

Jan 26, 2026

Rating and Investment Information, Inc. (R&I) has announced the following:

Electricite de France S.A. (Sec. Code: -)**[Affirmed]**

Issuer Rating: AA, Stable

Bond Rating: AA

RATIONALE:

Electricite de France S.A. (EDF) is the state-owned power utility of France that owns and operates all the nuclear reactors in the country. EDF has a dominant market share in France, running the electricity business including the generation, distribution, wholesale and retail of electricity. EDF has a solid business base with its extensive operation at home and overseas. As the earnings have improved driven by an increase in electricity production among other factors, the debt burden has been declining. Although EDF is expected to incur substantial costs to construct new nuclear reactors from 2027 onward, the government's support measures will likely underpin its financial base. The government is striving to increase electricity supply through the use of renewable energy and nuclear power. Given France's heavy reliance on nuclear power, EDF holds a critically important position in the country's energy policy. While the strength of EDF's business base implies its credit rating does not necessarily move in tandem with France's sovereign rating, the credit rating largely reflects the creditworthiness of the French government. Based on the above, R&I has affirmed the Issuer Rating at AA.

The EDF group has consolidated installed capacity of approximately 118 gigawatts. The most part of power generation capacity comes from nuclear power plants, which play a central role in terms of domestic power supply. Domestic power generation and wholesale & retail operations are the largest contributors to the group's consolidated earnings. Its regulated distribution business through a subsidiary dominates the domestic market to generate stable revenues. EDF also holds a significant share of the domestic retail market. In the overseas market, the company is a major energy business operator in the U.K., Italy and Belgium, and has stakes in a wide range of countries including China.

The electricity production in France has recovered due to the restart of nuclear reactors that had been in maintenance due to stress corrosion. The length of outage of nuclear reactors for the large-scale renovation programme to improve safety and extend the life of nuclear power plants is decreasing. In addition, the ARENH tariff system that obliges EDF to sell electricity at a capped regulated price to other suppliers expired at the end of 2025. Under the post-ARENH mechanism, which took effect in January 2026, all generation volumes by nuclear power plants are sold based on market prices or contracted prices. While electricity market prices warrant close monitoring, R&I believes that EDF will be able to maintain a certain level of earning capacity, taking also into account that electricity production will likely be sustained. The net debt is on a downward trend, with the net debt-to-EBITDA ratio staying in the 1x range.

The plans to build six European Pressurized Reactors (EPR2) are underway, while expenses are incurred for the large-scale renovation programme. Due to the plans, the net debt is expected to increase in the long term. EDF plans to commence the first EPR2 reactor operation in 2038 and estimates their total construction cost at 72.8 billion euros in 2020 prices. The government has submitted support measures for EDF to the European Commission for approval, including a subsidized state loan covering more than 50% of construction costs, a 40-year Contract for Difference, and risk-sharing arrangements between EDF and the government. As suggested by the government's 100% ownership of EDF, the company is crucial to the national energy policy. R&I believes that the above-mentioned support measures will underpin EDF's financial base when large-scale capital investments are implemented.

NEWS RELEASE

R&I RATINGS:
ISSUER: Electricite de France S.A.
[Affirmed]

Issuer Rating	Rating		Rating Outlook	
	AA		Stable	
JAPANESE YEN BONDS - TENTH SERIES (2024)	Issue Amount	Issue Date	Maturity Date	Rating
JAPANESE YEN BONDS - TENTH SERIES (2024)	JPY 28,300 mn	Oct 25, 2024	Oct 25, 2027	AA
JAPANESE YEN BONDS - ELEVENTH SERIES (2024)	JPY 7,500 mn	Oct 25, 2024	Oct 25, 2029	AA
JAPANESE YEN BONDS - TWELFTH SERIES (2025)	JPY 47,900 mn	Jul 10, 2025	Jul 10, 2028	AA
JAPANESE YEN BONDS - THIRTEENTH SERIES (2025)	JPY 19,600 mn	Jul 10, 2025	Jul 10, 2030	AA
JAPANESE YEN BONDS - FOURTEENTH SERIES (2025)	JPY 8,300 mn	Jul 10, 2025	Jul 10, 2035	AA

Primary rating methodologies applied:

R&I's Analytical Approach to Government Agencies [Dec 18, 2025]

■Contact : Sales and Marketing Division, Customer Service Dept. TEL.+81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
 ■Media Contact : Corporate Planning Dept. (Public Relations) TEL.+81-(0)3-6273-7273

Rating and Investment Information, Inc.

TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>
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