

Q1 2021 Results

18 May 2021



ENGIE



Q1 2021 Performance

**Catherine
MACGREGOR**
CEO

Strong start to the year, 10% organic growth in EBIT

Operational delivery alongside progress on Group simplification

- New organization launched
- Strategic reviews on track

2021 guidance
reaffirmed

Q1 EBITDA

€3.2bn

Up 7% organically

Q1 EBIT

€2.1bn

Up 10% organically

FY 2021 NRIGs

€2.3-2.5bn

Guidance range

Solid operational performance underpins Q1 Results

- c. 0.5GW of **Renewables** commissioned, including first fixed offshore wind project
- **Networks** maintained high levels of safety and reliability
- **Client Solutions** - Q1 activity levels in line with expectations
- High availability of Belgian **Nuclear** at 95%



Q1 2021 Financials

Judith
HARTMANN
CFO

Higher earnings and cash flow generation

- EBIT¹ up 8% on a gross basis and 10% organically
 - Negative FX effect €-77m, primarily due to BRL
 - Positive scope effect of €+49m, mainly driven by SUEZ disposal and hydro acquisition in Portugal
- Strong cash flow generation
- Stable net debt
- 2021 guidance reaffirmed

Q1 RESULTS

€bn, unaudited figures²

	Actual	Δ Gross	Δ Organic ³
EBITDA	3.2	+5%	+7%
EBIT	2.1	+8%	+10%
CFFO⁴	1.7	+1.5	-
FINANCIAL NET DEBT	22.5	+0.1 ⁵	-

1. The Group's main operating performance indicator "Current Operating Income (COI)" has been renamed "EBIT" in order to align on market practice. There is no change in its definition and calculation. EBIT, formerly COI, is current earnings before interest and taxes but after share of net recurring income of equity-accounted companies; calculated as result of operating activities before non-recurring items such as MtM on financial instruments of an operational character, impairment losses, restructuring, scope effects and other non-recurring items.

2. Unaudited figures throughout the presentation

3. Organic variation = gross variation without scope and foreign exchange effect

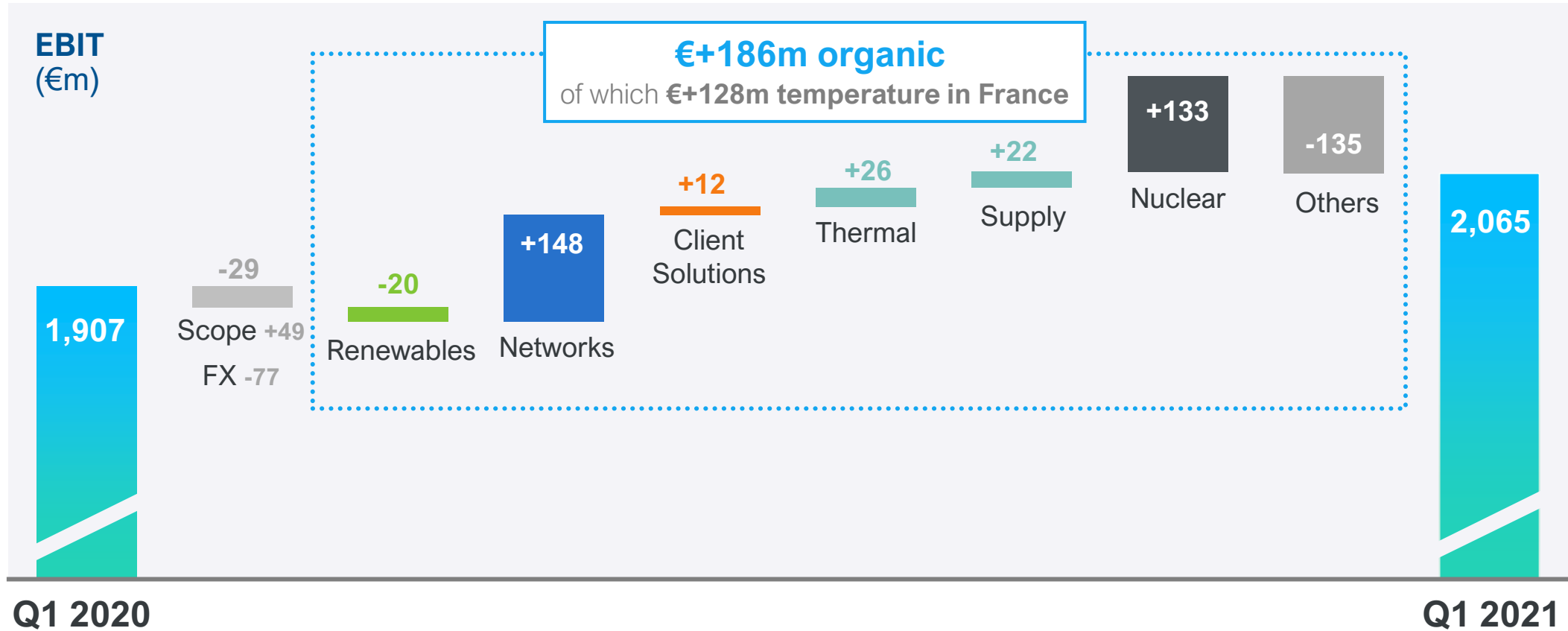
4. Cash Flow From Operations = Free Cash Flow before Maintenance Capex

5. vs. 31 December 2020

EBIT growing +10% organically

- ↗ Renewables contribution from commissionings
- ↗ Networks: power lines and gas pipeline in Brazil
- ↗ 95% Nuclear availability

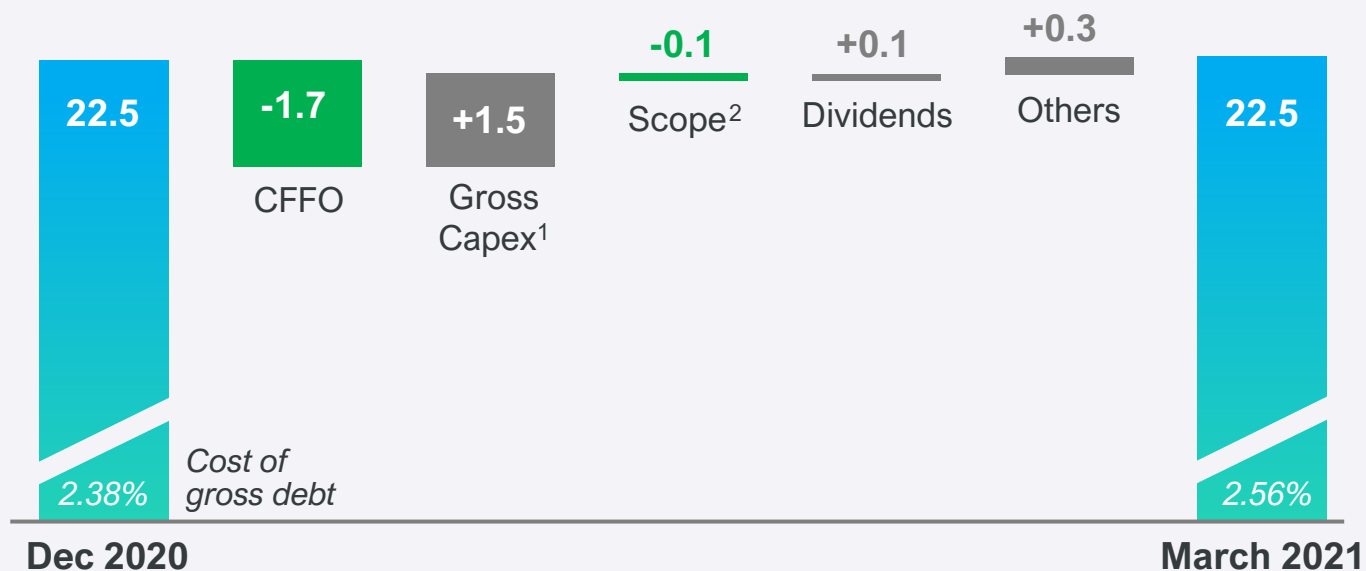
- ↘ Texas extreme weather impact, €-80m in Renewables
- ↗ Colder temperatures in France, mainly in Networks
- ↘ Normalization of GEM in Others



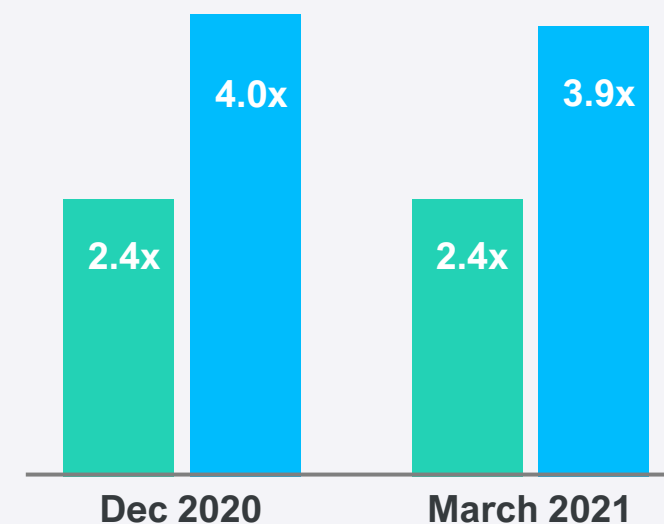
Stable net financial debt, with CFFO funding investment

Net financial debt

(€bn)



Credit metrics



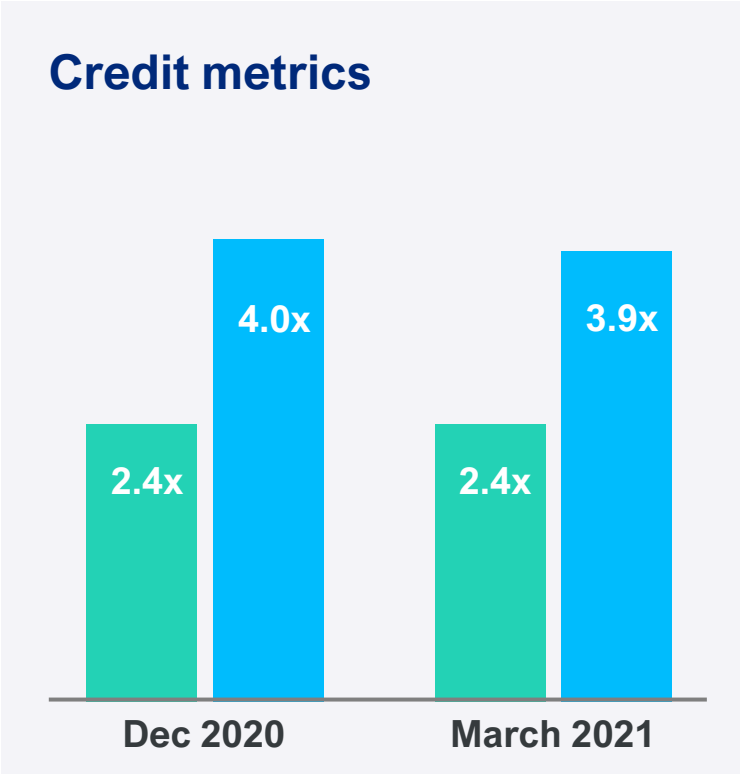
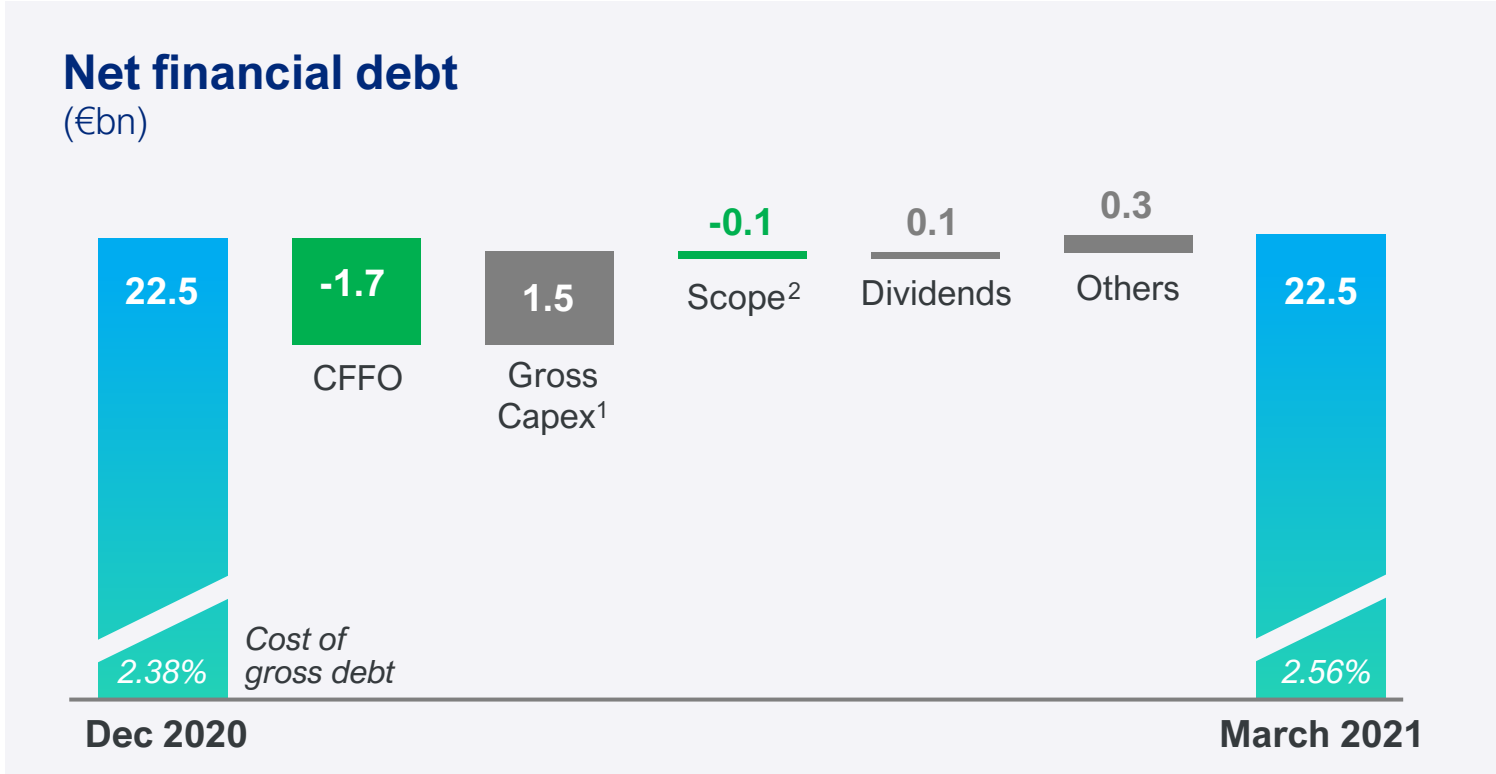
- Net financial debt / EBITDA
- Net economic debt / EBITDA

1. Net of sell down and tax equity proceeds for Renewables
 2. Net scope impact from disposals & acquisitions

Additional Material



Stable net financial debt, with CFFO funding investment



- Net financial debt / EBITDA
- Net economic debt / EBITDA

1. Net of DBSO and US tax equity proceeds
 2. Net scope impact from disposals & acquisitions

Q1 2021 EBIT change by activity

Y/Y change (€m)	Gross	Organic	Key drivers for organic change
Renewables	-55	-20	<ul style="list-style-type: none"> ↗ Better hydro performance (France and Brazil) ↗ 2020 CODs ↘ Texas extreme weather event (c. €-80m)
Networks	+137	+148	<ul style="list-style-type: none"> ↗ Colder temperatures for French distribution (c. €+80m) ↗ Higher contribution from power transmission lines and TAG in Brazil ↗ Lower Covid-19 impacts
Client Solutions	+35	+12	<ul style="list-style-type: none"> ↗ Good performance in the US ↗ Colder temperatures in France for DHC ↘ Residual Covid-19 impacts (UK)
Thermal & Supply	+12	+26	<ul style="list-style-type: none"> ↗ Higher spreads captured in Europe ↗ Positive timing effect on French CRM ↘ Drop in sales margins in Chile
	+20	+22	<ul style="list-style-type: none"> ↗ Colder temperatures in France (c. €+40m) and Benelux ↗ Lower Covid-19 impacts ↘ Negative timing effects in France
Nuclear	+133	+133	<ul style="list-style-type: none"> ↗ Better achieved prices ↗ Higher volumes ↗ Lower D&A
Others	-123	-135	<ul style="list-style-type: none"> ↘ GEM normalization ↘ GTT lower revenues
ENGIE	+158	+186	

EBIT breakdown¹

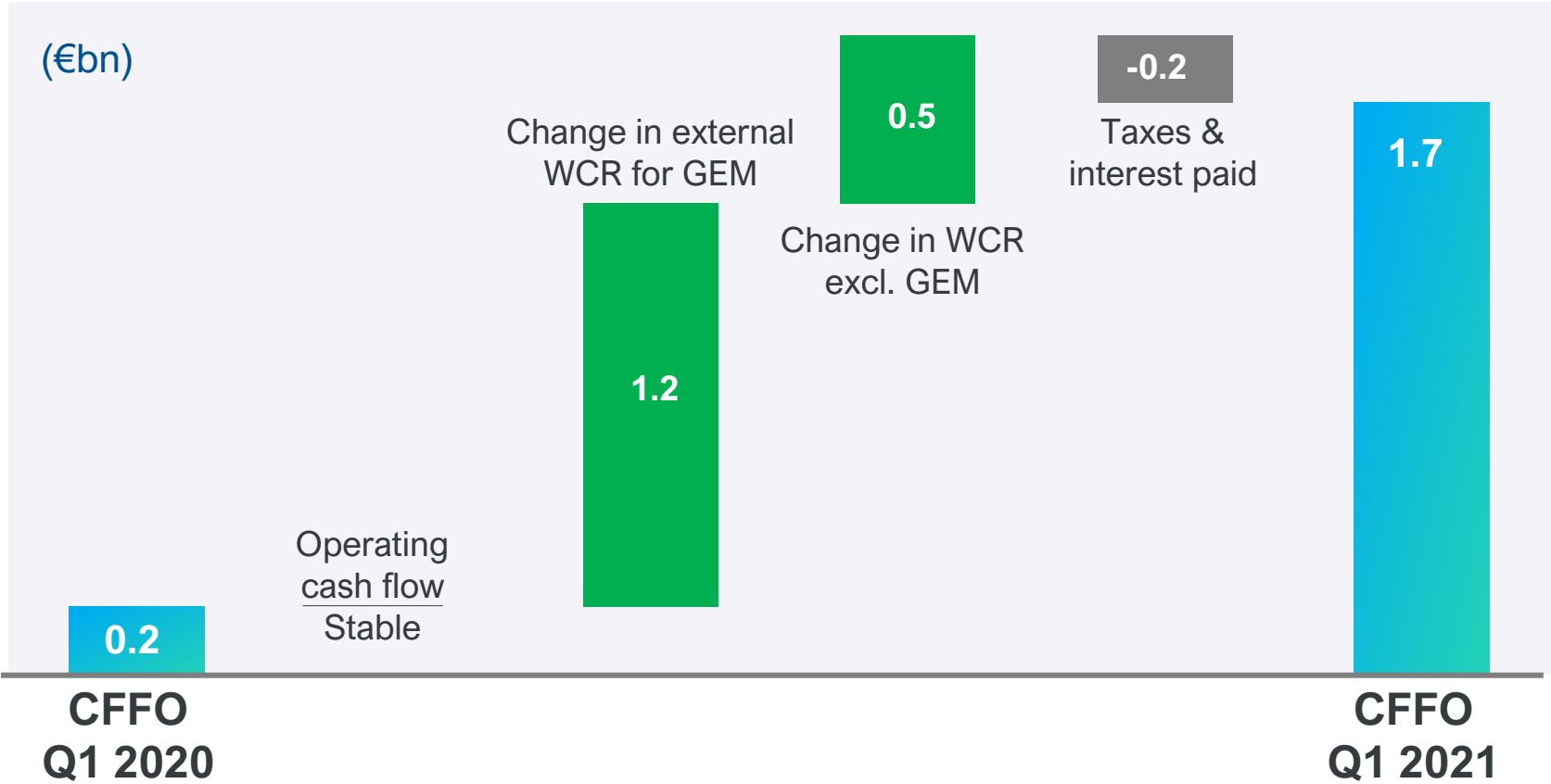
Q1 2021 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	108	45	177	(71)	17	(4)	272
Networks	854	83	116	0	18	(2)	1,070
Client Solutions	143	31	1	(1)	1	(25)	149
Thermal		120	51	17	105	(7)	286
Supply	139	109	24	(5)	(19)	(22)	226
Nuclear		53					53
Others ²						10	10
TOTAL	1,244	440	369	(61)	121	(49)	2,065

Q1 2020 (€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	72	38	207	2	24	(16)	327
Networks	781	66	86	1	2	(2)	933
Client Solutions	128	40	(2)	(22)	4	(33)	114
Thermal		80	84	4	112	(6)	274
Supply	175	93	6	(12)	(46)	(10)	206
Nuclear		(80)					(80)
Others ²		(1)	(0)	2	(1)	133	133
TOTAL	1,155	235	380	(25)	95	67	1,907

1. Unaudited figures

2. Including GEM / Entreprises & Collectivités, GTT and Corporate

Higher cash flow from operations



FY2021 guidance¹ reaffirmed

EBITDA indicative range

€9.9-10.3_{bn}

EBIT indicative range

€5.2-5.6_{bn}

NRIGs guidance range

€2.3-2.5_{bn}

Leverage

“Strong investment grade” rating

Economic Net Debt / EBITDA ≤ 4.0x

over the long term

Dividend

65-75% payout ratio on NRIGs

Floor: €0.65

Key assumptions

Covid-19: Projections based on absence of additional stringent lockdowns and gradual easing of restrictions over 2021

Disposals: 2021 EBIT dilution up to €0.1bn from c. €2bn disposals in addition to previously signed transactions

FX: Average for 2021:

- **€/USD:** 1.23
- **€/BRL:** 6.27

Market commodity prices
as at 31 Dec 2020

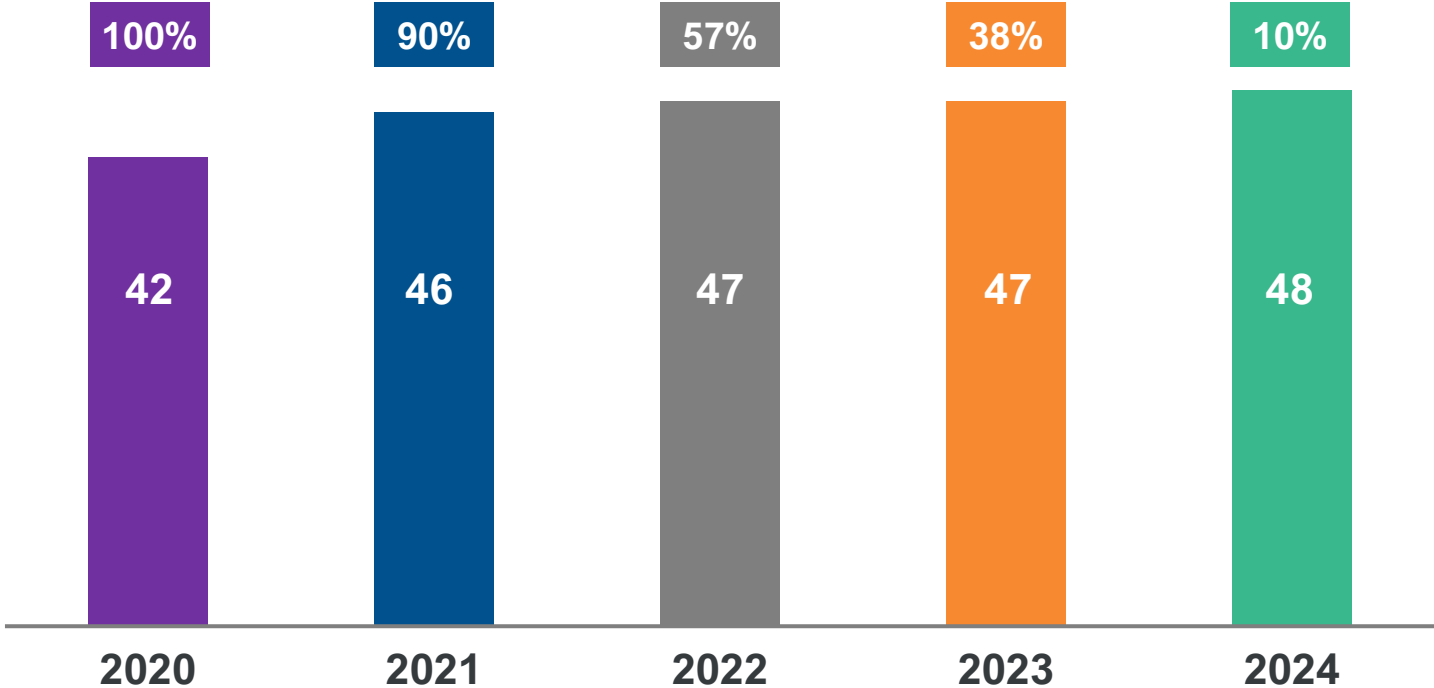
1. Main assumptions for these targets and indications: average weather in France for 2021, full pass through of supply costs in French regulated gas tariffs, no major regulatory or macro-economic changes, no change in Group accounting policies, market commodity prices as of 12/31/2020, average forex for 2021: €/€: 1.23; €/BRL: 6.27; up to €0.1bn dilution effect at the EBIT level from c. €2bn disposals in addition to previously signed transactions. Assumptions of no additional stringent lockdowns and gradual easing of restrictions over 2021.

Outright power production in Europe

Nuclear and hydro

Outright hedges: volumes & prices

(% and €/MWh)



As of 31 March 2021, Belgium and France

Changes in reporting

Summary of the main changes in reporting

Following the announcement of the new ExCom in January 2021 towards Group simplification and organizing ENGIE around four strategic businesses, some internal reclassifications were made between business lines that do not have any impact on the total EBITDA, EBIT and Gross Capex.

List of internal reclassifications:

- *Entreprises & Collectivités* (French B2B) from Supply/Client Solutions to Others
- Cogeneration units in Mexico and in Belgium from Client Solutions to Thermal
- Supply activity in Brazil and Chile from Supply to Renewables
- Hydrogen from Others to Thermal
- Other non-material transfers

Detailed reporting description

Activities	Details	Geographies	Business units
Renewables	Hydro (excl. pumped storage), wind (onshore and offshore), solar (incl. ENGIE Solar)	France	<i>ENGIE Solutions France, France BtoC, France Renewables, GRDF, GRTgaz, Storengy, Elengy</i>
Networks	Gas and power infrastructures (distribution, transport, storage, LNG terminals, power transmission lines), biomethane activities	Rest of Europe	<i>Benelux, NECST, UK, Generation Europe, Nuclear</i>
Client Solutions	Distributed Energy Infrastructure and related services; Multi-technical services	Latin America	<i>Brazil, LATAM</i>
Thermal	Gas, coal, hydro pumped storage, desalination, hydrogen	USA & Canada	<i>NORAM</i>
Supply	Supply BtoC, Supply B2B (excl. E&C and GEM Giants), Services BtoC	Middle East, Asia & Africa	<i>MESCATA, APACC</i>
Nuclear	Belgium and France (drawing rights)		
Others	Corporate, GEM, E&C (Entreprises & Collectivités), GTT and Tractebel	Others	<i>Corporate, GEM, E&C (Entreprises & Collectivités), GTT, Tractebel, Wind offshore, ENGIE Solar, Hydrogen</i>

EBITDA FY 2020¹

(€m)

EBITDA ACTUAL FY 2020	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Total
Renewables	391	140	921	91	77	(40)	1,580
Networks	3,289	114	445	2	4	(6)	3,848
Client Solutions	745	289	2	67	57	(62)	1,097
Thermal		606	615	46	475	(25)	1,718
Supply	256	186	31	39	9	(35)	486
Nuclear		415					415
Others ²				1	(3)	134	132
ENGIE	4,680	1,750	2,014	246	620	(34)	9,276

1. Pro forma figures, unaudited

2. Including mainly Corporate and GTT

EBIT FY 2020¹

(€m)

EBIT ACTUAL FY 2020	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Total
Renewables	152	87	773	51	66	(41)	1,089
Networks	1,608	71	384	2	2	(6)	2,061
Client Solutions	358	69	(14)	36	40	(109)	380
Thermal		436	370	43	444	(25)	1,267
Supply	111	97	30	(8)	(10)	(39)	181
Nuclear		(111)					(111)
Others ²				1	(3)	(287)	(289)
ENGIE	2,229	648	1,542	125	539	(506)	4,578

1. Pro forma figures, unaudited

2. Including mainly Corporate and GTT

Gross Capex¹ FY 2020²

(€m)

Gross Capex ACTUAL 2020	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	Total
Renewables	222	75	649	137	(452)	973	1,604
Networks	1,767	83	672		4		2,527
Client Solutions	382	178	20	263	26	92	961
Thermal		119	170	1	(99)	3	194
Supply	125	104	4	49	23	27	332
Nuclear		1,740					1,740
Others ³						325	325
ENGIE	2,496	2,298	1,514	450	(497)	1,421	7,683

1. Net of DBSO and Tax equity proceeds

2. Pro forma figures, unaudited

3. Including mainly Corporate and GTT

Disclaimer

Important Notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although ENGIE management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the “Risk Factors” section of the ENGIE (ex GDF SUEZ) Universal Registration Document filed with the AMF on March 17, 2021 (under number D.21-142). Investors and ENGIE shareholders should note that if some or all of these risks are realized they may have a significant unfavourable impact on ENGIE.

For more information about ENGIE

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<https://www.engie.com/en/financial-results>

**FOR MORE INFORMATION ABOUT Q1 2021 RESULTS:
<https://www.engie.com/en/finance/results/2021>**