

RATING ACTION COMMENTARY

Fitch Revises EDF's Outlook to Stable; Affirms IDR at 'BBB+'

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Fitch Ratings - Barcelona - 19 Sep 2025: Fitch Ratings has revised Electricité de France SA's (EDF) Outlook to Stable, from Negative, while affirming its Long-Term Issuer Default Rating (IDR) at 'BBB+'. Full list of rating actions below.

EDF's rating has been affirmed despite our recent downgrade of the French sovereign. We have revised the company's support score up to 25 under our Government-Related Entities (GRE) criteria, reflecting the gradual progress in and broad support for new nuclear development in France. We believe this would increase the state's incentive to support EDF, given the huge capex requirements and the very high strategic importance of the plan.

The revised support score, alongside the five-notch gap between EDF's 'bbb-' Standalone Credit Profile (SCP) and the sovereign's IDR, results in a two-notch uplift to the company's IDR, unchanged from previously. The Stable Outlook mirrors that on France's rating and the strong buffer in EDF's SCP against a downward revision.

KEY RATING DRIVERS

Key Nuclear Developer: France's support for the new nuclear development to bridge the installed capacity gap over the long term has been reinforced by the state's agreement with EDF to build at least six new reactors, with the first planned for operations by 2038. As the key nuclear developer, we view the company as an enabler of France's energy policy.

The agreement includes a public funding scheme covering a material portion of the investment and a contract-for-difference mechanism ensuring adequate remuneration. The details of the agreement have yet to be validated by the European Commission and the final framework may have an impact on the SCP and links to the state once approved.

Higher Incentive to Support: We now assess the 'preservation of government policy role' as 'Strong', from 'Not Strong Enough', due to EDF's expected pivotal role in France's new nuclear development. The programme entails huge capital requirements and is fundamental to the country's nuclear industry. An EDF default would have a major, negative impact on the funding and development of new nuclear in France, which underpins our stronger assessment.

Strong Expectations of Support: The revised assessment of the 'preservation of government policy role', alongside the unchanged 'Very Strong' assessment of 'decision-making and oversight' and 'Strong' 'precedents of support' result in a score of 25 under the GRE Criteria, up from 15. The revised score implies 'Strong Expectations' of support, which, together with the five-notch difference between the sovereign rating and EDF's SCP, results in a bottom-up +two approach. While the uplift is unchanged, it was previously derived from a support score of 15 and a six-notch gap between France rating and EDF's SCP.

Political Support for Nuclear: Political fragmentation in France could delay the nuclear plan, although we do not expect big opposition, as support for nuclear technology is a main pillar of the country's energy policy, led by EDF, is fairly widespread across political parties.

Precedents of Support in Europe: The European Commission has not formally approved the framework agreement between the state and EDF, but precedents of similar support schemes in Europe reduce execution risk. Moreover, France's energy system is central to Europe's and it is reasonable to assume the nuclear plan would receive EU-wide support. Our rating case, therefore, assumes the framework will be approved by the Commission.

Aging Nuclear Fleet: By the end of next decade, most reactors commissioned in the last century will have reached the end of their first 10-year life extension, beyond their initially planned useful life. A second round of 10-year life extensions is possible, although this will be determined by the individual conditions of each reactor as operational risk increases with the age of reactors, resulting in a tightening of safety standards. The replacement of the ageing fleet is critical to mitigating the effects of early shutdowns or technical impediments to further extensions on the French energy system.

Solid Operational Performance: EDF has seen strong performance over the past two years, due mainly to higher nuclear output (362 terrawatt hours (TWh) in 2024) and healthy energy prices in France. We forecast solid EBITDA averaging EUR22.5 billion over 2025 to 2027, supported by stable nuclear output in France and broadly stable prices at around EUR65/MWh.

Moderate Leverage: Fitch forecasts funds-from-operations (FFO) net leverage to average 3.2x over 2025 to 2027, despite lower power prices in France. The leverage is below the positive sensitivity for the 'bbb-' SCP over the short term but we expect this to rise from 2027 as EDF begins development in France, which supports the unchanged SCP.

PEER ANALYSIS

We estimate regulated and contracted EBITDA at about 30% of EDF's total, under normal business conditions, which is well below that of peers Engie S.A. (BBB+/Stable), Enel S.p.A. (BBB+/Stable) and Iberdrola, S.A. (BBB+/Stable).

EDF's weaker business profile, also due to higher operational risk in its investment plan and asset base, and large negative free cash flow (FCF) expected across its business plan, drive its lower debt capacity versus peers'. The funds from operations (FFO) net leverage threshold between 'BBB+' and 'BBB' is 4.7x for Enel and Engie (nuclear-adjusted), and 5.1x for Iberdrola, while EDF has a threshold of 4.7x between its 'bbb-' and 'bb+' SCP.

Consequently, EDF's SCP is weaker than the ratings of Engie, Enel and Iberdrola. EDF's IDR has a two-notch uplift, due to the application of Fitch's GRE Criteria.

KEY ASSUMPTIONS

Fitch's Key Assumptions Within Our Rating Case for the Issuer:

- Conservative assumptions on French nuclear output averaging 350TWh and hydro output at 40TWh over 2025-2027
- Average energy prices around EUR65/megawatt hours between 2025 and 2027
- French regulated activities EBITDA at EUR7.5 billion in 2025
- UK nuclear output averaging 33TWh over 2025-2027
- Cash tax rate averaging 25% over 2025-2027
- No regulatory allocations to dedicated assets for 2025-2027
- Average annual capex of EUR27 billion between 2025 and 2027
- Annual dividends of EUR2 billion for 2025-2027

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Downgrade of the French sovereign rating, assuming no changes to the GRE assessment
- Weaker links with the state, as a result of a lower-than-expected state support in the development of new nuclear or an adverse change in the country's energy policy
- Long-term reduction of available generation capacity from the existing fleet in France and weaker assessment of EDF's asset base, or FFO net leverage above 4.7x on a sustained basis, could be negative for the SCP

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Stronger links with the state
- A clear investment plan covering France's new nuclear investment, including measures to mitigate the associated impact on the credit profile, that would result in an FFO net leverage below 4.0x over the long term, may be positive for the SCP but not for the IDR, assuming no changes to the GRE assessment.

LIQUIDITY AND DEBT STRUCTURE

On 30 June 2025, EDF had cash and cash equivalents and liquid assets of EUR38 billion and committed undrawn facilities of EUR17 billion. This is sufficient to cover scheduled debt maturities and expected negative Fitch-defined FCF for 2025 and 2026, without resorting to additional debt issuance.

ISSUER PROFILE

EDF is France's leading electricity company and low-carbon energy producer. It covers all businesses spanning the electricity value chain, including energy-trading. It has over 40 million customer accounts and generates electricity mostly from nuclear sources.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

EDF's ratings are linked to those of France.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

[Click here](#) to access Fitch's latest quarterly Global Corporates Macro and Sector Forecasts data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

RATING ACTIONS

ENTITY / DEBT ⚡	RATING ⚡			PRIOR ⚡
Electricite de France (EDF)	LT IDR	BBB+ Rating Outlook Stable		BBB+ Rating Outlook Negative
	Affirmed			
	ST IDR	F2	Affirmed	F2
senior unsecured	LT	BBB+	Affirmed	BBB+
subordinated	LT	BBB-	Affirmed	BBB-

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Country-Specific Treatment of Recovery Ratings Criteria \(pub. 03 Mar 2023\)](#)

[Corporates Recovery Ratings and Instrument Ratings Criteria \(pub. 02 Aug 2024\)
\(including rating assumption sensitivity\)](#)

[Corporate Hybrids Treatment and Notching Criteria \(pub. 08 Apr 2025\)](#)

[Parent and Subsidiary Linkage Rating Criteria \(pub. 27 Jun 2025\)](#)

[Corporate Rating Criteria \(pub. 27 Jun 2025\) \(including rating assumption sensitivity\)](#)

[Sector Navigators – Addendum to the Corporate Rating Criteria \(pub. 27 Jun 2025\)](#)

[Government-Related Entities Rating Criteria \(pub. 18 Jul 2025\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 ([08 Apr 2025](#), [27 Jun 2025](#))

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

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Electricite de France (EDF)

EU Issued, UK Endorsed

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