

Evergy, Inc.

Second Quarter 2021 Earnings

Released August 5, 2021

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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, 2021 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	2021	2020	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 459.8	\$ 476.7	\$ (16.9)	(3.5)
Commercial	422.5	388.7	33.8	8.7
Industrial	150.0	139.3	10.7	7.7
Other retail	9.5	9.1	0.4	4.4
Total electric retail	<u>1,041.8</u>	1,013.8	28.0	2.8
Wholesale	70.0	47.3	22.7	48.0
Transmission	90.4	82.2	8.2	10.0
Other	34.0	41.4	(7.4)	(17.9)
Total Revenues	<u>1,236.2</u>	1,184.7	51.5	4.3
OPERATING EXPENSES:				
Fuel and purchased power	284.1	258.1	26.0	10.1
SPP network transmission costs	73.8	69.7	4.1	5.9
Operating and maintenance	259.9	272.7	(12.8)	(4.7)
Depreciation and amortization	225.2	221.6	3.6	1.6
Taxes other than income tax	97.9	90.9	7.0	7.7
Total Operating Expenses	<u>940.9</u>	913.0	27.9	3.1
INCOME FROM OPERATIONS	<u>295.3</u>	271.7	23.6	8.7
OTHER INCOME (EXPENSE):				
Investment earnings	8.4	3.1	5.3	N/M
Other income	14.7	7.6	7.1	N/M
Other expense	(18.8)	(14.9)	(3.9)	26.2
Total Other Income (Expense), Net	<u>4.3</u>	(4.2)	8.5	N/M
Interest expense	93.8	99.5	(5.7)	(5.7)
INCOME BEFORE INCOME TAXES	<u>205.8</u>	168.0	37.8	22.5
Income tax expense	19.6	33.7	(14.1)	(41.8)
Equity in earnings of equity method investees, net of income taxes	2.1	2.0	0.1	5.0
NET INCOME	<u>188.3</u>	136.3	52.0	38.2
Less: Net income attributable to noncontrolling interests	3.0	2.9	0.1	3.4
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	<u>\$ 185.3</u>	\$ 133.4	\$ 51.9	38.9
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 0.81	\$ 0.59	\$ 0.22	37.3
Diluted earnings per common share	\$ 0.81	\$ 0.59	\$ 0.22	37.3
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.3	227.2	2.1	0.9
Diluted	<u>229.7</u>	<u>227.6</u>	2.1	0.9
Effective income tax rate	9.4 %	19.8 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Year to Date June 30	2021	2020	Change	% Change
	(millions, except per share amounts)			
REVENUES:				
Residential	\$ 856.5	\$ 879.2	\$ (22.7)	(2.6)
Commercial	768.5	773.4	(4.9)	(0.6)
Industrial	283.6	279.9	3.7	1.3
Other retail	16.9	19.7	(2.8)	(14.2)
Total electric retail	1,925.5	1,952.2	(26.7)	(1.4)
Wholesale	557.5	110.8	446.7	403.2
Transmission	176.4	157.8	18.6	11.8
Other	188.7	80.6	108.1	134.1
Total Revenues	2,848.1	2,301.4	546.7	23.8
OPERATING EXPENSES:				
Fuel and purchased power	919.2	516.3	402.9	78.0
SPP network transmission costs	143.2	131.7	11.5	8.7
Operating and maintenance	535.4	560.9	(25.5)	(4.5)
Depreciation and amortization	444.5	440.1	4.4	1.0
Taxes other than income tax	192.8	183.2	9.6	5.2
Total Operating Expenses	2,235.1	1,832.2	402.9	22.0
INCOME FROM OPERATIONS	613.0	469.2	143.8	30.6
OTHER INCOME (EXPENSE):				
Investment earnings	10.0	2.3	7.7	N/M
Other income	25.9	9.9	16.0	N/M
Other expense	(39.7)	(37.6)	(2.1)	5.6
Total Other Expense, Net	(3.8)	(25.4)	21.6	N/M
Interest expense	187.8	195.7	(7.9)	(4.0)
INCOME BEFORE INCOME TAXES	421.4	248.1	173.3	69.9
Income tax expense	42.6	43.8	(1.2)	(2.7)
Equity in earnings of equity method investees, net of income taxes	4.1	4.2	(0.1)	(2.4)
NET INCOME	382.9	208.5	174.4	83.6
Less: Net income attributable to noncontrolling interests	6.0	5.7	0.3	5.3
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 376.9	\$ 202.8	\$ 174.1	85.8
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 1.65	\$ 0.89	\$ 0.76	85.4
Diluted earnings per common share	\$ 1.65	\$ 0.89	\$ 0.76	85.4
AVERAGE COMMON SHARES OUTSTANDING				
Basic	228.3	227.1	1.2	0.5
Diluted	228.7	227.6	1.1	0.5
Effective income tax rate	10.0 %	17.4 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30	December 31
	2021	2020
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 58.4	\$ 144.9
Receivables, net of allowance for credit losses of \$20.0 and \$19.3, respectively	398.4	273.9
Accounts receivable pledged as collateral	326.0	360.0
Fuel inventory and supplies	538.1	504.5
Income taxes receivable	57.7	62.9
Regulatory assets	272.7	206.2
Prepaid expenses and other assets	78.3	71.9
Total Current Assets	<u>1,729.6</u>	<u>1,624.3</u>
PROPERTY, PLANT AND EQUIPMENT, NET	20,324.1	19,951.0
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	151.4	154.9
OTHER ASSETS:		
Regulatory assets	2,214.4	1,868.2
Nuclear decommissioning trust fund	729.4	652.1
Goodwill	2,336.6	2,336.6
Other	523.3	527.7
Total Other Assets	<u>5,803.7</u>	<u>5,384.6</u>
TOTAL ASSETS	\$ 28,008.8	\$ 27,114.8

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	June 30 2021	December 31 2020
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 472.9	\$ 436.4
Current maturities of long-term debt of variable interest entities	—	18.8
Notes payable and commercial paper	913.0	315.0
Collateralized note payable	326.0	360.0
Accounts payable	390.0	654.0
Accrued taxes	201.0	143.8
Accrued interest	94.4	123.4
Regulatory liabilities	48.5	26.1
Asset retirement obligations	28.7	40.2
Accrued compensation and benefits	59.8	55.5
Other	169.6	182.6
Total Current Liabilities	2,703.9	2,355.8
LONG-TERM LIABILITIES:		
Long-term debt, net	9,297.3	9,190.9
Deferred income taxes	1,745.3	1,664.8
Unamortized investment tax credits	184.1	186.7
Regulatory liabilities	2,731.1	2,638.8
Pension and post-retirement liability	1,136.7	1,149.4
Asset retirement obligations	926.8	901.7
Other	306.5	308.2
Total Long-Term Liabilities	16,327.8	16,040.5
Commitments and Contingencies (See 10-Q Note 10)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 229,296,214 and 226,836,670 shares issued, stated value	7,197.6	7,080.0
Retained earnings	1,835.0	1,702.8
Accumulated other comprehensive loss	(46.6)	(49.4)
Total Evergy, Inc. Shareholders' Equity	8,986.0	8,733.4
Noncontrolling Interests	(8.9)	(14.9)
Total Equity	8,977.1	8,718.5
TOTAL LIABILITIES AND EQUITY	\$ 28,008.8	\$ 27,114.8

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

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

Year to Date June 30	2021	2020
(millions)		
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 382.9	\$ 208.5
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	444.5	440.1
Amortization of nuclear fuel	19.8	29.0
Amortization of deferred refueling outage	12.6	12.8
Amortization of corporate-owned life insurance	11.2	8.5
Non-cash compensation	7.3	8.7
Net deferred income taxes and credits	37.1	69.7
Allowance for equity funds used during construction	(14.3)	(4.6)
Payments for asset retirement obligations	(4.4)	(4.0)
Equity in earnings of equity method investees, net of income taxes	(4.1)	(4.2)
Income from corporate-owned life insurance	(1.2)	(6.3)
Other	0.5	0.5
Changes in working capital items:		
Accounts receivable	(102.9)	(115.4)
Accounts receivable pledged as collateral	34.0	42.0
Fuel inventory and supplies	(33.3)	(38.4)
Prepaid expenses and other current assets	(88.0)	13.9
Accounts payable	(232.3)	(123.6)
Accrued taxes	62.4	27.9
Other current liabilities	(28.2)	(84.4)
Changes in other assets	(322.1)	66.0
Changes in other liabilities	43.1	(24.2)
Cash Flows from Operating Activities	224.6	522.5
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(891.1)	(635.6)
Purchase of securities - trusts	(53.0)	(36.9)
Sale of securities - trusts	44.9	30.3
Investment in corporate-owned life insurance	(13.5)	(16.1)
Proceeds from investment in corporate-owned life insurance	1.5	58.6
Other investing activities	(7.0)	(1.5)
Cash Flows used in Investing Activities	(918.2)	(601.2)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	598.0	(94.9)
Collateralized short-term borrowings, net	(34.0)	(42.0)
Issuance of common stock	112.5	—
Proceeds from long-term debt	497.7	889.5
Retirements of long-term debt	(351.1)	(251.1)
Retirements of long-term debt of variable interest entities	(18.8)	(32.3)
Borrowings against cash surrender value of corporate-owned life insurance	51.8	53.4
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(0.1)	(51.1)
Cash dividends paid	(244.0)	(229.0)
Other financing activities	(4.9)	(10.8)
Cash Flows from Financing Activities	607.1	231.7
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(86.5)	153.0
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	144.9	23.2
End of period	\$ 58.4	\$ 176.2

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Second Quarter 2021 vs. 2020

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2020 net income attributable to Eversource Energy, Inc.	\$ 133.4	\$ 0.59
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	21.4	A 0.08
Operating and maintenance	12.8	B 0.06
Depreciation and amortization	(3.6)	(0.02)
Taxes other than income tax	(7.0)	C (0.03)
Other income (expense), net	8.5	D 0.04
Interest expense	5.7	0.03
Income tax expense	14.1	E 0.06
Equity in earnings of equity method investees, net of income taxes	0.1	—
Net income attributable to noncontrolling interests	(0.1)	—
Change in shares outstanding		—
2021 net income attributable to Eversource Energy, Inc.	\$ 185.3	\$ 0.81

^(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 an increase in transmission revenue due to updated transmission costs reflected in Eversource Kansas Central's FERC TFR effective in January 2021 - \$8.2M; an increase primarily related to Eversource Kansas Central's TDC rider in 2021 - \$5.6M; and higher retail sales driven by an increase in weather-normalized commercial and industrial demand partially offset by a decrease in weather-normalized residential demand - \$4.1M; partially offset by a decrease in revenues due to rate reductions beginning January 1, 2021 to reflect Eversource Kansas Central's and Eversource Metro's exemption from Kansas corporate income taxes - (\$6.9M).
- B Due primarily to a decrease in credit loss expense at Eversource Kansas Central, Eversource Metro and Eversource Missouri West primarily due to increases in the allowance for credit losses in 2020 related to the COVID-19 pandemic and a lower level of write-offs in 2021 - \$11.4M; a decrease in various transmission and distribution operating and maintenance expenses primarily due to lower labor and contractor costs - \$6.7M; and a decrease in advisor expenses associated with strategic planning - \$4.1M; partially offset by an increase in plant operating and maintenance expense related to major maintenance outages at Jeffrey Energy Center (JEC) and State Line Generating Station in 2021 - (\$7.1M); costs related to non-regulated marketing margins recognized during the February 2021 winter weather event - (\$2.0M); and costs associated with executive transition - (\$1.8M).
- C Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values in 2021.
- D Due primarily to higher Eversource Kansas Central and Eversource Metro equity allowance for funds used during construction (AFUDC) - \$4.0M; higher investment earnings primarily due to unrealized gains from equity investments - \$5.3M; and higher Eversource Kansas Central corporate-owned life insurance (COLI) benefits - \$2.2M.
- E Due primarily to a revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate - \$13.8M; a decrease as a result of the state of Kansas exempting certain public utilities, including Eversource Kansas Central and Eversource Metro, from Kansas corporate income tax beginning in 2021 - \$8.7M; and a decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes at Eversource Kansas Central - \$5.0M; partially offset by higher Eversource Kansas Central and Eversource Metro pre-tax income - (\$11.3M).

The Notes to the Unaudited Consolidated Financial Statements in Eversource's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Year to Date June 2021 vs. 2020

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2020 net income attributable to Eversource Energy, Inc.	\$ 202.8	\$ 0.89
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	132.3	A 0.58
Operating and maintenance	25.5	B 0.11
Depreciation and amortization	(4.4)	(0.02)
Taxes other than income tax	(9.6)	C (0.04)
Other expense, net	21.6	D 0.09
Interest expense	7.9	0.03
Income tax expense	1.2	E 0.01
Equity in earnings of equity method investees, net of income taxes	(0.1)	—
Net income attributable to noncontrolling interests	(0.3)	—
Change in shares outstanding		—
2021 net income attributable to Eversource Energy, Inc.	\$ 376.9	\$ 1.65

^(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 non-regulated marketing margins recognized at Eversource Energy Kansas Central during the February 2021 winter weather event - \$95.0M; an increase primarily due to higher retail sales driven by colder winter weather and an increase in weather-normalized commercial and industrial demand, partially offset by a decrease in weather-normalized residential demand - \$20.9M; an increase in transmission revenue primarily due to updated transmission costs reflected in Eversource Energy Kansas Central's FERC TFR effective in January 2021 - \$18.6M; and a net increase due to other impacts from the February 2021 winter weather event - \$1.6M; partially offset by a decrease in revenues due to rate reductions beginning January 1, 2021 to reflect Eversource Energy Kansas Central's and Eversource Energy Metro's exemption from Kansas corporate income taxes - (\$14.1M).
- B Due primarily to a decrease in voluntary severance expenses - \$23.7M; a decrease in various transmission and distribution operating and maintenance expense - \$5.6M; a decrease in credit loss expense at Eversource Energy Kansas Central, Eversource Energy Metro and Eversource Energy Missouri West primarily due to increases in the allowance for credit losses in 2020 related to the COVID-19 pandemic and a lower level of write-offs in 2021 - \$9.3M; and a decrease in advisor expenses incurred in 2021 associated with strategic planning - \$9.2M; partially offset by costs associated with executive transition in 2021 - (\$7.3M); an increase in plant operating and maintenance expense related to a major maintenance outage at JEC in 2021 - (6.8M); costs related to non-regulated marketing margins recognized at Eversource Energy Kansas Central during the February 2021 winter weather event - (\$4.0M); and an increase in property insurance expense - (\$2.7M).
- C Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values in 2021.
- D Due primarily to higher Eversource Energy Kansas Central and Eversource Energy Metro equity AFUDC in 2021 - \$9.7M; higher investment earnings in 2021 primarily due to unrealized gains from equity investments - \$7.7M; other income related to contract termination fees in 2021 - \$3.1M; and higher Eversource Energy Kansas Central COLI benefits in 2021 - \$2.2M.
- E Due primarily to a decrease as a result of the state of Kansas exempting certain public utilities, including Eversource Energy Kansas Central and Eversource Energy Metro, from Kansas corporate income tax beginning in 2021 - \$18.9M; a decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes at Eversource Energy Kansas Central - \$14.0M; a revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate - \$13.8M; and a decrease due to higher wind and other income tax credits in 2021 - \$2.5M; partially offset by higher Eversource Energy Kansas Central and Eversource Energy Metro pre-tax income in 2021 - (\$47.8M).

The Notes to the Unaudited Consolidated Financial Statements in Eversource Energy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource Energy		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2021	2020	2021	2020	2021	2020	2021	2020
Three Months Ended June 30	2021	2020	2021	2020	2021	2020	2021	2020
	(Dollars in millions)							
Operating revenues	\$ 1,236.2	\$ 1,184.7	\$ 598.5	\$ 570.8	\$ 438.7	\$ 424.3	\$ 200.2	\$ 191.0
Fuel and purchased power	284.1	258.1	105.7	102.1	114.9	101.3	65.0	55.9
SPP network transmission costs	73.8	69.7	73.8	69.7	—	—	—	—
Operating and maintenance	259.9	272.7	130.2	115.2	81.7	98.5	43.8	46.9
Depreciation and amortization	225.2	221.6	116.3	113.5	78.4	82.8	31.7	26.5
Taxes other than income tax	97.9	90.9	52.0	49.1	32.6	29.2	13.2	12.6
Income from operations	295.3	271.7	120.5	121.2	131.1	112.5	46.5	49.1
Other income (expense), net	4.3	(4.2)	4.4	4.9	(3.8)	(4.5)	(2.4)	(1.4)
Interest expense	93.8	99.5	39.8	45.8	27.1	27.7	14.4	14.4
Income tax expense (benefit)	19.6	33.7	6.5	118.9	12.1	(22.6)	4.7	(58.8)
Equity in earnings of equity method investees, net of income taxes	2.1	2.0	1.0	1.0	—	—	—	—
Net income (loss)	188.3	136.3	79.6	(37.6)	88.1	102.9	25.0	92.1
Less: net income attributable to noncontrolling interests	3.0	2.9	3.0	2.9	—	—	—	—
Net income (loss) attributable to controlling interest	185.3	133.4	76.6	(40.5)	88.1	102.9	25.0	92.1
Reconciliation of utility gross margin to income from operations:								
Operating revenues	1,236.2	1,184.7	598.5	570.8	438.7	424.3	200.2	191.0
Fuel and purchased power	284.1	258.1	105.7	102.1	114.9	101.3	65.0	55.9
SPP network transmission costs	73.8	69.7	73.8	69.7	—	—	—	—
Utility gross margin ^(a)	878.3	856.9	419.0	399.0	323.8	323.0	135.2	135.1
Operating and maintenance	259.9	272.7	130.2	115.2	81.7	98.5	43.8	46.9
Depreciation and amortization	225.2	221.6	116.3	113.5	78.4	82.8	31.7	26.5
Taxes other than income tax	97.9	90.9	52.0	49.1	32.6	29.2	13.2	12.6
Income from operations	295.3	271.7	120.5	121.2	131.1	112.5	46.5	49.1
Revenues	(Dollars in millions)							
Residential	459.8	476.7	191.6	196.8	173.9	183.6	94.3	96.3
Commercial	422.5	388.7	165.1	154.7	188.1	172.7	69.3	61.3
Industrial	150.0	139.3	95.0	86.8	33.7	32.9	21.3	19.6
Other retail revenues	9.5	9.1	5.2	4.2	2.8	2.7	1.5	2.2
Total electric retail	1,041.8	1,013.8	456.9	442.5	398.5	391.9	186.4	179.4
Wholesale revenues	70.0	47.3	53.5	44.6	12.8	0.2	5.1	3.8
Transmission	90.4	82.2	81.7	74.1	4.5	3.8	4.2	4.3
Other	34.0	41.4	6.4	9.6	22.9	28.4	4.5	3.5
Operating revenues	1,236.2	1,184.7	598.5	570.8	438.7	424.3	200.2	191.0
Electricity Sales	(MWh in thousands)							
Residential	3,459	3,723	1,462	1,582	1,227	1,324	771	817
Commercial	4,170	3,854	1,656	1,574	1,725	1,580	789	700
Industrial	2,073	1,899	1,312	1,183	413	406	347	309
Other retail revenues	35	32	12	10	19	18	5	6
Total electric retail	9,737	9,508	4,442	4,349	3,384	3,328	1,912	1,832
Wholesale revenues	3,486	3,861	2,088	2,323	992	1,392	405	147
Total electricity sales	13,223	13,369	6,530	6,672	4,376	4,720	2,317	1,979

^(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.

Eversource Energy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource Energy		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2021	2020	2021	2020	2021	2020	2021	2020
Year to Date June 30	2021	2020	2021	2020	2021	2020	2021	2020
	(Dollars in millions)							
Operating revenues	\$ 2,848.1	\$ 2,301.4	\$ 1,499.6	\$ 1,130.9	\$ 954.9	\$ 799.8	\$ 396.4	\$ 373.1
Fuel and purchased power	919.2	516.3	400.5	201.3	356.1	193.8	165.7	123.5
SPP network transmission costs	143.2	131.7	143.2	131.7	—	—	—	—
Operating and maintenance	535.4	560.9	261.0	238.9	175.1	204.4	92.6	96.9
Depreciation and amortization	444.5	440.1	231.8	225.6	156.8	164.2	58.3	52.7
Taxes other than income tax	192.8	183.2	102.3	97.7	64.6	61.2	25.7	24.2
Income from operations	613.0	469.2	360.8	235.7	202.3	176.2	54.1	75.8
Other income (expense), net	(3.8)	(25.4)	1.2	(6.2)	(8.1)	(11.4)	(5.4)	(4.6)
Interest expense	187.8	195.7	80.1	87.4	55.4	56.3	27.6	28.8
Income tax expense (benefit)	42.6	43.8	23.1	126.7	17.2	(20.0)	0.6	(58.9)
Equity in earnings of equity method investees, net of income taxes	4.1	4.2	1.9	2.2	—	—	—	—
Net income	382.9	208.5	260.7	17.6	121.6	128.5	20.5	101.3
Less: net income attributable to noncontrolling interests	6.0	5.7	6.0	5.7	—	—	—	—
Net income attributable to controlling interest	376.9	202.8	254.7	11.9	121.6	128.5	20.5	101.3
Reconciliation of utility gross margin to income from operations:								
Operating revenues	2,848.1	2,301.4	1,499.6	1,130.9	954.9	799.8	396.4	373.1
Fuel and purchased power	919.2	516.3	400.5	201.3	356.1	193.8	165.7	123.5
SPP network transmission costs	143.2	131.7	143.2	131.7	—	—	—	—
Utility gross margin ^(a)	1,785.7	1,653.4	955.9	797.9	598.8	606.0	230.7	249.6
Operating and maintenance	535.4	560.9	261.0	238.9	175.1	204.4	92.6	96.9
Depreciation and amortization	444.5	440.1	231.8	225.6	156.8	164.2	58.3	52.7
Taxes other than income tax	192.8	183.2	102.3	97.7	64.6	61.2	25.7	24.2
Income from operations	613.0	469.2	360.8	235.7	202.3	176.2	54.1	75.8
Revenues	(Dollars in millions)							
Residential	856.5	879.2	375.0	364.6	296.1	331.0	185.4	183.6
Commercial	768.5	773.4	318.8	305.8	320.6	344.8	129.1	122.8
Industrial	283.6	279.9	188.0	178.9	56.0	63.0	39.6	38.0
Other retail revenues	16.9	19.7	8.4	8.9	4.9	6.2	3.6	4.6
Total electric retail	1,925.5	1,952.2	890.2	858.2	677.6	745.0	357.7	349.0
Wholesale revenues	557.5	110.8	325.9	99.4	213.3	7.0	21.3	6.8
Transmission	176.4	157.8	159.6	142.3	8.5	6.9	8.3	8.6
Other	188.7	80.6	123.9	31.0	55.5	40.9	9.1	8.7
Operating revenues	2,848.1	2,301.4	1,499.6	1,130.9	954.9	799.8	396.4	373.1
Electricity Sales	(MWh in thousands)							
Residential	7,421	7,301	3,000	2,989	2,638	2,589	1,784	1,723
Commercial	8,392	8,060	3,291	3,198	3,523	3,391	1,578	1,471
Industrial	4,131	3,898	2,638	2,461	809	821	683	616
Other retail revenues	66	65	20	21	36	35	10	10
Total electric retail	20,010	19,324	8,949	8,669	7,006	6,836	4,055	3,820
Wholesale revenues	7,799	6,735	5,337	3,792	1,743	2,663	719	281
Total electricity sales	27,809	26,059	14,286	12,461	8,749	9,499	4,774	4,101

^(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	2021	2020/ Normal	Change	% Change
Cooling				
Actual compared to last year	487	496	(9)	—
Actual compared to normal	487	443	44	9.9
Heating				
Actual compared to last year	426	482	(56)	(11.6)
Actual compared to normal	426	411	15	3.6

Evergy				
Year to Date June 30				
Degree Days	2021	2020/ Normal	Change	% Change
Cooling				
Actual compared to last year	487	496	(9)	(1.8)
Actual compared to normal	487	448	39	8.7
Heating				
Actual compared to last year	2,960	2,775	185	6.7
Actual compared to normal	2,960	2,940	20	0.7

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

Evergy, Inc.
Capitalization

	June 30, 2021		December 31, 2020	
	(dollars in millions)			
Current maturities of long-term debt	\$	472.9	\$	436.4
Current maturities of long-term debt of VIEs		—		18.8
Long-term debt, net		9,297.3		9,190.9
Total long-term debt		9,770.2	52.1 %	9,646.1 52.5 %
Common equity		8,986.0	47.9 %	8,733.4 47.6 %
Noncontrolling interests		(8.9)	— %	(14.9) (0.1)%
Total capitalization	\$	18,747.3	100.0 %	\$ 18,364.6 100.0 %
GAAP Book value per share	\$	39.19	\$	38.50
Period end shares outstanding		229,296,214		226,836,670

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2021 should be read in conjunction with this financial information.

Eversource Energy, 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 Eversource Energy, Eversource Kansas Central and Eversource Metro (collectively, the Eversource 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 Eversource 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 Eversource 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 Eversource 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, 2021 and 2020, respectively.

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

Eversource's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date June 30, 2021, were \$195.1 million or \$0.85 per share and \$320.5 million or \$1.40 per share, respectively. For the three months ended and year to date June 30, 2020, Eversource's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$154.2 million or \$0.68 per share and \$248.4 million or \$1.09 per share, respectively. In addition to net income attributable to Eversource, Inc. and diluted EPS, Eversource'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, as well as costs resulting from executive transition, severance, advisor expenses and the revaluation of deferred tax assets and liabilities from the Kansas corporate income tax rate change.

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 Eversource's operations across periods because it excludes certain items that management does not believe are indicative of Eversource'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 Eversource 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).

Three Months Ended June 30	2021		2020	
	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.	\$ 185.3	\$ 0.81	\$ 133.4	\$ 0.59
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)	2.0	0.01	—	—
Executive transition costs, pre-tax ^(c)	1.8	0.01	—	—
Severance costs, pre-tax ^(d)	1.2	—	(0.4)	—
Advisor expenses, pre-tax ^(e)	5.7	0.02	9.8	0.04
Income tax benefit ^(f)	(2.4)	(0.01)	(2.4)	(0.01)
Kansas corporate income tax change ^(g)	—	—	13.8	0.06
Adjusted earnings (non-GAAP)	\$ 195.1	\$ 0.85	\$ 154.2	\$ 0.68

Year to Date June 30	2021		2020	
	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.	\$ 376.9	\$ 1.65	\$ 202.8	\$ 0.89
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)	4.0	0.02	—	—
Executive transition costs, pre-tax ^(c)	7.3	0.03	—	—
Severance costs, pre-tax ^(d)	2.8	0.01	26.6	0.12
Advisor expenses, pre-tax ^(e)	7.2	0.03	16.4	0.07
Income tax expense (benefit) ^(f)	17.3	0.08	(11.2)	(0.05)
Kansas corporate income tax change ^(g)	—	—	13.8	0.06
Adjusted earnings (non-GAAP)	\$ 320.5	\$ 1.40	\$ 248.4	\$ 1.09

^(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 an income tax effect calculated at a statutory rate of approximately 22% in 2021 and 26% in 2020, with the exception of certain non-deductible items.

^(g) Reflects the revaluation of Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's deferred income tax assets and liabilities from the Kansas corporate income tax rate change and are included in income tax expense on the consolidated statements of comprehensive income.