H1 Results 2020

July 31st 2020

Jean-Pierre CLAMADIEU
Chairman of the Board

Update on strategic orientation

ENGIE to refocus and accelerate growth in renewables and infrastructure assets

Rationale

- **Strengthen** ENGIE's capacity to play a key role in the energy transition
- **Clarify** strategic priorities, including geographies, and simplify the Group
- **Increase** financial flexibility
- **Set the roadmap** to be implemented by new CEO who will be appointed soon

Next steps

Implementation plans for these strategic orientations to be presented to the market in **first half of 2021**

Objectives

Acceleration of investment in renewables and infrastructure assets

- Higher renewables growth target up to 4 GW p.a. and more projects retained on balance sheet
- Rebalance exposure between French and international networks
- Further development in decentralized infrastructure and on-site generation

Strategic review of part of the Client Solutions business

- Review of activities representing approx. 2/3 of Client Solutions revenue
- Maximise value and reinforce their leadership position
- All options to be considered for a coherent perimeter and adapted organization

Enhanced divestment programme to fund future growth

- Consider opportunities to divest non-core businesses and minority stakes
- Potential doubling over the medium-term of previously communicated ~€4bn divestment programme

Employee representatives will be consulted on any implications for employees from the strategic review of part of the Client Solutions business, and on potential divestment projects before any decision is made.

Introduction

Claire WAYSAND
Interim Chief Executive Officer

Solid operational performance in a challenging backdrop

- Q2 financial performance most impacted by the Covid-19 crisis
- Expect recovery in H2 and beyond
- Solid operational performance in a challenging backdrop
- Maintained a strong financial position and liquidity
- Continued to prioritize Group simplification
- Focus on green recovery is well aligned with our Group priorities and purpose

We are well positioned to benefit from EU Green Deal opportunities

RENEWABLES

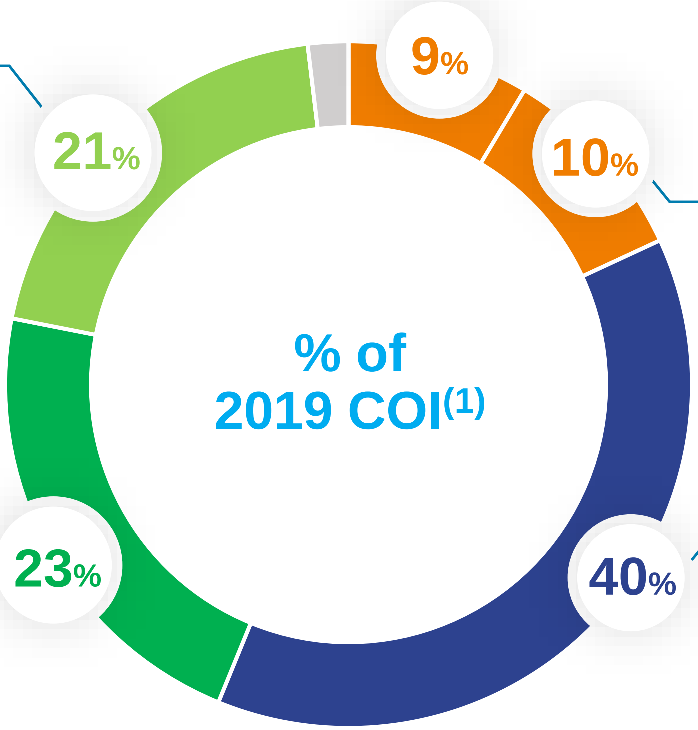
POWER RENEWABLES

- Driving competitive Renewables growth
- Greener power supply offers

THERMAL

EFFICIENT THERMAL

- Exiting coal and optimizing gas fleet



CLIENT SOLUTIONS

ENERGY EFFICIENCY

- Building renovation, city planning, efficient new-build and clean mobility

CLIENT SOLUTIONS

LOW CARBON HEATING & COOLING

- Accelerate decarbonization of heating & cooling in cities and industries

NETWORKS

NETWORKS & GREEN GASES

- Development of biomethane and green hydrogen across the value chain

(1) Percentages do not total 100% due to negative results in some Business Lines

H1 Financial Results

Judith HARTMANN
EVP, CFO and Member of the executive leadership team

H1 Key financial figures: Q2 most impacted

H1 RESULTS– In €bn, unaudited figures[1]	Actual	Δ Gross[2]	Δ Organic[2]
EBITDA	4.5	-16%	-14%
COI	2.2	-31%	-29%
NRIgs	0.7	-50%	-52%
NIgs	0.0	-2.1	
CFFO[3]	3.0	+0.3	-
Capex[4]	3.0	-2.5	
Financial Net Debt	25.1	-0.8[5]	-

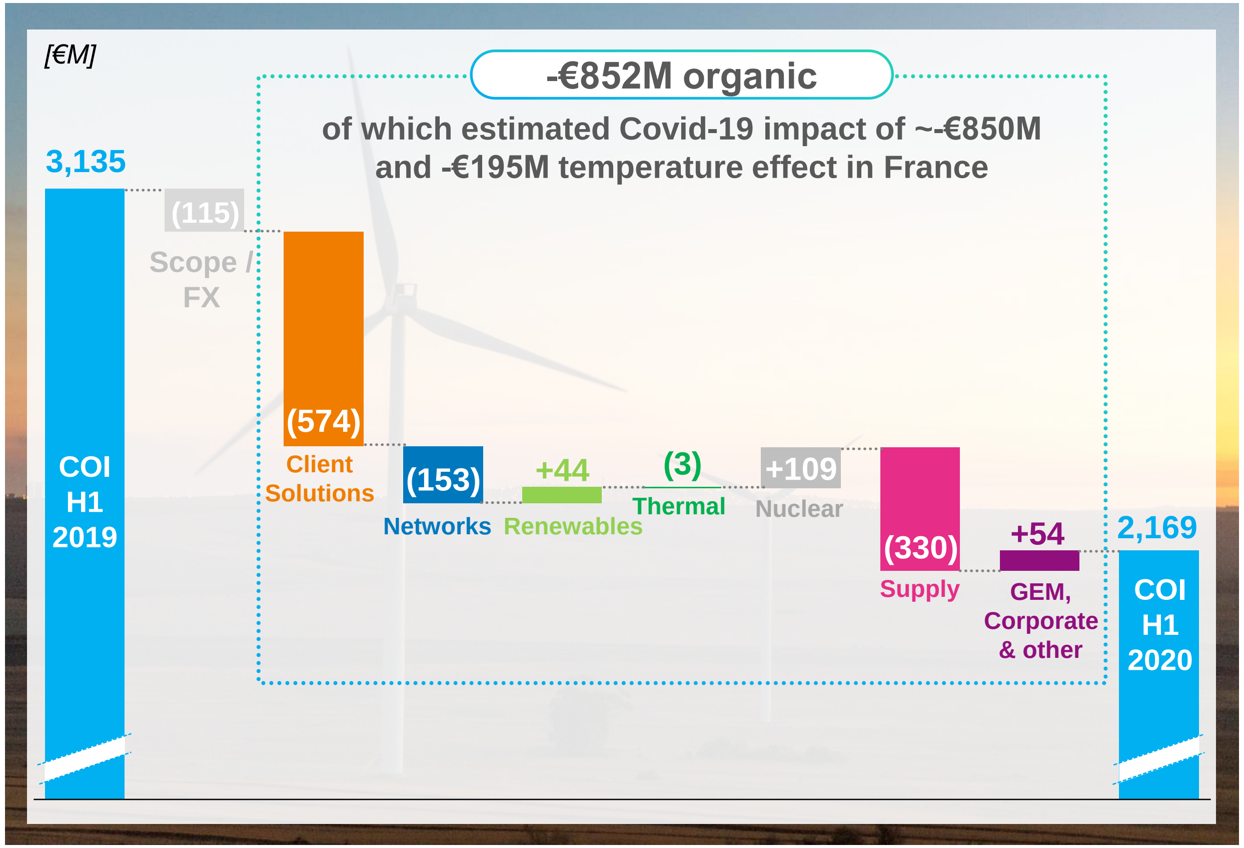
Robust operational performance but significant impacts of Covid-19 and temperature effects, mainly in Q2

COI YoY gross evolution - by reportable segment

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

(1) Unaudited figures throughout the presentation
(2) Unaudited 2019 figures adjusted for revised definition of COI
(3) Cash Flow From Operations = Free Cash Flow before Maintenance Capex
(4) Net of DBSO and tax equity proceeds
(5) Vs Dec. 2019

Client Solutions and Supply most impacted by Covid-19, resilience of Networks and power generation businesses

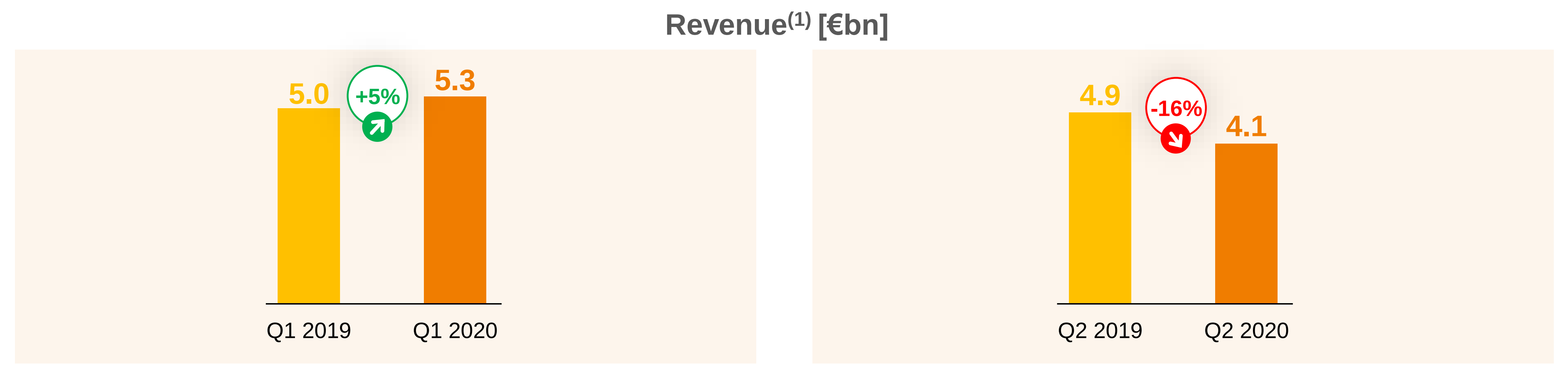


Estimated impacts of Covid-19[1] and French Temperature[2] on COI by Business Line

[€bn]	Covid-19	French temperature[2]
Client Solutions	(0.49)	-
Networks	(0.04)	(0.12)
Renewables	(0.02)	-
Thermal	(0.02)	-
Nuclear	-	-
Supply	(0.24)	(0.08)
Others	(0.05)	-
ENGIE	**(0.85)**	**(0.20)**

(1) These estimates have been prepared in accordance with a standard guidance applied across our businesses under a dedicated oversight process (losses of revenues being inherently subject to more judgement than the identification of specific costs incurred). These estimates relate to operating items only and are presented net of savings and mitigating management action plans. By construction, these estimates exclude foreign exchange and commodity price effects incurred in our various businesses, whether positive or negative.
(2) These temperature effects are only given for Supply and Networks (gas distribution) in France and follow the methodology validated by auditors.

Client Solutions: after a positive Q1, revenue significantly impacted in Q2 by Covid-19

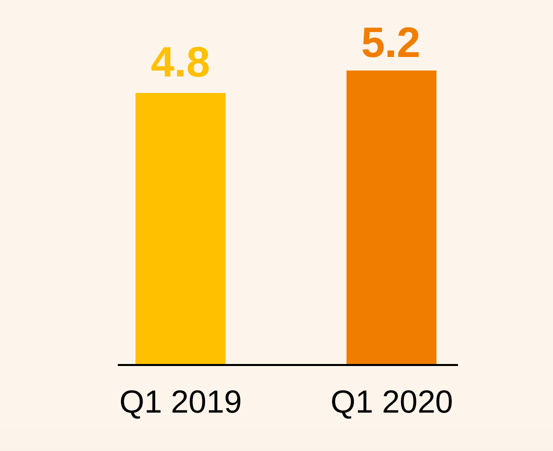


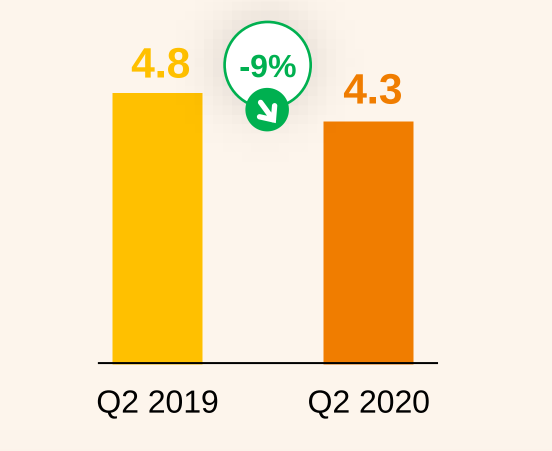
- **+5% growth in revenue in Q1**
- **Significant negative impact of Covid-19 in Q2**
- **Comparable level of order intake** (€6.1bn, flat yoy), **overall project backlog growing** (€12.2bn, c. +15% yoy)

(1) As Suez is accounted for as an Associate, its contribution is not visible in revenue figures

Client Solutions: strong managerial reaction to Covid-19, Opex strongly reduced in Q2

Costs(1) (Opex+D&A) [€bn]





Focus on Q2 costs(1) yoy evolution

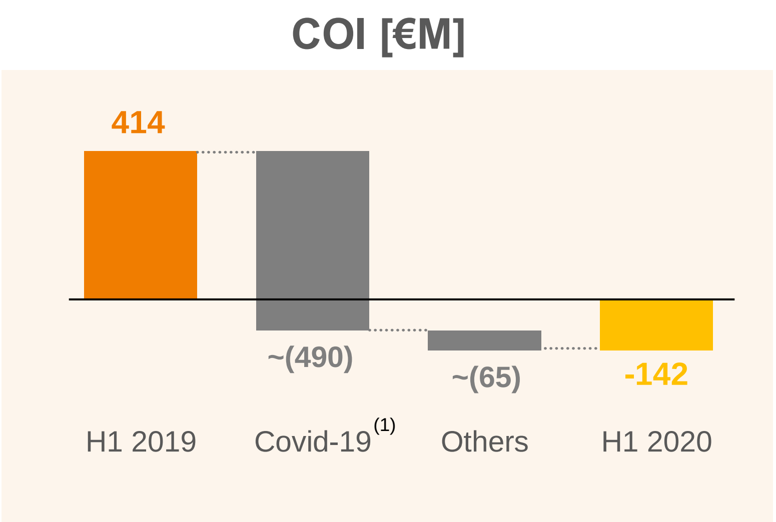
[€bn]	Q2 19	Q2 20	Delta
Energy	0.3	0.1	-26%
COS	3.7	3.3	-11%
SG&A	0.5	0.5	flat
Opex	**4.6**	**4.1**	**-11%**
D&A	0.2	0.2	+28%
Total costs	**4.8**	**4.3**	**-9%**

- **Opex reductions through strong action plans in Q2 2020**:
  - Mainly on operational (internal and external) staff costs
  - Additional reductions on other Opex: energy, materials, consulting, IT
- **Overall SG&A stability and slight increase in D&A**

(1) As Suez is accounted for as an Associate, its contribution is not visible in cost figures

Client Solutions: significant COI impact from Covid-19

- **Covid-19 impacts:** loss of revenue, specific additional purchases, bad debts
- **Lower Suez contribution**
- **Other small headwinds** (incl. warmer temperature Europe, start-up costs and others)



(1) Including Suez accounted for an Associate

Supply: strongly impacted by Covid-19 and warm temperatures

- Negative impacts from **Covid-19**, mainly B2B (gross c. -€260M(1))
  - lower B2B volumes leading to margin losses and unwinding of overhedged positions
  - B2C services revenues underperformance and B2C-B2B bad debt increase

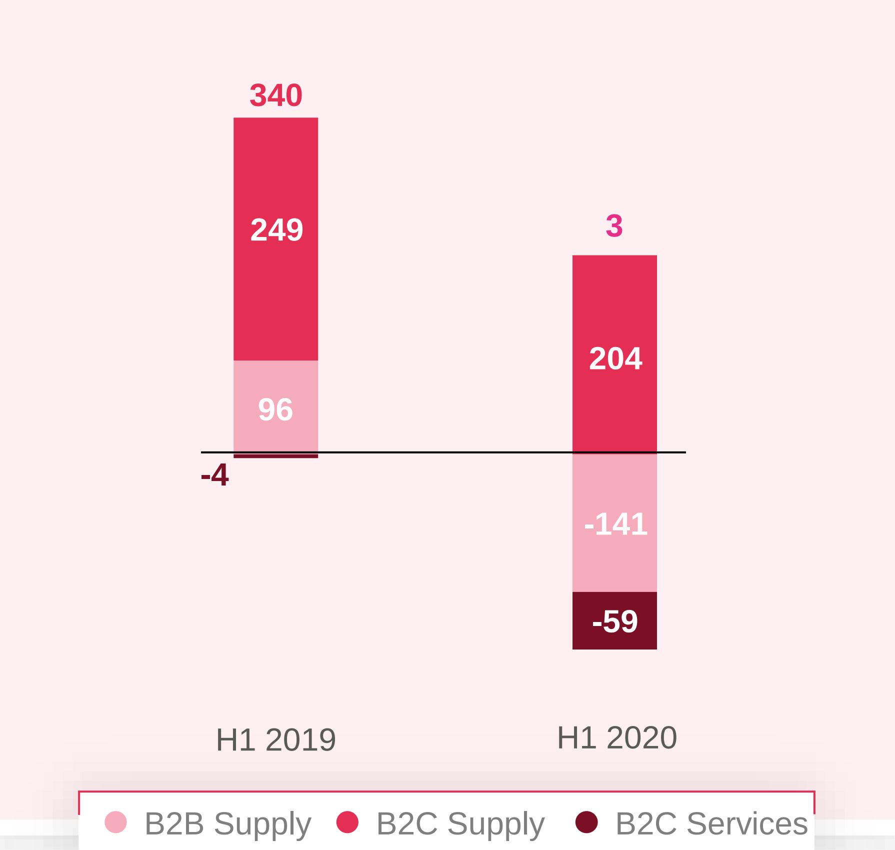
- Negative impacts from **warm temperatures**, mainly in France (c. -€150M)

- Partially offset by **some mitigation actions** and **other positive developments**

+ Additional mitigation in GEM outperformance (+€75M) in the "Others" Business Line

(1) Partially offset by dedicated Covid-19 related mitigation actions (c. +€30M)

Supply COI per market segment [€M]

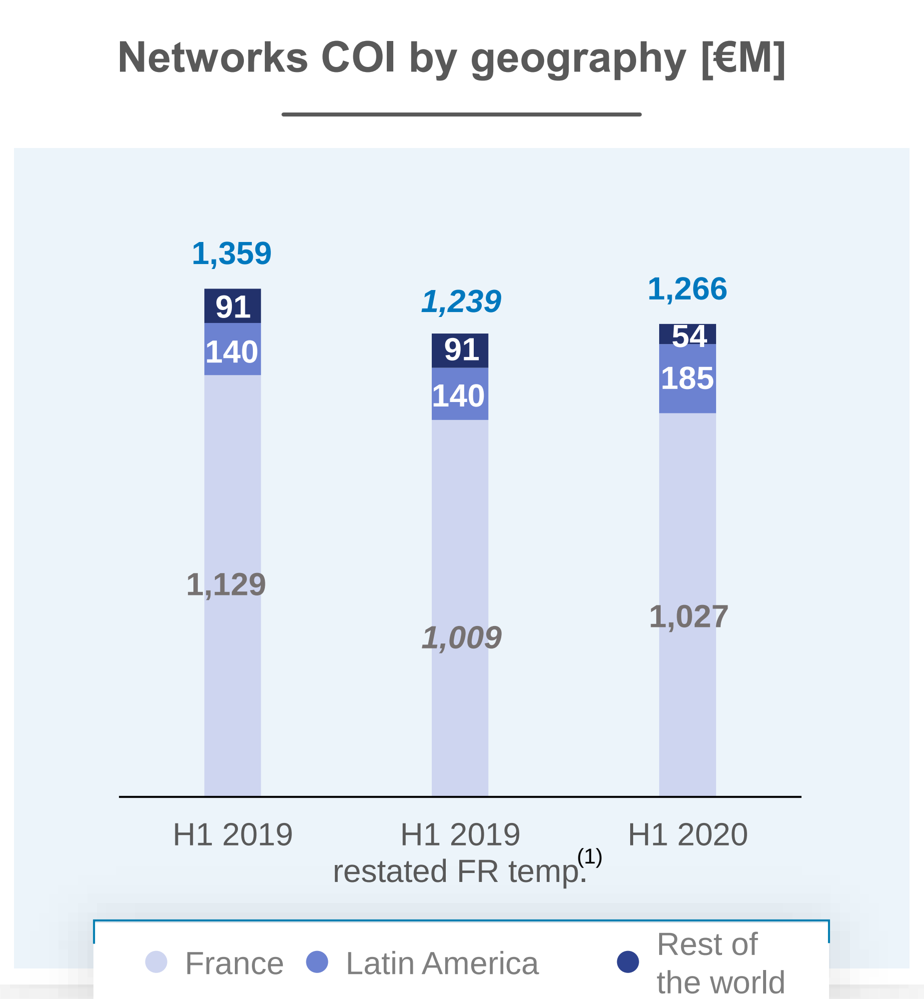


Networks: resilient performance excluding warm temperatures

- **France**: mainly lower volumes due to **temperatures** (- €120M) and **Covid-19**; however, volume effects recoverable under regulatory arrangements

- **Latin America**: positive scope effect from **TAG** acquisition (c. +€80M) but negative **FX** and **volume** effects in Argentina and Mexico

- **Rest of the world**: primarily negative **price** and **volume** effects



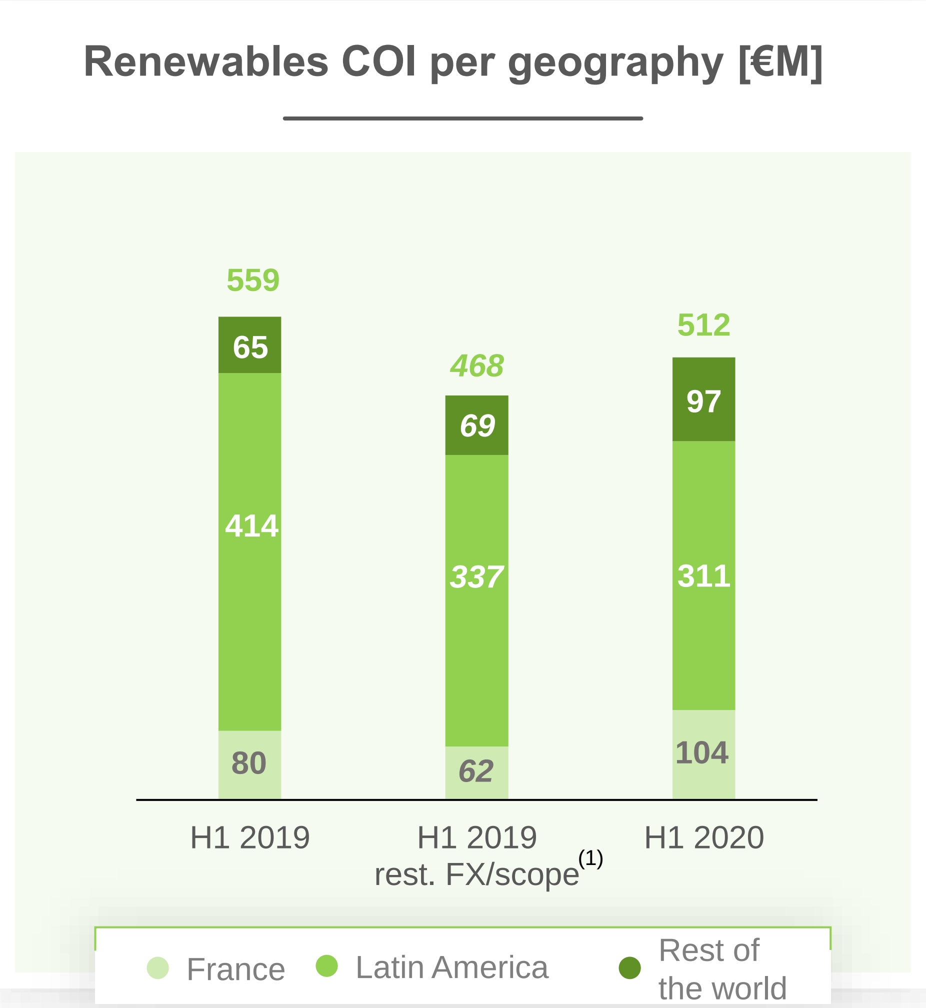
(1) For illustratory purpose only

Renewables: impacted by FX, but up +10% organically

- **Latin America**: decrease mainly due to **FX BRL** (c. -€80M) and **lower hydro contribution** in Brazil (c. -€20M)

- **France**: higher **volumes** for hydro and wind (c. +€60M) and better **prices** for hydro (c. +€15M), partly offset by scope out and DBSO

- **Others**: mainly **commissioning** effects in USA (c. +€20M), incl. first effects from the tax equity scheme



(1) For illustratory purpose only

Thermal: negative scope effects
Nuclear and Others growing

- **Thermal**: mainly Glow and German / Dutch coal power plants **disposals** (c. -€100M)

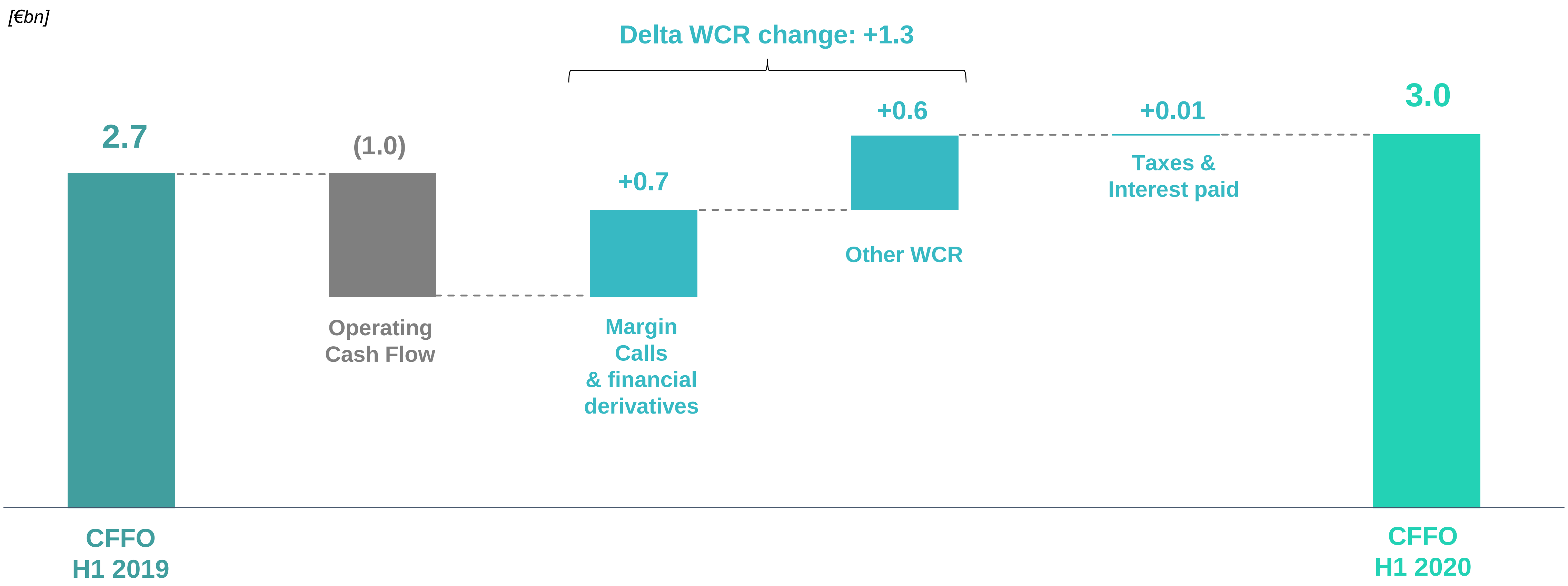
- **Nuclear**: better **prices** and lower **Opex**, but lower **volumes** and higher **depreciation**

- **Others**: higher **contribution** from GTT thanks to good order book and **outperformance** of GEM activities due to market volatility

Thermal, Nuclear and Others COI [€M]

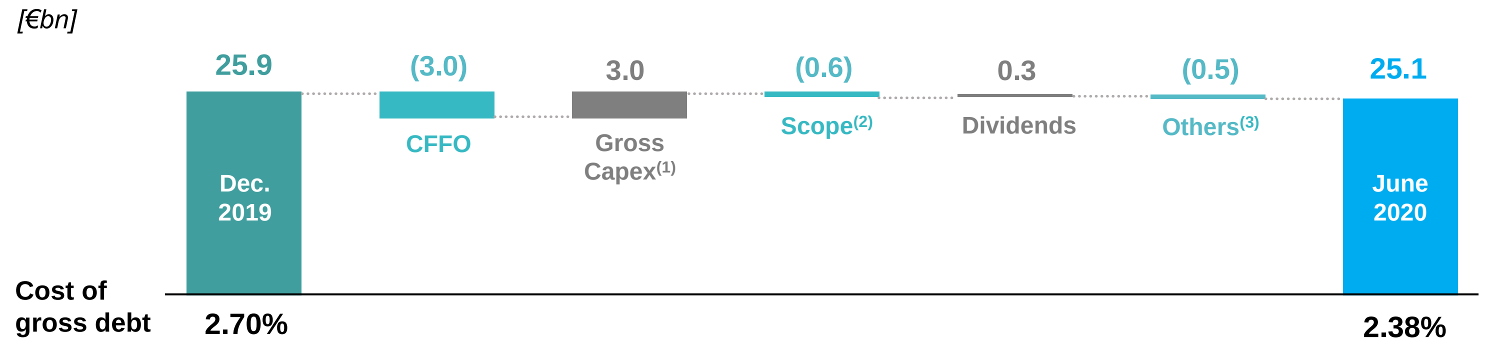
	H1 19	H1 20	Delta
Thermal	682	588	-94
Nuclear	(216)	(107)	+109
Others	(3)	49	+52

Strong CFFO driven by action plans, despite Covid-19 impact



Financial Net Debt reduced and strong liquidity maintained

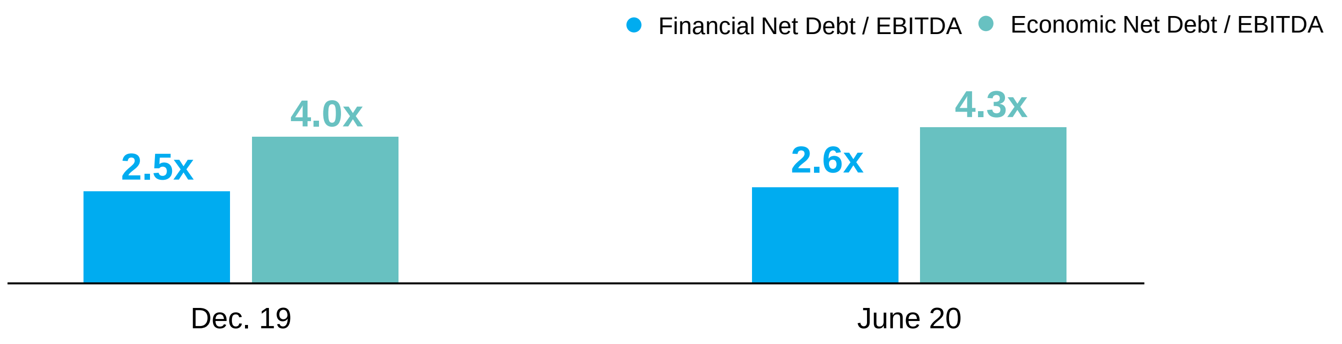
Financial Net Debt and cost of gross debt



Strong liquidity

- **€23.5bn of liquidity** at June 30, 2020
- Incl. **€13.1bn of cash**

Leverage ratios



Rating reviews

- On April 24, 2020, **S&P** lowered its **long-term rating** to **BBB+** and its **short-term rating** to **A-2**
- On May 5, 2020 **Moody's** affirmed **its long-term rating** of **A3** and changed the **outlook** from stable to **negative**

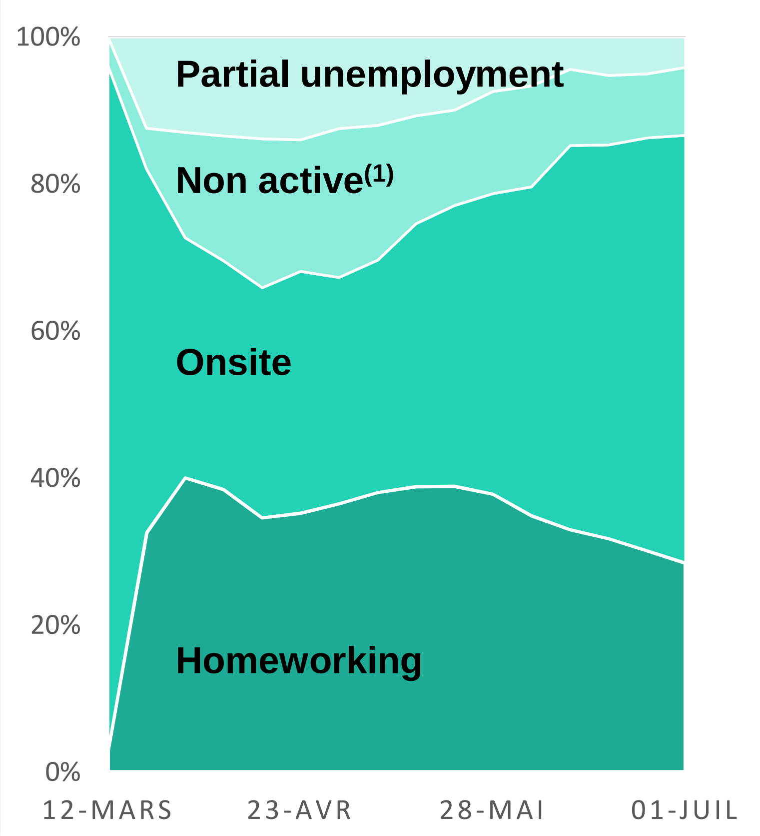
(1) Net of DBSO and US tax equity proceeds
(2) Including net scope impact from disposals & acquisitions
(3) Mainly due to FX

Robust operational performance

Paulo ALMIRANTE
EVP, COO and Member of the executive leadership team

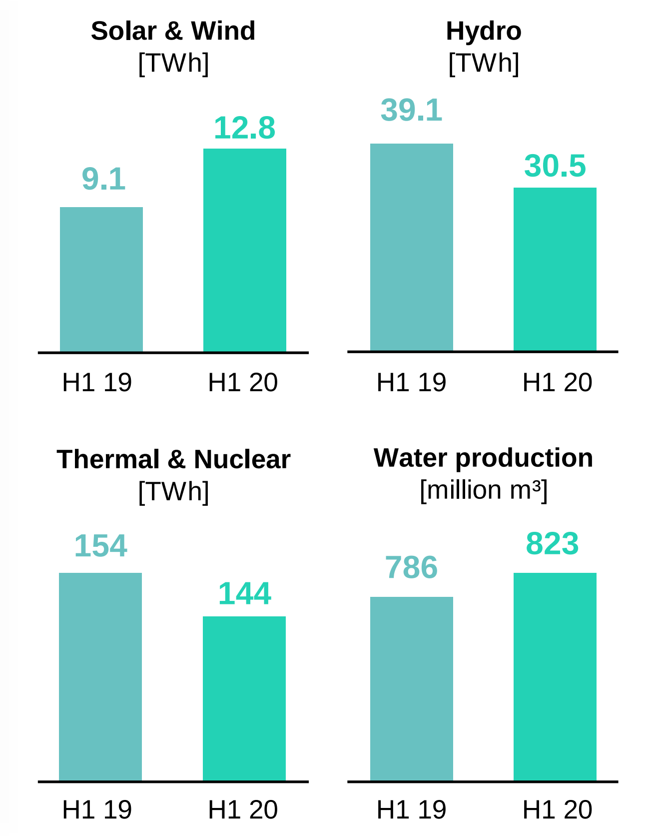
Quick and seamless transition to new ways of working

ENGIE employee activity



(1) holidays and others

Power & water production (@100%)

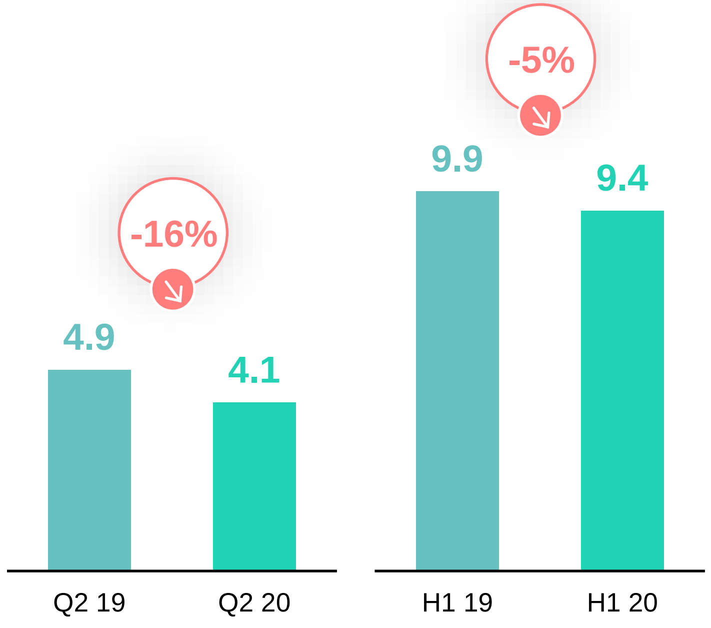


HIGHLIGHTS

- All critical activities operational and resilient
- Working methods rapidly adapted to new health & safety requirements
- Seamless execution of continuity plans for 170,000 employees in crisis mode
- Fast restart at the end of lockdowns (+30,000 employees in 4 weeks)
- Significant reduction of Client Solutions activity mitigated with partial unemployment and anticipated holidays
- Transparent dialogue with employee representatives
- Power and water production less affected

Client Solutions: Positive commercial dynamics

Revenue (€bn)



Order book[1] (€bn)

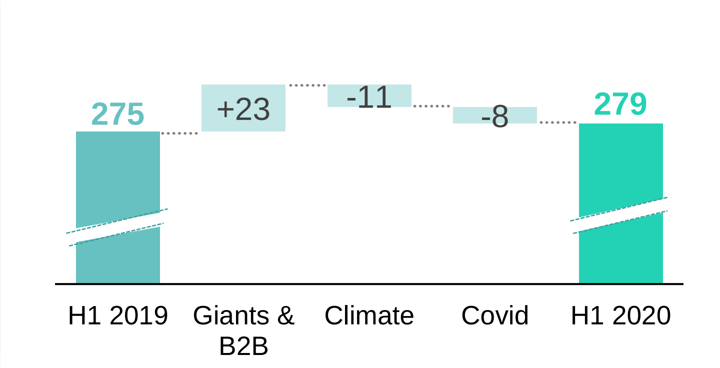
HIGHLIGHTS

- Significant impact of lockdowns in Q2 with TO down 16% YoY
- Implementation of cost adjustments in Q2 achieves a net amount of -€500M
- Strong sales activity in Q1 and commercial successes in Q2 resulting in good order intake
- Backlog up reflecting healthy order intake, scope in effects, but also decreased execution during lockdowns
- Medium term growth supported by Green Recovery Plans

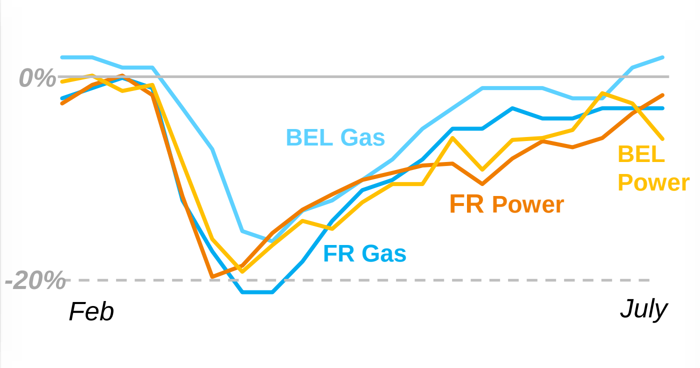
(1) Only for the Projects Business Model

Supply: Recovery after significant one-off impact

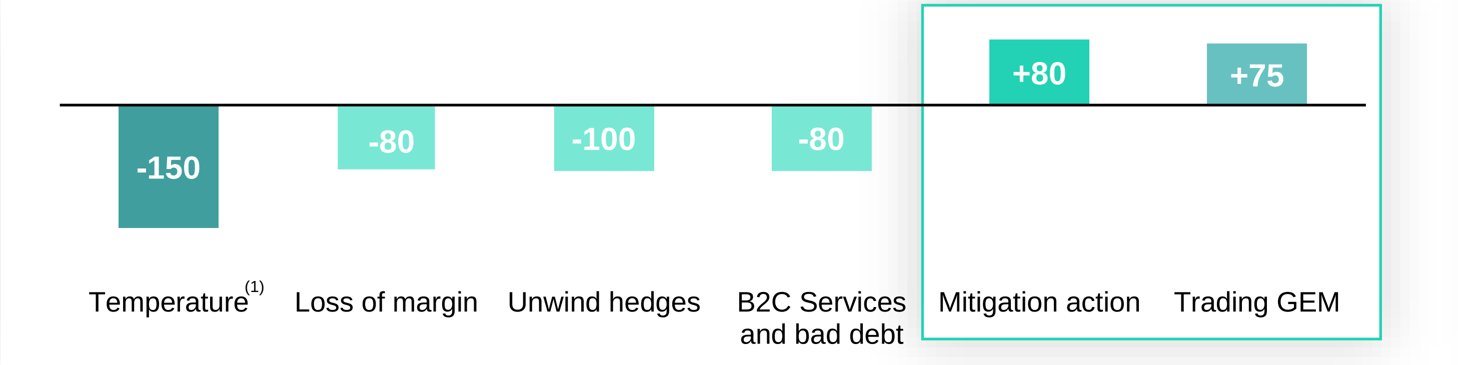
Gas and Power sales [TWh]



Gas and Power demand vs. 2019 [%]



Portfolio effect - H1 YoY COI [€M]



HIGHLIGHTS

- Sales volumes positively impacted by strong commercial activity (+23TWh)
- Significantly offset by 3 extreme events: exceptionally warm weather; oversupply resulting in very low prices; lockdowns due to Covid-19
- Mitigation actions and portfolio effects:
  - ~70% hedges adjusted in first 2 weeks of lockdowns
  - Performance plans on margins and costs (+€80M)
  - Trading activity linked to supply benefiting from volatility (+€75M)
- Provided €10M of grants to support vulnerable households during the crisis
- Gas and power demand are recovering
- Hedging strategy adapted for risk management and winter 2021

(1) including the effect of sellback of volumes
(2) Including c. +€30M related to Covid-19 crisis

Robust operational performance from resilient businesses

NETWORKS

- Storage facilities used intensively (> 80% filled end H1 versus ~70% LY)
- Maintenance works back at 100% activity at end June
- Accelerated development in Latin America
  - Acquisition of remaining 10% minority interests in TAG
  - Anticipated Capex (from ’21) on power transmission lines

RENEWABLES

- 5.5 GW under construction
- 2.3 GW sell-down signed in H1
- JV Ocean Winds with EDPR (1.5 GW of offshore wind under construction and 4 GW under development)
- 385 MW of Corporate PPA signed in H1

THERMAL

- 78% contracted / 22% merchant(1)
- Stable availability rate (89% in H1-20 versus 90% in H1-19)
- Largest gas fleet in Europe in a context of high spark spreads

NUCLEAR

- Delivering lifetime extension program despite Covid-19
- Nuclear availability over H1 2020 at 66%

Accelerated hedging over H1 for 2021 and 2022

Adapted fleet for increasing CO_2 prices

Networks, Renewables and Thermal relatively resilient

(1) Production @100% (TWh)

Outlook

Judith HARTMANN
EVP, CFO and Member of the executive leadership team

Updated 2020 Outlook[(1)]

EBITDA indicative range of €9.0 – 9.2 bn

COI indicative range of €4.2 – 4.4 bn

NRIgs range of €1.7 – 1.9 bn

Economic Net Debt / EBITDA above 4.0x for 2020 but below or equal to 4.0x over the long term

Capex[(2)] indication of €7.5 – 8.0bn
o/w c. €4bn Growth, c. €2.5bn Maintenance and c. €1.3bn Nuclear funding

Dividend: policy reaffirmed, 65-75% payout ratio for fiscal year 2020

(1) Main assumptions: average weather in France, full pass through of supply costs in French regulated gas tariffs, no major regulatory or macro-economic changes, no change in Group accounting policies, market commodity prices as of 06/30/2020, average forex for 2020: €/$: 1.11; €/BRL: 5.79, no significant impacts from disposals not already announced, continued / gradual return from lockdowns across key geographies with no new major lockdowns in key regions
(2) Net of DBSO and tax equity proceeds

Strong recovery expected from 2020 low point

Limited medium-term impact of Covid-19 on the majority of businesses which benefit from good visibility

Organic evolution

Client Solutions	• Asset-Based: limited impact from Covid-19 expected • Asset-Light: some uncertainty due to ongoing impacts of Covid-19 but activity levels up considerably from Q2 and robust order book
Networks	• Clarity of regulatory frameworks, with limited impact from Covid-19 expected
Renewables	• Secured 9 GW target, commissioning over 2019-21 • Power prices almost back at pre-crisis levels
Thermal	• Visibility through PPAs • Better spark spreads than pre-crisis levels
Nuclear	• Limited impact from Covid-19 expected • Power prices almost back at pre-crisis levels
Supply	• B2C: limited impact from Covid-19 expected • B2B: potential ongoing impact on activity levels due to Covid-19 but energy demand levels improved significantly compared to Q2
Others	• Limited impact from Covid-19 expected

Additional material

H1 2020 COI[1] breakdown matrix

[€M]	Client Solutions	Networks	Renewables	Thermal	Nuclear	Supply	Others[2]	Total
France	40	1,027	104			68		**1,239**
Rest of Europe	-45	56	44	160	-107	61		**168**
Latin America	-1	185	311	179		22		**696**
USA & Canada	-20	1	34	16		-33	2	**1**
Middle East, Asia & Africa	8		43	236		-44		**243**
Others	-124	-3	-25	-2		-70	47	**-179**
Total	**-142**	**1,266**	**512**	**588**	**-107**	**3**	**49**	**2,169**

(1) Pro forma figures, unaudited
(2) Including corporate, GTT, LNG activities in Noram and GEM

COI bridge by effect

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

Main assumptions for 2020 updated guidance

- Normalized temperature conditions in France (gas distribution and energy supply)
- Normalized hydro production in France
- Full pass through of supply costs in French regulated gas tariffs
- No major regulatory or macro-economic changes
- No change in Group accounting policies
- Market commodity prices as of 06/30/2020
- Average forex for 2020: €/$: 1.11; €/BRL: 5.79
- Belgian nuclear availability (@100%): 62% (based on reactors availabilities as published on REMIT as of 07/28/2020)
- Recurring effective tax rate for 2020: 29%
- No significant impacts from disposals not already announced
- Continued / gradual return from lockdowns across key geographies with no new major lockdowns in key regions

Estimated Covid-19 impacts by Business Lines

	Estimates at COI level [€bn]	Nature
Client Solutions	(0.49)	Loss of revenues / contracts, credit losses, specific purchases
Networks	(0.04)	Lower volumes, lower capitalized costs, specific purchases
Renewables	(0.02)	Lower volumes dispatched
Thermal	(0.02)	Lower demand
Nuclear	-	
Supply	(0.24)	Lower demand, unwinding of hedges, lower B2C services, credit losses
Others	(0.05)	Credit losses
ENGIE	**(0.85)**	*Net of economies / actions plans*

Those estimates have been prepared in accordance with a standard guidance applied across our businesses under a dedicated oversight process (losses of revenues being inherently subject to more judgement than the identification of specific costs incurred).
Those estimates relate to operating items only and are presented net of savings and mitigating management action plans. By construction, those estimates exclude foreign exchange and commodity price effects incurred in our various businesses, whether positive or negative.

From EBITDA to net income

From EBITDA to NRIgs

	H1 2020	H1 2019	Δ YoY
EBITDA	**€4.5bn**	**€5.3bn**	**-0.8**
D&A and others	(2.3)	(2.2)	(0.1)
COI	**€2.2bn**	**€3.1bn**	**-€1.0bn**
Net interest expense(1)	(0.6)	(0.6)	(0.0)
Income tax	(0.5)	(0.6)	+0.2
Minorities & Other	(0.3)	(0.4)	+0.1
NRIgs continued	**€0.7bn**	**€1.5bn**	**(0.7)**
NRIgs discontinued	**€0.0bn**	**€0.0bn**	**-**
NRIgs	**€0.7bn**	**€1.5bn**	**(0.7)**

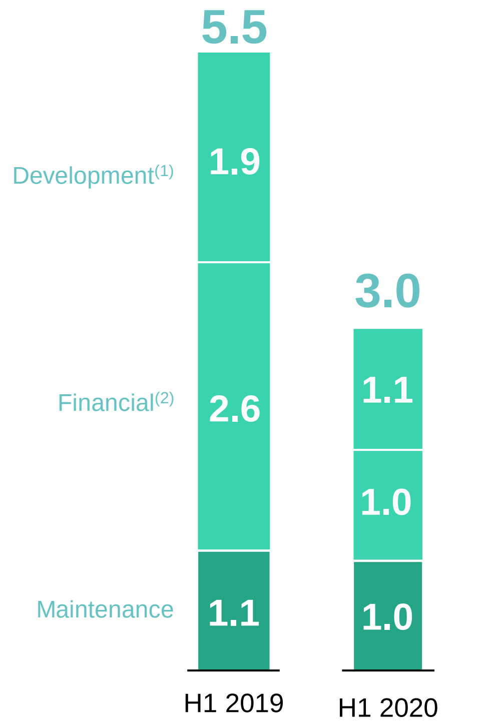
From NRIgs to NIgs

NRIgs H1 2020	**€0.7bn**
MtM below COI	(0.4)
Restructuring costs	(0.1)
Capital gains	+0.0
Impairments & Others	(0.3)
NIgs H1 2020	**€0.0bn**

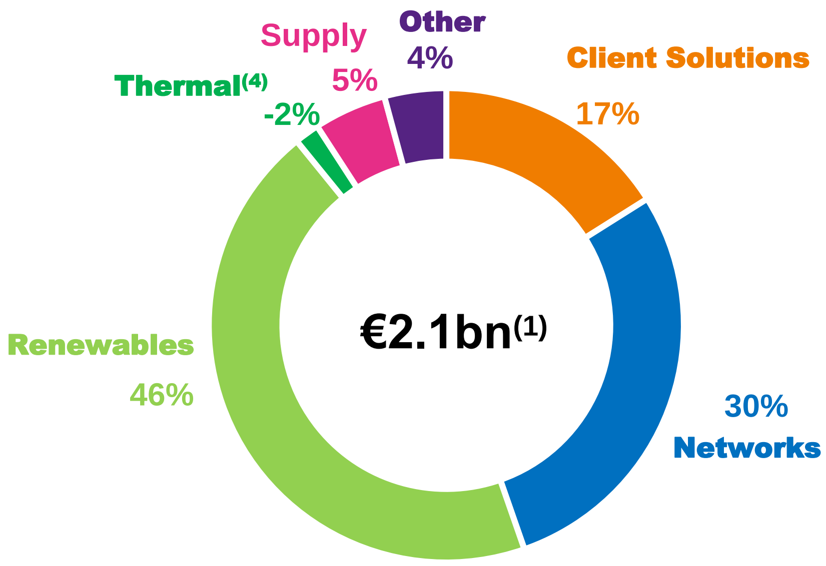
(1) Cost of net debt + unwinding of discount on long-term provisions

€2.1bn Growth Capex in H1 2020

Breakdown by nature [€bn]



Growth Capex(3) by business line [€bn]



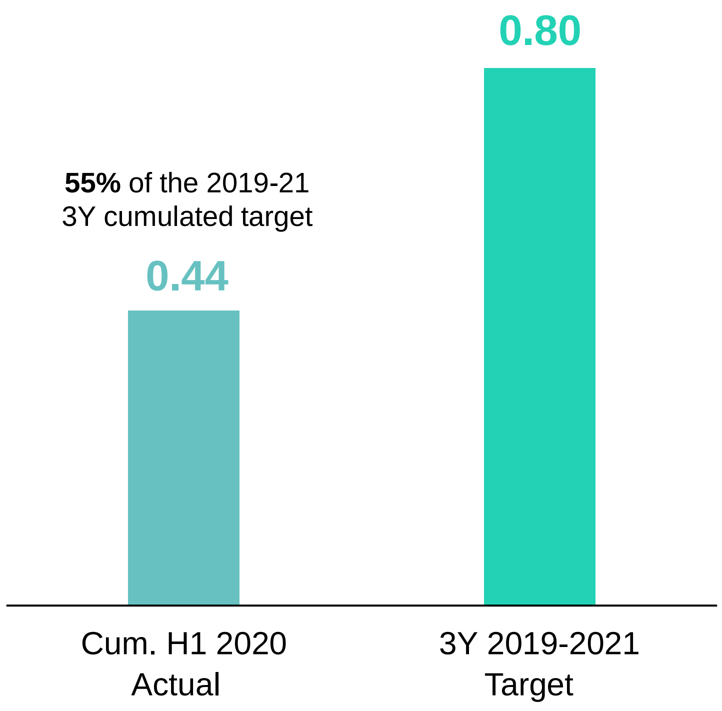
Main projects [€bn]

Client Solutions	**~0.4**
Noram – University of Iowa	**~0.2**
Networks	**~0.7**
Elengy	**~0.2**
GRDF (smart meters + networks dvt)	**~0.2**
Brazil – Power lines	**~0.2**
Renewables	**~1.0**
Noram	**~0.5**
Latam	**~0.3**

(1) Net of DBSO and tax equity proceeds
(2) Of which Synatom investments (H1 2019: €0.2bn, H1 2020: - €0.2bn)
(3) Net of DBSO proceeds, Corporate excluded, Synatom financial Capex reallocated to Maintenance
(4) Negative Capex represents repayment of affiliate loans

LEAN: aligned with the plan

Net COI improvement [€bn], cumulated



Cost reduction

Procurement

Insourcing, pooling,
centralization and standardization

Digitalization

Process automation
and asset optimization

Shared Services Center

Coverage and optimization

Revenue enhancement

Industrial assets performance improvement

Availability and efficiency

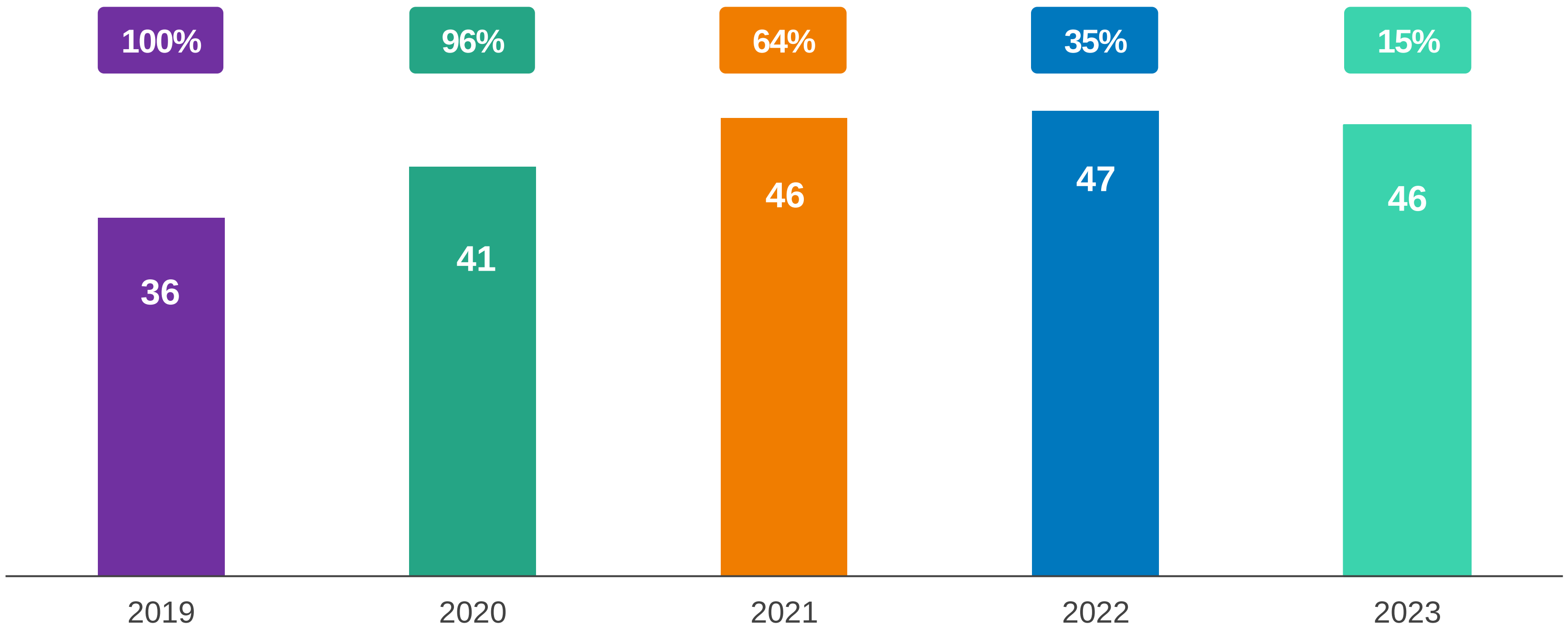
Improved services offerings

Pricing actions

Outright power production in Europe

Nuclear and Hydro

Outright hedges: volumes & prices [% and €/MWh]



As of 06/30/20
Belgium and France (+ Germany until April 2019)

Disclaimer

Forward-Looking statements

This communication contains forward-looking information and statements. These statements include financial projections, synergies, cost-savings and estimates, statements regarding plans, objectives, savings, expectations and benefits from the transactions and expectations with respect to future operations, products and services, and statements regarding future performance. Although the management of ENGIE believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ENGIE securities are cautioned that forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ENGIE, that could cause actual results, developments, synergies, savings and benefits to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public filings made by ENGIE with the *Autorité des Marchés Financiers* (AMF), including those listed under “*facteurs de risque*” (risk factors) section in the *Universal Registration Document* filed by ENGIE (ex GDF SUEZ) with the AMF on March 18, 2020 (under number D.20-141). Investors and holders of ENGIE securities should consider that the occurrence of some or all of these risks may have a material adverse effect on ENGIE.

For more information about ENGIE

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https://www.engie.com/en/finance-area

FOR MORE INFORMATION ABOUT H1 2020 RESULTS:
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