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CREDIT OPINION
3 July 2024

Update

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RATINGS

ENGIE SA

Domicile	Paris, France
Long Term Rating	Baa1
Type	LT Issuer Rating
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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ENGIE SA

Update to credit analysis

Summary

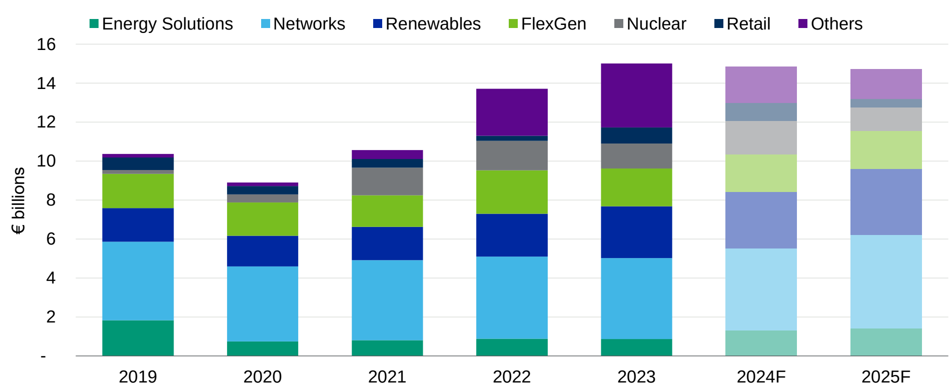
ENGIE SA's (ENGIE) credit quality is underpinned by the group's large scale and diversification, given its leading business positions across the energy value chain and in different markets; the prevalence of regulated and contracted activities, which supports cash flow stability; and its currently solid financial profile, with Moody's adjusted funds from operations (FFO)/net debt of 25.6% in 2023.

At the same time, the company's credit quality is constrained by the execution risks associated with its large capital spending programme, including €29-33 billion of growth capital spending, over 2023-26, as well as the earnings volatility stemming from its exposure to merchant power generation and to energy management and trading activities.

Exhibit 1

We expect networks and renewables growth to offset decline in nuclear and energy trading contribution in 2024-25

EBITDA split by activity, in € billion



The 2024-25 forecasts represent Moody's forward view and not the view of the issuer.
Source: Moody's Ratings

ENGIE pursues a relatively balanced financial policy, reflected by its leverage target of no more than 4.0x net economic debt/EBITDA. We expect this financial policy to translate into a ratio of FFO/net debt in the high teens in percentage terms.

Credit strengths

» Large scale and geographical diversification, which support cash flow stability

» Prevalence of regulated and contracted activities (about 50% of EBITDA in 2023), which supports cash flow stability

» Currently solid financial profile, with FFO/net debt of 25.6% in 2023

Credit challenges

» Large capital spending

» Earnings volatility stemming from the exposure to merchant power generation and to energy management and trading activities

» Imposition of regular increases in nuclear provisions by the Belgian authorities, although the risk is reduced by the final agreement signed with the Belgian government in December 2023

Rating outlook

The stable rating outlook reflects our expectation that ENGIE's credit metrics will be in line with our guidance for the Baa1 rating, which includes FFO/net debt in the high teens and retained cash flow (RCF)/net debt in the low teens, both in percentage terms.

Factors that could lead to an upgrade

ENGIE's rating could be upgraded if FFO/net debt remains at or above 20% and RCF/net debt in the mid-teen percentages on a sustained basis.

Factors that could lead to a downgrade

The rating could be downgraded if the company's credit metrics appear likely to remain persistently below our guidance for the Baa1 rating.

Key indicators

Exhibit 2
ENGIE SA

	2019	2020	2021	2022	2023	2024F	2025F	2026F
(CFO Pre-W/C + Interest) / Interest Expense	7.0x	6.5x	8.1x	6.3x	5.8x	4x - 5x	4x - 5x	4x - 5x
(CFO Pre-W/C) / Net Debt	18.6%	17.6%	20.4%	23.2%	25.6%	17% - 20%	17% - 20%	17% - 20%
RCF / Net Debt	13.1%	16.3%	16.1%	16.9%	17.2%	10% - 13%	10% - 13%	10% - 13%

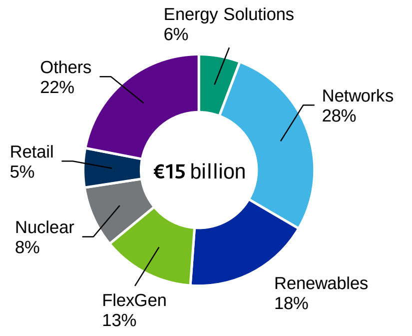
All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's forecasts are Moody's opinion and do not represent the views of the issuer.
Source: Moody's Financial Metrics™

Profile

ENGIE SA (ENGIE) is one of the largest European integrated utilities, with consolidated revenue of €82.5 billion and EBITDA of €15.0 billion in 2023. It is also one of the most diversified utilities, with substantial assets along the energy value chain, in Europe and beyond, as well as in energy services. The group is organised into seven segments: Networks, which mostly comprises gas infrastructure activities in France (28% of EBITDA in 2023); Energy Solutions (6%); FlexGen (13%); Renewables (18%); Nuclear (8%); Retail (5%); and Others (22%), whose EBITDA contribution was minor until 2021, but became substantial in 2022 and 2023 because this segment includes energy management and trading activities, which have benefited from the greater volatility of energy markets.

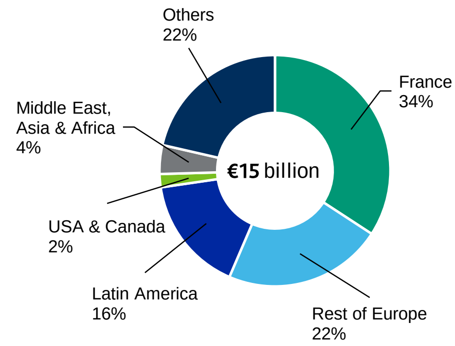
ENGIE is listed on Euronext Paris and Euronext Brussels, with a market capitalisation of around €33 billion as of 28 June 2024. It was 23.64% owned and 33.80% controlled by the French government (Aa2 stable) as of year-end 2023.

Exhibit 3
Business mix is tilted towards regulated and contracted activities...
Breakdown of EBITDA by segment in 2023



Source: Company reports and Moody's Ratings

Exhibit 4
...with Europe accounting for more than half of earnings
Breakdown of EBITDA by geography in 2023



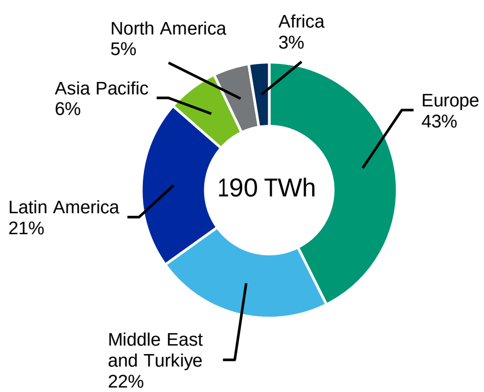
Source: Company reports and Moody's Ratings

Detailed credit considerations

Scale and diversification support cash flow stability

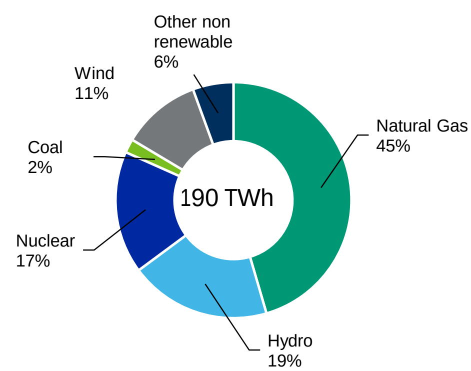
ENGIE's credit profile is underpinned by its large scale (total assets of €195 billion as of the end of December 2023) and diversification (by geography, business and asset type), which support the relative stability of its cash flow. In addition to geographical reach, ENGIE benefits from business diversification and its presence along the value chain, including in generation, networks, downstream liquefied natural gas (LNG; mostly re-gasification terminals), supply and energy services. The size and granularity of the group's generation fleet, with 58.1 gigawatts (GW) of installed capacity in operation (net ownership) as of the end of December 2023, help absorb the effects of adverse operational developments, such as local changes to market frameworks or the effect of unusual weather conditions across the portfolio. The diversified fuel mix also mitigates such risks.

Exhibit 5
ENGIE's generation business is diversified by geography...
Electricity output (net ownership) by region for 2023



Source: Company reports

Exhibit 6
... and by fuel type
Electricity output (net ownership) by fuel for 2023



Source: Company reports

Infrastructure and contracted generation activities underpin low risk profile

The group's business risk profile is supported by the substantial and growing contribution from infrastructure and contracted generation, including renewables, which together accounted for about 50% of EBITDA in 2023. In France, Networks (21% of EBITDA in 2023) includes gas transmission, distribution, storage and LNG terminals, with a combined regulated asset base (RAB) of €31 billion as of 1 January 2023. These activities operate under a well-established and transparent regulatory framework, thereby providing a good degree of stability and predictability of cash flow.

The French energy regulator published, in December 2023, its decision for the new regulatory period for gas transmission and storage, starting in April 2024. The regulator also published in February 2024 its decision for the new regulatory period for gas distribution, starting in July 2024. Compared with the respective previous four-year regulatory periods, the allowed return for gas transmission and gas storage was cut by 15 basis points, and by 10 basis points for gas distribution, with no meaningful changes in the incentives mechanism. For new investments, the RAB remuneration mechanism has been switched from a real to a nominal return, ending the RAB indexation on inflation and accelerating the amortisation of the RAB. This will modestly increase the cash flow contribution in the short term. Also, for gas distribution, the regulator reflected the recovery of past missing revenues (due notably to lower than expected network usage) in the new regulatory period. This will support EBITDA contribution over the new period.

Exhibit 7

Regulated gas infrastructure in France (21% of group EBITDA in 2023) provides significant cash flow visibility with a new regulatory framework for transmission, distribution and storage

	Gas transmission	Gas distribution	LNG terminals	Gas storage
Company	GRTgaz [1]	GRDF	Elengy	Storengy [4]
RAB at 1 January 2023 (€ billions)	€ 9.3	€ 16.9	€ 0.9	€ 4.3 [5]
Regulatory determination	ATRT8	ATRD7	ATTM6	ATS3
Regulatory period	4 years (2024-28)	4 years (2024-28)	4 years (2021-25) [3]	4 years (2024-28)
WACC	4.10% (real, pre-tax)	4.00% (real, pre-tax)	6.25% (real, pre-tax) [3]	4.60% (real, pre-tax)
Incentives	up to 300bps over 10 years [2]	200bps over 20 years for Gazpar	125bps for Capex decided in 2004-2008	-

[1] GRTgaz also operates transmission activities in Germany. [2] Only for select network projects in service before the ATRT7. [3] Except for assets in Montoir put in service from 1 January 2021 (5.75%). [4] Storengy also includes gas storage operations in Germany and the UK. [5] Including 50% of Geomethane.
Source: Commission de Régulation de l'Energie, ENGIE and Moody's Ratings

Contracted thermal and renewable generation (we estimate about 18% of EBITDA in 2023) includes a substantial share of earnings outside Europe, which are underpinned by power purchase agreements (PPAs). Although each PPA is different, they are generally characterised by long tenors, minimum contractually agreed revenue, fuel costs hedged by cost pass-through mechanisms and protection against inflation, which in turn provide a degree of earnings stability and insulation from wholesale power price volatility. Most of the group's renewables business is in France and Latin America, where revenue stability is mostly supported by 15-year feed-in tariffs, 20-year PPAs and long-term concessions. However, about one third of the renewables output in 2023, mainly the hydro production in France and some marginal hydro generation in Brazil, was sold on a merchant basis.

Merchant generation and global energy management activities are significantly exposed to energy price volatility

Merchant power generation accounted for 21% of ENGIE's EBITDA in 2023. These activities comprise mainly nuclear power plants in Belgium and hydro capacity in France (with a combined output of around 46.6 terawatt-hours [TWh] in 2023). Output declined by 8 TWh in 2023 compared to 2022, due to the closure of the nuclear reactors Doel 3 in October 2022 and Tihange 2 in February 2023, and dry weather conditions.

Merchant power generation is exposed to wholesale power price volatility, given the fixed cost nature of the nuclear and hydro fleet, although the group's hedging policy moderates the risk. ENGIE's strategy is to sell forward a substantial proportion of its outright power generation on a three-year rolling basis. For example, as of 31 March 2024, the group sold in advance 81% of its 2024 nuclear and hydro output, 33% of its 2025 output and 25% of its 2026 output at average hedged prices of €118/megawatt-hour (MWh), €139/MWh and €103/MWh, respectively.

Merchant power generation is also subject to nuclear fleet availability. In 2023, the nuclear fleet availability was close to the historical standards of 90%, at around 88.8%, compared with 82.6% in 2022. Nuclear EBIT nonetheless decreased by 41% to €0.6 billion in 2023, impacted by the phase-out of the reactors Doel 3 and Tihange 2, the nuclear tax in Belgium, as well as higher D&A following the increase of the dismantling assets resulting from the 2022 CPN triennial provision review (see Higher Begium nuclear provisions and inframarginal rent cap are credit negative, 22 December 2022).

In December 2023, the Belgian government signed the final agreement with ENGIE to extend the lifetime of ENGIE's two youngest nuclear reactors (Tihange 3 and Doel 4) by 10 years, following the interim agreement signed in June 2023 (see Agreement with Belgian government would de-risk ENGIE's nuclear waste exposure at the expense of credit headroom, 30 June 2023). In parallel to the €4.4 billion nuclear provision increase in 2023 following the agreement with the Belgian government, the company would be required to pay €15 billion for the transfer of waste liabilities to the Belgian State in two installments, due in 2024 and 2025 respectively. The agreement is pending validation by the EU Commission, with closing expected at the end of 2024. The agreement would not affect the scheduled phaseout of ENGIE's other operating nuclear reactors in the country, which will significantly reduce ENGIE's operations and earnings contribution from Belgium.

Separately, tensions in global energy commodity markets supported a significant increase in the contribution of the Global Energy Management and Sales (GEMS) division to ENGIE's group EBITDA to 25% in 2023 and 21% in 2022, from 6% in 2021. The company expects GEMS's normalized contribution to amount to €1.5 billion per annum beyond 2024, compared to €3.5 billion in 2023, with key long-term growth drivers being geographical expansion and increased customer demand.

Strategy keeps focusing on renewables growth and efficiency, but capex programme has execution risks

ENGIE's 2023-26 strategy laid out in February 2024 follows and extends the 2021-23 plan, through which significant progress was made towards simplifying the group structure, focusing on fewer geographies and stepping up the group's renewables growth. The updated plan targets growth investment of €29-33 billion over 2023-26. By 2026, the Group expects EBIT excluding nuclear activities to stand between €8.2 billion and €9.2 billion, compared to €9.5 billion in 2023.

ENGIE expects the lower contribution from nuclear activities, as well as the decrease in commodity prices and spreads in Europe, to be balanced by contributions from investments in renewables, improved margins in the Energy Solutions business, and a higher contribution from networks.

The group's development will continue to focus on renewables and distributed energy infrastructure. The group confirmed its renewables target of 50 GW installed capacity by 2025 and 80 GW by 2030. The strategic plan also includes 8 GW of additional distributed energy infrastructure by 2025 compared with 2020, and 10 GW of battery capacity, 4 GW of hydrogen production capacity and 10 TWh of annual biomethane production by 2030.

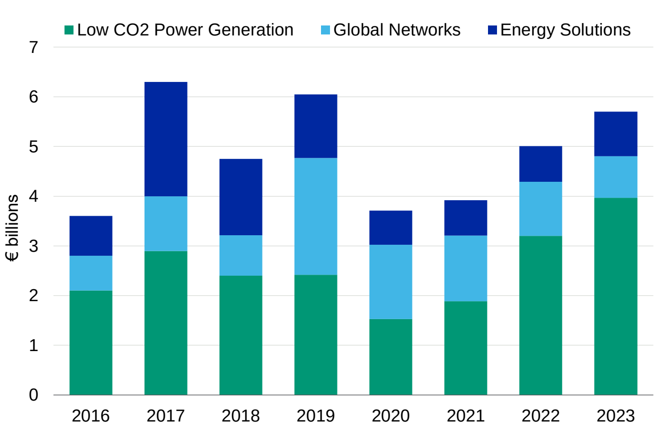
Finally, ENGIE has extended its performance plan to deliver €0.5-0.7 billion of additional net EBIT over 2023-26 through the tight control of general and administrative costs, by increasing support functions efficiency and by turning around underperforming businesses.

Overall, we expect the group's business risk profile to develop favourably over the planned period, with the shift away from volatile businesses resulting in greater cash flow stability. However, the capital investment programme has execution risks because of its overall scale, the share of investments dedicated to emerging markets and the margin compression in the renewables sector. Some of these risks are moderated by the regulated nature of the investment in networks, as well as by the scale and competitive advantage that ENGIE derives from its renewables platform.

Exhibit 8

Investment is focused on contracted and regulated activities

Split of growth in capital spending (excluding maintenance) by business

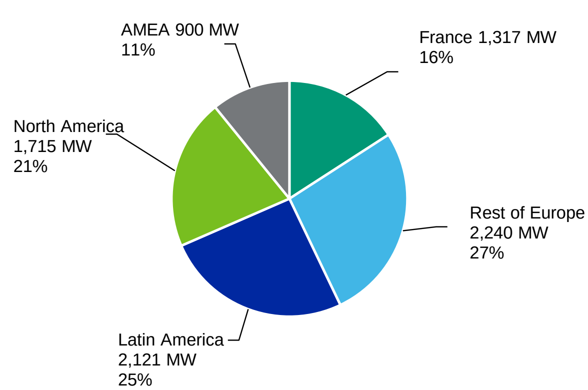


Capital spending excludes investments related to exploration and production and LNG, which were divested in 2018.
Source: Company reports

Exhibit 9

New generation to be mostly added in the Americas and in Europe

Expected commissioning of capacity under construction (at 100%) as of 31 December 2023



Source: Company reports

Credit metrics likely to remain strong although declining over the next two to three years

The group reported a solid performance in 2023, with EBITDA and EBIT up by 9.7% and 11.5% organically to €15.0 billion and €10.1 billion, respectively and building on a an already strong year 2022. This is largely due to the exceptional performance of GEMS, which kept benefitting from favorable market conditions; the recovery of retail activities with improved margins; and the robust performance of renewables thanks to new capacity, increased volumes, and higher prices. These positive factors more than balanced lower contributions from nuclear activities, which were affected by nuclear taxes; the network segment's reduced distributed volumes in France; and Energy Solutions' lower performance due to non-recurring items and price effects in Europe.

Despite strong operating cash flow contributions, the company's economic net debt (company definition) rose, largely due to the agreement with the Belgian State on the ten-year life extension of two nuclear power reactors, reflected into higher nuclear provisions, and to the acceleration of capital spending.

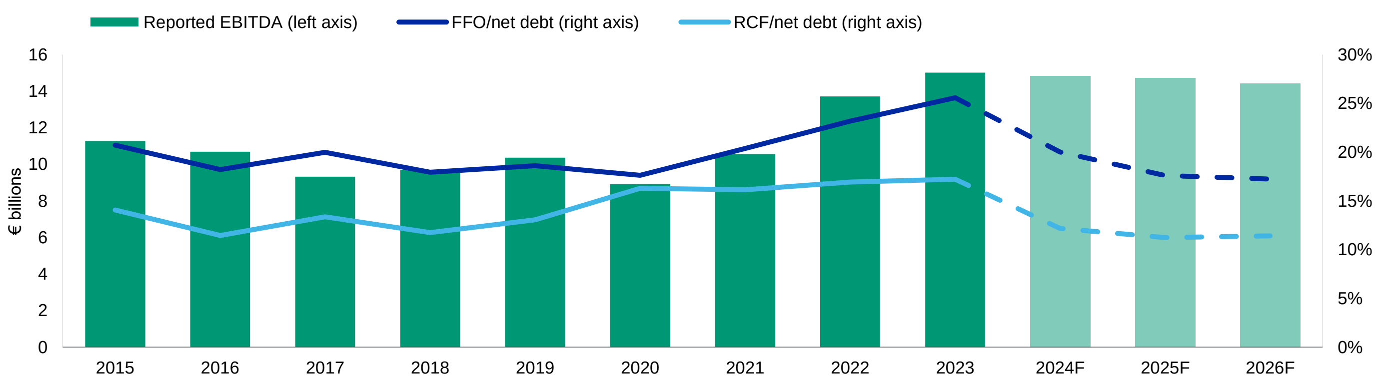
ENGIE's strong operational performance in 2023 resulted in stronger credit metrics, with adjusted FFO/net debt rising to 25.6% in 2023 from 23.2% in 2022.

In May 2024, ENGIE confirmed its 2024 EBIT (excluding nuclear) guidance of €7.5 billion - €8.5 billion. The company expects its economic net debt/EBITDA (company definition) to increase until 2026 but to remain below 4x due growth investment and lower contribution from nuclear and GEMS, and to go back to between 3.2x-3.5x after 2027, compared to 3.1x in 2023. The deleveraging post 2027 is attributed to expected organic growth in renewables, batteries, and energy solutions fueled by the investment plan.

We also expect a decline in ENGIE's (Moody's adjusted) FFO/net debt over 2024-26 because of the sizeable capital spending as well as the lower expected contribution from GEMS and nuclear activities. We also expect the company to implement mitigating measures to protect its balance sheet, in case energy prices stabilize below the company's expectations.

Exhibit 10

We expect Moody's adjusted FFO/net debt in 2024-26 to be in line with our ratio guidance of high-teens in percentage terms



The 2024-26 forecasts represent Moody's forward view and not the view of the issuer. They incorporate the effect of the adoption of IFRS16 from 1 January 2019.
Source: Moody's Ratings

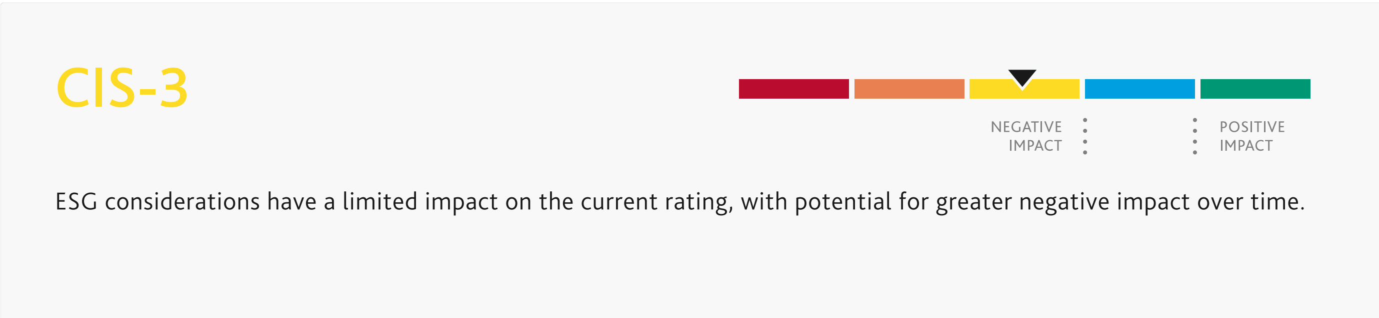
Ownership considerations

Because of the 23.64% shareholding and 33.80% voting rights held by the French government, we consider ENGIE as a government-related issuer under our Government-Related Issuers rating methodology, published in January 2024. However, since the adoption of the law “Loi PACTE” on 23 May 2019, ENGIE's rating does not include any uplift from its Baseline Credit Assessment (BCA), based on our expectation of moderate support from, and moderate default dependence with, the French government.

ESG considerations

ENGIE SA's ESG credit impact score is CIS-3

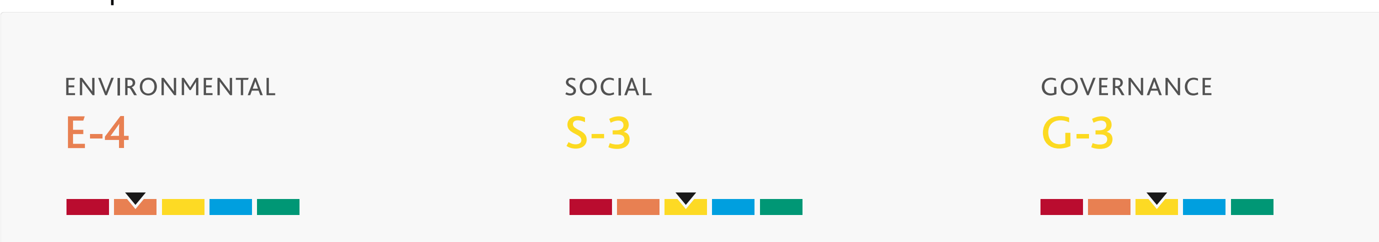
Exhibit 11
ESG credit impact score



Source: Moody's Ratings

ENGIE's **CIS-3**, indicates that ESG considerations have a limited impact on the current rating with potential for greater negative impact over time. The score reflects a high exposure to environmental risks, reflecting the possibility for future rises in Belgian nuclear liabilities. The effect of these considerations on the rating is mitigated by ENGIE's moderate exposure to social and governance risks.

Exhibit 12
ESG issuer profile scores



Source: Moody's Ratings

Environmental

ENGIE's **E-4** score reflects the group's exposure to high waste and pollution risks because of the high likelihood of an additional increase in costs associated with Belgian nuclear liabilities, although the risk is reduced by the final agreement signed with the Belgian government in December 2023. ENGIE's exposure to carbon transition risks is moderate, as the high exposure to gas transmission and distribution assets to earnings (28% of group EBITDA in 2023), with a carbon neutral law effective in France by 2050, and to gas fired generation (36% of power generation capacity in 2023), are partly offset by growing investments in renewables. The group is moderately exposed to physical climate risks.

Social

ENGIE's **S-3** score reflects the fundamental utility risk that demographics and societal trends could include public concerns over affordability. These pressures could turn into adverse political intervention, as evidenced by the inframarginal taxation implemented in France and in Belgium. This also includes nuclear and gas exposures and associated risk to public health. ENGIE also has moderately negative exposure to risk to public safety as a gas leak or explosion, although unlikely, could have significant negative impact on the group's reputation and financial situation.

Governance

ENGIE's **G-3** score reflects neutral to low scores on financial strategy and risk management, management credibility and track record, organizational structure, compliance and reporting, which counterbalance the moderate risk associated with board structure, policies and procedures, resulting from the substantial ownership of the French State (23.64% as of December 2023).

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

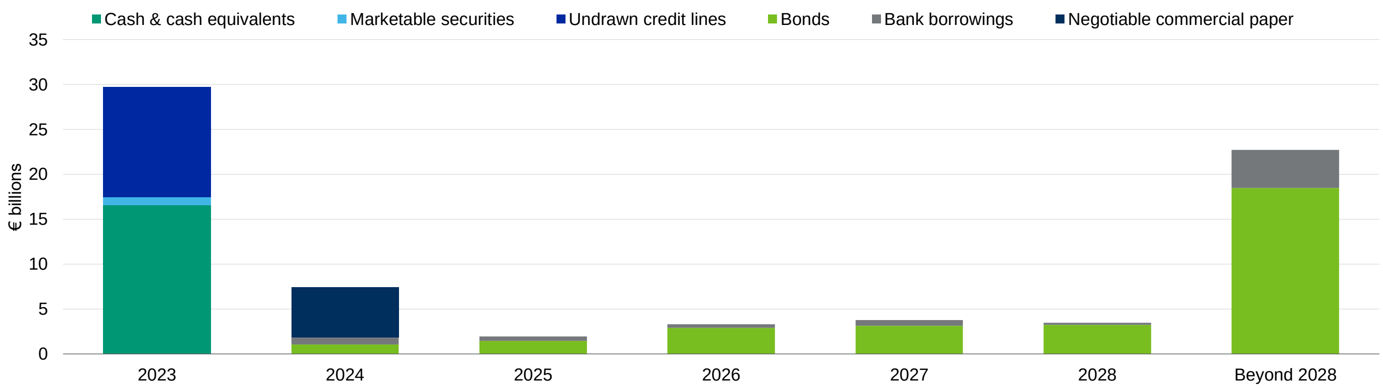
Liquidity analysis

ENGIE's strong liquidity is supported by €16.6 billion of available cash and financial assets, and a total of €12.2 billion of undrawn credit facilities as of 31 December 2023. These include the €1.6 billion, €4.5 billion and €4 billion of syndicated loan facilities maturing in December 2024, September 2028, and December 2028, respectively. Together with strong cash generation, these sources are sufficient to cover the group's debt maturities (including the €5.6 billion commercial paper outstanding as of 31 December 2023), capital spending and expected dividend payments over the next 12 months. In addition, ENGIE has good access to debt capital markets, as demonstrated by the recent issuance of a €2 billion green bond in March 2024 and a $2 billion bond in April 2024.

Exhibit 13

ENGIE has a well-spread debt maturity profile

Debt maturity profile and available liquidity as of 31 December 2023



Source: ENGIE and Moody's Ratings

Structural considerations

Our credit assessment takes into account both the external borrowing at the subsidiary level and nuclear provisions at ENGIE's subsidiary Electrabel SA (Electrabel, Baa1 stable) (around €13.2 billion net of allocated assets in 2023), which benefit from a priority ranking in respect of the movable assets of Electrabel. While these liabilities imply some structural subordination for ENGIE's parent company's creditors, they can be accommodated in the context of total group financial debt of €47 billion and assets of €195 billion as of 31 December 2023.

Methodology and scorecard

ENGIE is rated in accordance with the rating methodologies for Unregulated Utilities and Unregulated Power Companies, and Government-Related Issuers

We consider ENGIE a government-related issuer, because of the French government's ownership of 23.64% of the share capital and 33.8% of voting rights. Following the enactment of the Loi PACTE in France in May 2019, ENGIE's creditworthiness is based on its standalone credit profile, as reflected by its BCA of baa1.

Exhibit 14
Rating factors
ENGIE SA

Unregulated Utilities and Unregulated Power Companies Industry [1]	Current FY 12/31/2023		Moody's 12-18 Month Forward View As of June 2024 [2]	
Factor 1 : Scale (10%)	**Measure**	**Score**	**Measure**	**Score**
a) Scale (USD Billion)	Aaa	Aaa	Aaa	Aaa
Factor 2 : Business Profile (40%)				
a) Market Diversification	Aaa	Aaa	Aaa	Aaa
b) Hedging and Integration Impact on Cash Flow Predictability	A	A	A	A
c) Market Framework & Positioning	A	A	A	A
d) Capital Requirements and Operational Performance	Ba	Ba	Ba	Ba
e) Business Mix Impact on Cash Flow Predictability	Aa	Aa	Aa	Aa
Factor 3 : Financial Policy (10%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (40%)				
a) (CFO Pre-W/C + Interest) / Interest (3 Year Avg)	6.5x	Baa	4x - 5x	Baa
b) (CFO Pre-W/C) / Net Debt (3 Year Avg)	23.1%	Baa	17% - 20%	Ba
c) RCF / Net Debt (3 Year Avg)	16.8%	Baa	10% - 13%	Ba
Rating:				
a) Scorecard-Indicated Outcome		A3		A3
b) Actual Baseline Credit Assessment				baa1
Government-Related Issuer				
a) Baseline Credit Assessment				baa1
b) Government Local Currency Rating				Aa2
c) Default Dependence				Moderate
d) Support				Moderate
e) Actual Rating Assigned				Baa1

[1] All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] This represents Moody's forward view and not the view of the issuer.
Source: Moody's Ratings

Ratings

Exhibit 15

Category	Moody's Rating
ENGIE SA	
Outlook	Stable
Issuer Rating	Baa1
Sr Unsec Bank Credit Facility -Dom Curr	Baa1
Senior Unsecured	Baa1
Subordinate MTN -Dom Curr	(P)Baa2
Jr Subordinate -Dom Curr	Baa3
Commercial Paper	P-2
Other Short Term -Dom Curr	(P)P-2
ENGIE CC	
Outlook	Stable
Issuer Rating	Baa1
ENGIE INVEST INTERNATIONAL S.A.	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
ELECTRABEL SA	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
Other Short Term -Dom Curr	(P)P-2
ENGIE ALLIANCE	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
ST Issuer Rating	P-2

Source: Moody's Ratings

Appendix

Exhibit 16
Peer comparison

	ENGIE SA Baa1 Stable			Electricite de France Baa1 Stable			Iberdrola S.A. Baa1 Stable			E.ON SE Baa2 Stable			ENEL S.p.A. Baa1 Negative		
(in € millions)	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-21	FY Dec-22	FY Dec-23	FY Dec-21	FY Dec-22	FY Dec-23
Revenue	57,866	93,865	82,565	84,461	143,476	139,715	39,114	53,949	49,335	77,358	115,660	93,686	81,900	135,653	92,882
EBITDA	10,981	8,549	17,618	16,261	(4,246)	36,374	11,644	12,770	14,107	8,601	8,603	9,781	15,432	17,154	18,594
Total Assets	227,537	237,719	195,672	358,713	390,139	365,754	141,607	149,925	149,652	119,759	134,009	113,506	209,232	222,168	196,854
Total Debt	56,509	57,623	64,779	91,145	119,004	108,674	48,382	53,759	55,703	48,644	44,689	46,978	78,972	96,181	82,241
Net Debt	42,791	42,065	48,201	68,687	90,115	78,191	44,349	49,151	52,684	41,715	34,769	38,874	70,114	85,140	75,440
FFO / Net Debt	20.4%	23.2%	25.6%	20.3%	-18.7%	47.2%	21.7%	20.3%	19.5%	15.6%	18.7%	19.2%	15.2%	13.0%	20.1%
RCF / Net Debt	16.1%	16.9%	17.2%	19.5%	-19.6%	46.1%	15.8%	13.8%	10.7%	11.9%	14.2%	15.0%	8.0%	7.1%	13.2%
(FFO + Interest Expense) / Interest Expense	8.1x	6.3x	5.8x	7.5x	-4.5x	8.2x	7.6x	5.5x	4.6x	4.5x	4.1x	4.1x	5.3x	5.0x	5.1x
Debt / Book Capitalization	54.2%	56.8%	62.2%	61.2%	74.0%	65.1%	43.4%	46.9%	46.9%	69.8%	64.4%	67.9%	61.5%	65.9%	62.2%

All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE = Financial year end.
Source: Moody's Financial Metrics™

Exhibit 17
Moody's-adjusted net debt calculation
ENGIE SA

(in € millions)	2019	2020	2021	2022	2023
As reported total debt	**38,545.0**	**37,938.0**	**41,048.0**	**40,591.0**	**47,287.0**
Pensions	2,480.0	3,209.0	1,851.0	768.0	1,246.0
Hybrid Securities	1,956.5	1,956.5	1,883.5	1,696.5	1,696.5
Securitization	944.0	1,257.0	2,204.0	2,338.0	1,300.0
Non-Standard Adjustments	11,578.0	10,226.0	9,522.0	12,229.0	13,249.0
Moody's-adjusted total debt	**55,503.5**	**54,586.5**	**56,508.5**	**57,622.5**	**64,778.5**
Cash & Cash Equivalents	(10,951.0)	(12,912.0)	(13,718.0)	(15,558.0)	(16,578.0)
Moody's-adjusted net debt	**44,552.5**	**41,674.5**	**42,790.5**	**42,064.5**	**48,200.5**

Source: Moody's Financial Metrics™

Exhibit 18
Adjusted EBITDA calculation
ENGIE SA

(in € millions)	2019	2020	2021	2022	2023
As reported EBITDA	**10,099.0**	**9,069.0**	**12,355.0**	**6,714.0**	**12,544.0**
Unusual Items - Income Statement	(166.0)	(268.0)	(1,090.0)	1,864.0	5,017.0
Pensions	80.0	51.0	131.0	33.0	163.0
Interest Expense - Discounting	(566.0)	(614.0)	(630.0)	(617.0)	(772.0)
Non-Standard Adjustments	312.3	276.7	214.8	554.6	665.9
Moody's-adjusted EBITDA	**9,759.3**	**8,514.7**	**10,980.8**	**8,548.6**	**17,617.9**

Source: Moody's Financial Metrics™

Exhibit 19

Select historical adjusted financial data

ENGIE SA

(in € millions)	2019	2020	2021	2022	2023
INCOME STATEMENT					
Revenue	60,058	44,306	57,866	93,865	82,565
EBITDA	9,759	8,515	10,981	8,549	17,618
EBIT	5,262	4,147	6,611	3,973	12,732
Interest Expense	1,379	1,329	1,228	1,835	2,571
Net income	2,051	1,099	3,684	3,186	6,842
BALANCE SHEET					
Net Property Plant and Equipment	51,852	49,786	51,079	55,379	57,682
Total Assets	160,631	154,336	227,537	237,719	195,672
Total Debt	55,504	54,587	56,509	57,623	64,779
Cash & Cash Equivalents	10,951	12,912	13,718	15,558	16,578
Net Debt	44,553	41,675	42,791	42,065	48,201
Total Liabilities	130,111	127,418	192,429	205,243	167,510
CASH FLOW					
Funds from Operations (FFO)	8,285	7,342	8,715	9,752	12,325
Cash Flow From Operations (CFO)	7,343	6,602	5,737	7,658	13,485
Dividends	2,468	557	1,808	2,627	4,027
Retained Cash Flow (RCF)	5,817	6,785	6,907	7,125	8,298
Capital Expenditures	(6,418)	(4,861)	(6,550)	(6,771)	(7,478)
Free Cash Flow (FCF)	(1,543)	1,184	(2,621)	(1,740)	1,980
INTEREST COVERAGE					
(FFO + Interest Expense) / Interest Expense	7.0x	6.5x	8.1x	6.3x	5.8x
LEVERAGE					
FFO / Net Debt	18.6%	17.6%	20.4%	23.2%	25.6%
RCF / Net Debt	13.1%	16.3%	16.1%	16.9%	17.2%
Debt / EBITDA	5.7x	6.4x	5.1x	6.7x	3.7x
Net Debt / EBITDA	4.6x	4.9x	3.9x	4.9x	2.7x

All metrics are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics™

Moody's related publications

Issuer Comments

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» ENGIE SA: Higher Belgium nuclear provisions and inframarginal rent cap are credit negative, 22 December 2022

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» Unregulated Utilities and Power Companies – Europe: Lower power prices may require tough choices, if sustained, 10 April 2024

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Industry Outlook

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