

EDF Consolidated Segmental Statement

for the year ended 31 December 2023

SUMMARY

This Consolidated Segmental Statement ("CSS") has been prepared in accordance with Standard Licence Condition 19A of the Gas and Electricity Supply Licences.

The Relevant Licensee in scope of the CSS is EDF Energy Customers Limited. EDF Energy Customers Limited is the entity within the EDF Energy Holdings Limited Group ("EDF UK Group") which holds electricity and gas supply licences used to supply energy to residential, commercial and industrial customers. The other entities within the EDF UK Group are not in scope of the CSS.

EDF Energy Customers Limited is also engaged in wider business activities beyond licensed energy supply. To ensure the CSS only captures the licensed energy supply business, these wider activities are not included in the figures reported within the CSS under the licensed energy supply activities (e.g. gas and electricity supply). These activities are instead noted as part of the reconciliation of the CSS back to the audited published statutory accounts for EDF Energy Customers Limited.

EDF adopts hedging strategies which are designed to minimise the impact of energy market risk, consistent with the guidelines of the EDF Group Energy Market Risk Policy. The volume risk arising from demand volatility is carried by EDF Energy Customers Ltd and recognised within the CSS.

BASIS OF PREPARATION

Revenue from sale of electricity and gas: electricity and gas sales for the respective retail supply segments. This includes support provided via Government schemes such as EPG, EBRS and EBDS.

Direct fuel costs: includes aggregate electricity and gas costs.

Transportation costs: includes transportation, transmission, distribution use of system costs and balancing services use of system costs.

Environmental and social obligation costs: includes the Renewable Obligation, Feed in Tariff, Capacity Market, Contract for Difference, Warm Home Discount, GB Insulation Scheme and Energy Company Obligation schemes. Charges in relation to 'assistance for areas with high electricity distribution costs' (AAHEDC) are also included.

Other direct costs: These include all other gross margin costs but do not include customer or business support costs (e.g. customer service costs and HR costs, which are included in indirect costs). Other direct costs also include third party intermediaries (TPI) costs and the aggregator element of acquisition costs.

Indirect costs: operating costs including sales and marketing costs, bad debt, central services, customer service, costs to serve Priority Services Register customers and all metering costs. Where costs cannot be directly allocated to a fuel (Gas / Electricity) or market (Domestic / Non-Domestic), they have been allocated using appropriate activity drivers, such as customer contact volumes and account volumes.

Volumes: supplier volumes at the meter point (i.e. net of losses).

WACO E/G: Weighted average input cost of fuel ("WACO") for supply of electricity/gas. Calculated as "Direct fuel costs" line divided by the "Volume" line, shown as £/MWh or p/th. It does not include other direct costs such as distribution, transportation or environmental/social costs.

Meter Points: average number of electricity and gas, domestic and non-domestic meter points (MPANs and MPRNs) during the reporting year. Calculated by adding monthly close meter points and dividing by 12.

EBITDA: earnings before interest, tax, depreciation and amortisation.

Depreciation and amortisation: Depreciation and amortisation is allocated between Electricity and Gas on the basis of meter points.

EBIT: earnings before interest and tax.

EDF CONSOLIDATED SEGMENTAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Unit	Electricity supply		Gas supply		Aggregate supply business
		Domestic	Non Domestic	Domestic	Non Domestic	
Total revenue	£m	4,596.1	10,070.0	2,817.8	124.0	17,607.9
Revenue from sale of electricity and gas	£m	4,596.1	10,070.0	2,817.8	124.0	17,607.9
Total operating costs	£m	4,358.9	9,596.2	2,956.6	100.3	17,012.0
Direct fuel costs	£m	2,517.2	6,171.0	2,081.6	63.8	10,833.6
Direct costs:						
Transportation costs	£m	674.4	1,589.5	438.8	15.3	2,718.0
Environmental & social obligations costs	£m	651.2	1,544.8	74.8	0.0	2,270.8
Other direct costs	£m	37.2	62.0	28.7	3.8	131.7
Indirect costs	£m	478.9	228.9	332.7	17.4	1,057.9
EBITDA	£m	237.2	473.8	(138.8)	23.7	595.9
Depreciation and amortisation	£m	46.2	21.9	32.1	1.7	101.9
EBIT	£m	191.0	451.9	(170.9)	22.0	494.0
Volume	TWh, m therms	10.9	33.8	898.0	43.9	
WACO E/G	£/MWh, p/th	230.9	182.6	231.8	145.3	
Meter Points	000s	3,221.4	511.9	2,237.7	39.0	6,010.0

RECONCILIATION OF CSS TO EDF ENERGY CUSTOMERS LTD 2023 FINANCIAL STATEMENTS

The table below shows how the CSS reconciles with EBIT in EDF Energy Customers Limited's Income Statement for the year ended 31st December 2023:

£m	EBIT
EDF Supply CSS	494.0
Business activities out of the scope of the CSS	741.4
Impairment of non-current assets	(56.0)
Restructuring costs	(12.4)
EDF Energy Customers Limited Statutory Accounts	1,167.0

EDF Energy Customers Limited is also engaged in wider business activities beyond licensed energy supply. To ensure the CSS only captures the licensed energy supply business, these wider activities are not included in the figures reported within the CSS under the licensed energy supply activities (e.g. gas and electricity supply). Impairment charges and restructuring costs are also not included in the figures reported under gas and electricity supply in accordance with Ofgem guidelines.