Press release
17 May 2024

ENGIE Q1 2024 Financial Information

Strong operational and financial performance in a normalising market environment
FY 2024 guidance confirmed

Business highlights

- Accelerated normalisation of energy market
- High pace of growth in Renewables, with 7 GW of capacity under construction at end-March 2024
- Start of commercial operations at Coya in Chile, the largest battery storage unit in Latin America
- Threshold of 1 TWh reached in annual biomethane production capacity in Europe
- Legislation adopted for the law on Belgian nuclear agreement

Financial performance

- EBIT excluding nuclear of €3.7bn, a slight organic decline of 3.7%, due to Networks and GEMS but largely offset by Renewables and Flex Gen, including some positive timing effects
- Cash Flow From Operations[1] sharply up by €1.4bn driven by improvement in working capital
- Solid balance sheet maintained with economic net debt / EBITDA down to 2.9x
- Net financial debt and net economic debt down by €1.9bn and €2.6bn respectively
- 2024 guidance confirmed with NRIgs[2] expected in a range of €4.2-4.8bn

Key figures as of 31 March 2024

In € billion	31 March 2024	31 March 2023	Δ 2024/23 gross	Δ 2024/23 organic
Revenue	**22.0**	29.2	- 24.6 %	- 24.9 %
EBITDA (ex. Nuclear)	**4.8**	4.8	- 1,2 %	- 1,9 %
EBITDA	**5.4**	5.4	- 0.1 %	- 0.7 %
EBIT (ex. Nuclear)	**3.7**	3.8	- 3.2 %	- 3.7 %
Capex[3]	**2.6**	1.4	+ 88.2 %	
Cash Flow From Operations	**5.1**	3.8	+ 36.2 %	
Net financial debt	**27.6**	- €1.9bn versus 31 December 2023		
Net economic debt	**43.9**	- €2.6bn versus 31 December 2023		
Net economic debt/ EBITDA	**2.9x**	- 0.2x versus 31 December 2023		

Catherine MacGregor, CEO, said : *"ENGIE has made an excellent start to 2024 with EBIT excluding nuclear of €3.7bn, almost at the previous year's level despite the market context of lower prices and volatility. This robust performance reflects, once again, the strength of our integrated model as well as our capacity to adapt to a rapidly-moving market environment. Over the first quarter, we continued to roll out our strategic plan with 7 GW of renewables capacity under construction, putting us well on track towards maintaining our pace of 4 GW of annual additional capacity up to 2025. We have reinforced our European footprint in biomethane, and we have started commercial operation of the largest battery storage unit in Latin America. We confidently reiterate our guidance*

N.B. Footnotes are on page 6

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for the full year 2024. The energy transition is well and truly underway, and ENGIE is determined to contribute to it every day, convinced that it can be affordable and desirable."

2024 guidance confirmed

Our 2024 guidance is maintained in a context of normalising volatility and energy prices. Net Recurring Income group share is expected in a range of €4.2 to €4.8bn, with EBIT excluding nuclear in an indicative range of €7.5 to €8.5bn.

ENGIE is committed to a "strong investment grade" credit rating and a ratio below or equal to 4.0x economic net debt to EBITDA over the long-term. The group reaffirms its dividend policy, with a 65% to 75% payout ratio based on NRIgs, and a floor of €0.65 per share for the 2024 to 2026 period.

Detailed guidance key assumptions can be found in appendix 3.

Progress on the execution of our strategic plan

Renewables

ENGIE added 0.7 GW of renewable capacity in Q1 2024 bringing the group's total installed capacity to 42.1 GW. As at 31 March 2024, we reported 7.0 GW of capacity under construction from 68 projects. The group remains well on track to add on average 4 GW of renewable capacity annually up to 2025. ENGIE also signed more than 300 MW of long-term PPAs (*Power Purchase Agreements*) in the first quarter, of which 200 MW with at least 5 years' duration.

In March, the Group completed the acquisition of five new PV solar units in the north-east (Bahia and Ceará) and the south-east (Minas Gerais) of Brazil, with total operational capacity of 545 MWac.

Energy Solutions

Energy Solutions has achieved major wins in District Heating and Cooling (DHC) as well as being awarded decarbonisation contracts in its onsite energy production segment. In Q1 2024, the Ville de Paris heating network concession, held by Compagnie Parisienne de Chauffage Urbain (CPCU), a subsidiary of ENGIE, was extended by two years from the end of 2024 to the end of 2026.

Networks, Renewable gas

Since the start of 2024, ENGIE has made further steps in expanding its biomethane production capacity in Europe with the acquisition of Rainbarrow Farm in Dorset, UK. The Group also purchased two units in the Netherlands, its first biomethane production facilities in the country. As a result, ENGIE passed the 1 TWh threshold of annual biomethane production capacity in Europe.

ENGIE, through its subsidiary GRTgaz, announced the FID (Final Investment Decision) for the mosaHYc project, a partnership with CREOS Deutschland which will comprise a renewable hydrogen or low-carbon pipeline of 90km, linking the Grand Est region of France, with the Sarr region of Germany and the Luxembourg frontier.

Battery Energy Storage Systems (BESS)

In Chile, ENGIE started commercial operation of the largest battery energy storage system in Latin America. Located at the site of its Coya solar farm in the Antofagasta region, this battery has installed capacity of 139 MW

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with storage capacity of 638 MWh. It will be capable of storing the equivalent of almost five hours of electricity which can be injected into the Chilean grid at peak hours.

Disciplined capital allocation

In Q1 2024, gross capex amounted to €2.6bn. Growth capex came to €2.2bn of which 87% in Renewables, Energy Solutions and Flex Gen, in line with our strategic roadmap.

Performance plan

We continued our efforts towards operational excellence, with a €50m contribution from the performance plan in Q1 2024.

Update on Belgian nuclear assets and liabilities

On 18 April 2024, the Belgian parliament voted a law adopting the final agreement[4] that had been signed by ENGIE and the Belgian government in December 2023, relating to the 10 year extension of the Tihange 3 and Doel 4 nuclear reactors as well as to all liabilities concerning nuclear waste.

Q1 2024 financial review

Revenue at €22.0bn was down 24.6% on a gross basis and 24.9% on an organic basis.
EBITDA at €5.4bn was slightly down, -0.1% on a gross basis and -0.7% on an organic basis.
EBITDA (ex. Nuclear) at €4.8bn, was down -1,2% on a gross basis and -1,9% on an organic basis.
EBIT (ex. Nuclear) at €3.7bn, was down -3.2% on a gross basis and -3.7% on an organic basis

- Foreign exchange : a positive net effect of €14m mainly driven by the appreciation the Brazilian real and UK Sterling partly offset by the depreciation of the US and Australian dollars.
- Scope : a positive net effect of €4m, due mainly to full consolidation of Kathu (South Africa) partly offset by the disposals in Brazil of part of a stake in TAG and Pampa Sul power plant.
- French temperatures : compared to the average, the temperature effect was a negative €136m, generating a negative year-on-year variation of €59m compared with Q1 2023 across Networks, Retail and GEMS.

EBIT contribution by activity : underpinned by growth in Renewables and Flex Gen

In €m	31 March 2024	31 March 2023	Δ 2024/23 gross	Δ 2024/23 organic	o/w normative temp effect (France) vs. Q1 2023
Renewables	712	638	+ 11.5 %	+ 4.3 %	
Networks	779	921	- 15.4 %	- 14.3 %	-40
Energy Solutions	219	207	+ 5.7 %	+ 5.3 %	
Flex Gen	637	542	+ 17.6 %	+ 21.3 %	
Retail	73	89	- 18.3 %	- 16.2 %	-13
Autres	1,284	1,429	- 10,1 %	- 10,2 %	-5
of which GEMS	*1,458*	*1,606*	*-9.2%*	- 9.2 %	-5
EBIT ex. Nuclear	**3,705**	**3,827**	**- 3.2 %**	**- 3.7 %**	**- 59**
Nuclear	461	389	+ 18.7 %	+ 18.7 %	
EBIT	**4,166**	**4,216**	**- 1,2 %**	**-1,6 %**	**- 59**

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Renewables: growth driven by favourable hydro conditions in Europe and new capacity commissioned, partially offset by lower prices

Renewables reported 4.3% organic EBIT growth, driven by very good hydro conditions in France and Portugal in Q1 2024, and by the contribution of new capacities added in the US, Latin America and Europe. Partially countering these positives were lower prices in Europe and the impact of the CNR hydro tax in France.

Networks: lower distributed volumes in France and France-Germany gas transit revenues, partially offset by higher tariffs in Romania

Networks EBIT was down 14.3% on an organic basis due mainly to lower revenues from capacity subscribed for gas transit between France and Germany (down from especially high levels in 2023), and from lower distributed volumes in France due to mild weather and weaker gas demand. These negatives were to some degree offset by higher tariffs in Romania from the start of April 2023.

Energy Solutions: improvement due to investments and operational performance

Energy Solutions EBIT was up by 5.3% on an organic basis, with margin up by 1.6% year on year. Local energy networks achieved higher EBIT despite milder 2024 temperatures, underpinned by stronger operational performance and positive comparison effect related to the strikes in France in 2023. Energy performance management benefited from the optimisation of its contracts and greater selectivity. In onsite energy production, the impact from newly-commissioned assets was more than offset by lower DBSO margins from de-centralised solar in the US.

Flex Gen: higher captured spreads, favourable market conditions in Chile, and positive one-off more than enough to offset impact of inframarginal tax and lower ancillaries in Europe

Flex Gen EBIT was up 21.3% on an organic basis. This rise was driven mainly by higher captured spreads in Europe due to the group's hedging strategy; by higher margins in Chile with reduced short positions and lower sourcing prices due to very good hydro conditions; by some positive intra-year timing effects ; and by the resolution of a claim on contractual terms of electricity sales from a former asset in Italy. EBIT variation also benefited from a favourable comparison impact as it was impacted by a negative exceptional in Q1 2023 linked to the downgrade of Pakistan's credit rating. These positive effects offset the impact of the inframarginal tax in France, the closure of the Rodenhuize biomass plant since the end of March 2023, and lower earnings from ancillary services.

Retail *:* lower volumes on mild weather and energy sobriety, but improved market conditions in Belgium

Retail EBIT amounted to €73m in Q1 2024, lower than the €89m recorded the previous year. The decline in EBIT was mainly the result of lower volumes due to mild temperatures and continued sobriety from energy customers ; in addition, there was less optimisation of our supply hedges portfolio. More favourable market conditions in Belgium offset these negatives to some degree.

Others : good performance from GEMS despite a normalizing of market environment

GEMS EBIT amounted to €1,458m in Q1 2024, a 9.2% organic decline versus a particularly strong Q1 2023.

In Q1 2024, EBIT was boosted by several non-recurring and timing elements:

- Reversals of market reserves, in line with the accelerated normalisation of market conditions ;
- Positive timing effects which should reverse in the second half of this year.

Aside from these elements, GEMS EBIT amounted to around €0.5bn in the first quarter underpinned by good activity at the *Client Risk Management & Supply* and by the contribution from contracts signed and locked in the

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past when conditions were favourable, which materialize only at delivery date. This represents a decline on Q1 2023 reflecting the normalisation of market conditions and the lower resulting volatility.

The Group continue to expect underlying EBIT (ie, excluding the impact of reversal of market reserves) of close to €2bn for GEMS in 2024.

Due to losses at EV Box, as well as the lack of success thus far from our measures to identify a potential buyer for this company, the Group is actively examining all options that could lead to disengage, in accordance with local regulations.

Nuclear : decline in inframarginal tax offsets lower volumes and captured prices

Nuclear EBIT rose by 18.7% on an organic basis. The non-recurrence of the inframarginal tax in Belgium (its implementation was ended in June 2023) was partially offset by lower availability due to planned outages at certain reactors, by lower captured prices, and by the closure of the Tihange 2 reactor in February 2023.

Strong balance sheet maintained

Cash Flow From Operations amounted to €5.1bn, up €1.4bn compared to Q1 2023. This increase was mainly supported by an improvement in change in Working Capital Requirements (€+1.4bn) in the context of a lower market prices environment.

Working Capital Requirements were positive at €0.2bn, with a positive year-on-year variation of €1.4bn mainly driven by net receivables (+€2.7bn), changes in GEMS market reserves and other adjustments[5] , which are neutral on Group CFFO (+€0.7bn) and unbilled energy volumes (+€0.6bn) offsetting the effects of margin calls (-€1.8bn), the negative timing effect on tariff shields (-€0.5bn) and negative nuclear impacts (-€0.3bn).

Liquidity stood at €27,0bn as at 31 March 2024, including €19,3bn of cash[6].

Net financial debt stood at €27.6bn, down €1.9bn compared to 31 December 2023.

This decrease was mainly driven by Cash Flow From Operations of €5.1bn but was partially offset by:

- capital expenditure over the period of €2.6bn,
- Belgian nuclear funding and expenses of €0.6bn,
- dividends paid to non-controlling interests of €0.1bn,
- other elements of -€0.1bn.

Economic net debt stood at €43.9bn, down €2.6bn from 31 December 2023, proportionately in line with the decline in financial et debt.

Economic net debt to EBITDA ratio stood at 2.9x, which is 0.2x lower than 31 December 2023 and in line with the target ratio below or equal to 4.0x.

S&P: BBB+ / A-2 with Stable outlook
Moody's: Baa1 / P-2 with Stable outlook
Fitch: A- / F1 with Stable outlook

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The presentation of the Group's Q1 2024 financial information used during the investor conference is available to download from ENGIE's website: [Financial results 2024 (engie.com)]

UPCOMING EVENTS

2 August 2024 Publication of H1 2024 financial results
7 November 2024 Publication of 9M 2024 financial information

Footnotes

[1] Cash Flow From Operations = Free Cash Flow before maintenance capex and nuclear phase-out expenses
[2] Net Recurring Income, group share
[3] Net of sell-downs, US tax equity proceeds, and including net debt acquired
[4] Subject to the approval by the European Commission under state aid rules
[5] MtM impacts
[6] Cash and cash equivalents plus liquid debt instruments held for cash investment purposes minus bank overdrafts

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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) Universal Registration Document filed with the AMF on March 7, 2024 (under number D.23-0085). sous le numéro D.24-0085. Investors and ENGIE shareholders should note that if some or all of these risks are realised they may have a significant unfavourable impact on ENGIE.

About ENGIE

ENGIE is a global reference in low-carbon energy and services. With its 97,000 employees, clients, partners and stakeholders, the Group strives every day to accelerate the transition towards a carbon-neutral economy, through reduced energy consumption and more environmentally friendly solutions. Inspired by its purpose statement, ENGIE reconciles economic performance with a positive impact on people and the planet, building on its key businesses (gas, renewable energy, services) to offer competitive solutions to its clients.

Turnover in 2023: €82.6 billion. The Group is listed on the Paris and Brussels stock exchanges (ENGI) and is represented in the main financial indices (CAC 40, Euronext 100, FTSE Euro 100, MSCI Europe) and non-financial indices (DJSI World, Euronext Vigeo Eiris - Europe 120 / France 20, MSCI EMU ESG screened, MSCI EUROPE ESG Universal Select, Stoxx Europe 600 ESG-X).

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APPENDIX 1 : CONTRIBUTIVE REVENUE BY ACTIVITY

Revenue**,** at €22.0bn was down 24.6% on a gross basis and 24.9% on an organic basis

Contributive revenue, after elimination of intercompany operations, by activity :

Revenue *In €m*	**31 March 2024**	**31 March 2023**	**Gross variation**	**Organic variation**
Renewables	1,523	1,558	-2.2 %	-8.3 %
Networks	2,039	2,122	-3.9 %	-4.7 %
Energy Solutions	2,832	3,382	-16.3 %	-16.6 %
Flex Gen	1,156	1,512	- 23.5 %	- 22.3 %
Retail	5,397	7,354	-26.6 %	-26.2 %
Other *Of which GEMS*	9,047 *9,019*	13,216 *13,191*	-31.5% *-31.6 %*	-31.7 % *-31.8 %*
ENGIE ex. Nuclear	**21,994**	**29,144**	**-24.5 %**	**-24.9 %**
Nuclar	*22*	37	- 40.2%	- 40.2%
ENGIE	**22,016**	**29,180**	**-24.6 %**	**-24.9%**

Renewables sales amounted to 1,523 million euros, i.e., -2.2 % on a gross basis and -8.3 % on an organic basis. This gross decline mainly includes positive scope effects in South Africa and India. In organic terms, the decline in sales is mainly attributable to lower hydroelectricity prices in France, despite higher volumes.

Networks sales totaled 2,039 million euros, down 3.9 % gross and 4.7 % organic. The gross decline includes favorable currency effects in Latin America. Sales from French Infrastructures division fell as a result of the strong decrease of transit from France to Germany, and lower distribution volumes due to milder weather and lower gas consumption. These effects were partially offset by the tariff increase in Romania.

Energy Solutions sales totaled 2,832 million euros, down 16.3 % on a gross basis and 16.6 % on an organic basis. This decline was mainly due to the negative impact of commodity prices in Europe and milder weather in France.

Flex Gen sales totaled 1,156 million euros, down 23.5 % gross and 22.3 % organic. The organic decline was mainly due to lower prices in Europe, mainly in the UK, and in Latin America thanks to the indexation of power purchase contracts in Chile and Peru.

Retail sales totaled 5,397 million euros, down 26.6 % on a gross basis and 26.3 % on an organic basis, mainly due to lower commodity prices, and a negative volume effect due mainly to milder temperatures in Europe.

Sales from "**Other**" activities totaled 9,047 million euros, down 31.5 % gross and 31.7 % organic, mainly due to GEMS. The year-on-year decline is essentially due to the acceleration of normalization of market conditions.

Nuclear sales were insignificant after elimination of intra-Group transactions, as production was sold internally to other Group activities.

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APPENDIX 2: EBIT MATRIX

Q1 2024 *€m*	**France**	**Rest of Europe**	**Latin America**	**North America**	**AMEA**	**Others**	**Total**
Renewables	300	110	246	27	38	(9)	**712**
Networks	445	135	204	(1)		(3)	**779**
Energy Solutions	161	68	(1)	(14)	18	(14)	**219**
Flex Gen	229	199	108	8	102	(9)	**637**
Retail	(71)	160			(5)	(10)	**73**
Others *Of which GEMS*	2 *2*			1		1,281 *1,456*	**1,284** ***1,458***
ENGIE ex. Nuclear	**1,065**	**672**	**557**	**21**	**153**	**1,236**	**3,705**
Nuclear	137	324					461
ENGIE	**1,202**	**997**	**557**	**21**	**153**	**1,236**	**4,166**

Q1 2023 *€m*	**France**	**Rest of Europe**	**Latin America**	**North America**	**AMEA**	**Others**	**Total**
Renewables	230	147	242	23	3	(6)	**638**
Networks	602	104	219	(1)		(3)	**921**
Energy Solutions	142	74	(1)	(9)	15	(14)	**207**
Flex Gen	88	338	59	12	51	(7)	**542**
Retail	(70)	134			35	(9)	**89**
Others *Of which GEMS*	1 *1*	(2)		4		1,426 *1,605*	**1,429** ***1,606***
ENGIE ex. Nuclear	**993**	**796**	**519**	**29**	**103**	**1,387**	**3,827**
Nuclear	259	129					389
ENGIE	**1,253**	**925**	**519**	**29**	**103**	**1,387**	**4,216**

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APPENDIX 3: 2024 GUIDANCE - KEY ASSUMPTIONS & INDICATIONS

- Guidance and indications based on continuing operations
- No change in accounting policies
- No major regulatory or macro-economic changes
- Inframarginal rent caps based on current legal texts
- Updated regulatory framework for 2024-2027 on French networks
- Full pass through of supply costs in French B2C retail tariffs
- Average temperature in France
- Average hydro, wind, and solar productions
- Average forex :
    - € / USD: 1.09
    - € / BRL: 5.36
- Belgian nuclear availability: c. 92%-94%, based on reactors availabilities as published on REMIT as of 01/01/2024, excluding LTO
- Contingencies on Belgian operations of €0.2bn in 2024
- Market commodity prices as at 31 March 2024
- Recurring net financial costs of €(2.4)-(2.7)bn over 2024-26
- Recurring effective tax rate: 25-27% over 2024-26

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