

RESTATED H1 2018 FIGURES FOR IFRS 16 TREATMENT



IFRS 16 – LEASES TREATMENT

In January 2016, the IASB has issued a new standard on leases. Under the new standard, all lease commitments will be recognized on the face of the statement of financial position, without distinguishing between operating leases and finance leases.

The main impact on the consolidated statement of financial position is an increase in the “right-of-use assets” on the assets side and an increase of the lease liabilities on the liabilities side, regarding leases where the Group acts as lessee and which are qualified as operating leases. They concern mainly real estate and vehicles. The IFRS 16 treatment will also lead to a **higher net financial debt without any impact on the net economic debt**, as these liabilities were already taken into account in the net economic debt.

In the consolidated income statement, reversal of the rental expenses of these operating leases will lead to an **increase in EBITDA**, which is largely offset by an **increase in depreciation** and hence there is an **almost neutral impact on current operating income**. There is also a **slight increase in financial expenses**, with a **global neutral impact at net recurring income, Group share level**.

KEY FINANCIAL FIGURES

In €m	H1 2018 Published	IFRS 16	H1 2018 Restated
REVENUES	30,182	-	30,182
EBITDA	5,065	223	5,288
CURRENT OPERATING INCOME ⁽¹⁾	3,061	10	3,072
CASH FLOW FROM OPERATIONS ⁽²⁾	3,263	219	3,482
GROSS CAPEX	3,585	-	3,585
NET FINANCIAL DEBT ⁽³⁾	20,429	2,351	22,781

(1) Incl. share in net income of entities accounted for using the equity method

(2) Cash Flow From Operations (CFFO) = Free Cash Flow BEFORE Maintenance Capex

(3) Excl. interco net debt from discontinued operations

KEY FIGURES

In €m	H1 2018 Published	IFRS 16	H1 2018 Restated
REVENUES	30,182	0	30,182
Share in net income of entities accounted for using the equity method	209	0	209
CURRENT OPERATING INCOME after share in net income of entities accounted for using the equity method	3,061	10	3,072
MtM, impairment, restructuring, disposals and others	-397	0	-397
INCOME FROM OPERATING ACTIVITIES	2,665	10	2,675
Financial result	-665	-16	-680
Income tax	-657	2	-655
Non-controlling interests attributable to continued operations	263	0	262
Net income from discontinued operations, Group share	-142	-6	-148
NET INCOME GROUP SHARE	938	-9	929
EBITDA	5,065	223	5,288
NET RECURRING INCOME GROUP SHARE	1,468	-9	1,459
<i>of which net recurring income from discontinued operations</i>	<i>-27</i>	<i>-6</i>	<i>-32</i>
<i>of which net recurring income from continued operations</i>	<i>1,494</i>	<i>-3</i>	<i>1,491</i>
CASH FLOW FROM OPERATIONS ⁽¹⁾	3,263	219	3,482
GROSS CAPEX	3,585	0	3,585
NET DEBT	20,429	2,351	22,781

(1) Cash Flow From Operations (CFFO) = Free Cash Flow BEFORE Maintenance Capex

SUMMARY INCOME STATEMENT

In €m	H1 2018 Published	IFRS 16	H1 2018 Restated
REVENUES	30,182	0	30,182
Purchases	-15,632	0	-15,632
Personnel costs	-5,320	0	-5,320
Amortization, depreciation and provisions	-1,841	-213	-2,054
Other operating incomes and expenses	-4,536	223	-4,312
Share in net income of entities accounted for using the equity method	209	0	209
CURRENT OPERATING INCOME after share in net income of entities accounted for using the equity method	3,061	10	3,072
MtoM, impairment, restructuring, disposals and others	-397	0	-397
INCOME FROM OPERATING ACTIVITIES	2,665	10	2,675
Financial result	-665	-16	-680
<i>of which recurring cost of net debt</i>	-293	6	-287
<i>of which cost of lease liabilities</i>	0	-22	-22
<i>of which non recurring items included in financial income / loss</i>	-87	0	-87
<i>of which others</i>	-285	0	-285
Income tax	-657	2	-655
Non-controlling interests attributable to continued operations	263	0	262
Net income from discontinued operations, Group share	-142	-6	-148
NET INCOME GROUP SHARE	938	-9	929
EBITDA	5,065	223	5,288

SUMMARY RECURRING INCOME STATEMENT

In €m	H1 2018 Published	IFRS 16	H1 2018 Restated
EBITDA	5,065	223	5,288
<i>of which recurring contribution of share in net income of entities accounted for using the equity method</i>	236	0	236
Depreciation, Amortization and others	-2,003	-213	-2,216
CURRENT OPERATING INCOME after share in net income of entities accounted for using the equity method	3,061	10	3,072
Financial result	-578	-16	-594
<i>of which recurring cost of net debt</i>	-293	6	-287
<i>of which cost of lease liabilities</i>	0	-22	-22
<i>of which others</i>	-285	0	-285
Income tax	-575	2	-573
Adjustment for non-recurring share in net income of entities accounted for using the equity method	27	0	27
Non-controlling interests attributable to continued operations	-441	1	-440
Net recurring income from continued operations, Group share	1,494	-3	1,491
Net income from discontinued operations, Group share	-27	-6	-32
NET RECURRING INCOME GROUP SHARE	1,468	-9	1,459

CASH FLOW STATEMENT

In €m	H1 2018 Published	IFRS 16	H1 2018 Restated
Gross cash flow before financial loss and income tax	4,760	223	4,984
Income tax paid (excl. income tax paid on disposals)	-291	0	-291
Change in operating working capital	-968	4	-964
Cash flow from operating activities from continued operations	3,501	228	3,728
Cash flow from operating activities from discontinued operations	82	77	160
CASH FLOW FROM OPERATING ACTIVITIES	3,583	305	3,888
Net tangible and intangible investments	-2,603	0	-2,603
Financial investments	-844	0	-844
Disposals and other investment flows	885	0	885
Cash flow from investment activities from continued operations	-2,562	0	-2,562
Cash flow from investment activities from discontinued operations	-155	0	-155
CASH FLOW FROM INVESTMENT ACTIVITIES	-2,717	0	-2,717
Dividends paid	-1,428	0	-1,428
Share buy back	-1	0	-1
Balance of reimbursement of debt/new debt	-123	-219	-342
Net interests paid on financial activities	-307	-9	-315
Capital increase/hybrid issues	1,004	0	1,004
Other cash flows	-314	0	-314
Cash flow from financial activities from continued operations	-1,168	-228	-1,396
Cash flow from financial activities from discontinued operations	1,020	-77	942
CASH FLOW FROM FINANCIAL ACTIVITIES	-148	-305	-453
Impact of currency and other from continued operations	-110	0	-110
Impact of currency and other from discontinued operations	-1	0	-1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,929	0	8,929
Reclassification of cash and cash equivalents relating to discontinued activities	-1	0	-1
TOTAL CASH FLOWS FOR THE PERIOD	-607	0	607
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,535	0	9,535

BREAKDOWN OF CURRENT OPERATING INCOME

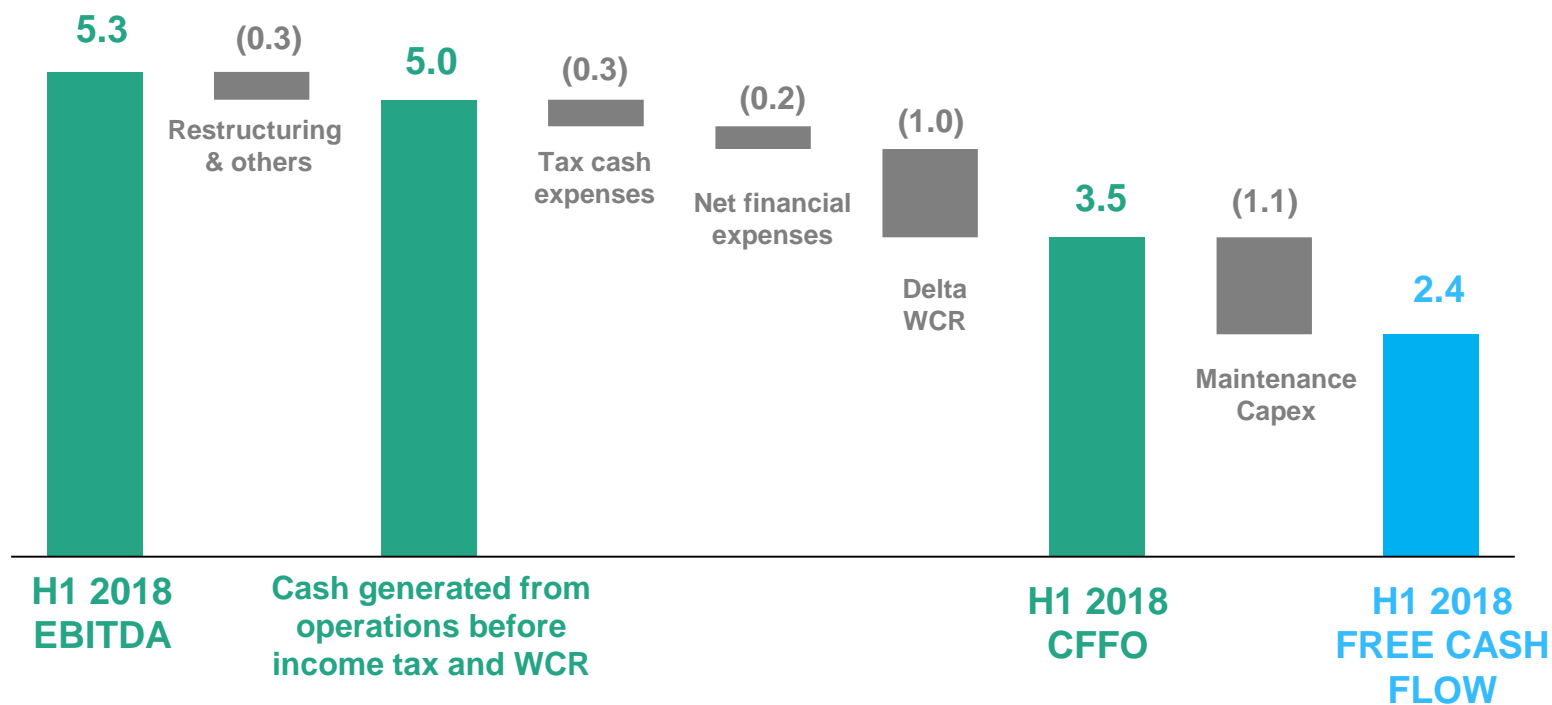
In €m	H1 2018 Published	H1 2018 Restated
FRANCE excluding Networks	553	553
France Networks	1,239	1,241
REST OF EUROPE	254	257
LATIN AMERICA	721	723
USA & CANADA	71	72
MIDDLE EAST, ASIA & AFRICA	460	461
OTHERS	-237	-235
TOTAL	3,061	3,072

DIVISIONAL RECONCILIATION BETWEEN EBITDA AND COI

In €m - restated	France excl. networks	France Networks	Rest of Europe	Latin America	USA & Canada	Middle East, Asia & Africa	Others	H1 2018 Restated
EBITDA	909	1,993	769	930	115	539	33	5,288
Depreciation	-352	-751	-514	-205	-44	-98	-171	-2,135
Share based payments	-4	0	-4	-1	-1	-2	-44	-55
Non recurring contribution of shares in net income of entities accounted for using the equity method	0	0	5	-1	2	21	-53	-27
COI after share in net income of entities accounted for using the equity method	553	1,241	257	723	72	461	-235	3,072

FROM EBITDA TO FREE CASH FLOW

In €bn – restated figures



BREAKDOWN OF INVESTMENTS

In €m - restated	Maintenance	Development	Financial	H1 2018 Restated
FRANCE excluding Networks	107	245	70	423
France Networks	391	343	-3	732
REST OF EUROPE	374	84	250	708
LATIN AMERICA	51	609	24	684
USA & CANADA	13	153	311	478
MIDDLE EAST, ASIA & AFRICA	45	94	192	330
OTHERS	75	18	138	231
TOTAL	1,057	1,546	982	3,585

DISCLAIMER

Forward-Looking statements

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FOR MORE INFORMATION ABOUT ENGIE

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