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PRESS RELEASE

Annual results 2023: increased investments, solid financial results

RTE reaffirms its industrial perspectives by stepping up investments. In a context of easing tensions on the wholesale electricity market and lower electricity consumption, RTE's results remain solid.

In 2023, RTE's investments exceeded the two-billion-euro mark for the first time. This is in line with its ten-year network development plan (SDDR), published in 2019, and reflects the start of accelerated investments in the electricity transmission system, essential to decarbonizing the French economy.

After an atypical year in 2022, marked by the exceptional return of interconnection-related revenues to network users, RTE's financial results returned to a more usual level at the end of 2023. Almost 2/3 of the 6.131-billion-euro revenue came from network access and around 1/3 from interconnection-related income. Net income totalled €417 M. Due to a very significant price effect on energy purchases made in 2022, to cover losses[1] in 2023, additional electricity system operating costs[2] weighed on energy-related expenses in 2023.

« In 2023, RTE produced solid results in line with expectations. RTE increased investments and began necessary network transformations. In 2024, RTE will continue to increase investments, as well as presenting a new strategic plan (SDDR), and preparing the next tariff. The future SDDR will define a new industrial trajectory to reduce the use of fossil fuels, reindustrialize the country and adapt our infrastructure to climate change. » Thomas Veyrenc, Executive Board member at RTE and Managing Director of Economy, Strategy and Finance.

Accelerating investments

In 2023, RTE's investments were 21% higher than in 2022. For the first time, they exceeded 2 billion euros (2.077 billion euros, including 1.750 for the network). RTE has devoted considerable attention to renewing the existing network, part of which was built in the immediate post-war period. RTE also finalized a number of emblematic projects, including the use of underground technology to rehabilitate the 225 kV overhead lines overlooking the future athletes' village for the Paris 2024 Olympic Games. Lastly, important milestones were reached in 2023 with the provision of the connection links for the Fécamp, Saint-Brieuc and Courseulles-sur-Mer offshore wind farms.

For 2024, the French Energy Regulatory Commission (CRE) has approved a 10% larger investment programme of 2,280 million euros, including nearly 2 billion euros for the grid. This new program includes an increase in network renewal, which continues to be the main area of investment in line with the strategic priorities set out in the last master plan. It also includes substantially higher investments in

[1] Electricity market prices were particularly high in 2022 due to the limited availability of nuclear and hydropower plants and rising gas prices

[2] Electricity purchases to compensate for transmission losses, reserve purchases, and the cost of electricity that cannot be transmitted due to grid congestion

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interconnections, with the start of work on the Spain and Ireland projects, as well as adaptations and connections that are necessary for the progressively faster-paced connections of onshore renewable energy. Lastly, it reflects continued investment in the offshore grid, with work on Noirmoutier and Le Tréport wind-farm connections.

Solid financial results

In 2022, in a context of electricity-market tensions, RTE's sales were impacted by an exceptional effect linked to the advance restitution of the net excess of interconnection revenues to transmission-system users[3].

At the end of 2023, RTE's revenue stood at 6.131 billion euros. This represents a return to the level of network access revenues expected under TURPE 6 guidelines. Ebitda amounted to 1.892 billion euros, up (+47 million euros) in relation to 2022.

In a context of lower electricity consumption which led to a marked reduction in transmission-network extractions (-21 TWh, -5% compared with 2022), RTE recorded a net income of €417 million euros in 2023. This is 14% lower than in 2022. Despite sustained, high-level, interconnection revenues, the result was impacted by a sharp rise in electricity-system operating costs[4]. These costs are largely attributable to the high price of energy and reserves purchased in 2022 for the year 2023.

At the end of 2023, the net debt totalled 10.409 billion euros. This is 5% higher than in 2022 (9.905 billion euros), mainly due to increased investments.

In 2023, RTE had recourse to the bond markets on two occasions: an initial bond issue in July for 1 billion euros, with a 12-year maturity and a coupon of 3.75%. This was followed in December by an 8-year, 500-million-euro green bond issue, with a 3.5% coupon. These funds are largely intended to finance offshore wind-farm connection projects and interconnections with Spain and Ireland. Following these issues, the average maturity of the debt is 9.4 years as of the end of 2023, and its average cost 1.66%.

In April and November 2023, RTE's "A stable outlook" rating was confirmed by Standard & Poor's, testifying to the strength of its financial position.

[3] The 2022 revenue amounted to 4.926 billion euros, after the deduction of an exceptional advance restitution of 1.939 billion euros paid to transmission-system users on account of the net excess of interconnection revenues received in 2022.

[4] Electricity purchases to compensate for transmission losses, reserve purchases, and the cost of electricity that cannot be transmitted due to grid congestion