



# FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2017



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## KEY MESSAGES

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**9M 2017 in line with expectations; FY guidance confirmed**



**Transformation ahead of plan  
Agreement reached for the sale of LNG BU**



**Strong contribution from growth engines (+4.6% yoy)  
Acceleration on Customer Solutions (+9% yoy)**

# 9M RESULTS IN LINE WITH EXPECTATIONS FULL YEAR GUIDANCE CONFIRMED

E&P IFRS 5 treatment  
(Discontinued operations)

9M RESULTS	€bn	Δ Gross	o/w growth engines <sup>(1)</sup>	Scope out (in €bn)	Δ Organic
EBITDA	6.6	-3.6%	+4.6%	-0.5	+3.8%
COI <sup>(2)</sup>	3.6	-10.5%	+4.0%	-0.4	+1.8%
NET DEBT	23.3	-1.5bn vs year-end 2016			
<b>FY GUIDANCE</b>					
NRIGs	2.4-2.6 <sup>(3)</sup>	=		-0.3	+13.6% <sup>(4)</sup>

**Full year guidance confirmed, mid-range<sup>(3)</sup> NRIGs targeted**

(1) Unaudited figures

(2) Including share in net income of associates

(3) 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

(4) Organic growth on mid range

# FURTHER STEP TOWARDS STRATEGIC REPOSITIONING: AGREEMENT REACHED FOR THE SALE OF UPSTREAM & MIDSTREAM LNG

## BINDING OFFER FROM TOTAL TO ACQUIRE ENGIE'S UPSTREAM & MIDSTREAM LNG ACTIVITIES

### STRATEGIC RATIONALE

- Reduce exposure to commodity prices and merchant activities
- Strategic alliance in renewable hydrogen & biogas

### IMPROVED FINANCIAL PERFORMANCE

- Reduce earnings & cash flow volatility
- Improve margin / profitability
- Reduce net debt

&

### Group simplification

### Focus on regulated & downstream activities

**EV: USD 2.0 bn**  
o/w USD 550m earn-out<sup>(1)</sup>

**~ USD 1.4 bn**  
net debt reduction<sup>(2)</sup>

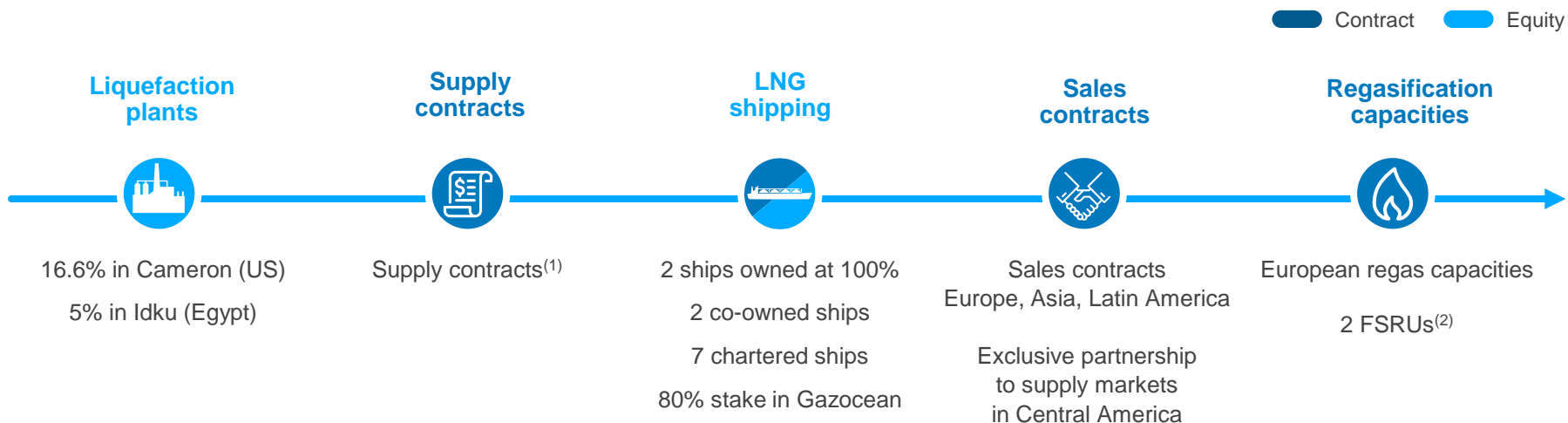
**Estimated completion in 2018<sup>(3)</sup>**

(1) Earn-out based on future brent prices

(2) Excluding earn-out

(3) Subject to working councils approvals, regulatory clearances and closing conditions

# SCOPE OF THE TRANSACTION



## EXCLUDING: DOWNSTREAM LNG



France:  
— equity stakes in 3 regas terminals (Elengy)



International:  
— equity stakes & capacities in regas terminals<sup>(3)</sup>  
— sales contracts for North America

Stake in GTT



Bunkering activities



Small scale LNG (onshore)

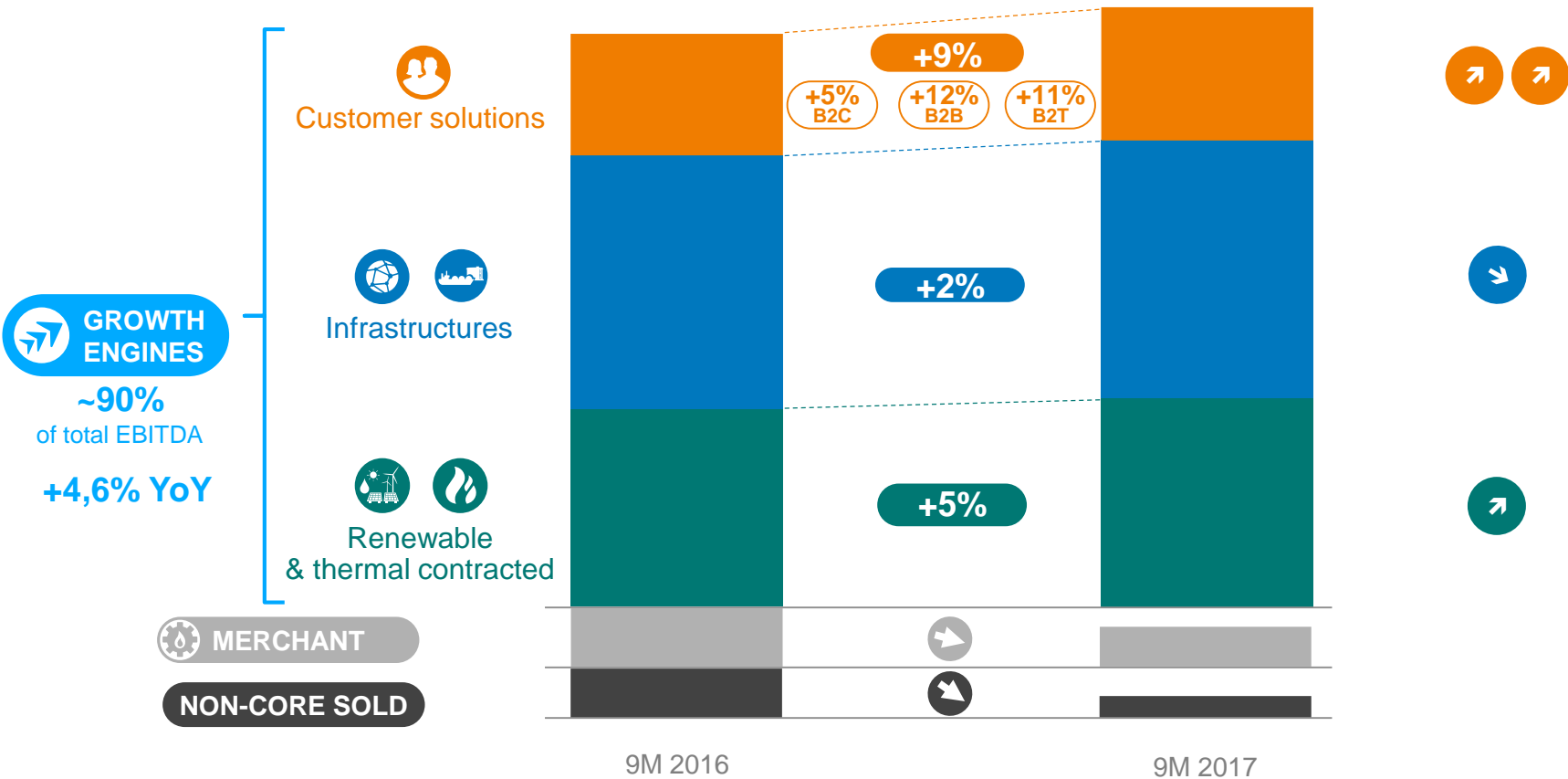


(1) Excl. supply contract for Atlantic LNG  
(2) FSRUs also included in LNG shipping figures  
(3) Mejillones (Chile), Everett (USA), Penuelas (Puerto Rico)

# STRONG PERFORMANCE OF GROWTH ENGINES

EBITDA<sup>(1)</sup>  
in €bn, unaudited figures

Q4 OUTLOOK YoY



(1) Figures excluding unallocated corporate costs

# MAJOR RENEWABLE PROJECTS ANNOUNCED IN Q3 2017

## RES + Thermal contracted



### Operational performance

- Benefit of additional capacities (Chilca, Nodo Energetico, Panucco, Az Zour, France RES...)
- Higher prices offset by contract terminations
- Hydro volumes in France significantly down yoy (-31%)



### Capacities under construction

- 1.5 GW of renewables
  - Solar: 0.6 GW
  - Wind: 0.8 GW
  - Geothermal: 0.1 GW
- 2.8 GW of gas capacities



### Recent wins

- Nearly 100 MW in the CRE4-2 solar bidding in France
- 15-year CfD contract for Moray offshore wind farm in the UK (0.95 GW)
- 30-year concession agreements in Brazil for two hydropower plants (0.8 GW)



# DYNAMIC INTERNATIONAL DEVELOPMENT



## INFRASTRUCTURES



### Operational performance

- French gas infrastructures negatively impacted by tariff reviews since April 2017 (EBITDA yoy: -1.4%)
- Strong growth from international gas networks (Mexico, Argentina, Thailand, Romania) (EBITDA yoy: +41%)



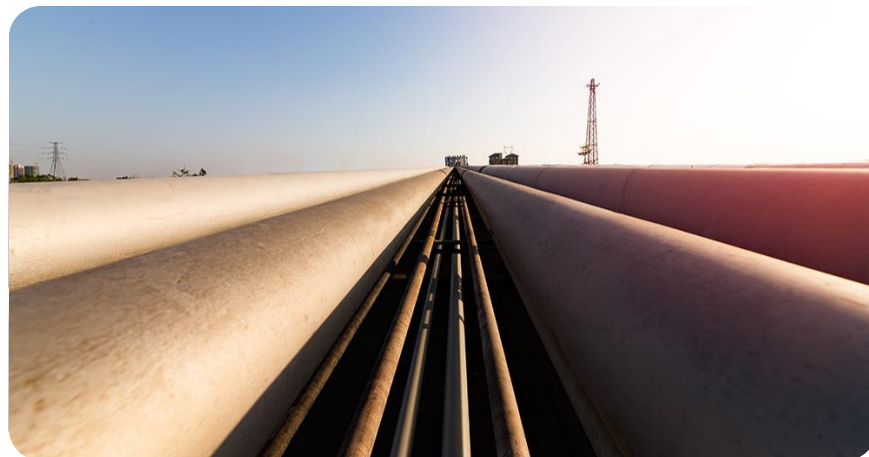
### Regulatory environment

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



### Ongoing developments

- Acquisition of Elengy by GRTgaz
- Financing of Nord Stream 2
- Cameron LNG completed at 78%
- TEN project in Chile: COD end 2017





# SUSTAINED CUSTOMER BASE EXPANSION

 CUSTOMER SOLUTIONS

**B2C**



**Operational performance**

Portfolio optimization in power sales

Restructuring of loss making entities driving earnings recovery



**Commercial development**

Gas: 13.7M contracts (-0.2 yoy)  
Power: 7.5M contracts (+0.8 yoy)  
Services: 2.2M contracts (+0.2 yoy)

Acquisition of Fenix International (Solar Home Systems in Africa)

~80k contracts (gas & power) since the UK market entry in May 2017



**New offers**

Innovative green power offers 1M customers in France (~30% of customer base)

Acceleration of service offers to Belgian retail customers

Strong development of digital platforms (50five, Ajusto)



# NEW TUCK-IN ACQUISITIONS STRENGTHENING OUR POSITIONS

 CUSTOMER SOLUTIONS

**B2B**



**Operational performance**

Optimization gains on support functions: 40 M€ cost reduction yoy in France & Benelux

Margin improvement on energy supply driven by restructuring efforts



**Business development**

Backlog in France  
€4.0bn / +4.6% yoy

Shipbuilding activity: 2 acquisitions, major contract for cruise ships

Acquisition of MCI (refrigeration - France)

Acquisition of Talen Energy Group (mechanical services - USA)



**New contracts**

30-year DBO contract with energy commitment  
AgroParisTech school (France)

6-year energy performance contract  
University of Padua (Italy)



AgroParisTech – Photo credit: IDA et MIMRAM LACOUDRE

# STRONG DEVELOPMENTS IN NETWORKS & SMART CITIES



CUSTOMER SOLUTIONS

B2T



Operational performance

Strong performance from heating and cooling networks

Development of 2 digital platforms for DHC and mobility/cities activities



Business development

2 acquisitions in Italy: Torinese network and a Public Lighting District company (C&L)

Cooling networks: Closing of Tabreed acquisition

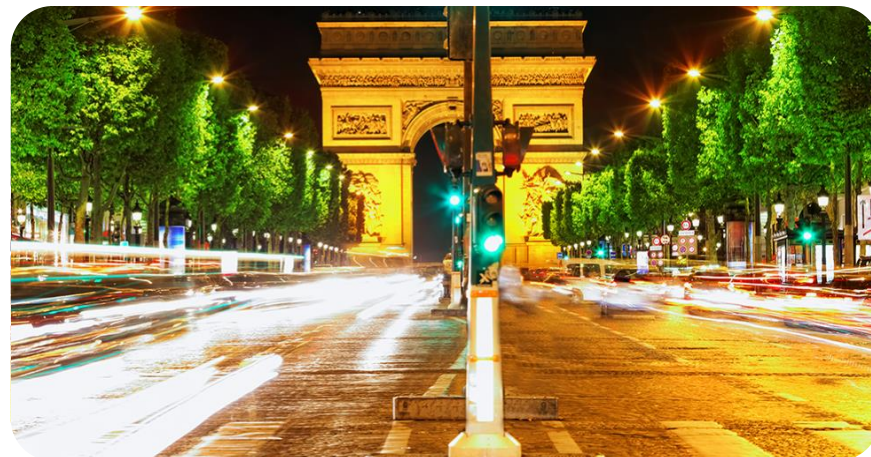


New offers

Electric vehicle charging stations (>50k charging stations)

Paris area: integrated offer in security with IoT<sup>(1)</sup> extension

Onboard communication solutions for public transports



(1) Internet of Things

# GOOD PROGRESS ON PORTFOLIO TRANSFORMATION

## MERCHANT



### Operational performance

- Positive impact of higher spreads in France and Belgium and favorable prices in Australia
- Lower achieved prices on outright production
- Nuclear outages (-1.7 TWh yoy, -4.8%)



### Regulatory environment

- Increase in CO<sub>2</sub> prices as discussions resume on ETS reform and carbon floor
- Need for new capacity remuneration mechanisms to ensure security of supply



### Portfolio rotation

- Sale of UK thermal assets
- Final bids for Australian coal asset
- Agreement for the sale of upstream & midstream LNG activities



# STAYING WELL AHEAD OF SCHEDULE ON TRANSFORMATION PLAN

2016-18 TARGET

 **REDESIGN AND SIMPLIFY THE PORTFOLIO**

**GROWTH CAPEX**

**96%**

**€14bn<sup>(1)</sup>**  
(o/w €1bn innovation/digital)

**€8.1bn invested**

**+€5.7bn committed**

Focus on growth engines & value creation

**PORTFOLIO ROTATION**

**83%**

**€15bn<sup>(2)</sup>**  
(net debt reduction)

**€8.5bn closed**

**+€3.9bn signed**

Reduce exposure to coal & merchant assets

 **IMPROVE EFFICIENCY**

**LEAN 2018**

**90%**

**€1.2bn**  
(net EBITDA increase)

**€0.8bn achieved**

**+€0.3bn identified**

Accelerate internal transformation

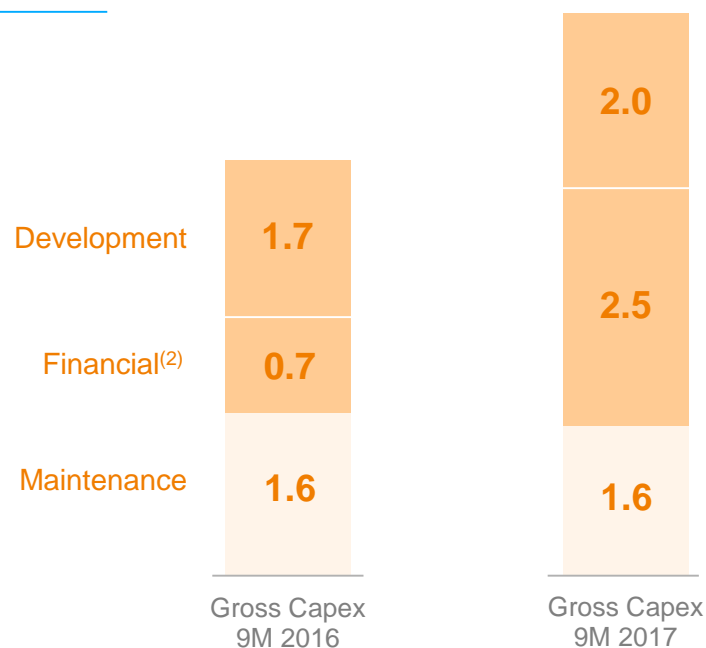
(1) Excluding E&P Capex

(2) Net debt impact (cash and scope)

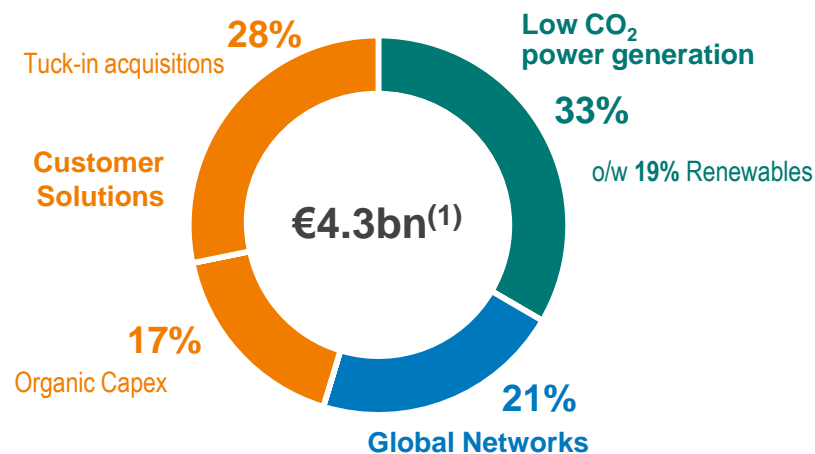
# €4.3 BN GROWTH CAPEX ON CORE STRENGTHS

## BREAKDOWN BY NATURE

In €bn



## GROWTH CAPEX BY METIERS



### MAIN PROJECTS

Project	In €bn
Brazil	~0.4
Chile	~0.3
La Compagnie du Vent (minority buy-out)*	~0.2
Solairedirect	~0.2
Australia	~0.1
Nord Stream 2*	~0.3
GRTgaz	~0.3
GRDF	~0.2
Tuck-in (Tabreed, Keepmoat, Icomera, EV Box)*	~1.2
Suez Capital increase*	~0.2

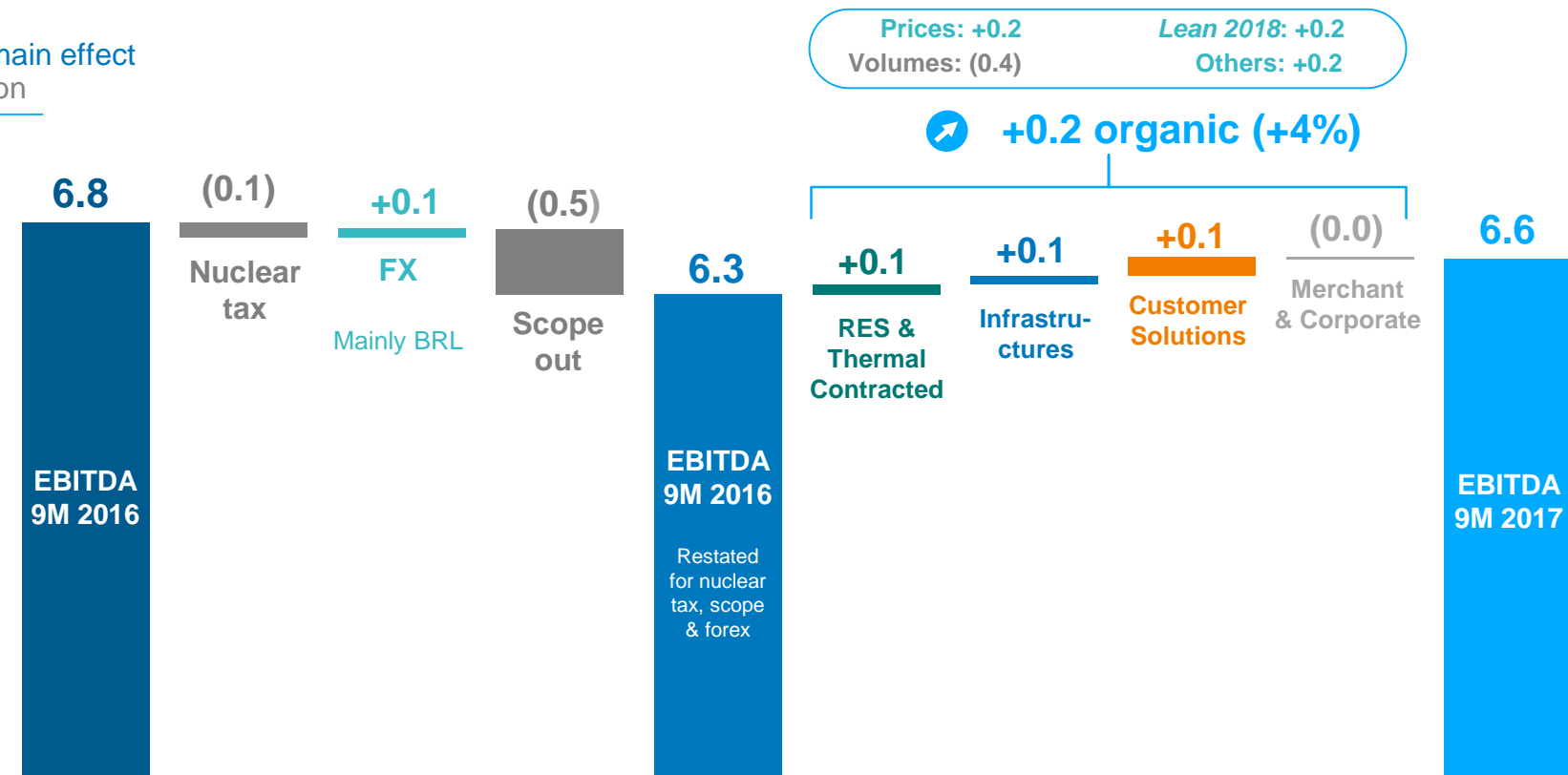
(1) Net of DBSO proceeds

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

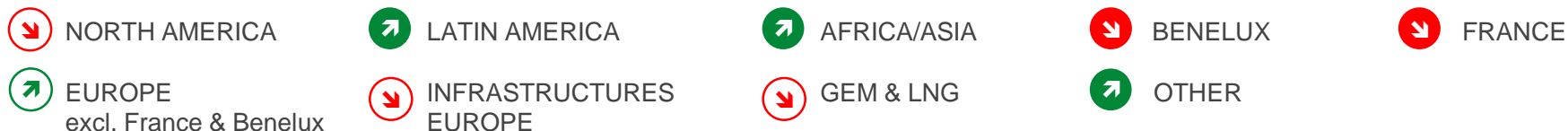
\* Financial Capex

# GROWTH ENGINES DRIVING ORGANIC EBITDA INCREASE

By main effect  
In €bn



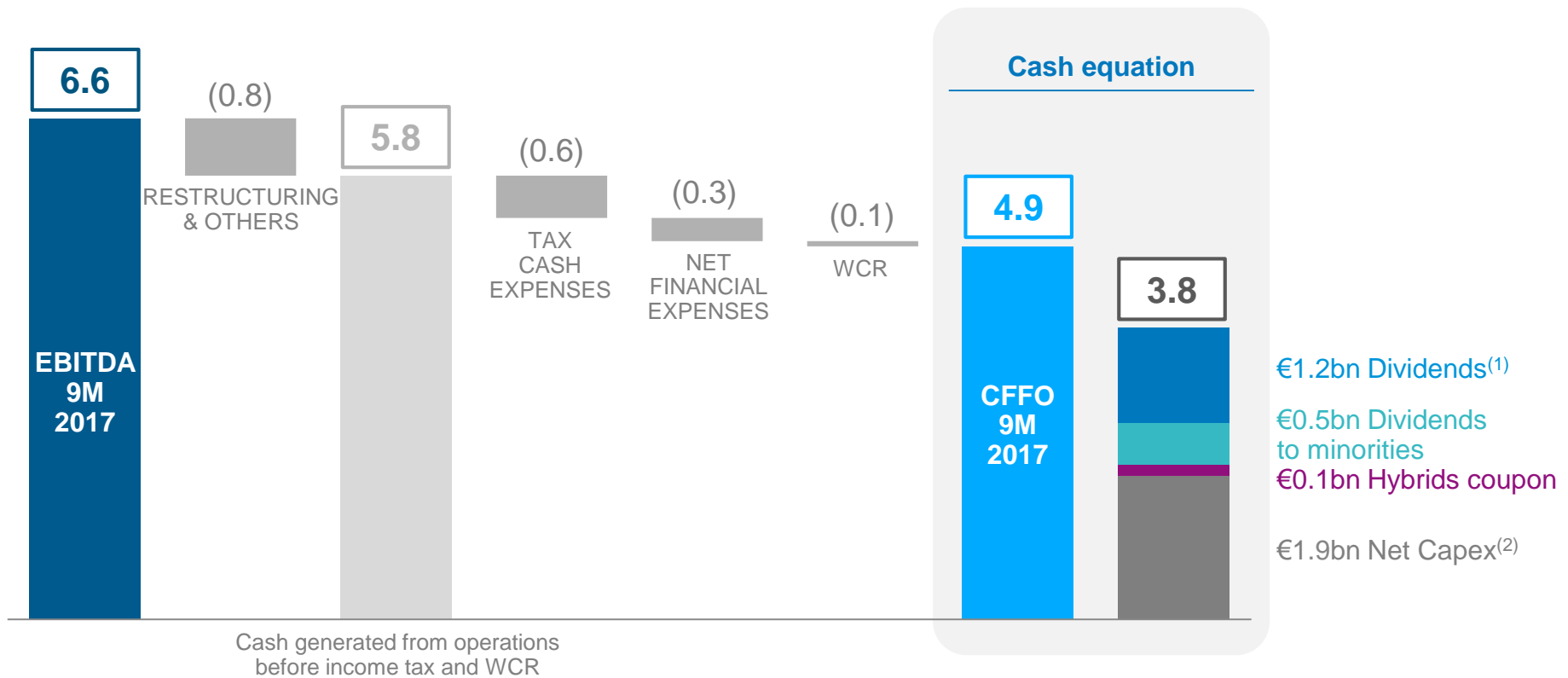
By reportable segment<sup>(1)</sup>



(1) Organic variation

# CASH EQUATION IN SURPLUS AT END 9M

In €bn



(1) Including French tax on dividend for €0.04bn

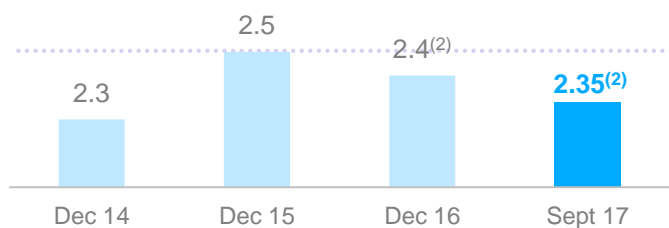
(2) Net Capex = gross Capex- disposals (cash and scope impact on net debt)



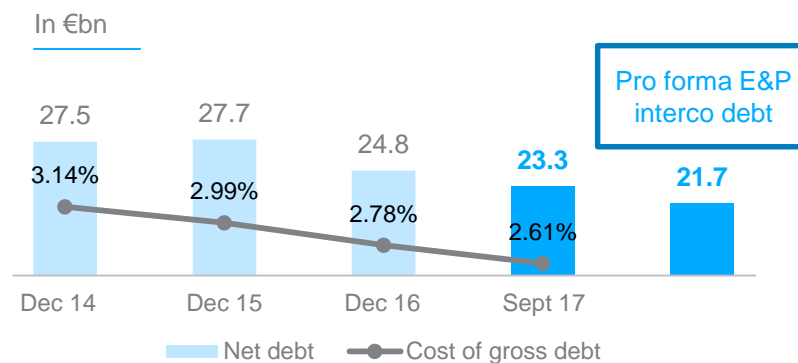
# STRONG FINANCIAL STRUCTURE

- **Net debt further reduced vs. year end 2016**
  - Portfolio rotation program: €4.2bn<sup>(1)</sup>
  - Forex positive impact: €0.5bn
- **Average net debt maturity: 10.4 years**
- **Continuous decrease in average cost of gross debt**
- **Strong 'A' rating assigned by Fitch in Q3 (stable outlook)**

## 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

# CONCLUSION

## KEY TAKE-AWAYS

**Solid 9M 2017 results; FY guidance confirmed**

**Transformation plan well ahead of schedule**

**Strong acceleration on Customer Solutions**



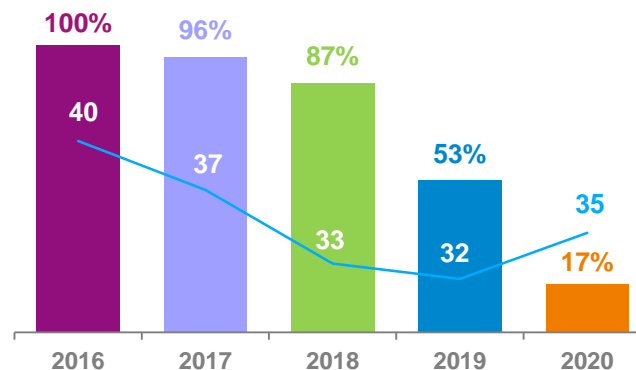
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APPENDICES

# PRICE IMPACT ON OUTRIGHT POWER AND SPREAD GENERATION IN EUROPE

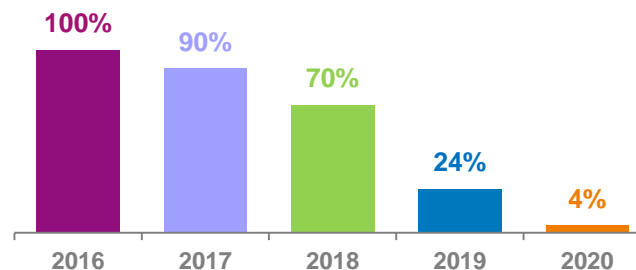
## OUTRIGHT POWER EUROPE (NUCLEAR & HYDRO)

Hedge cover ratio in %  
Captured prices in €/MWh



## SPREAD GENERATION EUROPE (THERMAL FLEET)

Hedge cover ratio in %



As of 09/30/2017

# Disclaimer

## Forward-Looking statements

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Ticker: ENGI



+33 1 44 22 66 29



ir@engie.com



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