



# First Quarter 2024 Earnings Call

*May 9, 2024*





# Important Information

## **Forward Looking Statements**

Statements made in this document that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to Evergy's strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "could," "may," "seeks," "intends," "proposed," "projects," "planned," "target," "outlook," "remain confident," "goal," "will" or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Evergy Companies are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, securitization and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudence of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; the impact of climate change, including increased frequency and severity of significant weather events and the extent to which counterparties are willing to do business with, finance the operations of or purchase energy from the Evergy Companies due to the fact that the Evergy Companies operate coal-fired generation; prices and availability of electricity and natural gas in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of future pandemic health events on, among other things, sales, results of operations, financial position, liquidity and cash flows, and also on operational issues, such as supply chain issues and the availability and ability of the Evergy Companies' employees and suppliers to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations (RTO) and independent system operators; financial market conditions and performance, disruptions in the banking industry, including volatility in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of physical and cybersecurity breaches, criminal activity, terrorist attacks, acts of war and other disruptions to the Evergy Companies' facilities or information technology infrastructure or the facilities and infrastructure of third party service providers on which the Evergy Companies rely; impact of geopolitical conflicts on the global energy market; ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; impacts of tariffs; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including those related to the Evergy Companies' ability to attract and retain qualified personnel, maintain satisfactory relationships with their labor unions and manage costs of, or changes in, wages, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence Evergy's strategic plan, financial results or operations; the impact of changing expectations and demands of the Evergy Companies' customers, regulators, investors and stakeholders, including heightened emphasis on environmental, social and governance concerns; the possibility that strategic initiatives, including mergers, acquisitions and divestitures, and long-term financial plans, may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. You should also carefully consider the information contained in the Evergy Companies' other filings with the Securities and Exchange Commission (SEC). Additional risks and uncertainties are discussed from time to time in current, quarterly and annual reports filed by the Evergy Companies with the SEC. New factors emerge from time to time, and it's not possible for the Evergy Companies to predict all such factors, nor can the Evergy Companies assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained or implied in any forward-looking statement. Given these uncertainties, undue reliance should not be placed on these forward-looking statements. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

## **Non-GAAP Financial Measures**

Evergy uses adjusted earnings, adjusted earnings per share and adjusted O&M which are non-GAAP financial measures. A reconciliation of the non-GAAP measures to the most directly comparable GAAP measures are included in the appendix.

# Agenda

## David Campbell, Chairman & CEO

- First quarter highlights
- Integrated Resource Plan update
- Regulatory and legislative update

## Kirk Andrews, EVP & CFO

- First quarter results
- Retail sales trends
- 2024 outlook



# Business Update

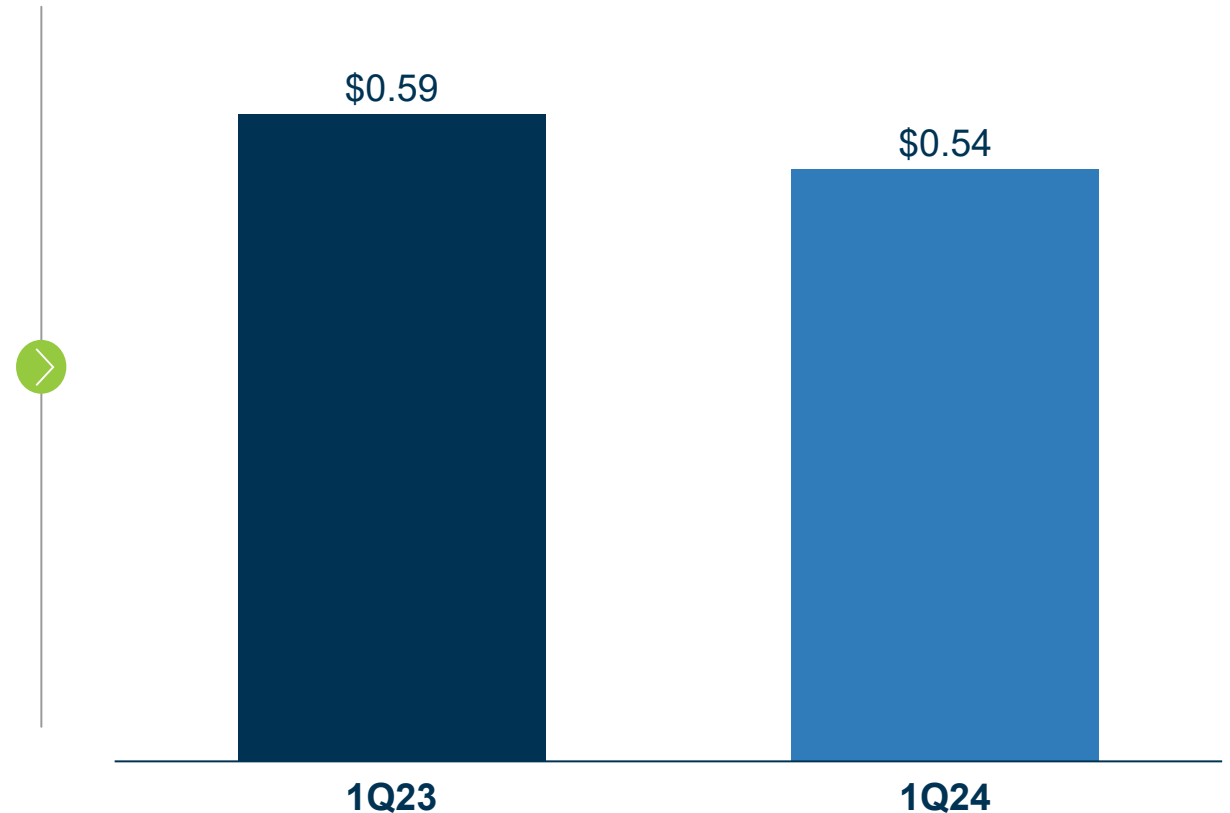
*David Campbell*  
*Chairman & CEO*



# First Quarter Highlights

- **First Quarter 2024 EPS**
  - GAAP: \$0.53
  - Adjusted<sup>1</sup>: \$0.54
- **Primary Earnings Drivers**
  - ↑ New retail rates, transmission margin
  - ↓ O&M, D&A, interest expense
- **Weather** estimated (\$0.07) unfavorable compared to normal
- **Solid start to the year in reliability**, with SAIDI<sup>2</sup> and SAIFI<sup>2</sup> trending favorably to target
- Nearing completion of 26<sup>th</sup> Wolf Creek refueling outage
- **Reaffirming 2024 adjusted EPS<sup>1</sup> guidance** of \$3.73 - \$3.93 and long-term target of 4% to 6% adjusted EPS CAGR<sup>3</sup> through 2026

## Adjusted EPS<sup>1</sup>

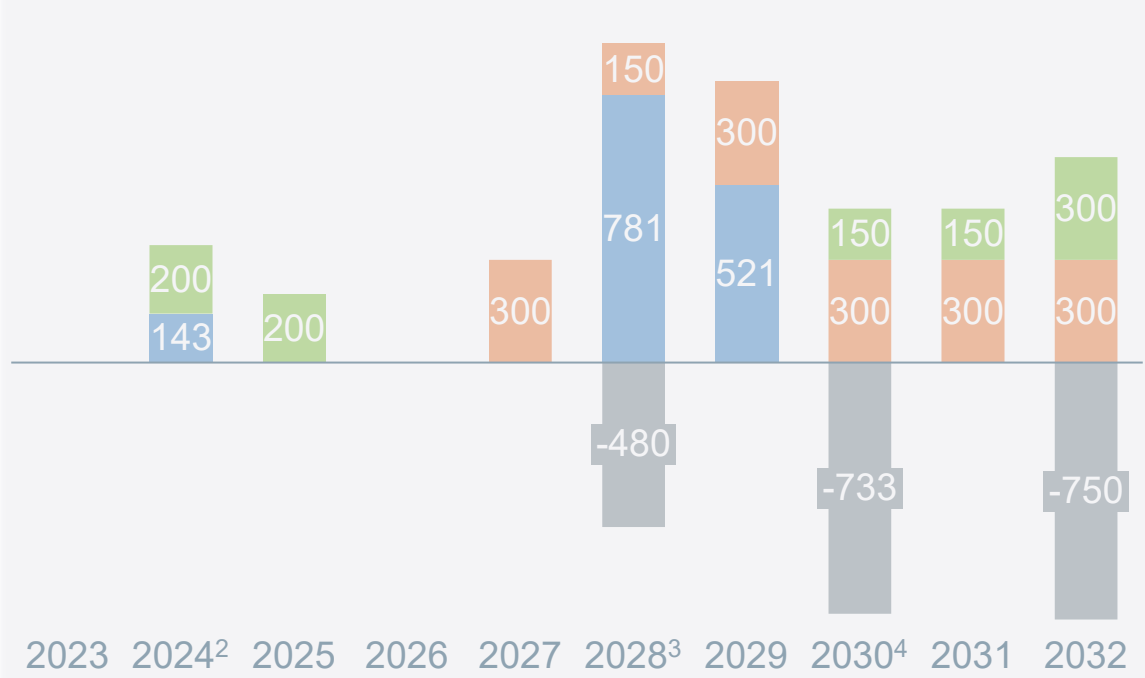


**Well-positioned to execute on our adjusted EPS<sup>1</sup> growth target**

# 2023 vs. 2024 IRP Update

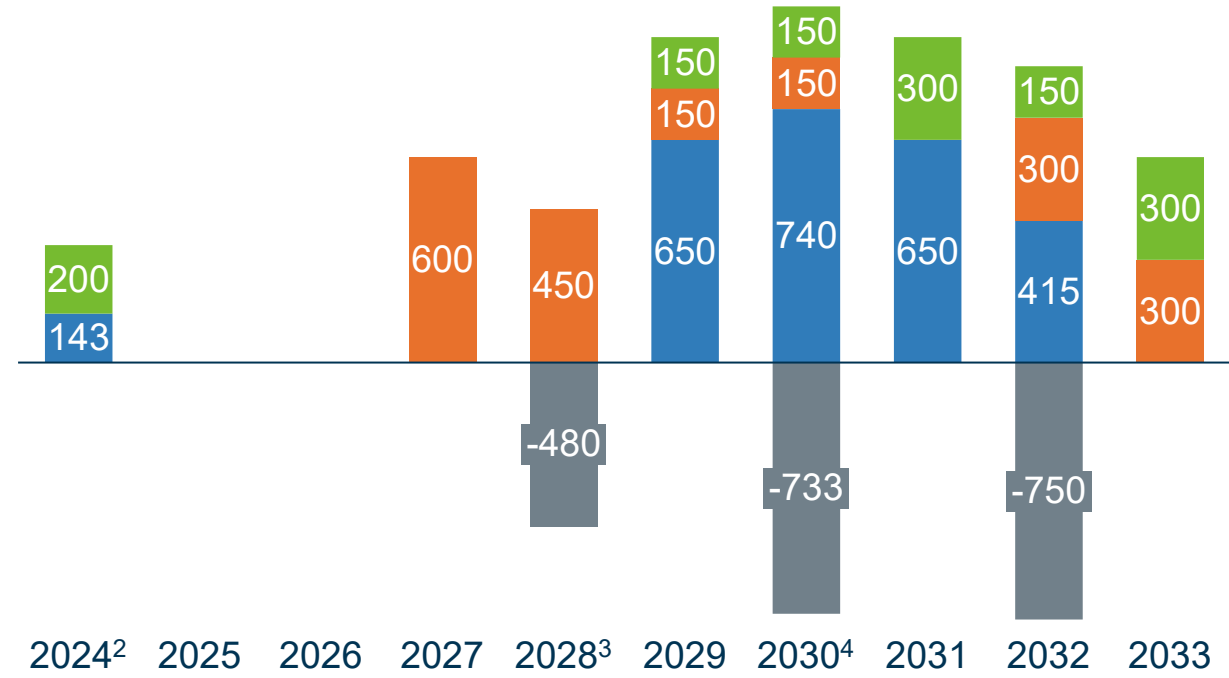
## 2023 IRP Update (June 2023)

Projected Additions & Retirements (MW)<sup>1</sup>



## 2024 IRP Update (April 2024)

Projected Additions & Retirements (MW)<sup>1</sup>



■ Wind 
 ■ Solar 
 ■ Natural Gas<sup>5</sup>
■ Coal Retirements

**2024 IRP adds 1,500MW in the next 10 years relative to the 2023 IRP. Plan to update the capital plan to reflect 2024 IRP, grid modernization, and economic development/growth investments on the Q3 2024 earnings call**

<sup>1</sup>Reflects January 1 in-service and December 31 retirement date in each respective year <sup>2</sup>Reflects Persimmon Creek acquisition completed in 2023 <sup>3</sup>Lawrence Unit 4 (107MW) retires and Unit 5 (373MW) transitions to gas only (338MW) <sup>4</sup>Preferred plan includes a placeholder for an additional coal unit retirement in 2030 <sup>5</sup>Forecasted natural gas additions across 2029-2032 are hydrogen-enabled

# Economic Development Wins



- Data center representing \$1 billion of investment, announced March 20
- Reaching full run-rate in 2028
- To be constructed in our Evergy Metro jurisdiction



- Expected to be one of the largest EV battery manufacturing plants in the world
- \$4 billion investment creating 4,000 permanent jobs
- Reaching full run-rate in 2026
- Under construction in our Evergy Kansas Central jurisdiction



- Data center representing \$800 million of investment
- Reaching full run-rate in 2027
- Under construction in our Evergy Missouri West jurisdiction

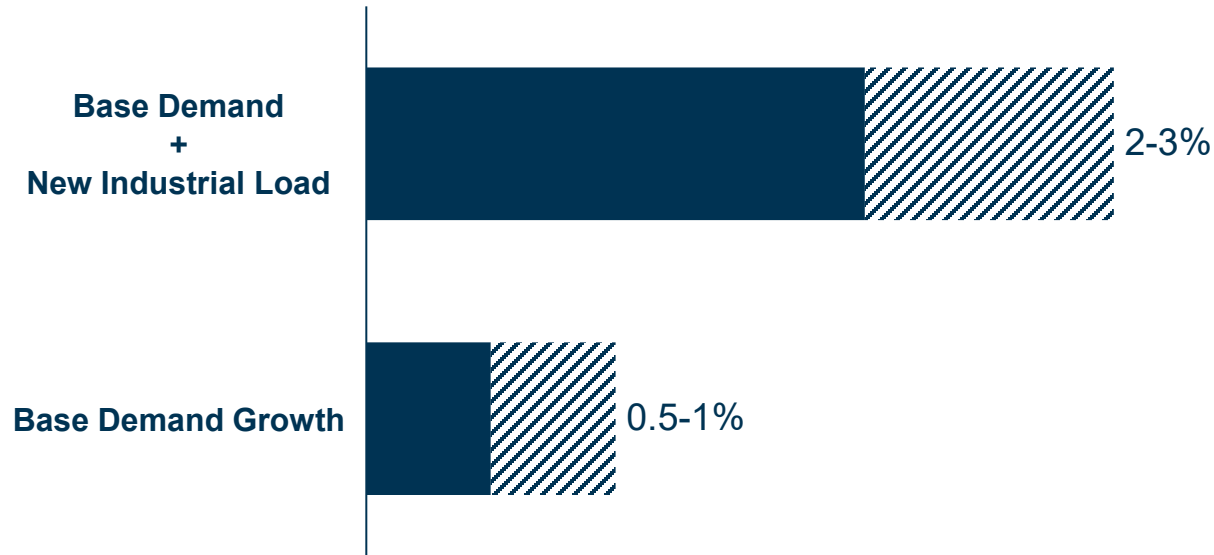
**Combined, these projects represent upwards of approximately 750 megawatts of load; Google, Panasonic and Meta will be the largest customers in their respective jurisdictions by a large margin**

***Economic development pipeline remains robust, with more than \$10 billion of projects actively evaluating our Kansas and Missouri service territories***

# Demand Growth Outlook

## Weather-Normalized Demand Growth

2023-2028E CAGR



## Recent Successes



*Demand impact from new industrial and data center demand results in extending 2-3% annual load growth forecast through 2028*



# Regulatory & Legislative Updates



## Kansas

- **Electric Infrastructure Investment Bill (HB 2527):** signed into law; becomes effective July 1, 2024
- **Property Tax Exemption for New Natural Gas Generation (SB 410):** signed into law; 10-year exemption for units constructed and installed after January 1, 2025
- **Integrated Resource Plan:** plan to file triennial update on May 17

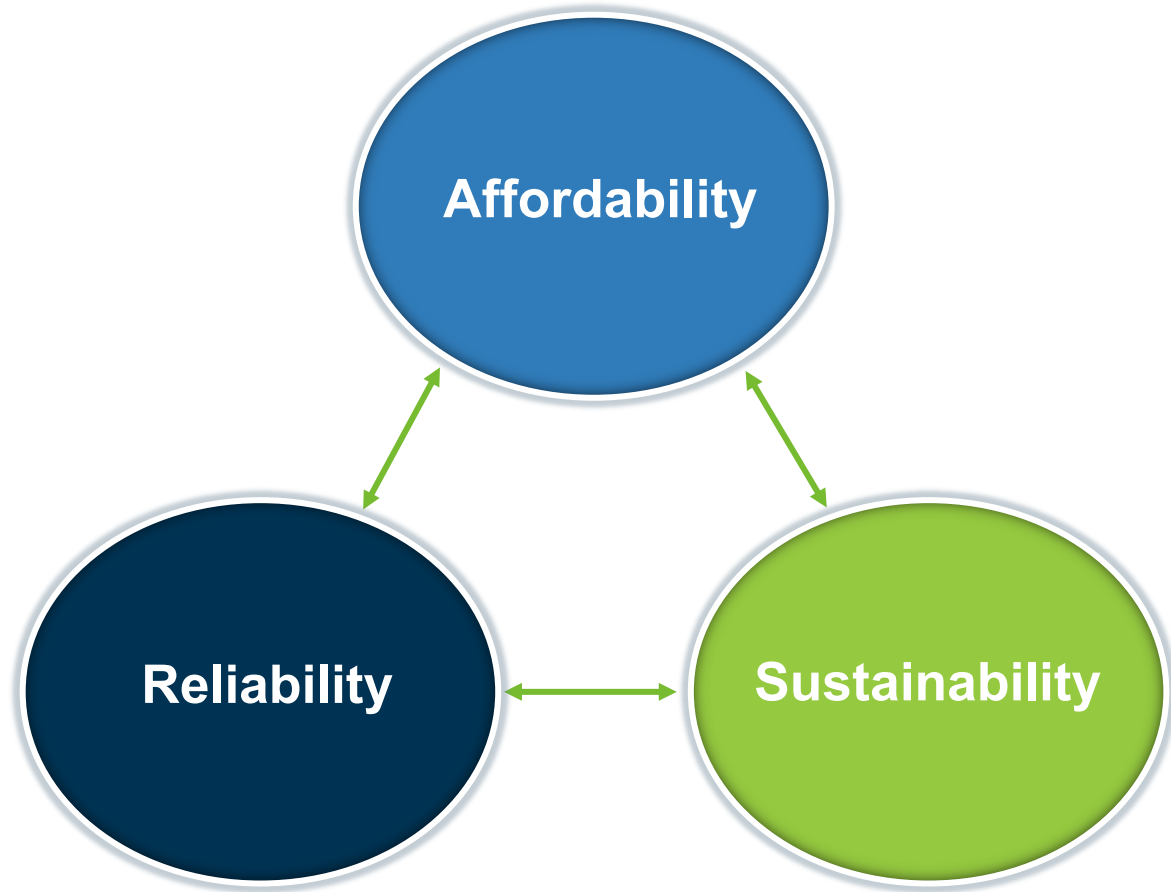


## Missouri

- **Missouri West Rate Case (ER-2024-0189):** intervenor testimony due June 27, rebuttal due August 6, settlement conference September 23, rates effective January 1, 2025
- **PISA Amendments (HB 1746):** passed out of the house and senate commerce committee (awaiting third read); session concludes on May 17
- **Integrated Resource Plan:** filed triennial update April 1

*Working collaboratively with stakeholders to position Evergy to best support economic development, enable a responsible portfolio transition, and ensure customer affordability*

# Core Tenets of Evergy Strategy



- ✓ **Affordability:** Keeping rates affordable and improving regional rate competitiveness
- ✓ **Reliability:** Targeting top-tier performance in reliability, customer service and generation
- ✓ **Sustainability:** Advancing emissions reductions and fleet transition to achieve 70% carbon reduction by 2030 and net-zero CO<sub>2</sub>e by 2045<sup>1</sup> for scope 1 and scope 2 emissions

*Focused on consistently delivering against our affordability, reliability, and sustainability objectives*

# Financial Update

*Kirk Andrews*

*Executive Vice President & CFO*



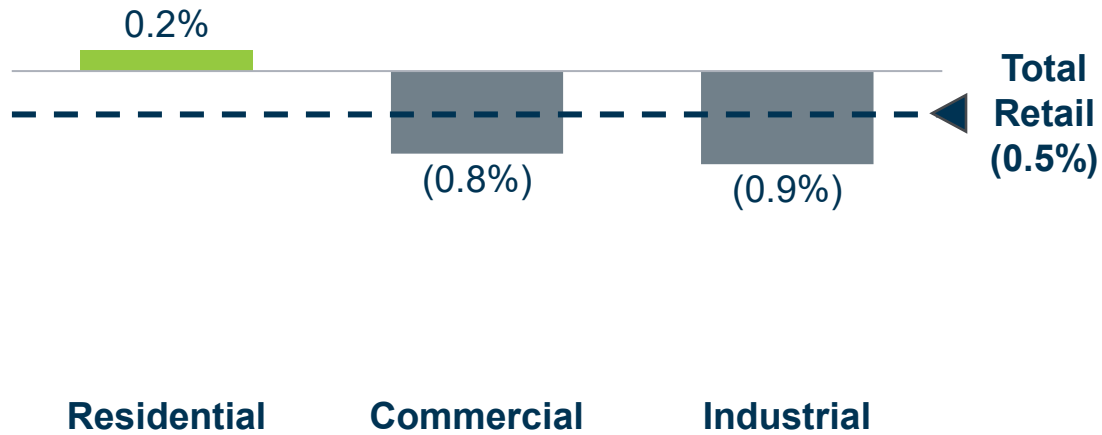
# First Quarter 2024 Adjusted EPS<sup>1</sup>

## Adjusted EPS<sup>1</sup> Drivers

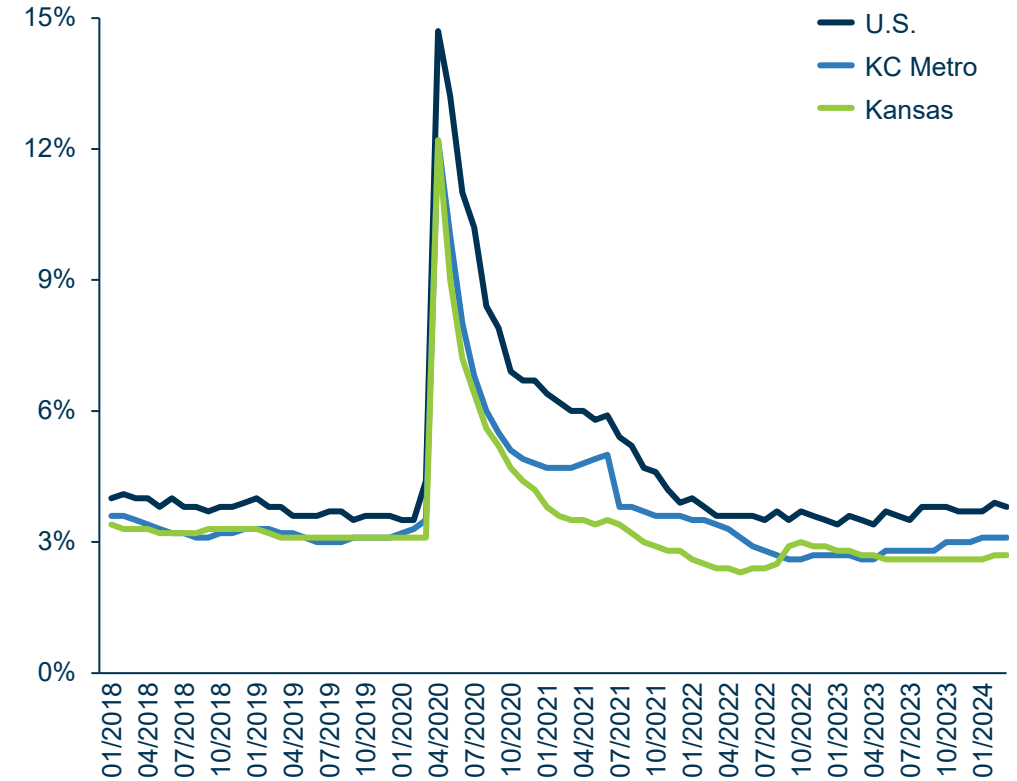


# Retail Sales Trends

**2024 Weather-Normalized Retail Sales Growth**  
Compared to prior year<sup>1,2</sup>



**Unemployment Rate<sup>3</sup>**

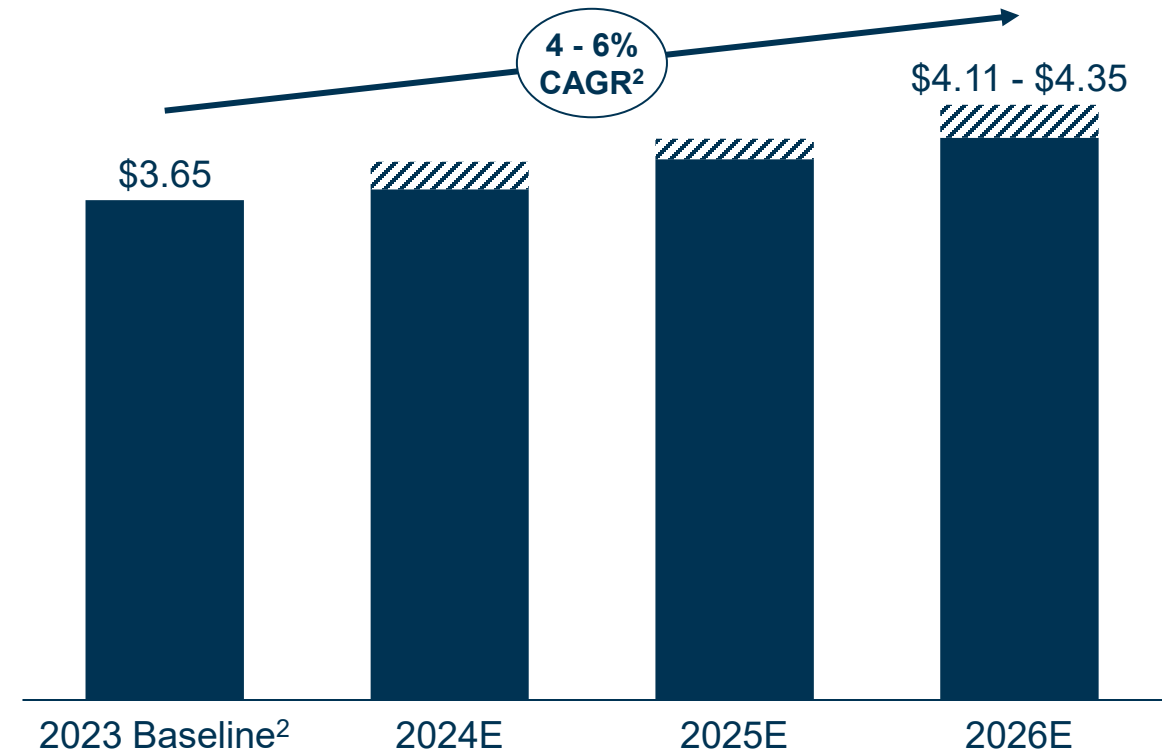


**Local economy remains resilient; industrial demand poised for partial recovery in 2024**

# Growth Outlook

- 2024 adjusted EPS<sup>1</sup> guidance: \$3.73 - \$3.93
- Reaffirming adjusted EPS<sup>1</sup> growth target of 4% to 6% through 2026 off the original 2023 adjusted EPS guidance midpoint of \$3.65
- Continuing to target 60% to 70% payout ratio
- Planning \$12.5B of infrastructure investment 2024E-2028E; implied rate base CAGR of ~6% 2023E-2028E
  - Expecting to provide update on capital investment plan as part of Q3 2024 earnings call
- Focused on business execution, enhancing reliability and regional rate competitiveness, and advancing constructive policies to support competitiveness and economic development

## Targeted Adjusted EPS Growth<sup>1</sup>



**Well-positioned to deliver on our EPS and dividend targets**



# Q&A

# Appendix







# Evergy Five-Year Capital Investment Plan

\$ in millions	2024E	2025E	2026E	2027E	2028E	Total
New Generation/Renewables	157	394	654	604	1107	<b>2,916</b>
General Facilities, IT, and Other	299	163	160	227	256	<b>1,105</b>
Transmission	660	528	555	682	710	<b>3,135</b>
Distribution	667	659	744	780	773	<b>3,623</b>
Legacy Generation	342	345	344	331	354	<b>1,716</b>
<b>Total</b>	<b>2,125</b>	<b>2,089</b>	<b>2,457</b>	<b>2,624</b>	<b>3,200</b>	<b>12,495</b>



# Kansas Central Five-Year Capital Investment Plan

\$ in millions	2024E	2025E	2026E	2027E	2028E	Total
New Generation/Renewables	57	289	372	359	689	<b>1,766</b>
General Facilities, IT, and Other <sup>1</sup>	126	49	50	53	73	<b>351</b>
Transmission	478	357	380	457	467	<b>2,139</b>
Distribution <sup>1</sup>	240	214	276	291	272	<b>1,293</b>
Legacy Generation <sup>1</sup>	189	175	185	168	176	<b>893</b>
<b>Total</b>	<b>1,090</b>	<b>1,084</b>	<b>1,263</b>	<b>1,328</b>	<b>1,677</b>	<b>6,442</b>



# Metro Five-Year Capital Investment Plan

\$ in millions	2024E	2025E	2026E	2027E	2028E	Total
New Generation/Renewables	-	-	-	28	56	<b>84</b>
General Facilities, IT, and Other <sup>1</sup>	155	104	104	160	175	<b>698</b>
Transmission	75	87	65	81	101	<b>409</b>
Distribution <sup>1</sup>	218	239	254	269	295	<b>1,275</b>
Legacy Generation <sup>1</sup>	134	136	136	129	152	<b>687</b>
<b>Total</b>	<b>582</b>	<b>566</b>	<b>559</b>	<b>667</b>	<b>779</b>	<b>3,153</b>



# Missouri West Five-Year Capital Investment Plan

\$ in millions	2024E	2025E	2026E	2027E	2028E	Total
New Generation/Renewables	99	105	282	217	363	<b>1,066</b>
General Facilities, IT, and Other <sup>1</sup>	18	11	6	14	7	<b>56</b>
Transmission	107	85	110	144	141	<b>587</b>
Distribution <sup>1</sup>	209	206	215	219	206	<b>1,055</b>
Legacy Generation <sup>1</sup>	20	34	23	35	25	<b>137</b>
<b>Total</b>	<b>453</b>	<b>441</b>	<b>636</b>	<b>629</b>	<b>742</b>	<b>2,901</b>

# GAAP to Non-GAAP EPS Reconciliation

<b>Adjusted EPS<sup>1</sup></b>			
	<b>Original 2023E</b>	<b>2024E</b>	<b>2026E</b>
<b>GAAP EPS</b>	<b>\$3.55 - \$3.75</b>	<b>\$3.73 - \$3.93</b>	<b>\$4.11 - \$4.35</b>
Adjustments	-	-	-
<b>Adjusted EPS<sup>1</sup> (non-GAAP)</b>	<b>\$3.55 - \$3.75</b>	<b>\$3.73 - \$3.93</b>	<b>\$4.11 - \$4.35</b>

# First Quarter GAAP to Non-GAAP EPS Reconciliation

	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
<b>Three Months Ended March 31</b>	<b>2024</b>		<b>2023</b>	
	(millions, except per share amounts)			
Net income attributable to Eversource, Inc.	\$ 122.7	\$ 0.53	\$ 142.6	\$ 0.62
Non-GAAP reconciling items:				
Mark-to-market impact of JEC economic hedges, pre-tax <sup>(a)</sup>	2.6	0.01	(8.4)	(0.04)
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax <sup>(b)</sup>	—	—	0.1	—
Income tax (benefit) expense <sup>(c)</sup>	(0.6)	—	1.8	0.01
<b>Adjusted earnings (non-GAAP)</b>	<b>\$ 124.7</b>	<b>\$ 0.54</b>	<b>\$ 136.1</b>	<b>\$ 0.59</b>

<sup>(a)</sup> Reflects mark-to-market gains or losses related to forward contracts for natural gas and electricity entered into as economic hedges against fuel price volatility related to Eversource Kansas Central's 8% ownership share of JEC that are included in operating revenues on the consolidated statements of comprehensive income.

<sup>(b)</sup> Reflects non-regulated energy marketing incentive compensation costs related to the February 2021 winter weather event that are included in operating and maintenance expense on the consolidated statements of comprehensive income.

<sup>(c)</sup> Reflects an income tax effect calculated at a statutory rate of approximately 22%.