

**VISTRA ENERGY CORP.**  
**CURRENT REPORT**  
**DATE OF EVENT REPORTED: DECEMBER 5, 2016**

**Background Information:**

On December 6, 2016, Vistra Energy Corp. (the “Company”) issued a press release announcing updated expectations for 2016 adjusted EBITDA and adjusted free cash flow and initiated 2017 guidance for the same metrics (the “Press Release”). In connection with the Press Release, the Company made certain guidance materials supporting the information contained in the Press Release (the “Guidance Materials”) available on the “Investor Relations” section of [www.vistraenergy.com](http://www.vistraenergy.com). A copy of the Guidance Materials is included as Exhibit 1 to the Current Report.

Cautionary Note Regarding Forward-Looking Statements

The Press Release and Guidance Materials include 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 the Company believes that in making any such forward-looking statement, the Company’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 such forward-looking statements, including the risks and factors described in the Press Release.

Any forward-looking statement speaks only at the date on which it is made, and except as may be required by law, the Company 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 the Company 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.

Information About Non-GAAP Financial Measures and Items Affecting Comparability

The Press Release and Guidance Materials include non-GAAP financial measures. “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 the Company’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 the Company’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 the Company’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. The Company’s non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

The Company 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. The Company 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.

**Exhibits.**

Exhibit No.      Description

1                      Guidance Materials dated December 6, 2016

## **SIGNATURES**

Vistra Energy Corp. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**VISTRA ENERGY CORP.**

/s/ Terry L. Nutt

Name: Terry L. Nutt

Title: Senior Vice President & Controller

Dated: December 6, 2016

**Exhibit 1**  
Guidance Materials

# Vistra Energy 2017 Guidance

December 6, 2016

# Safe Harbor Statements



## Cautionary Note Regarding Forward-Looking Statements

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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.

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# Adjusted EBITDA and Free Cash Flow Guidance

\$ millions

Vistra Energy Corp.	2016 EFC <sup>1,2</sup>	2016E <sup>1</sup>	2017 EFC <sup>2</sup>	2017E <sup>3</sup>
1 TXU Energy	725 – 755	825 – 870	655 – 715	760 – 820
2 Luminant	770 – 800	725 – 745	590 – 680	595 – 685
3 Corp Center	(5)	1	(6)	(5)
4 Adjusted EBITDA	1,490 – 1,550	1,550 – 1,615	1,240 - 1,390	1,350 - 1,500
5 Adjusted Free Cash Flow	545 – 605	615 – 680	670 - 850	745 - 925

## Key 2017 Guidance Assumptions

- Two planned nuclear refueling outages
- No coal plant retirements
- Full run rate of support cost savings
- Forward price curves as of September 30, 2016
- Flexible operation of certain coal units
- Full year operation of CCGT units

## Key 2017 Hedge Positions<sup>4</sup>

- Natural Gas ~80%
- Heat Rate ~73%

***Vistra Energy 2017 Adjusted EBITDA is significantly higher than projected at the time of its predecessor's exit financing driven by TXU Energy performance and support cost savings***

<sup>1</sup> 2016 Free Cash Flow is adjusted to reflect 2017E interest payments (based on capital structure as of November 30, 2016) as a proxy for 2016 interest payments and excludes cash for the Forney and Lamar acquisition, bankruptcy related professional fees, and exit transactions. 2016 estimated results are based on the results for Texas Competitive Electric Holdings Company LLC ("TCEH"), our predecessor company, for the first nine months of 2016, and the projected results for Vistra Energy for the last three months of 2016.

<sup>2</sup> EFC refers to projections by Vistra Energy's predecessor, TCEH, presented in connection with its bankruptcy plan of reorganization and related exit financing.

<sup>3</sup> 2017E interest expense is based on capital structure as of November 30, 2016.

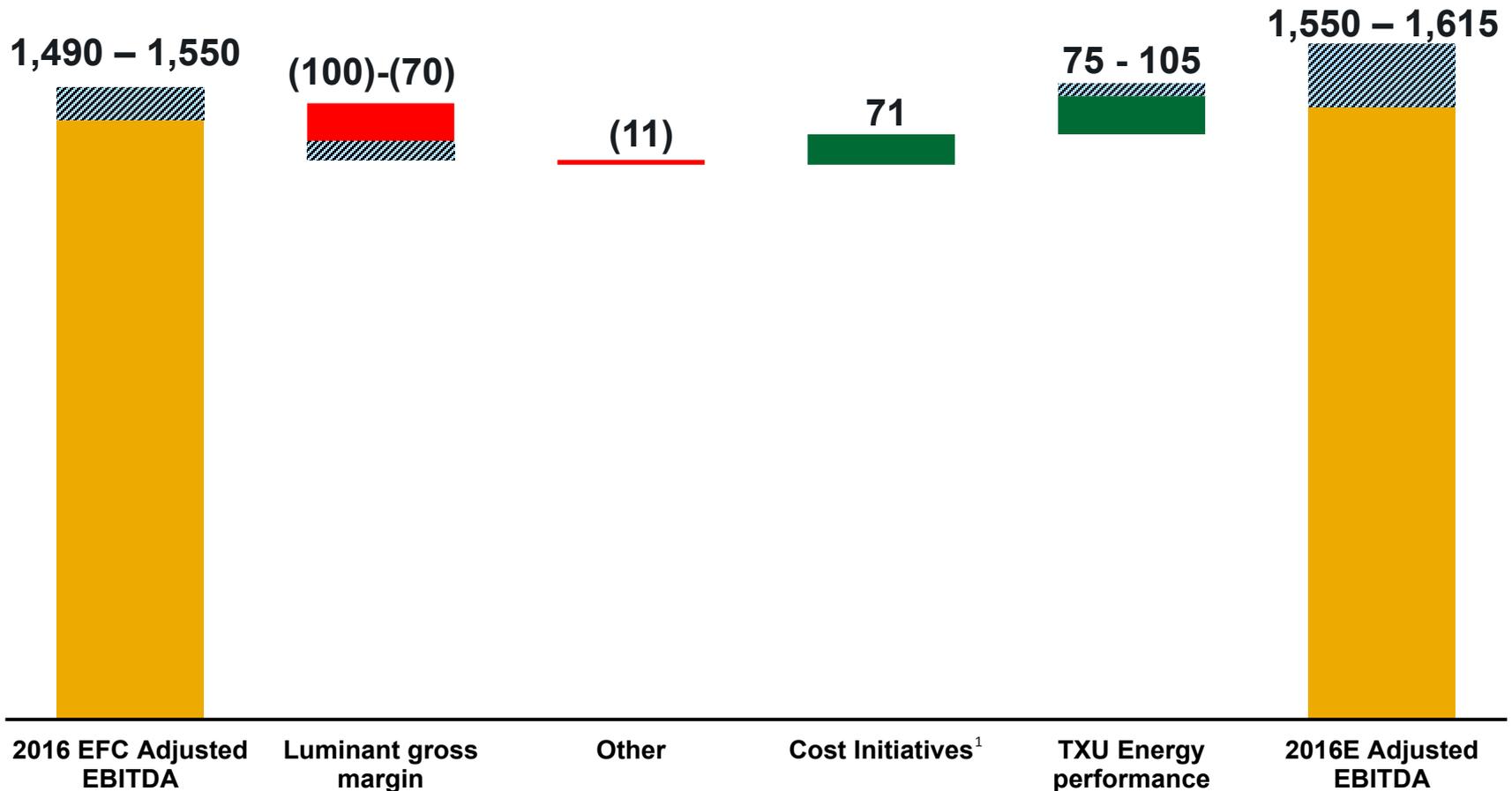
<sup>4</sup> As of September 30, 2016.

# 2016 EFC Adjusted EBITDA vs 2016E Adjusted EBITDA



\$ millions

 Guidance Range



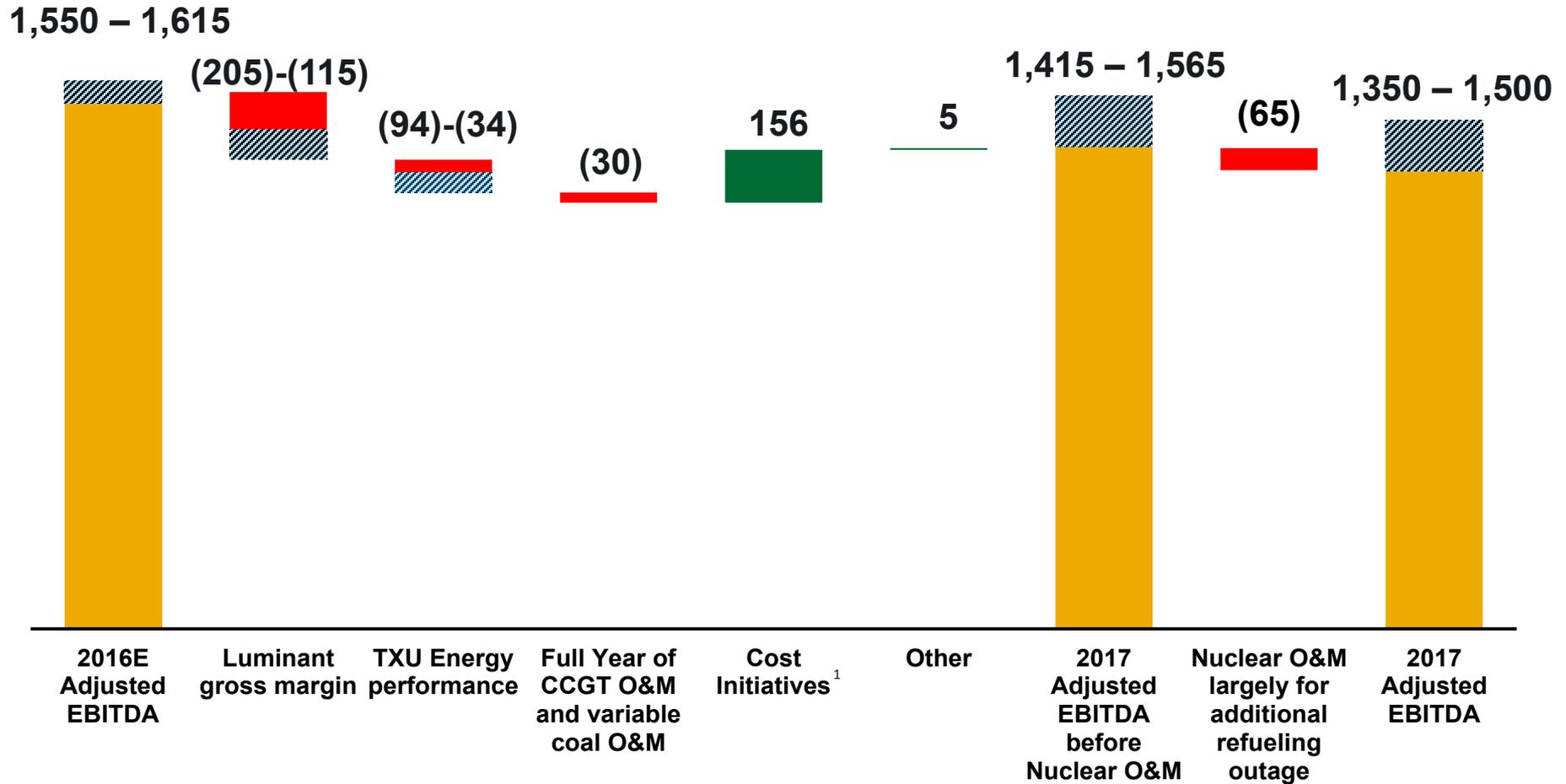
<sup>1</sup> Includes support cost savings of \$57mm in SG&A and \$14mm in O&M.

# 2016E Adjusted EBITDA vs 2017E Adjusted EBITDA



\$ millions

Guidance Range



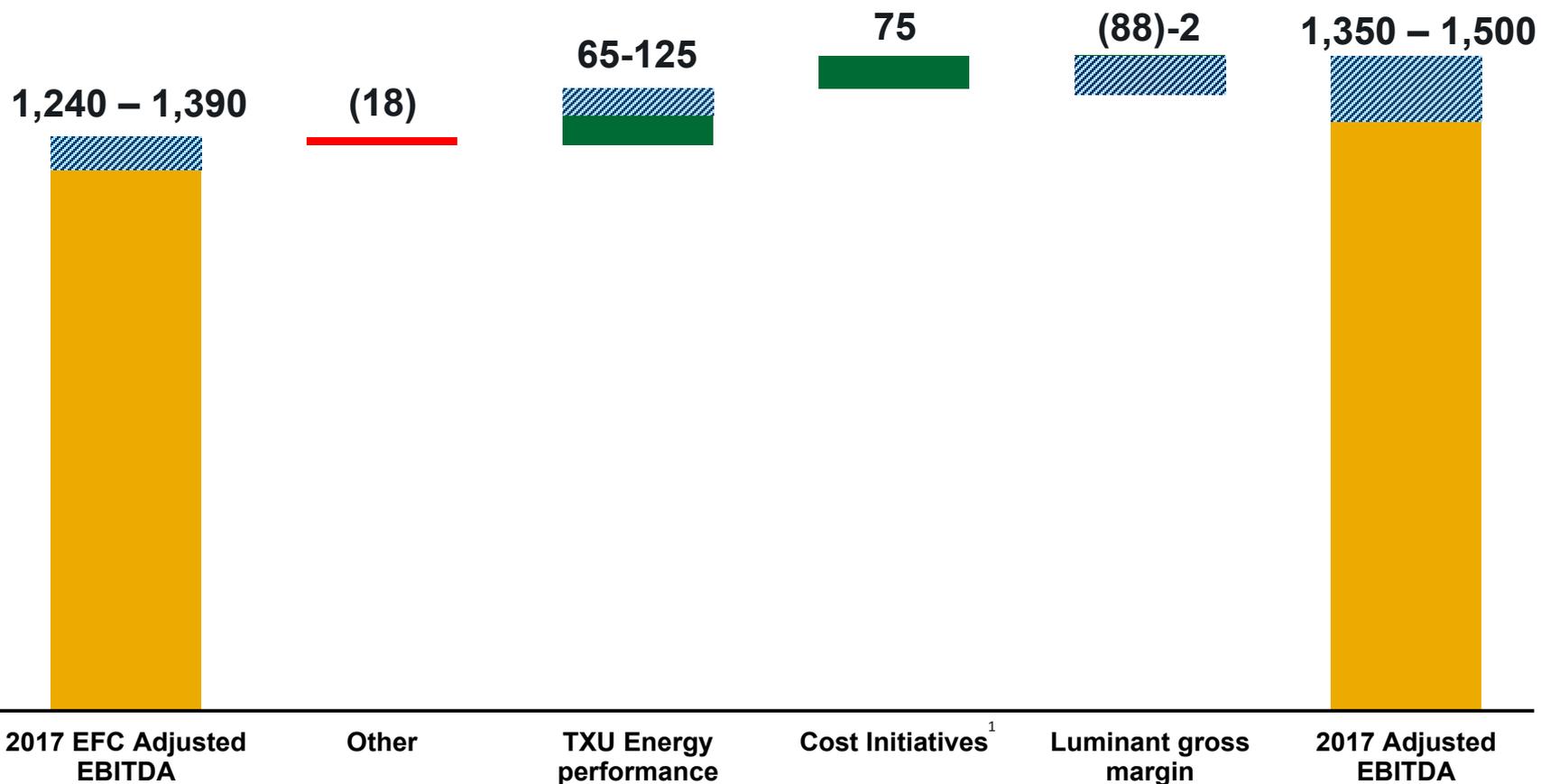
<sup>1</sup> Includes support cost savings of \$97mm in SG&A and \$59mm in O&M.

# 2017 EFC Adjusted EBITDA vs 2017 Adjusted EBITDA



\$ millions

 Guidance Range



<sup>1</sup> Includes support cost savings of \$49mm in SG&A and \$26mm in O&M.

# Adjusted EBITDA Reconciliation

## Adjusted EBITDA<sup>1</sup> 2016E-2017E; \$ millions

	2016E <sup>2</sup>	2017E
<b>1 Net income (loss)</b>	<b>(587)</b>	<b>150</b>
<b>2 Preferred stock dividends</b>	<b>2</b>	<b>7</b>
<b>3 Income tax benefit</b>	<b>(187)</b>	<b>140</b>
<b>4 Interest expense and related charges</b>	<b>1,100</b>	<b>186</b>
<b>5 Depreciation and amortization<sup>3</sup></b>	<b>740</b>	<b>734</b>
<b>6 EBITDA before adjustments</b>	<b>1,068</b>	<b>1,217</b>
<b>7 Unrealized net (gain) loss resulting from hedging transactions</b>	<b>150</b>	<b>88</b>
<b>8 Tax receivable agreement accretion</b>	<b>24</b>	<b>100</b>
<b>9 Reorganization items</b>	<b>257</b>	<b>6</b>
<b>10 Other</b>	<b>86</b>	<b>14</b>
<b>11 Adjusted EBITDA - midpoint</b>	<b>1,585</b>	<b>1,425</b>

<sup>1</sup> Excludes impacts of emerging from bankruptcy, including creditor distributions, and fresh start accounting.

<sup>2</sup> 2016 estimated results are based on the results for Texas Competitive Electric Holdings Company LLC ("TCEH"), our predecessor company, for the first nine months of 2016, and the projected results for Vistra Energy for the last three months of 2016.

<sup>3</sup> Includes nuclear fuel amortization.

# Adjusted Free Cash Flow Reconciliation



## Adjusted Free Cash Flow<sup>1</sup> 2016E-2017E; \$ millions

	2016E <sup>2</sup>	2017E
<b>1 Cash provided by (used in) operating activities</b>	<b>1,077</b>	<b>1,164</b>
<b>2 Capital expenditures<sup>3</sup></b>	<b>(377)</b>	<b>(312)</b>
<b>3 Other net investing activities</b>	<b>(51)</b>	<b>(10)</b>
<b>4 Preferred stock dividends</b>	<b>(2)</b>	<b>(7)</b>
<b>5 Adjusted Free Cash Flow – midpoint</b>	<b>647</b>	<b>835</b>
<b>6 Lamar and Forney acquisition - net of cash acquired</b>	<b>(1,346)</b>	<b>-</b>
<b>7 Bankruptcy related payments</b>	<b>(2,218)</b>	<b>-</b>
<b>8 Adjusted Free Cash Flow</b>	<b>(2,917)</b>	<b>835</b>

<sup>1</sup> Excludes impacts of fresh start accounting.

<sup>2</sup> 2016 estimated results are based on the results for Texas Competitive Electric Holdings Company LLC ("TCEH"), our predecessor company, for the first nine months of 2016, and the projected results for Vistra Energy for the last three months of 2016.

<sup>3</sup> Includes nuclear fuel purchases and capitalized interest (based on capital structure as of November 30, 2016).

# Capital Expenditures

## Capital Expenditures<sup>1</sup> 2015A-2017E; \$ millions

Key project group	2015A	2016E	2017E
1 Nuclear Fuel	122	73	65
2 Nuclear & Fossil Maintenance	207	203	161
3 Environmental	82	51	31
4 IT, Corp and Other	44	39	50
5 Total Capital Expenditures	455	366	307
6 Non Recurring Capital Expenditures <sup>2</sup>	0	0	(25)
7 Adjusted Capital Expenditures	455	366	282

**2017E Vistra Energy Adjusted Capex is \$84 million lower than 2016E**

<sup>1</sup> Excludes capitalized interest. Capital expenditure projection is on a cash basis.

<sup>2</sup> Non-recurring capital expenditures of \$25mm are included in row 4 - IT, Corp and Other.