# ANNUAL RESULTS 2019

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# ANNUAL RESULTS 2019

**Jean-Bernard Lévy**

Chairman and Chief Executive Officer

# ALL 2019 FINANCIAL TARGETS ARE MET

| | ACTUAL 2019 | TARGETS | |
|---|---|---|---|
| EBITDA | **€16.7bn** | *€16bn – €16.7bn* | ✓ |
| REDUCTION IN OPERATING EXPENSES (1) | **€1.2bn vs. 2015** | *~€1.1bn* | ✓ |
| TOTAL NET INVESTMENTS (2) | **€13.9bn** | *~ €15bn* | ✓ |
| CASH FLOW excl. HPC and Linky | **€1.8bn** | *> €0.6bn* | ✓ |
| NET DEBT/EBITDA | **2.46x** | *≤ 2.7x* | ✓ |
| GROUP DISPOSALS | **~€0.5bn achieved** (3) | *€2bn to €3bn for 2019-2020* | **In progress** |

DIVIDEND PROPOSED:

**€0.48 per share,**
payout of 45% (4)

*For a payout target of 45%-50%* (4)

(1) Sum of personnel expenses and other external expenses. At comparable scope, IFRS 16 and exchange rates. At constant pension discount rates. Excluding change in operating expenses of the service activities.
(2) Total net investments excluding acquisitions and “Group Disposals 2019-2020”.
(3) Does not take account the signed binding disposal agreements (Edison E&P business).
(4) Payout ratio based on net income excluding non-recurring items, adjusted for the remuneration of hybrid bonds accounted for in equity.

# HIGHLIGHTS

- CUSTOMERS AND SERVICES: RENEWAL OF OFFERINGS' RANGE AND BUSINESS DEVELOPMENT
- ACCELERATION IN THE DEVELOPMENT OF RENEWABLE ENERGIES
- PROGRESS OF THE 3 MAJOR PLANS: SOLAR, STORAGE AND ELECTRIC MOBILITY
- NUCLEAR: KEY INDUSTRIAL MILESTONES & CONSULTATION ON A NEW REGULATION
- INTERNATIONAL: SELECTIVE DEVELOPMENT & PROGRESS ON LARGE HYDROELECTRIC PROJECTS
- ENEDIS: A CONSOLIDATED LOCAL FOOTPRINT AND A STRONG ROLL OUT OF LINKY

# CUSTOMERS AND SERVICES: RENEWAL OF OFFERINGS' RANGE AND SALES DEVELOPMENT

## RENEWED AND INNOVATIVE OFFERINGS' RANGE IN FRANCE

- **Estimated France market share of** 77.7% for the B2C segment and 56.9% for the B2B segment
- **Extension of offerings' range:**
  - Launch of "Mes Jours Zen", an electricity offer adapted to new consumer habits
  - Signature of first long term PPAs for the B2B segment in France (Metro, Société Générale, etc.)
  - "Mon Soleil & Moi": 10,000 solar installations completed, over 5,000 of which in 2019
- **Success of market offers: more than 550,000 residential electricity customers in France**
- **Over 1.5 million residential gas customers**
- **Hydrogen:** first commercial successes by Hynamics

## GROWTH IN SERVICES

- **Acquisition of Breathe by Dalkia and EDF Energy** (via Imtech)**:** a specialist in energy performance in the UK - revenue of £15m in 2018
- **Renewal or signature of new contracts at Dalkia** (district heating network for Grande Ile in Vaulx-en-Velin and Villeurbanne; energy performance contract at 26 Safran sites)
- **Launch of the services platform "IZI by EDF"** for residential customers and small businesses and integration in 2020 of **MyChauffage** to step up the Group offer on heating equipment and heat pumps

# ACCELERATION IN THE DEVELOPMENT OF RENEWABLE ENERGIES (1)

## DOUBLING
OF CONSTRUCTION START (WIND AND SOLAR)


## STRONG ACHIEVEMENTS IN OFFSHORE WIND

- **OVER 2GW** OF OFFSHORE WIND PROJECTS UNDER DEVELOPMENT OR CONSTRUCTION
- EDF THE **LEADER IN FRANCE**, WINNING 4 OUT OF 7 CALLS FOR TENDER

### OFFSHORE WIND SUCCESS IN FRANCE AND THE UK

- **Saint-Nazaire (480MW)**
  — No. 1 offshore wind farm in France, construction initiated
- **Neart na Gaoithe (UK) (450MW)**
  — Launch of the construction of the offshore wind farm with new Irish partner ESB
- **Dunkerque (~ 600MW)**
  — Call for tender awarded, ahead of 6 other competitors

### AND OFFSHORE WIND DEVELOPMENT PROSPECTS

- **USA:** Atlantic Shore project **(potential of 2GW)**
- **Ireland:** Codling project **(potential of 1GW)**
- **China:** Dongtai IV et V projects **(500MW)**

## PROGRESS IN HYDRO POWER

COMMISSIONING OF LA COCHE NEW HYDRO PLANT IN FRANCE (240MW)

## EDF: NEW GREEN BOND FRAMEWORK

(1) The EDF group's business development model is based on partnerships. Not all of these projects will necessarily be fully consolidated.

# THE FRENCH SOLAR PLAN

## A STRONG ACCELERATION OF SOLAR PV DEVELOPMENTS

LEPLANSOLAIRE

### TARGET

**BE THE LEADER IN FRANCE**

**ACHIEVE** 30%
**MARKET SHARE BY 2035**

▶ **~ 1GW/Y TO DEVELOP ON AVERAGE BETWEEN 2020 AND 2028** (1)

### SOLAR PLAN PREPARATION WELL UNDER WAY

| | |
|---|---|
| c.2,000ha<br>**LAND SECURED** | **x7 VS 2017** |
| c.500MWc<br>**AUTHORISED** | **x5 VS 2017** |
| 23 projects<br>**AWARDED BY THE FRENCH REGULATOR IN 2019 FOR 180MWc** | **x6 VS 2017** |
| Luxel Acquisition<br>**REALISED IN 2019** | **PROJECT PORTFOLIO c.1GW** |

(1) The EDF group's business development model is based on partnerships. Not all of these projects will necessarily be fully consolidated.

# ELECTRICITY STORAGE PLAN (1)

LE PLAN **stockage** électrique

## TARGET

**DEVELOP 10GW WORLDWIDE** IN NEW STORAGE SITES **BY 2035**
IN ADDITION TO THE **5GW OPERATED TODAY**

## ACHIEVEMENTS AND PROJECTS

- **0.5GW portfolio of storage projects realised or decided** at end-2019, including:
  - *Noor Midelt in Morocco (Solar hybridisation, concentrated solar and storage of 190MW in the form of heat)*
  - *Big Beau, Arrow Canyon and Maverick 2 (Solar hybridisation+LiOn in the USA) for a total of 150MW*
  - *Inauguration of the first Group hybrid power plant wind+storage (Petit Canal Repowering; Guadeloupe)*
- **Acquisition of storage project developer Pivot Power (UK)** (potential portfolio of **2GW capacity**)
- **Launch of microgrids business**
- **Key innovations:**
  - *Commissioning of **Zinc Air battery demonstrators***
  - *Completion of **testing labs and expertise** on the battery cells of EDF R&D*
  - ***€16.9m of investments in start-ups in 2019***

(1) The EDF group's business development model is based on partnerships. Not all of these projects will necessarily be fully consolidated.

# EDF ELECTRIC MOBILITY PLAN [1]

## TARGETS

**BE EUROPE'S LEADING E-MOBILITY POWER SUPPLIER IN 2022**
IN THE GROUP'S FOUR MAJOR MARKETS: FRANCE, UK, ITALY AND BELGIUM

**NO. 1 SUPPLIER OF ELECTRICITY FOR ELECTRIC VEHICLES**
PROVIDE ELECTRICITY FOR 600,000 ELECTRIC VEHICLES IN 2022 (30% MARKET SHARE)

**NO. 1 OPERATOR OF ELECTRIC CHARGING STATION GRID**
75,000 STATIONS DEPLOYED AND 250,000 STATIONS AVAILABLE ON AN INTEROPERABILITY BASIS IN EUROPE BY 2022

**EUROPEAN LEADER IN SMART CHARGING**
4,000 SMART STATIONS OPERATED IN 2020

## ACHIEVEMENTS AND PROJECTS

- **Supporting EDF's customers and European partners in their transition to electric mobility:**
  - ***In the United Kingdom, EDF signed a contract with Royal Mail Group****, owner of one of the biggest Europe fleet, for the supply and management of charging infrastructures*
  - ***In Italy, Edison signed with the Toyota group*** *a partnership for installing and operating more than 300 charging stations, publicly available*
  - ***In France, Izivia signed a partnership with France Europcar Mobility Group*** *for an experiment, offering a charging solution for electric vehicles to the Europcar customers*
- **Creation of DREEV**, a new subsidiary dedicated to smart-charging in Europe
- **"EV100" project: development in line with the target: 8.6% of EDF Group vehicles are electric at end-2019**
- **Acquisition of Pod Point,** leader on the British market in the installation and operation of charging stations, with a total of:
  - *62,000 stations in the UK (position #1 B2C and #2 B2B)*
  - *and 6,600 stations in Norway*
- **Acquisition of PowerFlex** (USA), serving to step up the roll-out of infrastructure combining:
  - *smart charging solutions*
  - *and solar energy production and storage resources in California*

(1) The EDF Electric Mobility Plan supplements specific investments made in this field by Enedis, an independent subsidiary of EDF as defined in the French Energy Code.

# NUCLEAR (1/2)

## EXCELLENCE OF THE NUCLEAR SECTOR: LAUNCH OF EXCELL PLAN

- **Enhancement of manufacturing quality**
  (ex: qualification of manufacturing processes beyond the qualification of suppliers)
- **Boosting skills**
  (ex: creation of a university dedicated to nuclear disciplines, specific plan for recruiting and training welders)
- **Strengthening of the governance of major nuclear projects**
  (ex: strategic committee tasked with approving the initial data of the project)

## MAJOR PROJECTS

- **Taishan EPR in China:** commissioning of unit 2 and generation of over 4TWh for unit 2 and 12TWh for unit 1 (on 31/12/2019) since the commissioning
- **Hinkley Point C** (1): "J0" milestone (completion of the safety concrete of nuclear island of unit 1) reached on schedule
- **Flamanville 3** (2):
  - Definition of the scenario on the repair of penetration welds
  - Fuel loading planned for end-2022

(1) See press release of 25 September 2019. Review of costs on completion of the project increased to £21.5bn - £22.5bn in 2015 sterling, excluding interest during the period of construction and excluding currency effects relative to a reference exchange rate of the project of 1 pound sterling = 1.23 euros.

(2) See press release of 9 October 2019. Estimated cost of construction revised to €12.4bn in 2015 euros and excluding interest during the period of construction.

# NUCLEAR (2/2)

## TRICASTIN 1 SUCCESS OF THE FIRST VD4

**Tricastin 1 restart authorised by ASN after 4th ten-year visit**

- First 4$^{th}$ ten-year visit for a 900 MW reactor within the Grand Carénage programme
- Restart after about 7 months: more than 30,000 operations and controls realised and more than 5,000 people mobilised (EDF group and industrial partners)

## TOWARDS NEW REGULATORY FRAMEWORK FOR EXISTING NUCLEAR

**Public consultation launched by the French government on 17 January 2020, on a new regulatory framework for existing nuclear**

- Defects of the ARENH highlighted: asymmetry, optionality, lack of a price floor, non-indexation
- The approach is based on the European legal framework: a General Economic Interest Service (SIEG), based on public service obligations
- Designed to establish a balance, safeguarding a market price signal in a corridor of €6 and with a financial mechanism for the netting of flows between the different players

# INTERNATIONAL: SELECTIVE DEVELOPMENT & PROGRESS ON LARGE HYDROELECTRIC PROJECTS (1)

## PROGRESS ON LARGE HYDROELECTRIC PROJECTS

- **Commissioning in October 2019 of the Sinop hydroelectric dam** in Brazil (400MW). Electricity sales via PPA over 30 years
- **Start of construction of the Nachtigal run-of-the-river hydropower plant** in Cameroon (420MW). Operational commissioning planned in 2023

## SELECTIVE DEVELOPMENT

- **Engineering assistance of PSPS (2) in Dubai and in Israel**
  - Hatta (Dubai): a 250MW project, first PSPS in the United Arabic Emirates with DEWA customer and for which EDF is in charge of contributing to feasibility studies, procurement and building monitoring
  - Gilboa (Israel): first PSPS in Israel (300MW), project near end-construction, for which EDF is serving as Project manager support

(1) The EDF group's business development model is based on partnerships. Not all of these projects will necessarily be fully consolidated.
(2) Pumped Storage Power Station.

# ENEDIS: TERRITORIAL ANCHORING CONSOLIDATION AND LINKY PROGRAMME DEPLOYMENT

## TERRITORIAL ANCHORING CONSOLIDATION

- **116 concession contracts renewed in 2019** (or 170 contracts renewed at end-2019) including the localities of Toulouse, Bordeaux, Grenoble and the SIGEIF (1) in Île-de-France) for an average period tending toward **30 years**
- Significant achievements supporting **electric mobility in the territories** with more than 150 developed projects in partnership (bus depots, boat charging at wharf, rapid car charging, etc.) and electrification of the Enedis vehicle fleet
- **Crisis management:** 7 mobilisations of the FIRE (2) in response to the exceptional climatic events of 2019

## LINKY PROGRAMME DEPLOYMENT

- **7.7 million smart meters installed in the year, bringing the total to 23.4 million at end-2019**
- **2.8 million recurring subscriptions** to the consumption data publication, subscribed by suppliers and third parties

## HIGH-GROWTH IN GRID CONNECTIONS

- **In 2019, more than 30,000 connected renewable facilities** with 900MW of photovoltaic and 1,200MW of wind power plants.
- **Total capacity of the renewable generation fleet connected to the distribution public grid: more than 28GW** with more than 400,000 installations
- **Continual momentum of customers connection (370,000 connections)**

(1) Inter-community commission for power and gas **in** Île-de-France.
(2) Electricity rapid intervention Force.

# ANNUAL RESULTS 2019

**Xavier Girre**

Group Senior Executive VP- Finance

# 2019 KEY FIGURES

| In €m | 2018 restated (1) | 2019 (2) | Δ% | Δ% Org.(3) |
|---|---|---|---|---|
| Sales | 68,546 | 71,317 | +4.0 | +3.5 |
| **EBITDA** | **14,898** | **16,708** | **+12.1** | **+8.4** |

| | | | |
|---|---|---|---|
| Net income excluding non-recurring items | 2,452 | 3,871 | +57.9 |
| **Net income – Group share** | **1,177** | **5,155** | **x 4.4** |

| | 31/12/2018 | 31/12/2019 (2) |
|---|---|---|
| Net debt (in €bn) | 33.4 | 41.1 |
| **Net debt/EBITDA ratio (1)** | **2.24x** | **2.46x** |

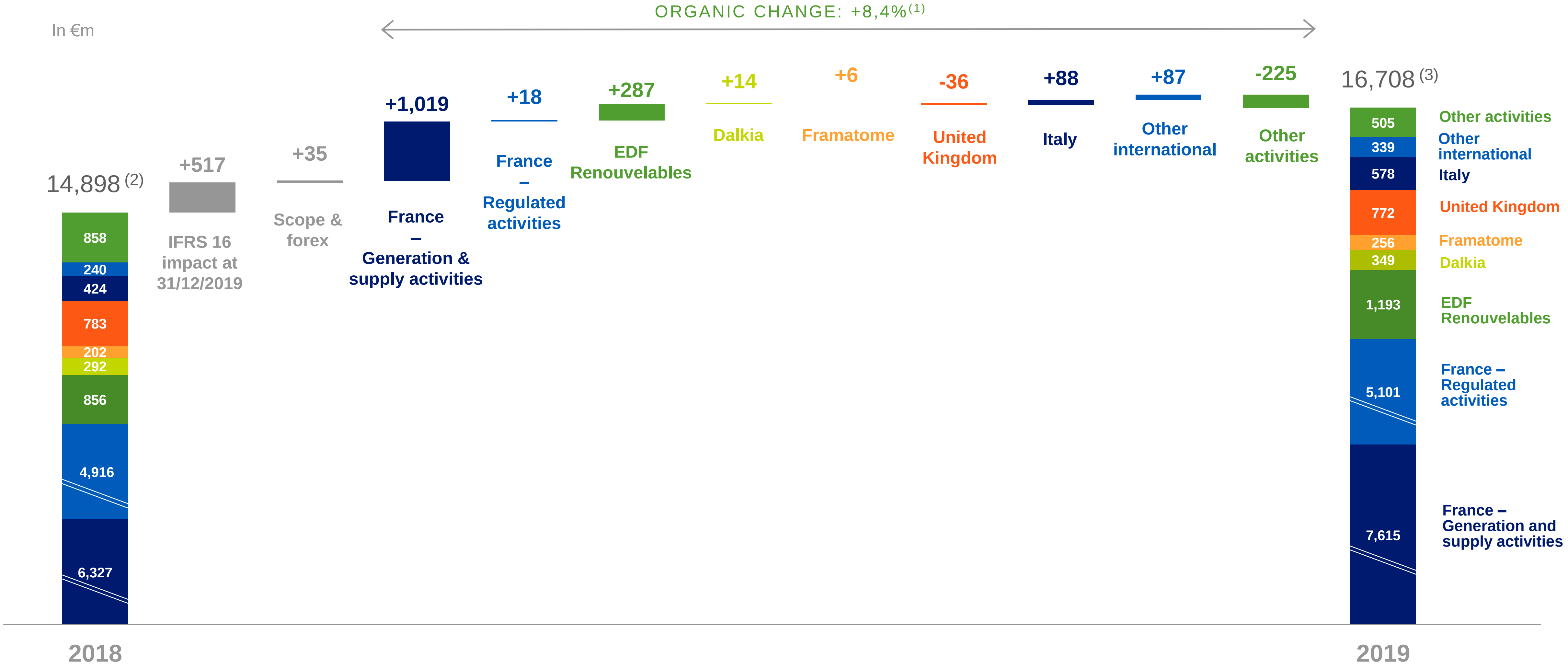
*Significant impact on NFD of IFRS 16 standard implementation on 1 January 2019 (€4.5bn) and net purchase of hybrid securities (€1.1bn) at H2 2019*

(1) The FY 2018 data published *(except NFD)* were restated due to the impact linked to the Edison E&P activity presentation as a discontinued operation.

(2) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard, from 1 January 2019 (using the “modified” retrospective approach). The comparative data was not restated in compliance with the transition provisions.

(3) Organic change at comparable scope, standards and exchange rates.

# GROUP EBITDA BY SEGMENT



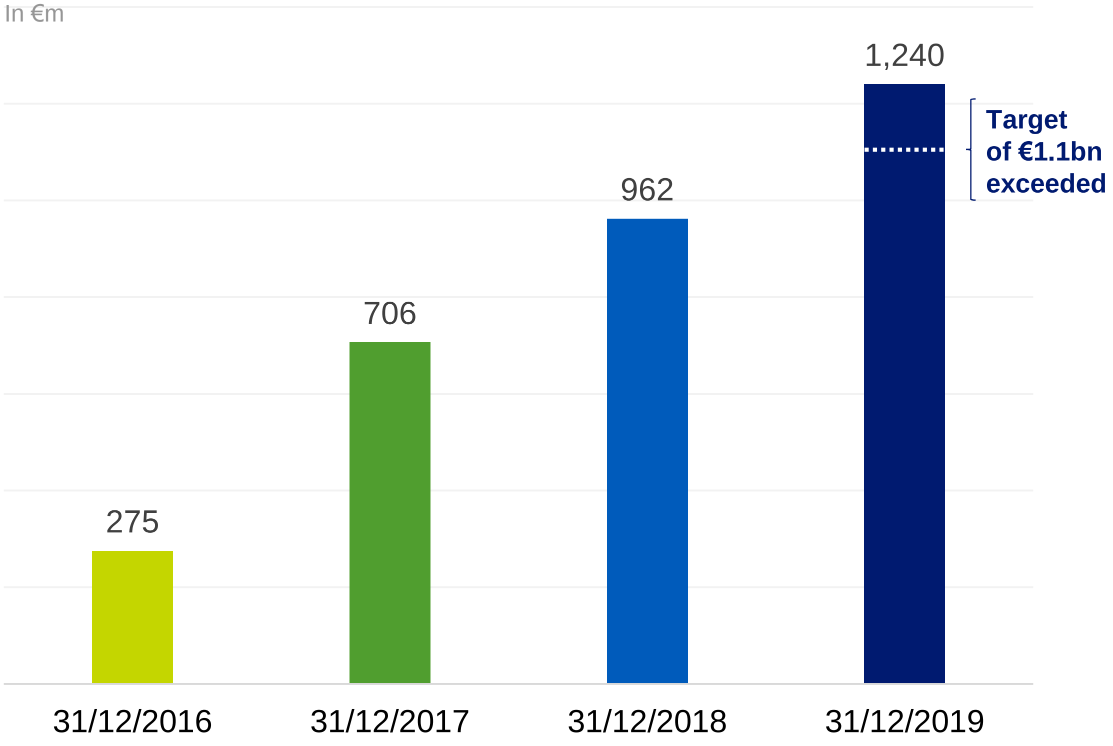

(1) Organic change at comparable scope, standards and exchange rates.

(2) The data published in respect of FY 2018 were restated due to the impact linked to the Edison E&P activity presentation as a discontinued operation.

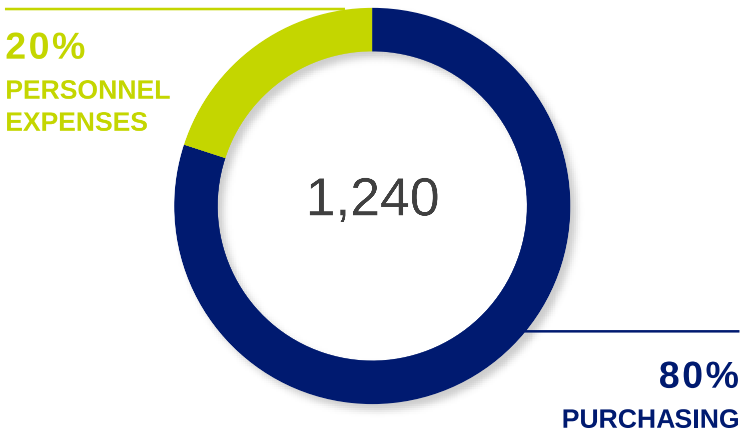
(3) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard. The comparative data was not restated.

# TARGET EXCEEDED IN REDUCTION OF OPERATING EXPENSES (1)

## CONTINUOUS REDUCTION IN OPERATING EXPENSES SINCE 2015 (1)

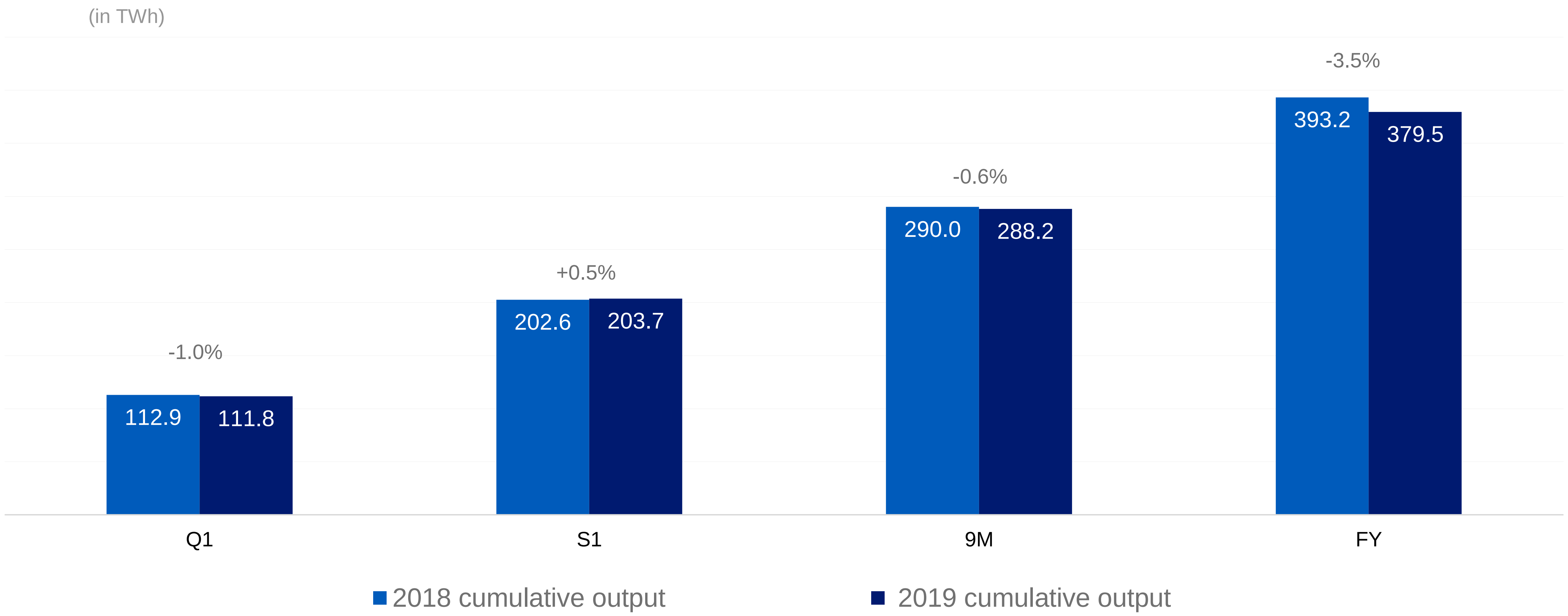



## BREAKDOWN OF CUMULATED GAINS BY NATURE

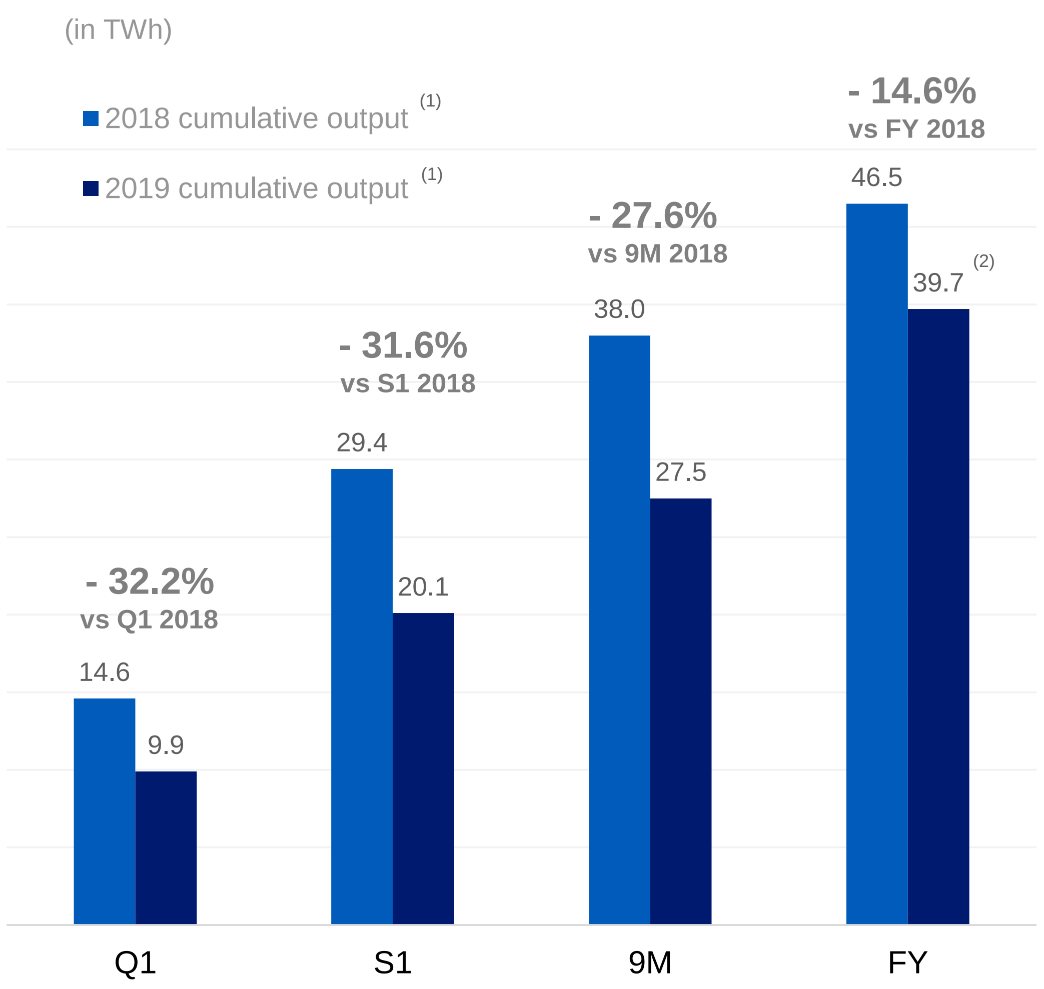


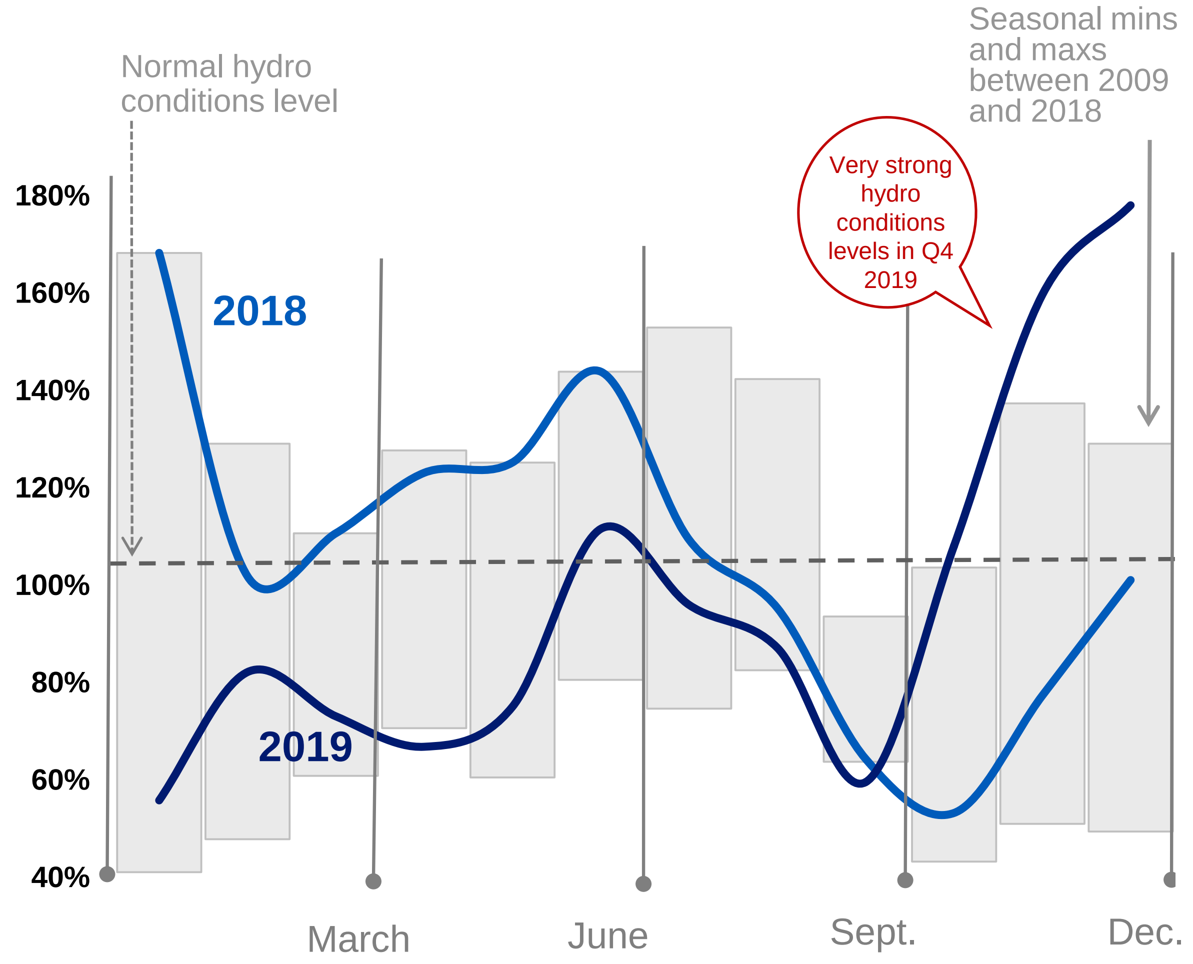

(1) At constant scope, exchange rates, IFRS 16 and pension discount rate. Excluding change in operating expenses of the service activities.

# FRANCE NUCLEAR OUTPUT



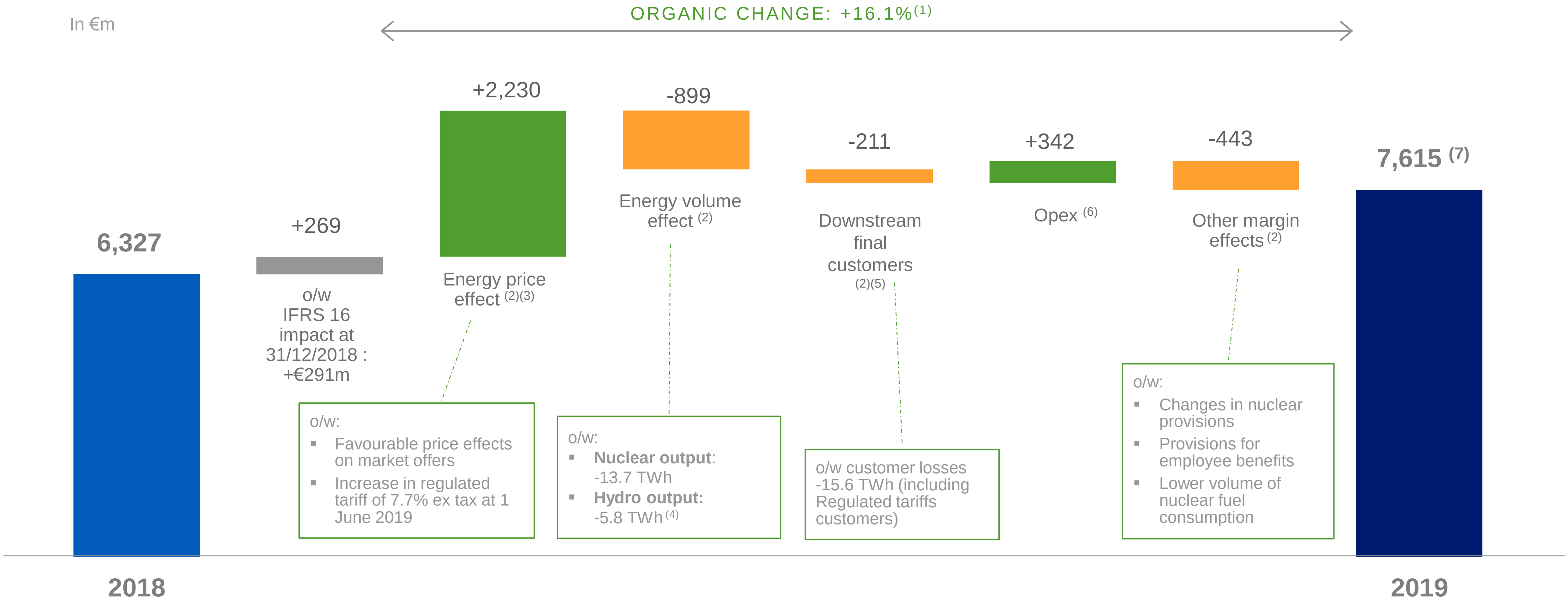
# FRANCE HYDRO OUTPUT



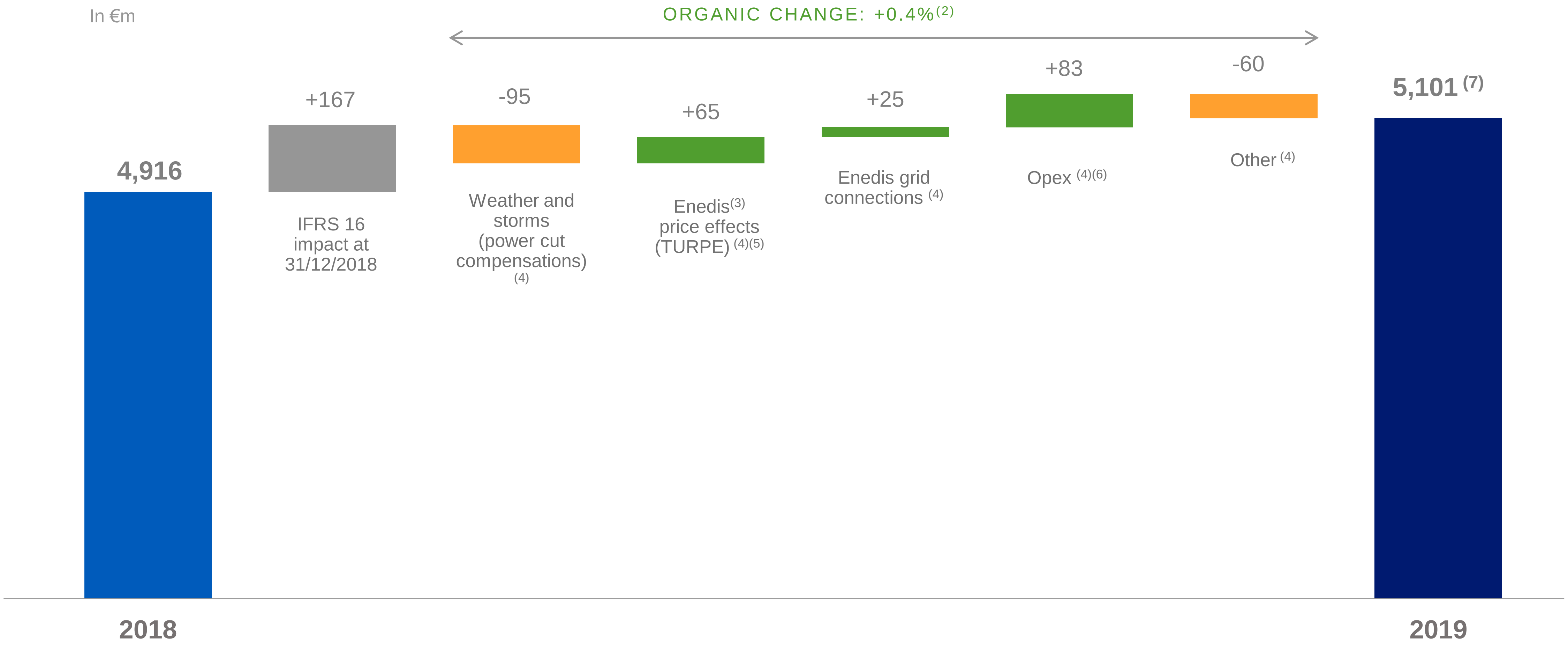

(1) Hydropower excluding electrical activities on French islands, before deduction of pumped volumes.
(2) Production after deduction of pumped volumes : 39.2TWh in FY 2018, and 33.4TWh in FY 2019.

# FRANCE – GENERATION AND SUPPLY ACTIVITIES EBITDA




(1) Organic change at comparable scope, standards and exchange rates.
(2) Estimated figures.
(3) Including favourable price effects (+€57m) on energy purchasing.
(4) After deduction of pumped volumes.
(5) Including CEE (Energy Saving Certificates) impact.
(6) At comparable scope, IFRS 16 and exchange rates. At constant pension discount rates. Excluding change in operating expenses of the service activities.
(7) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data have not been restated.

# FRANCE – REGULATED ACTIVITIES [1] EBITDA




(1) Regulated activities include Enedis, ÉS and island activities.
(2) Organic change at comparable scope, standards and exchange rates.
(3) Enedis, independent subsidiary of EDF as defined in the French Energy Code.
(4) Estimated figures.
(5) Indexation of the TURPE 5 Distribution of +3.04% as at 01/08/2019 (-0.21% as at 01/08/2018) and of TURPE 5 Transmission of +2.16% in 2019 (+3.0% as at 01/08/2018).
(6) At comparable scope, IFRS 16 and exchange rates. At constant pension discount rate. Excluding change in operating expenses of service activities.
(7) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard. The comparative data was not restated.

# RENEWABLE ENERGIES

## EDF RENOUVELABLES

| In €m | 2018 | 2019 (1) | Δ% | Δ% Org.(2) |
|---|---|---|---|---|
| **EBITDA** | **856** | **1,193** | *+39.4* | *+33.5* |
| *o/w generation EBITDA* | *903* | *917* | *+1.6* | *-0.9* |

- **Sustained DSSA** operations in 2019: €560m capital gains, mainly from the partial disposal of NnG (3) in Scotland
- **Electricity output** of 14.7TWh, down 0.3TWh (-2%) on an organic basis. Impact of 2018-2019 disposals (-3.1TWh vs. 2018)
- **Positive price impact** (portfolio effect)
- Increase in development costs supporting business growth: **doubling of projects under construction** at end-December 2019 to 5GW gross (o/w: 2.5GW wind capacity, 0.9GW offshore wind capacity and 1.5GW solar capacity)

(1) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data have not been restated. The EDF R EBITDA impact would have been €56 million at 31/12/2018.

(2) Organic change at comparable scope, IFRS 16 and exchange rates.

(3) Including revaluation of shares held following the loss of control of the company.

## GROUP RENEWABLES (4)

| In €m | 2018 | 2019 (1) | Δ% | Δ% Org.(2) |
|---|---|---|---|---|
| **EBITDA** | **2,133** | **2,166** | *2* | *-2* |
| **Net investments** | **1,220** | **404** | | |

- **EBITDA**
  - Particularly unfavourable hydro conditions in first nine months of the year
- **Net investments**
  - Impact of the deconsolidation of the debt relating to the NnG project

4.8GW

GROUP CONSTRUCTION STARTS IN 2019

(4) For the optimised renewable electricity generation activities within a larger portfolio of generation assets, in particular relating to France's hydropower fleet, revenue and EBITDA are estimated, by convention, as the valuation of the output generated at market prices (or the purchase obligation tariff), without taking into account hedging effects, and taking into account the valuation of the capacity, if applicable.

# ENERGY SERVICES

## DALKIA

| In €m | 2018 | 2019 (1) | Δ% | Δ% Org.(2) |
|---|---|---|---|---|
| EBITDA | 292 | 349 | *+19.5* | *+4.8* |

- **Strong commercial dynamism in contract renewal (80% rate this year), including:**
  - District heating networks: new 15.5 year public service delegation for Grande Île in Vaulx-en-Velin and Villeurbanne
  - Energy efficiency: total Facility Management contract on 26 sites at Safran
- **Further implementation of performance plan** and overheads control
- **Sales of Energy Savings Certificates**: improvement vs. 2018

(1) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data have not been restated. The Dalkia EBITDA impact would have been €41 million at 31/12/2018.

(2) Organic change at comparable scope, exchange rates and IFRS 16.

## GROUP ENERGY SERVICES (3)

| In €m | 2018 | 2019 (1) | Δ% | Δ% Org.(2) |
|---|---|---|---|---|
| EBITDA | 355 | 430 | *21* | *2* |
| Net investments | 520 | 330 | | |

- **EBITDA**
  - Driven by Dalkia's performance
- **Net investments**
  - Change mainly reflecting the lower net investments of Dalkia in particular in networks and Edison (Zephyro acquisition in 2018)

DALKIA AND EDF ENERGY VIA IMTECH ACQUIRE **BREATHE,**
A SPECIALIST IN ENERGY PERFORMANCE IN THE UK

(3) The Group Energy services include Dalkia, Citelum and CHAM and the service businesses of EDF Energy, Edison, Luminus and EDF SA. These notably comprise urban lighting, heating grids, decentralised low-carbon production using local resources, consumption management, and electric mobility.

# FRAMATOME

| In €m | 2018 | 2019 [1] | Δ% | Δ% Org.[2] |
|---|---|---|---|---|
| Revenue | 3,313 | 3,377 | *+1.9* | *+0.6* |
| **EBITDA** | 465 [3] | 527 | *+13.3* | *+3.0* |
| **EBITDA EDF group contribution** | **202** [3] | **256** | *+26.7* | *+3.0* |

- **EBITDA progression of 3%** [3] **in a generally stable business context**:
- **"Installed Base" and "Instrumentation and Control (I&C)" businesses**: improved performance in the USA and Germany in a highly competitive market. Increase in the execution costs of some export and French projects in Installed Base
- **"Component Manufacturing" business:** ramp-up in the production of equipment intended for the replacement of steam generators and for new projects
- **"Fuel Assembly" business:** Stable production level and delivery of assemblies for the Taishan EPRs in China
- **"Large Projects" business**: ramp-up on HPC (non-contributive)
- **Continuation of the plan to reduce overheads**

2019
ORDER INTAKE
**€3.3BN**

ACCESS TO **I&C** MARKET ON VVER REACTORS:
2 CONTRACTS SIGNED WITH ROSATOM

(1) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data have not been restated. EBITDA impact would have been €44 million at 31/12/2018.

(2) Organic change at comparable scope, exchange rates and IFRS 16.

(3) Including an expense of €42m in connection with the revaluation of inventories, carried out as part of Framatome's purchase price allocation.

# UNITED KINGDOM

| In €m | 2018 | 2019 [1] | Δ% | Δ% Org.[2] |
|---|---|---|---|---|
| **EBITDA** | **783** | **772** | *-1.4* | *-4.6* |

- **Generation**
  - Decrease in nuclear output (-8.1 TWh) to 51.0 TWh, due to extended outages at Hunterston B and Dungeness B in 2019
  - Growth of capacity market revenue: €309m recorded in 2019 [3] (reinstatement of the mechanism)
  - Increase in nuclear realised prices: c.+£4/MWh
- **Supply**
  - Unfavourable impact of the cap on standard variable tariff (SVT cap) since 1 January 2019
  - Slight increase in the residential customers portfolio (takeover of the Toto Energy's customers [4]) in a highly competitive environment and good performance of B2B segment margin

REINSTATEMENT OF THE CAPACITY MECHANISM

**TARGETED ACQUISITIONS ON** CAP 2030 PRIORITIES WITH **PIVOT** (STORAGE), **POD POINT** (ELECTRIC MOBILITY) AND **BREATHE** (SERVICES)

(1) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard. The comparative data was not restated and the EBITDA would have been of €18 million as of 31/12/2018.
(2) Organic change at comparable scope, standards and exchange rates.
(3) Including Q4 2018 revenue.
(4) Takeover imposed by Ofgem, the UK regulatory authority, following the revocation of Toto Energy's license.

# ITALY

| In €m | 2018 (1) | 2019 (2) | Δ% | Δ% Org.(3) |
|---|---|---|---|---|
| **EBITDA** | **424** | **578** | *+36.3* | *+20.8* |

- **Electricity business**
  - Thermal: good performance in ancillary services
  - Renewables: output of new wind farms (+165MW) and good performance in hydropower
- **Gas business**
  - Long-term gas supply contracts: favourable base effect in 2019 (supply tensions and purchasing at high prices in 2018) and optimisation of pipeline-supplied gas in 2019
- **Downstream business**
  - Decrease in power and gas margins, especially in B2C
  - Services: margins down on large accounts and non-recurring favourable elements in 2018

c. 500MW
NET CAPACITY WIND AND SOLAR (4)

INTRODUCTION OF CAPACITY MECHANISM IN ITALY (STARTING IN 2022)

(1) The sale of Edison's Exploration and Production (E&P) business was classified as a discontinued operation under IFRS 5, effective from 1 January 2019. Data published in respect of FY 2018 have thus been restated.
(2) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data were not restated and the EBITDA impact would have been €21 million at 31/12/2018.
(3) Organic change at comparable scope, IFRS 16 and exchange rates.
(4) Net capacity pro rata to the holding percentage of the assets. 100% Gross consolidated capacity of c.1,000MW.

# OTHER INTERNATIONAL

| In €m | 2018 | 2019 [(1)] | Δ% | Δ% Org.[(2)] |
|---|---|---|---|---|
| **EBITDA** | **240** | **339** | +41.3 | +36.3 |
| *o/w Belgium* [(3)] | *140* | *206* | +47.1 | +38.6 |
| *o/w Brazil* | *80* | *126* | +57.5 | +60.0 |

- **Belgium** [(3)]
  - Generation: better availability of nuclear fleet (sharp deterioration end-2018)
  - Wind: generation growth driven by an increase in capacity to 519MW (+18.0% vs. 2018)
  - Supply: holding up strongly in a highly competitive environment
- **Brazil**
  - Positive effect of the contractual revision regarding EDF Norte Fluminense's electricity sales contract tariff at end-2018
  - Favourable base effect: gas supply and maintenance programme more favourable in 2019 than in 2018

**COMMISSIONING OF SINOP DAM (400MW)**

CONCESSION CONTRACT SIGNED FOR **BIOVEA**, A BIOMASS PLANT OF 46MW[(4)] IN CÔTE D'IVOIRE

(1) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data were not restated and the EBITDA impact would have been €9 million at 31/12/2018.
(2) Organic change at comparable scope, IFRS 16 and exchange rates.
(3) Luminus and EDF Belgium.
(4) Objective: commissioning in 2023.

# OTHER ACTIVITIES

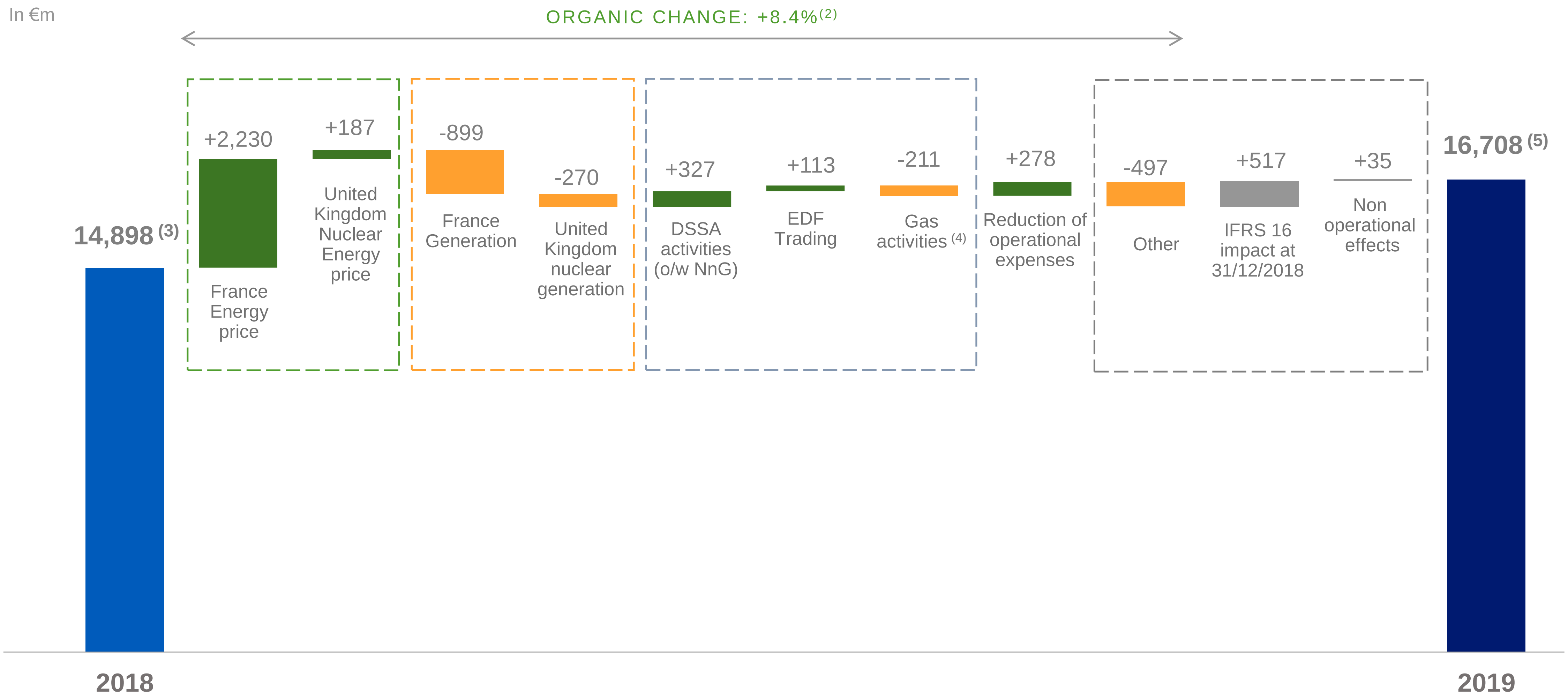
| In €m | 2018 | 2019 (1) | Δ% | Δ% Org.(2) |
|---|---|---|---|---|
| **EBITDA** | **858** | **505** | *-41.1* | *-26.2* |
| *o/w EDF Trading* | *633* | *733* | *+15.8* | *+17.9* |

- **Gas activities**
  - Significant provision for onerous contracts in view of the downward revision of medium-term and long-term spreads
  - Robust business in 2019 in line with the increasing competitiveness of gas-fired generation in Europe and a better use of Group capacities
- **EDF Trading**
  - Strong performance thanks to favourable positions in the power and gas markets in Europe, stemming from volatility on the commodities markets in a downward-trending environment, and solid growth in the USA activities
  - Contribution of trading and LNG optimisation businesses at global level, as well as LPG activities
  - Strong development of the partnership with Jera Global Market in LNG optimisation and trading businesses since 1 April 2019

(1) The financial statements at 31 December 2019 were established according to IFRS 16. Comparative data were not restated and the EBITDA impact would have been €(130) million at 31/12/2018, including the cancellation of a fraction of a capital gain from the disposal of real estate assets.

(2) Organic change at comparable scope, IFRS 16 and exchange rates.

# GROUP EBITDA - SYNTHESIS (1)




(1) Estimated figures.

(2) Organic change at comparable scope, standards and exchange rates.

(3) The data published in respect of FY 2018 were restated due to the impact linked to the Edison E&P activity presentation as a discontinued operation.

(4) Excluding Edison gas activities.

(5) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard. The comparative data was not restated in compliance with the transition provisions.

# GROUP EBIT

| In €m | 2018 restated [1] | 2019 [2] | Δ |
|---|---|---|---|
| **EBITDA [2]** | **14,898** | **16,708** | *+1,810* |
| Commodities volatility | (224) | 642 | *+866* |
| Amortisation/depreciation expenses[2] and provisions for renewal | (8,825) | (10,002) | *(1,177)* |
| Impairments and other operating income and expenses | (395) | (588) | *(193)* |
| **EBIT [2]** | **5,454** | **6,760** | *+1,306* |

(1) The data published in respect of FY 2018 were restated due to the impact linked to the E&P activity presentation as a discontinued operation.

(2) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard. The comparative data was not restated and the impact would have been at 31/12/2018: €517 million in EBITDA, €(634) million in amortisation expenses and €(117) million in EBIT.

# CHANGE IN FINANCIAL RESULT

| In €m | 2018 restated [1] | 2019 [2] | Δ |
|---|---|---|---|
| Cost of gross financial debt [2] | (1,712) | (1,806) | *(94)* |
| Discount expenses [3] | (3,464) | (3,161) | *303* |
| Other financial income and expenses | 378 | 4,606 | *4,228* |
| *o/w net change in fair value of debt and equity instruments of dedicated assets* | *(989)* | *2,545* | *3,534* |
| **Financial result [2]** | **(4,798)** | **(361)** | *4,437* |
| *Excluding non-recurring items before tax (change in IFRS 9 fair value of financial instruments)* | *1,048* | *(2,586)* | *(3,634)* |
| **Current Financial result** | **(3,750)** | **(2,947)** | *803* |

**IMPACT OF TRANSACTIONS ON HYBRID SECURITIES:**
REDUCTION OF HYBRID STOCK ON BALANCE SHEET OF €0.9bn AND NET COUPON SAVINGS OF €44m IN 2020 (€58m FROM 2021)

(1) The data published in respect of FY 2018 were restated for the impact relating to the presentation of the E&P business as discontinued operations.
(2) The financial statements at 31/12/2019 were established according to IFRS 16. Comparative data were not restated and the interest expenses impact would have been €(74) million at 31/12/2018.
(3) Including the impact of the decrease in the discount rate of nuclear provisions in France in 2018 and 2019.

# NET INCOME – GROUP SHARE

| In €m | 2018 restated [1] | 2019 [2] | Δ% |
|---|---|---|---|
| **EBIT [2]** | **5,454** | **6,760** | *+23.9* |
| Financial result [2] | (4,798) | (361) | |
| Income taxes | 178 | (1,581) | |
| Share of net income from associates and joint-ventures | 569 | 818 | |
| Net income of discontinued operations | (212) | (454) | |
| Deducting net income from minority interests | (14) | (27) | |
| **Net income – Group share [2]** | **1,177** | **5,155** | *x4.4* |
| Excluding non-recurring items | 1,275 | (1,284) | |
| *o/w change in IFRS 9 fair value of financial instruments, net of tax* | *767* | *(1,780)* | |
| **Net income excl. non-recurring items** | **2,452** | **3,871** | *+57.9* |

STRONG GROWTH IN NET INCOME EXCL. NON-RECURRING ITEMS: OPERATIONAL PERFORMANCE AND LOWER DISCOUNT EXPENSES

(1) The data published in respect of FY 2018 were restated for the impact relating to the presentation of the E&P business as discontinued operations.

(2) The financial statements at 31/12/2019 were established according to IFRS 16. Comparative data were not restated and the impact at 31/12/2018 was €(117) million on EBIT, €(74) million on the financial result and €(143) million on net income Group share.

# NON-RECURRING ITEMS NET OF TAX

| In €m | 2018 restated (1) | 2019 (2) |
|---|---|---|
| Impairments | (498) | (883) |
| *o/w E&P* | *(228)* | *(500)* |
| Change in IFRS 9 fair value of instruments | (767) | 1,780 |
| Others, including commodities volatility (IFRS 9) | (10) | 387 |
| **Total non-recurring items net of tax** | **(1,275)** | **1,284** |

**VERY GOOD PERFORMANCE OF THE EQUITY AND BOND MARKETS IN 2019 (VS. 2018) AND +13.5% GLOBAL PERFORMANCE OF DEDICATED ASSETS**

(1) The data published in respect of FY 2018 were restated for the impact relating to the presentation of the E&P business as discontinued operations.
(2) The financial statements at 31/12/2019 were established according to IFRS 16. Comparative data were not restated.

# CHANGE IN CASH FLOW

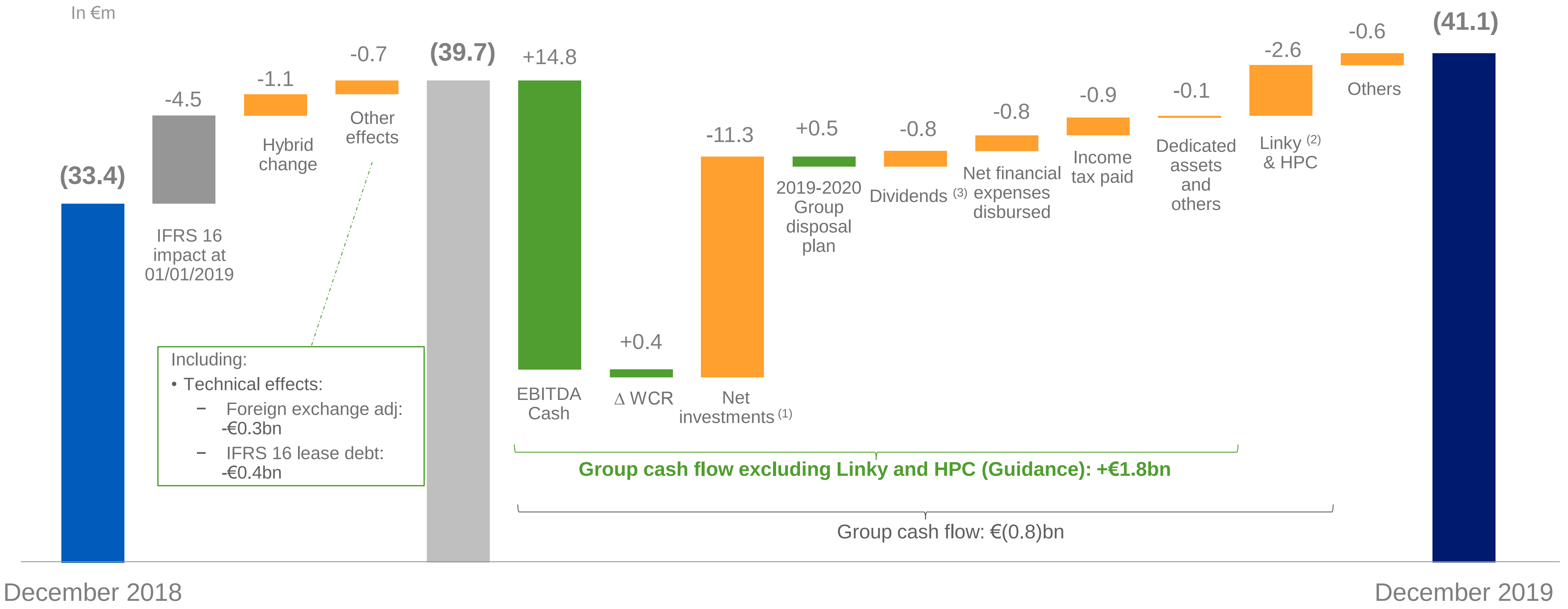
| In €m | 2018 restated (1) | 2019 (2) |
|---|---|---|
| **EBITDA (2)** | **14,898** | **16,708** |
| Non-cash items (2) | (1,245) | (1,943) |
| **EBITDA Cash (2)** | **13,653** | **14,765** |
| ∆ WCR | 470 | 452 |
| Net investments *(excluding Group assets disposal plan, HPC et Linky (3))* | (11,508) | (11,345) |
| Other items o/w dividends received from associates and group ventures | 383 | 303 |
| **Cash flow generated by operations** | **2,998** | **4,175** |
| Group assets disposal plan | 1,937 | 531 |
| Income tax paid | (309) | (922) |
| Net financial expenses disbursed (2) | (1,048) | (798) |
| Dedicated assets | (501) | (394) |
| Dividends paid in cash (including hybrid bond remuneration) | (1,278) | (801) |
| **Group Cash flow excluding Linky and HPC *(Guidance)* (2)** | **1,799** | **1,791** |
| Linky (3) and HPC | (2,400) | (2,582) |
| **Group cash flow (2)** | **(601)** | **(791)** |

(1) The data published in respect of FY 2018 were restated due to the new CFS presentation and to the impact linked to the Edison E&P activity presentation as a discontinued operation. As of 31/12/2019, the total cash flows of E&P amounting to €21m is presented on a dedicated line below the Group Cash flow.

(2) The 31/12/2019 financial statements are prepared applying the IFRS 16 standard. The comparative data was not restated, and the impact on the Group cash flow (and Guidance CF) would have been +€609m as of 31/12/2018.

(3) Linky is a project led by Enedis, independent subsidiary of EDF under the provisions of the French energy code.

# NET DEBT




NB : figured rounded up to the nearest whole number.

(1) Net investments including Linky, HPC and 2019-2020 assets disposal plan.

(2) Linky is a project led by Enedis, independent subsidiary of EDF under the provisions of the French energy code.

(3) Dividends including hybrid bonds remuneration.


# ANNUAL RESULTS 2019

**Jean-Bernard Lévy**

Chairman and CEO

# 2020 GUIDANCE AND MEDIUM-TERM OUTLOOK

| | | |
|---|---|---|
| **TARGETS 2020** | EBITDA (1) | **€17.5 – €18bn** |
| | OPEX (2) | **Stable in $€_{2019}$** |
| | TOTAL NET INVESTMENTS excluding acquisitions and “Group Disposals 2019-2020” | **~€15.5bn** |
| | GROUP DISPOSALS 2019-2020 (3) | **€2bn to €3bn** |

| | | |
|---|---|---|
| **AMBITIONS 2020-2021** | NET DEBT / EBITDA (1) | **2020: ~ 2.6x**<br>**2021: ≤ 2.7x** |
| | DIVIDEND<br>– *Target payout ratio of net income excluding non-recurring items (4)*<br>– *The French State has committed to scrip for the balance of the 2019 dividend and dividend relating to FY2020* | **45 - 50%** |

(1) On the basis of the scope and exchange rates at 01/01/2020 and of an assumption of a 375-390TWh range for French nuclear generation for 2020.

(2) Sum of personnel expenses and other external expenses. At comparable scope, standards and exchange rates. At constant pension discount rates. Excluding change in operating expenses of service activities

(3) The target includes the execution of the CENG shares put-option in 2020. The closing maybe postponed to 2021, depending on the timing of regulatory approvals

(4) Adjusted for the remuneration of hybrid bonds accounted for in equity.

# ANNUAL RESULTS
2019