
Q1 2022
17 May 2022
MEXICO
NUEVA EXCALA

Agenda

Introduction
AARTI SINGHAL
Group Director Investor Relations

Q1 2022 Overview
CATHERINE MACGREGOR
Chief Executive Officer

Q1 2022 Financials and Outlook
PIERRE-FRANÇOIS RIOLACCI
Chief Financial Officer

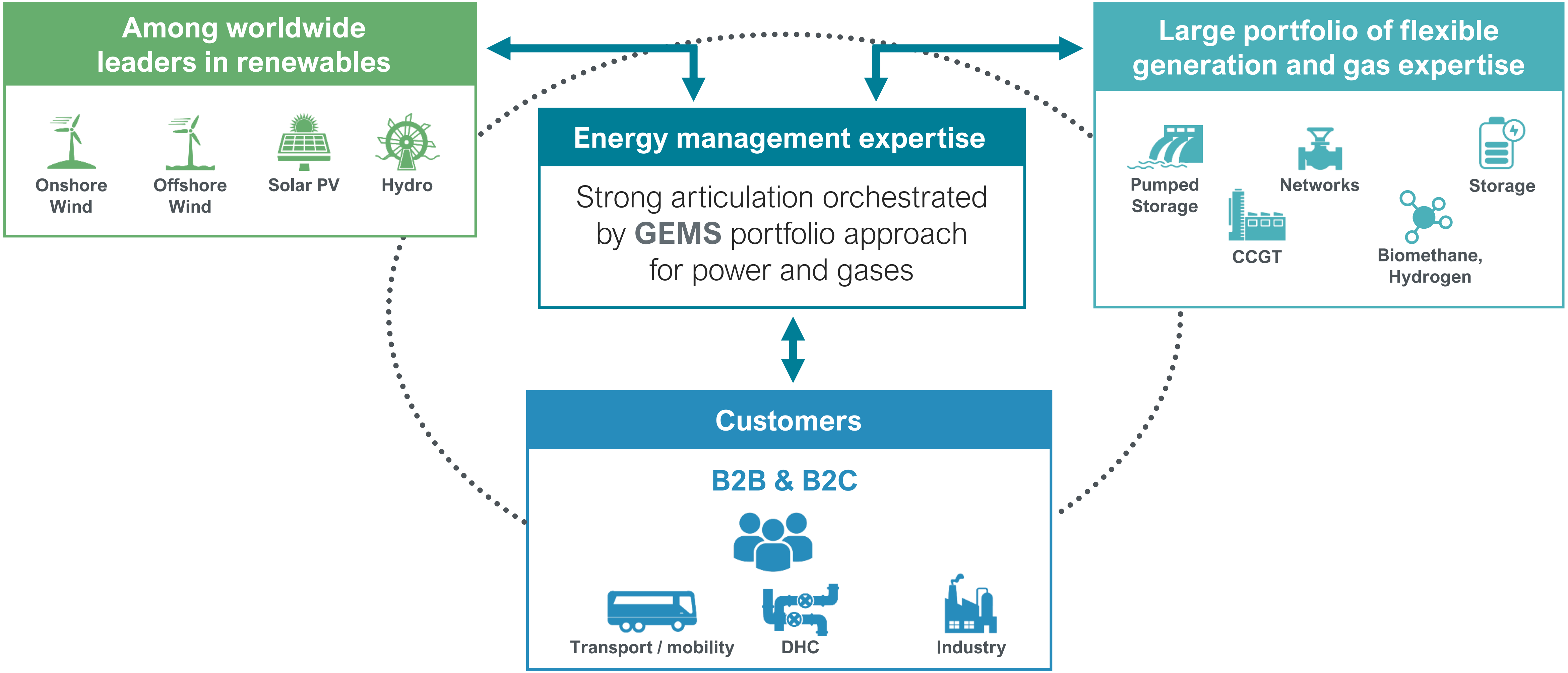
Summary
CATHERINE MACGREGOR
Chief Executive Officer

CATHERINE MACGREGOR

CEO

Enhancing security of gas supply in the context of the war in Ukraine

ENGIE's integrated business model in action



ENGIE playing an active role in shaping the future of energy in Europe

ENGIE

Multiple actions to enhance security of supply across the gas value chain

Gas sourcing

Diversification from Russia and securing volumes through a portfolio of long-term contracts, notably with Norway, the Netherlands, Russia, Algeria and the United States

Networks

Record **64** ships unloaded[1] in Q1 2022

Expanded LNG capacity through debottlenecking

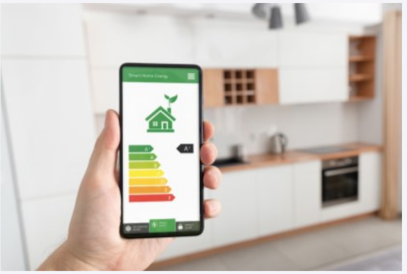
+11 TWh[1] in 2022

+13 TWh[1] in 2023

Customers

Actions to support customer affordability

Engagement with governments & regulators



Preparing for the future

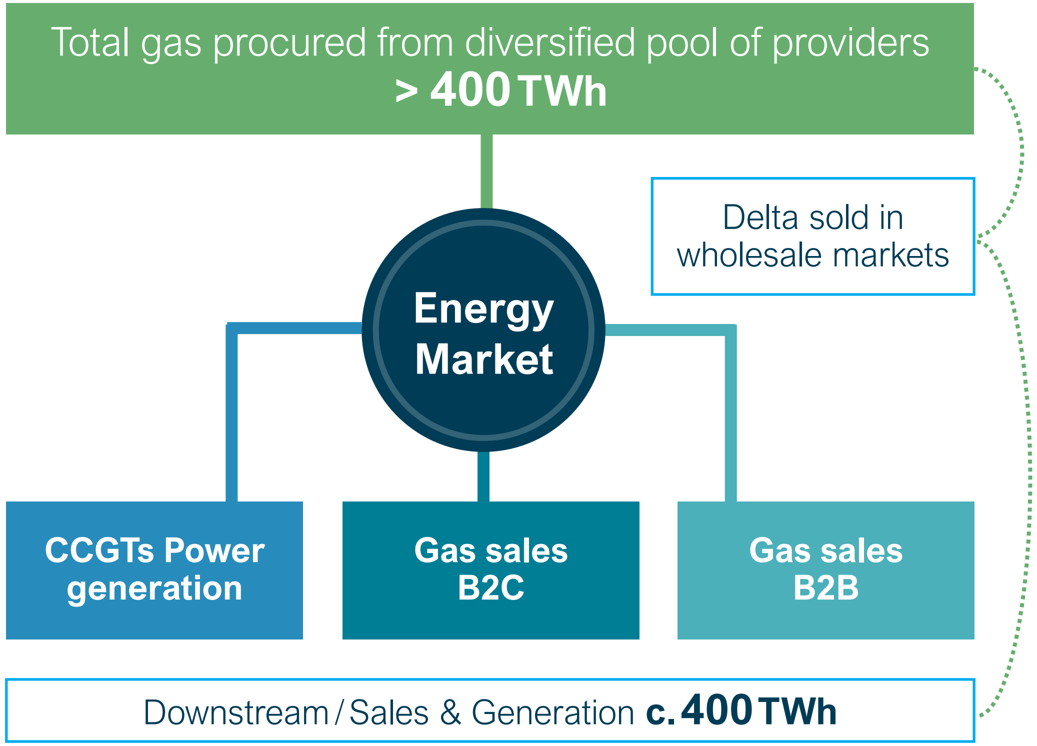
Unlocking the potential of **biomethane** and **hydrogen**

1 ENGIE's operated capacity

ENGIE's European gas hedging positions optimised to minimise risk

- Portfolio of gas purchase and supply contracts
- ENGIE is structurally long gas in Europe
- Risk policy and hedging strategy adapted to actively manage exposures, including from Gazprom
- Necessary steps taken to be ready to execute on our payment obligations
  - As long as compliant with European sanction's framework and does not modify balance of risks

Overview of ENGIE's annual gas volumes in Europe



Q1 highlights
and strategic progress

Very strong performance in exceptional market conditions

- Significant growth in EBIT
  - GEMS benefited from exceptional market environment
  - High Nuclear availability and significant increase in captured prices
  - Strong increase from Renewables, Thermal and Supply

- Robust balance sheet and liquidity supporting temporarily higher Working Capital Requirements

- 2022 guidance upgraded

Q1 2022 EBIT

€3.5bn
up **76%** organically

Continued strong focus on execution of strategic plan

Key pillars of our strategic plan

Simplify, refocus and improve business mix	Step up renewables growth
Increase efficiency and capital allocation discipline	Organisation and performance culture

- Progress on disposals to simplify ENGIE
  - EQUANS disposal completion on track for H2
  - SUEZ earn-out and sale of remaining 1.8% shareholding completed
  - Sell-down of further 9% of GTT
  - ENDEL sale completed
  - Sale of 17 energy services companies across Africa
- Performance plan on track
- Further progress on Renewables growth
- Commercial momentum in Energy Solutions winning contracts

Renewables delivering growth

- CNR extension granted for 18 years to 2041
- Eolia acquisition completed:
  - 0.9 GW installed capacity + 1.2 GW pipeline
- Photosol (US), acquisition of solar & storage pipeline of projects
- Strong progress on Ocean Winds
- Managing rising inflation and supply chain pressures
- Launched TED[1] initiative in line with ENGIE's strong commitment to sustainable development of renewables

~4 GW
targeted addition for 2022
on track

vs ~3 GW
in 2021

1 "Transition Energétique Durable" or Sustainable Energy Transition

Unlocking the potential of biomethane

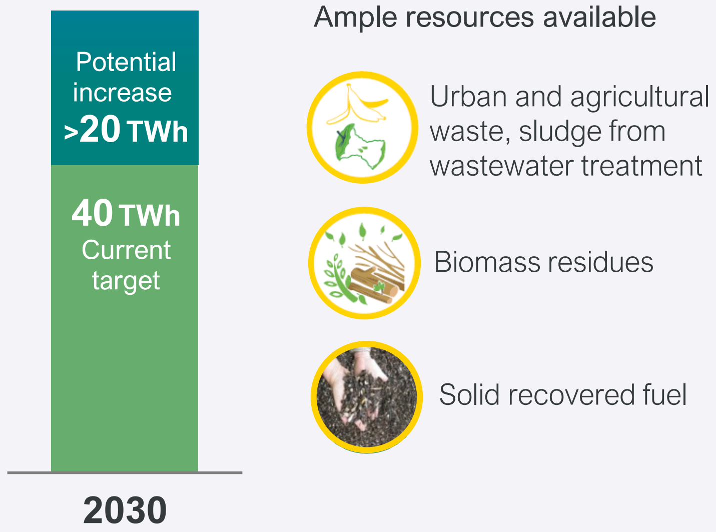
European Commission has doubled the target to reach 380 TWh of biomethane production by 2030[1]

- Corresponding to c.20% of current Russian imports

France has the largest biomethane resource potential in Europe

- Strong appetite to decarbonise from hard to abate sectors
- ENGIE engaging with authorities to accelerate role of biomethane
  - Biomethane production certificates
  - Large tenders organised by the authorities
  - Increased level of support for grid connections costs
- Expected ~€500m to be invested in regulated Capex for grid connections across 2022-2024

Potential to significantly increase French biomethane production



Total biomethane production capacity in France

1 REPowerEU, eq.35bcm

ENGIE at the forefront of hydrogen developments

			Project purpose	Capacity
	**Large scale production of e-fuels**	**Reuze** ENGIE, ArcelorMittal	Recovery of CO_2 from the steel industry to produce e-fuels exploiting industrial synergies and economies of scale in Dunkirk, France	Electrolyser capacity: up to **400 MW** with COD in 2026
	**Green ammonia production**	**Yuri** ENGIE, YARA	Renewable hydrogen to produce green ammonia in Pilbara, Australia	Electrolyser capacity: **10 MW** with COD in 2023 Potential to scale-up by 2030
	**Mining truck powered by hydrogen**	**RHyno** ENGIE, ANGLO AMERICAN	Co-create in South Africa the world's first hydrogen powered mining truck ENGIE integrates and operates the production and refuelling solution	Electrolyser capacity: **3.5 MW** inaugurated in May 2022

ENGIE

Update on Nuclear capacity in Belgium

- Belgian government decided to consider the extension the operational lifetime of 2 out of 7 reactors - Doel 4 and Tihange 3 - to 2035
- ENGIE would engage in such project only in a balanced risk sharing approach
- Short-term priorities:
  - Maintain high operational availability
  - Prepare for the first 2 units reaching final shutdown this winter
  - Prepare for the triennial nuclear provisions review in H2 2022

Nuclear phase out in Belgium[1]

Nuclear reactors	Installed capacity @100% (MW)	End of operations
Doel 3	1,006	1 Oct 2022
Tihange 2	1,008	1 Feb 2023
Doel 1	445	15 Feb 2025
Doel 4	1,038	1 July 2025
Tihange 3	1,038	1 Sep 2025
Tihange 1	962	1 Oct 2025
Doel 2	445	1 Dec 2025
TOTAL	**5,942**	

1 Please refer to slide 29 for more details

Q1 2022 Financials

PIERRE-FRANÇOIS RIOLACCI

CFO

Significantly higher earnings, cash flow generation impacted by changes in WCR

- EBIT up 74% on a gross basis and 76% organically
- Negative cash flow generation and higher net debt
- Improving credit ratios
- Strong liquidity and high cash levels
- 2022 guidance upgraded

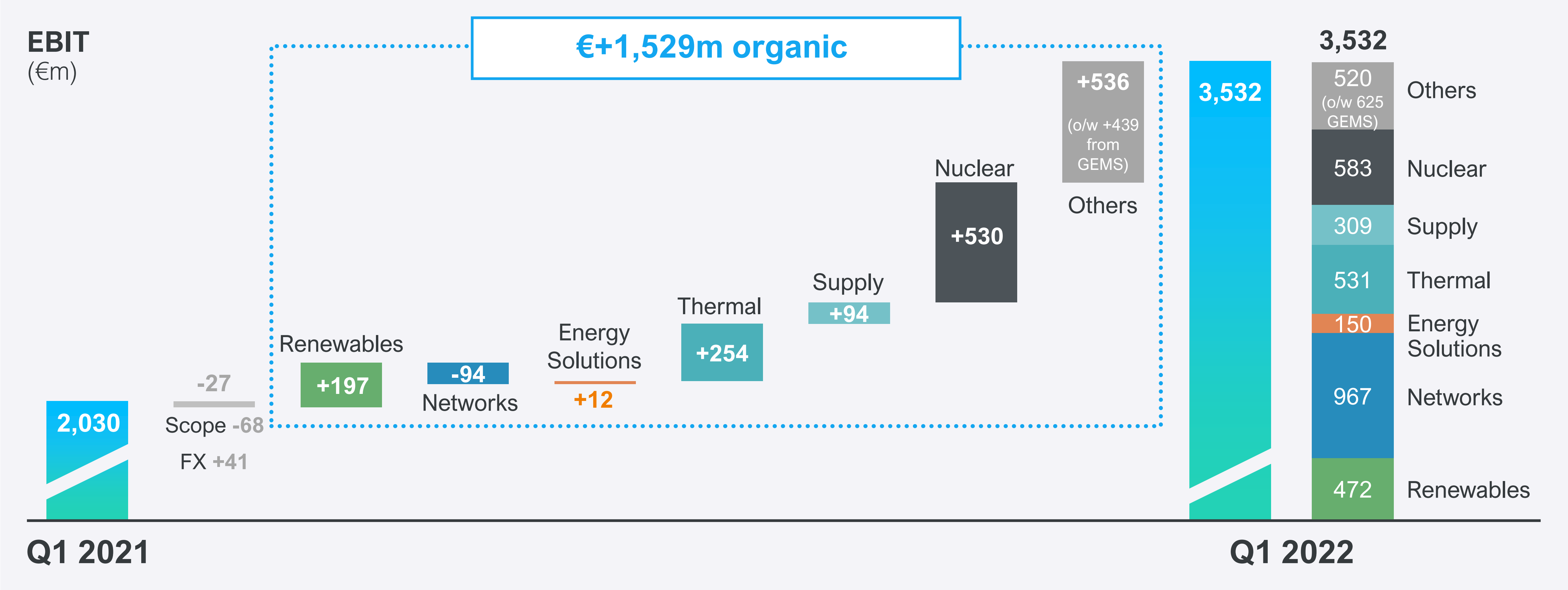
Q1 RESULTS
€bn, unaudited figures[1]

	Actual	∆ Gross	∆ Organic[2]
EBITDA	4.6	+49%	+51%
EBIT	3.5	+74%	+76%
CFFO[3]	(0.1)	-1.7	-
Net Financial Debt	27.3	+2.0[4]	-
Economic Net Debt	40.0	+1.7[4]	-
Economic Net Debt / EBITDA	3.3x	-0.3x[4]	

1 Unaudited figures throughout the presentation
2 Organic variation = gross variation without scope and foreign exchange effect
3 Cash Flow From Operations = Free Cash Flow before Maintenance Capex and nuclear phase-out expenses
4 vs. 31 December 2021

EBIT up +76% organically

In exceptional market conditions



GEMS in Q1 2022

Key strengths: long gas position and net seller of volatility

Extreme Q1 2022 market environment

- Consecutive new highs for **prices** throughout Q1 2022, along with huge **volatility**, and globally rising **geographical spreads**

Exceptional outperformance on all GEMS activities

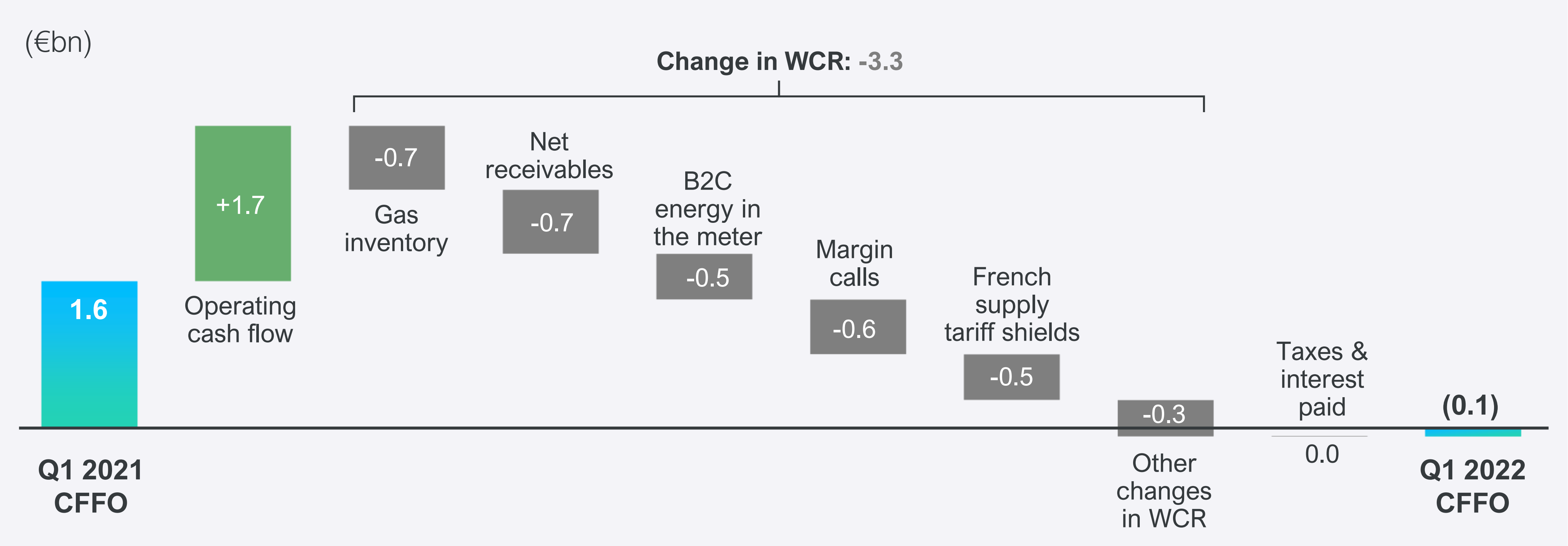
- **Gas optimization** boosted by prices and spreads
- Higher volumes from **customers risk management**
- Higher volatility for **trades**

Reinforced risk control framework and adapted hedging strategies

Key market drivers (€/MWh)		Q1 2021	Q1 2022	YoY delta
Prices & Spreads (month ahead)	France baseload power	53	282	+229
	Gas TTF	18	100	+82
	France Clean Spark Spreads	1	49	+48
Gas geographical spreads	TTF-THE (Netherlands-Germany)	(0.1)	1.5	+1.6
	TTF-TRF (Netherlands-France)	(0.1)	(1.2)	-1.1
Volatility	Bid-Ask spread	0.04	0.54	+0.50
	Gas intraday volatility (spread low-high)	1.1	20.3	+19.1

Cash Flow From Operations

Temporarily down due to negative change in WCR, impacted by price effects, margin calls and French supply tariff shields, more than offsetting higher operating cash flow



Strong liquidity, supported by dedicated management actions

Liquidity of €21.6bn as at 31 March 2022, incl. €15.8bn of cash

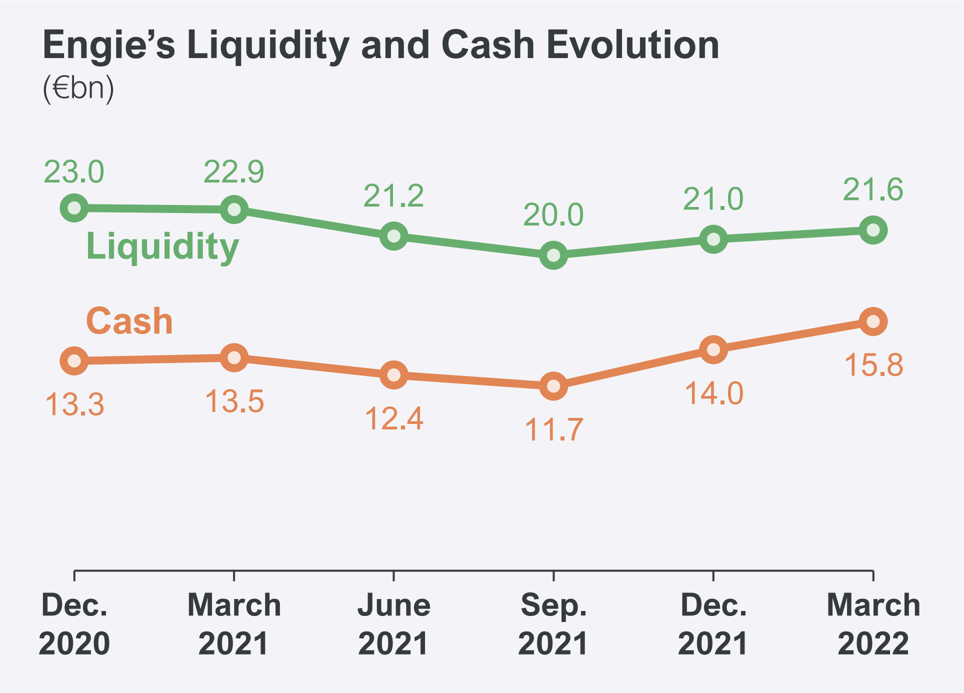
Dedicated management actions to cope with pressure on liquidity, mainly caused by unprecedented levels of margin calls, securing strong levels of liquidity and cash

Liquidity

- Increase of initial margins substitution through **SBLCs**[1]
- Constant action for limiting margin calls through **liquidity swaps**
- **€1.5bn new credit lines**

Cash

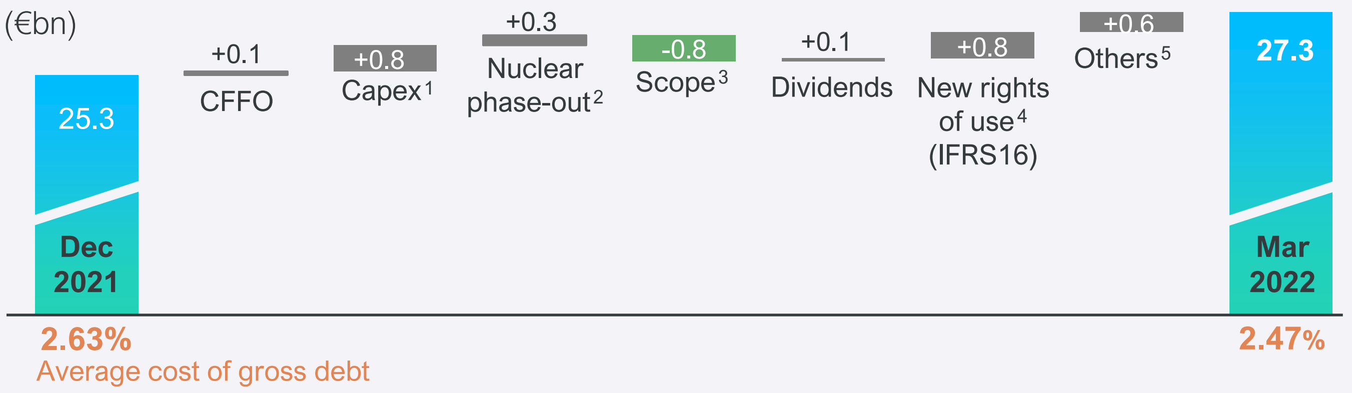
- Active **treasury management**



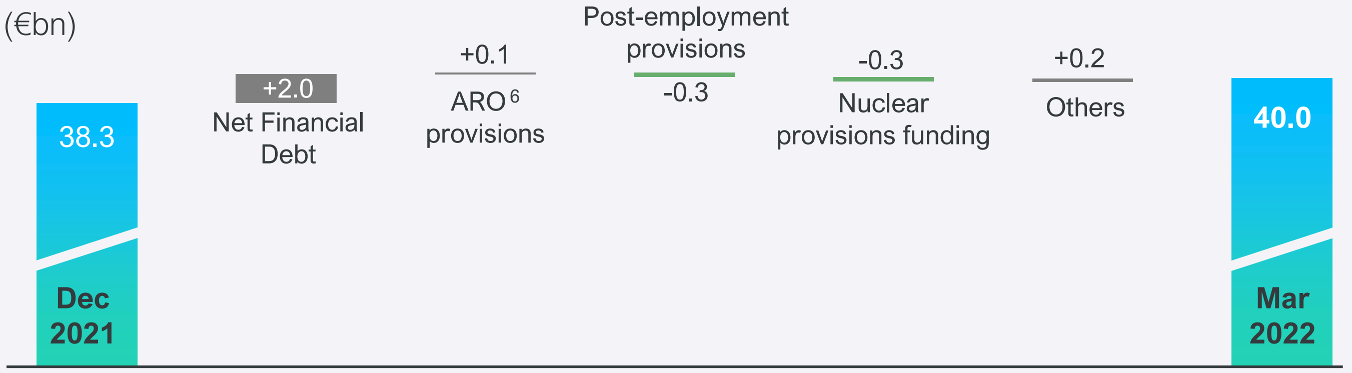
1 Stand By Letter of Credit

Net debt up in Q1 2022, strong liquidity and rating maintained

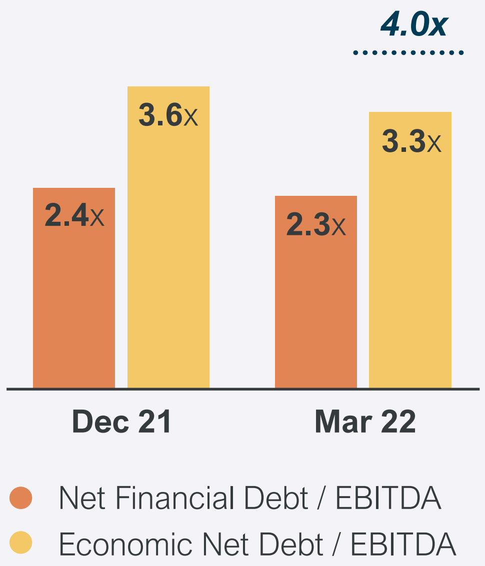
Net Financial Debt



Economic Net Debt



Leverage ratios



Rating: 'Strong investment grade' maintained

1 Growth + maintenance Capex, net of DBSO and US tax equity proceeds for Renewables (€0.7bn in Q1 2022)
2 Synatom funding previously reported in gross Capex and waste/dismantling expenses previously reported in CFFO
3 Including net scope impact from disposals & acquisitions (mainly SUEZ and GTT transactions)
4 Mainly following the renewal of the CNR hydro concession
5 Mainly FX, also including hybrid repayment, derivatives and MtM
6 Asset Retirement Obligations for dismantling, decommissioning, nuclear waste management, …

FY 2022 guidance upgraded

ENGIE's expectations underpinned by strength of integrated model

EBITDA indication

€11.7-12.7bn

EBIT indication

€7.0-8.0bn

NRIgs guidance

€3.8-4.4bn

Rating

"Strong investment grade"

Economic Net Debt / EBITDA ≤ 4.0x over the long term

Dividend

65-75%

payout ratio based on NRIgs

Floor of **€0.65**

Key assumptions[1]

FX:

- **€/USD:** 1.12
- **€/BRL:** 5.90

Market commodity forward prices
average Q4 2021 – Q1 2022

Nuclear Belgium
c. 90% nuclear availability and €0.4bn contingencies

Average weather conditions

Recurring net financial costs
€(1.5-1.7)bn

Recurring effective tax rate
~20%

1 Mainly for Q2-Q4 2022, as Q1 2022 actuals are embedded in this upgrade. Guidance and indications based on continuing operations. Assumptions also include full pass through of supply costs in French B2C Supply tariffs, no major regulatory or macro-economic changes, no change in accounting policies, no stringent lockdowns due to Covid, no disruption in Russian gas supply.

Summary

Enhancing security of gas supply and optimizing hedging positions

Very strong performance in exceptional market conditions

Strong liquidity and robust financial position

ENGIE's strategy and integrated model more relevant than ever

Additional Material

Q1 2022 EBIT change by activity

Y/Y change (€m)	Gross	Organic	Key drivers for organic change	
RENEWABLES	+199	+197	↗ Higher prices in Europe (mainly benefitting hydro) ↗ 2021 Texas extreme weather event ↗ Commissioning of new capacity ↗ Higher DBSO margins	↘ Lower hydro volumes in Europe
NETWORKS	-100	-94	↗ Latin America: Brazilian power lines construction progress and tariff increase in Mexico	↘ Negative price effect, mainly on energy costs ↘ Warmer temperatures in Europe (mainly for GRDF) ↘ Lower regulated revenues in France due to RAB remuneration decrease (smoothed)
ENERGY SOLUTIONS	+15	+12	↗ Energy prices (mainly in France) ↗ Commercial market dynamic (mainly new customers connected to DHC networks)	↘ EVBox ↘ Warmer temperatures in Europe
THERMAL & SUPPLY	+256	+254	↗ Higher spreads in Europe ↗ Higher ancillaries in Europe	↘ Price drop in energy margins in Chile
	+88	+94	↗ Warmer temperatures in Europe (long positions sold at higher prices)	↘ Negative price effects (mainly prices caps in Romania)
NUCLEAR	+530	+530	↗ Better achieved prices	↘ Higher Belgian nuclear taxes ↘ Lower availability (91% vs. 95%) / volumes in Belgium
OTHERS	+513	+536	↗ Higher prices and volatility (GEMS)	
ENGIE	**+1,502**	**+1,529**		

EBIT breakdown[1]

Q1 2022 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	172	91	208	15	1	(14)	472
NETWORKS	717	89	165	(1)		(2)	967
ENERGY SOLUTIONS	141	47	(2)	(4)	9	(40)	150
THERMAL		397	28	11	106	(10)	531
SUPPLY	338	(23)	2		(3)	(5)	309
NUCLEAR		583					583
OTHERS[2]				6		514	520
o/w GEMS						*625*	*625*
TOTAL	**1,367**	**1,184**	**401**	**26**	**112**	**442**	**3,532**

Q1 2021 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	109	39	170	(64)	21	(1)	273
NETWORKS	854	80	116	0	18	(2)	1,067
ENERGY SOLUTIONS	115	47	(1)	(6)	5	(26)	135
THERMAL		120	54	9	100	(7)	276
SUPPLY	139	104	0		(15)	(7)	220
NUCLEAR		53					53
OTHERS[2]				(3)		10	7
o/w GEMS						*177*	*177*
TOTAL	**1,217**	**442**	**339**	**(65)**	**128**	**(32)**	**2,030**

1 Unaudited figures
2 Including mainly GEMS (GEM + main Supply B2B activities), Corporate and GTT

2022 updated commodity forward prices assumptions

Commodity forward prices (average Q4 2021 – Q1 2022)
Basis for the updated 2022 indications and guidance

(€/MWh)	2022[1]
Power Base BE	171
Power Base FR	192
CSS Peak / Base NL	27 / (3)
CSS Peak / Base BE	73 / (6)
CSS Peak / Base IT	28 / 9
CSS Peak / Base FR	73 / 16
Gas TTF	73
CO_2	76

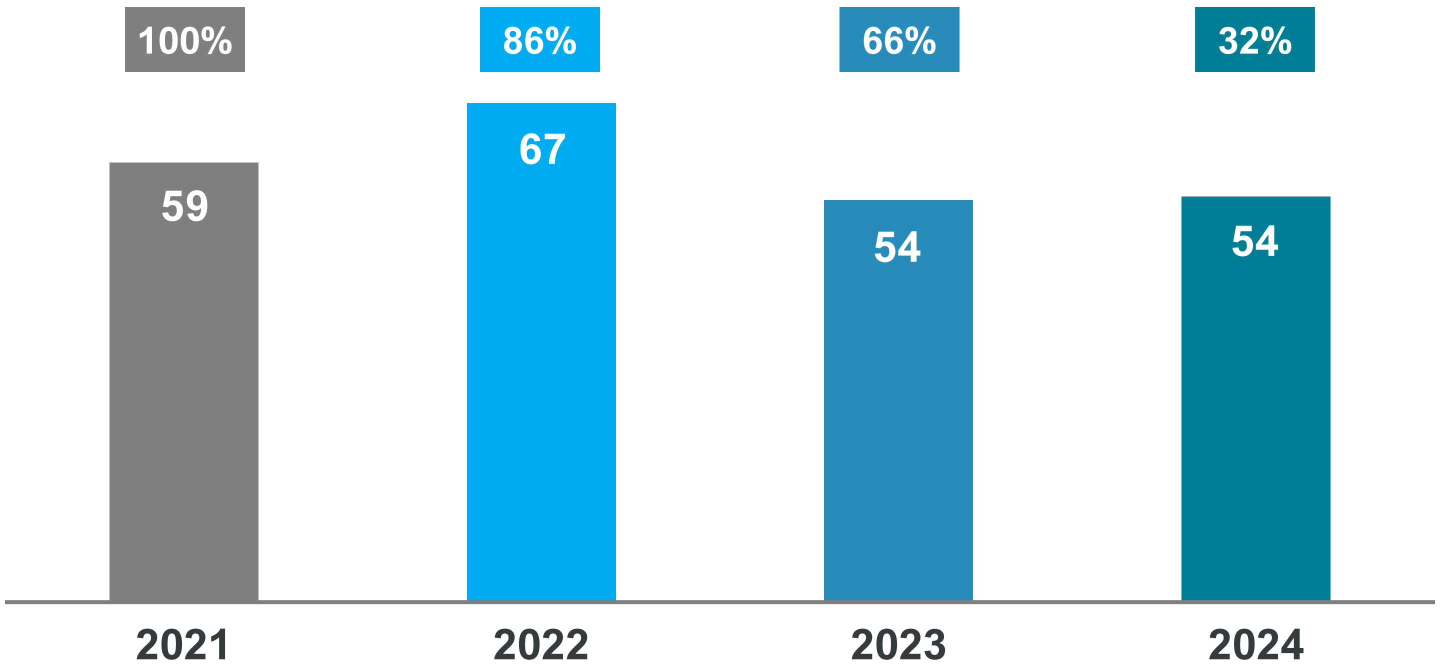
1 Relevant for the Q2-Q4 2022 unhedged volumes

Outright power production in Europe

Nuclear and hydro

Hedging positions and average hedged prices

(% and €/MWh)



As of 31 March 2022
Belgium and France

Nuclear phase out in Belgium

Indicative theoretical total (Belgium + France) nuclear production

2021	2022	2023	2024	2025	2026
47.4 TWh	c.44 TWh[1]	c.33 TWh[1]	c.32 TWh[1]	c.23 TWh[1]	c.9 TWh[1]

Nuclear reactors	Operator	Operated capacity @100% (MW)	ENGIE capacity (MW)	End of operations / contracts
Doel 3	ENGIE	1,006	903	1-Oct-2022
Tihange 2	ENGIE	1,008	905	1-Feb-2023
Doel 1	ENGIE	445	445	15-Feb-2025
Doel 4	ENGIE	1,038	932	1-July-2025
Tihange 3	ENGIE	1,038	932	1-Sep-2025
Tihange 1	ENGIE	962	481	1-Oct-2025
Doel 2	ENGIE	445	445	1-Dec-2025
Chooz B (swap)	EDF	-	(100)	2025
Chooz B (drawing rights)[2]	EDF	-	750	2037
Tricastin (drawing rights)[3]	EDF	-	468	2031
TOTAL			**6,161**	

1. Belgium + France. Indicative volumes @ ENGIE share assuming a theoretical 85% availability
2. Chooz: 750 MW * average availability of total EDF nuclear fleet in France (excl. Tricastin)
3. Tricastin: 468 MW * local availability of Tricastin units

Disclaimer

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For more information about ENGIE

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

FOR MORE INFORMATION ABOUT Q1 2022 RESULTS:
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