Press release
May 12, 2020

ENGIE financial information as of March 31, 2020

Resilient results despite the first effects of Covid-19 pandemic
Rapid implementation of adaptation and mitigation plans

- **EBITDA of EUR 3.1bn and current operating income (COI)[1] of EUR 1.9bn for Q1 2020**
- **Strong balance sheet and liquidity position**
- **People, business, financial adaptation and mitigation plans in progress**
- **Greater operational and geographical selectivity**

Group results for the quarter ended March 31, 2020 demonstrated a resilient performance. COI[1] rose +2% organically[2] excluding the impact of warmer French temperatures on volumes and contributions of Networks and Supply. Renewables growth momentum continued with accelerated implementation of strategy as well as better hydrology in France, while underlying Client Solutions dynamics were softer. The evolution of Nuclear results was favorable versus prior year, driven notably by higher achieved prices. Thermal results primarily reflected 2019 disposals as well as negative impacts from prices in Europe and Chile, and strong energy management performance contributed to the positive Group results.

Key figures as of March 31, 2020[3]

In EUR billion	03/31/2020	03/31/2019	Δ 2020/19 Gross	Δ 2020/19 organic[2]	excl. temp in France
Revenues	**16.5**	17.1	-3.7%	-3.7%	
EBITDA	**3.1**	3.1	-1.8%	+1.4%	+ 4.0 %
Current operating income[1]	**1.9**	2.0	-6.6%	-2.1%	+ 2.1 %
Cash flow from operations[4]	**0.2**	0.1	EUR +0.1 bn		
Net financial debt	**27.9**	EUR +2.0 bn vs. 12/31/2019			

EBITDA and COI[1] organic[2] growth excluding temperature in France would have been respectively +4.0% and +2.1%.

Upon the presentation of the 2020 first quarter results, Judith Hartmann, EVP and member of ENGIE's executive leadership team, commented: *"ENGIE has proven its resilience with a good first quarter relative to a highly disrupted economic environment. We started Q1 on a positive note, despite an unseasonably warm winter. The gradual development of the Covid-19 crisis started to affect our Customer Solutions activities from March onwards. Our Renewables, Nuclear and Energy Management activities recorded satisfactory organic performances. As the situation evolves and we navigate diverse lockdowns and business recovery around the world, we will gain better visibility to assess the full financial impact of the crisis. As the world emerges from the current pandemic, I have no doubt that the*

N.B. Footnotes are on page 7.

energy transition will remain a dynamic and profitable growth industry, which ENGIE is poised to lead. Our operational and capital allocation focus will be strictly governed by growth and returns criteria by activity and geography."

Claire Waysand, interim CEO, said "*Throughout the Covid-19 crisis to date, ENGIE ensures the safety of its employees, maintains continuity of critical operations and works to mitigate financial impacts. Looking ahead, we will continue to prioritize employee safety while restarting previously impacted activities as soon as possible, and at the same time we will further sharpen our strategic focus on key activities and geographies. The world's recovery from the Covid-19 crisis is a unique opportunity to address the energy transition and climate change challenges with renewed urgency. ENGIE is well positioned to further drive the transition towards carbon neutrality for our clients, which will create sustainable value for our stakeholders."*

Analysis of financial data as of March 31, 2020

Revenues of EUR 16.5 billion

Revenues in the first quarter were EUR 16.5 billion, down 3.7% on a gross and organic[2] basis.

Foreign exchange had a negative effect on reported revenues, mainly due to the depreciation of the Brazilian Real. Scope effects are slightly positive on revenues comprising various acquisitions in Client Solutions in 2019 partly offset by the disposal of ENGIE's stake in Glow in Thailand.

Revenues decreased organically[2] mainly driven by temperature effects affecting Supply in France and across Europe, as well as gas distribution in France. This decrease was also the result of the first Covid-19 effects, mainly in Client Solutions, particularly in France.
Client Solutions backlog is increasing further and amounts to EUR 12.3 bn at end Q1.

EBITDA of EUR 3.1 billion

EBITDA in the first quarter was EUR 3.1 billion, down 1.8% on a reported basis and up 1.4% on an organic[2] basis. These gross and organic[2] variations are overall in line with the COI[1] changes, except for increased depreciation attributable to the increase of the dismantling asset resulting from the triennial review of nuclear provisions that occurred at the end of last year and to the amortization of some gas distribution assets in France.

Current operating income[1] of EUR 1.9 billion

Current operating income as of March 31, 2020 amounted to EUR 1.9 billion, down 6.6% on a reported basis and down 2.1% on an organic[2] basis.
Excluding the negative temperature effect in France, COI[1] would have been up 2.1% on an organic[2] basis.

The **reported COI[1] decrease** included an aggregate negative scope effect driven by our strategic capital allocation. Indeed, the disposal of the 69.1% stake in Glow in Thailand in March 2019, and the disposal of coal plants in Germany and in the Netherlands have reduced our exposure to coal. COI[1] impact of those disposals is partly offset by acquisitions predominantly in Networks (TAG in Brazil) and in Client Solutions. This decrease also included negative foreign exchange effects mainly due to the depreciation of the Brazilian Real against the euro and partly offset by the appreciation of the US Dollar against the euro.

Organic[2] COI[1] performance varied across business lines:

In EUR million	03/31/2020	03/31/2019[3]	Δ 2020/19 gross	Δ 2020/19 organic[2]	of which temperature effect
Client Solutions	121	211	-42.8%	-45.7%	-
Networks	934	938	-0.4%	-5.0%	-49
Renewables	324	330	-1.9%	+17.2%	-
Thermal	265	399	-33.6%	-16.1%	-
Nuclear	(80)	(167)	++	++	-
Supply	257	314	-18.4%	-16.6%	-33
Others	87	16	++	++	-
Total ENGIE	**1,907**	**2,041**	**-6.6%**	**-2.1%**	**-82**

- **Client Solutions** reported a -46% organic[2] COI[1] decrease. This decrease is driven by exogenous factors such as negative prices and temperature impacts and by investments in the future and start-up costs from ENGIE Impact and EVBox initiatives. Client Solutions is the hardest hit business line as a result of the Covid-19 pandemic with a strong reduction in Projects activity (c.-75%) and in Recurring Services (c.-60%) during containments as well as a negative impact for SUEZ. Impacts were more limited on Asset-Based Client Solutions as this business model is protected by long-term contracts.
- **Networks** reported a 5% organic[2] COI[1] decrease, mainly due to warmer temperatures in France and Europe, notably in Romania, affecting gas distribution, partly offset by good results in gas transmission, driven by the French annual tariff review in April 2019. In the context of the Covid-19 crisis, lower volumes distributed in France and industrial volumes in Latin America also contributed to this decrease.
- **Renewables** reported a 17% organic[2] COI[1] increase, primarily driven by higher hydroelectric power generation in France and commissioning of wind and solar assets worldwide.
- **Thermal** showed a 16% organic[2] COI[1] decrease, mainly attributable to strong 2019 comps and lower spreads in Europe, lower prices in Chile and the expiry of a PPA in Turkey in April 2019. This was only partly offset by the reinstatement of the UK capacity market.
- **Nuclear** COI improved significantly on an organic basis, benefiting from better achieved prices and lower operational expenditures.
- **Supply** COI[1] reduced by 17% on an organic[2] basis, primarily driven by negative temperature effects in France and Belgium and lower performance in Australia. Covid-19 impacts were also evident, led by lower B2B consumption and difficulties in B2C services. These effects were only partly offset by higher B2C margins in France and an increase in regulated tariffs in Romania.
- **Others** business line organic[2] COI[1] strongly increased, mainly reflecting good performance of GEM's (Global Energy Management) market activities in Europe and Asia and GTT's strong performance with a historically high backlog at the end of 2019.

Organic[2] COI[1] performance varied also across segments:

In EUR million	03/31/2020	03/31/2019[3]	Δ 2020/19 gross	Δ 2020/19 organic[2]
France	1,155	1,166	-0.9%	+0.7%
France excl. Infrastructures	*375*	*359*	*+4.5%*	*+10.1%*
France Infrastructures	*781*	*807*	*-3.2%*	*-3.2%*
Rest of Europe	235	247	-4.8%	-0.1%
Latin America	380	384	-0.9%	-5.2%
USA & Canada	-24	10	--	-17.0%
Middle East, Asia & Africa	90	233	-61.5%	-41.6%
Others	71	2	++	++
Total ENGIE	**1,907**	**2,041**	**-6.6%**	**-2.1%**

- **France** COI[1] increased by 0.7% on an organic[2] basis, mainly driven by higher hydroelectric, wind and solar power generation, higher B2C margins while unfavorable temperature weighed on Networks and Supply businesses and the Covid-19 crisis on Client Solutions and Supply performances.
- **Rest of Europe** organic[2] COI[1] remained flat with higher achieved prices and lower operational expenditures in Nuclear, good wind conditions on onshore activities in most European countries, an increase in regulated tariffs in Romania and Capacity Market reinstatement in the UK, partly offset by lower spreads in Thermal, mild temperature in Belgium and Client Solutions significant decrease as a result of lower activity mainly related to the Covid-19 crisis.
- **Latin America** organic[2] COI[1] decreased by 5.2% notably due to lower hydroelectric power production in Brazil and lower prices in Chile.
- **USA & Canada** organic[2] COI[1] decreased by 17% mainly due to cumulated losses in services companies, timing in asset-based activities partly offset by contributions of renewable projects commissioned in the second half of 2019.
- **Middle East, Africa & Asia** organic[2] COI[1] decreased by 41.6% mainly driven by lower performance in Supply in Australia and the expiry of a PPA in Turkey in April 2019.
- In the **Others** segment, the EUR 37 million organic[2] COI[1] increase is mainly related to the strong performance of Energy Management and GTT. These favorable impacts were partly offset by difficulties in SUEZ mainly due to Covid-19 and a decrease in French B2B supply mainly due to climate and Covid-19 and by development costs on new, growth businesses.

Net financial debt at EUR 27.9 billion

Net financial debt stood at EUR 27.9 billion, up EUR 2.0 billion compared with December 31, 2019. This negative variation is mainly due to capital expenditures throughout the businesses.

Cash flow from operations[4] amounted to EUR 0.2 billion, up EUR 0.1 billion due to timing effects from commodity related margin calls, and lower taxes paid.

ENGIE continues to maintain one of the strongest balance sheets in its sector, with EUR 19.2 billion of liquidity (net cash + undrawn credit facilities – outstanding commercial paper) including EUR 12.7 billion of cash, as of end of March.
On March 20, the issuance of a triple tranche senior bond for a total of EUR 2.5 billion further improved ENGIE's financial position.

At the end of March 2020, the **net financial debt to EBITDA ratio** amounted to 2.7x, a slight increase compared with December 31, 2019. The average cost of gross debt was 2.80%, up 10 bps compared with December 31, 2019.

Economic net debt[5] to EBITDA ratio stood at 4.3x, an increase of 0.3x compared with December 31, 2019.

On April 24th, 2020; **S&P** lowered its long-term rating to **BBB+** and its short-term rating to **A-2**.
On May 5th, 2020; **Moody's** affirmed its long-term rating of **A3** and changed the outlook from stable to **negative**.

Covid-19 impacts by business line

Regarding Covid-19 impacts, our current assessment of the post lockdown situation stands as follows:

- In **Client Solutions**: we currently expect a significant impact from Covid-19, as there are still uncertainties due to site closures and lifting of restrictions, extent of governmental support on temporary unemployment, the slope of the post-crisis recovery and the impact from customer claims.
- In **Networks**: we currently expect a rather low impact from Covid-19, primarily related to phasing as the regulatory mechanism in France allows us to recoup in the future the shortfall in 2020 distributed volumes. Uncertainties remain on timing of work sites reopening and impact of the crisis on international activities.
- In **Renewables**: we currently expect a low impact from Covid-19 as current projects, supply chains and facility operations are largely unaffected. Uncertainties remain on potential delays of commissioning and sell-downs, foreign exchange and timing of favourable rulings in Brazil.
- In **Thermal** and **Nuclear**: we currently expect a low impact from Covid-19. There are still uncertainties on evolution of power prices and spreads, impact on demand in some countries and the nuclear maintenance schedule in Belgium. Workers are continuously mobilized to secure energy supply and ongoing Long-Term Operations (LTO) works.
- In **Supply**: we currently expect a medium impact on this activity from Covid-19 with uncertainties around recovery profile in industrial demand, duration of retail consumers services freeze and impact of bad debt.

Adaptation and mitigation plans targeting swift recovery

Since the beginning of the Covid-19 crisis ENGIE has been immediately implemented a comprehensive action plan to ensure: (i) the health and safety of Group employees, their families, and ENGIE's providers, (ii) continuity of essential internal and selected client operations, and (iii) limitation of financial impacts and protection of financial liquidity.

Robust actions have been taken to protect employees, ensure financial support for smaller suppliers, deliver essential services to customers and maintain critical energy supply by putting in place a comprehensive crisis management framework and implementing home office for all employees whose roles allow this.

ENGIE has continuously worked to mitigate the impacts of the Covid-19 crisis by securing its liquidity position, optimizing capital expenditures and reducing operational expenditures. A strong liquidity position above EUR 19bn has been achieved, reinforced by the recent bond placement, and strict operational expenditure management on fixed and variable costs have been put in place. The timing of certain growth CAPEX projects has been adjusted and reduced, and, when possible and without putting assets at risk, maintenance CAPEX is being also reduced or postponed.

Operational expenditures are scrutinized at all levels of the company through demand management, optimized partnerships with major suppliers and longer-term expense rationalization are all steps being taken to limit the margin contraction. Finally, variabilization of costs to the fullest extent possible in Client Solutions, such as reducing the use of subcontractors, is also being carefully examined.

Strategy acceleration pursued for greater selectivity

Despite the COVID-19 crisis, ENGIE is further progressing on its evolution path. Climate change is the biggest risk our society has to cope with in the coming decades; its impacts on the environment but more generally on health, political and economic issues will certainly be much more significant than the ones we are currently experiencing. ENGIE will be taking part in this challenge.

In order to be much more impactful on the markets it operates in, ENGIE will increase its business and geographical selectivity in the next few months as announced at the 2019 FY results presentation. Market-level profit pools and return expectations are scrutinized to drive greater geographic selectivity, differentiated by business segment. There will be greater strategic focus on markets with significant existing or potential scale, attractive growth profiles and transparent, stable regulatory dynamics.
ENGIE intends to further rationalize its Client Solutions activities, exiting business with low profitability or non-core in the context of its strategy.

ENGIE has fine-tuned its market rationalization target with a decision to exit over 25 countries by 2021. It includes business development activities in countries to be explored and existing activities in Tier 2 countries.
The impact on COI[1] should be limited.

Forward financial outlook

The Covid-19 health crisis is having a significant impact on some of ENGIE's customers and operations. As the impact on the Group's financial statements remains at this stage unquantifiable and subject to uncertain assumptions regarding the length and profile of this crisis, ENGIE will update its forward financial outlook in due course.

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The presentation of the Group's first quarter 2020 financial information used during the investor conference call is available to download from ENGIE's website: https://www.engie.com/en/finance/resultats/2020/

UPCOMING EVENTS

May 14, 2020: Ordinary General Meeting (remote format without physical attendance)

July 31, 2020: H1 2020 results publication

Footnotes

[1] New Current Operating Income (COI) definition excludes the non-recurring share in net income of equity method entities.
[2] Organic variation: gross variation without scope and foreign exchange effects.
[3] Variations vs. Q1 2019.
[4] Cash flow from operations = Free Cash Flow before maintenance Capex.
[5] Economic net debt amounted to EUR 44.0 billion at the end of March 2020 (compared with EUR 41.1 billion at the end of December 2019); it includes in particular nuclear provisions and post-employment benefits

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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) reference document filed with the AMF on March 18, 2020 (under number D.20-141). 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

Our Group is a global reference in low-carbon energy and services. In response to the urgency of climate change, our ambition is to become the world leader in the zero-carbon transition "*as a service*" for our customers, in particular global companies and local authorities. We rely on our key activities (renewable energy, gas, services) to offer competitive turnkey solutions.
With our 170,000 employees, our customers, partners and stakeholders, we are a community of Imaginative Builders, committed every day to more harmonious progress.

Turnover in 2019: EUR 60.1 billion. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe) and non-financial indices (DJSI World, DJSI Europe and Euronext Vigeo Eiris - World 120, Eurozone 120, Europe 120, France 20, CAC 40 Governance).

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: CONTRIBUTIVE REVENUES BY REPORTABLE SEGMENT AND BY BUSINESS LINE

- Contributive revenues, after elimination of intercompany operations, by reportable segment:

Revenues *In EUR million*	**March 31, 2020**	**March 31, 2019**	**Gross variation**	**Organic[2] variation**
France	6,354	6,492	-2.1%	-3.5%
France excl. Infrastructures	*4,640*	*4,756*	*-2.4%*	*-4.2%*
France Infrastructures	*1,713*	*1,736*	*-1.3%*	*-1.4%*
Rest of Europe	4,561	4,920	-7.3%	-7.5%
Latin America	1,236	1,318	-6.2%	-1.7%
USA & Canada	1,102	1,168	-5.7%	+0.8%
Middle East, Africa & Asia	630	911	-30.8%	-5.3%
Others	2,610	2,310	+13.0%	+0.6%
ENGIE Group	**16,493**	**17,120**	**-3.7%**	**-3.7%**

Revenues for **France** decreased by 2.1% on a gross basis and by 3.5% on an organic[2] basis.

For France excluding infrastructures, revenues decreased by 2.4% on a reported basis and 4.2% on an organic[2] basis. The organic[2] decrease is primarily due to lower revenues in the BtoC segment impacted by temperatures, and to a lesser extent to the Client Solutions activities which, despite a growing underlying business, are impacted by negative prices and warm climate in addition to the first impacts of Covid-19. Acquisitions in Client Solutions contributed significantly to growth on a reported basis (in particular Powerlines). For France Infrastructures, revenues decreased by 1.3% on a reported basis and 1.4% on an organic[2] basis. The decrease was driven by distribution activities, impacted by record high winter temperatures partly offset by favorable metering differences, last year tariff increase and leap year effect. Revenues in transmission were up with April 1, 2019 tariff increase. Revenues remained stable in storage and terminalling activities. End of March impacts of the Covid-19 on revenues of the infrastructure segment were limited.

Revenues for **Rest of Europe** were down 7.3% on a gross basis and 7.5% on an organic[2] basis.
This decrease was driven by Supply and Thermal activities, whereas other activities remained stable overall. Supply activities were impacted by negative volume effects due to unfavorable climate effects in Belgium, the Netherlands, Romania and Germany, and by lower revenues in the United Kingdom mainly arising from the disposal of the B2C supply business at the beginning of the year. The decrease in Thermal is mainly due to less favorable market conditions in a context of warm winter and to the disposal of the coal plants in Germany and the Netherlands at the end of 2019. Client Solutions asset-light activities were stable with the combined effects of higher contribution from recent acquisitions in Germany and a decrease related to the first Covid-19 effects.

Revenues for **Latin America** were down 6.2% on a gross basis and 1.7% on an organic[2] basis.
This decrease includes the negative effects of foreign exchange in Brazil with the devaluation of the Brazilian Real against Euro by 15%. In Brazil, revenues grew organically thanks to the commissioning on Pampa Sul (Thermal) and Umburanas (Wind), the high level of thermal dispatch as well as the construction revenues

coming from Gralha Azul. Revenues were down organically in Chile, notably on Thermal activities, and in Mexico B2B Supply due to price effects.

Revenues for **USA & Canada** were down 5.7% on a gross basis and up 0.8% on an organic[2] basis.
Gross decrease includes the impact from internal transfer of LNG activities to GEM, partly compensated by a positive foreign exchange effect and scope-in effects related to recent acquisitions in Client Solutions, in particular Conti in the United States. The 0.8% organic[2] growth mainly came from higher volume on BtoB power and gas sales in the United States with no effect at current operating income level. Revenue from universities are accelerating.

Revenues for **Middle East, Africa & Asia** were down 30.8% on a gross basis and 5.3% on an organic[2] basis. This gross decrease was mainly due to the disposal of Glow (Thailand) in March 2019 and negative foreign exchange effects, partly offset by acquisitions and development of home solar in Africa and Asia. On an organic[2] basis, a weakened performance in Supply notably in Australia and the mothballing of Baymina power generation plant in Turkey contributed to the decrease of revenues

Revenues for the **Others** segment increased by 13.0% on a reported basis and 0.6% on an organic[2] basis This increase was mainly driven by internal transfer from LNG activities and higher revenues from GTT resulting from the historical growth of the order book intake.

- <u>Contributive revenues, after elimination of intercompany operations, by business line</u>:

Revenues *In EUR million*	**March 31, 2020**	**March 31, 2019**	**Gross variation**	**Organic[2] variation**
Clients Solutions	5,300	5,030	+5.4%	-1.5%
Networks	2,015	2,012	+0.1%	+0.2%
Renewables	781	790	-1.1%	+9.0%
Thermal	865	1,266	-31.7%	-12.9%
Nuclear	12	5	+166.8%	+166.8%
Supply	6,656	7,051	-5.6%	-5.6%
Others	864	966	-10.6%	-10.3%
ENGIE Group	**16,493**	**17,120**	**-3.7%**	**-3.7%**

APPENDIX 2: COMPARABLE BASIS ORGANIC[2] GROWTH ANALYSIS

In EUR million	March 31, 2020	March 31, 2019	Gross/organic[2] variation
Revenues	**16,493**	**17,120**	**- 3.7%**
Scope effect Exchange rate effect	- 365	- 322 - 45	
Comparable basis	**16,128**	**16,753**	**- 3.7%**

In EUR million	March 31, 2020	March 31, 2019	Gross/organic[2] variation
EBITDA	**3,063**	**3,118**	**- 1.8%**
Scope effect Exchange rate effect	- 55	- 120 - 31	
Comparable basis	**3,008**	**2,966**	**+ 1.4%**

In EUR million	March 31, 2020	March 31, 2019[3]	Gross/organic[2] variation
Current operating income[1]	**1,907**	**2,041**	**- 6.6%**
Scope effect Exchange rate effect	- 46	- 112 - 27	
Comparable basis	**1,861**	**1,902**	**- 2.1%**

The calculation of organic[2] growth aims to present comparable data both in terms of the 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[2] 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 *pro rata 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 *pro rata temporis* for the number of months prior to the N-1 acquisition.