



H1 2017 RESULTS

July 28th, 2017



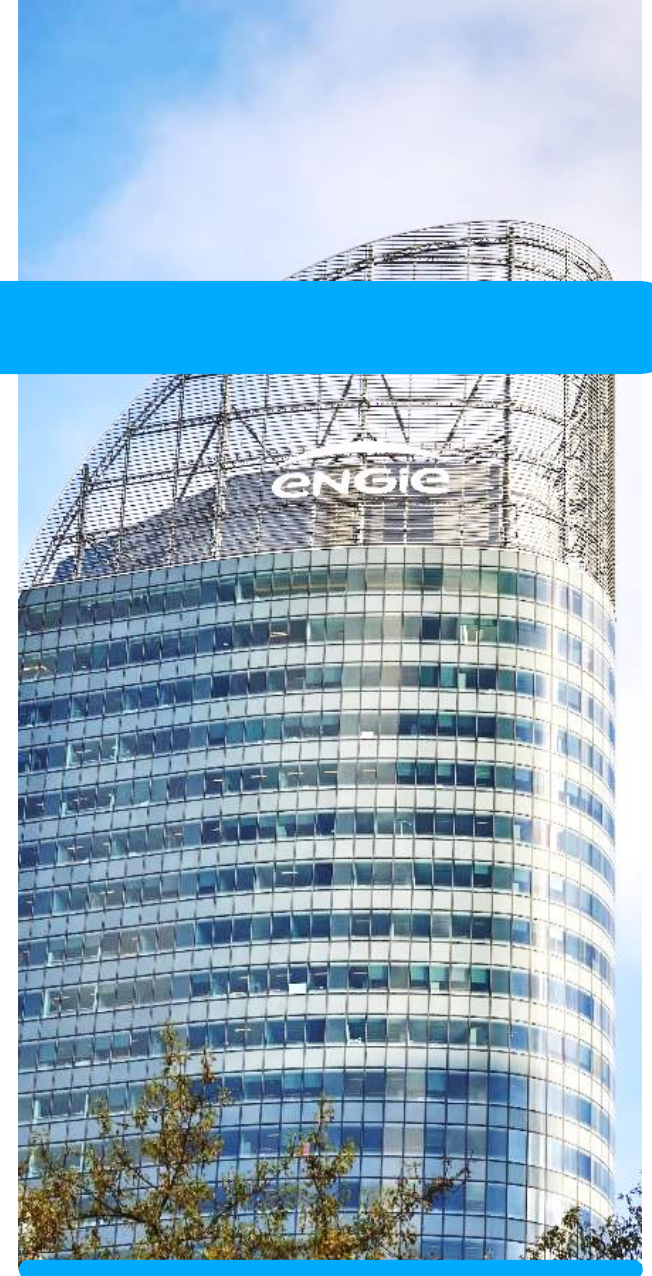
AGENDA

Solid H1 2017, in line with guidance

Transformation plan key metrics

Strong financial results:
all growth engines contributing

2017 outlook & conclusion:
FY guidance confirmed



KEY MESSAGES

—



H1 2017 in line with guidance; FY guidance confirmed



Transformation plan ahead of schedule



**Growth engines already 90% of EBITDA,
growing significantly (+5.4% yoy)**



Dynamic commercial development securing future growth

SOLID H1 RESULTS; IN LINE WITH FULL YEAR GUIDANCE

E&P IFRS 5 treatment
(Discontinued operations)

H1 RESULTS	€bn	%Δ Gross	Scope out (in €bn)	%Δ Organic	o/w growth engines ⁽¹⁾
EBITDA	5.0	-0.1%	-0.2	+4.0%	+5.4%
COI ⁽²⁾	3.0	-4.4%	-0.2	+2.5%	+4.7%
NRIGs	1.5 o/w E&P disc 0.1	+4.2%	-0.2	+15.5%	
					
FY GUIDANCE					
NRIGs	2.4-2.6	=	-0.3	+13.6% ⁽³⁾	

Full year guidance confirmed, mid-range targeted

(1) Unaudited figures for split growth engines / merchant
(2) Including share in net income of associates

(3) Organic growth on mid-range

AHEAD OF SCHEDULE ON TRANSFORMATION PLAN

More agile, refocused on growth engines: on the path of growth



**REDESIGN
AND SIMPLIFY
THE PORTFOLIO**

- Rotation program well advanced **73%**
- Investment program well engaged **85%**
- Growth engines already account for **90%** of EBITDA

Refocus on
growth engines



**PAVE THE WAY
FOR THE FUTURE**

- Acquisitions on new promising markets (EV Box, Icomera)

Additional medium
term growth drivers



**IMPROVE
EFFICIENCY**

- Lean 2018: identified **90%**
- SG&A down yoy **-3%**

Improve
competitiveness



**ADAPT
THE GROUP**

- New incentive policy for top executives growth focused
- Ongoing headcounts reduction at HQ

Agile
organization

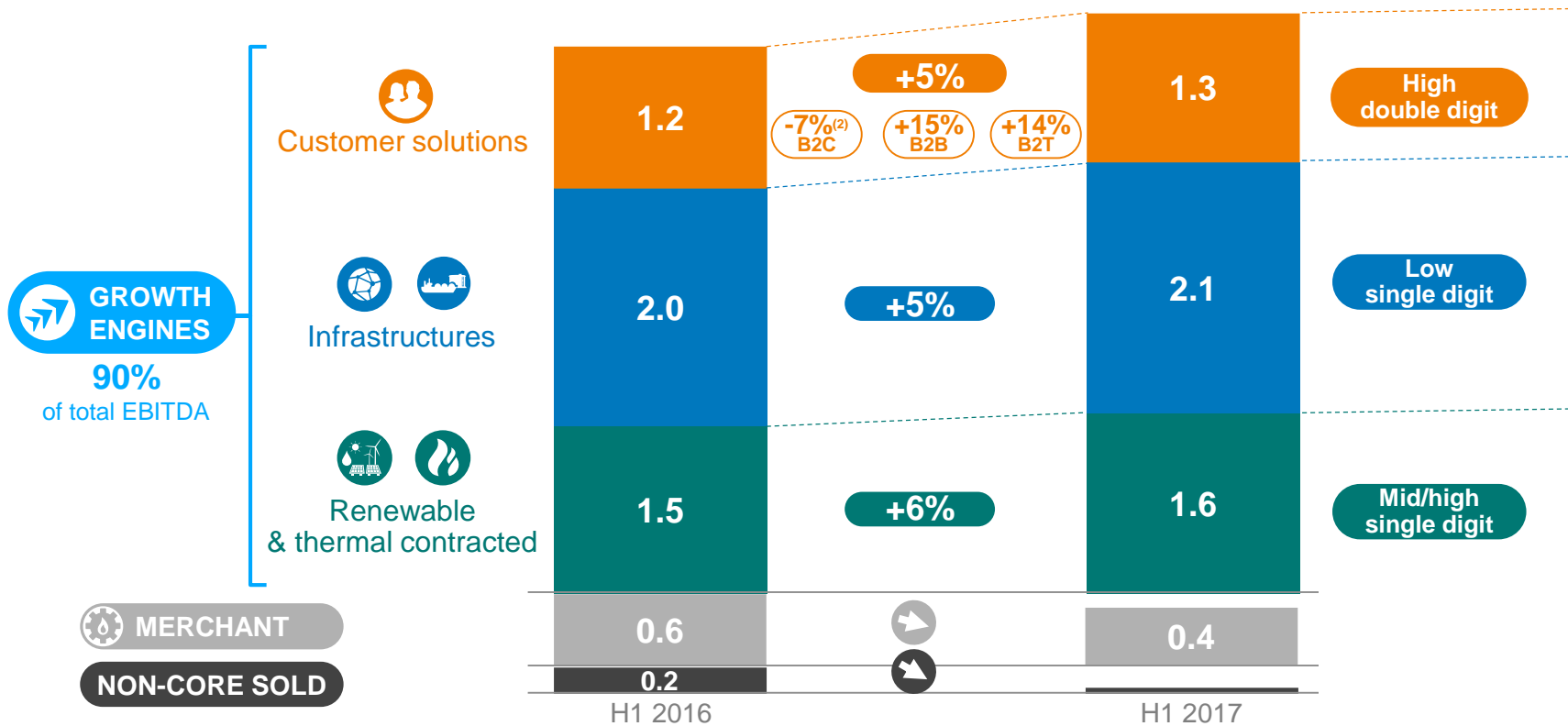
SOLID H1 2017, IN LINE WITH GUIDANCE

STRONG PERFORMANCE OF GROWTH ENGINES COMPENSATING FOR MERCHANT AND DISPOSALS

EBITDA⁽¹⁾

in €bn, unaudited figures

FULL YEAR OUTLOOK




(1) Figures excluding unallocated corporate costs
 (2) Impacted by temperature & one-offs

DYNAMIC DEVELOPMENT SECURING FUTURE GROWTH

 RES + Thermal contracted

▶ €1.6bn of EBITDA in H1


Operational performance

- Strong performance driven by new capacities and price effects (Latin America and Middle East)
- Renewables volumes significantly down yoy (hydro, wind)
- Darwin digital platform: 7.5 GW RES to be connected by 2019


Capacities under construction

- 1.4 GW of renewables
 - Solar: 0.7 GW
 - Wind: 0.6 GW
 - Geothermal: 0.1 GW
- 2.8 GW of gas capacities


Growth pipeline

- Acquisitions in wind and solar (La Compagnie du Vent, Unisun)
- Strong pipeline of renewable projects



DYNAMIC DEVELOPMENT SECURING FUTURE GROWTH

INFRASTRUCTURES

▶ €2.1bn of EBITDA in H1



Operational performance

- Tariff increases driving French gas distribution performance
- Strong growth from international gas networks (Thailand, Mexico, Argentina)



Regulatory environment

- France
 - Regulated activities: visibility until 2020
 - Storage: regulation under discussion
- Outside France
 - Romania: tariff review in 2018
 - Mexico & Argentina: 5-year visibility after recent tariff reviews



Ongoing developments

- Acquisition of Elengy by GRTgaz⁽¹⁾
- Financing of Nord Stream 2
- Cameron LNG under construction
- TEN project in Chile: COD in H2




(1) Signing occurred in July 2017

DYNAMIC DEVELOPMENT SECURING FUTURE GROWTH

 CUSTOMER SOLUTIONS

B2C ▶ €0.5bn of EBITDA in H1



Operational performance

Strong growth from services through cross- and up-selling

Good underlying performance offset by one-offs

Negative impact from temperature in France




Commercial development⁽¹⁾

Continuous customers acquisitions in French power **+11%**

Limited decrease in French gas market share

Strong growth in services contracts driven by innovative offers



New offers

Green mobility offers
Electricity self-consumption

Market entry in the UK in May

Digital platforms (50five, Ajusto)




(1) Contracts / Clients variations compared to 31 December 2016



DYNAMIC DEVELOPMENT SECURING FUTURE GROWTH

 **CUSTOMER SOLUTIONS**

B2B ▶ **€0.5bn of EBITDA in H1**



Operational performance

Margin improvement on energy supply driven by restructuring effort

.....

Improved EBIT margin in France



Business development

Backlog installation in France €4.0bn (+4% yoy)

.....


Biomass cogeneration in Switzerland for DSM nutritional

.....

Installation HVAC for 4 XXL cruise ships

.....

Acquisition of IBS AV in Australia



New offers

Acquisition of Keepmoat in UK (building regeneration)

.....


20-year PPP contract for Amiens sport center (France)



DYNAMIC DEVELOPMENT SECURING FUTURE GROWTH

 **CUSTOMER SOLUTIONS**

B2T ▶ **€0.3bn of EBITDA in H1**



Operational performance

Strong performance from heating and cooling networks

Development of B2T capabilities throughout the Group




Business development

Contract with Ohio State University (concession value \$1.2bn)

Contract with Transport For London (500 locations)

District cooling networks: N°1 worldwide following Tabreed acquisition



New offers

Electric vehicle charging services (>50k charging stations)

Onboard communication solutions for public transports (Icomera acquisition, world leader)


Airports development (infrastructures & services)



DYNAMIC DEVELOPMENT SECURING FUTURE GROWTH

 **MERCHANT**

▶ €0.4bn of EBITDA in H1




Operational performance

- Impact from lower achieved prices partly offset by better spreads
- All Belgian nuclear plants now running
- Thermal load factors improvement
- Strong contribution from capacity based & contracted revenues



Regulatory environment

- Energy transition policies: potential upsides on carbon pricing
- Need for new capacity remuneration mechanisms to ensure security of supply



Ongoing developments

- NuGen exit
- No investment in nuclear new build
- UK & Australian thermal assets under strategic review



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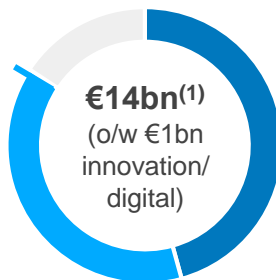
STAYING AHEAD OF SCHEDULE ON TRANSFORMATION PLAN

2016-18 TARGET



GROWTH CAPEX

~85%



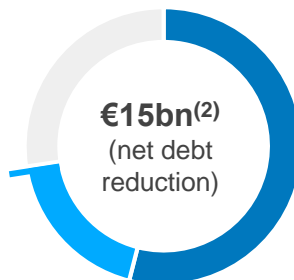
€6.4bn⁽¹⁾ invested

+~€5.4bn⁽¹⁾ committed

Focus on growth engines & value creation

PORTFOLIO ROTATION

73%



€8.1bn⁽²⁾ closed

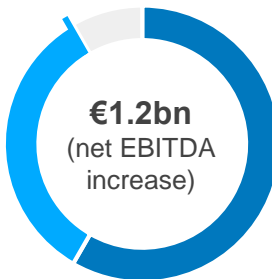
+€2.8bn⁽²⁾ signed

Reduce exposure to coal & merchant assets



LEAN 2018

90%



€0.7bn achieved

+€0.4bn identified

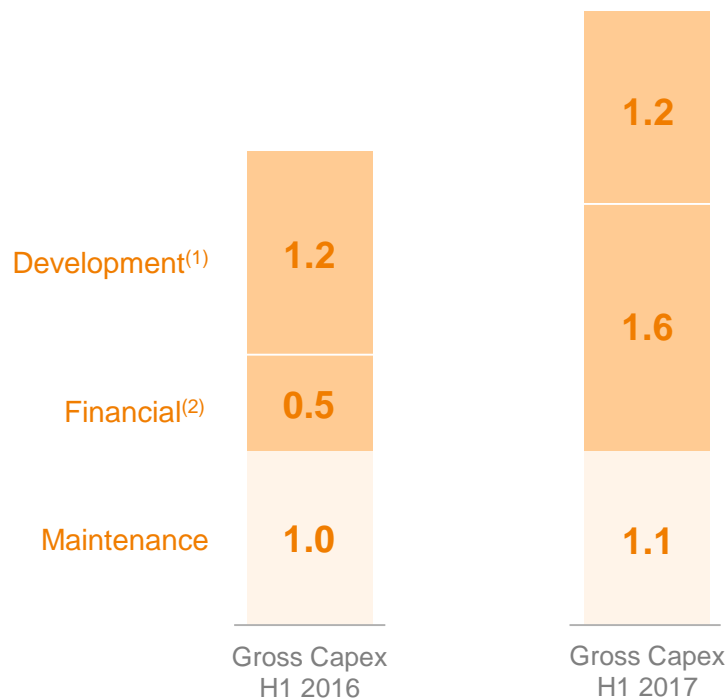
Accelerate internal transformation

(1) Excluding E&P Capex
(2) Net debt impact (cash and scope)

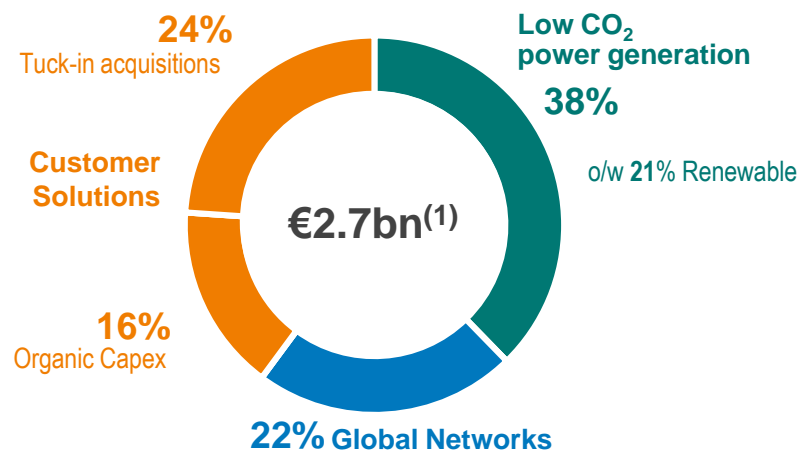
€2.7BN GROWTH CAPEX ON CORE STRENGTHS

BREAKDOWN BY NATURE

In €bn



GROWTH CAPEX BY METIERS



MAIN PROJECTS

Project	In €bn
Brazil	~0.3
La Compagnie du Vent (minority buy-out)*	~0.2
Chile	~0.2
Solairedirect	~0.1
GRTgaz	~0.2
Nord Stream 2*	~0.2
GRDF	~0.1
Suez Capital increase*	~0.2
Tuck-in (Keepmoat, Icomera, EV Box)*	~0.6

* Financial Capex

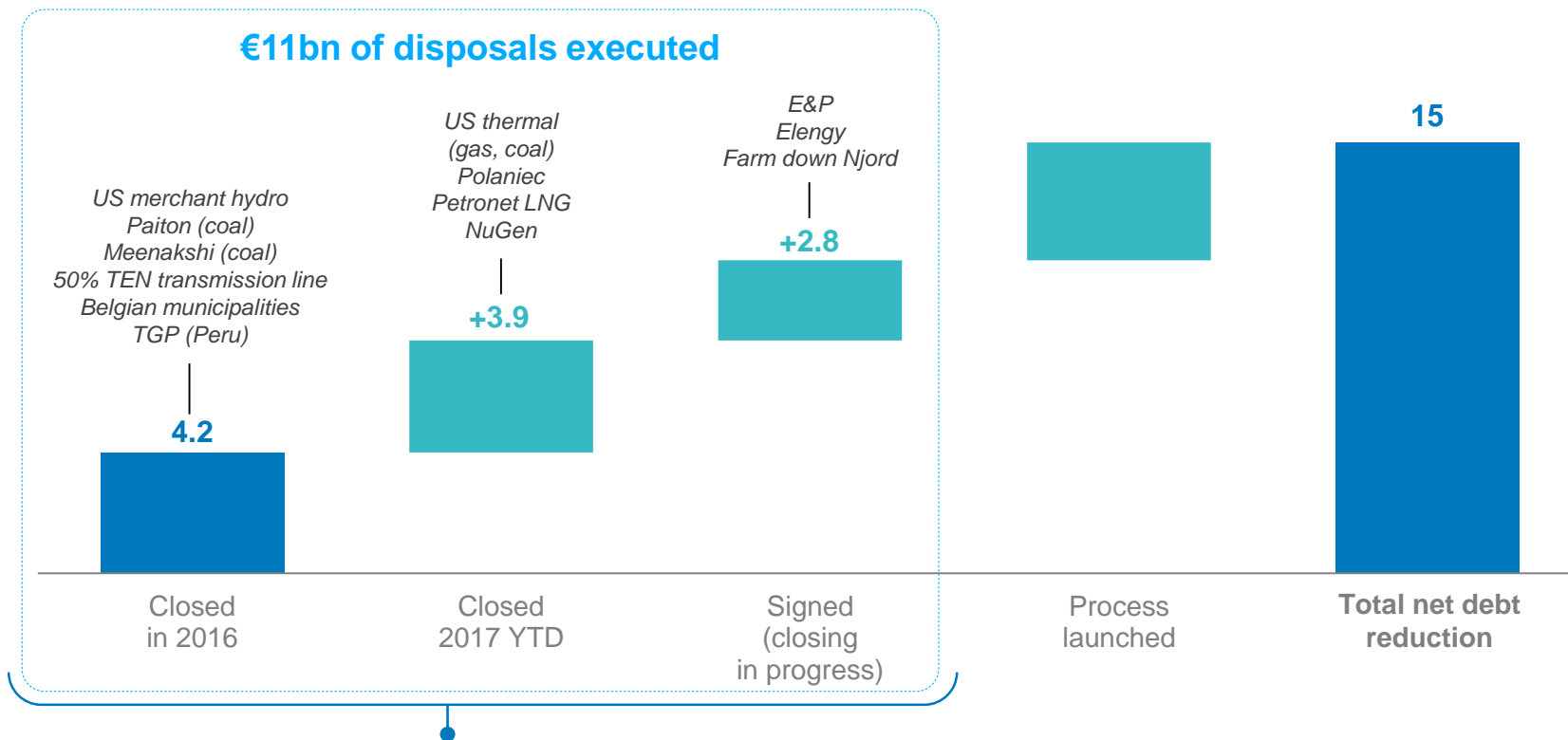
(1) Net of DBSO proceeds

(2) Mainly acquisitions, capital increases, investments in associates

SIGNIFICANT PROGRESS MADE ON PORTFOLIO ROTATION

AHEAD OF PLAN WITH ALREADY 73% EXECUTED TO DATE

Net debt impact, in €bn



Limited NRIs dilution ~0.2bn⁽¹⁾

(1) Full year impact



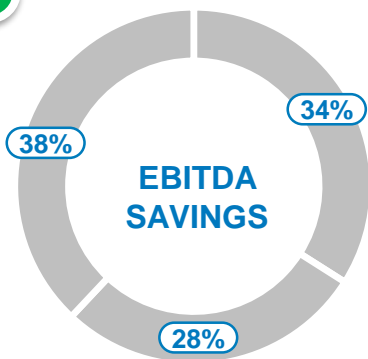
LEAN 2018: ALIGNING COST BASE WITH STRATEGY

INTENSITY OF SAVINGS TAILORED TO BUSINESS DYNAMICS

Radical changes
in market environment

HIGH

- GEM
- LNG
- Generation EU
- Benelux
- Corporate



Significant
step-up to improve
competitiveness

MEDIUM

- France B2C
- France renewables
- Other Europe
- North America
- Latin America
- MESCAT

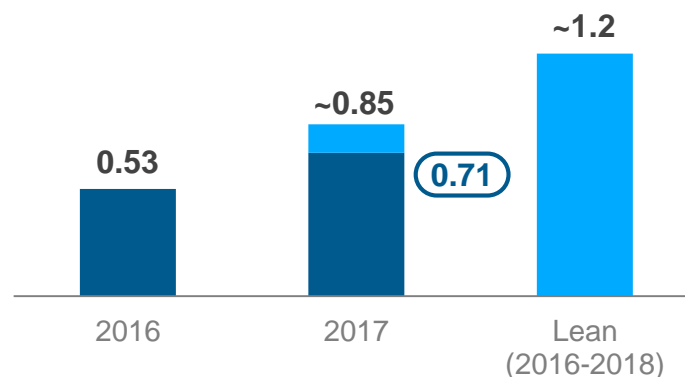
Continuously managed
and controlled growth

MODERATE

- France Infrastructures
- France B2B, France Networks
- Africa, China
- UK
- GTT, Tractebel

60% OF €1.2BN TARGET ACHIEVED

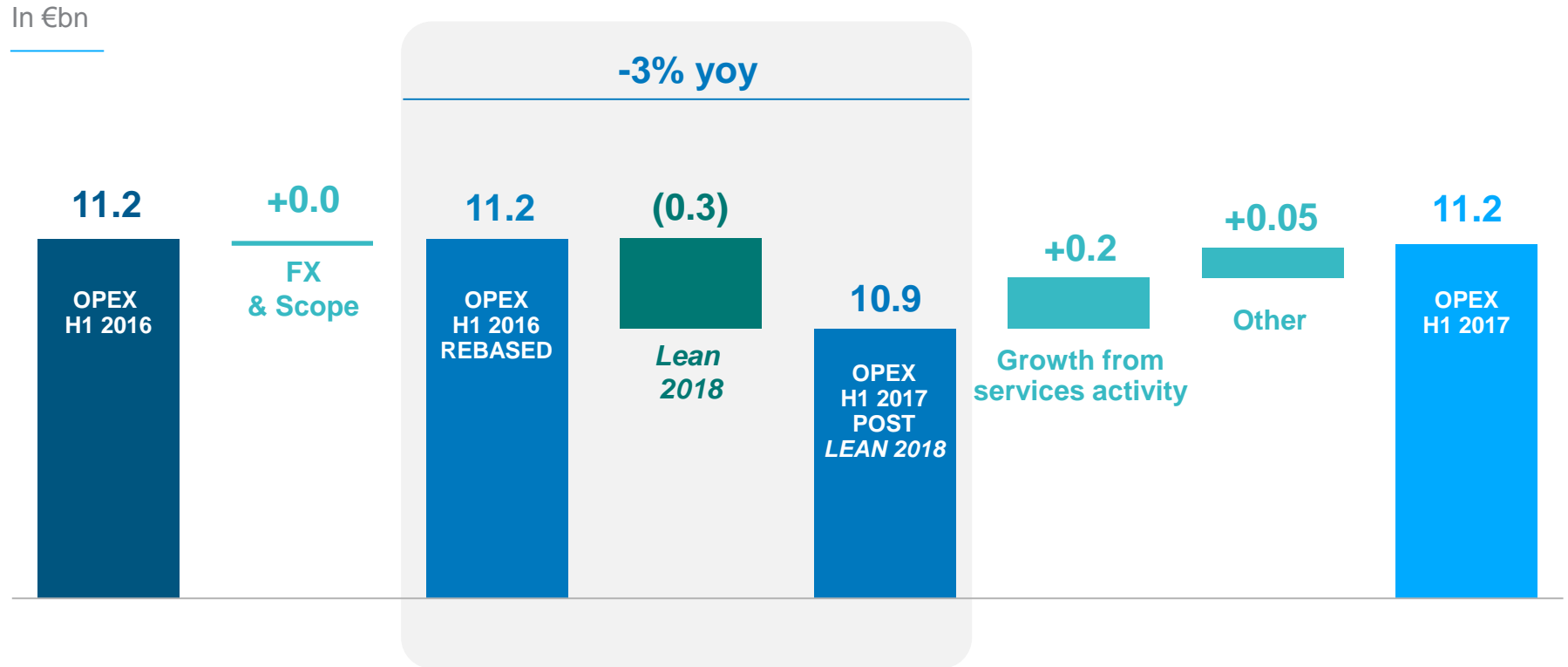
Net EBITDA increase, in €bn



- H1: 30% G&A / 70% Operational efficiency
- HQ reorganization
- Restructuring of loss-making activities

Driving internal transformation

COST BASE BENEFITING FROM *LEAN 2018* SAVINGS



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IFRS 5 TREATMENT RELATED TO THE SALE OF E&P

E&P CLASSIFIED AS “DISCONTINUED OPERATIONS” AS FROM MAY 11TH, 2017

Impact on 2017 figures

- **As from January 1st, 2017 (retroactive):**
 - ▶ No longer contributing to revenues, EBITDA, COI
 - ▶ Net income and cash flows reported separately as « discontinued operations »
- **As from May 11th, 2017 (not retroactive):**
 - ▶ D&A deconsolidated
 - ▶ Assets reported separately as « assets classified as held for sale » (same for liabilities)

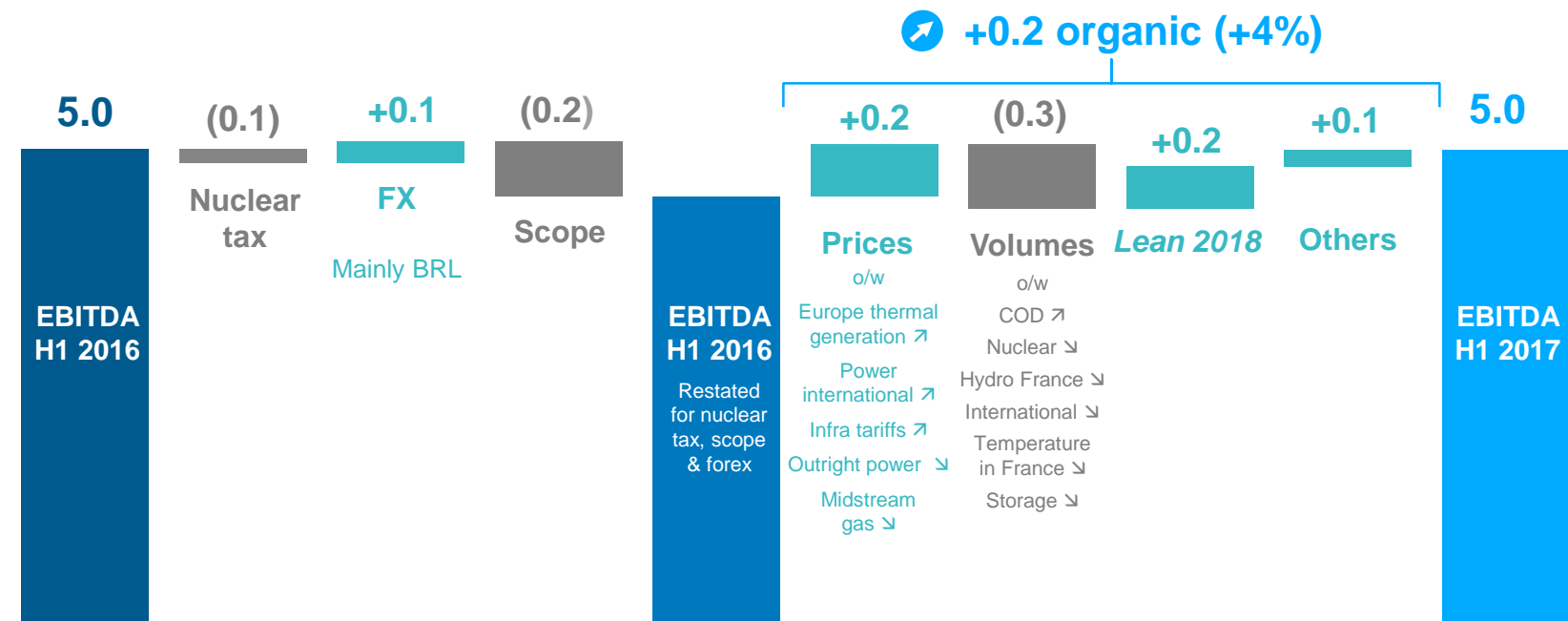
Impact on 2016 figures

- **P&L** and **CFS** ▶ restated
- **B/S** ▶ not restated

ALL GROWTH ENGINES CONTRIBUTING

By main effect
In €bn

RES & Thermal Contracted: +0.0
Infrastructures: +0.1
Customer Solutions: +0.1
Merchant & Corporate: -0.0



By reportable segment⁽¹⁾

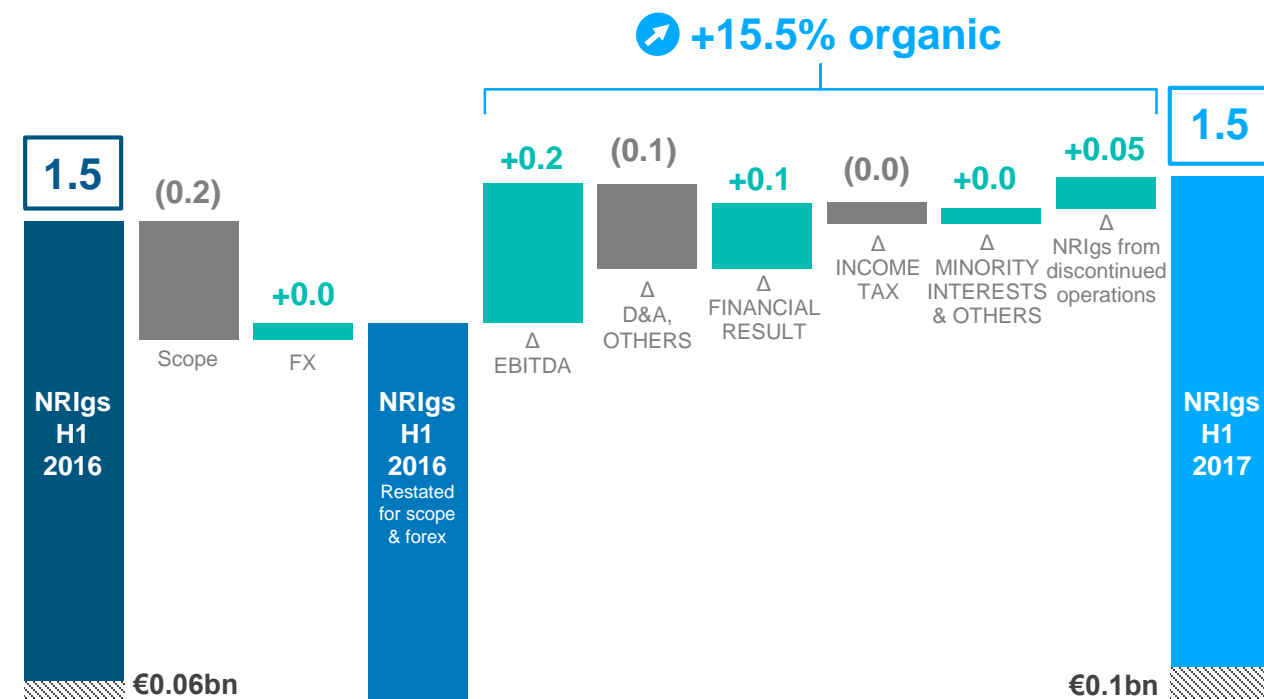
- ↗ NORTH AMERICA
- ↗ LATIN AMERICA
- ↗ AFRICA/ASIA
- ↘ BENELUX
- ↘ FRANCE
- ↗ EUROPE excl. France & Benelux
- ↗ INFRASTRUCTURES EUROPE
- ↘ GEM & LNG
- ↗ OTHER

(1) Organic variation



— STRONG FINANCIAL RESULTS: ALL GROWTH ENGINES CONTRIBUTING STRONG ORGANIC GROWTH IN H1 IN LINE WITH FULL YEAR GUIDANCE

In €bn



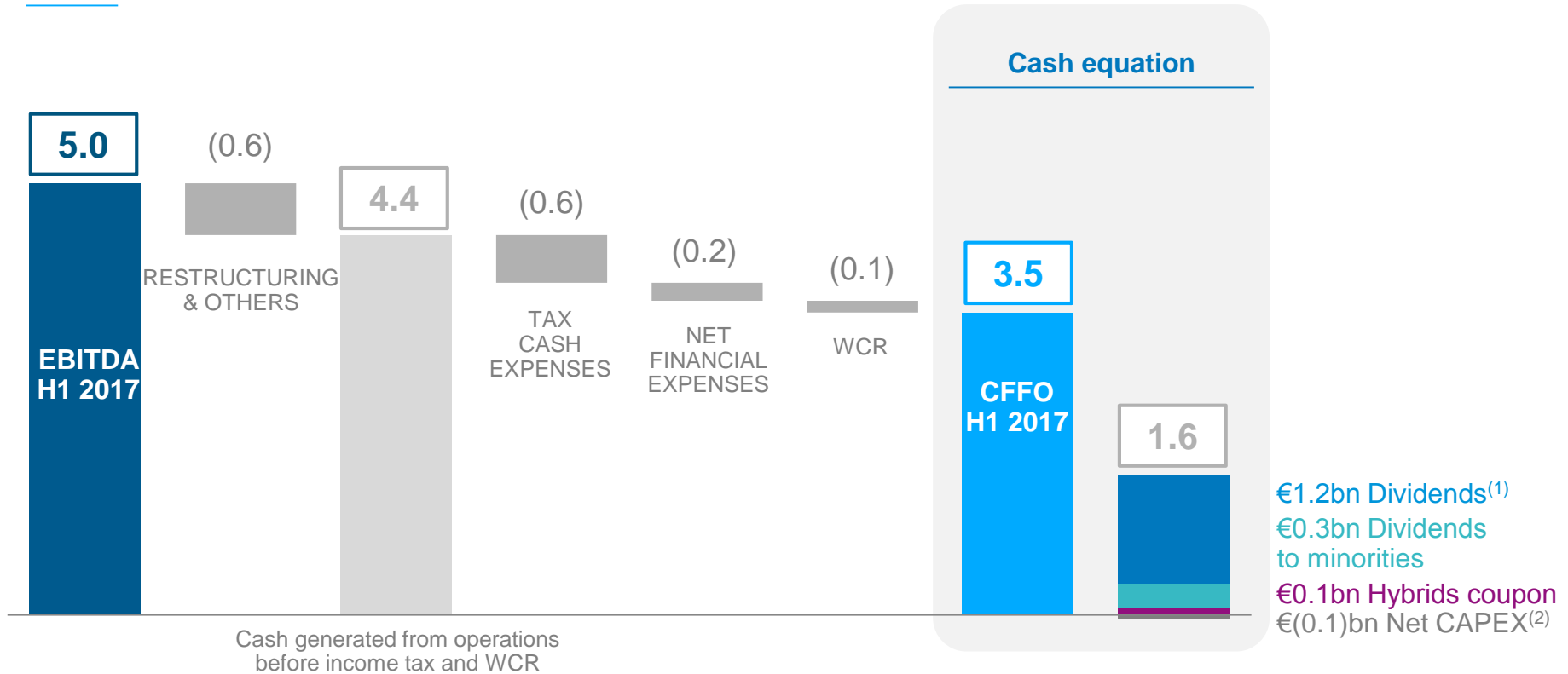
NRIGs H1 2017	€1.5bn
MtM below COI	(0.8)
Impairments	ns
Restructuring costs	(0.5)
Perimeter	+0.9
Others	+0.1
NIgls⁽¹⁾ H1 2017	€1.3bn

NRIGs from discontinued operations

(1) Net Income Group share

SOUND CASH FLOW GENERATION

In €bn



Cash flow generation to further strengthen in H2

(1) Including French tax on dividend for €0.04bn
 (2) Net CAPEX = gross CAPEX – disposals (cash and scope impact on net debt)



STRONG FINANCIAL STRUCTURE

— Net debt further reduced

— Sound cash flow generation: €3.5bn

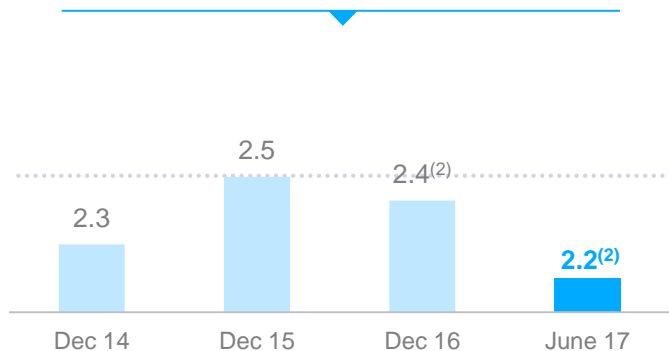
— Portfolio rotation program: €3.9bn⁽¹⁾: US thermal assets, Polaniec, Petronet LNG and Opus closed in H1

— Average net debt maturity: 9.8 years

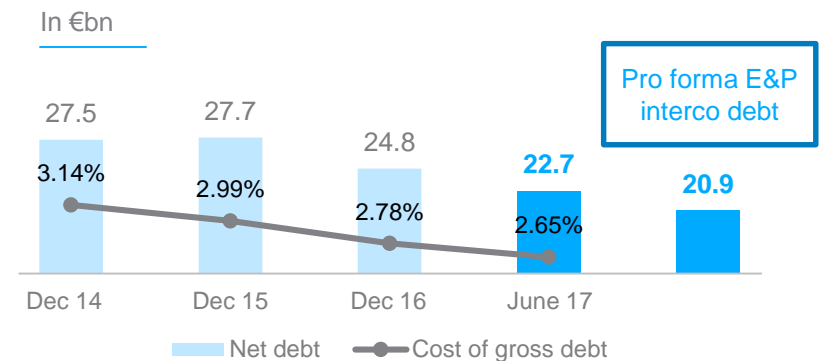
— Continuous decrease in average cost of gross debt

— Rating confirmed (A- / A2) in Q2

NET DEBT/EBITDA ≤ 2.5X



FURTHER DECREASE IN NET DEBT & COST OF GROSS DEBT



(1) Cash and scope impacts

(2) Net debt pro forma E&P interco debt

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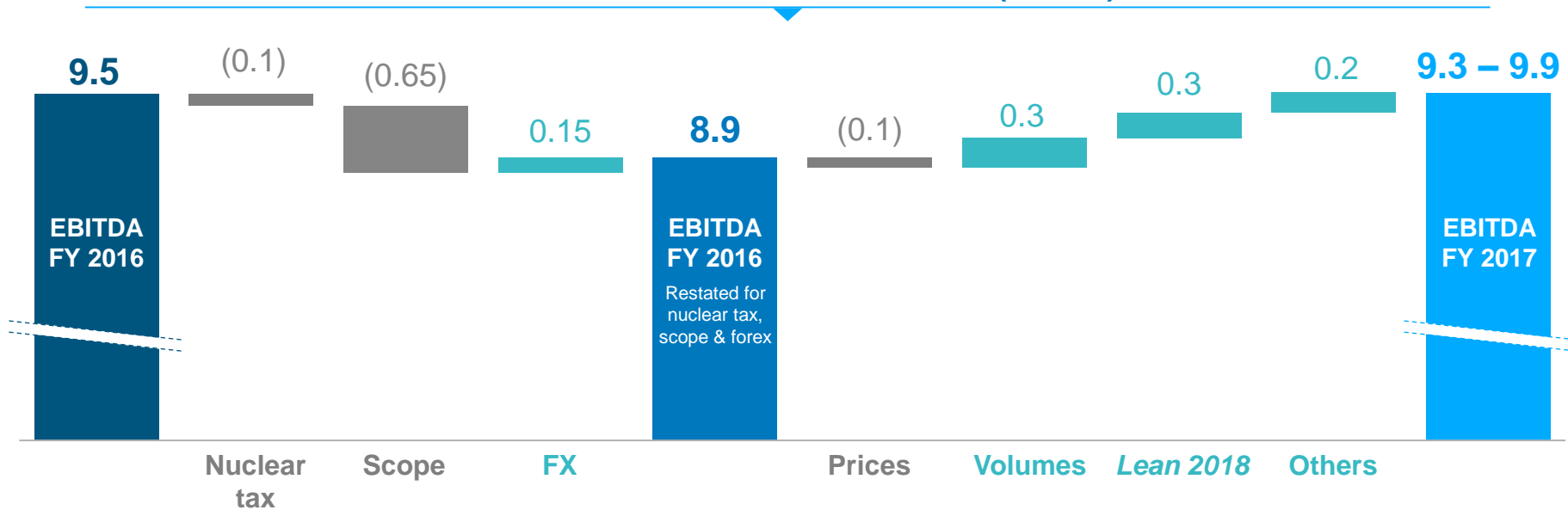
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2017 EBITDA INDICATION RESTATED FOR E&P DISPOSAL

Initial indication⁽¹⁾ restated for E&P (IFRS 5)



Updated view at end June 2017 (IFRS 5)



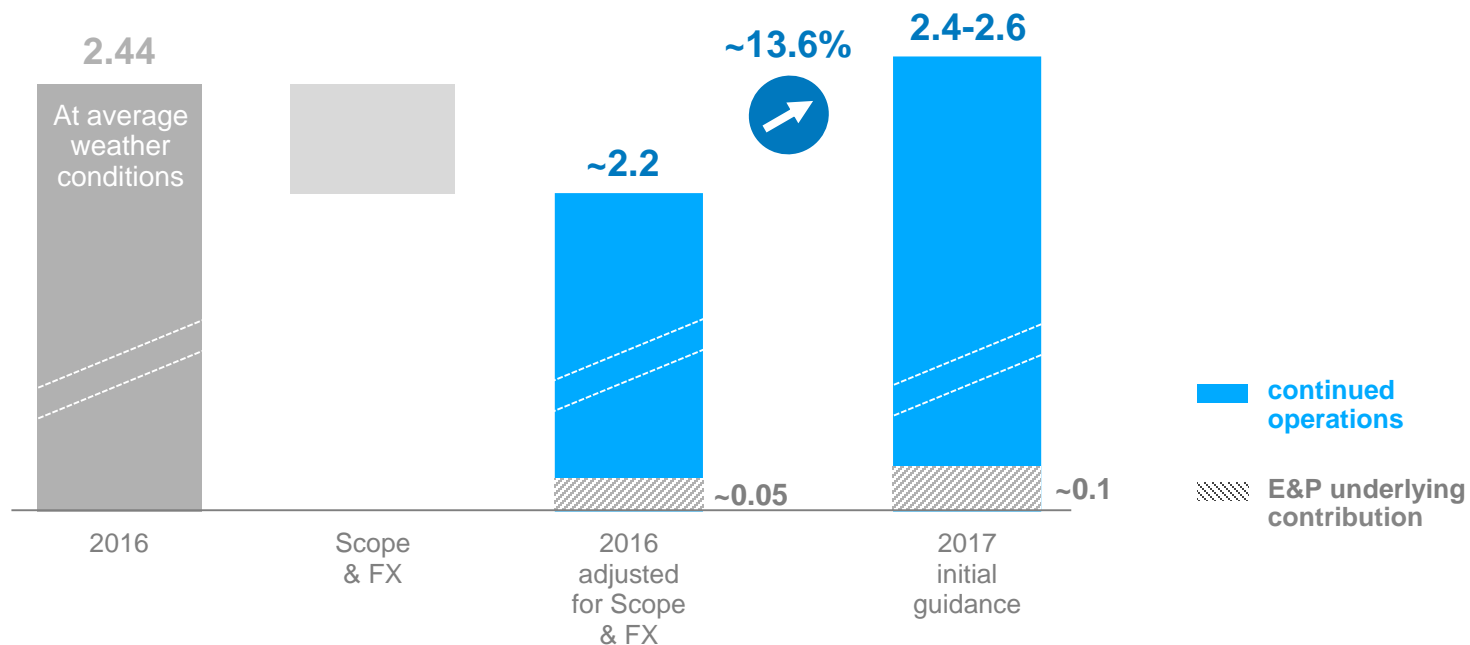
(1) See slide 26 from FY2016 Results presentation



GUIDANCE CONFIRMED: MID-RANGE TARGETED

NRIGs⁽¹⁾ €2.4-2.6bn **initial guidance confirmed, mid-range targeted⁽²⁾**
 o/w €0.1bn from E&P underlying contribution⁽²⁾

In €bn



(1) This target assumes average weather conditions in France, full pass through of supply costs in French regulated gas tariffs, and unchanged Group accounting principles for supply and logistic gas contracts no significant regulatory and macro-economic changes, commodity price assumptions based on market conditions as of December 31st, 2016 for the non-hedged part of the production, and average foreign exchange rates as follows for 2017: €/€: 1.07; €/BRL: 3.54. These financial objectives include the impact of the Belgian nuclear contribution on EBITDA and do not consider significant impacts of disposals not yet announced as at March 2nd, 2017 (date of annual results publication)

(2) Excluding the D&A upside from the IFRS 5 accounting treatment: E&P business now classified as "discontinued operations" with D&A no longer booked as from May 11th, 2017

CONCLUSION

KEY TAKE-AWAYS

Solid H1 2017 results; FY guidance confirmed

Transformation plan ahead of schedule

Favorable momentum on growth engines

Disclaimer

Forward-Looking statements

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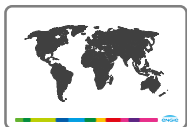


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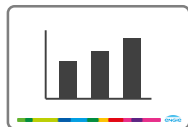


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Presentation



Appendices



Press
Release



Recorded
conference
audiocast



Financial
report



Analyst
pack