

Vistra Energy Updates 2016 Expectations and Initiates 2017 Guidance

DALLAS – Vistra Energy (OTCQX: VSTE), the parent company for TXU Energy and Luminant, today announced updated expectations for 2016 adjusted EBITDA and adjusted free cash flow and also initiated 2017 guidance for the same metrics.

Curt Morgan, Vistra Energy's chief executive officer, commented, "We are moving into 2017 as a newly reorganized entity with our support cost structure competitively aligned, a strong balance sheet, and diversified assets. We believe our unique integrated business model, pairing TXU Energy's leading retail platform with Luminant's reliable and efficient generating capabilities, will provide investors with an attractive, stable earnings profile, as is evidenced by our 2017 guidance. We will continue to focus on increasing shareholder value in 2017 as we leverage and expand on our core competencies."

2016 Expectations

Vistra Energy anticipates 2016 adjusted EBITDA in the range of \$1,550 million to \$1,615 million, representing an increase of nearly 4 percent based on the midpoint as compared to 2016 adjusted EBITDA projected by its predecessor, Texas Competitive Electric Holdings Company LLC, in connection with its bankruptcy plan of reorganization and its related exit financing. Vistra Energy expects 2016 adjusted free cash flow in the range of \$615 million to \$680 million.

2017 Guidance

Vistra Energy is initiating guidance for 2017 with an adjusted EBITDA range of \$1,350 million to \$1,500 million and an adjusted free cash flow range of \$745 million to \$925 million. The 2017 adjusted EBITDA guidance reflects a more than 8 percent increase based on the midpoint as compared to 2017 adjusted EBITDA projected by its predecessor in connection with its bankruptcy plan of reorganization and its related exit financing. The primary drivers of the projected increase are continued outperformance by TXU Energy versus previous projections, as well as enhanced support cost savings realization. The 2017 guidance ranges reflect the impact of two planned nuclear refueling outages in 2017 versus one refueling outage in each of 2015 and 2016. Excluding the approximately \$65 million impact of incremental operating and maintenance expenses related to the additional outage, the 2017 adjusted EBITDA guidance would have reflected a range of \$1,415 million to \$1,565 million. The 2017 guidance ranges further reflect forward price curves as of September 30, 2016 and assume certain of our coal units will operate flexibly, depending on market conditions and needs, while anticipating no coal plant retirements.

About Non-GAAP Financial Measures and Items Affecting Comparability

"Adjusted EBITDA" (EBITDA as adjusted for unrealized gains or losses from hedging activities, tax receivable agreement accretion, reorganization items, and certain other items described from time to time in Vistra Energy's earnings releases); and "adjusted free cash flow" (cash from operating activities adjusted for capital expenditures, other net investment activities, preferred stock dividends, and other items described from time to time in Vistra Energy's earnings releases), are "non-GAAP financial measures." A non-GAAP financial measure is a numerical measure of financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in Vistra Energy's consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows. Non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable GAAP measures. Vistra Energy's non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

Vistra Energy uses adjusted EBITDA as a measure of performance and believes that analysis of its business by external users is enhanced by visibility to both net income prepared in accordance with GAAP and adjusted EBITDA. Vistra Energy uses adjusted free cash flow as a measure of liquidity and believes that analysis of its ability to service its cash obligations is supported by disclosure of both cash provided by (used in) operating activities prepared in accordance with GAAP as well as adjusted free cash flow.

Additional Information

Vistra Energy's guidance materials will be available on the "Investor Relations" section of www.vistraenergy.com later today. Further, Vistra Energy plans to begin hosting quarterly earnings conference calls in connection with the release of its fourth quarter 2016 financial results in March 2017.

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About Vistra Energy

Vistra Energy is a premier Texas-based energy company focused on the competitive energy and power generation markets through operation as the largest retailer of electricity and generator in the growing Texas market. Our integrated portfolio of competitive businesses consists primarily of TXU Energy and Luminant. TXU Energy sells retail electricity and value-added services (primarily through our market-leading TXU Energy™ brand) to approximately 1.7 million residential and business customers in Texas. Luminant generates and sells electricity and related products from our diverse fleet of generation facilities totaling approximately 17,000 MW of generation in Texas, including 2,300 MW fueled by nuclear power, 8,000 MW fueled by coal and 6,000 MW fueled by natural gas, and is a large purchaser of wind-generated electricity.

Cautionary Note Regarding Forward-Looking Statements

This press release includes forward-looking statements, which are subject to risks and uncertainties. All statements, other than statements of historical facts, are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “will likely result,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “project,” “forecast,” “goal,” “target,” “would” and “outlook,” or the negative variations of those words or other comparable words of a future or forward-looking nature. Readers are cautioned not to place undue reliance on forward-looking statements. Although we believe that in making any such forward-looking statement our expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties and risks, including the following important factors, among others, that could cause results to differ materially from those projected in or implied by such forward-looking statements:

- the fact that Vistra Energy is a new company that is no longer affiliated with Energy Future Holdings Corp. or its subsidiaries that did not become subsidiaries of Vistra Energy upon emergence from bankruptcy;
- the actions and decisions of regulatory authorities;
- prohibitions and other restrictions on our activities due to the terms of our debt agreements;
- general industry trends;
- economic conditions, including the impact of an economic downturn;
- weather conditions, including drought and limitations on access to water, and other natural phenomena, and acts of sabotage, wars or terrorist or cybersecurity threats or activities;
- our ability to collect trade receivables from our customers;
- our ability to attract, retain and profitably serve customers;
- restrictions on competitive retail pricing;
- changes in wholesale electricity prices or energy commodity prices, including the price of natural gas;
- changes in prices of transportation of natural gas, coal, fuel and other refined products;
- changes in market heat rates in the ERCOT electricity market;
- our ability to effectively hedge against unfavorable commodity prices, including the price of natural gas, market heat rates and interest rates;
- population growth or decline, or changes in market supply or demand and demographic patterns, particularly in ERCOT;
- access to adequate transmission facilities to meet changing demands;
- changes in interest rates, commodity prices, rates of inflation or foreign exchange rates;
- changes in operating expenses, liquidity needs and capital expenditures;
- commercial bank market and capital market conditions and the potential impact of disruptions in United States and international credit markets;
- access to capital, the attractiveness of the cost and other terms of such capital and the success of financing and refinancing efforts, including availability of funds in the capital markets;
- our ability to maintain prudent financial leverage;
- our ability to generate sufficient cash flow to make principal and interest payments in respect of, or refinance, our debt obligations;
- competition for new energy development and other business opportunities;
- the ability of various counterparties to meet their obligations with respect to our financial instruments;
- changes in technology (including large scale electricity storage) used by and services offered by us;
- changes in electricity transmission that allow additional power generation to compete with our generation assets;
- the impact of the October 2016 workforce reduction on our cost structure and our ability to attract and retain qualified employees;
- significant changes in our relationship with our employees, including the availability of qualified personnel, and the potential adverse effects if labor disputes or

grievances were to occur;

- changes in assumptions used to estimate costs of providing employee benefits, including medical and dental benefits, pension and postretirement employee benefits other than pensions (OPEB), and future funding requirements related thereto, including joint and several liability exposure under the Employee Retirement Income Security Act of 1974, as amended (ERISA);
- limitations on our ability to utilize previously incurred federal net operating losses or alternative minimum tax credits;
- hazards customary to the industry and the possibility that we may not have adequate insurance to cover losses resulting from such hazards;
- the impact of our obligations under the Tax Receivables Agreement with former first lien creditors of our predecessor; and
- actions by credit rating agencies.

Any forward-looking statement speaks only at the date on which it is made, and except as may be required by law, Vistra Energy undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible to predict all of them; nor can Vistra Energy assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

Tables

Adjusted EBITDA: Reconciliation of projected GAAP Results to projected Adjusted (non-GAAP) Results 2016E-2017E; \$ millions

	2016E ^a	2017E
Net Income (loss) ^b	(587)	150
Preferred stock dividends	2	7
Income tax benefit	(187)	140
Interest expense and related charges	1,100	186
Depreciation and amortization ^c	740	734
EBITDA before adjustments	1,068	1,217
Unrealized net (gain) loss resulting from hedging transactions	150	88
Tax Receivable Agreement accretion	24	100
Reorganization items	257	6
Other	86	14
Adjusted (non-GAAP) EBITDA – midpoint	1,585	1,425

^a 2016 estimated results for Vistra Energy are based on the results for Texas Competitive Electric Holdings Company LLC, our predecessor company, for the first nine months of 2016, and the projected results for Vistra Energy for the last three months of 2016.

^b Excludes impacts of emerging from bankruptcy, including creditor distributions, and fresh start accounting.

^c Includes nuclear fuel amortization.

<https://investor.vistracorp.com/2016-12-06-Vistra-Energy-Updates-2016-Expectations-and-Initiates-2017-Guidance>