February 12, 2020

ENGIE FY 2019 FINANCIAL INFORMATION

FY 2018 IFRS 16 Restatement and Change in Derivatives Presentation
FY 2019 Temperatures in France slightly warmer than for FY 2018, resulting notably in a negative volume impact for Supply
FY Outright European Power Generation Volumes Increase YoY
Medium-term Outright Power Production Hedges in Europe

ENGIE will release its financial results for the full year (FY) 2019 on February 27, 2020, prior to the opening of the Euronext market.
The following components of the results are being released to assist analysis of the full FY 2019 results upon their release: restated FY 2018 financial figures under IFRS 16 and change in P&L presentation, FY 2019 temperature-related volume effects in France, and FY 2019 outright European power generation volumes compared to the prior year.
In addition, the medium-term outright power production hedges in Europe (Nuclear and Hydro) are also being released.

FY 2018 IFRS 16 Restatement and Change in Commodity Derivatives Presentation

IFRS 16
In January 2016, the IASB issued a new standard under which reported lease commitments will not distinguish between operating and finance leases.
The main impact on consolidated financial statements is an increase in "right-of-use assets" on the assets side and an increase in lease liabilities where the Group acts as lessee in qualified operating leases on the liabilities side. This predominately impacts real estate and vehicles. The IFRS 16 treatment will lead to a **higher reported financial net debt without any impact on the economic net debt**, as these liabilities were already taken into account in the economic net debt.
In the consolidated income statement, reversal of the rental expenses of these operating leases will lead to an **increase in EBITDA**, which is largely offset by an **increase in depreciation** and hence there is an **almost neutral impact on current operating income**[1] (COI[1]). There is also a **slight increase in financial expenses, with a global neutral impact at net recurring income, Group share level.**

[1] Including share in net income of entities accounted for using the equity method

Change in commodity derivatives presentation

Following the March 2019 IFRIC agenda decision relating to derivatives accounting and requiring all commodity derivatives to be presented within one single line of the income statement, the Group adapted its reporting as from the year ended December 31, 2019:

- **Sale and purchase derivative impacts are now both presented net within purchases**: derivative income is reclassified from Revenues to a deduction from expenses, with a day-one rebasing impact on Revenues. For consistency with prior financial communication, the Group will present both former and new Revenues calculation.
- **Realized and unrealized derivative impacts are now both presented within purchases**: unrealized results (MtM) are reclassified from non-recurring income and expenses within a new IFRS "COI[1] after MtM"; this has no impact on COI[1] used in financial communication (from which MtM will still be excluded), nor on EBITDA, NRIgs, net income or equity.

These restatement and change are presented in the table below:

In EUR million	FY 2018 published	IFRS 16	Change in derivatives presentation	**FY 2018 restated**
Revenues	60,596	-	(3,629)	**56,967**
Adjusted Revenues	60,596	-	-	**60,596**
EBITDA	9,236	467	-	**9,702**
COI[1]	5,126	29	-	**5,154**
Net recurring income Group share from continued operations	2,458	(2)	-	**2,455**
Net income Group share	1,033	(4)	-	**1,029**
Cash flow from operations[2]	7,300	437	-	**7,736**
Gross Capex[3]	7,643	-	-	**7,643**
Financial net debt[4]	21,102	2,167		**23,268**

The FY 2018 COI[1] figures (pro forma, unaudited) per business lines are presented in following table:

In EUR million	**FY 2018**
Client Solutions	1,010
Networks	2,401
Renewables	1,129
Thermal	1,423
Nuclear	(1,051)
Supply	539
Others	(297)
Total COI[1]	**5,154**

[2] Cash flow from operations (CFFO) = Free cash flow before maintenance Capex

[3] Net of DBSO proceeds

[4] Excl. interco financial net debt from discontinued operations

FY 2019 Temperatures in France slightly warmer than for FY 2018

After a very warm Q1 2019 due to a mild winter, Q2 2019 French temperatures were relatively cold versus the prior year, especially in April and May. In Q3 and Q4 2019, temperatures were warm again but globally in line versus the prior year. **All in all, FY 2019 temperatures were slightly warmer than for FY 2018, notably with a much warmer Q4 for Supply in 2019 than in 2018 (-0.9 TWh only in Q4)**. This resulted in a negative year-on-year volume impacts on FY financial figures for the French supply activities and for the French gas distribution networks activities of GRDF.
Besides, temperatures for both 2018 and 2019 were warmer than average.

Actual figures (positive figures for a colder than average period, negative figures for a warmer than average period):

	Volume effect FY 2018	Volume effect FY 2019	**Volume effect Delta FY 19-18**
Supply	- 3.6 TWh	- 4.5 TWh	**- 0.9 TWh**
Networks	- 8.1 TWh	- 10.2 TWh	**- 2.1 TWh**

Sensitivity at EBITDA / COI[1] level:

- Supply (sales): ~EUR ±10 M/TWh
- Networks (distribution): ~EUR ±7 M/TWh

Regarding Supply, ENGIE reported for 9M 2019 a year-on-year COI[1] decrease of EUR -91 M, mainly because of the French retail margin squeeze on gas and power market offers. With this additional negative temperature effect and positive 2018 one-offs in Benelux, ENGIE now expects the FY Supply COI[1] to land at a level of reduction which is moderately beyond the annualized level of reduction reported for the 9M period.

FY Outright European Power Generation Volumes Increase YoY

As expected, **Belgian nuclear units reported significantly higher availability in FY 2019 than in FY 2018, this positve evolution even accelerated over Q4**. This higher availability in Belgium was partly offset by the end of the German nuclear drawing rights on April 1, 2019.
In France, 2018 was exceptionally rainy, especially in H1, and thus **FY 2019 hydro power production was still lower year-on-year but did partially catch up over Q4**.
As a result, outright European power generation had a positive year-on-year volume impact on FY financial figures at Group level, as the positive volume impact for the nuclear activities more than offsets the negative volume impact for the French hydro renewables activities.

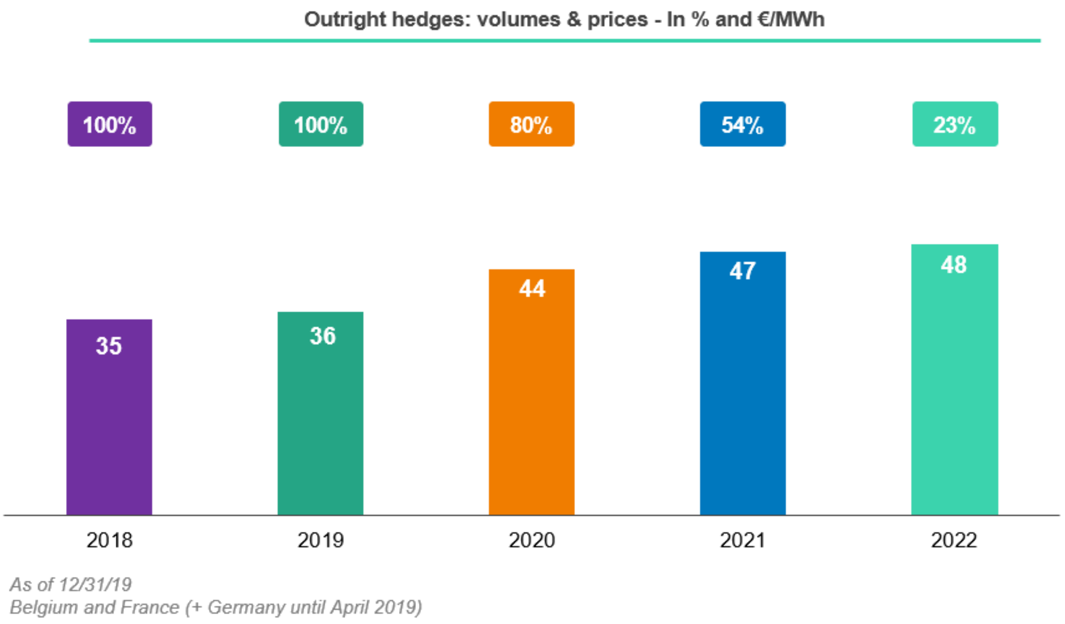
Nuclear (Belgium + France + Germany):

	FY 2018	FY 2019	**Delta FY 19-18**
Power production (BE + FR + GE, @share)	30.7 TWh	41.7 TWh	**+ 11.0 TWh**
Availability (Belgium, @100%)	52.2%	79.4%	**+ 2,720 bps**

Hydro (France):

	FY 2018	FY 2019	**Delta FY 19-18**
Power production (CNR + SHEM, @100%)	16.2 TWh	15.2 TWh	**- 1.0 TWh**

Medium-term Outright Power Production Hedges in Europe (Nuclear and Hydro)



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Important notice

The figures presented here are those customarily used and communicated to the markets by ENGIE. This communication contains 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 the management of ENGIE 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 "Autorité des Marchés Financiers"), including those listed in the "Risk Factors" section ("facteurs de risques") of the ENGIE (ex GDF SUEZ) reference document ("Document de référence" filed with the AMF on March 20, 2019 (under number D.19-0177). Investors and ENGIE shareholders should note that, if some or all of these risks are realized, they may have a significant unfavorable impact on ENGIE.

About ENGIE

We are a global energy and services group, focused on three core activities: low-carbon power generation, mainly based on natural gas and renewable energy, global networks and client solutions. Driven by our ambition to contribute to a harmonious progress, we take up major global challenges such as the fight against global warming, access to energy to all, or mobility, and offer our residential customers, businesses and communities energy production solutions and services that reconcile individual and collective interests.
Our integrated - low-carbon, high-performing and sustainable - offers are based on digital technologies. Beyond energy, they facilitate the development of new uses and promote new ways of living and working. Our ambition is conveyed by each of our 160,000 employees in 70 countries. Together with our customers and partners, they form a community of imaginative builders who invent and build today solutions for tomorrow.

2018 turnover: EUR 60.6 billion. Listed in Paris and Brussels (ENGI), the Group is represented in the main financial (CAC 40, BEL 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, Euronext 100, FTSE Eurotop 100, Euro STOXX Utilities, STOXX Europe 600 Utilities) and extra-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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