15 February 2022

ENGIE 2021 Financial Results

Strategy put into action
Strong 2021 performance at the top end of expectations
Growth in earnings expected over the medium-term

Business highlights

- Continued investment in growth, particularly in Renewables with 3 GW commissioned in 2021 taking total installed capacity to over 34 GW
- EQUANS disposal on track with completion expected in H2 2022, as planned
- Major progress on simplification through €9.2bn of disposals signed or completed
- High availability of Belgian Nuclear at 92%
- Further progress on coal exit with disposal of Jorge Lacerda in Brazil and closure of Tejo in Portugal
- New organisation established: 4 GBUs with P&L accountability driving discipline and consistency

Financial Performance

- 2021 guidance[1] achieved at the top end of the range with "total" NRIgs of €3.2bn, including EQUANS
- Continuing NRIgs of €2.9bn, significant growth in EBIT, up 42% organically to €6.1bn, leveraging a favourable price environment and operational performance
- Strong liquidity and balance sheet enabled seamless management of commodity price environment, with impact of margin calls on CFFO
- 2021 proposed dividend of €0.85 per share
- 2022-2024 guidance announced with 2024 NRIgs expected in the range of €3.3-3.5bn

Key financial figures as of 31 December 2021

In € billion	12/31/2021	12/31/2020[2]	Δ 2021/20 gross	Δ 2021/20 organic
Revenue	**57.9**	44.3	+30.6%	+33.1%
EBITDA	**10.6**	8.9	+18.6%	+21.9%
EBIT	**6.1**	4.5	+36.8%	+42.2%
Net recurring income Group share (continuing)	**2.9**	1.7	+69.7%	
NRIgs (total)	**3.2**	1.7	+85.4%	
Net income Group share	**3.7**	(1.5)	-	
Capex[3]	**8.0**	7.5	+6.1%	
Cash Flow From Operations[4]	**6.3**	6.6	-5.3%	
Net financial debt[5]	**25.3**	22.5	€+2.9bn	
Economic net debt	**38.3**	37.4	€+0.9bn	
Economic net debt / EBITDA	**3.6x**	4.2x	-0.6x	

Catherine MacGregor, CEO, said: *"With our strategic plan to 2023 that was presented last year, we focused on setting the foundation for sustainable, long-term growth. Throughout last year, we have put our strategy into action and driven a relentless focus on execution, enabling us to deliver on commitments in an unprecedented energy environment and achieve a strong financial performance in 2021.*

N.B. Footnotes are on page 12.

The energy transition is underway at pace and presents multiple opportunities, that ENGIE is strongly positioned to capture, with our resilient asset mix and integrated business model, enabling us to deliver long-term growth, value creation and shareholder return."

2022-2024 outlook and guidance

The progress made last year on the strategic plan to 2023 sets the foundation for ENGIE towards achieving its purpose of carbon neutrality while delivering long-term growth.
In the medium-term to 2024, the Group expects to deliver growth mainly driven by investment in Renewables and higher results from Energy Solutions, alongside a resilient contribution from Networks. Earnings should also benefit from significant performance improvements. Together these drivers are expected to more than offset the reduction from Belgian Nuclear, due to the planned phase-out of capacity by 2025, driving progressive growth in earnings and dividends.

European commodity price assumption in the guidance for residual merchant exposure: In light of the highly volatile European commodity price environment, ENGIE has applied an updated approach to the forward price assumption in the guidance. This price assumption is applicable to unhedged positions and is particularly relevant for Belgian, French Nuclear and French Hydro production. The price assumption used in the guidance for 2022-2024 provided today is based on the average of European forward prices as seen across H2 2021. This is an updated approach compared to the past, where guidance was based on European forward prices as at 31 December of the prior year.

Therefore, ENGIE anticipates for 2022 to 2024:

In € billion	**Earnings in 2022**	**Earnings in 2023**	**Earnings in 2024**
EBITDA	10.7-11.1	10.9-11.3	11.3-11.7
EBIT	6.1-6.5	6.2-6.6	6.4-6.8
NRIgs guidance	**3.1-3.3**	**3.2-3.4**	**3.3-3.5**

ENGIE remains committed to a "strong investment grade" rating and continues to target a leverage ratio of below or equal to 4.0x economic net debt to EBITDA.

For reference, applying the previous approach of assuming prices as at 31 December 2021 would arithmetically translate to significantly higher NRIgs for the 2022 to 2024 period as follows: by €+0.6 billion for 2022, by €+0.4 billion for 2023 and by €+0.2 billion for 2024.

Further details on the 2022-2024 outlook and guidance are provided p. 11 and detailed guidance key assumptions are on appendix 4.

Dividend policy reaffirmed and €0.85 per share proposal for 2021

ENGIE is focused on delivering a progressively growing and sustainable dividend for shareholders.
The Board has reaffirmed the Group's dividend policy with a payout ratio of 65-75% of net recurring income Group share, and a floor of €0.65 per share for the 2021 to 2023 period.
For 2021, the Board has proposed a payout ratio of 66%. This translates to a dividend of €0.85 per share, which will be proposed for shareholder approval at the Annual General Meeting on the 21 April 2022.

Delivering on the strategic plan, setting the foundation for long-term success

In 2021, ENGIE delivered on commitments in an unprecedented energy environment, benefitting from its integrated business model. This is reflected in high levels of assets availability, opportunities captured from flexible generation, contractual positions actively managed and strong financial liquidity maintained.

Acceleration in Renewables, Energy Solutions, and development of international Networks

ENGIE has continued its growth throughout 2021.

The Group commissioned 9 GW of renewable capacity over the 2019-2021 period despite increasing global supply chain tensions experienced over 2021, leading to over 34 GW total installed capacity. The Group is stepping-up in Renewables growth with 4 GW capacity addition on average per year expected by 2025 to reach 50 GW of total installed renewables capacity at 100%. To support its ambition, ENGIE has a robust pipeline of c. 66 GW of identified projects.

After a period of uncertainty due to the pandemic, commercial development has resumed in Energy Solutions, where the city of Paris has selected ENGIE and its partner RATP Group to manage its cooling network with the renewal of the concession for 20 years in December 2021.

International Networks progressed with the start of commercial operation for Gralha Azul and first energization tests for Novo Estado, the two power transmission lines being built by ENGIE in Brazil.

Progress at pace on disposal plan

In 2021, ENGIE made very strong progress on its refocusing plan, with c. €9.2 billion of disposals signed or completed to date. Given the strong momentum, ENGIE now expects total net financial debt impact of at least €11 billion between 2021 and 2023, compared with the initial €9-10 billion indication.

Simplifying and refocusing

On 5 November 2021, ENGIE entered into exclusive negotiations with Bouygues for the sale of 100% of EQUANS. This is a major step forward in the Group's execution of its strategic plan towards building a simpler ENGIE that is focused on accelerating investment in its core activities. EQUANS is a global multi-technical services leader, which was created on 1 July 2021, as a separate division within ENGIE. Bouygues' firm and binding offer values 100% of EQUANS at €7.1 billion on an enterprise value basis[6]. The proposed transaction is expected to reduce ENGIE's net financial debt by €6.8 billion. This transaction is progressing as planned and still expected to close in H2 2022, subject to regulatory approvals and customary closing conditions.

Also, on 31 August, ENGIE received a firm and irrevocable offer from ALTRAD group for ENDEL, a fully-owned subsidiary specialized in industrial maintenance and energy services. This represents another milestone in implementing ENGIE's strategy to simplify its service activities.

In May, ENGIE completed the 10% sale of GTT. With this partial sale, GTT is consolidated under the equity method as from June. Simultaneously to this, ENGIE issued a €290 million zero coupon bonds exchangeable into GTT shares in 2024. In case of full exchange of the bonds, ENGIE would retain a stake of c. 20% down from 40% prior to this transaction.

Lastly, ENGIE completed the sale of ENGIE EPS in July.

On geographic rationalization, the Group has exited or signed agreements to exit 18 countries[7] in 2021. Once closing is completed, the Group will be operating in 35 countries. ENGIE targets to be in less than 30 countries by 2023.

Infrastructures re-balancing

On 22 December 2021, ENGIE, along with its partner SIG, announced the completion of the sale of an 11.5% stake in GRTgaz. This transaction implied a valuation to RAB of 148%, reduced ENGIE's net financial debt by €1.1 billion and demonstrates ENGIE and its partner's shared view on the long-term role of both gas and renewable gases.

Disciplined capital allocation
Total Capex in 2021 amounted to €8.0 billion, with growth Capex at €4.3 billion.
Fully in line with the strategic plan presented in May 2021 towards Net Zero by 2045, growth Capex was allocated to Renewables (44%), Networks (31%) and Energy Solutions (17%) and substantially (over 90%) to organic developments.

Performance plan delivering
The performance plan being implemented delivered its first results, enabling ENGIE to meet its 2021 full year target of €0.1 billion of net EBIT contribution. Operational excellence and support functions optimization contributed to earnings growth.
As a reminder, ENGIE targets a net EBIT contribution of €0.6bn over the period 2021 to 2023.

Update on Belgian nuclear assets

The Belgian government has proposed a new draft law that is expected to be voted in spring 2022. It focuses on the availability of funds against nuclear provisions and proposes a timetable for the funding of dismantling and waste management costs by 2030. If voted through, this would lead to an additional funding for dismantling costs to 2030, representing up to c. €0.7 billion per annum between 2022 and 2024. Electrabel had already accounted for and committed to both, the waste disposal and dismantling costs, and its solid financial position enables the orderly management of these fundings. There is no change to the amount of provisions or the calculation scheme. ENGIE does not expect any change to Net Economic Debt from this draft law under discussion.

The next triennial review of the nuclear provisions towards dismantling costs and waste management will take place in H2 2022. Consistent with the 2019 process, the review will consider any updates required to the nuclear provisions based on discount rates and a review of baseline scenario for cost estimates.

Progress on Net Zero ambition and key ESG targets

Progress on coal exit supporting Net Zero ambition
ENGIE is committed to achieving its Net Zero ambition covering all three scopes by 2045 following a “well below 2°C” trajectory with intermediate milestones. In line with this target, ENGIE has become one of the founding members of the First Movers Coalition, launched at the COP26 in November 2021. By joining the coalition, ENGIE commits to buying low-carbon equipment to help develop decarbonized supply-chains.

ENGIE continues to progress on coal exit with the closing in October of the disposal of Jorge Lacerda in Brazil, which comprises a 0.7 GW coal plant. This transaction contributes towards a gradual transition of the regional economy while reducing potential local socio-economic impacts and demonstrates the importance of a just transition to the Group.
In addition, ENGIE’s last coal power plant in Europe located in Portugal stopped operations in November 2021.
ENGIE is committed to exiting all coal assets in Europe by 2025 and globally by 2027, including coal generation for district heating and cooling networks.
At the end of 2021, coal represented 2.9 GW of ENGIE’s 100.3 GW centralized power generation portfolio.

Key ESG targets
In 2021, greenhouse gas emissions from energy production were reduced to 67 million tons.
ENGIE also increased the share of renewables in its portfolio to 34% in 2021 from 31% at the end of 2020 with the commissioning of 3 GW of renewables.

On gender diversity, ENGIE had 25% women in management at the end of 2021 and is implementing action plans towards its ambition of reaching gender balance by 2030.

Say on climate resolution

As part of its dialogue with ENGIE's shareholders, the Board of directors has decided to consult them at the next Annual General Meeting on the Group's climate transition strategy.

Health & Safety

In 2021 the ENGIE Group and its subcontractors experienced severe accidents including 16 fatalities, notably at construction sites. A major company-wide response and comprehensive action plan is being implemented by the ENGIE leadership, to re-assess all safety standards and procedures in every activity and geography to ensure the application of the highest safety standards across the Group and its subcontractors.

The ENGIE Group is strongly committed to playing its role in ensuring every employee, supplier or subcontractor working on an ENGIE site returns home safe, each day.

Operational and financial review

Revenue at €57.9 billion was up 30.6% on a gross basis and 33.1% on an organic basis.
EBITDA at €10.6 billion, was up 18.6% on a gross basis and up 21.9% on an organic basis.
EBIT at €6.1 billion was up 36.8% on a gross basis and up 42.2% on an organic basis.

- Foreign exchange: a total adverse impact of €94 million mainly driven by the depreciation of the Brazilian real and the US dollar.
- Scope: a net negative scope effect of €69 million mainly due to the sale of 10% of GTT's shares that led to a change in consolidation method for the 30% remaining and the partial sale of solar assets in India. These effects were partly offset by the sale of 29.9% of SUEZ which contributed negatively in 2020 and positive contribution from hydro acquisition in Portugal in December 2020.
- French temperature: compared to average, the temperature effect stood at c. €118 million, generating a positive variation of €338 million compared to a warmer than average 2020 across Networks, Supply and Others[8] in France.

EBIT contribution by activity:

In € million	**12/31/2021**	**12/31/2020**	**Δ 2021/20 gross**	**Δ 2021/20 organic**	**o/w temp. effect (France) vs. 2020**
Renewables	1,185	1,093	+8.4%	+21.7%	
Networks	2,314	2,060	+12.3%	+13.1%	+210
Energy Solutions	366	305	+19.8%	-0.4%	
Thermal	1,183	1,259	-6.0%	-3.9%	
Supply	174	184	-5.5%	-6.4%	+101
Nuclear	970	(111)	-	-	
Others	(46)	(297)	+84.4%	+86.7%	+26
EBIT	**6,145**	**4,493**	**+36.8%**	**+42.2%**	**+338**
EQUANS[9]	*368*	*85*	*-*	*-*	*-*
EBIT including EQUANS	*6,513*	*4,578*	*+42.3%*	*+46.8%*	*+338*

Renewables: leveraging price tailwinds and contribution of newly commissioned assets

In € million	12/31/2021	12/31/2020	Δ 2021/20 gross	Δ 2021/20 organic
EBIT	1,185	1,093	+8.4%	+21.7%
Total Capex	2,007	1,631	+23.0%	-
CNR achieved prices (€/MWh)	56.4	43.9	+28.5%	-
DBSO[10] Margins (EBIT level)	31	98	-68.1%	-
Operational KPIs				
Commissioning (GW at 100%)	3.0	3.0		
Hydro volumes France (TWh at 100%)	15.1	15.3	-0.5%	

3 GW of renewable assets were commissioned in 2021 in ENGIE's key geographies, including 1.8 GW of wind assets and 1.1 GW of solar assets, taking total renewable installed capacity at 100% to 34.2 GW at the end of 2021.
In November 2021, ENGIE, alongside with its partner Crédit Agricole Assurances, signed an agreement to acquire Eolia, a leading renewable player in Spain. With 0.9 GW of operating assets and 1.2 GW of renewable projects pipeline, this acquisition will add to ENGIE's scale in the Iberian Peninsula. ENGIE will bring industrial value by leading on delivery of pipeline and providing multiple services, as O&M, Asset management, Energy Management, and development services, to operating assets. Once closed, this transaction will have a €0.4 billion net financial debt impact for ENGIE for a c. €2 billion Enterprise value.
In addition to Eolia, ENGIE further strengthened its pipeline through the acquisition of Assu Sol in Brazil.
More recently, in January 2022, Ocean Winds, ENGIE's joint venture with EDPR dedicated to offshore wind, has been awarded the rights to develop c. 1 GW of new offshore wind capacity in Scotland and the exclusive rights to develop, within a joint venture with Aker Offshore wind (33.3%), 870 MW of floating offshore wind capacity in South Korea. Additional rights for 450 MW are expected to follow.
The Group also supported its customers in their efforts in the energy transition by signing a total amount of 2.1 GW of green corporate Power Purchase Agreements (cPPAs), confirming ENGIE's top position as a green cPPAs supplier in the world.

Renewables reported a 21.7% organic EBIT increase, driven by higher prices (€+335 million) mainly for hydro in France and in Brazil as well as the GFOM hydro compensation (€+87 million versus last year). Capacity commissioned, mainly in the United States and Brazil, also contributed to this increase (€+102 million). This performance was partly offset by the impact of the Texas extreme weather event earlier in 2021 (€-90 million), lower DBSO margins and lower volumes in hydro both in Brazil and France.

Networks: colder temperature in Europe and higher international contribution

In € million	12/31/2021	12/31/2020	Δ 2021/20 gross	Δ 2021/20 organic
EBITDA	4,121	3,848	+7.1%	+7.6%
EBIT	2,314	2,060	+12.3%	+13.1%
Total Capex	2,525	2,591	-2.6%	-
Operational KPIs				
Temperature effect (EBIT in m€)	75	(135)	+210	-
Smart meters (m)	9.2	6.9	+2.2	-

French gas networks delivered high levels of reliability and solid operational performance on efficiency alongside progressing on the development of renewable gases, which have a growing role to play for the long-term. 2.2 million of smart meters were installed over 2021, almost 9.2 million smart meters have been deployed in total. Moreover,

147 new biomethane production sites have been connected to ENGIE's network leading to a total of 351 sites connected. Altogether these units can contribute to a yearly production of up to 6.1 TWh.
In Brazil, commercial operation started for Gralha Azul, and first energization tests have been carried out on the Novo Estado, the two power transmission lines being built by ENGIE. TAG is also performing very well, achieving results above the acquisition plan.

Networks reported a 13.1% organic EBIT increase.
French infrastructures EBIT was up €216 million driven by colder temperature and recovery from adverse Covid impacts in 2020, partly offset by lower transmission volumes subscribed and lower tariffs revenues reflecting regulatory reviews, as expected. EBIT outside France was also up €51 million with organic growth in Brazil from TAG, in addition to colder temperature in Rest of Europe.

Energy Solutions: positive business development and performance improvement offset by higher costs of EVBox

In € million	12/31/2021	12/31/2020	Δ 2021/20 gross	Δ 2021/20 organic
Revenues	9,940	8,840	+12.4%	+13.0%
EBIT	366	305	+19.8%	-0.4%
Total Capex	901	767	+17.5%	-
Operational KPIs				
Distrib. Infra. installed cap. (GW)	23.0	22.6[11]	+1.8%	-
EBIT margin (excl. EVBox)	5.2%	4.1%	+110bps	-
Backlog - French concessions (bn€)	16.8	13.3	+3.5	

0.4 GW net installed capacity have been added in distributed energy Infrastructures in 2021 (considering 0.8 GW capacity sold in Qatar) and 1.5 GW are already under construction.
On 6 December 2021, ENGIE, alongside with its partner RATP, was selected by the City of Paris to manage its cooling network starting in April 2022. Renewal of this 20-year concession covers the production, storage, transport, and distribution of the city's cooling energy, and will generate a projected revenue of €2.4 billion over the course of the contract. ENGIE will also be responsible for the 158 km network extension by 2042, to serve all the districts in Paris and to open up to new clients such as hospitals, nurseries, schools, and retirement homes.

Energy Solutions reported a negative 0.4% organic EBIT variation. Distributed energy infrastructures activities EBIT increased by €+14 million to reach €385 million, mainly driven by good operating performance notably in North America and France as well as colder temperature for district heating in France. Energy Efficiency services EBIT was up €+74 million to €126 million with progressive Covid recovery allowing to deliver improved operating performance. These positive variances were fully offset by higher costs linked to the development of EVBox (contribution down €-90 million to a negative contribution of €145 million in 2021).

In December 2021, TPG, EV Box and ENGIE mutually decided to terminate the Business Combination Agreement signed in December 2020, as the parties were unable to agree on a new deal ahead of the expiration date of 31 December 2021. This was driven by a number of factors including the severe impacts of the global component shortage crisis on the EVBox business, which impacted sales and margins due to higher costs. ENGIE is implementing actions to limit the impacts of supply shortages and address the underperformance. ENGIE believes the future is very bright for EVBox as a market leading charging solutions provider and remains committed to supporting EVBox in its growth journey.

Thermal: headwinds in Chile, higher spreads and ancillaries captured by flexible assets in Europe

In € million	12/31/2021	12/31/2020	Δ 2021/20 gross	Δ 2021/20 organic
EBITDA	1,628	1,708	-4.7%	-2.4%
EBIT	1,183	1,259	-6.0%	-3.9%
Operational KPIs				
Average captured CSS Europe (€/MWh)	19	12	+62.9%	-
Capacity (GW at 100%)	59.9	63.6	-3.7	-

Thermal achieved high level of reliability with internal unplanned unavailability below 5%.
Thermal provides important flexibility in a backdrop of intermittent renewables and is contributing to future security of supply.
On 31 October 2021, ENGIE's two Combined Cycle Gas Turbine (CCGT) projects in Vilvoorde and on the Awirs site, with a capacity of 875 MW each, were selected for a 15-year within the first Belgian Capacity Remuneration Mechanism (CRM) auction. The projects represent an investment of c. €0.5 billion per project. Subject to full completion of the permitting process, the Group will start construction of the Awirs project to target commissioning by 1 November 2025. For the Vilvoorde plant, a new filing for environmental permit has been submitted in January 2022, subsequent to a negative decision in the Flemish Region in October last year. Both power plants will be compatible with the transition towards carbon-neutral electricity generation in the long run, as they will be equipped to use renewable gases.
Thermal GBU continues to progress on reducing CO_2 emissions. In line with this, ENGIE closed the sale of Jorge Lacerda in Brazil in October 2021 and stopped operations in November of its last coal power station in Europe located in Portugal, reducing coal installed capacity at 100% to less than 3 GW.

Thermal reported a 3.9% organic EBIT decrease. Overall, 2021 was a positive year following a very good 2020.
Contracted EBIT decreased by €-200 million to €656 million mainly driven by the combined impact of higher sourcing spot prices driven by a poor hydrology, lower availability of thermal plants and higher fuel prices in Chile. Merchant EBIT increased €+151 million to €527 benefitting from higher ancillaries and spreads for flexible European gas plants and pumped storage assets.

Supply: lower margins and reversal of 2020 positive one-offs partly offset by higher volumes

In € million	12/31/2021	12/31/2020	Δ 2021/20 gross	Δ 2021/20 organic
EBITDA	445	433	+2.6%	+2.0%
EBIT	174	184	-5.5%	-6.4%
French temperature effect (EBIT in m€)	34	(67)	+101	-

In France, ENGIE serves 2.6 million B2C customers with regulated gas tariffs. To support affordability in the current commodity price environment, the French Government decided to implement a tariff freeze for regulated customers from 1 November 2021. In October, the French Government proposed an amendment to the 2022 budget law with a view to compensating ENGIE and other suppliers for loss in revenue due to this measure. This amendment was later voted into law by the Senate and by the National Assembly. This allows ENGIE to book trade receivables and be kept economically neutral.

Supply EBIT was €174 million, down 6.4% on an organic basis.
This EBIT decrease was mainly driven by negative prices effect (€-112 million versus last year), with lower power margins in Belgium and gas margins in Romania, only partly offset by higher margins and better hedging in Australia. Other effects (€-34 million) as reversal of 2020 positive one-offs also weighed on yearly variation.

Volume effects were positive (€+143 million) with colder temperature and Covid recovery.

Nuclear: exceptional performance driven by higher prices and better availability

In € million	**12/31/2021**	**12/31/2020**	**Δ 2021/20 gross**	**Δ 2021/20 organic**
EBITDA	1,413	415	-	-
EBIT	970	(111)	-	-
Total Capex	1,462	1,740	-16.0%	-
Operational KPIs				
Output (BE + FR, @ share, TWh)	47.4	36.5	+10.9 TWh	-
Availability (Belgium at 100%)	91.8%	62.6%	+2,920 bps	-

ENGIE's Nuclear assets in Belgium achieved high level of availability of 92% (63% in 2020), leading to much higher levels of output compared to last year.

EBIT for Nuclear amounted to €970 million for 2021, after 3 consecutive years of negative EBIT, 2020 EBIT having been negative by €111 million. This performance is achieved thanks to a mix of higher achieved prices (€+733 million) and better availability (€+518 million), both on drawing rights in France and units in Belgium. It is partly offset by increasing taxes specific to units in Belgium reaching a total €149 million. Depreciation & amortization was lower following the 2020 impairment.

Others: **strong commercial and trading performance and lower corporate costs**

EBIT amounted to €(46) million, representing a €250 million increase compared to 2020. This increase was mainly driven by GEMS (Global Energy Management & Sales[12]) strong commercial and trading performance especially in H2 2021 in the context of high volatility, Covid recovery, and colder temperature. Overall, GEMS was up €+318 million to €564 million.
Other activities were also lowered by the normalization of GTT's contribution (down €-34 million to €70 million) after a very strong 2020.
Lastly, Corporate costs were lower year-on-year.

EQUANS, discontinued operations

Following the entry into exclusive negotiations with Bouygues on 5 November 2021, EQUANS has been accounted for as "held for sale and discontinued operations" under the IFRS 5 accounting standard, therefore presented in FY 2021 results as "discontinued operations"
Total earnings, including EQUANS for comparability with guidance were as follows:

In € billion	**Reported / Continuing**	**Discontinued operations**	**Total**	***Guidance***
EBITDA	10.6	0.6	11.2	*10.8-11.2*
EBIT	6.1	0.4	6.5	*6.1-6.5*
NRIgs	2.9	0.2	3.2	*3.0-3.2*
Economic net debt / EBITDA	3.6x		3.5x	*≤ 4.0x*

"Total" column numbers are the basis for the comparison with the FY 2021 guidance that was last updated on 10 November 2021.

Net recurring income Group share of €2.9 billion
Net income Group share of €3.7 billion

In € billion	2021
NRIgs (continuing)	**2.9**
Impairment	(1.0)
Restructuring costs	(0.2)
Capital gains	1.1
Commodities MtM	0.7
Non-recurring income tax	(0.6)
Others[13]	0.7
NIgs (including EQUANS)	**3.7**

Net recurring income, Group share relating to continuing operations amounted to €2.9 billion compared to €1.7 at 31 December 2020. Variation was mainly driven by the strong increase in EBIT and recurring effective tax rate decrease from 30.5% to 29.3%.
Net recurring income Group share including EQUANS contribution amounted to €3.2 billion compared to €1.7 billion at 31 December 2020.
Net income Group share including EQUANS amounted to €3.7 billion. The € 5.2 billion increase compared to 2020 was mainly linked to the higher net recurring income Group share and lower impairment loses.
2021 impairment of €1.0 billion was mainly related to some coal assets in Brazil and Renewables in Mexico.
2021 capital gains of €1.1 billion were mainly related to the sale of 10% shareholding in GTT (incl. the revaluation of the 30% retained) and the earn-out on the 29.9% shareholding in Suez sold in 2020.

Return On Capital Employed (ROCE)

ROCE improved over the year from c. 5.7% in 2020 to c. 9.1% in 2021, mainly thanks to EBIT improvement and lower tax rate.

Solid balance sheet and liquidity framework enabled ENGIE to tackle market volatility

Cash Flow From Operations amounted to €6.3 billion, down €0.4 billion compared to 2020. This decrease is mainly due to negative changes in Working Capital Requirements (€-1.4 billion), primarily driven by margin calls (€-2.2 billion) more than offsetting higher operating cash-flows (€+1.3 billion). Taxes and interests paid were also slightly higher.

Net financial debt stood at €25.3 billion up €2.9 billion compared to 31 December 2020.

- Total capital expenditure over the period of €8.0 billion; of which Belgian nuclear provisions funding of €1.3 billion,
- dividends paid to ENGIE SA shareholders (€1.4 billion) and to non-controlling interests (€0.4 billion, mainly in Latin America and GRTgaz),
- other elements included, €1.5 billion, mainly related to new leases, hybrid repayment and foreign exchange rates,

were only partly offset by:

- Cash Flow From Operations of €6.3 billion (€8.5 billion excluding margin calls),
- and disposals of €2.0 billion, mainly partial sale of GRTgaz.

Net financial debt to EBITDA ratio of 2.4x, down 0.1x compared to 31 December 2020. The average cost of gross debt was 2.63%, up 25bps compared with 31 December 2020.

Economic net debt stood at €38.3 billion, up €0.9 billion compared to 31 December 2020. Increase of net financial debt was partly offset by nuclear provision funding (€-1.3 billion) and actuarial gains on employee benefits provisions (€-0.8 billion).
Economic net debt to EBITDA ratio stood at 3.6x, down 0.4x compared to 31 December 2020, and in line with target ratio below or equal to 4.0x.

On 17 January 2022, Moody's reaffirmed its Baa1/P-2 senior unsecured rating, with a stable outlook.
On 15 October 2021, Fitch affirmed its long-term issuer rating to A-, that was downgraded on 24 March 2021, and short-term rating at F1, with a stable outlook.
On 7 June 2021, S&P affirmed its BBB+ long-term issuer rating and short-term issuer rating at A-2, with a stable outlook.

Overview of key targets

The Group has set up clear objectives for each of its core business.
In Renewables, ENGIE targets to reach 50 GW of capacity installed at 100% by 2025 and 80 GW by 2030. These targets are covered by a growing and realistic pipeline.
In Networks, French Regulated asset base is expected to grow c.1.5% per annum over 2021-2024 and international networks will provide growth.
Energy Solutions benefits from a growing pipeline of € 14 billion.

Capex
ENGIE confirms its €15-16 billion growth Capex target over 2021-2023 and expects to invest c.€5 billion mainly in the same key activities in 2024.
Maintenance Capex is expected to be maintained at c. €2.5 billion per annum on average to 2024 and decreasing over time.

Performance
Performance plan of €0.6 billion net EBIT contribution is confirmed for 2021-2023. Improvements are expected to come from operational excellence for c.€0.25 billion, support functions for c. €0.20 billion and loss-making entities for c. €0.15 billion. This performance plan will continue to 2024, with continued improvement expected to contribute to similar magnitude as in 2022-2023.

Disposals
2021-2023 indication has been upgraded to at least €11 billion net financial debt impact from €9-10 billion previously.
ENGIE is well advanced with already c. €9.2 billion of disposals signed or completed. For 2024, disposals are expected to significantly slow down with limited portfolio management.

EBIT evolution
ENGIE expects growth throughout the period, mainly fueled by investments (c. €+1.0 billion) and performance (c.€+0.7 billion), only partly offset by scope (c.€-0.3 billion) and other effects, as volumes, prices, or foreign exchange, for an aggregate effect of c.€-0.7 to -1.1 billion.
EBIT CAGR from 2021 to 2024 is expected to reach 5-6% for core business and 1.5-3.5% for the whole ENGIE (including Nuclear).

Main drivers for 2022 EBIT evolution by activity:

	Expected drivers
Renewables	Growth driven by newly commissioned capacity, higher prices, and reversal of 2021 Texas cold snap, partly offset by no more benefit from GFOM rulings in Brazil
Networks	Reversal of 2021 cold temperatures and lower (smoothed) RAB remuneration in France, partly offset by growth in Latin America
Energy Solutions	Better operational performance, partly offset by reversal of 2021 cold temperatures
Thermal	Continuing favorable market conditions in Europe and higher contribution expected in Chile, offset mainly by coal exit
Supply	Under pressure due to reversal of 2021 cold temperatures and high commodity price context
Nuclear	Higher achieved prices, offset by lower volumes (first reactor stopped in Belgium in October 2022) and higher Belgian nuclear tax

****

The presentation of the Group's 2021 financial results used during the investor conference call is available to download from ENGIE's website: https://www.engie.com/en/finance/results/2021

UPCOMING EVENTS

21 April 2022	Annual General Meeting
27 April 2022	Payment of the dividend for the 2021 fiscal year 2021
17 May 2022	Publication of Q1 2022 financial information
29 July 2022	Publication of H1 2022 financial results
10 November 2022	Publication of 9M 2022 financial information

Footnotes

[1] Main assumptions for the FY 2021 guidance upgraded in November 2021: market commodity prices as of 10/29/2021; average forex rates for FY 2021: €/$: 1.20; €/BRL: 6.28; up to €0.1bn dilution effect at the EBIT level from 2021 disposals; no major deterioration in the pattern of Covid restrictions experienced in 9M 2021, no P&L impact from the French gas regulated tariff freeze, a recurring effective tax rate of 27%, average temperature in France for Q4 2021; no major regulatory or macro-economic changes; no change in Group accounting policies; no 'discontinued operations' accounting

[2] 2020 figures have been restated following the classification of EQUANS as "discontinued operations" as from 5 November 2021

[3] Net of DBSO and tax equity proceeds

[4] Cash Flow From Operations: Free Cash Flow before maintenance Capex and nuclear provisions funding

[5] Net financial debt is pro forma EQUANS intercompany debt (€0.4 billion)

[6] Including IFRS 16 debt

[7] Including EQUANS' countries

[8] First effects in the "Others" activities due to the transfer of Entreprises & Collectivités from "Supply" to "Others"

[9] EQUANS being accounted under IFRS 5 – non-current assets held for sale and discontinued operations

[10] Develop, Build, Share and Operate

[11] Restated data to exclude countries ENGIE exited or stopped developments following geographical rationalization presented in May 2021

[12] B2B Supply activities transferred from Supply to GEM in "Other" activities during 2021

[13] Mainly non-recurring income of minority interests, non-recurring financial result, and net income of EQUANS

****

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.

About ENGIE

Our group is a global reference in low-carbon energy and services. Together with our 170,000 employees, our customers, partners and stakeholders, we are committed to accelerate the transition towards a carbon-neutral world, through reduced energy consumption and more environmentally-friendly solutions. Inspired by our purpose ("raison d'être"), we reconcile economic performance with a positive impact on people and the planet, building on our key businesses (gas, renewable energy, services) to offer competitive solutions to our customers.
Turnover in 2021: 57.9 billion Euros. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe, Euronext Vigeo Eiris - Eurozone 120/ Europe 120/ France 20, MSCI EMU ESG, MSCI Europe ESG, Euro Stoxx 50 ESG, Stoxx Europe 600 ESG, and Stoxx Global 1800 ESG).

Press contact:
Tel.: +33 (0)1 44 22 24 35
Email: engiepress@engie.com

Investor Relations contact:
Tel.: +33 (0)1 44 22 66 29
Email: ir@engie.com

ENGIEgroup

APPENDIX 1: FINANCIAL STATEMENTS

Statement of financial position

Assets (€bn)	31 Dec. 2020	**31 Dec. 2021**
Total non-current assets	93.1	**117.4**
Total current assets	60.1	**107.9**
o/w cash and cash equivalents	13.0	13.9
TOTAL ASSETS	**153.2**	**225.3**

Liabilities (€bn)	31 Dec. 2020	**31 Dec. 2021**
Shareholders' equity	28.9	37.0
Non-controlling interests	4.9	5.0
Total equity	33.9	**42.0**
Total non-current liabilities	65.3	**88.3**
Total curent liabilities	54.0	**95.0**
TOTAL EQUITY AND LIABILITIES	**153.2**	**225.3**

Income statement

(€m)	FY 2020	**FY 2021**
Revenue	**44,306**	**57,866**
Purchases and operating derivatives	(28,088)	(38,861)
Personnel costs	(7,503)	(7,692)
Depreciation, amortization and provisions	(4,477)	(4,840)
Taxes	(1,207)	(1,479)
Other operating income	971	1,122
Share in net income of equity entities	553	800
Current operating income including operating MtM and share in net income of equity method entities	4,454	**6,916**
Impairment losses, restructuring costs, changes in scope of consolidation and other non-recurring items	(2,996)	(194)
Income/(loss) from operating activities	1,558	**6,722**
Net financial income/(loss)	(1,634)	**(1,350)**
Income tax benefit/(expense)	(666)	(1,695)
Non-controlling interests	(642)	(97)
Net income / (loss) relating to discontinued operations, Group share	(153)	**79**
NET INCOME / (LOSS) GROUP SHARE	**(1,536)**	**3,661**

Statement of cash flows

(€m)	FY 2020	**FY 2021**
Cash generated from operations before income tax and working capital requirements	8,506	**9,806**
Tax paid	(494)	(603)
Change in working capital requirements	(902)	(2,377)
Cash flow from operating activities relating to continuing operations	7,110	**6,826**
Cash flow from operating activities relating to discontinued operations	479	**486**
CASH FLOW FROM OPERATING ACTIVITIES	**7,589**	**7,312**
Net tangible and intangible investments	(4,964)	(5,990)
Financial investments	(3,090)	(2,310)
Disposals and other investment flows	4,182	261
Cash flow from (used in) investing activities relating to continuing operations	(3,872)	**(8,039)**
Cash flow from (used in) investing activities relating to discontinued operations	(175)	**(3,003)**
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	(4,046)	**(11,042)**
Dividends paid	(621)	(1,859)
Balance of reimbursement of debt/new debt	1,306	3,299
Net interests paid on financial activities	(595)	(667)
Capital increase/hybrid issues/treasury stock	181	226
Other cash flows	(560)	1,330
Cash flow from financial activities relating to continuing operations	(290)	**2,329**
Cash flow from financial activities relating to discontinued operations	(272)	**2,519**
CASH FLOW FROM (USED IN) FINANCIAL ACTIVITIES	(561)	**4,848**
Effects of changes in exchange rates and other	(1,057)	465
TOTAL CASH FLOWS FOR THE PERIOD	2,453	**1,350**
Reclassification of cash and cash equivalent relating to discontinued activities	9	(440)
Cash and cash equivalents at beginning of period	10,519	12,980
Cash and cash equivalents at end of period	12,980	13,890

APPENDIX 2: CONTRIBUTIVE REVENUE BY ACTIVITY

Revenue at €57.9 billion was up 30.6% on a gross basis and 33.1% on an organic basis.

Contributive revenue, after elimination of intercompany operations, by activity:

In € million	Dec. 31, 2021	Dec. 31, 2020	Gross variation	Organic variation
Renewables	3,661	2,971	+23.2%	+32.9%
Networks	6,700	6,718	-0.3%	+1.8%
Energy Solutions	9,940	8,840	+12.4%	+13.0%
Thermal	4,089	3,281	+24.6%	+29.0%
Supply	13,237	10,792	+22.7%	+22.5%
Nuclear	56	39	+44.3%	+44.3%
Others	20,183	11,664	+73.0%	+77.9%
Revenue	**57,866**	**44,306**	**+30.6%**	**+33.1%**

Revenue for **Renewables** amounted to €3,661 million, up 23.2% on a gross basis and up 32.9% on an organic basis. Gross increase included negative foreign exchange effects mainly in Brazil. On an organic basis, revenue increased mainly in France and Brazil, thanks to better achieved hydro prices. Revenues from assets commissioned in Latin America, the United States and France also contributed to the increase.

Revenue for **Networks** amounted to €6,700 million, down 0.3% on a gross basis and up 1.8% on an organic basis. Gross increase included negative foreign exchange effects mainly in Latin America and Brazil and scope out in Turkey. Organically, French networks revenue increased mainly as a result of higher distributed volumes due to colder temperature compared to 2020. Outside France, revenue increase was driven by Gralha Azul and Novo Estado power transmission lines construction progress in Brazil.

Energy Solutions revenue amounted to €9,940 million, up 12.4% on a gross basis and 13.0% on an organic basis. Gross increase included negative foreign exchange effects notably in the United States. Organically, activity increased significantly in France for both distributed energy infrastructure and energy efficiency services, demonstrating strong Covid recovery. Activities in Italy and in North America also experienced positive organic growth.

Revenue for **Thermal** was up 24.6% on a gross basis and up 29.0% on an organic basis. Gross increase included negative foreign exchange effects mainly in Latin America and negative scope effect with the disposal of Jorge Lacerda in Brazil in October 2021. Organic variance is explained by the strong performance of Thermal activities in Europe thanks to exceptional market conditions allowing to capture higher spreads and increased ancillaries, notably from pumped storage in the UK and Belgium. Thermal activities in the Middle East contributed to the performance with higher dispatch as well as in Latin America with tariff indexation, only partly offset by lower dispatch in Brazil.

Revenue for **Supply** amounted to €13,237 million, up 22.7% on a gross basis and 22.5% on an organic basis. Besides positive foreign exchange effects, increase was mainly driven by higher commodity prices and a positive volume effect on gas due to colder temperature as well as Covid recovery, fostering growth in services.

Nuclear reported almost no external revenue post-elimination of intercompany operations, as its production was sold internally to other ENGIE businesses.

Revenue for the **Others** segment amounted to €20,183 million. The 73.0% reported increase is mainly driven by increase in commodity prices combined with a growth in volumes for Giants and B2B Supply.

APPENDIX 3: EBIT MATRIX

2021 *In € million*	**France**	**Rest of Europe**	**Latin America**	**USA & Canada**	**Middle East, Africa, Asia**	**Others**	**Total**
Renewables	273	120	866	(13)	7	(68)	**1,185**
Networks	1,825	74	403	0	18	(7)	**2,314**
Energy Solutions	309	124	(5)	63	27	(152)	**366**
Thermal		564	189	41	421	(33)	**1,183**
Supply	202	(29)	(0)		25	(23)	**174**
Nuclear		970					**970**
Others		(0)	0	(1)	(2)	(43)	**(46)**
ENGIE Group	**2,609**	**1,823**	**1,453**	**91**	**495**	**(325)**	**6,145**

2020 *In € million*	**France**	**Rest of Europe**	**Latin America**	**USA & Canada**	**Middle East, Africa, Asia**	**Others**	**Total**
Renewables	152	89	775	54	62	(40)	**1,093**
Networks	1,608	66	386	2	4	(6)	**2,060**
Energy Solutions	256	106	1	17	35	(109)	**305**
Thermal		437	367	37	443	(25)	**1,259**
Supply	111	118	2		6	(52)	**184**
Nuclear		(111)					**(111)**
Others		20	(1)	0	(8)	(308)	**(297)**
ENGIE Group	**2,127**	**724**	**1,530**	**110**	**542**	**(540)**	**4,493**

APPENDIX 4: 2022-2024 targets: key assumptions & indications

- Guidance and indications based on continuing operations
- No stringent lockdowns due to Covid
- No change in accounting policies
- No major regulatory or macro-economic changes
- Full pass through of supply costs in French B2C supply tariffs
- Average temperature in France
- Average hydro, wind, and solar productions
- Average forex:
    - €/USD: 1.14 for 2022, 1.16 for 2023 and 1.18 for 2024
    - €/BRL: 6.38 over 2022-24
- Hedged volumes and prices for outright power production as of December 31, 2021:
    - 80% at 60€/MWh in 2022
    - 64% at 55€/MWh in 2023
    - 32% at 57€/MWh in 2024
- Nuclear phase-out starting with Doel 3 in October 2022 and Tihange 2 in February 2023
- Belgian nuclear availability: c. 90% in 2022, 88% in 2023 and 95% in 2024 – based on availabilities as published on REMIT as of 01/01/2022, excluding definitive shutdowns (translating into c. 88%/60%/53% assuming a 0% availability for the reactors to be definitively shut down as per the Belgian law)
- Contingencies on Belgian operations of €0.33 billion in 2022, €0.15 billion in 2023 and €0.13 billion in 2024
- Market commodity prices: H2 2021 average prices

In €/MWh	**2022**	**2023**	**2024**
Power Base BE	118	79	67
Power Base FR	132	84	71
CSS Peak / Base NL	20 / (1)	10 / (4)	9 / (3)
CSS Peak / Base BE	18 / (4)	12 / (5)	12 / (3)
CSS Peak / Base IT	22 / 10	15 / 6	15 / 5
CSS Peak / Base FR	50 / 10	24 / (1)	21 / 0
Gas TTF	48	29	22
CO_2	63	64	65

- Recurring net financial costs of €(1.4)-(1.6) billion over 2022-24
- Recurring effective tax rate: 21-23% for 2022, 20-22% for 2023 and 22-24% for 2024

APPENDIX 5 – MAIN DRIVERS FOR 2021-2024 EBIT EVOLUTION BY ACTIVITY

	Expected drivers	2021-2024 EBIT evolution
Renewables	Investments' contribution, higher prices, positive one-offs 2021	+ + + +
Networks	Lower RAB remuneration in France, temperature normalization, investments contribution	-
Energy Solutions	Investments' contribution, EVBox contribution improvement	+ +
Thermal	Dilution, higher spreads, lower ancillaries, and higher fleet availability	-
Supply	Temperature normalization, margin increase, growth in B2C services and power customer portfolio	+
Nuclear	Lower volumes (Belgian phase out), higher prices	- -

Each "+" sign amounts to c. €+200m, each "-" sign amounts to c. €-200m.

APPENDIX 6: COMPARABLE BASIS ORGANIC GROWTH ANALYSIS

In € million	December 31, 2021	December 31, 2020	Gross/organic variation
Revenue	**57,866**	**44,306**	**+30.6%**
Scope effect Exchange rate effect	-49	-509 -342	
Comparable basis	**57,817**	**43,455**	**+33.1%**

In € million	December 31, 2021	December 31, 2020	Gross/organic variation
EBITDA	**10,563**	**8,908**	**+18.6%**
Scope effect Exchange rate effect	-34	-156 -116	
Comparable basis	**10,529**	**8,637**	**+21.9%**

In € million	December 31, 2021	December 31, 2020	Gross/organic variation
EBIT	**6,145**	**4,493**	**+36.8%**
Scope effect Exchange rate effect	-32	-101 -94	
Comparable basis	**6,113**	**4,298**	**+42.2%**

The calculation of organic growth aims to present comparable data both in terms of exchange rates used to convert the financial statements of foreign companies and in terms of contributing entities (consolidation method and contribution in terms of comparable number of months). Organic growth in percentage terms represents the ratio between the data for the current year (N) and the previous year (N-1) restated as follows:

- The N-1 data is corrected by removing the contributions of entities transferred during the N-1 period or prorata temporis for the number of months after the transfer in N.
- The N-1 data is converted at the exchange rate for the period N.
- The N data is corrected with the N acquisition data or prorata temporis for the number of months prior to the N-1 acquisition.