H1 2021 Results

30 July 2021

H1 2021

Highlights

Catherine MACGREGOR

CEO

A strong H1

Financial performance

EBIT

€3.1bn

Up 44% organically

NRIgs

€1.4bn

Up 67% organically

ESG performance

- 1.2 GW of renewables commissioned in H1
- Progress on coal-exit with exclusivity rights for thermal complex, Brazil
- Gender diversity:
  24% women in management

Renewables

in portfolio

32 GW

Operational performance underpins 2021 Guidance[1] upgrade

Robust operational performance and favourable environment

- Integrated business model helped to largely offset impact of Texas extreme weather event
- High availability achieved for Belgian Nuclear
- Effect of colder temperature in H1 and favourable evolution in power prices

2021 upgraded guidance

NRIgs

€2.5bn to **€2.7**bn

EBIT indication

€5.5bn to **€5.9**bn

Dividend policy

65-75% payout ratio on NRIgs

Floor at €0.65 per share

1. Refer to slide 29 regarding the main assumptions for the updated 2021 guidance

Progress at pace on execution of strategic plan

Simplifying Group and enhancing performance

Driving simplification and improving business mix

- EQUANS — Creation of **new leader in multi-technical services**
- Disposal of **11.5%** in **GRTgaz** agreed
- **GTT** partial sell-down complete
- **ENGIE EPS** sale complete
- Geographic rationalization **exiting 4 countries**

Performance improvement

- **~€50m** net EBIT contribution achieved in H1
- On track for **€100m** net EBIT contribution for FY 2021
- Targeting **€600m** net EBIT contribution across 2021 to 2023

Progress at pace on execution of strategic plan

Creation of EQUANS

EQUANS
EMPOWERING TRANSITIONS

H1 2021

- Employee representative consultation complete
- Creation of EQUANS within ENGIE
- Strong recovery from last year
- Growth in order intake and backlog

H2 2021

- Next phase on future shareholding structure started
- Strong interest in the business and process underway
- All options being considered
- Completion targeted in 2022

Rebalancing Networks exposure

Agreement to sell 11.5% in GRTgaz in line with strategic plan

- GRTgaz owns and operates largest French gas transmission network
- Partial sale of 11.5% to Caisse des Dépôts and CNP Assurances
- Transaction implies valuation to RAB of 148%
  - Highlighting the important role of gas and renewable gases in the energy transition
- ENGIE's net financial debt reduction of €1.1bn
- ENGIE to hold 61% upon completion expected by December 2021

ENGIE GBUs strongly positioned for EU ‘Fit for 55’

Accelerating Europe’s energy transition

Renewables

40% of final energy consumption to be renewable by 2030

Energy Solutions

Higher energy efficiency targets and further decarbonization

Networks

Hydrogen and renewable gases in industrial and mobility decarbonization

Thermal & Supply

Thermal to help address renewables intermittency and security of supply

Delivering on Renewables growth

- Renewables' production up 22% across all technologies
- 1.2 GW commissioned in H1 and progressing on delivering 3 GW in 2021
- Ocean Winds JV with EDPR for offshore wind
  - Awarded Contract for Difference for c.370 MW offshore wind farm in Poland
- Strong demand for Green corporate PPAs: 1.4 GW signed in H1

French networks continue to deliver robust performance Growth in international networks

- French networks delivering on energy efficiency and renewable gases
  - 1.1m gas smart meters installed
  - 67 new biomethane sites connected
- Strong performance from international networks in Brazil
  - TAG performing well with commercial expansion
  - 1,000 km Gralha Azul power line construction on track with first energization in July

Energy solutions driving growth and improved performance

Leader in low carbon distributed energy infrastructures and related services

- Commercial momentum through Green Recovery packages and client decarbonization objectives
- E.g. through ‘France Relance’
  - 100 MW low carbon onsite generation projects secured
  - 15-year average contract duration, double digit margins
- Focus on performance improvement through
  - Industrialization of processes
  - Geographic rationalization
  - Stricter contract management to improve margins
  - Stronger cash management

Market CAGR 2020-30

District Heating & Cooling	On-site utilities	Distributed solar	Low carbon mobility
+4%	+5%	+15%	+22%

Sources: IEA , Navigant, BNEF, Transparency Market Research, Oxford Economics

H1 2021

Financials

Judith
HARTMANN

EVP, CFO

Executing the strategic plan towards value creation

UPGRADED

2021-23 TARGETS		H1 2021 UPDATE
Driving Simplification **€9-10bn** disposals	ON TRACK	GRTgaz, GTT, ENGIE EPS, 4 country exits
Improving Business mix **€15-16bn** growth Capex	ON TRACK	~90% allocated to Renewables, Networks and Energy Solutions
Enhancing Performance **€600m** net EBIT contribution	ON TRACK	~€50m delivered

Value Creation

Earnings growth

NRIgs guidance[1] 2021:
€2.5bn to €2.7bn

Sustainable dividend

Payout: **65% to 75%**
Floor: **€0.65**

Alignment with climate commitment

'Strong investment grade' balance sheet

1. Refer to slide 29 regarding the main assumptions for the updated 2021 guidance

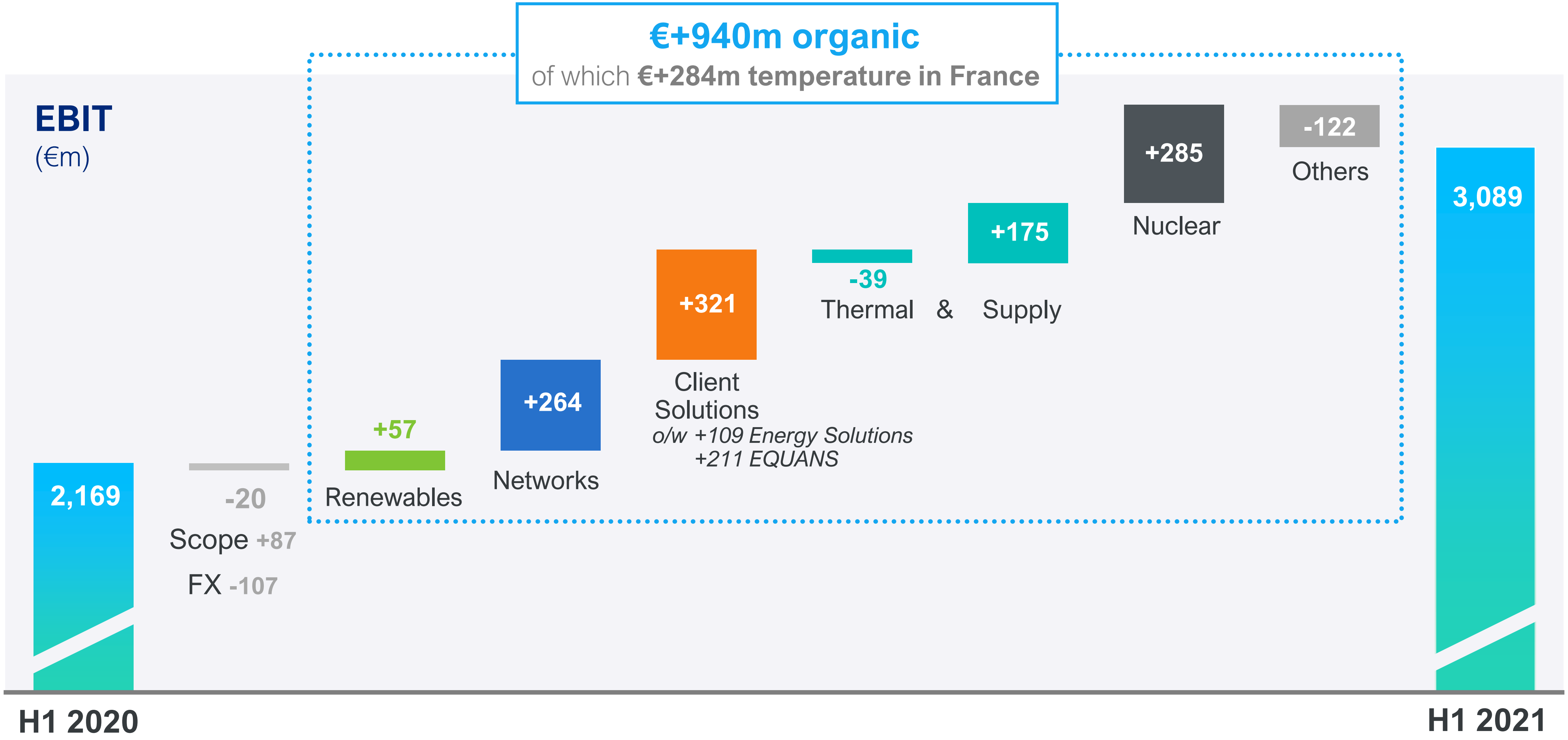
Higher earnings and cash flow, driven by Covid recovery, colder temperature and robust operational performance

(€bn)[1]	H1 2021 Actual	YoY Δ Gross	YoY Δ Organic
EBITDA	**5.4**	+21%	+23%
EBIT	**3.1**	+42%	+44%
NRIgs	**1.4**	+86%	+67%
NIgs	**2.3**	+2.3	
CFFO[2]	**4.3**	+1.3	
Capex[3]	**3.7**	+0.6	
Net financial debt[4]	**24.2**	+1.8	
Economic net debt / EBITDA	**3.7x**	-0.3x	

- EBIT up 42% on a gross basis and 44% organically
  - Negative FX effect of €-107m, mainly due to BRL
  - Positive scope effect of €+87m, primarily driven by SUEZ disposal and hydro acquisition in Portugal
- NRIgs up 86% on a gross basis and 67% organically
- Strong cash flow generation

1. Unaudited figures throughout the presentation
2. Cash Flow From Operations = Free Cash Flow before Maintenance Capex
3. Net of DBSO (Develop, Build, Share and Operate) and US tax equity proceeds
4. Including net scope impact from disposals & acquisitions

EBIT growing +44% organically, mainly driven by Client Solutions, Nuclear and Networks

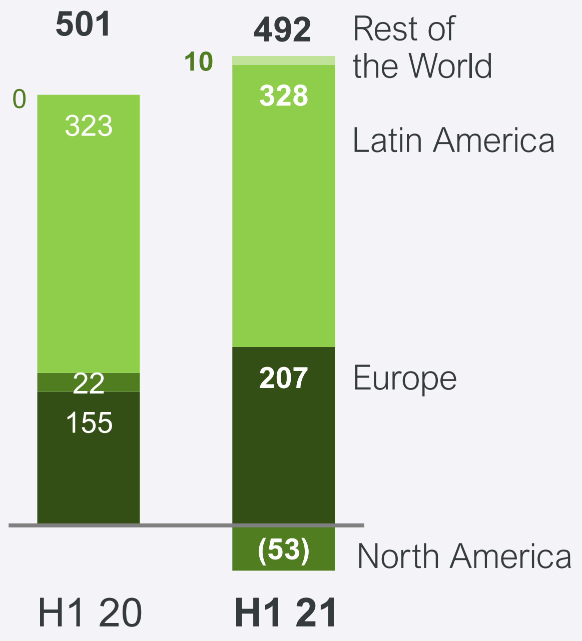


Strong operational and organic performance despite Texas extreme weather event

- Negative FX effect, mainly BRL
- EBIT up +14% yoy organically
  - Strong hydro performance in France and Brazil
  - Contribution from commissionings: +3.3 GW since July 1, 2020
  - ~€-90m impact of Texas extreme weather event in Q1 2021
- €0.7bn growth Capex and 1.2 GW commissioned in H1 2021

KPIs	H1 2020	**H1 2021**	**Change**
Commissioning (GW @100%)	0.9	1.2	+38%
CNR Hydro achieved prices (€/MWh)	44	49	+13%
Hydro volumes France (TWh @100%)	8.9	8.6	-4%

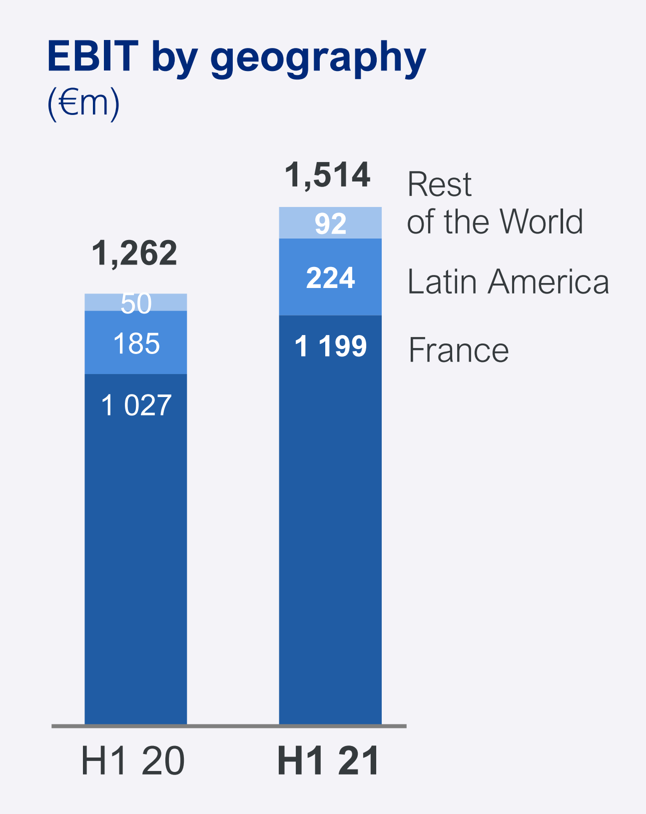
EBIT by geography
(€m)



Increase in EBIT driven by colder temperature and higher contribution from international networks

- Limited negative FX effect, mainly BRL, partly offset by TAG scope-in
- EBIT up +21% yoy organically:
  - ~€+0.2bn from colder temperature in Europe
  - Higher contribution from Latin America, esp. power and gas transmission in Brazil
- €0.7bn growth Capex invested

KPIs	H1 2020	**H1 2021**	**Change**
Gas smart meters France (m)	5.6	8.1	+2.5
Biomethane capacity connected to GRDF/GRTgaz (TWh/y)	2.5	4.9	+92%
Temperature effect France (EBIT in €m)	(131)	45	+176



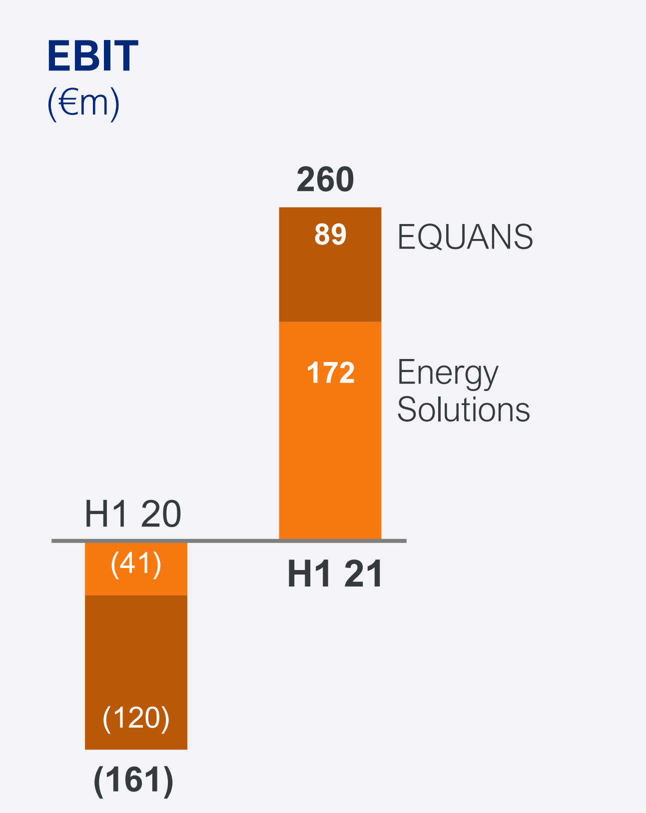
Major recovery from 2020 Covid impacts and good commercial progress

Energy Solutions

- Strong organic improvement
- Positive scope-out effect from SUEZ

EQUANS

- Good performance in installation
- Strong order intake and backlog
- EBIT typically H2 weighted: FY 2021 EBIT expected to be similar to 2019 levels (€0.35-0.45bn)



Thermal down mainly driven by Chile and FX
Supply up due to Covid recovery and colder temperature

Thermal

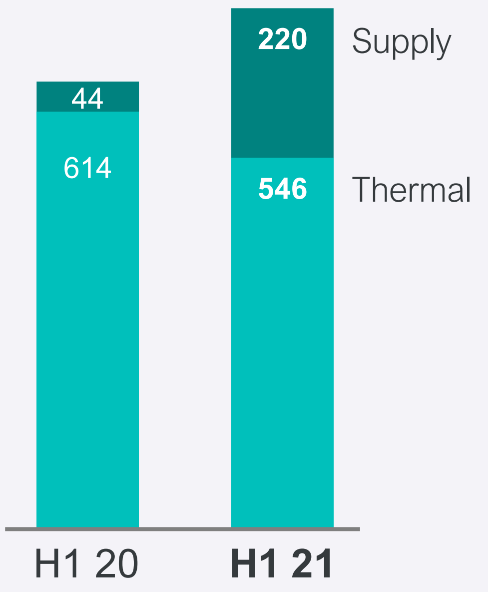
- Negative FX impact, mainly USD
- EBIT down -7% yoy organically, mainly due to a drop in energy margins in Chile

Supply

- Recovery from 2020 Covid impacts
- ~€+0.1bn from colder temperature in Europe

KPIs	H1 2020	**H1 2021**	**Change**
Average Thermal technical availability	88.9%	87.7%	-120bps
Thermal contracted EBIT	73.1%	72.7%	-40bps
Temperature effect Supply France (EBIT in €m)	-65	20	+86
Total number of B2C Supply contracts (m)	22.8	22.7	-1%

EBIT by activity
(€m)



Nuclear benefits from higher prices and availability Others normalizing after particularly strong 2020

Nuclear

- Better achieved prices
- Higher volumes / availability (92% for Belgian units)
- Lower D&A

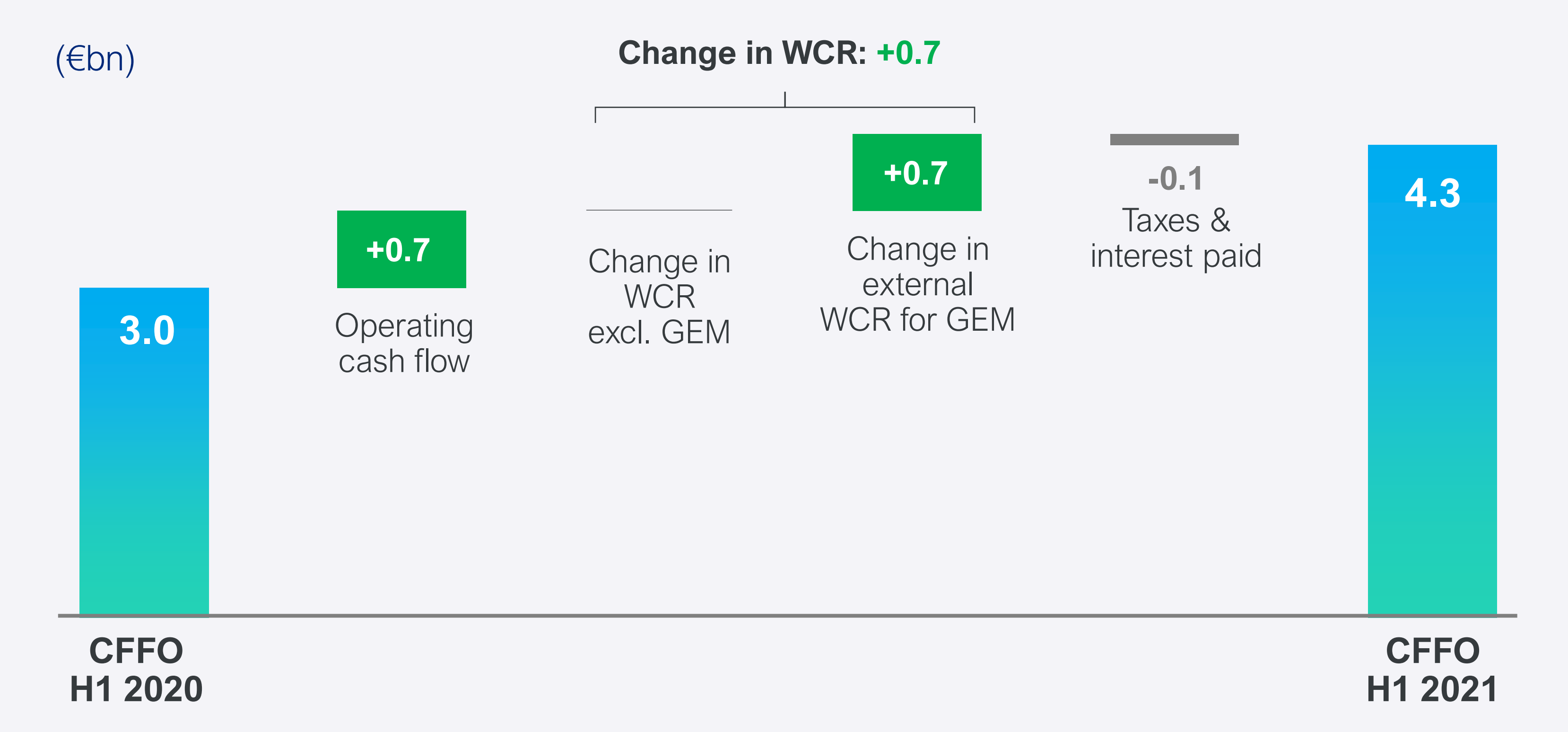
EBIT

(€m)	H1 2020	H1 2021	Delta
Nuclear	(107)	**178**	+285
Others	17	**(122)**	-139

Others

- GEM:
  - Normalization after strong H1 2020 performance with positive one-offs and better market conditions
  - Partly offset by recovery from 2020 Covid impacts
- B2B Supply France (*Entreprises & Collectivités*):
  - Recovery from 2020 Covid impacts
  - €+22m from colder temperature
- GTT: normalization and partial sell-down (equity consolidated starting June 2021)

Higher Cash Flow From Operations



FY 2021 Guidance[1] upgraded

FY 2021 expected to be higher than previously anticipated

- Strong H1 performance
- Updated view for full year

NRIgs

€2.5bn to **€2.7**bn

Dividend policy

65-75% payout ratio on NRIgs

Floor at €0.65 per share

EBITDA indication

€10.2bn to **€10.6**bn

EBIT indication

€5.5bn to **€5.9**bn

Leverage

'Strong investment grade' credit rating

Economic net debt / EBITDA ≤ 4.0x over the long term

1. Refer to slide 29 regarding the main assumptions for the updated 2021 guidance

Concluding remarks

Catherine MACGREGOR

CEO

Summary

A **strong H1**, operationally and financially

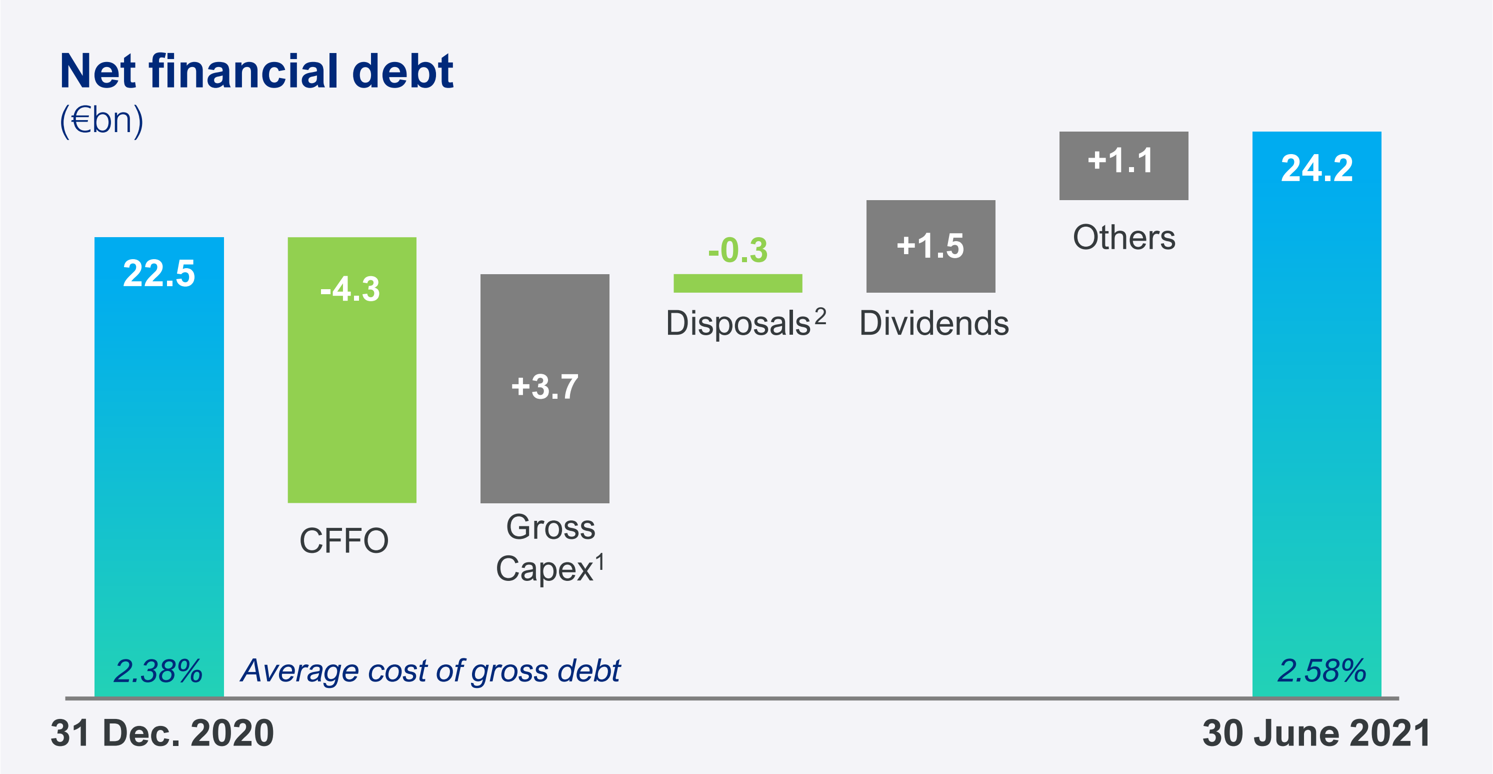
Significant early **progress on strategic plan**

Performance improvement plan **on track**

FY21 guidance **upgraded**

ADDITIONAL MATERIAL

Net financial debt and credit metrics evolution



1. Net of DBSO and US tax equity proceeds
2. incl. proceeds and net debt deconsolidation from disposals as well as net debt scope impact from acquisitions

EBIT breakdown

H1 2021

(€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	137	70	328	(53)	25	(16)	**492**
Networks	1,199	77	224	1	18	(4)	**1,514**
Clients Solutions	223	59	1	20	15	(58)	**260**
Thermal		175	151	17	214	(12)	**546**
Supply	135	92	33	6	(23)	(22)	**220**
Nuclear		178					**178**
Others[1]		11	(0)	(0)	1	(134)	**(122)**
TOTAL	**1,693**	**662**	**737**	**(10)**	**250**	**(244)**	**3,089**

H1 2020

(€m)	France	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	TOTAL
Renewables	105	50	323	22	29	(29)	**501**
Networks	1,027	53	185	1	(1)	(3)	**1,262**
Clients Solutions	36	(62)	(6)	(4)	8	(133)	**(161)**
Thermal		189	184	13	239	(12)	**614**
Supply	72	49	10	(33)	(46)	(8)	**44**
Nuclear		(107)					**(107)**
Others[1]		(0)	(0)	2	14	1	**17**
TOTAL	**1,239**	**173**	**696**	**1**	**244**	**(184)**	**2,169**

1.Including corporate, GEM, E&C (Entreprises & Collectivités), GTT

EBITDA to Net Income breakdown

From EBITDA to NRIgs

(€bn)	H1 2020	H1 2021	Delta
EBITDA	4.5	**5.4**	+0.9
D&A and others	(2.3)	**(2.3)**	-0.0
EBIT	2.2	**3.1**	+0.9
Net interest expense[1]	(0.6)	**(0.7)**	-0.1
Recurring income tax	(0.5)	**(0.7)**	-0.2
Minorities & Others	(0.3)	**(0.3)**	+0.0
NRIgs	0.7	**1.4**	+0.6

From NRIgs to NIgs

(€bn)	H1 2021
NRIgs	**1.4**
MTM below COI	0.5
Restructuring costs	(0.1)
Capital gains	0.7
Impairment & Others	(0.2)
NIgs	**2.3**

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

Main assumptions for the updated 2021 guidance

Some FY 2021 guidance assumptions have been updated in July 2021 reflecting H1 2021 performance (re-assessment of the extreme weather event impact in Texas in February, high levels of availability for Belgian nuclear assets, colder than average temperature in France) and with an updated view for the full year: market commodity prices as of 06/30/2021; average forex rates for FY 2021: €/$: 1.20; €/BRL: 6.28; up to €0.1bn dilution effect at the EBIT level from c. €2.5bn disposals; no major deterioration in the pattern of Covid restrictions experienced in H1 2021.

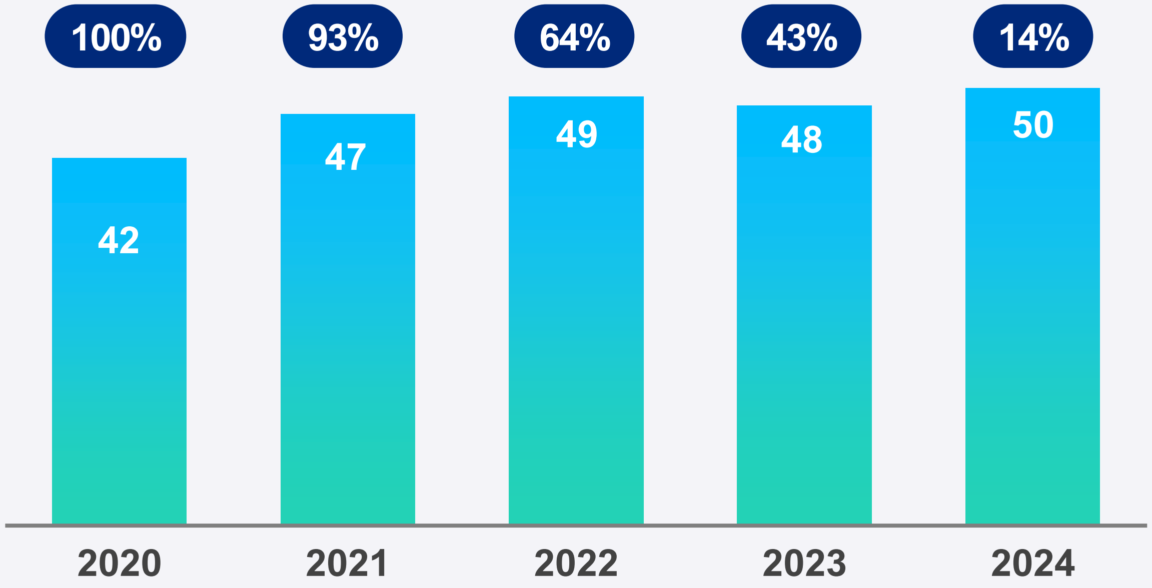
The other initial guidance main assumptions remain unchanged: average temperature in France for H2 2021; full pass through of supply costs in French regulated gas tariffs; no major regulatory or macro-economic changes; no change in Group accounting policies; no 'discontinued operations' accounting.

Outright power production in Europe

Nuclear and Hydro

Outright hedges

Volumes & prices (% and €/MWh)



As of 06/30/2021
Belgium and France

Disclaimer

Important notice

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For more information about ENGIE

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FOR MORE INFORMATION ABOUT H1 2021 RESULTS:

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