PRESS RELEASE
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2018 targets update

EDF confirms a significant rebound in EBITDA in 2018 compared to 2017, driven notably by the expected increase in nuclear and hydro output in France, the rise in wholesale power prices in Europe and the good execution of the Opex performance plan.

EDF will however face several unfavourable developments, in particular:

- the expected erosion of electricity consumption in France, as presented by RTE in its report on 7 November 2017. Enedis now anticipates a 0.3% drop in distributed volumes in 2018.
- a lower availability of some nuclear reactors at the beginning of 2018
- the drop in the capacity compensation in the United Kingdom.

Moreover net investments excluding Linky, new developments and asset disposals should reach close to €11 billion in 2018[1]. This amount includes an acceleration of investments in renewable energies and the necessary investments on the French nuclear fleet and the distribution network.

In this context, EDF is accelerating the implementation of its performance plan, which was presented in April 2016. The target of reducing Opex[2] in 2018 compared to 2015 has therefore been increased to €800 million instead of the previous €700 million. The disposal plan of €10 billion which was expected to be implemented by the end of 2020, should be nearly complete at the end of 2018.

Given these different factors, the Group is setting, subject to the level of demand from alternative suppliers under the Arenh mechanism, and under the assumption of a confirmed price of €9.31/KW for the capacity certificates in France, a new EBITDA[3] target for 2018 between €14.6 and €15.3 billion[4], a Net Financial Debt/EBITDA[3,5] target ratio below or equal to 2.7x[6] and a cash flow target[3,7] slightly positive or close to balance[8].

[1] Compared to an initial target of €10.5 billion
[2] Sum of personnel expenses and other external expenses. At comparable consolidation scope and exchange rates. At constant pensions discount rates. Excluding change in operating expenses of service activities
[3] At 2016 exchange rate
[4] Previous target was set at ≥ €15.2 billion at 2016 exchange rate and assumption for 2018 power prices in France on volumes not hedged as of 31.12.2016 ≥ €36/MWh
[5] At 2016 exchange rate and at an assumed discount rate on nuclear provisions of 4.1% for 2017 and 3.9% for 2018
[6] Compared to a previous target at ≤ 2.5x
[7] At 2016 exchange rate. Cash flow excluding Linky, new developments and asset disposals, with an assumed discount rate on nuclear provisions of 4.1% for 2017 and 3.9% for 2018, excluding interim dividend for 2018, which will be decided in the second half of 2018
[8] Compared to a previous target ≥ 0

A key player in energy transition, the EDF Group is an integrated electricity company, active in all areas of the business: generation, transmission, distribution, energy supply and trading, energy services. A global leader in low-carbon energies, the Group has developed a diversified generation mix based on nuclear power, hydropower, new renewable energies and thermal energy. The Group is involved in supplying energy and services to approximately 37.1 million customers, of which 26.2 million in France The Group generated consolidated sales of €71 billion in 2016. EDF is listed on the Paris Stock Exchange.

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