Then… Yes, 90 on foreign exchange and the prices 150-ish. Let's call it that way. And so negative between the two. But, you know, not as significant and obviously those could still move.

Société Générale

Sure. Thank you.

Isabelle Kocher

Well, thank you very much. Thank you for your time, thank you for your questions. Have a good day.