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CREDIT OPINION
17 January 2022

Update

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RATINGS

ENGIE SA

Domicile	Paris, France
Long Term Rating	Baa1
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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ENGIE SA

Update to credit analysis

Summary

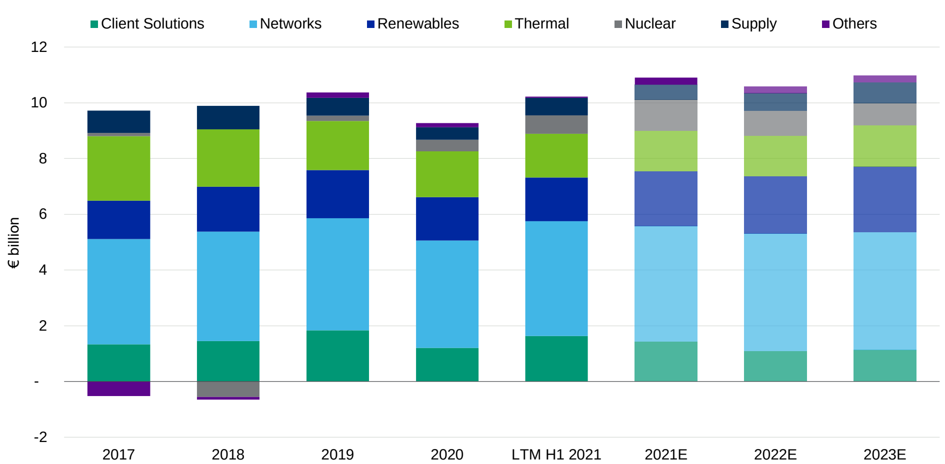
The credit quality of ENGIE SA (ENGIE) is underpinned by the group's large scale and diversification, given its leading business positions across the energy value chain and many different markets. The prevalence of regulated and contracted activities limits volatility and, together with the ongoing progress in the group's cost-reduction programme, should continue to support earnings. The focus on contracted and regulated assets over activities exposed to industrial customers will benefit its business risk profile over time (see Exhibit 1).

These positives are balanced by the challenges associated with the planned strategic shift, including the capital redeployment to replace the earnings lost upon the completion of the disposal of Equans to Bouygues S.A. (A3 stable) likely in the third quarter of 2022. The arrival of Catherine MacGregor as CEO in January 2021 and her commitment to the strategic roadmap defined in July 2020 appears to have brought greater stability. Finally, ENGIE faces the risk of rising nuclear provisions in 2022, following the new triennial revision.

Exhibit 1

Strong recovery in LTM H1 2021 reflects benefits of higher year-over-year demand in Client Solutions and Supply divisions

EBITDA split by activity, in € billions



The 2021-23 estimates represent Moody's forward view and not the view of the issuer.
Source: Moody's Investors Service

ENGIE pursues a relatively balanced financial policy, reflected by its leverage target of no more than 4.0x net economic debt/EBITDA. We expect this financial policy to translate into adjusted funds from operations (FFO)/net debt in the high teens in percentage terms.

Following the enactment of the Loi PACTE (Plan d'Action pour la Croissance et la Transformation des Entreprises) in France in May 2019, we assess ENGIE's creditworthiness based on its standalone credit profile, and no longer incorporate any uplift as a result of its 23.64% ownership by the Government of France (Aa2 stable).

Credit strengths

» Large scale and geographical diversification, which support cash flow stability

» Strategic shift towards networks and renewables, which will strengthen the risk profile and stability of cash flow

» Significant share of regulated and contracted businesses (about 74% of EBITDA in the 12 months that ended June 2021), which underpins the business risk profile

» Ongoing disposal of Equans, ENGIE's asset-light client solutions division, at an elevated price, which will provide financial support to the targeted business mix shift

Credit challenges

» High capital spending to accelerate the strategic shift and dividend resumption, which will significantly outpace the group's cash flow, although part of the spending intended to finance nuclear provisions does not affect the adjusted net debt

» Execution risk associated with the upcoming capital redeployment to replace the earnings lost upon the disposal of Equans

» Exposure of merchant generation in Europe to power price volatility

» Governance challenges, which led to several different strategic directions in the past

» Imposition of regular increases in nuclear provisions by the Belgian authorities

» Energy transition policy in France, which plans the phase-out of natural gas by 2050

Rating outlook

The stable outlook reflects our expectation that ENGIE's credit metrics will strengthen over the next two to three years, to be in line with our guidance for the Baa1 rating, which includes FFO/net debt in high teens and retained cash flow (RCF)/net debt in lower teens, both in percentage terms.

Factors that could lead to an upgrade

Because of ENGIE's significant strategic shift and associated investment programme, a rating upgrade is unlikely in the next 18-24 months. Nevertheless, the rating could be upgraded if its credit metrics strengthen towards FFO/net debt at or above 20% and RCF/net debt in midteen percentages on a sustained basis.

Factors that could lead to a downgrade

The rating could be downgraded if the company's credit metrics appear likely to remain below our guidance for the Baa1 rating on a sustained basis.

Key indicators

Exhibit 2
ENGIE SA

	Dec-18	Dec-19	Dec-20	LTM Jun-21	Moody's 12-18 Months Forward View
(CFO Pre-W/C + Interest) / Interest Expense	6.0x	7.0x	6.2x	7.2x	6.0x - 7.0x
(CFO Pre-W/C) / Net Debt	17.9%	18.6%	17.0%	18.0%	16% - 18%
RCF / Net Debt	11.7%	13.1%	15.7%	13.7%	10% - 14%

All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's projections (proj.) are Moody's opinion and do not represent the views of the issuer. They incorporate the effect of adoption of IFRS 16 from 1 January 2019.
Source: Moody's Financial Metrics™

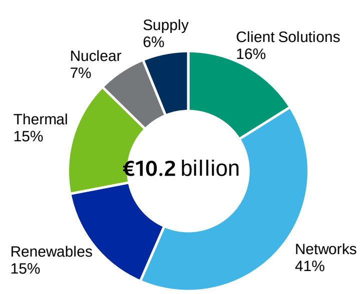
Profile

ENGIE SA (ENGIE) is one of the largest European integrated utilities, with consolidated revenue of €59.6 billion and EBITDA of €10.2 billion in the 12 months that ended 30 June 2021. It is also one of the most diversified groups, with substantial assets along the energy value chain, in Europe and beyond, as well as in energy services. The group is organised into six segments: Networks, which mostly comprises gas infrastructure activities in France (41% of EBITDA in the 12 months ended 30 June 2021); Client Solutions (16%); Thermal Generation (15%); Renewables (15%); Nuclear (7%); and Supply (6%).

In June 2021, ENGIE announced the creation of Equans, a separate entity bringing together ENGIE's asset-light energy services activities, comprising revenue of around €12 billion in 2020 and 74,000 employees. In November 2021, ENGIE entered into exclusive negotiations with Bouygues to dispose Equans for a total consideration of €7.1 billion. The group expects to close the transaction by Q3 2022.

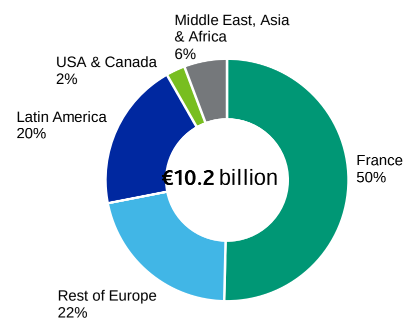
ENGIE is listed on Euronext Paris and Euronext Brussels, with a market capitalisation of around €33.5 billion as of 12 January 2022. It is 23.64% owned and 33.20% controlled by the French government.

Exhibit 3
Business mix is tilted towards regulated and contracted activities ...
Split of EBITDA by segment for LTM H1 2021



Sources: Company reports and Moody's Investors Service

Exhibit 4
... with Europe accounting for over 70% of earnings
Split of EBITDA by geography for LTM H1 2021



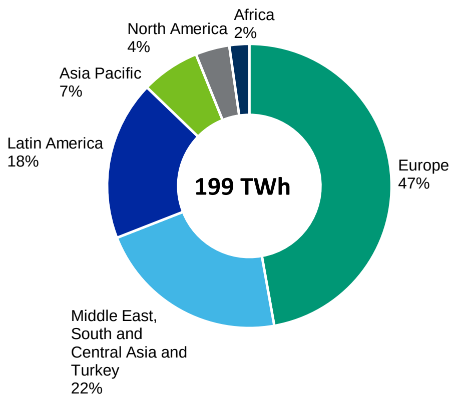
Sources: Company reports and Moody's Investors Service

Detailed credit considerations

Scale and diversification support cash flow stability

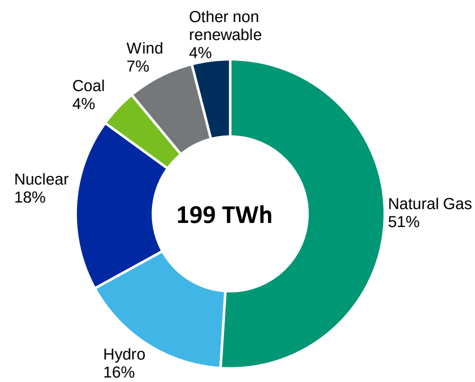
ENGIE's credit profile is underpinned by its large scale (total assets of €186.8 billion as of the end of June 2021) and diversification (by geography, business and asset type), which support the relative stability of its cash flow. In addition to geographical reach, ENGIE benefits from business diversification and presence along the value chain, including in generation, networks, downstream liquefied natural gas (LNG; mostly re-gasification terminals), supply and energy services. The size and granularity of the group's generation fleet, with 54.2 gigawatts (GW) of installed capacity in operation (net ownership) as of the end of June 2021, help absorb adverse operational developments, such as local changes to market frameworks or the effect of unusual weather conditions across the portfolio. The diversified fuel mix also mitigates such risks.

Exhibit 5
ENGIE's generation business is diversified by geography ...
Electricity output (net ownership) by region for 2020



Sources: Company reports

Exhibit 6
... and by fuel type
Electricity output (net ownership) by fuel for 2020



Sources: Company reports

Infrastructure and contracted generation activities underpin the low risk profile

The group's business risk profile is supported by the substantial and growing contribution from infrastructure and contracted generation, including renewables, which together accounted for about 74% of EBITDA in the 12 months that ended 30 June 2021. In France, Networks (41% of EBITDA in the 12 months that ended 30 June 2021) includes gas transmission, distribution, storage and LNG terminals, with a combined regulated asset base of about €29.6 billion as of 1 January 2022 (see Exhibit 7). The revenue generated by these activities is regulated under a framework that is well established and transparent, thereby providing a good degree of stability and predictability of cash flow. The contribution from this business has decreased moderately from that in 2020 because of the French regulator's decision to cut allowed return by 100 basis points for gas transmission and gas storage, and by 90 basis points for gas distribution. The decision reflects the decrease in interest rates and the gradual reduction in the income tax rate as planned by the French government to 25% in 2022. It also illustrates the regulator's intention to limit the capital spending for conventional gas infrastructure in France, in line with the French energy transition plan, which aims to phase out natural gas by 2050. The annual impact of the regulatory decision was about €270 million, or 2.9% of 2020 EBITDA.

Exhibit 7
Regulated infrastructure in France (34% of group EBITDA in the 12 months that ended 30 June 2021) provides significant cash flow visibility, but the French regulator lowered the allowed returns for 2020-23

	Gas transmission	Gas distribution	LNG terminals	Gas storage
Company	GRTgaz [1]	GRDF	Elengy	Storengy [4]
Current operating income FY20 (€ bn)	€ 0.5	€ 0.8	€ 0.1	€ 0.2
RAB at 1 January 2022 (€ bn)	€ 9.1	€ 15.8	€ 0.9	€ 3.9 [5]
Regulatory determination	ATRT7	ATRD6	ATTM6	ATS2
Regulatory period	4 years (2020-23)	4 years (2020-24)	4 years (2021-24)	4 years (2020-23)
WACC	4.25% (real, pre-tax)	4.10% (real, pre-tax)	6.25% (real, pre-tax) [3]	4.75% (real, pre-tax)
Incentives	up to 300bps over 10 years [2]	200bps over 20 years for Gazpar	125bps for Capex decided in 2004-2008	-

[1] GRTgaz also operates transmission activities in Germany. [2] Only for select network projects in service before the ATRT7. [3] Except for assets in Montoir put in service from 01/01/2021 (5.75%). [4] Storengy also includes gas storage operations in Germany and in the UK. [5] Including 50% of Geomethane.
Sources: Commission de Régulation de l'Energie, ENGIE and Moody's Investors Service

Contracted thermal and renewable generation (about 22% of EBITDA in the 12 months that ended 30 June 2021) includes a substantial share of earnings outside Europe, which are underpinned by power purchase agreements (PPAs). Although each PPA is different, they are generally characterised by long tenors, minimum contractually agreed revenue, fuel costs hedged by cost pass-through mechanisms and protection against inflation, which in turn provide a degree of earnings stability and insulation from wholesale power price volatility. Most of the group's renewables business is in France and Latin America, where revenue stability is mostly supported by 15-year feed-in tariffs, 20-year PPAs and long-term concessions. However, about one-third of the renewables output in 2020 was sold on a merchant basis, mainly the hydro production in France and some marginal hydro generation in Brazil.

Equans' disposal will reduce but not remove exposure to economic cycles

The substantial economic slowdown resulting from the pandemic-related measures highlighted the significant exposure of ENGIE's Client Solutions division to economic cycles. The division, previously depicted by the group as a very solid business, was severely hit by the pandemic with 2020 EBITDA down 34% on 2019. The portfolio of service and maintenance contracts is highly dependent on customers' industrial activity, especially for the asset-light contracts. These services offer less visibility and generally have a lower credit quality than the capital-intensive infrastructure and long-term contracted generation businesses.

In July 2020, Jean-Pierre Clamadieu, chairperson of the board, announced ENGIE's intention to implement a large disposal programme including the asset-light activities of the Client Solutions division. As of the end of June 2021, the group introduced Equans, housing carved-out non-core energy services amounting to around €12 billion of revenue and employing around 74,000 people. In November 2021, ENGIE announced exclusive negotiations with Bouygues to dispose 100% of Equans' capital at a €7.1 billion enterprise value. The transaction, likely to close in Q3 2022, will reduce the group's exposure to economic cycles. However, even upon Equans' disposal, ENGIE will remain exposed to asset-backed energy services, contributing around 8% to consolidated EBITDA excluding Equans in 2020.

Merchant generation is exposed to power price volatility, as well as nuclear fleet's availability and planned shutdown

Since the disposal of its upstream and midstream LNG businesses (liquefaction, shipping and supply contracts) in mid-2018, commodity-linked earnings, mainly from merchant power generation, represent a smaller part of ENGIE's EBITDA (21% in the 12 months that ended 30 June 2021). Merchant generation comprises mainly nuclear plants in Belgium and hydro capacity in France (with a combined normalised annual output of around 58 terawatt hour). As a result, any fall in European forward baseload power prices could strain the profitability of ENGIE's merchant generation because of the fixed-cost nature of the nuclear and hydro fleets, and vice versa.

Merchant generation is exposed to wholesale power price volatility, although the group's hedging policy moderates this exposure. ENGIE's strategy is to sell forward a substantial proportion of its outright power generation on a three-year rolling basis. For example, as of 30 September 2021, the group had sold in advance 72% of its 2022 nuclear output, 54% of its 2023 output and 23% of its 2024 output at average hedged prices of €54/megawatt-hour (MWh), €52/MWh and €55/MWh, respectively, compared with €46/MWh in 2021. The group benefits from limited flexibility on its hedging, which can limit the hedged portion of future nuclear output if and when power prices decrease over a short period.

Merchant generation is also exposed to nuclear fleet availability, which has been recovering from around 52% in 2018 (because of unplanned outages) to 92% over the first nine months of 2021, in line with historical standards of around 90%, which strongly supported the financial performance of the division, with EBIT up by €556 million to €401 million. However, the new Belgian government, formed in October 2020, confirmed its commitment to proceed with a gradual nuclear phaseout by 2025. The group's nuclear reactors are planned to be shut down between 2022 and 2025, unless the security of supply was found to be threatened. This is very likely to significantly limit the group's operations and profitability in Belgium.

Ongoing transformation plan, but replacing the earnings associated with disposal remains a challenge

Since July 2020, ENGIE has implemented a strategic plan which focuses on exiting non-core activities and investing in renewables while enhancing performance resulting from the structure smplification.

The structural simplification will consist of focusing on fewer geographies, limiting the group's presence to 30 countries, and on a disposal programme reducing net debt by €9 billion-€10 billion. A first milestone was achieved in October 2020 with the disposal of ENGIE's stake in SUEZ (Baa1 stable), which resulted in a €3.75 billion cash payment (including the price complement paid by Veolia in January 2022) and a pretax capital gain of €2 billion. The Equans disposal will be a second milestone will involve to Bouygues (see the section above "Equans' disposal will reduce but not remove exposure to economic cycles"). In addition, ENGIE also sold in 2021 11.5% of GRTgaz for €1.1 billion, as well as 10% of GTT capital for €290 million, while simultaneously issuing an exchangeable bond into GTT shares for a nominal amount of €290 million. Upon Equans' sale closing in Q3 2022, ENGIE will have completed its disposal programme for a total consideration of over €12 billion.

The capital redeployment aims to accelerate the group's development in renewable and network assets, reducing the economic exposure to regulated natural gas business in France (40% of consolidated EBITDA in the 12 months that ended 30 June 2021). Following large acquisitions signed over 2019-21, including of TAG, the largest natural gas transportation company in Brazil, for a total enterprise value of €8.6 billion; that of 40% of a portfolio of hydropower assets owned by EDP - Energias de Portugal, S.A. (Baa3 positive), alongside financial partners, for a total enterprise value of €2.2 billion; and the acquisition of a Spanish renewable company, alongside a financial partner, for a total enterprise value of €2.1 billion, ENGIE will mostly pursue organic growth. The group intends to develop 4 GW in new renewables capacity per year, retaining a larger ownership of the new projects where financial partners were so far funding about 80% of the assets, such that new projects are fully consolidated. The group is also committed to Net Zero by 2045, in addition to its commitment to phase out coal by 2025 in Europe and by 2027 globally.

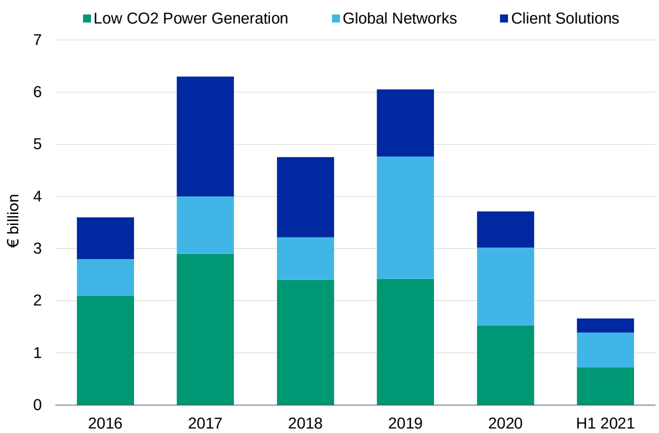
Finally, ENGIE has extended its performance plan to deliver over €1 billion in gross improvement and €0.6 billion in additional net EBIT over 2021-23 through a combination of better cash management, procurement optimisation and proactive management of loss-making entities.

Overall, we expect the group's business risk profile to develop favourably over the planned period, with the shift away from volatile businesses bringing greater cash flow stability. However, the capital investment programme has execution risk because of the overall scale, the share of investments dedicated to emerging markets and the margin compression in the renewables sector. Some of these risks are moderated by the regulated nature of the investment into networks, as well as by the scale and competitive advantage that ENGIE derive from its renewables platform.

Exhibit 8

Investment is focused on contracted and regulated activities

Split of growth in capital spending (excluding maintenance) by business

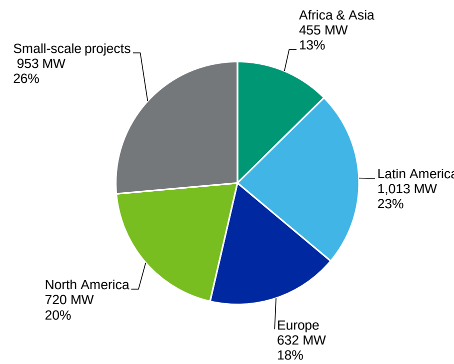


Capital spending excludes investments related to exploration and production and LNG.
Sources: Company reports

Exhibit 9

New generation to be mostly added in Latin and North Americas

Expected commissioning of capacity (100%) as of 30 June 2021



Source: Company reports

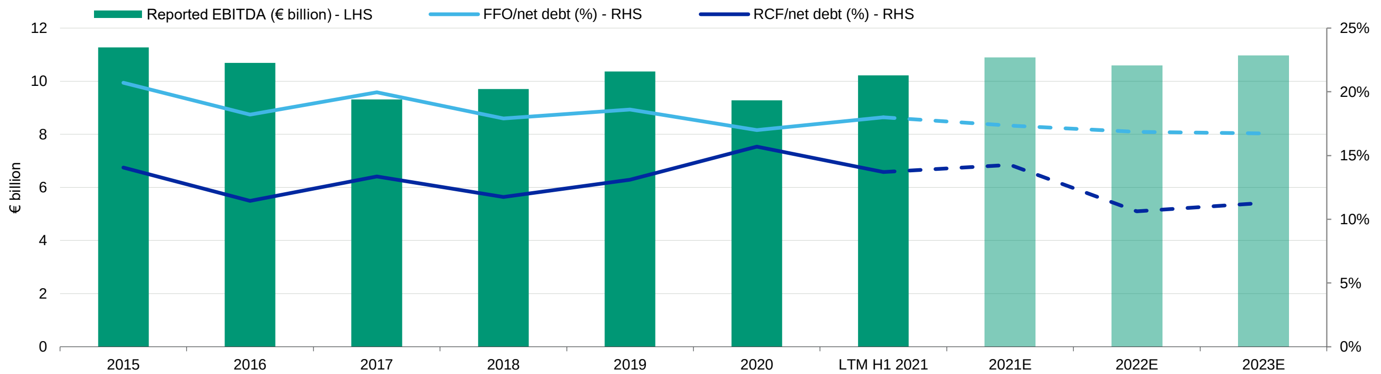
Credit metrics not likely to recover significantly over the next two to three years

ENGIE's financial performance in the first nine months of 2021 benefitted from favourable weather conditions, higher nuclear availability and a recovery in client solutions, driven by higher demand. FFO/net debt was 18.0% in the 12 months that ended 30 June 2021, up from 17.0% in 2020, which was significantly affected by the pandemic over the first semester.

Guidance for 2021 has been revised upwards: EBITDA ranges from €10.8 billion to €11.2 billion (versus €10.2 billion-€10.6 billion previously) and EBIT ranges from €6.1 billion to €6.5 billion (versus €5.5 billion-€5.9 billion previously). The group aims to achieve capital spending of €7.5 billion-€8.0 billion, of which about half will be for growth. Dividends will resume based on a 65%-75% payout ratio, with a €0.65 floor, to be paid in 2021. ENGIE will aim to maintain its leverage (economic net debt/EBITDA) at or below 4.0x in the long term.

We do not expect a sharp rebound in ENGIE's metrics over 2022-23 given the sizeable development and maintenance capital spending, the next triennial revision that will take place in 2022, during which we expect additional nuclear provisions of €1.5 billion-€2.0 billion to be announced, and dividend resumption, which will exceed the cash generation and disposal proceeds over the period.

Exhibit 10
We expect ENGIE's FFO/net debt in 2021-22 to be in line with the guidance for the Baa1 rating of higher-teen percentages



The 2021-23 estimates represent Moody's forward view and not the view of the issuer. They incorporate the effect of adoption of IFRS16 from 1 January 2019.
Source: Moody's Investors Service

Loi PACTE brought a reassessment of French government's support for ENGIE

Because of the 23.64% shareholding and 34.79% voting rights held by the French government, we consider ENGIE a government-related issuer under our rating methodology, which generally requires 20% as the minimum government ownership level. However, following the adoption in French law of the Loi PACTE on 23 May 2019, we changed our assessment of government support to moderate from strong under the methodology and removed the notch of uplift that had hitherto been factored into the rating. ENGIE's Baa1 rating is now based on the group's underlying credit strength, which is reflected in its Baseline Credit Assessment (BCA) of baa1.

ESG considerations

ENGIE SA's ESG Credit Impact Score is moderately negative CIS-3

Exhibit 11
ESG Credit Impact Score

CIS-3

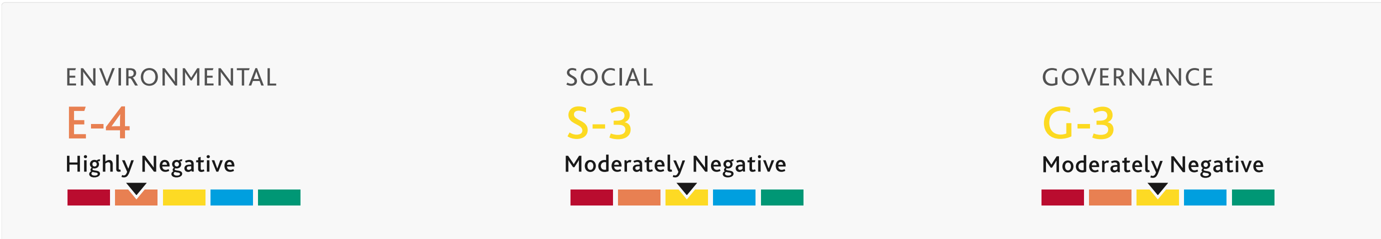
Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

ENGIE's ESG Credit Impact Score is moderately negative (**CIS-3**), indicating that its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact. ENGIE's **CIS-3** score reflects a high exposure to environmental risks, reflective of likely rising nuclear liabilities. The effect of these considerations on the rating is mitigated by a moderate exposure to social and governance risks, including the risk of stranded gas assets.

Exhibit 12
ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental
ENGIE's high environmental risk (**E-4** issuer profile score) reflects its exposure to high carbon transition risk, given the contribution of gas transmission and distribution assets to earnings (around 40% of EBITDA in 2020), whereas the energy transition law plans a natural gas phaseout by 2050 in France. This also takes into account the group's large investment programme to increase the share of power output from renewables. The risk includes the group's exposure to high waste and pollution risks because of the high likelihood of an additional increase in costs associated with nuclear waste storage and nuclear decommissioning following the next triennial revision (2022). Its nuclear and hydro fleet (35% of the group's installed capacities in 2020) also exposes the company to low to neutral risks of water management and climate risks.

Social
Moderately negative social risks for ENGIE (**S-3** issuer profile score) reflect the fundamental utility risk that demographics and societal trends could include public concerns over affordability and public expectation that utilities act as public service, as well as the utility's reputational risk. These pressures could turn into adverse political intervention, as illustrated by the future French natural gas phaseout. This also includes nuclear and gas exposures and associated risk to public health. ENGIE also has moderately negative exposure to risk to public safety as a gas leak or explosion, although unlikely, could have significant negative impact on the group's reputation and financial situation.

Governance
Moderately negative governance risks for ENGIE (**G-3** issuer profile score) reflect the recent management turbulences, resulting in significant changes in long term strategy, associated with the substantial ownership of the French State (around 25%, including a golden share).

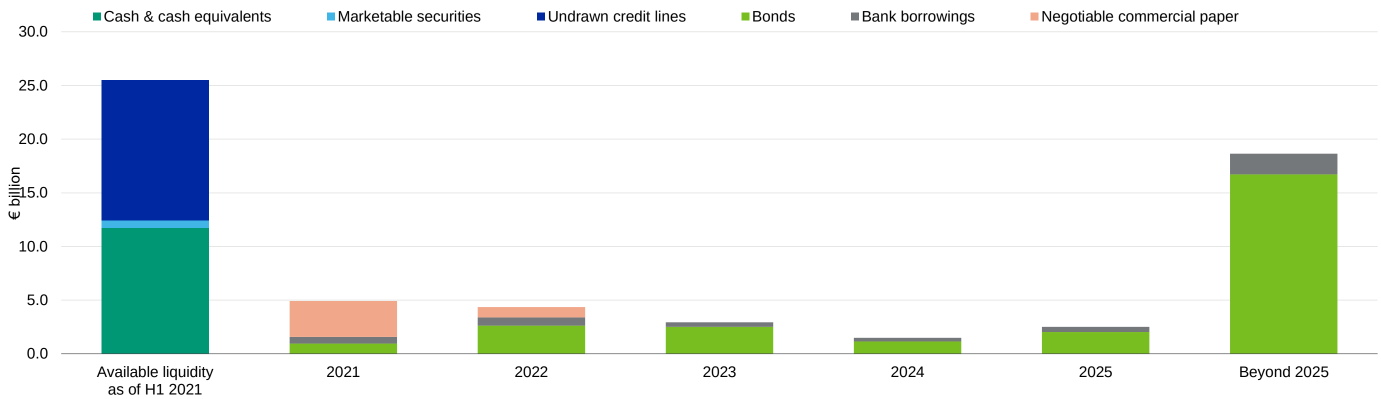
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on moodys.com. To view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis
ENGIE's strong liquidity was supported by €12.4 billion of available cash and financial assets and a total of €13.1 billion of undrawn confirmed covenant-free credit facilities as of 30 June 2021. These include €5.0 billion and €5.5 billion syndicated loan facilities maturing in December 2025 and November 2022, respectively. Together with strong cash generation, these sources are sufficient to cover the group's debt maturities (including €3.8 billion of commercial paper outstanding as of 30 June 2021 and €3.6 billion of other debt), capital spending and expected dividend payments over the next 12 months. In addition, ENGIE issued $489 million worth of zero-coupon notes in January 2021 and €750 million of hybrids in June 2021.

Exhibit 13

ENGIE has a well-spread debt maturity profile

Debt maturity profile and available liquidity as of 30 June 2021



Sources: ENGIE and Moody's Investors Service

Structural considerations

Our credit assessment takes into account both external borrowing at the subsidiary level and nuclear provisions at ENGIE's subsidiary Electrabel (around €10.7 billion net of allocated assets in 2020), which benefit from a priority ranking in respect of the movable assets of Electrabel. While these liabilities imply some structural subordination for ENGIE's parent company's creditors, they can be accommodated in the context of total group financial debt of €38 billion and assets of €187 billion as of 30 June 2021.

Methodology and scorecard

ENGIE is rated in accordance with the following rating methodologies: Unregulated Utilities and Unregulated Power Companies, published in May 2017, and Government-Related Issuers, published in February 2020. We consider ENGIE a government-related issuer, given the French government's ownership of 23.64% of the share capital and 33.20% voting rights. The assigned Baa1 rating is one notch lower than the scorecard-indicated outcome of A3, which reflects the stranded-asset risks associated with gas natural phaseout in France by 2050.

Following the enactment of the Loi PACTE in France in May 2019, ENGIE's creditworthiness is based on its standalone credit profile, as reflected by its BCA of baa1, which is one notch below the scorecard-indicated outcome.

Exhibit 14

Rating factors

ENGIE SA

Unregulated Utilities and Unregulated Power Companies Industry [1]	Current LTM 06/30/2021		Moody's 12-18 Month Forward View As of January 2022 [2]	
Factor 1 : Scale (10%)	**Measure**	**Score**	**Measure**	**Score**
a) Scale (USD Billion)	Aaa	Aaa	Aaa	Aaa
Factor 2 : Business Profile (40%)				
a) Market Diversification	Aaa	Aaa	Aaa	Aaa
b) Hedging and Integration Impact on Cash Flow Predictability	A	A	A	A
c) Market Framework & Positioning	A	A	A	A
d) Capital Requirements and Operational Performance	Baa	Baa	Baa	Baa
e) Business Mix Impact on Cash Flow Predictability	Aa	Aa	Aa	Aa
Factor 3 : Financial Policy (10%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (40%)				
a) (CFO Pre-W/C + Interest) / Interest (3 Year Avg)	6.5x	Baa	6.0x - 7.0x	Baa
b) (CFO Pre-W/C) / Net Debt (3 Year Avg)	17.2%	Ba	16% - 18%	Ba
c) RCF / Net Debt (3 Year Avg)	12.9%	Ba	10% - 14%	Ba
Rating:				
a) Scorecard-Indicated Outcome		A3		A3
b) Actual Rating Assigned				baa1
Government-Related Issuer				
a) Baseline Credit Assessment				baa1
b) Government Local Currency Rating				Aa2
c) Default Dependence				Moderate
d) Support				Moderate
e) Actual Rating Assigned				Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] This represents Moody's forward view and not the view of the issuer.

Source: Moody's Investors Service

Ratings

Exhibit 15

Category	Moody's Rating
ENGIE SA	
Outlook	Stable
Issuer Rating	Baa1
Sr Unsec Bank Credit Facility -Dom Curr	Baa1
Senior Unsecured	Baa1
Subordinate MTN -Dom Curr	(P)Baa2
Jr Subordinate -Dom Curr	Baa3
Commercial Paper	P-2
Other Short Term -Dom Curr	(P)P-2
ENGIE CC	
Outlook	Stable
Issuer Rating	Baa1
ENGIE INVEST INTERNATIONAL S.A.	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
ELECTRABEL SA	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
Other Short Term -Dom Curr	(P)P-2
ENGIE ALLIANCE	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
ST Issuer Rating	P-2

Source: Moody's Investors Service

Appendix

Exhibit 16
Peer comparison

	ENGIE SA Baa1 Stable			Electricite de France A3 Stable			Iberdrola S.A. Baa1 Stable			E.ON SE Baa2 Stable			ENEL S.p.A. Baa1 Stable		
(in EUR million)	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-19	FYE Dec-20	LTM Jun-21
Total Assets	160,631	154,336	187,997	300,199	304,118	316,463	114,245	122,146	122,369	97,901	95,385	100,140	171,426	163,453	179,733
EBITDA	9,259	8,319	9,886	16,504	13,286	15,724	9,230	9,569	9,556	5,142	6,295	7,274	16,600	15,392	15,240
CFO Pre-W/C	8,285	7,099	7,712	12,314	14,461	16,831	7,112	7,722	7,983	3,423	4,502	5,527	10,966	11,884	11,461
Retained Cash Flow (RCF)	5,817	6,541	5,869	11,806	13,943	16,311	5,079	5,841	4,662	2,303	2,939	3,957	6,883	7,028	6,834
Net Debt	44,553	41,675	42,780	63,446	66,428	65,578	38,537	41,846	40,777	44,755	45,265	46,985	53,058	55,901	60,103
(CFO Pre-W/C) / Net Debt	18.6%	17.0%	18.0%	19.4%	21.8%	25.7%	18.5%	18.5%	19.6%	7.6%	9.9%	11.8%	20.7%	21.3%	19.1%
RCF / Net Debt	13.1%	15.7%	13.7%	18.6%	21.0%	24.9%	13.2%	14.0%	11.4%	5.1%	6.5%	8.4%	13.0%	12.6%	11.4%
(CFO Pre-W/C + Interest) / Interest Expense	7.0x	6.2x	7.2x	5.6x	7.0x	8.6x	5.7x	6.3x	7.3x	2.6x	3.6x	4.5x	5.3x	6.2x	5.3x
Debt / Book Capitalization	58.1%	60.1%	57.1%	62.6%	62.7%	57.6%	44.3%	44.4%	45.0%	76.1%	78.8%	72.9%	52.2%	55.2%	55.2%

All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE = Financial year-end, LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 17

Adjusted net debt calculation

ENGIE SA

(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Jun-21
As Reported Total Debt	36,950	33,467	32,179	38,545	37,938	38,404
Pensions	2,135	1,865	2,078	2,480	3,209	3,209
Leases	5,274	3,954	4,194	0	0	0
Hybrid Securities	1,816	1,816	1,875	1,957	1,957	1,775
Securitization	762	928	872	944	1,257	1,257
Non-Standard Public Adjustments	9,251	10,263	10,344	11,578	10,226	10,231
Moody's Adjusted Total Debt	56,188	52,293	51,542	55,504	54,587	54,876
Cash & Cash Equivalents	(10,641)	(9,911)	(9,501)	(10,951)	(12,912)	(12,096)
Moody's Adjusted Net Debt	45,547	42,382	42,041	44,553	41,675	42,780

Source: Moody's Financial Metrics™

Exhibit 18

Adjusted EBITDA calculation

ENGIE SA

(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Jun-21
As Reported EBITDA	10,132	8,002	8,080	10,099	9,333	12,252
Unusual Items - Income Statement	901	1,199	668	(166)	(174)	(868)
Pensions	90	77	105	80	49	49
Leases	879	659	699	0	0	0
Non-Standard Public Adjustments	(512)	(130)	10	(188)	(275)	(858)
Interest Expense - Discounting	(553)	(493)	(538)	(566)	(614)	(689)
Moody's Adjusted EBITDA	10,937	9,314	9,024	9,259	8,319	9,886

Source: Moody's Financial Metrics™

Exhibit 19

Select historical adjusted financial data

ENGIE SA

(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	LTM Jun-21
INCOME STATEMENT						
Revenue	64,840	59,576	56,967	60,058	55,751	59,577
EBITDA	10,937	9,314	9,024	9,259	8,319	9,886
EBIT	6,420	4,822	4,614	4,762	3,671	5,005
Interest Expense	1,589	1,473	1,512	1,379	1,361	1,247
Net income	3,277	3,052	2,322	2,051	1,197	2,929
BALANCE SHEET						
Total Debt	56,188	52,293	51,542	55,504	54,587	54,876
Cash & Cash Equivalents	10,641	9,911	9,501	10,951	12,912	12,096
Net Debt	45,547	42,382	42,041	44,553	41,675	42,780
Total Liabilities	127,562	121,646	125,347	130,111	127,418	157,082
Net Property Plant and Equipment	62,911	54,912	52,977	51,852	49,786	50,774
Total Assets	163,965	154,554	158,295	160,631	154,336	187,997
CASH FLOW						
Funds from Operations (FFO)	8,296	8,462	7,534	8,285	7,099	7,712
Cash Flow From Operations (CFO)	10,303	9,253	7,722	7,343	6,575	7,920
Dividends	3,083	2,799	2,598	2,468	558	1,843
Retained Cash Flow (RCF)	5,214	5,663	4,936	5,817	6,541	5,869
Capital Expenditures	(6,830)	(6,802)	(6,646)	(6,418)	(5,012)	(5,230)
Free Cash Flow (FCF)	391	(348)	(1,522)	(1,543)	1,005	847
FFO / Net Debt	18.2%	20.0%	17.9%	18.6%	17.0%	18.0%
RCF / Net Debt	11.4%	13.4%	11.7%	13.1%	15.7%	13.7%
FCF / Net Debt	0.9%	-0.8%	-3.6%	-3.5%	2.4%	2.0%
PROFITABILITY						
EBIT margin %	9.9%	8.1%	8.1%	7.9%	6.6%	8.4%
EBITDA margin %	16.9%	15.6%	15.8%	15.4%	14.9%	16.6%
(CFO Pre-W/C + Interest) / Interest Expense	6.2x	6.7x	6.0x	7.0x	6.2x	7.2x
LEVERAGE						
Debt / EBITDA	5.1x	5.6x	5.7x	6.0x	6.6x	5.6x
Net Debt / EBITDA	4.2x	4.6x	4.7x	4.8x	5.0x	4.3x
Debt / Book Capitalization	53.4%	54.3%	54.1%	58.1%	60.1%	57.1%

All metrics are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics™

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