ENGIE 2020 FINANCIAL RESULTS

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Aarti Singhal

Good morning, everyone. I'm Aarti Singhal, Director of Investor Relations at ENGIE, and welcome to our 2020 Annual Results conference call. A quick word on the agenda for this morning. First, you will hear from our new CEO, Catherine MacGregor, on the highlights of 2020, followed by our CFO, Judith Hartmann, on our financial performance. Catherine will then come back and share our priorities, following which, as usual, we will open the lines for Q&A. As always, my team and I are here to assist you, so do please reach out. And, with that, I'm pleased to hand you over to Catherine.

Catherine MacGregor

Thank you very much, Aarti, and good morning everyone.

It is such an exciting time to have joined ENGIE. Exciting time for the Group and for the energy industry as a whole. We are facing an unparalleled opportunity to play a clear and meaningful role in tackling climate change. By 2050, over $15 trillion are expected to be invested in power generation globally, with over 70% in renewables. Significant growth is also expected in the use of renewable gases, to accelerate the energy transition. According to the IEA's latest Sustainable Development Scenario, in Europe alone, energy from biomethane and hydrogen could potentially grow three times from 2019 levels, to over 300 TWh in 2030.

As we are reminded by extreme events, such as the recent ones in Texas, it is critically important that decarbonisation of the energy mix is both reliable and affordable. This will mean a transition based on a combination of electrification and decarbonisation of gas, as well as on the development of flexible and resilient energy systems.

ENGIE is a major player in the energy sector, and we are extremely well placed to tackle most of the challenges posed by this transition. We have 101 GW of gross power generation capacity, of which around 30% from renewables. We have a French regulated-asset base of €28 billion, which makes us one of Europe's largest gas network operators, and a growing footprint in networks internationally. These factors, together with a track record in decentralised infrastructure, and a fast-growing position in renewable gases, means we are very well placed indeed.

In just 8 weeks that I have been here, I can already see the tremendous potential ENGIE has in accelerating this energy transition. This is what I am committed to.

Before I say more on this, let me review the Group's overall 2020 performance.

EBITDA and COI were both down significantly from last year, mainly due to the impact of the pandemic. However, our results were ahead of our expectations on both metrics. And this was driven by the fact that the H2 confinements were lighter in our main markets and that we adapted our processes, contributing to improve the activity levels. And, as a result, H2 2020 was actually similar to H2 2019 on an organic basis.

Net Recurring Income Group share, was within the guidance range, and Judith will cover financial performance in more detail shortly.

The Board has reaffirmed the Group's dividend policy and proposed for 2020 a payout ratio of 75%, which is at the top end of the range. This translates to a dividend of €0.53, which will be proposed for shareholder approval at our AGM on 20 May.

In terms of operational performance, I am pleased that the Group made progress at pace despite the challenging backdrop. For this, I would like to say a big thank you to Judith, Paulo and Claire, for their strong leadership in 2020, as they had the dual challenge of advancing the Group's simplification agenda while at the same time ensuring we continue to deliver essential services to our customers.

Following the launch of the new strategic orientation in July, ENGIE completed the disposal of its 29.9% shareholding in SUEZ in October. We also rapidly launched strategic reviews of businesses including part of Client Solutions, GTT and ENGIE EPS. In addition, ENGIE also progressed geographic rationalisation and strengthened its positions in key regions. For example, we significantly enhanced our renewables footprint in the US.

Operationally, in 2020, the Group continuously evolved processes to tackle Covid and we maintained high health and safety standards for both occupational and process safety.

We invested 4 billion of growth Capex and successfully commissioned 3 GW of Wind and Solar assets.

In Nuclear, following the announcements of the Belgian government in Q4 2020, it has been decided to stop all preparation works that would allow a 20-year extension of two units beyond 2025, as it seems unlikely that such an extension can take place given the technical and the regulatory constraints. This change led to an impairment which Judith will cover shortly.

Our Group remains committed to Belgium, and to contributing to the country's security of supply. Alongside Renewables, we are also developing projects of up to 3 GW of gas-fired generation. These projects could participate in the Belgian capacity remuneration market auctions in H2 this year, once approved by the European authorities.

Let me now turn to our ESG performance.

Carbon neutrality is at the heart of ENGIE's purpose and central to our strategic directions. Today, I am very pleased to announce a commitment to exit all coal assets in Europe by 2025, and globally by 2027, in line with our purpose to drive carbon neutrality.

We are focused on driving our ESG performance using a wide range of metrics, three of which I will discuss here.

Our greenhouse gas emissions from power production reduced 9% to 68 million tonnes, as the share of coal has further decreased in 2019.

We also increased the share of Renewables in our portfolio to 31%, and I will cover this in more detail shortly.

And, on gender diversity we maintained 24% women in management of the Group, and this must continue to be an area of focus for us in the coming years.

The final area of 2020 performance I would like to highlight is the Group's continued progress in growing our renewable portfolio, which has grown significantly, by 32%, since the end of 2018. The 3 GW that we commissioned last year is in our key growth markets for Renewables, namely the US, Europe and Latin America.

2020 was really a milestone year for ENGIE in the US, with nearly 2 GW of this new capacity commissioned across four states, taking our total installed renewable generation there to over 3 GW.

In 2020, most of our newly commissioned assets were onshore wind, followed by solar. And, for the first time, through our Ocean Winds joint venture with EDPR, we commissioned both fixed and floating offshore wind.

In addition to this strong organic growth, we also added 2 GW through acquisition of operating assets. This included 1.7 GW of Hydro plants in Portugal, which benefit from long-term concession arrangements.

And, finally, we also strengthened our position in the rapidly growing market of corporate PPAs, with over 1.5 GW of contracts signed in 2020. For example, we signed several corporate PPAs with Amazon for a 650 MW global portfolio of wind and solar projects across the US, Italy and France.

Turning to an update on the strategic review of part of our Client Solutions business, that was launched in H2 last year, in November we discussed the creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. I am very pleased that Jérôme Stubler, who has more than 30 years' experience in the construction industry, joined us recently and will be leading this important project.

Employee consultation on the proposed organisation design started this month, as planned, and we expect it to conclude by the end of Q2. We will then consider next steps and review future ownership options for the new entity in H2, maximising value and acting in the interest of all our stakeholders.

Now, the guidance for 2021.

We expect financial performance to improve significantly from 2020, driven by a combination of strong recovery from Covid impacts, growth in Renewables and international Networks, improved Nuclear availability and higher achieved prices, and reversal of warm weather effects. Overall, these positive factors are expected to more than offset, year on year, negative evolutions.

With respect to the recent extreme weather events in Texas, we are assessing the situation. It mainly affects our Renewables and Supply activities. Within this guidance, we have included our current estimate of the potential impacts.

We remain focused on executing disposals at pace, continuing to simplify the Group, creating value and reallocating capital towards growth. To this end, we expect to invest between €5.5 billion and €6 billion growth Capex with over 90% of this in Renewables, Networks and Asset-based Client Solutions.

Let me now hand you over to Judith, to cover our financial overview, and I will come back on strategic priorities. Judith.

Judith Hartmann

Thank you, Catherine, and good morning, everybody.

It's a pleasure to welcome Catherine to ENGIE and I'm looking forward to executing our strategic plan together. We have ambitious goals, to continue to simplify ENGIE at pace, to play a key role in accelerating the energy transition, and to focus on the long-term profitable growth of the Group.

Before I share my view on 2021, here are our 2020 financial highlights.

H2 2020 showed a strong recovery after a Q2 which was heavily impacted by Covid. This very unusual year translated into a mixed set of numbers.

EBITDA and COI at €9.3 billion and €4.6 billion were down by 11% and 21% respectively, on a gross basis. Organically, these evolutions were slightly better. This decrease in total COI was mainly driven by a negative 1.2 billion Covid impact, a negative 300 million pressure from foreign exchange (mainly due to the depreciation of the Brazilian real) and a negative 160 million impact from French temperatures.

Net Recurring Income Group share, amounted to 1.7 billion, down 37% year on year. Net Income, Group share, stood at negative 1.5 billion. This was mainly due to impairments, especially related to our nuclear reactors. This was partially offset by capital gains, the main one being 1.7 billion due to the sale of the 29.9% shareholding in SUEZ.

Compared to 2020 guidance, I'm pleased that both EBITDA and COI stood above the ranges we indicated last summer. Net Recurring Income Group share, was in line with guidance but at the bottom end of the range. This was due to higher contributions from entities with minorities, which fully contributed at EBITDA and COI levels, but only contributed at share, at Net Recurring Income Group share level.

We also posted higher financial costs. This was notably due to the discounting of liabilities related to Hydro concessions in Brazil, that are indexed to inflation and which increased significantly in 2020. Let's keep in mind that Revenues are also indexed to inflation and will benefit from that increase over time.

Although we were in crisis management mode most of 2020, we did not lose focus on our long-term objectives and continued to invest for the future. We invested 7.7 billion of Capex in total. This included 4 billion of growth Capex, almost exclusively in our areas of strategic growth, with approximately 40% in Renewables, 40% in Networks and 15% in Asset-based Client Solutions.

We also continued our relentless pursuit of simplifying the Group, we completed the SUEZ transaction in October, and launched further strategic reviews.

Let me give you the 2020 COI highlights.

COI was adversely impacted by roughly 300 million due to foreign exchange and by an aggregate negative scope effect of 75 million.

On organic evolution per business line, Renewables, Thermal and Nuclear were resilient, and even grew organically. Networks were mainly impacted by warm temperatures and by higher D&A.

Covid weighed particularly heavily on Client Solutions and on Supply.

Let me now move to a detailed view per business line.

Renewables showed continued progress and overall operational resilience to Covid, with organic growth of 11% in 2020. However, the gross COI evolution was negative 125 million, mainly due to foreign exchange.

Starting with our biggest contributor, Latin America, we had a 195 million headwind from FX and an unfavourable energy allocation for Hydro in Brazil. These negative effects were partially offset by the positive GFOM ruling in Brazil, of approximately 165 million. This was linked to a recovery of past energy costs following the agreement on renegotiation of hydrological risk, which was finalised at the end of 2020.

The contribution of French Renewables was also lower due to the reduction in DBSO margins in 2020. This impact was partially offset by higher achieved prices for our Hydro power production and higher volumes, produced mainly by our Wind assets.

In other geographies, we benefited from commissioning new capacity in the United States and from higher wind production. We invested 1.5 billion of growth Capex in 2020, mainly for the acquisition of 1.7 GW of Hydro assets in Portugal.

Moving to Networks, which were resilient despite the pandemic, the 281 million year-on-year COI decrease notably reflects warm temperatures and higher D&A in France. The negative temperature effect was roughly 100 million in France, with lower gas volumes distributed by GRDF.

French networks had a limited Covid impact, also mainly on distributed gas volumes. Remember that, for regulated activities, volume effects are recoverable in the short to medium term through the clawback mechanism, and are therefore value-neutral.

Higher D&A was mainly due to accelerated amortisation of some distribution assets. This is value-neutral over time, as D&A is integrated in the regulated revenue.

The reversal of a positive internal one-off from Q4 2019, offset in Supply, as well as the first effect of the RAB remuneration rate decreases, also contributed to this lower COI in France.

In Latin America, COI was up significantly, driven by the scope-in effect and higher organic contribution of TAG, which I'm very pleased to say has outperformed our expectations. In addition, we had higher contributions from power transmission lines in Brazil, as their construction is progressing well. Together, these drivers helped to more than offset negative foreign exchange in Brazil, Mexico and Argentina.

We invested 1.5 billion growth Capex in 2020, mainly in Brazil, on power transmission lines and for the acquisition of the remaining 10% in TAG.

In France, we continued to invest into the gas smart meters rollout.

On the next slide, you see Client Solutions, which faced unprecedented headwinds in 2020. COI decreased mainly driven by a 600 million impact from the pandemic. Access to customer sites was much reduced during the strict lockdowns of Q2 2020, and we were not able to perform various services. Revenue declined on a gross basis by approximately 900 million for the full year.

Strong management actions allowed us to variabilise and reduce total Opex by approximately 300 million.

Lower results from SUEZ also impacted Client Solutions COI, by approximately 160 million.

H2 showed a clear recovery, with less stringent confinement measures, but also with improved processes and protective equipment for our teams. We also continued to benefit from the cost actions launched in Q2. Excluding the scope-out effect of SUEZ in Q4, H2 performance in 2020 was similar to previous year.

Despite unfavourable temperature, our District Heating and Cooling and Onsite Generation activities were resilient. We continued to develop these activities, including through an acquisition of the world’s largest district cooling scheme in Dubai, allowing us to increase our DHC net installed capacity by 9%.

In Green Mobility, we are a leading global provider of smart charging solutions for electric vehicles through EVBox, a startup we acquired in 2017. We announced last December that EVBox would be listed on the New York Stock Exchange. We are expecting this to happen in a matter of weeks, following the closing of the SPAC transaction.

Regarding Client Solutions’ project backlog, we have recorded a total increase of 5% since December 2019, representing approximately 13 months of activity.

Let’s now move to Thermal, which was impacted by scope and FX, notably 90 million of disposals, mainly in Thailand, and close to 40 million negative FX impact. On an organic basis, the business line saw 1% growth, which was a strong result considering that there were over 100 million of positive operational one-offs in 2019 from LDs on newly commissioned power plants in Brazil and Chile.

We had very good results from our Italian assets, due to a higher level of ancillaries as well as to higher spreads captured throughout Europe.

This was also driven by a higher operational contribution of Brazilian assets and by improved performance from Middle East gas contracted activities.

The Covid impact on our Thermal activities was minimal, with lower demand mainly in Chile and Peru.

To conclude on Thermal, let me highlight the de-mothballing of two Dutch gas units, demonstrating this fleet’s flexibility to take advantage of market opportunity.

Let’s now move to our Supply, Nuclear and Other activities.

Supply suffered a net Covid impact of roughly 290 million, mainly due to lower consumption, bad debt and lower B2C services. Warm temperatures in H1 also weighed on energy consumption, mainly in France, for B2C gas volumes. These headwinds were partially offset by various one-offs including an internal negative 2019 one-off mirrored in Networks. We continued to put in place dedicated action plans including Opex reductions and G&A resizing.

Covid had little impact on Nuclear and its contribution improved by €203 million, mainly reflecting higher achieved prices and lower Opex. These positive effects were partly offset by lower volumes, mainly due to a decrease in availability of our Belgian assets caused by the last planned LTO maintenance works on Doel 1, Doel 2 and Tihange 1.

Lastly, COI for Other activities decreased as 2019 benefited from a positive one-off related to a partial sale of a gas supply contract, and 2020 was impacted by Covid, mainly due to credit losses for GEM. These headwinds were partly offset by the outperformance of GEM activities on the back of market volatility. We also benefited from higher contributions of GTT, thanks to a strong past order intake.

Next, a few words on the bridge from EBITDA to Net Recurring Income Group share. D&A was up mainly because of acquisitions, asset commissioning and accelerated amortisation for some French gas distribution assets. Net interest expense was also slightly higher, driven by negative effects and lower cash remuneration. Tax charges were 300 million lower, mainly due to the decrease in profit. This was partly offset by a temporary higher effective recurring tax rate, at 32.5% in 2020 versus 28.2% in 2019. This higher tax rate included notably the adjustment of carrying value of some deferred tax assets and the one-off effect of the tax rate change in the UK.

Minority interests were lower, mainly due to lower contributions from our listed entities in Latin America, and to the scope effect of Glow.

And now I'll comment on the bridge from Net Recurring Income Group share, to Net Income Group share, which was negative 1.5 billion in 2020.

First, we recorded significant impairments, mainly driven by the 2.9 billion nuclear impairment caused by the change in lifetime assumption for Belgian nuclear reactors, as well as by changes in the commodity price scenario. In addition, the extension of fair value accounting to a European gas contract and its related assets also led to a net impairment of 500 million. These negative figures were partly offset by capital gains, mainly coming from the SUEZ transaction.

Let me now focus on the evolution of Net Debt and on our leverage ratios. Financial Net Debt decreased by 3.5 billion to 22.5 billion from December 2019, primarily due to disposal proceeds.

CFFO was 7.1 billion in 2020, down 500 million versus 2019, mainly driven by the following effects: first, operating cash flow was 1.1 billion lower, mainly reflecting the drop of EBITDA; second, change in Working Capital Requirement from activities excluding energy management had an impact of negative 200 million. These headwinds were partly offset by a 700 million positive change in Working Capital Requirement from energy management activities, driven by dynamic management of margin calls in 2020 in a context of extreme volatility of commodity prices.

We reshaped the portfolio by investing 7.7 billion Capex and by disposing of 4.2 billion of assets. Overall, the average cost of gross debt was 2.38%, down 32 basis points compared with December 2019.

At the end of 2020, Financial Net Debt to EBITDA ratio was 2.4x, a slight decrease compared to December 2019. Economic Net Debt to EBITDA ratio was 4x, stable compared with December 2019 and better than 2020 guidance.

We maintained a high level of liquidity, with 23 billion, including 13.3 billion of cash as at the end of December 2020. This is particularly noteworthy in the context of the unprecedented pandemic.

We strengthened our leadership in green bonds, having issued 2.4 billion green bonds in 2020 for a total of 12 billion since 2014. We also dynamically managed our hybrid bonds, which are showing an average outstanding amount of 3.9 billion. The current total coupon of 100 million per year has been reduced by 28% since 2017.

Lastly, no change on the rating since mid-November, in line with the strong investment-grade we aimed for.

Let's now look at the outlook for 2021, starting with our capital reallocation to fund growth. We expect to invest between 5.5 and 6 billion in growth Capex, with over 90% allocated to our strategic priorities. We will continue funding nuclear provisions in Belgium and invest for maintenance with a total of approximately 4 billion. In addition to EVBox, we expect to execute disposals of around 2 billion, aligned with the Group simplification.

On the following slide, I'll share our 2021 expectations for each business line.

In Renewables, we expect growth from asset commissioning in the United States, from higher achieved prices for French Hydro, and from the potential positive effect of the CNR concession extension. This growth will be partly offset by a lower benefit from the GFOM ruling in Brazil and by the assumed FX deterioration.

In Networks, lower RAB remuneration rates in France should be offset by the reversal of 2020 warm temperatures as well as continued growth in Latin America.

In Client Solutions, overall we are expecting a strong recovery from Covid, albeit with a relatively slower recovery for asset-light activities.

We are also expecting a year-on-year accretion resulting from the partial disposal of SUEZ and EVBox, which contributed negatively in 2020.

In Thermal, we expect a COI decrease due to the normalisation of a strong 2020 performance in Europe, which was supported by high spark spreads and ancillary contributions.

In Supply, the outlook is improving, as these activities should strongly recover from Covid and on the assumption of temperature normalisation.

In Nuclear, we expect contribution to increase as volumes should be higher, thanks to better availability. We have already secured better pricing for 80% of our 2021 output, at €46 per MWh.

Included within this guidance is an estimated impact that follows the extreme cold weather in Texas earlier this month. We are assessing the situation, which mainly affects Renewables and Supply activities. Overall, we currently estimate a potential net impact at Group COI and Net Recurring Income Group share level, of between 80 to 120 million.

Now, the 2021 guidance.

We expect EBITDA to be in the €9.9 billion to €10.3 billion range, COI to be in the €5.2 billion to €5.6 billion range, and Net Recurring Income Group share, to be in the €2.3 billion to €2.5 billion range.

Regarding Covid, our projections assume restrictions similar to Q4 2020 and a gradual easing over 2021.

We assume up to 100 million dilution effect at the COI level from approximately 2 billion disposals, in addition to previously signed transactions.

We remain committed to a strong investment-grade credit rating and continue to target a ratio of below or equal to 4x Economic Net Debt to EBITDA over the long term.

And, importantly, we reaffirm our dividend policy, which relies on a 65% to 75% payout ratio on the basis of Net Recurring Income Group share.

I will now hand you back to Catherine, for our 2021 priorities. Catherine, the floor is yours.

Catherine MacGregor

Thank you very much, Judith, and let's now indeed look at our priorities for sustainable long-term value creation. The ENGIE Board set out strategic orientations for the Group last year, in July 2020, and my new Executive Team and I have three clear priorities.

Firstly, simplifying the Group at pace.

Secondly, investing further, investing in Renewables, Networks and Asset-based Client Solutions, as these are areas of competitive strength for ENGIE.

And, finally, strengthening our Group's commitment to the energy transition.

Whilst the overarching priorities are clear, we now need to translate them into an action plan for consistent delivery. And, to this end, I'm very pleased to announce our next event on 18 May, where Judith and I will cover both our Q1 results and provide you with a medium-term strategic plan and guidance.

On 14 January, I announced a new Executive Committee and I'm very pleased that Paulo, Edouard, Cécile and Sébastien have started their new business roles. And I can confirm that the whole Executive Committee is passionate about moving along our strategy and enhancing our performance culture.

Turning to our major focus areas, starting with Renewables, they represent a key long-term growth engine for the Group. Our portfolio of Wind and Solar assets has an average age of 5 years, with an average residual contract duration of 15 years, which offers us with good visibility of earnings. Currently we have 3 GW under construction for commissioning in 2021, and we are on track to achieve the 2019 target of commissioning 9 GW in 3 years, by the end of this year.

A key area of value creation from Renewables is the ability to commercialise energy with new and innovative solutions for customers. And we have made great progress on this front. For example, in addition to the Amazon contract that I mentioned earlier, ENGIE will supply 3 TWh of renewable energy to the global chemicals group Ineos through a 10-year corporate PPA. This is one of the largest renewable PPAs signed with an industrial group in Belgium and demonstrates the growing appetite for PPAs from a broader range of customers.

We intend to retain a higher ownership of our Renewables projects, where it is strategically and economically rational, as we indicated in our strategic orientation.

Stepping back, it is important to say that our Renewables growth ambition is not about entering a gigawatt race: our focus is on disciplined investment through organic growth and through targeted acquisitions that offer good returns.

With our strong local presence in key geographies, our leading capabilities across the power generation value chain, including in energy management, which is a key for commercialising renewable energy, we are confident in our ability to drive long-term value creation from this Renewables growth.

Now, turning to Networks, we are investing significantly in this activity to ensure safety and reliability, as well as improving energy efficiency. An example of the latter is the continued rollout of smart meters, where we installed an additional 2 million smart meters in France last year.

Our regulated networks offer stability and visibility of earnings to the Group, with regulatory remuneration arrangements in place through to 2024.

As a leader in gas networks, we are playing a critical role in enabling an affordable and smooth energy transition, and we are promoting a progressive increase in the role of renewable gases. We see a huge potential for hydrogen, and we are already making significant progress in biomethane. For example, last year, 91 additional biomethane production units were connected to the French gas grids, and over 85% of these were connected to GRDF. Altogether, these units can contribute to a yearly production of up to 3.9 TWh, equating to the annual gas consumption for heating approximately 1 million new-build homes in France. We have also started to adapt the existing gas transport networks by commissioning three reverse-flow installations in 2020, which allow biomethane to flow from the distribution grid to the gas storage units.

Moving now to our international networks, where we are leveraging the deep Networks experience we have in Europe, in emerging markets, the importance of gas is driven not just by economic growth but also by reducing exposure to higher-emitting sources such as coal. A particular region of international growth in Networks has been Latin America where, in addition to gas, we are also building power transmission lines. Our near-term priority in the region is to commission two major electricity transmission projects. Currently under construction is the 1,000 km Gralha Azul project and the 1,800 km Novo Estado project. Both include the construction of new substations and upgrades to existing substations, and are expected to be commissioned in H2 this year.

Finally, on Client Solutions, we see a strong growth potential, driven by decarbonisation and energy efficiency, especially in heating and cooling networks, onsite generation and green mobility, among other asset-based solutions. We currently have leadership positions in all of these activities, and recent successes include a 30-year contract signed in Monaco to design, build, own and operate a seawater heating and cooling network that will enhance energy efficiency.

Overall, we have 100 cooling networks with a total installed capacity of 6.1 GW and 300 heating networks of various sizes that distribute 19 TWh yearly.

Delivering on decarbonisation, while ensuring reliability and affordability, can only be achieved through a combination of centralised and decentralised solutions, and with a mix of energy sources. ENGIE has developed a strong platform in Client Solutions from which we can tap into the growth in this space. In DHC networks, the worldwide market is expected to grow over 5% per year on average across the next 5 years.

Long-term growth drivers for asset-light activities are also strong, underpinned by major international action plans such as the European Green Deal towards making the EU's economy sustainable.

In our asset-light activities, we have a healthy order book and a project backlog of over €11 billion, offering good visibility for 2021.

So, to summarise, ENGIE made progress at pace in 2020. We delivered to our customers while continuing to invest in major capital projects. We have progressed on simplifying the Group. We are investing in our strategic priorities for long-term value creation. We have a new business organisation and leadership team who is focused on performance and is committed to executing our strategy, to accelerating the Group's growth and to strengthening our commitment to the energy transition.

I would like to take this opportunity to thank all ENGIE employees, who have worked so hard to deliver critical services for our customers in unprecedented conditions. I have only started to get to know them, and I'm already extremely impressed by their engagement, their professionalism and their talent, and I look forward to leveraging their strengths to deliver on our full agenda in such critical times for the energy industry and for ENGIE.

Thank you very much for your attention, and I would now like to turn the lines back to the operator for the Q&A session.

Q&A

Deutsche Bank

Thanks for the presentation and good luck with the new role, Catherine. I'll ask two questions.

The first is on the Supply business. You're obviously guiding for a significant improvement in Supply COI this year versus last year. Where should we be hoping that Supply COI gets back to… either this year or perhaps medium term, because there was a time when that business was making about 600 million of COI, and it's hard to know… There has obviously been some pretty big changes in competitive dynamics over the last couple of years, so I was wondering whether you can share some thoughts on perhaps where you might be able to get back to perhaps over the medium-term in that business.

And then I also had a question on the coal phase-out. You mentioned that you would also phase out coal in District Heating. I was wondering whether you could just remind us why you're still using coal in District Heating and what the options are there, whether you're planning on investing in converting those units to cleaner fuels. Thanks.

Catherine MacGregor

Thank you very much James for your question. Maybe I will start with your second question, which relates to the coal use in DHC – and you're right to point out that some of our DHC networks rely on a mix of intrants, of feedstock, and part of this feedstock sometimes continues to rely on coal. Often it's actually a very small proportion of coal that is being used, but it is indeed the case that it is part of our feedstock. So we are working really hard on these networks, to find alternatives, to use, you know, preferably renewables, things like biomass for example. And so our whole plan that we've announced today – and we're obviously very pleased to have made this announcement today – includes, for each of these networks, a solution to convert the coal to other sources of feedstock.

And, in terms of the Supply, we're really expecting Supply to recover, mainly from the less Covid impacts, also looking at a temperature which will improve, nothing much more structural than that, really, James, on Supply improvement.

Morgan Stanley

Thank you, and welcome to the utilities world. So two questions, please.

The first one is, following the impairment on Belgian Nuclear, could you indicate whether there'll be any impact on depreciation and amortisation going forward? And, if so, what quantity.

And the second one, if I may ask around Client Solutions: why the effort to reorganise this entity, given the strategic review regarding a potential disposal? Thank you very much.

Catherine MacGregor

Let me start with your second question, and then I will hand over to Judith, who will go through the details of the impairment impact, if you don't mind, Rob.

So, in terms of creating an entity, as part of our strategic review of Client Solutions, one of the things that is important to understand about this business is that it has grown within ENGIE as a series of acquisitions and local developments, and so, today, don't quite belong into a coherent entity, and is not led as an independent or well-defined part of ENGIE. So all of the work that we started last year and that we are doing as part of this consultation is to bring these activities into a coherent entity. And this is really happening now, with a commonality in terms of *métiers*, activity types, expertise, purpose, and also industrial projects. And that's really the key part of what we do, it's the first step, and we've announced that there might be a second step, but we will obviously cross that bridge when it comes to it. The key here is really to give that business its own industrial project, its own identity. We are in fact very positive and excited about the opportunity of these businesses. Very, very different from other more traditional *métiers* that we have in ENGIE. And the idea is really to form a very coherent entity, which Jérôme Stubler is very busy doing right now.

Judith Hartmann

On the positive impact on 2021, on the impairment, it was about 2 billion related to goodwill, so no impact there of course, on D&A reduction, and about 800 million of assets. And, on these assets, if you assume the five remaining years until 2025, it's about 150 million of impact a year (positive).

Union Bank of Switzerland

Hi, thank you, good morning. I have one question for Judith and one for Catherine, please.

Judith, just to follow up on the Nuclear, can I just ask, setting aside the provisions and the cash payments against those which we know about, can I just ask do you anticipate any positive free cash flow from the nuclear fleet now in the rest of its life? I mean, if you just look at operating cash flow, if there's the operating Capex that you've got to put in. Hopefully that's an easy one but will be very helpful.

The second one is for Catherine. Let me start by saying also welcome and wishing you success in the new role. You certainly have a lot of people out here who want you to be very successful. But that brings me to my question actually, and I think… the way I want to say this… I think we know the broad plan now for the business, but I think it's also important to look back at the last five years and understand why essentially the investment thesis has not delivered so far for shareholders. It's been a period in which the sector was exceptionally strong, the peer group has done very well, Iberdrola shares nearly doubled, Enel nearly tripled, Ørsted quadrupled. Other generators like Uniper and Fortum have been strong as well. But ENGIE shares have gone, let's say, sort of sideways, and even down a bit in that time. So I thought, on this occasion, it would be great if you could take a few minutes just to share with us your perspective on why the last few years have been so difficult for ENGIE, why the 2016 asset rotation plan didn't really deliver in the end, and why the current asset rotation plan may be more successful. We've heard from the Chairman, very helpfully, this last year, but I think we'd love to hear your thoughts on this and I'm sure that's a question you've been reflecting on as you took up the new role. Thank you.

Catherine MacGregor

Okay, thank you, Sam, for your welcome message and your welcome question! Maybe some thoughts. First of all, I think you are highlighting through your question the fact that we have at ENGIE significant tailwinds, tailwinds that some of our peers have enjoyed and we haven't. Now that makes me, and that makes the team, obviously extremely motivated and optimistic that we are going to get the benefits from these tailwinds because, as a team, we are extremely focused on making sure that we do outperform, outperform our peers, outperform the market. There is a very, very strong willpower within the team to do that. Now it's a little bit difficult for me to really be critical about the past. I would say that some of the things that were decided last year, with the strategic orientations, I am very, very convinced that they will address some of the shortfalls that can explain some of ENGIE's underperformance in the past few years. And I think, namely, complexity is one thing. The issue of having *métiers* and activities that are so different from each other. And I think we've talked a little bit about the multi-technical services as an example that requires a management focus, a capital allocation policy, a system and an attention to every cent that you have to spend, which is not necessarily something that is ENGIE DNA. So these are some of the things that… you know, complexity and ability to manage activities that are very, very different from each other, I think really gets in the way of performance. That's one thing. And second it's really focus and making sure that everybody pulls in the same direction. And, really, I am personally convinced, enthusiastic, about the idea of having a very sharp focus on capital allocation, making sure that all of our managerial efforts go in the direction that we've announced, and we'll be able to show very positive results. Maybe the last point, which is around a performance culture, which I think can be improved within ENGIE. And here again I can assess that, you know, the first reactions to this discussion within the company lead me to believe that we can make some inroads on that topic as well. So, really, in summary, three elements: complexity, sharper capital allocation, everybody pulling in the same direction and performance culture, are three important elements I think are going to make a difference and allow ENGIE, indeed, to thrive in those strong tailwinds that continue to be there for us.

Judith Hartmann

Thank you, Sam, for this question. Indeed, you can expect positive cash flow from operations from our Nuclear activities. I mentioned earlier two things, actually. The price is going up. In 2021, we already have hedged 80% of the production at 46, we have not seen prices like this in many years. And, on the availability, given that last year was the last LTO maintenance, we are confident on good availability for the years to come. You have of course in mind that we have committed to fund our waste provision until 2025, and so every year we will allocate, you know, capital to that. And that's 1.3 billion a year. And then the last thing I would want to mention, too, on a positive side of this decision, is this will help us reallocate some earmarked, let's say, Capex, into, again, our growth opportunities in Renewables and in Networks.

Union Bank of Switzerland

Thank you, that's really clear, and thank you Catherine too for your answer, which I think we all appreciate, and we wish you. One final comment from my side and then I'll turn it over but, just one observation is that a key part of success, I think, for some of your peers, has been laying out quite detailed guidance over a three-year period, and I suppose when we see you're planning a CMD in May I think lots of us are hoping that you'll be able to do something similar at the May event.

Catherine MacGregor

Thank you, Sam, for putting more pressure on us! [Laughs]

Union Bank

In a good way! And I wish you very good luck with it, and thank you, as I say, for your excellent answer just now.

J.P. Morgan

Yes, good morning and welcome, also and again. A similar thing for the CMD and medium-term outlook I would concur I think that's clearly something the market will be expecting.

So, for my questions, the first is on the asset rotation. So you said inflection on the strategy last summer, ENGIE already has started pretty fast on that, as you flagged, now the markets are looking at the remaining energy services, you're talking about Q3, Q4, for the end game, on defining the structure, but does that mean we have a disposal in Q3, Q4? That's what I'd like to understand because we need to consider what's the dilution as well, over medium-term period, not only 2021. Still on the asset rotation, this leaves you probably, I don't know, 12 billion of total proceeds, maybe, overall, when we put everything all together. So, you have been talking about investment discipline, we've seen peers in renewables showing a bit of a lack thereof, of investment discipline, among other things the auction in UK offshore. This has been a concern for the market. You can see that on the recent, demonstrating for renewable players. So, when you will reinvest, what is your philosophy there, what are you looking at, what will you be looking for? So I think this is a key point I'm interested in. Thank you very much.

Catherine MacGregor

Thank you, I think these are really, really good questions. I'll start maybe again with the second one, on Renewables. First to reiterate that we are very pleased with our position on renewables, we are a leader in France, we have in the US the largest development pipeline, we have a strong position in Brazil, in Peru, in Chile. So, in general, you know, we have a 31 GW portfolio. We're very pleased. I think the team has done so far a really nice job. A side comment, also, on this, is that our employees are obviously very excited about renewables being a growth engine for us in ENGIE, as well as obviously being a key goal of our ESG roadmap. So lots of enthusiasm around renewables. Now that doesn't mean that we should not have discipline. I think, as you pointed out, you know, there has been a little bit of a race to gigawatts, and you might have noticed that lately we have not really entered the race of announcements of gigawatts. Obviously we will give you more colour on our ambition on Renewables in May. But we really want to focus on a returns-based growth strategy. And, sometimes, you know, it's okay to lose auctions if we don't get the right returns. We have strict criteria and we will stick to them. We are going to really focus on a few geographies, we think it's important to have a system play on Renewables. We want to develop and further our differentiation. We have some core competencies, we have a team of about 300 developers who are really good at what they do, they are experts in sourcing projects, in dealing with permitting, land ownership issues, financing, partnering, environmental assessments and all that good stuff, as well as aspects of social acceptability (which is really important in the development of renewables, as you know), the ability to manage risk (you know, we see merchant risk increasing in the renewables arena and we are really good at that, we have a lot of experience over the years developed through our generation and thermal activity). So we really have some really nice differentiation that we want to use, in order, for sure, to be competitive, but without sacrificing the returns. And then maybe I'll add that there is also, I think, a lot of things we can do, and we are doing, and we will continue to do, and even increase, around industrialisation, procurement, supply chain, of course digital – we have a very nice digital platform to help us manage our assets better, and this is something obviously that we are going to continue and push. So, in short, obviously, it's a topic we could talk for hours. But, in short, we have big ambitions but we will be disciplined, we do believe that it's important to keep return in mind whenever we bid, and there is no must-win auction in ENGIE.

I think there was another question, which was related to the calendar, and maybe I'll just say a few things and then I'll pass on to Judith, just to say that the Client Solutions project is a big project. In that entity that we are forming, which is the object of the consultation we've talked about, there will be roughly 74,000 people. So it's a huge project. It's going to take us some time. And so, from a financial impact standpoint, unlikely to be a 2021 story. And Judith will give you a little bit of the background and more details on the rest.

Judith Hartmann

Absolutely, that's a good clarification, and it's not likely a 2021 event. When we mentioned the 2 billion of additional disposals to drive simplification, the topics, you know about, of course, the strategic reviews that we have announced, the geography refocus, it's coal exits. And, as in the past, we will be very mindful of timing, we will run processes, we will make sure that we get the right price. And so, you know, we will not give specific assets of course at any given time. But let me reassure you there are several processes that have been launched and so we're confident that we can move at speed to really help simplify the Group through the disposals.

Goldman Sachs

Good morning. Firstly, I'd like to share everyone's sentiment in wishing Catherine well in her role. I have a couple of questions: one for Catherine and one for Judith, which seems to be the trend in the last few questions.

The first one is on strategy. So 25% of your business is in Thermal. And it's an area that you're not particularly resting hugely behind if you look at the growth Capex numbers. I'm just wondering: you've identified the identity of Renewables, Networks and Client Solutions, but what is the identity of the Thermal business? Is it something that could be… you realise value off and take advantage of low rates given that they're contracted to maybe accelerate other areas of the business? Or does it have its own game plan?

And then the second question is more for Judith: it's probably a bit too early but what is the tax rate that's assumed in the guidance and what DBSO is assumed? Thanks.

Catherine MacGregor

Okay, so let me start then with your question on Thermal. We have a high-performing gas fleet, as you know, which is very important, in our mind, to bring the flexibility to the system. And, when we reflect about some of the trends around electrification, around the growth in renewables, we realise that flexibility, dispatchability, are going to be very important to the future of the energetic mix. And so our thermal fleet has a very, very important role to play there. We've proven that over and over again in the very, very recent past. In terms of geography, we have a stronghold in Europe, we have also a good fleet in the Middle East, and also Latin America. And so we consider that these are going to be very important in the near term at least, in order to maintain, you know, a power system that is both robust and affordable, which, you know, with some of the features that I described in my talk, as extremely, extremely important for this energy transition. So we feel very good about our thermal fleet. Obviously we have made the decision to exit coal, which is run under Thermal, so that's one aspect of it. And then of course, you know, in terms of thermal, we will be very opportunistic. So, if we have opportunities which, from an energy transition, make sense, because for example they would replace coal or even worst fuel assets, and bring a solution of flexibility to the system, it's something that we might consider. Now the other aspect, of course, is that we are obviously… You know, we have not talked much about it yet but the hydrogen opportunity for us is very, very material. When I think of hydrogen for ENGIE, I think all of our activities, all of our *métiers* will benefit. But the idea is that, for the big production projects, we will give the Thermal people and the Thermal team the responsibility to run those hydrogen production plans and projects, because some of the skills are actually quite similar. And that will be something that we will be describing a bit more in details in May. So, yes, Thermal is a good fleet for us, a good asset and, while we're not going to grow it at the same rate as Renewables and Networks, we will be opportunistic in managing this fleet.

Judith Hartmann

On your two questions, one was on the tax rate. Indeed we had an increase, a temporary increase, in 2020, to 32.5. This was really driven by mix of the results, changes in some tax laws including in the UK, and we are expecting to go to a more normal level at the 25% kind of range, in 21. So that's a positive.

Then, on your DBSO question, what we are expecting for 21 is roughly in line with what we had in 2020, so just below 100. You will remember last year we had close to 200, which was really driven by two things. Or 2019, sorry, we had roughly 200. Two things. In this ramp-up that we were doing on Renewables, it was the first time that we had significant sell-downs. And then of course you also remember that, in 2020, we have decided to have more consolidation where it makes strategic and financial sense, as it was mentioned earlier. So, naturally, you know, we're landing more just below a €100 million figure for 2021.

Société Générale

Good morning. I will try and stick to two questions.

The first question is for Catherine MacGregor. Welcome to the sector, indeed. And I was very pleased to hear that you put simplification at the centre of your new vision for the Group. It's for sure a large part of the investment case. Now, simplification is a bit of a general concept, and I was hoping for a bit more colour from your part. If we basically look at simplification, we could cut it in two parts: what I would call transactional simplification (disposals, buyout of minorities) and maybe organisational simplification. For the first part, the transactions, you mentioned a first, you know, the buyout of part of your minorities in Latin America, and I was interested to get your philosophy about minorities. If we look at the long term, we've got an average of 20% of minorities as part of Group Net Income, with large minority stakes in LatAm for instance. Do you have a vision about taking this proportion of minorities down for the Group? If so, do you have a view to what level? And is your vision about full ownership versus minorities guiding your capital allocation going forward? Regarding the organisational simplification, you mentioned complexity of the Group, you mentioned a vast diversity of business lines, etc. As you put a fresh perspective into this organisation, do you see room for improvement in terms of organisation? Are you working on a new organisational format? Is it something that you will tell us more about in May?

And a quick one on numbers, on guidance: Judith, you have 0.1 billion of dilution at the COI level put in your guidance for 21. The 0.1 billion, is this the 2020 contribution of the businesses you're going to sell or is it your budget of the COI for these businesses in 21? And it would be helpful if you could highlight for us any meaningful one-offs embedded in the 2020 results, whether positive or negative, that we should bear in mind as we build our bridge to 2021. Thank you very much.

Catherine MacGregor

Thank you, Emmanuel, for your questions. I'll start just to say that, I mean, you've identified, yes, two important aspects of our simplification efforts. Indeed we are reviewing in a bit of a systematic manner some of the minorities that we hold. And, you know, we made some moves last year and we will continue to do that. So, without going into any specifics, you're right to say that it does contribute to the simplification efforts. Then, your other question was related to the organisation. If you look at what we announced on January 14th, it's smaller executive teams, you know, less members, and also four of them clearly aligned with the business activities that are core and that are very much part of our strategic priorities. So Paulo, Cécile, Edouard and Sébastien will be obviously leading these organisation efforts, which I very much look forward to indeed seeing simplified over the coming months. So yes. The answer is yes and hopefully we can share more of that in May when we come back to you.

Judith Hartmann

Bonjour Emmanuel. On the 100 million, quite frankly, there isn't any unusuals that you should assume. You know, we're rounding numbers here, as you can see because, like I said, this is our target. Depending on opportunities, it could be this asset or another one. So, quite frankly, it is a normal run-rate of dilution of 100 million when you look at a 2 billion debt reduction. So no specific things to be taken into account.

Bernstein

Good morning, everyone. Also from my side, Catherine, a very warm welcome to the sector and wishing you all the best. I have two questions and I continue with the trend: one for Catherine and one on the details for Judith, please.

Catherine, ENGIE is in a unique position, I think, as a gas network operator with a very attractive Renewables business. So I would like to hear your opinion, how maybe your story might be slightly different from electric renewables players, how we maybe think about the gas networks as a funding option for the Renewables growth. So, here, generally the question: how do you think about the future of the gas network? Some of your peers they have convinced the market that they transition to hydrogen, some others there is still a good portion of assumption that there might be a stranded asset. So I'd be very interested to hear your first thoughts after you have looked at the market for gas. Also, on the same point, risking up or risking down in the future strategy: what is your view on how the risk profile for ENGIE should change going forward? Thank you for that one.

And the second one is on the Renewables COI: could you break that down, if you don't mind, into the change in Hydro versus Wind and Solar in the 2020 numbers? Thank you.

Catherine MacGregor

Okay, very good question, you know, we do think that we have quite a specific signature within ENGIE and we do like our gas assets. We think, in general, gas is going to be important in this energy transition – again, especially when it replaces coal. We have this 28 billion RAB (Regulated Asset Base) in France, which gives us this good visibility and predictability, which is a very nice, you know, complement to Renewables. Now, also, from a power systems standpoint, you know, gas today is also a very nice complement to renewables because it brings the flexibility, you can store it, and obviously it mitigates the intermittency, which is still quite an issue with renewables, as we know. So, again, when you think about the business and the need to have a resilient power system, gas has actually a very critical role to play. Now, having said that, we are also very excited about transitioning our gas system into renewable, and by that I mean renewable gas. So what is happening here in France, on biomethane, is actually quite real. So we are now looking at potentially having sufficient volume to fully displace what will be needed in gas at the 2050 horizon. And so the number that I quoted, which was the injection that we did last year, you start to see that it becomes meaningful. It's about 1% of French consumption that was injected. So… and that's 2021, not 2020. So this is becoming real. And then, of course, right after that, you have hydrogen. And hydrogen, you know, massive tailwinds for ENGIE, massive tailwinds because it goes hand in hand with renewables. It will also require some infrastructure. Maybe not with the same density as today's gas network but, when you think about where that green hydrogen will be produced and where it will be consumed, the fact that we have infrastructure to transport this hydrogen, potentially to store this hydrogen, will play to our strengths. So these are some of the things that we are excited about when we think about our Networks assets, and we like it.

Judith Hartmann

On the Renewables COI for 2020, of about 1.1 billion basically, you can assume that the main contributors were Hydro and Wind (Hydro about 700 million of that and Wind was the rest). Hydro had a strong increase organically but was down from a gross perspective because of the FX, of course, of the Brazilian real, and Wind was an increase for the obvious reasons: because we have been investing quite significantly in the past few years.

I want to take advantage also to clarify on a question that I was asked earlier on the Nuclear impairments and the impact on D&A: so the 150 I gave is correct. I just wanted to remind that, given the absence of the LTO, the amortisation is now happening quicker. So, if you add those two effects together, you go from 150 positive to roughly 60 positive in 21.

Bank of America

Good morning and welcome again to Catherine. Two questions from me.

So, firstly, a very big step up in Capex in 2021 versus your prior 10 billion 3-year plan, obviously a good signal that you'll be ramping up Capex, but can you be a little bit more specific about where the extra Capex is being spent this year and how you've been able to ramp it up so quickly. And how quickly do you think it can actually contribute to your earnings, please?

And then just one on guidance: could you clarify how much Covid impact you've included in 2021, relative to the 1.2 billion hit in 2020? And also is there any possibility to reverse the decision on the Belgian life extensions, should the Belgian government change its stance this year?

Catherine MacGregor

Maybe I will start with your last question, which is around the decision on nuclear. I just wanted maybe to clarify that the government has not explicitly made the decision: we have made the decision to stop the work to prepare for such an extension. You know, at this stage, that decision from the government has not been explicit. And so obviously our decision that we communicated today is based on a scenario where it is unlikely that the lifetime extension happens. So, you know, our main working scenario right now is that it won't happen.

Judith Hartmann

Yes, two topics that you were talking about, Peter, hello.

One was the Capex. So indeed we're going from 4 billion of growth Capex to 5.5-6 billion in 2021. They are going into similar areas, Networks is an important aspect. The biggest, of course, remains Renewables. And one of the things to keep in mind when you say how can you speed up is also that we have less sell-downs in Renewables in 2021. So that is roughly what you have to have in mind. And so we're confident to be able to invest in lots of opportunities that Catherine talked about.

You mentioned the Covid impact and how to think about it in 2021. So again, of course, you know, 2020 was heavily impacted, Q2 was unprecedented, and very, very stringent lockdown measures in our main countries. We had a 1.2 billion total impact last year. You have to keep in mind about 200 of that were related to SUEZ, which is now gone of course. And so we have assumed a very strong recovery, like we have seen it in H2. And so the amount will be much lower than what you have seen in 2020.

Bank of America

And just a follow-up on the Capex: how quickly can that new Capex sort of translate into earnings? What's your average period of non-productive capital work in progress?

Judith Hartmann

It's hard to give any precise guidelines on that because, of course, it depends on the M&A and greenfield mix, and it depends on the type of projects that you're after. You know, offshore wind is typically a much longer cycle, of course, it could be three, four, five years, depending on the country. Onshore wind can be a year and a half. And Networks, given that we continue to invest here in France into the RAB, you will see a relatively quick turnaround into contribution.

Oddo

Good morning to everyone and a warm welcome as well to you, Catherine MacGregor. I will stick to two questions as well, maybe a strategic one and a more detailed one.

The first one regarding network convergence: do you see, eventually, opportunities in the future, going forward, with the convergence between power networks and gas networks, considering the evolution of the hydrogen, Catherine?

And my second question will be more accounting-related, regarding EVBox: could you just give us an idea on the potential accounting impact of the operation that you are doing on this subsidiary and maybe, more importantly, where do you see this subsidiary in five years and what it could contribute to your P&L considering the potential growth of these assets?

Judith Hartmann

So, on EVBox, we are very happy to have announced this transaction. It's quite frankly one of the big wins, I think, of last year when you think about it because both operationally to take this company to a level and multiply by almost 10 times their revenue over the last two years, and then of course now this partial sell-down that we're planning into a SPAC transaction. So there will be a capital gain on this. Now of course it's going to depend on when it's closing, at what price, but it will be a few hundred million. And so we're keeping 40%. This really has two reasons: so one is of course to participate in the future growth that we're projecting for this company, and second of course the close link into this space, which a very important space for us. And so we're excited about this transaction. So hopefully this helps.

Catherine MacGregor

I think, on the question of network convergence between gas and power, I think we're a bit… obviously different drivers behind this: one which is the trend towards more electrification is something to stay; on the other hand we obviously want stability in our power system, therefore we do continue… we do think that gas will continue to play a very key role. And, of course, you know, hydrogen, as it gets developed, indeed, you know, could be very much more linked to power than maybe gas was in the past. And so, in that respect, I think your comment might be valid. But time will tell.

I think we are now about time so I would like to thank you for your attention, thank everyone for your welcome messages, and very much look forward – Judith and I very much look forward to meeting you, exchanging with you, in the future. And, again, you know, very, very excited about turning those tailwinds that ENGIE has had into reality. So thank you very much and bye-bye. Have a nice day.