



# **EDF Group Sales and Highlights: Third Quarter 2019**

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## EDF Group Sales and Highlights Q3 2019

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Good morning everybody. I am very pleased once again to welcome you to this conference call. I will walk you through our nine-month sales, starting with the main highlights over the period and I will close my presentation with our financial outlook.

As usual, I will leave as much time as possible for the Q&A session and this call is expected to end at 09.15 Paris time.

### Key Figures

Let me start with the key figures on slide three.

**Group revenue for the first nine months of 2019 amounted to €50.9 billion, up organically by 2.9% compared to the first nine months of 2018.** This growth is mainly driven by, first, French Generation and Supply in a context of favourable market prices; second, the development of the Group's energy services activities; third, the good performance of EDF Trading and gas business and fourth, a strong performance of our activities in Belgium and Brazil.

### Highlights and Deployment of CAP 2030

Before looking at the sales numbers in more detail, let me comment on some of the recent highlights of the Group, **starting with the continued development of our renewables activities.**

First, EDF Renewables launched construction of 2.4 gigawatt capacity in the first nine months, reaching a **record level of 4.7 gigawatt gross capacity under construction** at the end of September 2019, which is the double of 2018.

If we focus on **wind**, the construction of the **Saint-Nazaire** project, the first offshore wind farm in France, with a total power of 480 megawatts, has been launched. In Germany, EDF Renewables has acquired a **pipeline of 300 megawatts** of wind projects under development.

As for **solar**, two plants have been commissioned in Egypt, with a total installed capacity of 130 megawatts and a 25-year Power Purchase Agreement.

Regarding **hydraulics**, EDF inaugurated the hydro plant of La Coche in October after five years of works. The pumped-storage hydro facility total capacity has been increased by 20% to reach 240 megawatts thanks to a €150 million investment.

### Let's now focus on our storage and electric mobility plans:

EDF announced the acquisition ten days ago of **Pivot Power**, a British start-up specialised in battery storage and infrastructure for electric vehicle charging. It has a portfolio of 40 projects which represents a potential capacity of 2 gigawatts. The first two storage

projects are expected to be commissioned in 2020. This move will allow EDF to become a leader in battery storage in the UK.

In the United States, EDF Renewables has acquired **PowerFlex Systems**, a California-based pioneer in managed electric vehicle charging technology.

Last, **Nissan** and EDF have signed a cooperation agreement covering the United Kingdom, France, Belgium and Italy, focusing mainly on developing vehicle-to-grid smart charging solutions.

If we are now moving to slide five, **I will first comment three important and positive regulatory developments:**

First, the framework of the **ARENH** mechanism will remain unchanged for 2020, both for the volume ceiling and the price. This has been confirmed by the government notwithstanding the flexibility that was recently introduced in the law.

Second, the fourth period for the **Energy saving certificates** shall be extended by one year, till the end of 2021, providing some welcome flexibility.

And third, the European Commission has approved in October the **UK capacity mechanism**, followed by its reinstatement by the British government. As you know, this is important news for the Group as we highlighted this reinstatement as an underlying assumption for the 2019 EBITDA guidance.

About **Client solutions and Energy services**, we have now, at end-September, **460,000 customers** in France **under market offers for electricity**, which is more than a doubling compared to end 2018, and more than **1.5 million gas residential customers**. These numbers highlight the successful diversification of our supply business in France.

As for **Dalkia**, it keeps on developing its commercial activities, with the renewal or signing of new contracts, like energy network at La Grande Motte in the South of France, or energy facilities with the Conseil Régional of New Aquitaine.

If we move now to page six, **French nuclear output came to 288.2 terawatt hours** over the first nine months of 2019, down 1.8 terawatt hours compared to the first nine months of 2018 and reflecting lower availability of the nuclear fleet and to a lesser extent, modulations.

The assumption has been updated this morning. Taking into account the most recent updates and the schedule on outages, in particular extensions of scheduled outages for Flamanville 2 and Paluel 4 and the unplanned shutdown for Flamanville 1, an assumption around though not higher than 390 terawatt hours was consistent.

However, following the earthquake that took place on 11<sup>th</sup> November, the **Cruas** station has been shut down. On the basis of the expected dates of return to service for each reactor, published on Remit this morning, our assumption of French nuclear generation for 2019 has been updated to a range: **384–388 terawatt hours**. This will have no significant impact on our guidance; I will come back about that.

In the **UK**, extended outages at Hunterston B and Dungeness B contributed to a 9.1 terawatt hours drop in the fleet nuclear output, to reach 36.8 terawatt hours over the first nine months of 2019.

Regarding now new nuclear projects, unit two of **Taishan** entered into commercial operation in September. This is of course a major achievement and it is worth noting that the experience acquired through the commissioning of the first reactor, end of 2018, allowed to reduce by three months the period between the fuel loading and the plant's entry into commercial operation. Both reactors are now functioning nominally and deliver satisfactory performance. The unit one has notably produced more than 10 terawatt hours since its commissioning in December 2018.

As for **Hinkley Point C**, you are aware of the recent update that was made after the project review, with the project completion cost now expected between £21.5–22.5 billion in 2015 pounds.

For **Flamanville 3**, the new calendar, following the adoption at the end of the summer of the penetration weld rework scenario, is leading to a fuel loading planned at the end of 2022. The estimated construction cost has been revised accordingly to €12.4 billion in 2015 euros. The second phase of hot functional test has meanwhile started in September.

Last, we recently signed with the government the protocol on the closure of Fessenheim, which will take place next year and the associated financial compensation for EDF, with an initial fixed amount of €400 million.

### **Group sales**

As indicated earlier, **Group sales came to €50.9 billion, a 2.9% organic growth** compared to the €49.3 billion sales for the first nine months of 2018. Please note that Edison Exploration and Production activity is presented as discontinued operations starting 1<sup>st</sup> January 2019, while published figures for 2018 have been restated accordingly.

Let me walk you through each segment in more details, starting with Generation and Supply in France.

### **France nuclear output**

I already commented nuclear generation at end of September. At **end of October**, cumulative nuclear output was of 317.3 terawatt hours, a decrease by 1.3% compared to last year.

### **France hydro**

Concerning French hydro output, on slide nine, **French hydro output fell markedly to 27.5 terawatt hours, down 10.5 terawatt hours versus 2018.**

As you can see on the right-hand side, generation was affected by challenging hydro conditions versus normal, when 2018 was the highest level of output in 15 years. Production level has indeed been below average conditions for eight months out of nine since the beginning of the year and the 12-month production at the end of September 2019 is the fourth lowest level since 1961.

**October**, to the contrary, has been much higher than normal, as indicated by the dotted line on the graph and at a significantly higher level than October of last year. Cumulative production at end of October was of 30.0 terawatt hours.

## France electricity balance

Let's now have a look at the **upstream/downstream electricity balance**.

The **left-hand side of the chart** illustrates the decrease in hydro and nuclear output I just presented.

On **the right-hand side**, the decline in net sales to the wholesale market is a consequence of the overall decrease in generation while the increase in volumes supplied under ARENH essentially reflects the erosion of market shares and the associated drop in sales to end customers.

## Sales in France: Generation and Supply

Sales in **French Generation and Supply** grew by 5.7% in organic terms to €20.1 billion.

**Regulated sales tariffs** carried a **€126 million** positive impact with the 2019 tariff increase on the one hand and on the other hand, the end, on 1<sup>st</sup> August 2018 of the catch-up period related to the 2012–2013 tariff increase. It is worth reminding that the 2019 tariff increase should have been implemented from the start of the year and that this delay will trigger a catch up, to be defined by the CRE.

The most significant element is the favourable market conditions with **higher energy and capacity prices** translating into a **€588 million** positive impact.

**ARENH** sales and sales on **wholesale markets** were down by **€73 million** for two main reasons: first, the decrease in hydro and nuclear generation and second the decrease in the sales to end customers was not compensated in value by the increase in ARENH sales.

On the other hand, the capacity certificates sold on wholesale markets had a positive effect compared to 2018, as its Market Reference Price raised from €9.3 per kilowatt hour in 2018 to €17.4 per kilowatt hour in 2019.

The increase in the price of **Energy saving certificates** translated into a **€155 million** positive impact on sales but with no impact on the margin.

The resale of **purchase obligations** mainly benefited from a positive price effect estimated at **€47 million** but with no impact on the EBITDA because of the corresponding compensation mechanism.

Finally, sales benefited from **other favourable elements** for **€126 million**.

## France: Regulated Activities

Slides 12, Regulated Activities in France. Sales in French regulated activities were down 1.2% in organic terms to €11.4 billion.

The first element is derived from **climate effect, which led to a decrease in distributed volumes** by 2 terawatt hours, for an estimated negative impact of €82 million compared to the first nine months of 2018.

Despite an increase in TURPE tariffs, the evolution of tariffs was negative by €91 million mainly because of distribution tariff optimisation by suppliers. Thanks to new tariff options and more precise consumption information provided by Linky smart meters, end customers

may now benefit from more customised-to-needs offers. As a consequence, Enedis sales are reduced accordingly.

These negatives were partly offset by positive elements for €39 million, in particular with growth in grid connections

### **Renewable energies**

Moving to **EDF Renewables** in slide 13, where sales were up 1.4% organically to €1.2 billion.

Electricity generation was the main driver for this growth. Although output decreased by 0.6 terawatt hours as a consequence of the asset disposals or sell-down made end of 2018 and early 2019, this was more than offset by a favourable price impact linked to a portfolio effect.

Gross capacities installed during the first nine months of 2019 amounted to 1 gigawatt, mainly in solar, while overall net installed capacity remained stable compared to end of 2018 at 8.2 gigawatts.

Looking at **Renewables activities across the Group**, first nine months sales came to €2.9 billion, down 15% year on year in organic terms as a direct consequence, of course, of the decline in French hydro output by 27.6%, 2019 being an exceptionally dry year whereas 2018 was, on the contrary, quite favourable.

### **Energy Services**

**Dalkia's sales were up 4.6% organically to €2.9 billion.** This improvement mainly reflects the development of services sales mainly in France and the positive fuel price and indices effects.

**Overall, sales by Energy Services activities across the Group were up 5%.** Beyond the performance of Dalkia, this reflects a strong growth of Imtech in the UK and the development of services in Belgium.

### **Framatome**

**Framatome's sales reached €2.3 billion, up 1.2% in organic terms.** In contributive terms to EDF Group consolidated sales, sales were down by 4.7% in organic terms.

Growth is mainly coming from the installed base services activities, in particular in Canada.

The large projects activity is ramping up, along with HPC, which is taking over from Taishan following the commissioning of its two EPRs.

Additionally, Framatome had some important strategic and commercial developments in October and November:

- First, the signing of an important instrumentation and control, I&C, contract with Rosatom for the nuclear plants of Hanhikivi-1 in Finland and of PAKS2 in Hungary.
- Second, the closing of the acquisition of FoxGuard Solutions, a US company specialised in cybersecurity and industrial computing.
- And third, the signing with CNNC Group of a letter of intent concerning the supply of components for manufacturing fuel assemblies reloads

## UK

Looking now at the UK, **EDF Energy's sales came to €6.4 billion, down 1.2% in organic terms.**

The first reason is the decrease in nuclear generation to 36.8 terawatt hours, down 9.1 terawatt hours compared to 2018 because of the extended outages at Hunterston B and Dungeness B.

Another element is the missing **capacity revenue** following the suspension of the mechanism in November 2018. It has recently been reinstated by the UK government, following the positive decision taken by the European Commission last month. We therefore expect the full impact to be recorded in our P&L by the end of 2019, whereas the corresponding cash effect will more likely be recovered at the beginning of 2020.

The downstream market has also been penalized by the cap on the **Standard Variable Tariffs**, effective since the beginning of the year. Despite a continued very competitive environment, EDF Energy's customers business is showing good resilience. The residential customer portfolio is stabilising when the B2B sales volumes have slightly increased.

## Italy

**In Italy, sales were down 3.6% organically to €5.7 billion.** Let me first remind you that Edison Exploration and Production activity has been booked as discontinued operation and therefore does not contribute to sales, both in 2019 and in 2018 restated numbers.

The sales of **gas** were down by €525 million. This is a consequence of the decrease in gas prices across all markets and of the decrease in volumes sold on wholesale markets. These effects were partially compensated by an increase in volumes sold to industrial customers.

The sales of **electricity** were up by 305 million euros thanks to higher volumes sold to both B2B and B2C segments, along with positive price effects.

## Other international

On slide 18, other international, **sales in this segment came to €1.9 billion, up 15.1% in organic terms.**

In **Belgium**, revenue increased by €83 million in organic terms, reflecting in particular an increase in electricity and gas prices in all segments. It was partially offset by a decrease in B2C volumes due to a mild climate. In addition, renewable and service activities continued to develop. Net wind capacity increased to 503 megawatts, or plus 14.3% compared to the end of December 2018.

In **Brazil**, the contractual price revision of EDF Norte Fluminense's electricity sales at the end of 2018 and the effect of changes in the ICMS tax drove an organic sales increase by €144 million, the latter having no impact on EBITDA.

## Other activities

Looking now at slide 19, with the sales from the **other activities segment, sales were up 8.9%, reaching €2.2 billion.**

**EDF Trading's** revenue grew by 6.7% organically in 2019 compared to 2018, which was already a very good year. EDFT's teams were able to take advantage of favourable volatility and price conditions in Europe for electricity and gas. LNG and LPG activities also contributed to this performance.

**Gas business** sales grew by more than €390 million in organic terms in a favourable context for the LNG business and better utilisation of the Group's regasification capacities.

### **2019 Guidance and 2019–2020 ambitions**

Moving to our financial guidance, on slide 20, we confirm all our objectives set for 2019 and our ambitions for 2020.

First, I am very confident with **2019 EBITDA** guidance, which is expected between €16–16.7 billion.

Second, we will also reach our €1.1 billion target of **OPEX reduction** compared to the 2015 level.

Third, **cash flow** excluding HPC and Linky is expected above €600 million. This is assuming that the disposal of Edison's E&P activities is closed before the end of the year, which is not yet fully secured given some delays in required administrative authorisations.

Coming now to 2019 and 2020 ambitions, total net investments excluding Group acquisitions and disposals will amount to approximately €15 billion in 2019. Following the announcements one month ago about Flamanville 3, the projected total net investments for 2020 is now estimated around €15.5 billion.

Group disposals are expected within a range of €2–3 billion over the period of 2019–2020.

The net financial debt to EBITDA ratio will be less than or equal to 2.7 over that period.

The dividend pay-out rate will be within a range of 45–50%. The option to receive the payment of the dividend in new shares will be offered to all shareholders. And note that the French government has undertaken to opt for this scrip payment for dividends due for years 2019 and 2020.

This ends my presentation of end of September 2019 sales and highlights and I now open the floor to questions.

## Q&A

**Aymeric Parodi (UBS):** Good morning everyone, thanks for the presentation. Three questions on my side, please. The first one is on guidance. You cut the target on French nuclear output for this year but you maintained the guidance on EBITDA. Is this because the nuclear downside is within the range you already had or is this because you see other business offsetting the Cruas? I'm thinking about hydro or service in Q4.

The second one is on the restructuring scenario; if you could provide us with some update, that would be great.

And the last one is on your hedge price. Can you provide some indication on your forward hedge price for next year? Thank you.

**Xavier Girre:** Thank you for your questions.

As regards your last point, we do not communicate about our forward hedge price.

As regards the guidance, I would like to help you through our guidance. In July I already confirmed our 2019 EBITDA guidance and I already highlighted that positives were compensating negative elements.

So I remind you of some positive elements that occurred since the beginning of this year: higher achieved prices for capacity auctions in France, postponement of the scheduled outage of Tihange 1 in Belgium, improved assumptions regarding capacity revenues in the UK and softer conditions in the energy savings certificates.

We have now updated our nuclear output hypothesis and this is a reduction between 7–11 terawatt hours and we have also communicated, since July, about some additional postponements of the target date for return to service of three reactors in the UK, Hunterston R3 and both reactors of our Dungeness B plant.

On the positive side, however, we were able to execute our purchase and sales operations on wholesale markets at better pricing conditions than initially expected. Regulated activities performed better than anticipated, in particular generation in Islands, but also Enedis, with healthy growth in grid connections.

Third positive point: EDF Renewables anticipates significant capital gains before the end of the year in the context of planned sell-down operations.

And fourth, as I already highlighted, better hydro conditions in October, allowed both to produce and refill the lakes. So this is why, as a whole, I am very confident about our 2019 EBITDA guidance and our guidance as a whole.

As regards the restructuring, it has already been indicated that a delay is expected concerning the regulation, which is, as you know, the key point of this restructuring and as a consequence, the report that has been asked on the structure of the Group will not be delivered by the end of this year but in 2020, when the regulation will be set.

**Emmanuel Turpin (Société Générale):** Good morning, a couple of detailed questions for a start. Could you update us on the likely timing of the booking of the catch-up for the tariff increase of this summer? Have you made progress with the discussion with the CRE? Have they given you an indication of timing for this?

Number two: could you explain to us what you mentioned on slide 12 with regards to the distribution business in France? And you were mentioning a negative impact on revenues coming from, so to speak, tariff optimisations by – that are linked to the usage of Linky. Would you mind explaining this in a couple of words, confirming that this shortfall in revenues flows through to the EBITDA or not?

And the last point of detail would be about trading. You had a superb first half of the year, very strong. Although you don't communicate on revenues at the H1 stage, it looks like on Q3 your revenue and probably your EBITDA were weaker than last year. I wanted to get a confirmation of that.

And lastly, stepping back, one of the reasons why the timeline for the report on the Group restructuring was delayed was a slow start of the discussions with the EU. As we are now in mid-November, could you update us about what sort of discussions have taken place on whether there is a timeline for further discussions? Thank you.

**Xavier Girre:** Thank you for these questions. As regards the catch-up about the tariff increase, as I highlighted, I mean, this catch-up is due but as regards the timeline, there has been no specific information provided till now.

Secondly, as regards the trading, the performance remains very, very very strong for this year. Of course, we will see at the end of the year. As we all know, trading is quite volatile but Q3 remains quite strong, although a bit less strong than during the first half of the year but it remains very strong and it will contribute to the guidance.

As regards the timeline concerning the regulation and the restructuring of the group, I mean I have already said that it has been slightly postponed, nothing more to say today.

And as regards the distribution and – you know that Linky opens new options for suppliers to propose to their customers to optimise the cost of distribution and this is what we see happening during this year.

**Arthur Sitbon (Morgan Stanley):** Good morning, thank you for taking my questions, I have three. The first one is basically there were some articles on the – in the press on the ability, or not, to keep using the vessels on 30 of your nuclear reactors for another ten years. I would like to know if it would be possible to – that you help us understand the situation on that point.

My second question is on the – regarding the compensation for the early closure of Fessenheim. I was wondering if that will have an impact on the P&L or not.

And my third question is I was wondering if you could give us an indication of what's the true cost of running your current nuclear fleet, the cost per megawatt hour, including the cost of Grand Carénage, basically all costs included because I think in the past a cost of €32 per

megawatt hour was mentioned but I'm not sure it's taking everything into account. Thanks a lot.

**Xavier Girre:** Thank you for these questions. As regards the cost of our nuclear reactors, the €32–33 per megawatt hours that was communicated some years ago, you're right, is a comparison between the life duration of 40 years and 50 years but you're right, it does not take into consideration the whole cost of operations and you know that we do not communicate specifically about that but this is not this level of €32–33, it's higher than the current ARENH cost price, which is €42 per megawatt hour. I will not be more specific about that.

Secondly, as regards the Fessenheim indemnity, so the cash will be received between 2020 and 2024 and the impact on the P&L will be also registered in the accounts from 2020, on this period.

And I haven't understood your first question, about press articles, if you could please be more specific?

**Arthur Sitbon:** Yes, basically it was – I think it was in *Le Canard enchaîné* regarding the – basically the ability to keep running, keep using the reactor vessels on several of your nuclear reactors and it was saying that there were potential – potentially more demonstrations of safety that would be needed on these reactors.

**Xavier Girre:** Well, as regards the nuclear fleet, I mean everything has been communicated. I remind you that the only point that was communicated concerned the point on the thermal treatment, that was communicated on 10<sup>th</sup> September. And we have – we were able, on 25<sup>th</sup> October, to confirm that the ASN had approved our conclusion, that those equipments are safe and that no unplanned outage is required to carry the necessary additional verifications. So I mean there is nothing more to add about that and the nuclear plants are running accordingly.

**Arthur Sitbon:** Okay, thank you.

**Vincent Ayrat (JP Morgan):** Good morning, so quite a few questions already asked here, so I will come on one or two as a follow-up.

The first one: the ASN said that these welds were safe to operate; will we see any work being done on these through thermal treatment later on? Should we include any potential impact on availability over the years to come? So I would say that's number one.

Second follow-up question, you hinted at a capital gain on planned sell-downs. ESB is said to be, basically, nearing a deal for basically getting a stake in a Scottish farm from EDF; where are we on this and what type of order magnitude of capital gain would we expect on this point?

And finally, I'm sorry but – I know you do not provide much answer on these things but the European Commission already made one or two comments regarding the project of reregulation. One of them was that they would eventually be, I would say, positively inclined towards a structure which would allow a full access to the nuclear to everyone – to the regulated nuclear to everyone. Have there been any other public comments which we should

be aware of, knowing that you, obviously, cannot comment on what's not public here but anything – any colour you can add would be more than appreciated, thank you.

**Xavier Girre:** Thank you. As regards to the thermal – the TTD, *traitement thermique de détensionnement*, so, as we communicated on 25<sup>th</sup> October, we also highlighted the fact that the required controls would be done during the planned outages, so we do not expect specific impact on generation and as you know and allow me to also – we also indicate our hypothesis of generation and for 2020 it's written that the same order of magnitude is expected compared with our early assumption for 2019, so meaning around 395, 390, I mean in this order of magnitude.

As regards DBS for EDF Renewables, of course I will not communicate more precisely about that but I already said that we expect quite some specific and good announcement to be made before the end of this year.

And as regards the European Commission comments on draft regulation, also nothing more to comment. I mean work is currently going on and so the delay does not mean more than a delay and the principles that we have been already communicating upon are maintained. I mean the goal is to protect both the end consumers and us, as investors, in order to give visibility to both of us and to give so a clear framework in order to enable EDF to finance the energy transition. Nothing more to communicate today.

**Vincent Ayrat:** Thank you.

**Olivier Van Doosselaere (Exane):** Yes, good morning, thank you very much for taking my questions as well. I've got three questions, or three sets of questions.

A first one is coming back on nuclear availability, both in France and UK. So for France, I was wondering if you could confirm that actually at this stage you haven't seen any anomalies at the Cruas plant following the earthquake and that the expected delay, actually, in restart versus what you have initially said this week isn't linked to, maybe, any potential anomaly that would have been found in the meantime.

And second one, also still on French nuclear, the question was asked before but I don't know if you saw it but, yeah, *Le Canard enchaîné* yesterday spoke about some concerns on the vessels of your 900-megawatt fleet. I don't think it was related to the issues of Framatome. What the article was saying is that apparently, at the – at the ASN there may exist some doubts that actually the vessels would be robust enough to actually be able to operate for an incremental ten years. So this is a topic, I think, as part of the whole Grand Carénage question and so I wonder if you could give us any comfort, actually, on your confidence that there shouldn't be any issue in terms of approving the lifetime extensions for the vessels specifically.

And then if you could just give us also an update on the expected restarts at Dungeness and Hunterston and where we stand on that site in the UK.

Sorry, another question would be, on Edison, there's been a capacity auction cleared in Italy. I was wondering if you could give us an indication on what you expect in terms of financial impact for Edison.

And if I may, a last quick question: I know you also have spoken that already as well, on the reforms. I guess my question would just be from a procedural point of view, discussions are ongoing with Brussels but the indication is that the Hercule project might probably not be implemented before you would get a green light on a re-regulation from Brussels. The indication is that that is expected next year. I just wonder, in terms of procedure, how that is working and what kind of procedure is being followed? If we look, for example, that it took more than two years for the feed-in tariff of Hinkley Point to be approved, I sort of wonder how the French nuclear re-regulation could be validated in just a matter of months. I wonder what the difference here is in terms of the procedure followed. Thank you. Sorry, that's a lot of questions.

**Xavier Girre:** Thank you very much. So, as regards Cruas, I mean it's a pure administrative delay. Of course it's important to get the authorisation to restart and to make the reactor restart but to the best of my knowledge, no anomaly at all has been identified but to the best of my knowledge. For the rest, of course, some natural delays to restart these reactors.

Secondly, as regards Hunterston and Dungeness, as you know, both reactors in Hunterston have been offline since March for the R3 and October for the R4 2018, as natural graphite cracks detected in the core were more significant than model predictions. Hunterston R4 did return to service on 20<sup>th</sup> August, only for an initial period of four months, after which there will be another graphite inspection and Hunterston R3 is still offline. Regarding Dungeness, the forecasted return-to-service date has been extended, end of August, by, respectively, seven and eight weeks. Compared with assumptions we had end of July, when we confirmed our 2019 EBITDA guidance, this new outlook represents a further four-terawatt hours loss in output but, as I already highlighted, with no impact on our guidance.

As regards Edison the capacity mechanism that has been set in Italy will obviously have a positive impact on Edison but this will affect, positively Edison in 2022 and 2023, not in 2019.

And this is all that I'd like to comment as regards the regulation. I have nothing more to tell today.

**Oliver Van Doosselaere:** Okay, thank you very much.

**Xavier Girre:** Okay, in this case, no questions on the line, no questions on the web, we can close the meeting. I thank each of you for your presence, for your questions and have a nice day.