February 26th, 2021

ENGIE 2020 Financial Results

Progress at pace on new strategic direction towards accelerating the energy transition
Strong recovery from Q2 levels, with H2 organic performance similar to previous year

Business Highlights

- Major capital projects delivered with €4.0bn growth Capex[1]
- Strong growth in Renewables with 3 GW commissioned and 2 GW acquired
- Sale of 29.9% shareholding in SUEZ completed
- Client Solutions and further strategic reviews launched towards Group simplification
- Employee representatives consultation launched for potential creation of new leader in multi-technical services
- New ExCom announced
- Continued ESG progress, with commitment to finalize coal exit in Europe by 2025 and globally by 2027
- Decision to stop preparation works that would allow for the 20-year extension of two nuclear units beyond 2025
- Update on new strategic direction alongside Q1 results, on 18 May 2021

Financial Performance

- 2020 NRIgs in line with guidance, EBITDA and COI[2] above expectations
- Significant impact of Covid-19 in 2020 mainly on Client Solutions and Supply, with c. €1.2bn total Group impact at COI level
- Negative FX impact of €0.3bn at COI level, mainly due to BRL depreciation
- Net financial debt at €22.5bn, down €3.5bn versus last year, strong liquidity and strong investment grade rating maintained
- Impairment of nuclear assets, partially offset by capital gains on disposals, leading to a NIgs of €-1.5bn
- 2020 proposed dividend of €0.53 per share
- 2021 guidance[3]: NRIgs expected in the range of €2.3-2.5bn

Catherine MacGregor, CEO said: "*ENGIE successfully adapted its operations in the face of the unprecedented Covid-19 crisis. In the second-half, activity levels progressively improved leading to H2 organic performance similar to H2 2019. Alongside ensuring delivery of essential services, the Group announced a new strategic direction to simplify the Group and strengthen ENGIE's role in the energy transition.*
We have had a good start to the year and we expect financial performance in 2021 to improve significantly. In addition to driving a recovery in performance, we will focus on completing the strategic reviews underway to create value and re-allocate capital towards growth, particularly in Renewables, Networks, and Asset-based Client Solutions. I am delighted to have joined ENGIE at such an exciting time for the Group and for this industry. My leadership team and I are looking forward to turning our new strategic orientation into action, towards further simplification, performance and importantly, towards accelerating the planet's transition to carbon-neutrality."

Key financial figures as of December 31, 2020

In € billion	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic[4]
Revenues	**55.8**	60.1	-7.2%	-5.7%
EBITDA	**9.3**	10.4	-10.5%	-6.5%
Current operating income (COI)	**4.6**	5.8	-21.3%	-16.4%
Net recurring income Group share (NRIgs)	**1.7**	2.7	-36.5%	-34.3%
Net income Group share	**(1.5)**	1.0		
Capex	**7.7**	10.0		
Cash flow from operations[5]	**7.1**	7.6		
Net financial debt	**22.5**	25.9		

N.B. Footnotes are on page 15.

ENGIE CORPORATE HEADQUARTERS
Tour T1 – 1 place Samuel de Champlain – Faubourg de l'Arche – 92930 Paris La Défense cedex – France
engie.com
ENGIE – SA WITH CAPITAL OF €2,435,285,011 – RCS NANTERRE 542 107 651 – Tel.: +33 (0)1 44 22 00 00

2021 Guidance[3]

Overall financial performance in 2021 is expected to improve significantly after a Covid-19 impacted 2020, assuming no additional stringent lockdowns and a gradual easing of restrictions over 2021.

For 2021, ENGIE anticipates a Net Recurring Income group share in the range of €2.3 to 2.5bn. This guidance is based on an indicative EBITDA range of €9.9 to 10.3bn and a COI range of €5.2 to 5.6bn.

Expectation by business line:

	Expected drivers for 2021 COI
Renewables	Growth in the US and France should benefit financial performance, partly offset by a lower contribution from rulings in Brazil relating to the recovery of past energy costs and a weaker BRL
Networks	Networks are expected to remain stable with the impact of the new, lower RAB remuneration rates in France offset by reversal of the warm temperature effect of 2020 and growth in Latin America
Client Solutions	Overall Client Solutions should demonstrate strong recovery from Covid-19, albeit with a relatively slower recovery for Asset-light activities, and benefit from y-o-y accretion from SUEZ and EV-Box disposals
Thermal	Expect normalization after a particularly strong 2020 performance in Europe
Supply	Expect strong recovery from Covid-19 and the reversal of the 2020 warm temperature effect
Nuclear	Much improved performance expected driven by better availability following LTO completions and higher achieved prices

Included within this guidance is an estimated impact that follows the extreme cold weather in Texas earlier this month. ENGIE is assessing the situation, which mainly affects Renewables and Supply activities. Overall ENGIE currently estimates a potential net negative impact at the Group COI and Net Recurring Income Group share levels of between €80 to 120 million.

Regarding disposals, ENGIE remains focused on executing at pace to simplify the Group, crystallise value and re-allocate capital towards strategic priorities. This guidance assumes disposals of around €2bn with a related COI dilution of up to €0.1bn, in addition to previously signed transactions such as EVBox. With respect to investment, ENGIE expects to invest between €5.5 to 6.0bn growth Capex, with over 90% in Renewables, Networks and Asset-based Client Solutions and €4.0bn in maintenance including the funding of Belgian nuclear provisions Capex.

ENGIE remains committed to a strong investment grade rating and continues to target a leverage ratio of below or equal to 4.0x economic net debt to EBITDA over the long-term.

ENGIE will update the market on the implementation plan for its new strategic orientation and provide medium-term guidance on 18 May 2021.

2020 Dividend proposed at top-end of payout ratio

The Board has reaffirmed the Group's dividend policy of NRIgs payout ratio in the range of 65 to 75%.
For 2020, the Board has proposed a payout ratio of 75%, at the top end of the policy range. This translates to a dividend of €0.53 per share, which will be proposed for shareholder approval at AGM on the 20th of May.

Update on Belgian Nuclear Assets

Following the announcements of the Belgian government in Q4 2020, it has been decided to stop all the preparation works that would allow a 20-year extension of two units beyond 2025, as it seems unlikely that such an extension can take place given the technical and regulatory constraints. This change in lifetime assumption as well as changes in the commodity price scenario have led to an impairment of €2.9bn for nuclear assets, which have been accounted as non-recurring items in the 2020 P&L.
ENGIE remains committed to Belgium and to contributing to the country's security of supply. Alongside renewables, the Group is also developing projects of up to 3 GW of gas-fired power plants. These projects could participate in the Belgian Capacity Remuneration Market through auctions in the second-half of this year, once approved by the European authorities.

Progress at pace on new strategic orientation

Following the announcement in July of a new strategic orientation to simplify the Group and accelerate growth in Renewables and Infrastructure assets, ENGIE has delivered progress at pace, despite the challenging backdrop.

Progress on Group simplification and sharper strategic focus with disposal of SUEZ, launch of strategic reviews and rationalisation
The disposal of 29.9% shareholding in SUEZ for €3.4bn was completed in October, and ENGIE launched strategic reviews of a significant part of Client Solutions activities, GTT and ENGIE EPS.

In addition, ENGIE also progressed on geographic rationalisation and strengthening its position in key countries. An example of this is the acquisition of an additional 7% shareholding in ENGIE Energia Chile, thereby reducing the level of minority holdings.

A strategic review of part of Client Solutions was launched towards the potential creation of a new leader in multi-technical services, which would benefit from scale and strong growth prospects. In February 2021, the employee representatives consultation related to the proposed organization design for the new entity was launched. This consultation is expected to conclude by the end of the second quarter of 2021. The Group will consider next steps and review future ownership options for the potential new entity in the second half of this year. ENGIE will consider all options to maximize value and will act in the interests of all stakeholders.

A new Executive Committee and simplified business organisation
In January, the appointment of new Executive Committee (ExCom) was announced reflecting the intention to implement a simplified business organisation focused on four businesses: Renewables, Networks, Client Solutions and Thermal & Supply. Along with the ExCom members responsible for functional activities and specific projects, the new leadership team is engaged in executing ENGIE's new strategic direction and enhancing the Group's performance culture.

Continued operational delivery and €4bn growth investment, despite challenging backdrop

Operationally, the Group continuously adapted processes to ensure delivery of essential services, while maintaining high health and safety standards. Overall Capex amounted to €7.7 billion in 2020, including €4.0 billion of growth investments, €2.4 billion of maintenance Capex and €1.3 billion of nuclear funding.

Growth Capex by business line:

In € million	12/31/2020	% of total
Renewables	1,526	39%
Networks	1,491	38%
Client Solutions	694	18%
Other Business lines	239	6%
Total	**3,950**	**100%**

Over 90% of growth investment was dedicated to Renewables, Networks and Asset-based Client Solutions activities in line with the new strategic direction announced in July.

Delivering on ESG goals, commitment to exit coal in Europe by 2025 and globally by 2027

Carbon neutrality is at the heart of ENGIE's purpose and central to its strategic direction.

In 2020, greenhouse gas emissions were reduced by 9% to 68 million tons from power generation benefitting mainly from the disposal of coal plants in Western Europe. ENGIE has today announced a commitment to exit all coal assets in Europe by 2025 and globally by 2027, including coal generation for DHC networks.
As a reminder, coal represents 4 GW of ENGIE's 101 GW centralized power generation portfolio.
ENGIE also increased the share of renewables in its portfolio to 31% in 2020 from 28% at the end of 2019 with the addition of 5 GW of renewables.
On gender diversity, there was a small increase in the number of women in the management and ENGIE had 24% women in management at the end of 2020.

Operational and financial overview

The Group's activities across Renewables, Networks, Thermal, Nuclear and Other activities demonstrated resilience, however, primarily due to the impacts experienced in H1, ENGIE's results for 2020 were down significantly with an estimated COI impact of c. €1.2 billion from Covid-19. More than 75% of this effect related to Client Solutions and Supply. In addition, warm temperature in France impacted Networks and Supply with a total negative COI impact of €160 million.
The impact of foreign exchange was a total negative effect of €293 million, mainly driven by the depreciation of the Brazilian Real (with an average EUR/BRL rate of 5.90 in 2020 vs. 4.42 in 2019, representing a 34% depreciation).
Net negative scope effect of €76 million mainly reflects the disposals of Glow in March 2019 and 29.9% shareholding in SUEZ in October 2020, partly offset by the acquisition, along with Caisse de Dépôt et Placement du Québec, of 90% of TAG in June 2019 and the remaining 10% in July 2020, together with various acquisitions in Renewables (like Renvico in Italy and in France) as well as in Client Solutions (mainly Conti in the US and Powerlines in Europe).

Net recurring income Group share was at the lower end of the guidance range mainly due to higher contributions from entities with minorities (particularly in Latin America) and higher financial costs notably due to inflation and foreign exchange. These results also reflect negative tax effects and the fourth quarter dilution following the disposal of 29.9% shareholding in SUEZ.

COI contribution by reportable segment (detailed commentary on page 12):

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
France	2,229	2,862	-22.1%	-22.2%
France excl. Infrastructures	*620*	*905*	*-31.5%*	*-32.0%*
France Infrastructures	*1,609*	*1,957*	*-17.8%*	*-17.8%*
Rest of Europe	648	707	-8.3%	-9.9%
Latin America	1,542	1,696	-9.0%	2.9%
USA & Canada	124	155	-20.3%	-6.3%
Middle East, Asia & Africa	518	619	-16.4%	0.2%
Others	(483)	(221)	-	-
TOTAL	**4,578**	**5,819**	**-21.3%**	**-16.4%**

COI contribution by Business Line:

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
Renewables	1,070	1,195	-10.4%	+10.8%
Networks	2,063	2,344	-12.0%	-14.0%
Client Solutions	459	1,082	-57.5%	-57.6%
Thermal	1,209	1,320	-8.4%	+1.4%
Supply	112	345	-67.7%	-65.5%
Nuclear	(111)	(314)	+64.7%	+64.7%
Others	(224)	(154)	-45.6%	-37.5%
TOTAL	**4,578**	**5,819**	**-21.3%**	**-16.4%**

Estimated 2020 Covid-19 impacts by Business Lines:

In € billion	Estimates at COI level	Nature
Renewables	(0.05)	Lower volumes dispatched
Networks	(0.07)	Lower volumes, lower capitalized costs, specific Covid-19 related purchases
Client Solutions	(0.60)	Loss of revenues / contracts, specific Covid-19 related purchases
Thermal	(0.04)	Lower demand
Supply	(0.29)	Lower demand, unwinding of hedges, bad debts, lower B2C services
Nuclear	(0.06)	Adjusted maintenance operations
Others	(0.07)	Credit losses
TOTAL	**(1.18)**	**Net of savings / action plans**

These estimates have been prepared in accordance with a standard guidance applied across businesses under a dedicated oversight process (losses of revenues being inherently subject to more judgement than the identification of specific costs incurred), considering operating items only and are presented net of savings and mitigating management action plans. By definition these estimates exclude foreign exchange and commodity price effects incurred in the Group's various businesses, whether positive or negative.

Renewables delivered +11% organic growth

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
EBITDA	1,559	1,724	-9.6%	+8.7%
COI	1,070	1,195	-10.4%	+10.8%
Total Capex	1,633	2,475	-34.0%	-
DBSO[6] Margins (COI contribution)	98	177	-44.6%	-
Operational KPI				
Commissioning (GW at 100%)	3.0	3.0		-

Renewables COI amounted to €1,070 million, up 11% on an organic basis. This organic growth was driven by the positive effect from the “GFOM” ruling in Brazil (corresponding to the recovery of past energy costs, following the agreement on renegotiation of hydrological risk, which was finalised at the end of 2020) for approximately €165 million; improved prices for hydro power production in France; higher wind production mainly due to commissioning of new projects and the first effects of the tax equity financing signed in the US in Spring 2020. This organic growth was partly offset by lower DBSO margins and unfavourable energy allocation for hydro in Brazil.

Despite a challenging backdrop, ENGIE repeated the strong operational growth performance achieved in 2019 with the commissioning of 3 GW of renewable capacity in 2020. In addition, the Group also acquired 2 GW of operating assets in Europe: 1.7 GW hydro in Portugal, together with Crédit Agricole Assurances and Mirova, and 0.3 GW wind in Italy and France.

In the last two years, ENGIE’s renewable capacity at 100% grew by 32%, mainly thanks to 6.0 GW of capacity commissioned and 2.1 GW acquired, reaching 31.1 GW at the end of 2020. Through renewable energy development, ENGIE provides its public and private customers with renewable energy supply under optimized contractual and financial arrangements, benefitting from the Group’s long-term expertise in energy trading. The Group has further strengthened its positioning in the rapidly growing market of long-term corporate renewable power purchase agreements (“Green Corporate PPAs”) with more than 1.5 GW of contracts signed in 2020.

With a relatively young portfolio of wind and solar assets (average age of 5 years) benefitting from long-term contracts (average residual duration of 15 years) that provide visibility of earnings, Renewables represent a key long-term growth engine for the Group.

3 GW of Renewables are currently under construction for commissioning in 2021 and ENGIE is on track to achieve its 2019 target of adding 9 GW of new capacity in three years by the end of 2021.

ENGIE and EDP Renováveis finalized the creation of Ocean Winds, a joint venture in the floating and fixed offshore wind energy sector equally. Ocean Winds will act as the exclusive investment vehicle of each partner to capture offshore wind opportunities around the world and aims to become a top five offshore global operator by combining the development potential of both partners. Since its creation, the company already commissioned the first 0.2 GW tranche of a fixed offshore wind farm in Belgium and WindFloat Atlantic, a 25 MW floating wind farm in Portugal. The latter is the world’s first semi-submersible floating wind farm and constitutes an important achievement for the sector as floating wind technology contributes to the diversification of energy sources and provides access to untapped marine areas.

ENGIE announced the signing of an agreement to sell 49% of its equity interest in a 2.3 GW US Renewables portfolio to Hannon Armstrong, a leading investor in climate change solutions. ENGIE will retain a controlling share in the portfolio and continue to manage the assets. When commissioned, this 2.3 GW portfolio, will comprise 1.8 GW onshore wind and 0.5 GW solar photovoltaic projects. ENGIE has secured nearly USD 2 billion of tax equity commitments for this portfolio. Tax equity financing is the traditional structure used in the US to support the development of renewable projects. This tax equity financing – the largest ever in the US – demonstrates ENGIE's successful development in this market.

ENGIE is also developing projects to drive the long-term energy transition: in early January 2021, ENGIE and Total signed a partnership to develop France's largest site for the production of green hydrogen from 100% renewable electricity. This partnership is one of many green hydrogen projects ENGIE is currently developing.

Networks mainly impacted by warmer temperature and higher D&A in France; international COI up significantly

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
EBITDA	3,850	4,026	-4.4%	-5.3%
COI	2,063	2,344	-12.0%	-14.0%
Total Capex	2,502	3,446	-27.4%	-
Operational KPIs				
Temperature effect (COI in m€)	(135)	(36)	-99	-
Smart meters (m)	6.9	4.9		-
Covid-19 impacts (COI in bn€)	(0.07)			

Networks COI at €2,063 million was down 14% on an organic basis. In France, performance was impacted by unusually mild temperature in H1 and by the negative effect of Covid-19 on distributed volumes, partly offset by lower levels of expenditure during lockdown. Higher D&A due to accelerated amortization of some gas distribution assets in France, which is value neutral over time as it is integrated in the regulated revenue, the non-reiteration of a positive internal Q4 2019 one-off as well as the first effects of the lower Regulated Asset Base (RAB) remuneration rates also contributed to the lower COI for French Networks. Of these impacts, negative volume effects will be recovered in the medium-term under the clawback accounts mechanism.

In Latin America, performance benefitted from higher contributions from TAG and from the two power transmission lines currently under construction in Brazil. In Europe (excluding France) and Asia, Networks faced some headwinds related to price and temperature effects.

Overall, the Covid-19 impact was limited and mainly focused on distribution activities, especially on French Networks.

With a RAB of just over €28 billion in France, ENGIE is one of the largest gas network operators in Europe, and has a growing networks business in Latin America. ENGIE maintained strong operational performance in 2020 with high levels of network safety and reliability in France and achieved high customer satisfaction rates of 91% for French gas distribution. Also in France, in line with the pick-up in activity levels, gas smart meter installation resumed with the installation of 2.0 million units in 2020 resulting in a total of 6.9 million meters installed at the end of 2020.

The development of renewable gases is a major area of focus for ENGIE. The Group sees a critical role of gas in enabling an affordable and smooth energy transition through the continued use of natural gas, and progressive increase in the use of renewable gases such as biomethane and hydrogen. For example, last year 91 additional biomethane production units were connected to French gas grids, and over 85% of these were connected to GRDF. Altogether these units can contribute to a yearly production of up to 3.9TWh, equating to the annual gas consumption for heating approximately 1 million new-build homes in France. ENGIE has also started to adapt the existing gas transport networks by commissioning three 'reverse-flow' installations in 2020, that allow biomethane to travel from the distribution gid to gas storage units.

In Latin America, following the acquisition of 90% of TAG in June 2019, ENGIE successfully acquired the remaining 10% in July 2020 with its partner Caisse de Dépôt et Placement du Québec. In addition, ENGIE is also constructing two major electricity transmission lines in Brazil: 1,000 kilometres Gralha Azul project and the 1,800 kilometres Novo Estado project. Both projects include the construction of new substations and upgrades to existing substations and are expected to be commissioned in the second half of 2021.

Client Solutions showed a strong recovery in H2 after a Covid-19 impacted H1

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
Revenues	20,101	20,957	-4.1%	-6.4%
COI	459	1,082	-57.5%	-57.6%
Total Capex	992	1,621	-38.8%	-
Operational KPIs				
Projects backlog (bn€)	11.7	11.1	+5.4%	-
DHC – Net installed cap. (GW)	15.2	13.9	+9.4%	-
Covid-19 impacts (COI in bn€)	(0.60)	-	-	-

Client Solutions had a relatively lower impact at the revenue level compared to COI, which was down significantly, mainly as a result of the Covid-19 crisis with a total estimated impact of c. €600 million for 2020.
A strong impact of Covid-19 was experienced in the Asset-light business model primarily in Europe and the US, mostly driven by loss of revenues and specific additional purchases. Cost-cutting and variabilising measures resulted in total Opex reduction of c. €0.3 billion.

Covid-19 impacted SUEZ results, and the results also reflect the sale of 29.9% shareholding in SUEZ at the beginning of October 2020.
Despite unfavourable temperature, District Heating and Cooling (DHC) and on-site generation activities remained resilient.

Notably, performance in H2 2020 showed a recovery with results similar to H2 2019, excluding the scope-out effect of SUEZ in Q4 2020. The impact of the Covid-19 restrictions was much lower in the second half, as restrictions were eased in France and activity levels were higher. In addition, activities also continued to benefit from cost actions launched in Q2.

Operationally, project backlog in Asset-light activities is higher than end of 2019 levels with postponed work remaining in the order book and benefitting also from the contribution of acquisitions. This positive KPI evolution provides visibility for 2021, however subject to Covid-19 restrictions.

Driven by decarbonization targets and growth in energy efficiency solutions, ENGIE sees a strong growth potential for heating and cooling networks, on-site generation and green mobility among other Asset-based Client Solutions.

The Group already has leadership positions in all of these activities. In DHC networks, ENGIE is an international leader with 100 cooling networks with total installed capacity of 6.1 GW, and 300 heating networks of various size that distribute 19TWh per year.

ENGIE is also growing fast in green mobility with more than 50,000 EV charging points operated.
ENGIE announced in December 2020, that EVBox Group, a start-up acquired in 2017 and now a leading global provider of smart charging solutions for electric vehicles, would be listed on the NYSE in the coming weeks following close of a SPAC (Special Purpose Acquisition Company) transaction. This transaction would combine cash and equity. ENGIE would retain more than 40% ownership of EVBox. ENGIE expects that the transaction will result in a net debt decrease of ca €0.2 billion and EVBox no longer being consolidated in its accounts, with ENGIE's remaining shareholding accounted by the equity method.

Thermal delivered 1% organic growth despite material positive one-offs in 2019

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
EBITDA	1,646	1,763	-6.7%	+2.3%
COI	1,209	1,320	-8.4%	+1.4%

Thermal COI amounted to €1,209 million, up 1% organically despite the non-repeat of favourable operational one-offs in 2019, mainly liquidated damages received in Brazil and Chile. Thermal COI saw limited Covid-19 impact of c. €40 million, mainly through lower demand in Chile and Peru. These negative impacts were more than offset by a better performance of the European merchant gas fleet driven by the higher contribution of ancillaries, mainly in Italy, as well as to higher spreads captured throughout Europe. Thermal COI also benefitted from the higher performance of the contracted generation activities in the Middle East, from the full-year impact of the commissioning of Pampa Sul in Brazil in June 2019 and from higher volumes dispatched at higher margins in Brazil.

Overall, the Thermal business showed strong resilience, as a result of its highly contracted portfolio outside Europe and the optionality value of its merchant fleet in Europe.
In August and November 2020, the de-mothballing of two CCGT units in the Netherlands for 0.7 GW showed the Thermal fleet's flexibility to take advantage of market opportunities.
In June 2020, the sale of a minority stake in New York's Astoria Energy merchant gas facilities was finalized.
In March 2020, the commissioning of Fadhili's 1.5 GW contracted gas power plant, a cogeneration plant in Saudi Arabia in which ENGIE has a 40% equity ownership, reaffirmed ENGIE's leading position as an independent power producer in the Middle East.

Supply performance impacted by Covid-19 and warm temperature

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
EBITDA	439	638	-31.2%	-29.5%
COI	112	345	-67.7%	-65.5%
French temperature effect (COI in m€)	(84)	(24)	-61	-
Covid-19 impacts (COI in bn€)	(0.29)	-	-	-

Supply COI significantly decreased by €233 million to €112 million. Financial performance was highly affected by Covid-19 (net c. €290 million) in Europe and in the US due to lower gas and electricity consumption during the lockdown periods (primarily B2B). The sharp and unexpected reduction in demand led to a negative volume effect, as related margins had not been booked, together with a negative price effect as power and gas hedged positions had to be unwound in a lower price environment. B2C services provided were also lower during the lockdowns and, as a result of the economic context, level of bad debts increased. Warm temperature in France and Benelux also contributed to the strong decrease.
These effects were only partially offset by various one-offs, dedicated Covid-19 related mitigation actions, better results in Romania and higher B2C gas margins in France.

Operationally, B2C power supply contract base grew by 186,000 in 2020, which contributed to the stability of the global B2C contract base at the level of 24.4 million contracts.

Nuclear – improved COI contribution mainly driven by better prices

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
EBITDA	415	192	+116.1%	+116.1%
COI	(111)	(314)	+64.7%	+64.7%
Capex	1,740	636	-	-
Operational KPIs				
Output (BE + FR, @ share, TWh)	36.5	41.7	-5.2 TWh	-
Availability (Belgium at 100%)	62.6%	79.4%	-1,680 bps	-

Nuclear COI reached €-111 million, up 65% organically benefitting mainly from a positive price effect and from lower operational expenditures. These positive effects were partly offset by lower volumes due to the last planned lifetime extension outages of Doel 1, Doel 2 and Tihange 1, and by higher depreciation. Nuclear COI saw Covid-19 impact of c. €-60 million.

Others

Others COI of €-224 million was €70 million lower than in 2019. Year-on-year comparison was negatively impacted by the positive effect of the partial sale of a gas supply contract in 2019 and by the Covid-19 impact due to credit losses for GEM (Global Energy Management). These headwinds were partially offset by GEM's good performance in a context of high market volatility mainly in H1 and by the higher contribution of GTT thanks to a strong past order intake.

Strong Financial Position and Liquidity

ENGIE has maintained a strong liquidity position with €23.0 billion of liquidity (net cash + undrawn credit facilities – outstanding commercial paper) including €13.3 billion of cash, as of end of December 2020.

ENGIE strengthened its leadership position in the green bond market having issued €2.4 billion green bonds in 2020, for a total of €12 billion issued since 2014. With dynamic management of hybrids, ENGIE has an average outstanding amount of €3.9 billion and a current total coupon of €100 million per year, which is down c. 28% since 2017.

Net financial debt stood at €22.5 billion, down €3.5 billion compared with December 31, 2019. This decrease was mainly due to (i) cash flow from operations (€7.1 billion), (ii) the impact of the portfolio rotation program (€4.2 billion, primarily corresponding to the sale of part of the Group's interest in SUEZ for €3.4 billion, and of interests in Astoria 1 and 2 gas power plants in the United States for €0.4 billion), and (iii) other elements (€0.5 billion) mainly related to foreign exchange rates, partly offset by new leased right-of-use assets. These items were partly offset by (i) capital expenditures over the period (€7.7 billion) and (ii) dividend paid to non-controlling interests and treasury stocks changes (€0.6 billion).

Cash flow from operations amounted to €7.1 billion, down €0.5 billion. This evolution resulted from the €-1.1 billion decrease in operating cash flow, partly offset by a positive variation in change in working capital requirements of €0.5 billion and by slightly lower net interest and tax paid. The positive variation in working capital requirements was mainly due to the variance in commodity related margin calls and financial derivatives for €0.9 billion, partly offset by a €-0.4 billion deterioration in operating working capital change notably due to an increase in Supply inventory partly compensated by a decrease in receivables.

At the end of December 2020, the **net financial debt to EBITDA ratio** amounted to 2.4x, decreasing by 0.1x compared to the end of 2019. The average cost of gross debt was 2.38%, down 32bps compared to the end of 2019. This decrease is mainly explained by the positive effect induced by the deterioration of the exchange rate in Brazil and the lower debt exposure in India, having led to a positive mix effect: the share of average centralised debt, which has a lower rate than the local debts, in the total average debt has increased.
At the end of December 2020, **net economic debt[7] to EBITDA ratio** stood at 4.0x, stable compared with the end of 2019.

ENGIE maintained a strong investment grade rating:
On November 9th Moody's lowered its long-term rating to Baa1 with a stable outlook.
On September 24th Fitch affirmed its long-term rating of A and changed the outlook from stable to negative.
On April 24th S&P lowered its long-term rating to BBB+ and its short-term rating to A-2.

FY 2020 Detailed Financial Review

Revenues of €55.8 billion

Revenues were €55.8 billion, down 7.2% on a gross basis and 5.7% on an organic basis.
The reported revenue decrease includes a negative foreign exchange effect, mainly due to the depreciation of the Brazilian real against the euro and to a lesser extent to the depreciation of the US dollar, Mexican peso and Argentinian peso against the euro only partly offset by an aggregate positive scope effect. Changes in the scope of consolidation included various acquisitions in Client Solutions, primarily in Europe with Powerlines and in the US with Conti, partly offset by the disposals of the stake in Glow in Thailand in March 2019, the B2C Supply activities in the UK at the beginning of 2020 and the coal assets in Germany and the Netherlands.

The organic revenue decrease was primarily driven by the Covid-19 crisis impacting mainly Supply and Client Solutions activities across all geographies. Mild temperature also weighed on revenues from Supply across Europe and in Australia, from French distribution and to a lesser extent from Client Solutions, Asset-based activities.
These impacts have only been partly offset by higher revenues in Brazil thanks to construction revenues of power transmission lines Gralha Azul and Novo Estado and the first full year of operation of Pampa Sul. In France, volume and price effects on power sales also partly offset the decrease in revenues.

EBITDA of €9.3 billion

EBITDA was €9.3 billion, down 10.5% on a gross basis and 6.5% on an organic basis.
These gross and organic variations are overall in line with the current operating income decrease, except for the increase in depreciation attributable to the increase of the nuclear dismantling asset resulting from the triennial review of Belgian nuclear provisions that occurred end of 2019, higher depreciation in nuclear activities linked to LTO works of Belgian first generation reactors and to the accelerated amortization of some gas distribution assets in France. These elements are not taken into account at EBITDA level.
In addition, the *Lean 2021* plan continued to deliver results at EBITDA and COI levels, and is currently slightly above plan.

Current operating income of €4.6 billion

Current operating income amounted to €4.6 billion, down 21.3% on a reported basis and 16.4% on an organic basis.

Organic COI performance varied across segments:

In € million	12/31/2020	12/31/2019	Δ 2020/19 gross	Δ 2020/19 organic
France	2,229	2,862	-22.1%	-22.2%
France excl. Infrastructures	*620*	*905*	*-31.5%*	*-32.0%*
France Infrastructures	*1,609*	*1,957*	*-17.8%*	*-17.8%*
Rest of Europe	648	707	-8.3%	-9.9%
Latin America	1,542	1,696	-9.0%	2.9%
USA & Canada	124	155	-20.3%	-6.3%
Middle East, Asia & Africa	518	619	-16.4%	0.2%
Others	(483)	(221)	-	-
TOTAL	**4,578**	**5,819**	**-21.3%**	**-16.4%**

France reported an organic COI decrease.
For France excluding Infrastructures, the organic decrease was driven by Covid-19 impacts, negative temperature effects on Supply and Client Solutions and lower sell-down margins in Renewables, partly offset by higher hydro prices and higher wind power generation.
For France Infrastructures activities, the decrease was due to lower revenues in distribution mainly impacted by record high winter temperatures, accelerated amortization of assets, adverse impact of Covid-19 on volumes, unfavourable comparison caused by a 2019 year-end positive one-off and lower revenues in regulated storage activities impacted by the new tariffs in effect since April 1st in France.

Rest of Europe showed an organic COI decrease. This decrease was mainly driven by Client Solutions notably in the UK, Benelux, and Italy as a result of the Covid-19 crisis. Supply activities were also negatively impacted by warm temperature and the impact of the Covid-19 crisis which resulted in a drop of consumption of B2B and B2C clients, partly offset by a better performance of Supply in Romania. Networks' contribution decreased in Romania with a negative climate effect, the impact of Covid-19 on volumes and a reduction of the distribution tariff. These negative effects were only partially compensated by Nuclear activities that benefited from higher prices and lower operational expenditures partly offset by lower volumes and higher depreciation and by Thermal activities increased performance thanks to Italy with higher ancillaries received, as well as higher spreads captured throughout Europe.

Latin America reported an organic COI increase. Brazil showed a significant increase mainly thanks to Renewables with the contribution of the "GFOM" compensation gain, and to Networks benefiting from a better performance of TAG and from the construction margin on power transmission lines projects currently under construction. Thermal activities in Brazil were relatively stable, 2019 positive operational one-off being compensated by higher volumes dispatched at higher margins and the first full year of operations for Pampa Sul. Outside Brazil, the organic decrease recorded was mainly due to the positive operational one-off in 2019, to lower power demand and PPA prices in Peru, and to lower gas volumes distributed in Argentina and Mexico in relation with the Covid-19 crisis.

USA & Canada reported an organic COI decrease. Main drivers were Covid-19 impacts in particular in Supply activities and the end of an LNG contract. These headwinds were only partly offset by the contributions of several renewable projects commissioned over the past months and improvement in Thermal activities.

Middle East, Asia & Africa remained organically stable thanks to increasing contribution of Client Solutions, especially Tabreed, district cooling network in the Middle East, a stable contribution of Thermal activities, with a downside in Australia mainly driven by lower prices being fully compensated by the good performance of assets in the Middle East, as well as decreasing contributions of Supply activities in Africa and of Networks in Thailand in relation to the oil price decrease.

Others organic COI decreased significantly. This decrease was mainly due to Covid-19 impacting SUEZ, Entreprises & Collectivités (which was also impacted by temperatures) and GEM, to 2019 positive one-offs following the partial sale of a gas supply contract, to new businesses and to Tractebel. These negative impacts were partly offset by the good contribution of GTT and a strong performance of GEM's market activities in the context of important volatility, mainly in H1.

Net recurring income Group share of €1.7 billion
Net income Group share of €(1.5) billion

In € billion	2020
NRIgs	**1.7**
Impairment & Others	(4.7)
Restructuring costs	(0.3)
Capital gains	1.6
Commodities MtM	0.2
NIgs	**(1.5)**

Net recurring income Group share amounted to €1.7 billion compared to €2.7 billion at 31 December 2019. This decrease was mainly due to the decline in current operating income and the increase of recurring financial charges as well as to the increase in the recurring effective tax rate from 28.2% to 32.5%.

Net income Group share amounted to negative €1.5 billion, down €2.5 billion as a result of the decrease in net recurring income Group share, higher net impairment losses (of €3.6 billion in total) mainly relating to change in lifetime assumption for Belgian nuclear reactors and changes in the commodity price scenario for nuclear assets (€2.9bn), and the extension of fair value accounting to an European gas contract and its related assets (€0.5bn).

****

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

The Group's consolidated accounts and the parent company financial statements for ENGIE SA as of December 31, 2020 were approved by the Board of Directors on February 25, 2021.
The statutory auditors' audit procedures on the consolidated financial statements have been performed. The certification report will be issued after finalization of the verification relating to the management report and on the presentation in the format provided for by the ESEF Regulation (European Single Electronic Format) of the accounts to be included in the annual financial report.

The complete notice of the Annual General Meeting, draft resolutions will be published on March 10, 2021.

UPCOMING EVENTS

May 18, 2021	Publication of Q1 financial information and Strategic update
May 20, 2021	Annual General Meeting
May 26, 2021	Payment of the dividend for the fiscal year 2020
July 30, 2021	Publication of H1 financial results
November 10, 2021	Publication of 9M financial information

Footnotes

[1] Net of DBSO (Develop, Build, Share and Operate) and US tax equity proceeds

[2] Current Operating Income (COI) definition excludes the non-recurring share in net income of equity method entities

[3] Main assumptions for these targets and indications: average weather in France for 2021, full pass through of supply costs in French regulated gas tariffs, no major regulatory or macro-economic changes, no change in Group accounting policies, market commodity prices as of 12/31/2020, average forex for 2021: €/$: 1.23; €/BRL: 6.27, up to 100 M€ dilution effect at the COI level from c. €2bn disposals in addition to previously signed transactions. Projections assumes no additional stringent lockdowns and a gradual easing of restrictions over 2021

[4] Organic variation: gross variation without scope and foreign exchange effect

[5] Cash flow from operations = Free Cash Flow before maintenance Capex

[6] Develop, Build, Share and Operate

[7] Economic net debt amounted to EUR 37.4 billion at the end of December 2020, down €3.7 billion compared with the level at end of December 2019; it includes, in particular, nuclear provisions and post-employment benefits

****

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 unfavourable impact on ENGIE.

About ENGIE

Our group is a global reference in low-carbon energy and services. Together with our 170,000 employees, our customers, partners and stakeholders, we are committed to accelerate the transition towards a carbon-neutral world, through reduced energy consumption and more environmentally-friendly solutions. Inspired by our purpose ("raison d'être"), we reconcile economic performance with a positive impact on people and the planet, building on our key businesses (gas, renewable energy, services) to offer competitive solutions to our customers.

Turnover in 2020: 55.8 billion Euros. 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 REPORTING SEGMENT AND BY BUSINESS LINE

Contributive revenues, after elimination of intercompany operations, by reporting segment:

Revenues *In € million*	**Dec. 31, 2020**	**Dec. 31, 2019**	**Gross variation**	**Organic variation**
France	20,295	21,423	-5.3%	-6.7%
France excl. Infrastructures	*14,856*	*15,854*	*-6.3%*	*-8.2%*
France Infrastructures	*5,439*	*5,569*	*-2.3%*	*-2.4%*
Rest of Europe	15,655	17,267	-9.3%	-8.2%
Latin America	4,774	5,341	-10.6%	+4.4%
USA & Canada	4,229	4,457	-5.1%	-6.2%
Middle East, Africa & Asia	2,382	2,937	-18.9%	-8.6%
Others	8,417	8,633	-2.5%	-2.7%
ENGIE Group	**55,751**	**60,058**	**-7.2%**	**-5.7%**

Revenues for **France** decreased by 5.3% on a gross basis and by 6.7% on an organic basis.
For France excluding Infrastructures, revenues decreased by 6.3% on a gross basis and by 8.2% on an organic basis. The organic drop is driven by Client Solutions affected by the Covid-19, temperature and prices, by Supply, with negative volume and price effects on gas sales, impacted by Covid-19 and warm temperatures in H1, only partially compensated by positive volume and price effects on power sales. 2019 year-end acquisitions in Client Solutions (in particular Powerlines and Pierre Guerin), and good performance of Renewables partly offset this organic decrease.
For France Infrastructures, revenues decreased by 2.3% on a gross basis and by 2.4% on an organic basis. The decrease was driven by gas distribution activities, which were mainly impacted by record high winter temperatures, the adverse impact of the Covid-19 on volumes and civil works revenues, as well as by lower revenues in storage activities impacted by the new French ATS2 tariff since April 1st. These elements were partly offset by 2019 and 2020 tariff moves in transmission and distribution activities, and by higher volumes in regasification.

Revenues for **Rest of Europe** were down 9.3% on a gross basis and 8.2% on an organic basis.
On a gross basis, this decrease was mainly driven the disposal of the B2C supply business in the UK at the beginning of the year and of coal assets in Germany & in the Netherlands at the end of 2019.
On an organic basis, this decrease was mainly driven by Supply, impacted by the negative volume effects due to mild temperature and lower consumption related to the Covid-19, by Client Solutions activities, affected by the business contraction resulting from the Covid-19 mainly in Belgium and in the UK as well as Thermal activities.

Revenues for **Latin America** decreased by 10.6% on a gross basis and increased by 4.4% on an organic basis.
The reported decrease includes the negative foreign exchange effects in Brazil with an average EUR/BRL depreciated by 34%, and negative foreign exchange effects in the rest of Latin America (depreciation of US dollar, Argentinian and Mexican pesos). In Brazil, revenues grew organically thanks to construction revenues ramp up of Gralha Azul and Novo Estado power transmission lines (Networks) and thanks to Pampa Sul first

full year of operation (Thermal). In other countries of Latin America, revenues decreased organically mainly due to lower activities following the impact of the Covid-19 in Thermal and in Asset-light Client Solutions. In addition, revenues were negatively impacted by lower commodities prices in Thermal in Chile, lower PPA prices in Peru and by lower prices in B2B gas supply (with no impact on COI) in Mexico.

Revenues for **USA & Canada** were down 5.1% on a gross basis and 6.2% on an organic basis.
The reported decrease was mainly driven by the expiry of a legacy LNG contract in 2019, the Covid-19 impacting Client Solutions and Supply activities, and negative foreign exchange effects. This drop was partly offset by the positive scope-in effects in 2020 relating to recent acquisitions in Client Solutions in particular Conti and by higher revenue from US universities and Renewable projects which are accelerating.

Revenues for **Middle East, Africa & Asia** were down 18.9% on a gross basis and 8.6% on an organic basis.
The reported decrease was mainly due to the disposal of Glow (Thailand) in March 2019 and negative foreign exchange effects. Organically, Thermal decreased mainly due to the expiry of a PPA in Turkey and negative price effects in Asia-Pacific. Client Solutions and Supply activities were both impacted by Covid-19 in Australia in addition to mild weather negatively affecting Supply.

Revenues for the **Others segment** decreased by 2.5% on a gross basis and by 2.7% on an organic basis.
This decrease was mainly driven by GEM with the reduction of gas prices in market operations as well as the 2019 positive one-off following the partial sale of a gas supply contract. Lower sales in E&C due to the Covid-19 and to mild climate were compensated to a large extent by the growth of the portfolio. These impacts were partly offset by higher revenues from GTT resulting from the historical growth of the order book intake.

Contributive revenues, after elimination of intercompany operations, by business line:

Revenues *In € million*	**Dec. 31, 2020**	**Dec. 31, 2019**	**Gross variation**	**Organic variation**
Renewables	2,462	2,717	-9.4%	+6.8%
Networks	6,683	6,556	+1.9%	+4.2%
Client Solutions	20,101	20,957	-4.1%	-6.4%
Thermal	3,169	4,060	-21.9%	-12.5%
Supply	20,909	22,385	-6.6%	-4.9%
Nuclear	39	41	-3.9%	-3.9%
Others	2,388	3,343	-28.6%	-27.3%
ENGIE Group	**55,751**	**60,058**	**-7.2%**	**-5.7%**

APPENDIX 2: COMPARABLE BASIS ORGANIC GROWTH ANALYSIS

In € million	Dec. 31, 2020	Dec. 31, 2019	Gross/organic variation
Revenues	**55,751**	**60,058**	**-7.2%**
Scope effect Exchange rate effect	-689	-594 -1,052	
Comparable basis	**55,062**	**58,412**	**-5.7%**

In € million	Dec. 31, 2020	Dec. 31, 2019	Gross/organic variation
EBITDA	**9,276**	**10,366**	**-10.5%**
Scope effect Exchange rate effect	-139	-229 -366	
Comparable basis	**9,137**	**9,771**	**-6.5%**

In € million	Dec. 31, 2020	Dec. 31, 2019	Gross/organic variation
Current operating income	**4,578**	**5,819**	**-21.3%**
Scope effect Exchange rate effect	-122	-198 -293	
Comparable basis	**4,456**	**5,328**	**-16.4%**

The calculation of organic 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 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.