

## **Vistra Energy Announces Agreement to Acquire Ambit Energy, Enhancing Vistra's Position as the Leading Residential Retail Electric Provider in Texas**

IRVING, Texas, Aug. 20, 2019 /[PRNewswire](#)/ -- Today, Vistra Energy (NYSE: VST) announced it has entered into an agreement to acquire Ambit Energy for \$475 million plus net working capital in an all-cash transaction. Following the closing of the transaction, Vistra's share of the ERCOT residential market will grow from approximately 25 percent to approximately 32 percent and an industry-leading 26 percent in all U.S. competitive markets.

"Ambit is a very attractive standalone retail company and a great match for Vistra's retail business, given its leading direct selling capability and its proprietary technology platform. Importantly, Ambit's retail load is nearly two-thirds in the ERCOT market, followed by PJM and the northeast, and this load is 90 percent comprised of residential and small business customers," said Curt Morgan, Vistra's president and chief executive officer. "This acquisition offers significant benefits including consequential synergies and a material enhancement of Vistra's generation to retail load match, with total customers reaching nearly 5 million, and our expected returns from the transaction representing a superior use of capital. Given the attractive EBITDA to free cash flow conversion profile of the business, we expect the transaction to have a minimal impact on Vistra's credit metrics and our capital allocation plan moving forward."

Ambit is headquartered in Dallas, Texas and serves approximately 1.1 million residential customer equivalents in 17 states. The North Texas overlap of administrative functions will uniquely position Vistra to capture synergies and enable the teams to quickly integrate operations. Vistra expects the Ambit business will contribute approximately \$125 million to adjusted EBITDA after the full run-rate of approximately \$25 million of anticipated annual synergies is achieved.

### Transaction Highlights

- Expected annual adjusted EBITDA contribution of approximately \$125 million after the full run-rate of synergies is achieved, representing an acquisition multiple of approximately 3.8 times enterprise value to adjusted EBITDA
- Acquisition economics materially exceed Vistra's investment threshold of mid-to-high teens unlevered returns; achieved only through the expertise and scale of the Vistra wholesale and retail businesses
- Transaction expected to be immediately accretive to adjusted EBITDA and adjusted FCFbG per share in the range of 2-3 percent
- Increases Vistra's match of its generation to retail load profile to approximately 58 percent – over a 20 percent increase since the Dynegy acquisition; 63 percent match in ERCOT with 75 percent at peak, further enhancing Vistra's integrated value proposition
- Essentially leverage-neutral acquisition that strengthens Vistra's retail position in the core ERCOT and PJM markets
- Estimated conversion of adjusted EBITDA to adjusted FCFbG of more than 90 percent
- Ambit is the largest energy-focused direct seller in the United States, providing a new complementary sales channel for Vistra
- Includes acquisition of Ambit's sophisticated, custom-built technology platform, and impressive network of consultants

### Transaction and Approvals

In addition to satisfying the closing conditions and consents customary for a transaction of this nature, the transaction

is also subject to applicable regulatory approvals, including the expiration or termination of any applicable waiting period under the United States Hart-Scott-Rodino Antitrust Improvements Act, and approval by the Federal Energy Regulatory Commission (FERC).

Pending the receipt of all necessary approvals and the fulfillment of all other customary closing conditions, the parties expect the transaction to close by year end 2019.

#### Additional Information

Vistra has posted a presentation with additional details of the transaction on the investor relations section of its website at [www.vistraenergy.com](http://www.vistraenergy.com).

#### Advisors

Scotiabank is serving as financial advisor and Munsch Hardt Kopf & Harr PC is serving as legal advisor to Ambit.

Latham & Watkins LLP is serving as legal advisor to Vistra.

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#### About Vistra Energy

Vistra Energy Corp (NYSE: VST) is a premier, integrated energy company based in Irving, Texas, combining an innovative, customer-centric approach to retail with a focus on safe, reliable, and efficient power generation. Through its retail and generation businesses, Vistra operates in 20 states and the District of Columbia, and six of the seven competitive markets in the U.S., with about 5,400 employees. Vistra is one of the largest competitive residential electricity providers in the country, and its retail brands serve approximately 3.7 million residential, commercial, and industrial customers with electricity and gas. The company's generation fleet totals approximately 41,000 megawatts of highly efficient generation capacity, with a diverse portfolio of natural gas, nuclear, coal, solar, and battery storage facilities. The company is currently developing the largest battery energy storage system of its kind in the world – a 300-MW/1,200-MWh system in Moss Landing, California.

#### Cautionary Note Regarding Forward-Looking Statements

The information presented herein includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements, which are based on current expectations, estimates and projections about the industry and markets in which Vistra Energy Corp. ("Vistra Energy") operates and beliefs of and assumptions made by Vistra Energy's management, involve risks and uncertainties, which are difficult to predict and are not guarantees of future performance, that could significantly affect the financial results of Vistra Energy. All statements, other than statements of historical facts, that are presented herein, or in response to questions or otherwise, that address activities, events or developments that may occur in the future, including such matters as activities related to our financial or operational projections, projected synergy, value lever and net debt targets, capital

allocation, capital expenditures, liquidity, projected Adjusted EBITDA to free cash flow conversion rate, dividend policy, business strategy, competitive strengths, goals, future acquisitions or dispositions, development or operation of power generation assets, market and industry developments and the growth of our businesses and operations (often, but not always, through the use of words or phrases, or the negative variations of those words or other comparable words of a future or forward-looking nature, including, but not limited to, "intends," "plans," "will likely," "unlikely," "believe," "expect," "seek," "anticipate," "estimate," "continue," "will," "shall," "should," "could," "may," "might," "predict," "project," "forecast," "target," "potential," "forecast," "goal," "objective," "guidance" and "outlook"), are forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. Although Vistra Energy believes that in making any such forward-looking statement, Vistra Energy's expectations are based on reasonable assumptions, any such forward-looking statement involves uncertainties and risks that could cause results to differ materially from those projected in or implied by any such forward-looking statement, including but not limited, to: (i) adverse changes in general economic or market conditions (including changes in interest rates) or changes in political conditions or federal or state laws and regulations; (ii) the ability of Vistra Energy to execute upon its contemplated strategic and performance initiatives and to successfully integrate acquired businesses; (iii) actions by credit ratings agencies; and (iv) those additional risks and factors discussed in reports filed with the Securities and Exchange Commission ("SEC") by Vistra Energy from time to time, including the uncertainties and risks discussed in the sections entitled "Risk Factors" and "Forward-Looking Statements" in Vistra Energy's annual report on Form 10-K for the year ended December 31, 2018 and any subsequently filed quarterly reports on Form 10-Q.

Any forward-looking statement speaks only at the date on which it is made, and except as may be required by law, Vistra Energy will not undertake any 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.

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