

Evergy, Inc.

Third Quarter 2022 Earnings

Released November 4, 2022

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Lori Wright
Vice President - Investor Relations and Treasurer
816-556-2506
lori.wright@evergy.com

Peter Flynn
Director - Investor Relations
816-652-1060
peter.flynn@evergy.com

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 September 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 September 30	2022	2021	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 746.6	\$ 677.4	\$ 69.2	10.2
Commercial	583.7	525.0	58.7	11.2
Industrial	197.2	166.0	31.2	18.8
Other retail	(39.0)	9.2	(48.2)	N/M
Total electric retail	<u>1,488.5</u>	<u>1,377.6</u>	<u>110.9</u>	<u>8.1</u>
Wholesale	250.6	105.0	145.6	138.7
Transmission	101.3	90.3	11.0	12.2
Other	68.7	43.6	25.1	57.6
Total Revenues	<u>1,909.1</u>	<u>1,616.5</u>	<u>292.6</u>	<u>18.1</u>
OPERATING EXPENSES:				
Fuel and purchased power	643.0	355.8	287.2	80.7
SPP network transmission costs	81.6	73.6	8.0	10.9
Operating and maintenance	266.2	265.2	1.0	0.4
Depreciation and amortization	233.2	225.0	8.2	3.6
Taxes other than income tax	100.7	96.2	4.5	4.7
Estimated impairment loss on Sibley Unit 3	6.0	—	6.0	N/M
Total Operating Expenses	<u>1,330.7</u>	<u>1,015.8</u>	<u>308.9</u>	<u>30.4</u>
INCOME FROM OPERATIONS	578.4	600.7	(16.3)	(2.7)
OTHER INCOME (EXPENSE):				
Investment earnings	13.1	8.8	4.3	48.9
Other income	6.2	11.0	(4.8)	(43.6)
Other expense	(16.7)	(19.2)	2.5	(13.0)
Total Other Income, Net	<u>2.6</u>	<u>0.6</u>	<u>2.0</u>	<u>N/M</u>
Interest expense	102.3	93.6	8.7	9.3
INCOME BEFORE INCOME TAXES	478.7	507.7	(23.0)	(4.5)
Income tax expense	49.5	57.2	(7.7)	(13.5)
Equity in earnings of equity method investees, net of income taxes	2.0	2.0	—	—
NET INCOME	431.2	452.5	(15.3)	(3.4)
Less: Net income attributable to noncontrolling interests	3.0	3.1	(0.1)	(3.2)
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 428.2	\$ 449.4	\$ (15.2)	(3.4)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 1.86	\$ 1.96	\$ (0.10)	(5.1)
Diluted earnings per common share	\$ 1.86	\$ 1.95	\$ (0.09)	(4.6)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.9	229.7	0.2	0.1
Diluted	230.6	230.2	0.4	0.2
Effective income tax rate	10.3 %	11.2 %		

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

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Year to Date September 30	2022	2021	Change	% Change
	(millions, except per share amounts)			
REVENUES:				
Residential	\$ 1,711.8	\$ 1,533.9	\$ 177.9	11.6
Commercial	1,452.3	1,293.5	158.8	12.3
Industrial	517.6	449.6	68.0	15.1
Other retail	(20.2)	26.1	(46.3)	N/M
Total electric retail	3,661.5	3,303.1	358.4	10.9
Wholesale	382.0	662.5	(280.5)	(42.3)
Transmission	300.3	266.7	33.6	12.6
Other	235.7	232.3	3.4	1.5
Total Revenues	4,579.5	4,464.6	114.9	2.6
OPERATING EXPENSES:				
Fuel and purchased power	1,366.3	1,275.0	91.3	7.2
SPP network transmission costs	241.8	216.8	25.0	11.5
Operating and maintenance	801.2	800.6	0.6	0.1
Depreciation and amortization	694.3	669.5	24.8	3.7
Taxes other than income tax	302.9	289.0	13.9	4.8
Estimated impairment loss on Sibley Unit 3	6.0	—	6.0	N/M
Total Operating Expenses	3,412.5	3,250.9	161.6	5.0
INCOME FROM OPERATIONS	1,167.0	1,213.7	(46.7)	(3.8)
OTHER INCOME (EXPENSE):				
Investment earnings	2.6	18.8	(16.2)	(86.2)
Other income	20.3	36.9	(16.6)	(45.0)
Other expense	(64.5)	(58.9)	(5.6)	9.5
Total Other Expense, Net	(41.6)	(3.2)	(38.4)	N/M
Interest expense	293.4	281.4	12.0	4.3
INCOME BEFORE INCOME TAXES	832.0	929.1	(97.1)	(10.5)
Income tax expense	83.1	99.8	(16.7)	(16.7)
Equity in earnings of equity method investees, net of income taxes	5.5	6.1	(0.6)	(9.8)
NET INCOME	754.4	835.4	(81.0)	(9.7)
Less: Net income attributable to noncontrolling interests	9.2	9.1	0.1	1.1
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 745.2	\$ 826.3	\$ (81.1)	(9.8)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 3.24	\$ 3.61	\$ (0.37)	(10.2)
Diluted earnings per common share	\$ 3.23	\$ 3.60	\$ (0.37)	(10.3)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.9	228.8	1.1	0.5
Diluted	230.5	229.3	1.2	0.5
Effective income tax rate	9.9 %	10.7 %		

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

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30 2022	December 31 2021
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 24.7	\$ 26.2
Receivables, net of allowance for credit losses of \$24.7 and \$32.9, respectively	383.7	221.6
Accounts receivable pledged as collateral	395.0	319.0
Fuel inventory and supplies	615.2	566.7
Income taxes receivable	7.5	28.0
Regulatory assets	365.9	424.1
Prepaid expenses	47.5	49.3
Other assets	66.2	75.4
Total Current Assets	<u>1,905.7</u>	<u>1,710.3</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>21,686.9</u>	<u>21,002.6</u>
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	<u>142.5</u>	<u>147.8</u>
OTHER ASSETS:		
Regulatory assets	1,992.1	1,991.1
Nuclear decommissioning trust fund	613.5	768.7
Goodwill	2,336.6	2,336.6
Other	570.3	563.4
Total Other Assets	<u>5,512.5</u>	<u>5,659.8</u>
TOTAL ASSETS	\$ 29,247.6	\$ 28,520.5

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

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 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	1,722.3	1,159.3
Collateralized note payable	395.0	319.0
Accounts payable	398.2	639.7
Accrued taxes	334.7	150.4
Accrued interest	88.6	118.8
Regulatory liabilities	74.6	70.7
Asset retirement obligations	18.0	19.5
Accrued compensation and benefits	72.2	51.6
Other	218.6	184.6
Total Current Liabilities	3,671.7	3,102.9
LONG-TERM LIABILITIES:		
Long-term debt, net	9,197.2	9,297.9
Deferred income taxes	1,982.1	1,861.9
Unamortized investment tax credits	178.9	181.4
Regulatory liabilities	2,442.5	2,705.0
Pension and post-retirement liability	889.3	879.1
Asset retirement obligations	966.0	940.6
Other	304.4	310.0
Total Long-Term Liabilities	15,960.4	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 229,532,136 and 229,299,900 shares issued, stated value	7,216.6	7,205.5
Retained earnings	2,432.2	2,082.9
Accumulated other comprehensive loss	(39.8)	(44.0)
Total Evergy, Inc. Shareholders' Equity	9,609.0	9,244.4
Noncontrolling Interests	6.5	(2.7)
Total Equity	9,615.5	9,241.7
TOTAL LIABILITIES AND EQUITY	\$ 29,247.6	\$ 28,520.5

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

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

Year to Date September 30	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 754.4	\$ 835.4
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	694.3	669.5
Amortization of nuclear fuel	47.7	35.7
Amortization of deferred refueling outage	18.8	18.8
Amortization of corporate-owned life insurance	18.3	18.5
Non-cash compensation	15.2	11.4
Net deferred income taxes and credits	54.6	98.6
Allowance for equity funds used during construction	(18.3)	(20.8)
Payments for asset retirement obligations	(9.4)	(10.0)
Equity in earnings of equity method investees, net of income taxes	(5.5)	(6.1)
Income from corporate-owned life insurance	(1.2)	(13.7)
Other	0.9	(4.5)
Changes in working capital items:		
Accounts receivable	(127.8)	(39.6)
Accounts receivable pledged as collateral	(76.0)	(35.0)
Fuel inventory and supplies	(48.0)	(40.0)
Prepaid expenses and other current assets	16.1	(167.9)
Accounts payable	(142.6)	(206.8)
Accrued taxes	204.8	169.5
Other current liabilities	(43.2)	(14.1)
Changes in other assets	92.8	(308.7)
Changes in other liabilities	31.8	45.8
Cash Flows from Operating Activities	<u>1,477.7</u>	<u>1,036.0</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,614.6)	(1,394.7)
Purchase of securities - trusts	(28.5)	(108.4)
Sale of securities - trusts	22.3	95.3
Investment in corporate-owned life insurance	(15.5)	(13.5)
Proceeds from investment in corporate-owned life insurance	3.4	76.3
Other investing activities	7.8	(4.1)
Cash Flows used in Investing Activities	<u>(1,625.1)</u>	<u>(1,349.1)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	62.9	301.6
Proceeds from term loan facility	500.0	—
Collateralized short-term borrowings, net	76.0	35.0
Issuance of common stock	—	112.5
Proceeds from long-term debt	246.9	497.3
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	52.4	53.1
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(1.2)	(62.1)
Cash dividends paid	(394.1)	(366.7)
Other financing activities	(9.5)	(7.3)
Cash Flows from Financing Activities	<u>145.9</u>	<u>193.5</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1.5)	(119.6)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	26.2	144.9
End of period	<u>\$ 24.7</u>	<u>\$ 25.3</u>

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

Eversource Energy, Inc.
Third Quarter 2022 vs. 2021

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2021 net income attributable to Eversource Energy, Inc.	\$ 449.4	\$ 1.95
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	(2.6) A	(0.01)
Operating and maintenance	(1.0) B	—
Depreciation and amortization	(8.2) C	(0.04)
Taxes other than income tax	(4.5) D	(0.02)
Estimated impairment loss on Sibley Unit 3	(6.0) E	(0.03)
Other income, net	2.0 F	0.01
Interest expense	(8.7) G	(0.04)
Income tax expense	7.7 H	0.04
Equity in earnings of equity method investees, net of income taxes	—	—
Net income attributable to noncontrolling interests	0.1	—
Change in shares outstanding		—
2022 net income attributable to Eversource Energy, Inc.	\$ 428.2	\$ 1.86

^(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 the deferral of revenues in the third quarter of 2022 for the expected refund of amounts collected from customers since December 2018 for the return on investment of the retired Sibley Station - (\$47.5M); partially offset by higher retail sales driven by higher weather-normalized demand and favorable weather - \$33.9M; and an increase in transmission revenue due to updated transmission costs reflected in Eversource Energy Kansas Central's FERC TFR effective in January 2022 - \$11.0M.
- B Due primarily to an increase in transmission and distribution operating and maintenance expenses primarily driven by higher contractor and vegetation management costs in 2022- (\$7.9M); partially offset by a decrease in costs recorded in the third quarter of 2022 associated with executive transition, including inducement bonuses, severance agreements and other transition expenses - \$2.6M; a decrease in plant operating and maintenance expenses primarily at Eversource Energy Metro - \$2.1M; and a decrease in costs incurred in the third quarter of 2022 at Eversource Energy Kansas Central related to non-regulated marketing margins recognized during the February 2021 winter weather event - \$1.6M.
- C Due primarily to higher capital additions at Eversource Energy Kansas Central and Eversource Energy 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 to the recording of an impairment charge on Eversource Energy Missouri West's regulatory asset for retired generation facilities related to Sibley Unit 3 in the third quarter of 2022 - (\$6.0M).
- F Due primarily to carrying charges recorded by Eversource Energy Missouri West in the third quarter of 2022 associated with its regulatory asset for fuel and purchased power costs related to the February 2021 winter weather event, driven by an MPSC order allowing for their recovery as part of Eversource Energy Missouri West's securitization financing request - \$15.0M; partially offset by a realized gain from the sale of an equity investment in the third quarter of 2021 and a decrease due to unrealized losses from various equity investments - (\$10.4M); and other income recorded in the third quarter of 2021 related to a contract termination fee - (\$3.0M).
- G 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 Energy Kansas Central and Eversource Energy Missouri West - (\$14.2M); partially offset by a decrease due to repayment of Eversource Energy Missouri West's \$80.9 million of 8.27% Senior Notes at maturity in November 2021 - \$1.7M.
- H Due primarily to lower pre-tax income in the third quarter of 2022.

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

Evergy, Inc
Year to Date September 2022 vs. 2021

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2021 net income attributable to Evergy, Inc.	\$ 826.3	\$ 3.60
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	(1.4) A	(0.01)
Operating and maintenance	(0.6) B	—
Depreciation and amortization	(24.8) C	(0.11)
Taxes other than income tax	(13.9) D	(0.06)
Estimated impairment loss on Sibley Unit 3	(6.0) E	(0.03)
Other expense, net	(38.4) F	(0.17)
Interest expense	(12.0) G	(0.05)
Income tax expense	16.7 H	0.08
Equity in earnings of equity method investees, net of income taxes	(0.6)	—
Net income attributable to noncontrolling interests	(0.1)	—
Change in shares outstanding		(0.02)
2022 net income attributable to Evergy, Inc.	\$ 745.2	\$ 3.23

^(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 a decrease in non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - (\$97.1M); the deferral of revenues in the third quarter of 2022 for the expected refund of amounts collected from customers since December 2018 for the return on investment of the retired Sibley Station - (\$47.5M); and a net decrease due to other impacts from the February 2021 winter weather event - (\$1.6M); partially offset by higher retail sales driven by higher weather-normalized demand and favorable weather - \$111.2M; and an increase in transmission revenue primarily due to updated transmission costs reflected in Evergy Kansas Central's FERC TFR effective in January 2022 - \$33.6M.
- B Due primarily to an increase in transmission and distribution operating and maintenance expenses driven by higher contractor and vegetation management costs in 2022 - (\$13.7M); an increase in plant operating and maintenance expense related to major maintenance outages at Iatan Station Unit 1, La Cygne Unit 2 and Jeffrey Energy Center in 2022 - (\$9.1M); an increase in program costs for energy efficiency programs under MEEIA in 2022 - (\$4.3M); and an increase in injuries and damages expense primarily due to an increase in the reserves - (\$2.0M); partially offset by a decrease in costs recorded in 2022 associated with executive transition, including inducement bonuses, severance agreements and other transition expenses - \$9.9M; a decrease in advisory expenses incurred in 2022 associated with strategic planning - \$5.3M; a decrease in costs incurred in 2022 related to non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - \$5.0M; a decrease in certain labor and employee benefits expenses - \$5.0M; and a decrease in voluntary severance expenses - \$2.8M.
- 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 to the recording of an impairment charge on Evergy Missouri West's regulatory asset for retired generation facilities related to Sibley Unit 3 in the third quarter of 2022 - (\$6.0M).
- F Due primarily to a loss related to Evergy's equity investment in an early-stage energy solutions company that was sold in 2022 and an increase due to lower unrealized gains from various equity investments - (\$27.3M); recording lower Evergy Kansas Central COLI benefits in 2022 - (\$6.0M); and other income recorded in 2021 related to contract termination fees - (\$6.1M); partially offset by carrying charges recorded by Evergy Missouri West in the third quarter of 2022 associated with its regulatory asset for fuel and purchased power costs related to the February 2021 winter weather event - \$15.0M.
- G 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 - (\$19.9M); 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 - \$5.0M.
- H Due primarily to lower pre-tax income in 2022.

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

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
(Dollars in millions)								
Three Months Ended September 30								
Operating revenues	\$ 1,909.1	\$ 1,616.5	\$ 1,021.4	\$ 777.8	\$ 641.8	\$ 571.8	\$ 259.5	\$ 268.3
Fuel and purchased power	643.0	355.8	342.1	143.2	195.8	133.2	118.9	81.0
SPP network transmission costs	81.6	73.6	81.6	73.6	—	—	—	—
Operating and maintenance	266.2	265.2	135.1	126.9	76.0	87.0	52.3	48.0
Depreciation and amortization	233.2	225.0	121.6	117.3	84.8	81.5	28.0	27.3
Taxes other than income tax	100.7	96.2	54.9	50.9	32.9	32.6	12.7	12.9
Estimated impairment loss on Sibley Unit 3	6.0	—	—	—	—	—	6.0	—
Income from operations	578.4	600.7	286.1	265.9	252.3	237.5	41.6	99.1
Other income (expense), net	2.6	0.6	(9.5)	(3.6)	1.8	(1.5)	13.5	(1.9)
Interest expense	102.3	93.6	46.1	40.1	27.7	27.8	11.1	12.8
Income tax expense	49.5	57.2	15.5	22.6	33.2	26.5	6.3	16.3
Equity in earnings of equity method investees, net of income taxes	2.0	2.0	1.1	1.1	—	—	—	—
Net income	431.2	452.5	216.1	200.7	193.2	181.7	37.7	68.1
Less: net income attributable to noncontrolling interests	3.0	3.1	3.0	3.1	—	—	—	—
Net income attributable to controlling interest	428.2	449.4	213.1	197.6	193.2	181.7	37.7	68.1
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):								
Operating revenues	1,909.1	1,616.5	1,021.4	777.8	641.8	571.8	259.5	268.3
Fuel and purchased power	(643.0)	(355.8)	(342.1)	(143.2)	(195.8)	(133.2)	(118.9)	(81.0)
SPP network transmission costs	(81.6)	(73.6)	(81.6)	(73.6)	—	—	—	—
Operating and maintenance ^(a)	(138.8)	(134.4)	(67.0)	(65.4)	(50.7)	(52.4)	(21.0)	(16.3)
Depreciation and amortization	(233.2)	(225.0)	(121.6)	(117.3)	(84.8)	(81.5)	(28.0)	(27.3)
Taxes other than income tax	(100.7)	(96.2)	(54.9)	(50.9)	(32.9)	(32.6)	(12.7)	(12.9)
Gross margin (GAAP)	711.8	731.5	354.2	327.4	277.6	272.1	78.9	130.8
Operating and maintenance ^(a)	138.8	134.4	67.0	65.4	50.7	52.4	21.0	16.3
Depreciation and amortization	233.2	225.0	121.6	117.3	84.8	81.5	28.0	27.3
Taxes other than income tax	100.7	96.2	54.9	50.9	32.9	32.6	12.7	12.9
Utility gross margin (non-GAAP)	1,184.5	1,187.1	597.7	561.0	446.0	438.6	140.6	187.3
Revenues								
(Dollars in millions)								
Residential	746.6	677.4	343.1	282.3	255.9	254.5	147.6	140.6
Commercial	583.7	525.0	267.0	218.0	222.0	221.9	94.7	85.1
Industrial	197.2	166.0	134.0	105.0	36.6	35.9	26.6	25.1
Other retail revenues	(39.0)	9.2	4.6	4.5	3.0	2.8	(46.6)	1.9
Total electric retail	1,488.5	1,377.6	748.7	609.8	517.5	515.1	222.3	252.7
Wholesale revenues	250.6	105.0	156.9	76.8	81.4	24.0	26.2	5.7
Transmission	101.3	90.3	91.2	81.9	4.6	4.3	5.5	4.1
Other	68.7	43.6	24.6	9.3	38.3	28.4	5.5	5.8
Operating revenues	1,909.1	1,616.5	1,021.4	777.8	641.8	571.8	259.5	268.3
Electricity Sales								
(MWh in thousands)								
Residential	5,245	5,135	2,340	2,259	1,798	1,774	1,109	1,100
Commercial	5,277	5,146	2,215	2,176	2,091	2,049	971	921
Industrial	2,357	2,293	1,511	1,468	471	440	374	386
Other retail revenues	33	32	10	10	18	17	5	6
Total electric retail	12,912	12,606	6,076	5,913	4,378	4,280	2,459	2,413
Wholesale revenues	5,591	5,883	3,591	2,569	1,828	3,215	190	101
Total electricity sales	18,503	18,489	9,667	8,482	6,206	7,495	2,649	2,514

^(a)Operating and maintenance expenses which are deemed to be directly attributable to revenue-producing activities include plant operating and maintenance expenses at generating units and transmission and distribution operating and maintenance expenses and have been separately presented in order to calculate gross margin as defined under GAAP.

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
Year to Date September 30	2022	2021	2022	2021	2022	2021	2022	2021
	(Dollars in millions)							
Operating revenues	\$ 4,579.5	\$ 4,464.6	\$ 2,359.3	\$ 2,277.4	\$ 1,564.4	\$ 1,526.7	\$ 683.6	\$ 664.7
Fuel and purchased power	1,366.3	1,275.0	629.2	543.7	487.2	489.3	278.3	246.7
SPP network transmission costs	241.8	216.8	241.8	216.8	—	—	—	—
Operating and maintenance	801.2	800.6	402.3	387.9	240.8	262.1	147.5	140.6
Depreciation and amortization	694.3	669.5	361.9	349.1	252.2	238.3	83.7	85.6
Taxes other than income tax	302.9	289.0	163.3	153.2	100.0	97.2	39.5	38.6
Estimated impairment loss on Sibley Unit 3	6.0	—	—	—	—	—	6.0	—
Income from operations	1,167.0	1,213.7	560.8	626.7	484.2	439.8	128.6	153.2
Other income (expense), net	(41.6)	(3.2)	(26.9)	(2.4)	(11.3)	(9.6)	8.6	(7.3)
Interest expense	293.4	281.4	131.7	120.2	81.5	83.2	33.8	40.4
Income tax expense	83.1	99.8	23.5	45.7	55.2	43.7	16.5	16.9
Equity in earnings of equity method investees, net of income taxes	5.5	6.1	3.1	3.0	—	—	—	—
Net income	754.4	835.4	381.8	461.4	336.2	303.3	86.9	88.6
Less: net income attributable to noncontrolling interests	9.2	9.1	9.2	9.1	—	—	—	—
Net income attributable to controlling interest	745.2	826.3	372.6	452.3	336.2	303.3	86.9	88.6
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):								
Operating revenues	4,579.5	4,464.6	2,359.3	2,277.4	1,564.4	1,526.7	683.6	664.7
Fuel and purchased power	(1,366.3)	(1,275.0)	(629.2)	(543.7)	(487.2)	(489.3)	(278.3)	(246.7)
SPP network transmission costs	(241.8)	(216.8)	(241.8)	(216.8)	—	—	—	—
Operating and maintenance ^(a)	(411.2)	(388.7)	(200.5)	(194.3)	(154.1)	(146.3)	(56.1)	(47.5)
Depreciation and amortization	(694.3)	(669.5)	(361.9)	(349.1)	(252.2)	(238.3)	(83.7)	(85.6)
Taxes other than income tax	(302.9)	(289.0)	(163.3)	(153.2)	(100.0)	(97.2)	(39.5)	(38.6)
Gross margin (GAAP)	1,563.0	1,625.6	762.6	820.3	570.9	555.6	226.0	246.3
Operating and maintenance ^(a)	411.2	388.7	200.5	194.3	154.1	146.3	56.1	47.5
Depreciation and amortization	694.3	669.5	361.9	349.1	252.2	238.3	83.7	85.6
Taxes other than income tax	302.9	289.0	163.3	153.2	100.0	97.2	39.5	38.6
Utility gross margin (non-GAAP)	2,971.4	2,972.8	1,488.3	1,516.9	1,077.2	1,037.4	405.3	418.0
Revenues	(Dollars in millions)							
Residential	1,711.8	1,533.9	762.0	657.3	600.7	550.6	349.1	326.0
Commercial	1,452.3	1,293.5	625.9	536.8	589.7	542.5	236.7	214.2
Industrial	517.6	449.6	346.7	293.0	98.8	91.9	72.1	64.7
Other retail revenues	(20.2)	26.1	13.2	12.9	8.6	7.7	(42.0)	5.5
Total electric retail	3,661.5	3,303.1	1,747.8	1,500.0	1,297.8	1,192.7	615.9	610.4
Wholesale revenues	382.0	662.5	288.4	402.7	86.6	237.3	35.4	27.0
Transmission	300.3	266.7	269.8	241.5	14.4	12.8	16.1	12.4
Other	235.7	232.3	53.3	133.2	165.6	83.9	16.2	14.9
Operating revenues	4,579.5	4,464.6	2,359.3	2,277.4	1,564.4	1,526.7	683.6	664.7
Electricity Sales	(MWh in thousands)							
Residential	12,934	12,556	5,487	5,259	4,502	4,412	2,947	2,884
Commercial	13,921	13,538	5,615	5,467	5,700	5,572	2,605	2,499
Industrial	6,677	6,424	4,299	4,106	1,295	1,249	1,083	1,069
Other retail revenues	98	98	30	30	53	53	15	16
Total electric retail	33,630	32,616	15,431	14,862	11,550	11,286	6,650	6,468
Wholesale revenues	13,863	13,087	8,655	7,906	4,874	4,958	361	226
Total electricity sales	47,493	45,703	24,086	22,768	16,424	16,244	7,011	6,694

^(a)Operating and maintenance expenses which are deemed to be directly attributable to revenue-producing activities include plant operating and maintenance expenses at generating units and transmission and distribution operating and maintenance expenses and have been separately presented in order to calculate gross margin as defined under GAAP.

Evergy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Evergy				
Three Months Ended September 30				
Degree Days	2022	2021/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,192	1,163	29	2.5
Actual compared to normal	1,192	1,031	161	15.6
Heating				
Actual compared to last year	18	11	7	63.6
Actual compared to normal	18	48	(30)	(62.5)

Evergy				
Year to Date September 30				
Degree Days	2022	2021/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,759	1,650	109	6.6
Actual compared to normal	1,759	1,480	279	18.9
Heating				
Actual compared to last year	3,030	2,971	59	2.0
Actual compared to normal	3,030	2,988	42	1.4

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

Evergy, Inc.
Capitalization

	September 30, 2022		December 31, 2021	
	(dollars in millions)			
Current maturities of long-term debt	\$	349.5	\$	389.3
Long-term debt, net		9,197.2		9,297.9
Total long-term debt		9,546.7	49.8 %	9,687.2 51.2 %
Common equity		9,609.0	50.1 %	9,244.4 48.8 %
Noncontrolling interests		6.5	— %	(2.7) — %
Total capitalization	\$	19,162.2	100.0 %	\$ 18,928.9 100.0 %
GAAP Book value per share	\$	41.86	\$	40.32
Period end shares outstanding		229,532,136		229,299,900

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

Evergy, Inc.
Non-GAAP Measures

Utility Gross Margin (non-GAAP)

Utility gross margin (non-GAAP) is a financial measure that is not calculated in accordance with GAAP. Utility gross margin (non-GAAP), 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. The Evergy Companies' definition of utility gross margin (non-GAAP) may differ from similar terms used by other companies.

Utility gross margin (non-GAAP) is intended to enhance an investor's overall understanding of results. Management believes that utility gross margin (non-GAAP) provides a meaningful basis for evaluating the Evergy Companies' operations across periods because utility gross margin (non-GAAP) excludes the revenue effect of fluctuations in fuel and purchased power costs and SPP network transmission costs. Utility gross margin (non-GAAP) is used internally to measure performance against budget and in reports for management and the Evergy Board. Utility gross margin (non-GAAP) should be viewed as a supplement to, and not a substitute for, gross margin, which is the most directly comparable financial measure prepared in accordance with GAAP. Gross margin under GAAP is defined as the excess of sales over cost of goods sold.

Utility gross margin (non-GAAP) differs from the GAAP definition of gross margin due to the exclusion of operating and maintenance expenses determined to be directly attributable to revenue-producing activities, depreciation and amortization and taxes other than income tax. See pages 8 and 9 for the reconciliation of utility gross margin (non-GAAP) to gross margin, the most comparable GAAP measure, for the three months ended and year to date September 30, 2022 and 2021.

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

Effective in the third quarter of 2022, the calculation of adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) excludes the revenues collected from customers for the return on investment of the retired Sibley Station in the current period and the subsequent deferral of the cumulative amount of revenues collected since December 2018 for expected future refunds to customers. Management believes that this is a more representative measure of Evergy's recurring earnings, assists in the comparability of results and is consistent with how management reviews performance. Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date September 30, 2021 have been recast, as applicable, to conform to the current year presentation.

Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date September 30, 2022, were \$462.3 million or \$2.01 per share and \$789.7 million or \$3.43 per share, respectively. For the three months ended and year to date September 30, 2021, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$452.4 million or \$1.97 per share and \$768.1 million or \$3.35 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 i.) the income or costs resulting from non-regulated energy marketing margins from the February 2021 winter weather event; ii.) gains or losses related to equity investments subject to a restriction on sale; iii.) the revenues collected from customers for the return on investment of the retired Sibley Station in the current period and the subsequent deferral of the cumulative amount of revenues collected since December 2018 for expected future refunds to customers; iv.) the estimated impairment loss on Sibley Unit 3; v.) the mark-to-market impacts of economic hedges related to Evergy Kansas

Central's non-regulated 8% ownership share of Jeffrey Energy Center; and vi.) 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 or that can create period to period earnings volatility.

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.

	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
Three Months Ended September 30	2022		2021	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 428.2	\$ 1.86	\$ 449.4	\$ 1.95
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	2.1	0.01	—	—
Sibley Station return on investment, pre-tax ^(b)	44.4	0.19	(3.1)	(0.01)
Mark-to-market impact of JEC economic hedges, pre-tax ^(c)	(10.3)	(0.04)	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(d)	0.3	—	1.9	0.01
Executive transition costs, pre-tax ^(e)	0.7	—	3.3	0.02
Advisor expenses, pre-tax ^(g)	0.6	—	1.2	—
Estimated impairment loss on Sibley Unit 3, pre-tax ^(h)	6.0	0.03	—	—
Income tax benefit ⁽ⁱ⁾	(9.7)	(0.04)	(0.3)	—
Adjusted earnings (non-GAAP)	\$ 462.3	\$ 2.01	\$ 452.4	\$ 1.97

Year to Date September 30	Earnings	Earnings	Earnings	Earnings
	(Loss)	(Loss) per Diluted Share	(Loss)	(Loss) per Diluted Share
	2022		2021	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 745.2	\$ 3.23	\$ 826.3	\$ 3.60
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	2.1	0.01	(95.0)	(0.42)
Sibley Station return on investment, pre-tax ^(b)	38.2	0.17	(9.3)	(0.04)
Mark-to-market impact of JEC economic hedges, pre-tax ^(c)	(10.3)	(0.04)	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(d)	0.9	—	5.9	0.03
Executive transition costs, pre-tax ^(e)	0.7	—	10.6	0.05
Severance costs, pre-tax ^(f)	—	—	2.8	0.01
Advisor expenses, pre-tax ^(g)	3.1	0.01	8.4	0.04
Estimated impairment loss on Sibley Unit 3, pre-tax ^(h)	6.0	0.03	—	—
Restricted equity investment losses, pre-tax ⁽ⁱ⁾	16.3	0.07	—	—
Income tax expense (benefit) ⁽ⁱ⁾	(12.5)	(0.05)	18.4	0.08
Adjusted earnings (non-GAAP)	\$ 789.7	\$ 3.43	\$ 768.1	\$ 3.35

^(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 revenues collected from customers for the return on investment of the retired Sibley Station in the current period and the subsequent deferral of the cumulative amount of revenues collected since December 2018 for expected future refunds to customers and are included in operating revenues on the consolidated statements of comprehensive income.

^(c) 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 Evergy Kansas Central's non-regulated 8% ownership share of JEC and are included in operating revenues on the consolidated statements of comprehensive income.

^(d) 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.

^(e) 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.

^(f) 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.

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

^(h) Reflects the estimated impairment loss on Sibley Unit 3 and is included in estimated impairment loss on Sibley Unit 3 on the consolidated statements of comprehensive income.

⁽ⁱ⁾ 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.

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