

Quarterly Financial Information at 30 September 2019
Sales up 2.9%⁽¹⁾
Confirmation of 2019 targets and 2019-2020 ambitions

Group sales	€50.9bn +2.9% org. ⁽¹⁾
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Highlights

- **New developments in renewable energies**

- Record level of EDF Renewables' portfolio of projects under construction: 4.7GW gross (x2 vs end of December 2018)
- Wind power & Offshore: launch of construction of the first French offshore wind farm in Saint-Nazaire (480MW) acquisition of a 300MW portfolio of wind projects in Germany
- Solar: commissioning of 2 solar power plants in Benban, Egypt (130MWp) with a 25-year PPA

- **Storage and Electric Mobility Plans**

- Acquisition of the British start up Pivot Power, specialised in battery storage and infrastructure for electric vehicle charging (portfolio of projects with a potential capacity of up to 2GW)
- Acquisition of PowerFlex Systems in the United States, a company combining solar energy generation and storage with smart charging solutions for electric vehicles or building load
- Nissan and the EDF group partner up to accelerate adoption of electric vehicles (smart charging solutions)

- **Regulatory developments**

- ARENH: volume ceiling maintained for 2020 and price unchanged at this stage
- Energy savings certificates (CEE): one-year extension until 2021 of the 4th period (draft decree from the French Ministry of Ecological and Solidarity Transition submitted to the French State Council)
- Capacity mechanism in the United Kingdom: positive decision by the European Commission with the British government reinstating the Capacity mechanism

- **Customers and services**

- Sales offensive : 460,000 residential electricity customers under market offers signed-up in France more than 1.5 million residential gas customers in France
- Dalkia: continued commercial development with the renewal or signing of new contracts (energy network at La Grande Motte and energy facilities for the Regional Council of Nouvelle Aquitaine)

- **Nuclear**

- Taishan (EPR in China): commercial commissioning on 7 September 2019 of the unit 2 generation of more than 10TWh since the commissioning by the unit 1
- Hinkley Point C ⁽²⁾: project completion costs revised to £21.5 - 22.5bn ⁽³⁾
- Flamanville 3 ⁽⁴⁾: estimated construction cost revised to €12.4bn ⁽⁵⁾ with fuel loading expected at end-2022 start of the second hot functional test phase on site
- Fessenheim ⁽⁶⁾: protocol agreement whereby the State will compensate EDF for the early closure of the power plant. This compensation will comprise initial instalments for a total of nearly €400m

- **Enedis**

- Linky : installation of the 21 millionth smart meter at end September

2019 targets including IFRS 16 impact	<ul style="list-style-type: none"> • EBITDA ⁽⁷⁾: • Reduction in operating expenses ⁽⁸⁾: • Cash flow excluding HPC and Linky: 	€16.0 - 16.7 bn ~ €1.1bn vs. 2015 >€600m ⁽⁹⁾
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2019-2020 ambitions including IFRS 16 impact	<ul style="list-style-type: none"> • Total net investments⁽¹⁰⁾ excluding acquisitions and "Group 2019-2020 disposals": • Group 2019-2020 disposals: • Net financial debt/EBITDA ⁽⁷⁾ ⁽¹⁰⁾: • Dividend: Target payout ratio of Net income excluding non-recurring items ⁽¹¹⁾: <p style="font-size: small;">The French State has committed to scrip dividends relating to FY2019 and FY2020</p>	~ €15bn in 2019 ~ €15.5bn in 2020 €2 to 3 bn ≤ 2.7x 45 – 50%
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Change in EDF group sales

<i>(in millions of Euros)</i>	9M 2018 ⁽¹²⁾ restated	9M 2019	%	% organic
France - Generation and supply activities	18,942	20,079	+6.0	+5.7
France - Regulated activities	11,571	11,437	-1.2	-1.2
EDF Renewables	1,090	1,163	+6.7	+1.4
Dalkia	2,760	2,903	+5.2	+4.6
Framatome	2,290	2,346	+2.4	+1.2
United Kingdom	6,466	6,392	-1.1	-1.2
Italy	5,736	5,659	-1.3	-3.6
Other international	1,667	1,938	+16.3	+15.1
Other activities	2,055	2,159	+5.1	+8.9
<i>Inter-segment eliminations</i>	<i>(3,301)</i>	<i>(3,135)</i>	<i>-5.0</i>	<i>-5.0</i>
Total Group	49,276	50,941	+3.4	+2.9

Group sales amounted to €50.9 billion, up 2.9% in organic terms compared to the first nine months of 2018.

This trend was mainly driven by the Generation and supply activities in France, in connection with favourable market conditions, the growth of the Group's energy services activities, the strong performance of EDF Trading and activities in Belgium and Brazil, as well as by better use of the Group's gas capacities.

Footnotes to the first and second pages

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

(2) See press release of 25 September 2019.

(3) In 2015 pound sterling, excluding interim interest and excluding foreign exchange compared to a reference exchange rate for the project of 1 pound = 1.23 euros.

(4) See press release of 09 October 2019.

(5) In 2015 euros, excluding interim interest.

(6) See press release of 30 September 2019.

(7) On the basis of the scope and exchange rates at 01/01/2019 and of an assumption of a 384-388TWh range for France nuclear output.

(8) Sum of personnel expenses and other external expenses. At comparable scope, IFRS 16 standard and exchange rates. At constant pension discount rates. Excluding change in operating expenses of the service activities.

(9) The impact of IFRS 16 on cash-flow corresponds to the increase in EBITDA, less the financial interests on the IFRS 16 net financial debt.

(10) For 2020: In accordance with the scenario adopted by the Group concerning the construction costs and schedule of the Flamanville 3 project (see press release of 09 October 2019).

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

(12) Edison's Exploration and Production (E&P) business was classified as a discontinued operation within the meaning of IFRS 5 as of 1 January 2019. The comparative figures for 2018 have been restated to reflect the impact of the presentation of the E&P activities that are being sold.

Change in Group sales ⁽¹⁾ by segment

France – Generation and supply activities

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	18,942	20,079	+5.7

Sales in France - Generation and supply activities amounted to €20.1 billion, up 5.7% in organic terms compared to the first nine months of 2018.

Nuclear output amounted to 288.2TWh, down 1.8TWh compared to the first nine months of 2018 due to a higher number of planned outages and extended outages.

Hydropower output ⁽²⁾ stood at 27.5TWh, down 27.6% (-10.5TWh) compared to the first nine months of 2018 due to less favourable and lower-than-normal hydrological conditions.

The positive weather effect on sales is estimated at +€48 million compared to the first nine months of 2018 in connection with temperatures closer to normal than in 2018.

The change of regulated sale tariffs for electricity ⁽³⁾ (for the part excluding the distribution component) had a positive effect of approximately €126 million, considering the 2019 tariff increase on 1 June and a negative comparison effect related to the end of the tariff catch-up until the 1 August 2018 (in relation with 2012 and 2013 tariff increases).

Downstream market conditions ⁽⁴⁾ had a positive impact estimated at €588 million. The negative impact of the loss of market share was more than offset by the positive energy and capacity price effects, as well as by sales growth in gas.

The balance of purchases and sales on the wholesale market had a negative impact estimated at -€73 million compared to the first nine months of 2018. This impact is due primarily to the lower nuclear and hydroelectric output. Moreover, the decline in sales to end customers was not fully offset by the increase in ARENH sales. At the same time, the positive effect of the increase in the price of capacity certificates on the wholesale markets should be noted.

The increase in the price of energy savings certificates led to an increase in sales for an estimated +€155 million, without equivalent in the margin.

The resale of purchase obligations benefited from a positive price effect, mainly in the first quarter of 2019, for an estimated €47 million (EBITDA neutral effect with the CSPE compensation mechanism for expenses related to purchase obligations).

Finally, sales benefited from other favourable developments in the amount of €126 million.

(1) Breakdown of sales across the segments, before inter-segment eliminations.

(2) Hydropower, excluding island activities before deduction of pumped volumes. For information, after deduction of pumped-storage hydropower volumes: 32.7TWh over 9M 2018 and 23.0TWh over 9M 2019.

(3) Price effects on customers at regulated sales tariffs, excluding the Energy Savings Certificates (ESCs) component in the tariff "stacking". Tariff change at 1 August 2018 of -0.5% (including the end of the tariff catch up) and +7.7% on 1 June 2019.

(4) Excluding the EEC component in the market offering.

France – Regulated activities ⁽¹⁾

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	11,571	11,437	-1.2

Sales in France - Regulated activities amounted to €11.4 billion, down 1.2% in organic terms compared to the first nine months of 2018.

The drop in volumes delivered, in connection with climatic conditions, had an estimated negative impact of €82 million compared to the first nine months of 2018.

The change in tariffs ⁽²⁾ had a negative impact estimated at €91 million, mainly due to the effect of the optimisation of the distribution tariff by suppliers.

In addition, sales benefited from other positive effects for an estimated €39 million, notably with the growth of connection services.

⁽¹⁾ Regulated activities including Enedis, Électricité de Strasbourg and island activities

⁽²⁾ Including adjustment of the tariffs of the low voltage customers domain $\leq 36\text{kVA}$ of 1.16% and indexation of TURPE 5 distribution of +3.04% and TURPE 5 Transmission of 2.16% as of 1 August 2019 (vs. respectively -0.21% and +3% in 2018).

Renewable Energies
EDF Renewables

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	1,090	1,163	+1.4

Sales for EDF Renewables amounted to €1.2 billion, up 1.4% in organic terms compared to the first nine months of 2018.

Sales growth was driven by generation, which benefited from positive price effects, whereas the generated volumes were down -0.6TWh (-5.4%) compared to September 2018 due to disposals carried out at the end of 2018 and beginning of 2019.

Gross installed capacity during the first nine months amounted to 1GW, mostly in solar energy. Net installed capacity, at 8.2GW, was broadly stable compared to the end of December 2018.

Group Renewables⁽¹⁾

<i>(in millions of Euros)</i>	9M 2018	9M 2019	%	% organic
Sales ⁽²⁾	3,292	2,932	-11	-15

Sales from all Group Renewable activities amounted to €2.9 billion, an organic decrease of 15% compared to the first nine months of 2018, mainly due to lower hydro generation in France.

⁽¹⁾ Group Renewables includes EDF Renewables and the Group hydraulic generation, as well as the renewable activities of Luminus and Edison.

⁽²⁾ For renewable energy generation optimised within a larger portfolio of generation assets, in particular relating to the French hydro fleet, sales are estimated, by convention, as the valuation of the output generated at spot market prices (or at purchase obligation tariff) without taking into account hedging effects, and include the valuation of the capacity, if applicable.

Energy Services
Dalkia

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	2,760	2,903	+4.6

Dalkia's sales amounted to nearly €2.9 billion, up 4.6% in organic terms compared to the first nine months of 2018.

This improvement mainly reflects the growth in sales of services, mainly in France and, to a lesser extent, the positive trends in the indices for revising service contracts and the rise in fuel prices.

Group Energy Services ⁽¹⁾

<i>(in millions of Euros)</i>	9M 2018	9M 2019	%	% organic
Sales	3,671	3,977	+8	+5

Sales in Group Energy Services amounted to €4.0 billion, up 5% in organic terms compared to the first nine months of 2018. In particular, it benefited from sustained growth of the service activities in the United Kingdom and Belgium.

(1) Group Energy Services include Dalkia; Citelum, CHAM and service activities of EDF Energy, Edison, EDF Luminus and EDF SA. They consist in particular of street lighting, heating networks, decentralised low-carbon generation based on local resources, energy consumption management and electric mobility.

Framatome

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	2,290	2,346	+1.2
Sales EDF group contribution	1,330	1,296	-4.7

Framatome's sales amounted to €2.3 billion, up 1.2% in organic terms compared to the first nine months of 2018.

This growth stemmed mainly from service activities in the Installed Base, particularly in Canada.

Large projects activity is being ramped up thanks to the construction of the Hinkley Point C project, which is taking over from Taishan following the commissioning of its two EPRs.

In addition, on the commercial front Framatome won in October with Rosatom the contract for the main instrumentation and control system for the Hanhikivi-1 nuclear power plant in Finland and for the PAKS2 nuclear power plant in Hungary. Framatome also completed the acquisition of FoxGuard Solutions, a specialist in the fields of cybersecurity and industrial computing in the US.

In November, Framatome and CNEIC/CJNF (CNNC Group) signed a letter of intent concerning the supply of components for manufacturing fuel assemblies reloads in China.

United Kingdom

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	6,466	6,392	-1.2

In the United Kingdom, sales of €6.4 billion were down by 1.2% in organic terms compared to the first nine months of 2018.

Nuclear output amounted to 36.8TWh, down by 9.1TWh compared to the first nine months of 2018 due to the Hunterston B and Dungeness B outages.

Sales decrease mainly driven by the fall in nuclear generation, the suspension of the capacity market and the SVT price cap (Standard Variable Tariff) since 1 January 2019.

Downstream, the resilience of supply activities should be noted: the residential customer portfolio is stable in a still very competitive environment and the volumes sold in the business customer segment are increasing.

Italy

<i>(in millions of Euros)</i>	9M 2018 ⁽¹⁾	9M 2019	% organic
Sales	5,736	5,659	-3.6

In Italy, sales amounted to €5.7 billion, down by 3.6% in organic terms compared to the first nine months of 2018.

In gas activities, sales were down (-€525 million in organic terms) due in particular to lower prices across all markets (this change has no effect on the margin) and to a drop in the volumes sold on the wholesale markets. This change was partially offset by an increase in volumes sold to industrial customers.

Sales in Electricity activities (+€305 million in organic terms) were up thanks to higher sales volumes and to favourable price effects in the residential and industrial customers segments.

(1) Edison's Exploration and Production (E&P) business was classified as a discontinued operation within the meaning of IFRS 5 as of 1 January 2019. The comparative figures for 2018 have been restated to reflect the impact of the presentation of the E&P activities that are being sold.

Other international

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	1,667	1,938	+15.1

Sales in Other international amounted to €1.9 billion, down 15.1% in organic terms compared to the first nine months of 2018.

In Belgium, sales were up €83 million in organic terms (+6.6%). This improvement reflects in particular an increase in electricity and gas prices, which was partially offset by a drop in the volumes sold to residential customers due to mild weather. In addition, renewable and service activities continued to develop. Net wind capacity increased to 503MW, or +14.3% compared to the end of December 2018.

In Brazil, sales increased by €144 million in organic terms due on the one hand to the positive effect of the contractual revision of EDF Norte Fluminense's power purchase agreement tariff that occurred at the end of 2018, and on the other hand to the impact of the change (without impact on EBITDA) of the *ICMS⁽¹⁾* tax.

Other activities

<i>(in millions of Euros)</i>	9M 2018	9M 2019	% organic
Sales	2,055	2,159	+8.9
<i>Including EDF Trading Group</i>	832	846	+6.7

Sales in Other activities amounted to nearly €2.2 billion, up 8.9% in organic terms compared to the first nine months of 2018.

EDF Trading's sales were up €56 million organically (+6.7%). It benefited from volatility since the beginning of the year and from favourable positions on the European electricity and gas markets. Trading and optimisation activities on LNG (Liquefied Natural Gas) and LPG (Liquefied Petroleum Gas) activities also contributed to this performance.

The favourable context of the LNG (Liquefied Natural Gas) business and better use of the Group's capacities led to an increase in gas sales of more than €391 million in organic terms (+64.3%).

(1) Tax on the Movement of Goods and Services in Brazil.

Main events ⁽¹⁾ since the press release of 26 July 2019

Major Events

- Inauguration of the “La Coche” hydro plant (Savoie): 20% of additional power in support of energy storage (see press release of 14 October 2019).

Nuclear

- Update on EDF’s nuclear plants (see press release of 25 October 2019):
 - Discrepancies in relation to the technical framework for the production of nuclear reactor components by Framatome;
 - Outlook for nuclear production in France for 2019
- Flamanville EPR: EDF has adopted a scenario for upgrading the main secondary system penetration welds with robots and has adjusted the construction schedule and estimated cost accordingly. The second hot functional test phase has started on site (see press release of 9 October 2019).
- Closure of Fessenheim nuclear power plant (see press release of 30 September 2019).
- Update on the Hinkley Point C project (see press release of 25 September 2019).
- CEA, EDF and Westinghouse Electric Company, nuclear industry leaders, to explore cooperation on a Small Modular Reactor (see press release of 18 September 2019).
- CEA, EDF, Naval Group and TechnicAtome unveil NUWARD™: a jointly developed Small Modular Reactor (SMR) project (see press release of 17 September 2019).
- The second EPR reactor at China’s Taishan nuclear power plant is about to enter into commercial operation (see press release of 6 September 2019). Commercial commissioning on 7 September 2019.

New investments, partnerships and investment projects

Development of renewable energies, EDF Énergies Renewables⁽²⁾

- EDF Renewables signed agreements with Tesco in the United Kingdom to provide power from roof-mounted solar panels and wind farms (see press release of 28 October 2019).
- EDF Renewables commissioned 130MWp in solar energy capacity in Egypt, stepping up the pace of its development in North Africa (see press release of 14 October 2019).
- The EDF group inaugurated the Aramon photovoltaic plant and the “Cleantech Booster”, a business accelerator for the innovative Cleantech companies (see press release of 26 September 2019).
- EDF Renewables acquired a significant pipeline of 300MW wind projects under development in Germany (see press release of 12 September 2019).
- EDF Renewables acquired PowerFlex Systems to accelerate deployment of large-scale electric vehicle infrastructure in the United States (see press release of 3 September 2019).

Other significant events

- United Kingdom: EDF Group accelerates its development of battery storage and electric vehicle (EV) charging infrastructure by acquiring Pivot Power (see press release of 4 November 2019).
- Nissan and EDF Group partner to accelerate Electric Vehicle adoption and grid integration across Europe (see press release of 18 September 2019).
- Masdar and EDF to establish joint venture energy services company (see press release of 11 September 2019).
- EDF and Nexity signed an agreement to decarbonise the construction sector (see press release of 5 September 2019).

(1) The complete list of press releases is available on the EDF website: www.edf.fr

(2) The complete list of EDF Renewables’ press releases is available on the website www.edf-renouvelables.com



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 provides energy and services to approximately 39.8 million customers ⁽¹⁾, including 29.7million in France. It generated consolidated sales of €69 billion in 2018. EDF is listed on the Paris Stock Exchange.

(1) Customers are counted at the end of 2018 per delivery site; a customer can have two delivery points: one for electricity and another for gas.

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EDF SA
22-30, avenue de Wagram
75382 Paris cedex 08
Capital of 1,525,484,813 euros
552 081 317 R.C.S. Paris

www.edf.fr

CONTACTS

Press: +33 (0) 1 40 42 46 37

Analysts and investors: +33 (0) 1 40 42 40 38