Q1 2023 FINANCIAL INFORMATION

ENGIE

11 MAY 2023

CATHERINE MACGREGOR

CEO

Q1 2023 HIGHLIGHTS

Continuous momentum on financial and operational delivery

Expanding renewables platform at full steam

with 5.5 GW of projects under construction

Update in discussions on nuclear in Belgium

STRONG Q1 2023 RESULTS

- **EBIT ex. nuclear at €3.8bn** mainly driven by GEMS and Renewables
- **Strong Cash flow** generation
- **Robust balance sheet** and **liquidity**

2023 guidance reafirmed
- now expecting NRIgs in upper end of range

EBIT ex. nuclear

€3.8bn

Up 29% organically

CFFO

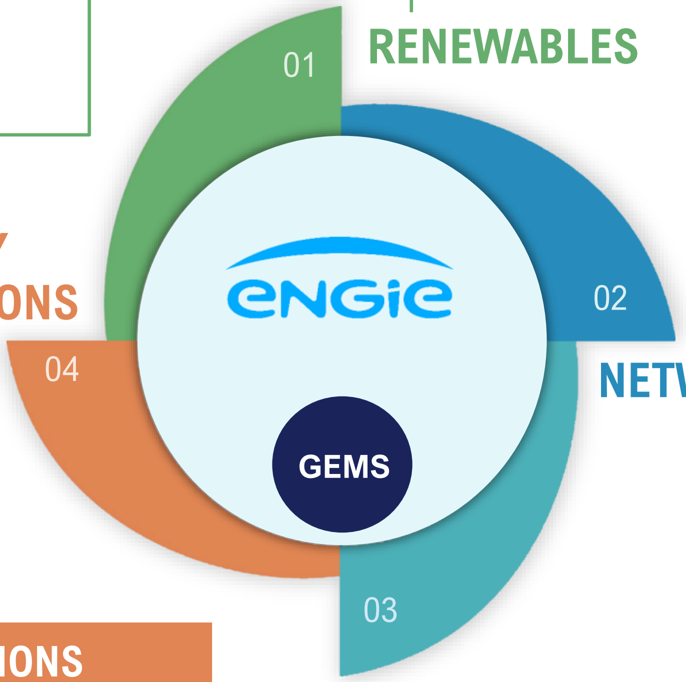
€3.8bn

Up €3.8bn

OPERATIONAL PROGRESS AT PACE

RENEWABLES

ENERGY SOLUTIONS



NETWORKS

FLEX GEN & RETAIL

RENEWABLES

- 37.9 GW[1] of installed capacity
- 0.4 GW[1] added capacity in Q1 2023
- 5.5 GW under construction

NETWORKS

- Gas storage levels at 30% in France as of 31 March 2023
- Biomethane in France: 9.1 TWh / year of production capacity connected to GRTgaz & GRDF
- Power Transmission lines in Brazil: Gralha Azul & Novo Estado 100% COD

ENERGY SOLUTIONS

- DHC extension and construction of new cold production plant in Barcelona
- Several wins in France – a buoyant DHC market- incl. new DHC network in Toulouse and DHC contracts extension in Amiens, Versailles and Firminy
- EV charging: new contract in France with B&B hotels

FLEX GEN & RETAIL

Flex Gen

- 1 GW of BESS under construction

Retail

- Success outcome of energy savings campaign
- Preparing for the end of gas regulated offers in France

1 At 100%

RENEWABLES PLATFORM EXPANDING AT FULL STEAM

- **High level of capacity under construction** at end of March 2023

  5.5 GW under construction | **71** projects | **1.8 GW** entered in construction in Q1 23

  Flagship projects:
  Moray West, Scotland **0.9 GW**
  Gulf of Suez 2, Egypt **0.5 GW**

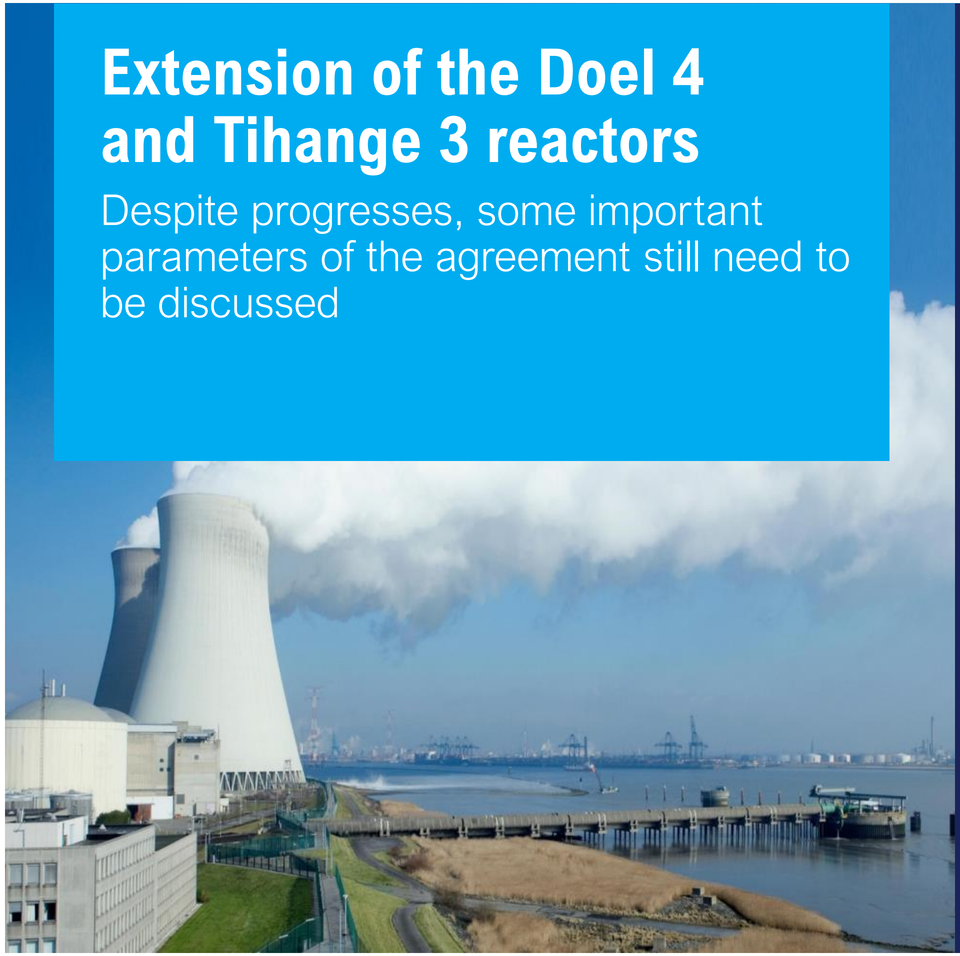
- **Pipeline acquisition of 3.5 GW** in solar and BESS in the US
- **Financial Investment Decision** in April of Ile d'Yeu & Noirmoutier and of Dieppe-Le Tréport offshore windfarms for a total capacity of **1.0 GW**
- **0.5 GW of PPAs signed,** o/w 0.4 GW with maturity **longer than 5 years**

Average of
4 GW
over
2023 to 2025
On track

UPDATE IN DISCUSSIONS ON NUCLEAR IN BELGIUM

Extension of the Doel 4 and Tihange 3 reactors

Despite progresses, some important parameters of the agreement still need to be discussed



- **Alignment has progressed on key topics:**
  - legal structure, owned equally by the Belgian State and ENGIE
  - business model of the extension with balanced risks allocation
  - Joint Development Agreement
  - legal framework for the transfer of all ENGIE's waste liabilities and relevant security package
- ENGIE keeps working constructively with the Belgian government with the **aim to sign a definitive agreement by 30 June 2023**
- **The timely signing of this agreement** is on the **critical path** to achieve the **restart of the two units from November 2026** given the industrial and operational complexity of the extension project

Q1 2023 FINANCIALS

PIERRE-FRANÇOIS RIOLACCI

CFO

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE IN CONTINUED FAVORABLE ENERGY MARKET CONDITIONS

EBIT ex. Nuclear

up 30% gross basis

up 29% organically

- Strong cash flow generation leading to lower debt
- Improving credit ratios

Q1 RESULTS
€bn, unaudited figures[1]

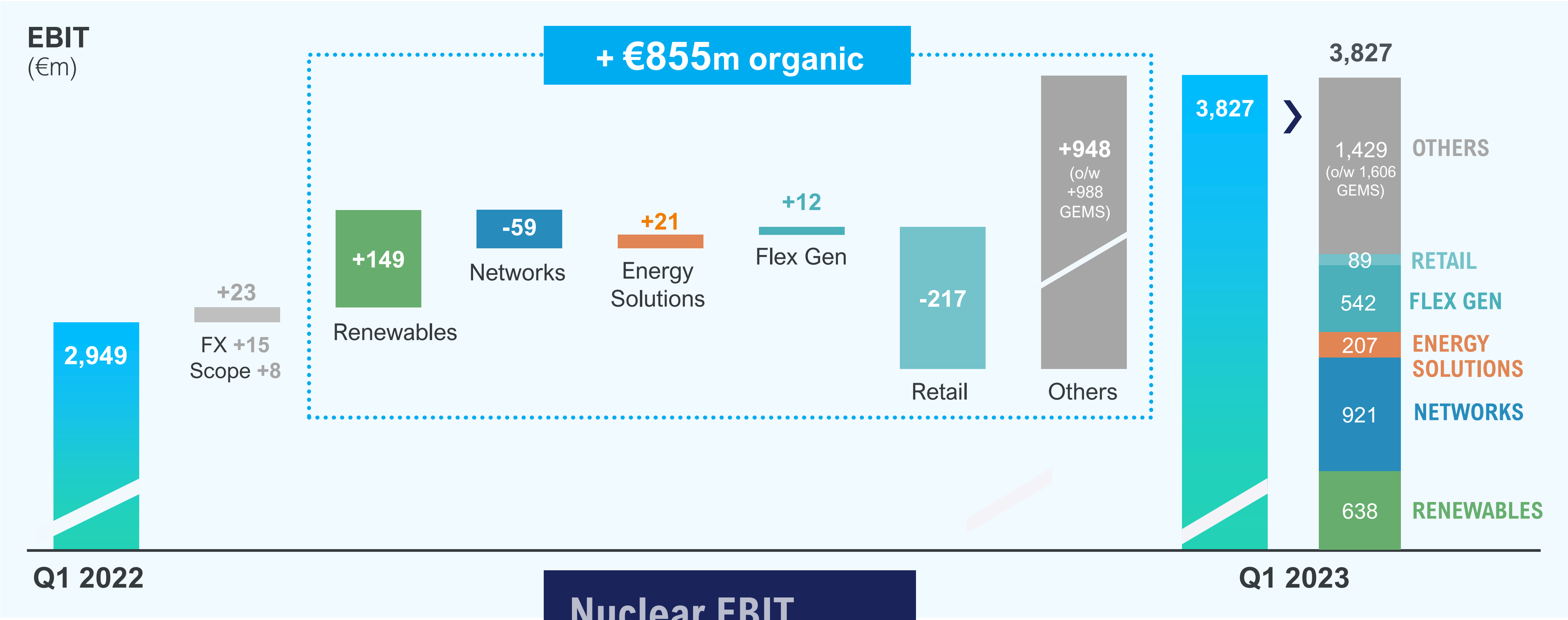
	Actual	Δ Gross	Δ Organic[2]
EBITDA ex. Nuclear	4.8	+22.8%	+21.9%
EBIT ex. Nuclear	3.8	+29.8%	+28.8%
CFFO[3]	3.8	+3.8	-
Net Financial Debt	22.6	-1.4[4]	-
Economic Net Debt	37.0	-1.9[4]	-
Economic Net Debt / EBITDA	2.5x	-0.3x[4]	

2023 guidance confirmed – NRIgs in the upper end of the range

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 provisions funding
4. vs 31 December 2022

EBIT EX. NUCLEAR UP 29% ORGANICALLY

Strong organic growth mainly driven by GEMS and Renewables



Nuclear EBIT
down €194m **to €389m**

GEMS IN Q1 2023

Year on year variation supported by lower risk environment

- Q1 2022 negative impacts related to Gazprom contracts considering the risk of physical gas disruption not repeated
- Normalization of market conditions leading to reversal of market reserves

Very strong performance in Q1 2023

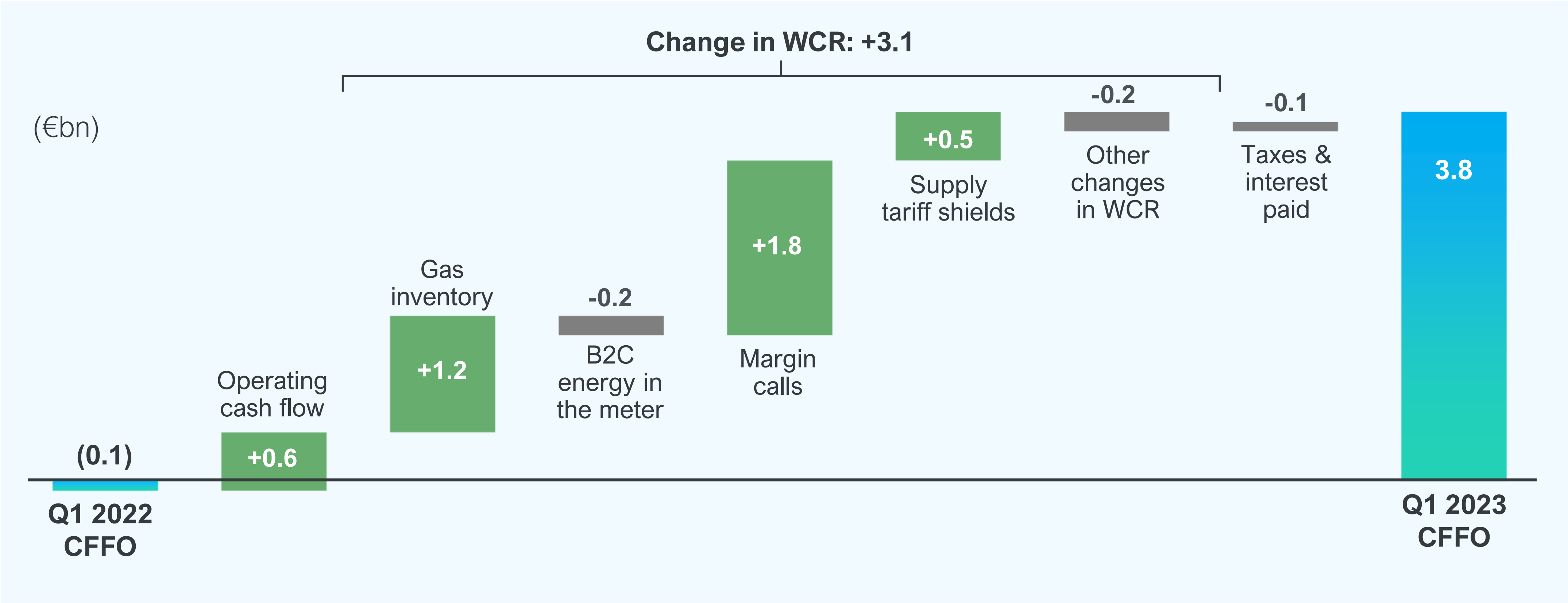
- High contribution of transactions locked in 2022, as they go through delivery – expected to normalize in upcoming quarters
- Market conditions remain positive for GEMS albeit less buoyant than last year
- Overperformance on all activities, both on asset optimization (mainly time and geographical spreads) and Clients - risk management

Key market drivers[1] (€/MWh)		Q1 2021	Q1 2022	Q1 2023
Prices & Spreads (month ahead)	France baseload power	53	279	149
	Gas TTF	18	98	53
	France Clean Spark Spreads	1	49	10
Gas geographical spreads	TTF-THE (Netherlands-Germany)	(0.1)	1.5	0.8
	TTF-TRF (Netherlands-France)	(0.1)	(1.2)	(2.2)
Volatility	Bid-Ask spread	0.0	0.5	0.1
	Gas intraday volatility (spread low-high)	1.1	19.6	4.8

1. Average monthly values

CASH FLOW FROM OPERATIONS

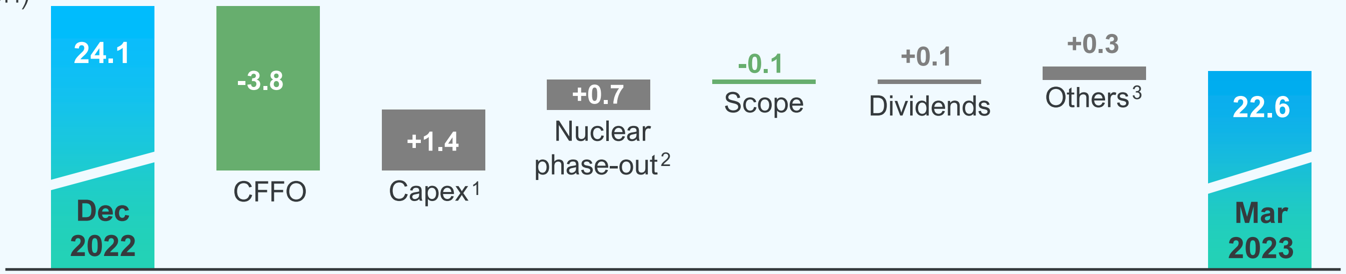
Strong WCR improvement driven by positive margin calls, price effects and timing effect in ‘tariff shields’ mechanisms



STRONG DELEVERAGING, RATING MAINTAINED

Net Financial Debt

(€bn)

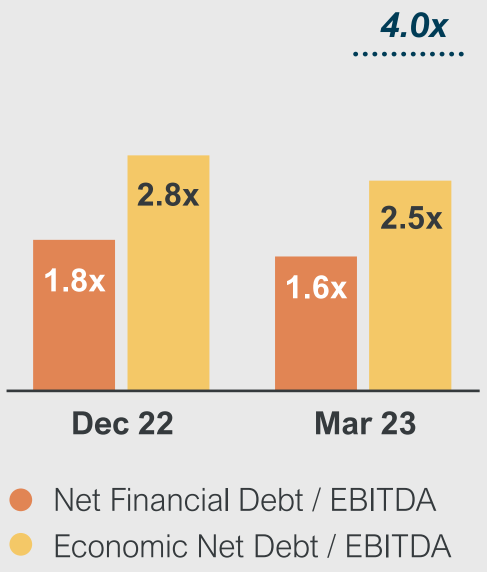


2.73% Average cost of gross debt | **3.95%**

Economic Net Debt

(€bn)

Leverage ratios



Rating: 'Strong investment grade' maintained

1 Growth + maintenance Capex, net of DBSO and US tax equity proceeds, including net debt acquired
2 Including Synatom funding and waste/dismantling expenses
3 Mainly new right-of-use
4 Asset Retirement Obligations for dismantling, decommissioning, nuclear waste management, …
5 Including fair value variation of dedicated assets relating to nuclear provisions and related derivative financial instruments

FY 2023 GUIDANCE CONFIRMED

NRIgs in the upper end of the range

EBITDA
ex nuclear indication

€10.9 - 11.9bn

EBIT
ex nuclear indication

€6.6 - 7.6bn

NRIgs
guidance

€3.4 - 4.0bn

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:** 1.08
- **€/BRL:** 5.56

Market commodity forward prices
as at 31 March 2023

Nuclear Belgium
c. 90% nuclear availability and €0.3bn contingencies

Average weather conditions

Recurring net financial costs
€(2.2-2.6)bn

Recurring effective tax rate
~23-26%

1 Mainly for Q2-Q4 2023, as Q1 2023 actuals are embedded in this upgrade. Guidance and indications based on continuing operations.
Assumptions also include full pass through of supply costs in French Retail tariffs, no major regulatory or macro-economic changes, no change in accounting policies, inframarginal rent caps based on current legal texts and additional contingencies

SUMMARY

Continuous momentum on financial and operational delivery

Expanding renewables platform at full steam
with 5.5 GW of projects under construction

Update in discussions on nuclear in Belgium

ADDITIONAL MATERIAL

Q1 2023 EBIT CHANGE BY ACTIVITY

Y/Y change (€m)	Gross	FX / Scope	Organic	Key drivers for organic change	
RENEWABLES	+167	BRL appreciation Eolia acquisition in Spain	+149	↗ Higher hydro volumes in Europe ↗ Higher prices in Europe (mainly benefitting hydro) ↗ Commissioning of new capacity	↘ Lower DBSO margins
NETWORKS	-46	BRL appreciation	-59	↗ Tariff increases in Germany and Romania ↗ Latin America (intrinsic growth and inflation indexation) ↗ Storage: favorable environment in the UK & Germany	↘ GRDF: lower gas consumption in France ↘ Lower gas transported in Germany ↘ Higher energy costs
ENERGY SOLUTIONS	+28	Disposal of loss-making activities	+21	↗ Operational performance ↗ Contribution of new capacity	↘ Strikes in France ↘ Higher energy prices in Europe
FLEX GEN & RETAIL	+11	-	+12	↗ Higher spreads in Europe ↗ Energy margin recovery in Chile	↘ Lower ancillaries in Europe ↘ Pakistan credit rating downgrade
	-220	-	-217	↗ Margin improvement in Romania	↘ Temperature in Europe: 2022 long position sold at higher prices & 2023 long gas position sold at lower prices
OTHERS	+939	-	+948	↗ GEMS: 2022 Q1 negative impacts related to Gazprom contracts not repeated ↗ Better market visibility improving valuation of assets & liabilities ↗ Overperformance in all activities	
ENGIE ex. Nuclear	**+878**	**+23**	**+855**		
NUCLEAR	-194	-	-194	↗ Better achieved prices	↘ Higher Belgian nuclear taxes incl IM rent cap ↘ Increase in D&A ↘ Lower volumes in Belgium and France
ENGIE	**+684**	**+23**	**+660**		

EBIT BREAKDOWN

Q1 2023 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	232	146	242	23	3	(6)	638
NETWORKS	657	50	219	(1)		(3)	921
ENERGY SOLUTIONS	142	74	(1)	(9)	15	(14)	207
FLEX GEN		426	59	12	51	(7)	542
RETAIL	(70)	134			35	(9)	89
OTHERS[1]		(2)	0	4	(0)	1,427	1,429
o/w GEMS						*1,606*	*1,606*
EBIT ex. NUCLEAR	**960**	**828**	**519**	**29**	**103**	**1,388**	**3,827**
NUCLEAR		389					389

Q1 2022 (€m)	France	Rest of Europe	Latin America	Northern America	AMEA	Others	TOTAL
RENEWABLES	172	89	208	15	1	(13)	471
NETWORKS	716	90	165	(1)		(2)	967
ENERGY SOLUTIONS	140	47	(2)	(4)	8	(9)	180
FLEX GEN		397	28	11	106	(10)	531
RETAIL	338	(23)	2		(3)	(4)	309
OTHERS[1]		1	0	6	(0)	484	490
o/w GEMS						*626*	*626*
EBIT ex. NUCLEAR	**1,366**	**601**	**401**	**26**	**112**	**444**	**2,949**
NUCLEAR		583					583

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

GUIDANCE

2023 updated commodity forward prices assumptions

Main commodity forward prices[1]
(31 March 2023)
Basis for the confirmed 2023 indications and guidance

(€/MWh - €/t)	**2023**[1]
Power Base BE	136
Power Base FR	189
CSS Base / Peak NL	(5)/4
CSS Base / Peak BE	(1)/14
CSS Base / Peak FR	56/148
Gas TTF	50
CO_2	91

Belgian contingencies: **€0.3bn**

Main commodity forward prices
(30 December 2022)
Basis for the initial 2023 indications and guidance

(€/MWh - €/t)	***2023**[1]*
Power Base BE	*204*
Power Base FR	*245*
CSS Base / Peak NL	*8/69*
CSS Base / Peak BE	*11/61*
CSS Base / Peak FR	*70/174*
Gas TTF	*80*
CO_2	*82*

Belgian contingencies: ***€0.5bn***

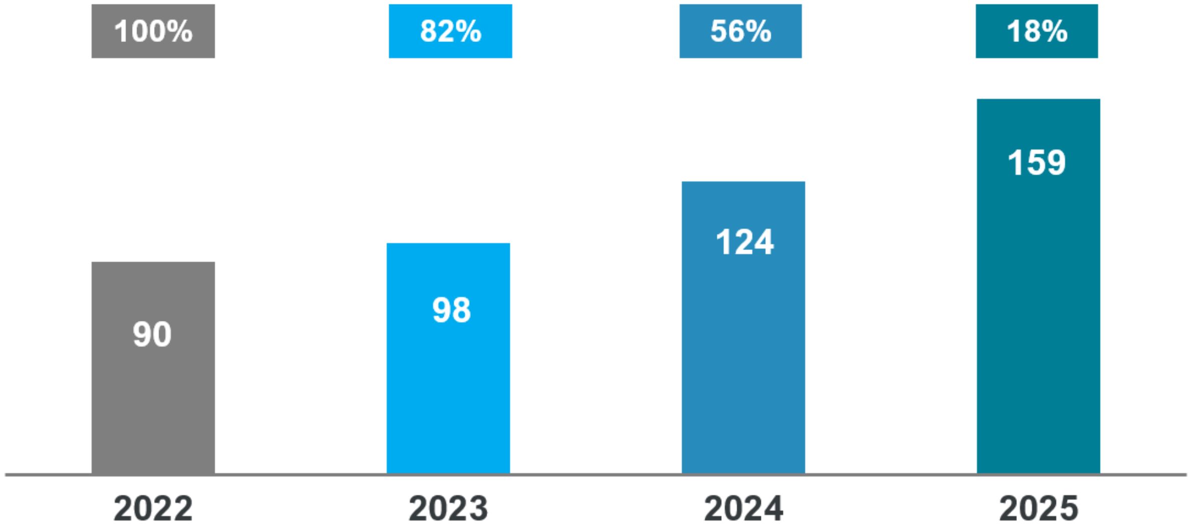
1 Relevant for the Q2-Q4 2023 unhedged volumes

OUTRIGHT POWER PRODUCTION IN EUROPE

Nuclear and Hydro

Hedged positions and captured prices

(% and €/MWh)



As at 31 March 2023
Belgium and France

Captured prices are shown:

- **before specific** Belgian nuclear and French CNR hydro tax **contributions**
- **before inframarginal** rent cap in Belgium and France
- **excluding** the mark-to-market impact of the proxy hedging used for part of Belgian nuclear volumes over 2023-2025, which is volatile and historically unwinds to close to zero at delivery

DISCLAIMER

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FOR MORE INFORMATION ABOUT ENGIE

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FOR MORE INFORMATION ABOUT Q1 2023 RESULTS:
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