

Evergy, Inc.

Second Quarter 2022 Earnings

Released August 4, 2022

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NOTE:

The Notes to the Unaudited Consolidated Financial Statements in Evergy's, Evergy Kansas Central's and Evergy Metro's combined Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information. The enclosed statements have been prepared for the purpose of providing information concerning Evergy, Evergy Kansas Central and Evergy Metro and not in connection with any sale, offer for sale, or solicitation to buy any securities.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Three Months Ended June 30	2022	2021	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 513.4	\$ 459.8	\$ 53.6	11.7
Commercial	465.5	422.5	43.0	10.2
Industrial	170.1	150.0	20.1	13.4
Other retail	9.8	9.5	0.3	3.2
Total electric retail	<u>1,158.8</u>	<u>1,041.8</u>	<u>117.0</u>	<u>11.2</u>
Wholesale	79.5	70.0	9.5	13.6
Transmission	101.0	90.4	10.6	11.7
Other	107.2	34.0	73.2	215.3
Total Revenues	<u>1,446.5</u>	<u>1,236.2</u>	<u>210.3</u>	<u>17.0</u>
OPERATING EXPENSES:				
Fuel and purchased power	414.3	284.1	130.2	45.8
SPP network transmission costs	81.5	73.8	7.7	10.4
Operating and maintenance	282.8	259.9	22.9	8.8
Depreciation and amortization	232.1	225.2	6.9	3.1
Taxes other than income tax	100.3	97.9	2.4	2.5
Total Operating Expenses	<u>1,111.0</u>	<u>940.9</u>	<u>170.1</u>	<u>18.1</u>
INCOME FROM OPERATIONS	<u>335.5</u>	<u>295.3</u>	<u>40.2</u>	<u>13.6</u>
OTHER INCOME (EXPENSE):				
Investment earnings (loss)	(0.9)	8.4	(9.3)	N/M
Other income	5.9	14.7	(8.8)	(59.9)
Other expense	(22.9)	(18.8)	(4.1)	21.8
Total Other Income (Expense), Net	<u>(17.9)</u>	<u>4.3</u>	<u>(22.2)</u>	<u>N/M</u>
Interest expense	99.3	93.8	5.5	5.9
INCOME BEFORE INCOME TAXES	<u>218.3</u>	<u>205.8</u>	<u>12.5</u>	<u>6.1</u>
Income tax expense	22.1	19.6	2.5	12.8
Equity in earnings of equity method investees, net of income taxes	1.4	2.1	(0.7)	(33.3)
NET INCOME	<u>197.6</u>	<u>188.3</u>	<u>9.3</u>	<u>4.9</u>
Less: Net income attributable to noncontrolling interests	3.1	3.0	0.1	3.3
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	<u>\$ 194.5</u>	<u>\$ 185.3</u>	<u>\$ 9.2</u>	<u>5.0</u>
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 0.85	\$ 0.81	\$ 0.04	4.9
Diluted earnings per common share	\$ 0.84	\$ 0.81	\$ 0.03	3.7
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.9	229.3	0.6	0.3
Diluted	<u>230.4</u>	<u>229.7</u>	<u>0.7</u>	<u>0.3</u>
Effective income tax rate	<u>10.1 %</u>	<u>9.4 %</u>		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Year to Date June 30	2022	2021	Change	% Change
	(millions, except per share amounts)			
REVENUES:				
Residential	\$ 965.2	\$ 856.5	\$ 108.7	12.7
Commercial	868.6	768.5	100.1	13.0
Industrial	320.4	283.6	36.8	13.0
Other retail	18.8	16.9	1.9	11.2
Total electric retail	2,173.0	1,925.5	247.5	12.9
Wholesale	131.4	557.5	(426.1)	(76.4)
Transmission	199.0	176.4	22.6	12.8
Other	167.0	188.7	(21.7)	(11.5)
Total Revenues	2,670.4	2,848.1	(177.7)	(6.2)
OPERATING EXPENSES:				
Fuel and purchased power	723.3	919.2	(195.9)	(21.3)
SPP network transmission costs	160.2	143.2	17.0	11.9
Operating and maintenance	535.0	535.4	(0.4)	(0.1)
Depreciation and amortization	461.1	444.5	16.6	3.7
Taxes other than income tax	202.2	192.8	9.4	4.9
Total Operating Expenses	2,081.8	2,235.1	(153.3)	(6.9)
INCOME FROM OPERATIONS	588.6	613.0	(24.4)	(4.0)
OTHER INCOME (EXPENSE):				
Investment earnings	(10.5)	10.0	(20.5)	N/M
Other income	14.1	25.9	(11.8)	(45.6)
Other expense	(47.8)	(39.7)	(8.1)	20.4
Total Other Expense, Net	(44.2)	(3.8)	(40.4)	N/M
Interest expense	191.1	187.8	3.3	1.8
INCOME BEFORE INCOME TAXES	353.3	421.4	(68.1)	(16.2)
Income tax expense	33.6	42.6	(9.0)	(21.1)
Equity in earnings of equity method investees, net of income taxes	3.5	4.1	(0.6)	(14.6)
NET INCOME	323.2	382.9	(59.7)	(15.6)
Less: Net income attributable to noncontrolling interests	6.2	6.0	0.2	3.3
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 317.0	\$ 376.9	\$ (59.9)	(15.9)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 1.38	\$ 1.65	\$ (0.27)	(16.4)
Diluted earnings per common share	\$ 1.38	\$ 1.65	\$ (0.27)	(16.4)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.8	228.3	1.5	0.7
Diluted	230.4	228.7	1.7	0.7
Effective income tax rate	9.4 %	10.0 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30	December 31
	2022	2021
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 22.4	\$ 26.2
Receivables, net of allowance for credit losses of \$27.1 and \$32.9, respectively	384.4	221.6
Accounts receivable pledged as collateral	347.0	319.0
Fuel inventory and supplies	636.5	566.7
Income taxes receivable	2.1	28.0
Regulatory assets	411.5	424.1
Prepaid expenses	52.3	49.3
Other assets	65.9	75.4
Total Current Assets	1,922.1	1,710.3
PROPERTY, PLANT AND EQUIPMENT, NET	21,468.6	21,002.6
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	144.3	147.8
OTHER ASSETS:		
Regulatory assets	2,056.8	1,991.1
Nuclear decommissioning trust fund	687.6	768.7
Goodwill	2,336.6	2,336.6
Other	572.8	563.4
Total Other Assets	5,653.8	5,659.8
TOTAL ASSETS	\$ 29,188.8	\$ 28,520.5

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30 2022	December 31 2021
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 349.5	\$ 389.3
Notes payable and commercial paper	2,028.5	1,159.3
Collateralized note payable	347.0	319.0
Accounts payable	474.3	639.7
Accrued taxes	212.2	150.4
Accrued interest	92.2	118.8
Regulatory liabilities	73.8	70.7
Asset retirement obligations	18.5	19.5
Accrued compensation and benefits	73.9	51.6
Other	189.8	184.6
Total Current Liabilities	3,859.7	3,102.9
LONG-TERM LIABILITIES:		
Long-term debt, net	9,196.7	9,297.9
Deferred income taxes	1,913.5	1,861.9
Unamortized investment tax credits	180.5	181.4
Regulatory liabilities	2,578.0	2,705.0
Pension and post-retirement liability	886.3	879.1
Asset retirement obligations	959.8	940.6
Other	303.5	310.0
Total Long-Term Liabilities	16,018.3	16,175.9
Commitments and Contingencies (See 10-Q Note 10)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 229,515,301 and 229,299,900 shares issued, stated value	7,212.5	7,205.5
Retained earnings	2,136.0	2,082.9
Accumulated other comprehensive loss	(41.2)	(44.0)
Total Evergy, Inc. Shareholders' Equity	9,307.3	9,244.4
Noncontrolling Interests	3.5	(2.7)
Total Equity	9,310.8	9,241.7
TOTAL LIABILITIES AND EQUITY	\$ 29,188.8	\$ 28,520.5

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date June 30	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 323.2	\$ 382.9
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	461.1	444.5
Amortization of nuclear fuel	31.8	19.8
Amortization of deferred refueling outage	12.5	12.6
Amortization of corporate-owned life insurance	11.7	11.2
Non-cash compensation	11.0	7.3
Net deferred income taxes and credits	6.9	37.1
Allowance for equity funds used during construction	(12.8)	(14.3)
Payments for asset retirement obligations	(3.9)	(4.4)
Equity in earnings of equity method investees, net of income taxes	(3.5)	(4.1)
Income from corporate-owned life insurance	(0.9)	(1.2)
Other	0.6	0.5
Changes in working capital items:		
Accounts receivable	(131.9)	(102.9)
Accounts receivable pledged as collateral	(28.0)	34.0
Fuel inventory and supplies	(69.5)	(33.3)
Prepaid expenses and other current assets	(27.8)	(88.0)
Accounts payable	(75.9)	(232.3)
Accrued taxes	87.7	62.4
Other current liabilities	(61.6)	(28.2)
Changes in other assets	35.1	(322.1)
Changes in other liabilities	23.1	43.1
Cash Flows from Operating Activities	588.9	224.6
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,116.4)	(891.1)
Purchase of securities - trusts	(19.4)	(53.0)
Sale of securities - trusts	19.4	44.9
Investment in corporate-owned life insurance	(15.5)	(13.5)
Proceeds from investment in corporate-owned life insurance	2.9	1.5
Other investing activities	0.1	(7.0)
Cash Flows used in Investing Activities	(1,128.9)	(918.2)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	369.1	598.0
Proceeds from term loan facility	500.0	—
Collateralized short-term borrowings, net	28.0	(34.0)
Issuance of common stock	—	112.5
Proceeds from long-term debt	246.9	497.7
Retirements of long-term debt	(387.5)	(351.1)
Retirements of long-term debt of variable interest entities	—	(18.8)
Borrowings against cash surrender value of corporate-owned life insurance	51.1	51.8
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(1.2)	(0.1)
Cash dividends paid	(262.7)	(244.0)
Other financing activities	(7.5)	(4.9)
Cash Flows from Financing Activities	536.2	607.1
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(3.8)	(86.5)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	26.2	144.9
End of period	\$ 22.4	\$ 58.4

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Second Quarter 2022 vs. 2021

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2021 net income attributable to Eversource Energy, Inc.	\$ 185.3	\$ 0.81
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	72.4	A 0.32
Operating and maintenance	(22.9)	B (0.10)
Depreciation and amortization	(6.9)	C (0.04)
Taxes other than income tax	(2.4)	D (0.01)
Other expense, net	(22.2)	E (0.10)
Interest expense	(5.5)	F (0.03)
Income tax expense	(2.5)	G (0.01)
Equity in earnings of equity method investees, net of income taxes	(0.7)	—
Net income attributable to noncontrolling interests	(0.1)	—
Change in shares outstanding		—
2022 net income attributable to Eversource Energy, Inc.	\$ 194.5	\$ 0.84

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Major factors influencing the period to period change in EPS-- Favorable/(Unfavorable)

- A Due primarily to higher retail sales driven by higher weather-normalized demand and favorable weather - \$53.2M; an increase in transmission revenue due to updated transmission costs reflected in Eversource Kansas Central's FERC TFR effective in January 2022 - \$10.6M; and an increase related to TDC riders in 2022 - \$8.6M.
- B Due primarily to an increase in plant operating and maintenance expenses related to major maintenance outages at Iatan Station Unit 1, LaCygne Unit 2 and Jeffrey Energy Center (JEC) in 2022 - (\$9.4M); an increase in transmission and distribution operating and maintenance expenses primarily driven by higher contractor and vegetation management costs in 2022- (\$9.4M); an increase in credit loss expense at Eversource Kansas Central, Eversource Metro and Eversource Missouri West primarily due to a higher level of assumed uncollectible accounts used in establishing the allowance for credit losses and higher actual write-offs incurred in 2022- (\$8.0M); partially offset by a decrease in advisor expenses incurred in the second quarter of 2022 associated with strategic planning - \$3.2M; costs recorded in the second quarter of 2021 associated with executive transition, including inducement bonuses, severance agreements and other transition expenses - \$1.8M; and costs at Eversource Kansas Central related to non-regulated marketing margins recognized during the February 2021 winter weather event - \$1.7M.
- C Due primarily to higher capital additions at Eversource Kansas Central and Eversource Metro in 2022.
- D Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values.
- E Due primarily to lower investment earnings primarily driven by a decrease in unrealized gains due to the change in fair value related to various equity investments and a loss related to Eversource's equity investment in an early-stage energy solutions company that was sold in the second quarter of 2022 - (\$9.3M); lower Eversource Kansas Central corporate-owned life insurance (COLI) benefits - (\$6.2M); and an increase due to higher pension non-service costs at Eversource Kansas Central and Eversource Metro in the second quarter of 2022 - (\$4.1M).
- F Due primarily to an increase in interest expense on short-term borrowings primarily due to higher short-term debt balances and weighted-average interest rates for Eversource Energy, Inc., Eversource Kansas Central and Eversource Missouri West - (\$4.6M); partially offset by a decrease due to repayment of Eversource Missouri West's \$80.9 million of 8.27% Senior Notes at maturity in November 2021 - \$1.6M.
- G Due primarily to higher pre-tax income in the second quarter of 2022 - (\$2.0M); and lower expected COLI proceeds in the second quarter of 2022 - (\$1.1M).

The Notes to the Unaudited Consolidated Financial Statements in Eversource's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

Evergy, Inc
Year to Date June 2022 vs. 2021

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2021 net income attributable to Evergy, Inc.	\$ 376.9	\$ 1.65
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	1.2	A 0.01
Operating and maintenance	0.4	B —
Depreciation and amortization	(16.6)	C (0.08)
Taxes other than income tax	(9.4)	D (0.04)
Other expense, net	(40.4)	E (0.18)
Interest expense	(3.3)	F (0.01)
Income tax expense	9.0	G 0.04
Equity in earnings of equity method investees, net of income taxes	(0.6)	—
Net income attributable to noncontrolling interests	(0.2)	—
Change in shares outstanding		(0.01)
2022 net income attributable to Evergy, Inc.	\$ 317.0	\$ 1.38

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Major factors influencing the period to period change in EPS-- Favorable/(Unfavorable)

- A Due primarily to higher retail sales driven by higher weather-normalized demand and favorable weather - \$64.0M; an increase in transmission revenue primarily due to updated transmission costs reflected in Evergy Kansas Central's FERC TFR effective in January 2022 - \$22.6M; and an increase related to Evergy Kansas Central's and Evergy Metro's TDC riders in 2022 - \$11.2M; partially offset by non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - (\$95.0M); and a net decrease due to other impacts from the February 2021 winter weather event - (\$1.6M).
- B Due primarily to costs recorded in 2021 associated with executive transition, including inducement bonuses, severance agreements and other transition expenses - \$7.3M; a decrease in advisory expenses incurred in 2022 associated with strategic planning - \$4.7M; a decrease in costs related to non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - \$3.4M; and a decrease in certain labor and employee benefits expenses - \$2.2M; partially offset by an increase in plant operating and maintenance expense related to major maintenance outages at Iatan Station Unit 1, LaCygne Unit 2 and JEC in 2022 - (\$11.2M); and an increase in transmission and distribution operating and maintenance expenses driven by higher contractor and vegetation management costs in 2022 - (\$5.8M).
- C Due primarily to higher capital additions at Evergy Kansas Central and Evergy Metro in 2022.
- D Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values in 2022.
- E Due primarily to lower investment earnings in 2022 primarily driven by a loss from the sale of Evergy's equity investment in an early-stage energy solutions company that was sold in 2022 - (\$20.5M); higher pension non-service costs at Evergy Kansas Central and Evergy Metro in 2022 - (\$7.7M); recording lower Evergy Kansas Central COLI benefits in 2022 - (\$6.1M); and other income recorded in 2021 related to contract termination fees - (\$3.1M).
- F Due primarily to higher short-term debt balances and weighted-average interest rates on short-term borrowings for Evergy, Inc., Evergy Kansas Central and Evergy Missouri West in 2022 - (\$5.7M); partially offset by a decrease due to the repayment of Evergy Missouri West's \$80.9 million of 8.27% Senior Notes at maturity in November 2021 - \$3.3M.
- G Due primarily to lower pre-tax income in 2022 - \$15.1M; partially offset by an increase due to lower amortization of flow-through items driven by a decrease in pre-tax income in 2022 at Evergy Kansas Central - (\$4.3M); and an increase due to lower wind and other income tax credits driven by a decrease in pre-tax income in 2022 - (\$1.3M).

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2022	2021	2022	2021	2022	2021	2022	2021
Three Months Ended June 30	2022	2021	2022	2021	2022	2021	2022	2021
	(Dollars in millions)							
Operating revenues	\$ 1,446.5	\$ 1,236.2	\$ 724.0	\$ 598.5	\$ 500.1	\$ 438.7	\$ 230.4	\$ 200.2
Fuel and purchased power	414.3	284.1	179.0	105.7	158.9	114.9	84.2	65.0
SPP network transmission costs	81.5	73.8	81.5	73.8	—	—	—	—
Operating and maintenance	282.8	259.9	141.5	130.2	86.7	81.7	49.5	43.8
Depreciation and amortization	232.1	225.2	120.6	116.3	84.5	78.4	28.1	31.7
Taxes other than income tax	100.3	97.9	53.9	52.0	33.7	32.6	12.9	13.2
Income from operations	335.5	295.3	147.5	120.5	136.3	131.1	55.7	46.5
Other expense, net	(17.9)	4.3	(8.8)	4.4	(6.8)	(3.8)	(2.5)	(2.4)
Interest expense	99.3	93.8	44.7	39.8	26.8	27.1	12.1	14.4
Income tax expense	22.1	19.6	4.4	6.5	14.3	12.1	8.8	4.7
Equity in earnings of equity method investees, net of income taxes	1.4	2.1	1.0	1.0	—	—	—	—
Net income	197.6	188.3	90.6	79.6	88.4	88.1	32.3	25.0
Less: net income attributable to noncontrolling interests	3.1	3.0	3.1	3.0	—	—	—	—
Net income attributable to controlling interest	194.5	185.3	87.5	76.6	88.4	88.1	32.3	25.0
Reconciliation of utility gross margin to income from operations:								
Operating revenues	1,446.5	1,236.2	724.0	598.5	500.1	438.7	230.4	200.2
Fuel and purchased power	414.3	284.1	179.0	105.7	158.9	114.9	84.2	65.0
SPP network transmission costs	81.5	73.8	81.5	73.8	—	—	—	—
Utility gross margin ^(a)	950.7	878.3	463.5	419.0	341.2	323.8	146.2	135.2
Operating and maintenance	282.8	259.9	141.5	130.2	86.7	81.7	49.5	43.8
Depreciation and amortization	232.1	225.2	120.6	116.3	84.5	78.4	28.1	31.7
Taxes other than income tax	100.3	97.9	53.9	52.0	33.7	32.6	12.9	13.2
Income from operations	335.5	295.3	147.5	120.5	136.3	131.1	55.7	46.5
Revenues	(Dollars in millions)							
Residential	513.4	459.8	222.8	191.6	184.9	173.9	105.7	94.3
Commercial	465.5	422.5	193.7	165.1	194.1	188.1	77.7	69.3
Industrial	170.1	150.0	111.9	95.0	33.4	33.7	24.8	21.3
Other retail revenues	9.8	9.5	4.5	5.2	3.0	2.8	2.3	1.5
Total electric retail	1,158.8	1,041.8	532.9	456.9	415.4	398.5	210.5	186.4
Wholesale revenues	79.5	70.0	81.4	53.5	(2.5)	12.8	8.5	5.1
Transmission	101.0	90.4	91.1	81.7	4.4	4.5	5.5	4.2
Other	107.2	34.0	18.6	6.4	82.8	22.9	5.9	4.5
Operating revenues	1,446.5	1,236.2	724.0	598.5	500.1	438.7	230.4	200.2
Electricity Sales	(MWh in thousands)							
Residential	3,754	3,459	1,598	1,462	1,321	1,227	835	771
Commercial	4,388	4,170	1,763	1,656	1,800	1,725	825	789
Industrial	2,207	2,073	1,418	1,312	425	413	365	347
Other retail revenues	33	35	10	12	18	19	4	5
Total electric retail	10,382	9,737	4,789	4,442	3,564	3,384	2,029	1,912
Wholesale revenues	4,372	3,486	2,703	2,088	1,598	992	71	405
Total electricity sales	14,754	13,223	7,492	6,530	5,162	4,376	2,100	2,317

^(a)Utility gross margin is a Non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Evergy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Evergy		Evergy Kansas Central		Evergy Metro		Evergy Missouri West	
	2022	2021	2022	2021	2022	2021	2022	2021
Year to Date June 30	2022	2021	2022	2021	2022	2021	2022	2021
	(Dollars in millions)							
Operating revenues	\$ 2,670.4	\$ 2,848.1	\$ 1,337.9	\$ 1,499.6	\$ 922.6	\$ 954.9	\$ 424.1	\$ 396.4
Fuel and purchased power	723.3	919.2	287.1	400.5	291.4	356.1	159.4	165.7
SPP network transmission costs	160.2	143.2	160.2	143.2	—	—	—	—
Operating and maintenance	535.0	535.4	267.2	261.0	164.8	175.1	95.2	92.6
Depreciation and amortization	461.1	444.5	240.3	231.8	167.4	156.8	55.7	58.3
Taxes other than income tax	202.2	192.8	108.4	102.3	67.1	64.6	26.8	25.7
Income from operations	588.6	613.0	274.7	360.8	231.9	202.3	87.0	54.1
Other income (expense), net	(44.2)	(3.8)	(17.4)	1.2	(13.1)	(8.1)	(4.9)	(5.4)
Interest expense	191.1	187.8	85.6	80.1	53.8	55.4	22.7	27.6
Income tax expense	33.6	42.6	8.0	23.1	22.0	17.2	10.2	0.6
Equity in earnings of equity method investees, net of income taxes	3.5	4.1	2.0	1.9	—	—	—	—
Net income	323.2	382.9	165.7	260.7	143.0	121.6	49.2	20.5
Less: net income attributable to noncontrolling interests	6.2	6.0	6.2	6.0	—	—	—	—
Net income attributable to controlling interest	317.0	376.9	159.5	254.7	143.0	121.6	49.2	20.5
Reconciliation of utility gross margin to income from operations:								
Operating revenues	2,670.4	2,848.1	1,337.9	1,499.6	922.6	954.9	424.1	396.4
Fuel and purchased power	723.3	919.2	287.1	400.5	291.4	356.1	159.4	165.7
SPP network transmission costs	160.2	143.2	160.2	143.2	—	—	—	—
Utility gross margin ^(a)	1,786.9	1,785.7	890.6	955.9	631.2	598.8	264.7	230.7
Operating and maintenance	535.0	535.4	267.2	261.0	164.8	175.1	95.2	92.6
Depreciation and amortization	461.1	444.5	240.3	231.8	167.4	156.8	55.7	58.3
Taxes other than income tax	202.2	192.8	108.4	102.3	67.1	64.6	26.8	25.7
Income from operations	588.6	613.0	274.7	360.8	231.9	202.3	87.0	54.1
Revenues	(Dollars in millions)							
Residential	965.2	856.5	418.9	375.0	344.8	296.1	201.5	185.4
Commercial	868.6	768.5	358.9	318.8	367.7	320.6	142.0	129.1
Industrial	320.4	283.6	212.7	188.0	62.2	56.0	45.5	39.6
Other retail revenues	18.8	16.9	8.6	8.4	5.6	4.9	4.6	3.6
Total electric retail	2,173.0	1,925.5	999.1	890.2	780.3	677.6	393.6	357.7
Wholesale revenues	131.4	557.5	131.5	325.9	5.2	213.3	9.2	21.3
Transmission	199.0	176.4	178.6	159.6	9.8	8.5	10.6	8.3
Other	167.0	188.7	28.7	123.9	127.3	55.5	10.7	9.1
Operating revenues	2,670.4	2,848.1	1,337.9	1,499.6	922.6	954.9	424.1	396.4
Electricity Sales	(MWh in thousands)							
Residential	7,689	7,421	3,147	3,000	2,704	2,638	1,838	1,784
Commercial	8,644	8,392	3,400	3,291	3,609	3,523	1,634	1,578
Industrial	4,320	4,131	2,788	2,638	824	809	709	683
Other retail revenues	65	66	20	20	35	36	10	10
Total electric retail	20,718	20,010	9,355	8,949	7,172	7,006	4,191	4,055
Wholesale revenues	8,272	7,799	5,064	5,337	3,046	1,743	171	719
Total electricity sales	28,990	27,809	14,419	14,286	10,218	8,749	4,362	4,774

^(a)Utility gross margin is a Non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Evergy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Evergy				
Three Months Ended June 30				
Degree Days	2022	2021/ Normal	Change	% Change
Cooling				
Actual compared to last year	567	487	80	—
Actual compared to normal	567	445	122	N/M
Heating				
Actual compared to last year	428	426	2	0.5
Actual compared to normal	428	409	19	4.6

Evergy				
Year to Date June 30				
Degree Days	2022	2021/ Normal	Change	% Change
Cooling				
Actual compared to last year	567	487	80	16.4
Actual compared to normal	567	449	118	26.3
Heating				
Actual compared to last year	3,011	2,960	51	1.7
Actual compared to normal	3,011	2,940	71	2.4

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

Evergy, Inc.
Capitalization

	June 30, 2022		December 31, 2021	
	(dollars in millions)			
Current maturities of long-term debt	\$	349.5	\$	389.3
Long-term debt, net		9,196.7		9,297.9
Total long-term debt		9,546.2	50.6 %	9,687.2 51.2 %
Common equity		9,307.3	49.4 %	9,244.4 48.8 %
Noncontrolling interests		3.5	— %	(2.7) — %
Total capitalization	\$	18,857.0	100.0 %	\$ 18,928.9 100.0 %
GAAP Book value per share	\$	40.55	\$	40.32
Period end shares outstanding		229,515,301		229,299,900

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2022 should be read in conjunction with this financial information.

Evergy, Inc.
Non-GAAP Measures

Utility Gross Margin (non-GAAP)

Utility gross margin is a financial measure that is not calculated in accordance with GAAP. Utility gross margin, as used by Evergy, Evergy Kansas Central and Evergy Metro (collectively, the Evergy Companies), is defined as operating revenues less fuel and purchased power costs and amounts billed by the SPP for network transmission costs. Expenses for fuel and purchased power costs, offset by wholesale sales margin, are subject to recovery through cost adjustment mechanisms. As a result, changes in fuel and purchased power costs are offset in operating revenues with minimal impact on net income. In addition, SPP network transmission costs fluctuate primarily due to investments by SPP members for upgrades to the transmission grid within the SPP Regional Transmission Organization (RTO). As with fuel and purchased power costs, changes in SPP network transmission costs are mostly reflected in the prices charged to customers with minimal impact on net income.

Management believes that utility gross margin provides a meaningful basis for evaluating the Evergy Companies' operations across periods because utility gross margin excludes the revenue effect of fluctuations in these expenses. Utility gross margin is used internally to measure performance against budget and in reports for management and the Evergy Board. Utility gross margin should be viewed as a supplement to, and not a substitute for, income from operations, which is the most directly comparable financial measure prepared in accordance with GAAP. The Evergy Companies' definition of utility gross margin may differ from similar terms used by other companies. See pages 8 and 9 for the reconciliation of utility gross margin to income from operations for the three months ended and year to date June 30, 2022 and 2021.

Adjusted Earnings (non-GAAP) and Adjusted Earnings Per Share (non-GAAP)

Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date June 30, 2022, were \$198.4 million or \$0.86 per share and \$332.2 million or \$1.44 per share, respectively. For the three months ended and year to date June 30, 2021, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$195.1 million or \$0.85 per share and \$320.5 million or \$1.40 per share, respectively. In addition to net income attributable to Evergy, Inc. and diluted EPS, Evergy's management uses adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) to evaluate earnings and EPS without the income or costs resulting from non-regulated energy marketing margins from the February 2021 winter weather event and gains or losses related to equity investments subject to a restriction on sale that can create period to period volatility, as well as costs resulting from executive transition, severance and advisor expenses.

Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are intended to enhance an investor's overall understanding of results. Management believes that adjusted earnings (non-GAAP) provides a meaningful basis for evaluating Evergy's operations across periods because it excludes certain items that management does not believe are indicative of Evergy's ongoing performance.

Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are used internally to measure performance against budget and in reports for management and the Evergy Board. Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are financial measures that are not calculated in accordance with GAAP and may not be comparable to other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

The following tables provide a reconciliation between net income attributable to Evergy, Inc. and diluted EPS as determined in accordance with GAAP and adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP), respectively.

Three Months Ended June 30	2022		2021	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
(millions, except per share amounts)				
Net income attributable to Evergy, Inc.	\$ 194.5	\$ 0.84	\$ 185.3	\$ 0.81
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	—	—	1.5	0.01
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(b)	0.3	—	2.0	0.01
Executive transition costs, pre-tax ^(c)	—	—	1.8	0.01
Severance costs, pre-tax ^(d)	—	—	1.2	—
Advisor expenses, pre-tax ^(e)	2.5	0.01	5.7	0.02
Restricted equity investment losses, pre-tax ^(f)	2.1	0.01	—	—
Income tax benefit ^(g)	(1.0)	—	(2.4)	(0.01)
Adjusted earnings (non-GAAP)	\$ 198.4	\$ 0.86	\$ 195.1	\$ 0.85

Year to Date June 30	2022		2021	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
(millions, except per share amounts)				
Net income attributable to Evergy, Inc.	\$ 317.0	\$ 1.38	\$ 376.9	\$ 1.65
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	—	—	(95.0)	(0.42)
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(b)	0.6	—	4.0	0.02
Executive transition costs, pre-tax ^(c)	—	—	7.3	0.03
Severance costs, pre-tax ^(d)	—	—	2.8	0.01
Advisor expenses, pre-tax ^(e)	2.5	0.01	7.2	0.03
Restricted equity investment losses, pre-tax ^(f)	16.3	0.07	—	—
Income tax expense (benefit) ^(g)	(4.2)	(0.02)	17.3	0.08
Adjusted earnings (non-GAAP)	\$ 332.2	\$ 1.44	\$ 320.5	\$ 1.40

^(a) Reflects non-regulated energy marketing margins related to the February 2021 winter weather event and are included in operating revenues on the consolidated statements of comprehensive income.

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

^(c) Reflects costs associated with executive transition including inducement bonuses, severance agreements and other transition expenses and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(d) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(e) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(f) Reflects losses related to equity investments which were subject to a restriction on sale and are included in investment earnings (loss) on the consolidated statements of comprehensive income.

^(g) Reflects an income tax effect calculated at a statutory rate of approximately 22%, with the exception of certain non-deductible items.