



# Investor Update

*September 2018*





# Important Information

## Forward Looking Statements

Statements made in this presentation that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to the merger of Westar Energy, Inc. (Westar Energy) and Great Plains Energy Incorporated (Great Plains Energy) that resulted in the creation of Evergy, Inc. (Evergy), including those that relate to the expected financial and operational benefits of the merger to the companies and their shareholders (including cost savings, operational efficiencies and the impact of the anticipated merger on earnings per share), cost estimates of capital projects, dividend growth, share repurchases, balance sheet and credit ratings, rebates to customers, employee issues and other matters affecting future operations.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, KCP&L, and Westar Energy are providing a number of important factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include: future economic conditions in regional, national and international markets and their effects on sales, prices and costs; prices and availability of electricity in regional and national wholesale markets; market perception of the energy industry, Evergy, Kansas City Power & Light Company (KCP&L) and Westar Energy; changes in business strategy, operations or development plans; the outcome of contract negotiations for goods and services; effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates that KCP&L and Westar Energy can charge for electricity; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air and water quality; financial market conditions and performance including, but not limited to, changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including, but not limited to, cyber terrorism; ability to carry out marketing and sales plans; weather conditions including, but not limited to, weather-related damage and their effects on sales, prices and costs; cost, availability, quality and deliverability of fuel; the inherent uncertainties in estimating the effects of weather, economic conditions and other factors on customer consumption and financial results; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays in the anticipated in-service dates and cost increases of generation, transmission, distribution or other projects; Evergy's ability to successfully manage and integrate their respective transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility including, but not limited to, environmental, health, safety, regulatory and financial risks; workforce risks, including, but not limited to, increased costs of retirement, health care and other benefits; the possibility that the expected value creation from the merger will not be realized, or will not be realized within the expected time period; difficulties related to the integration of the two companies; disruption from the merger making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Additional risks and uncertainties are discussed in annual reports on Form 10-K filed by Great Plains Energy and Westar, and from time to time in quarterly reports on Form 10-Q and annual reports on Form 10-K filed by Evergy with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. Evergy undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## Unaudited Pro Forma Financial Information

The unaudited pro forma financial information included in this presentation has been presented for informational purposes only and is not necessarily indicative of Evergy's consolidated results of operations that would have been achieved or the future consolidated results of operations of Evergy. The unaudited pro forma financial information should be read in conjunction with Evergy's quarterly report on Form 10-Q for the period ended June 30, 2018.

# Recent News

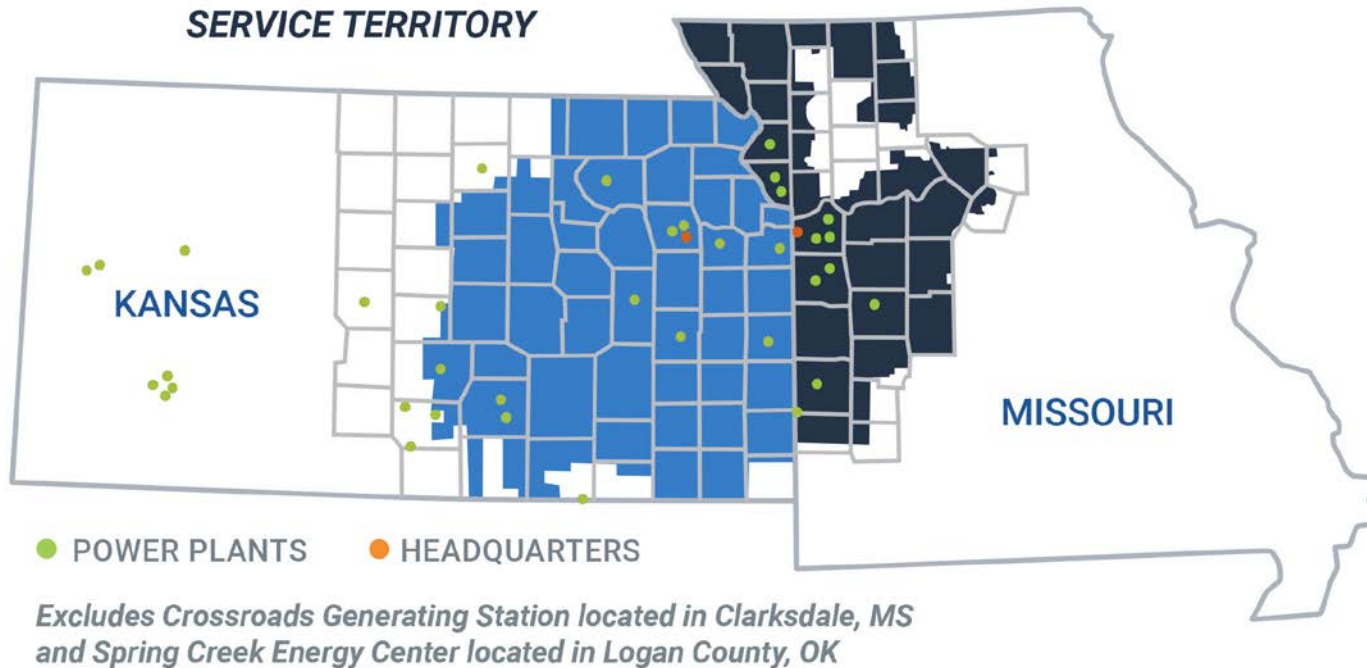
- Announced second quarter 2018 earnings
  - GAAP EPS: \$0.56
  - Pro Forma EPS: \$0.90
- Declared dividend of \$0.46/sh payable September 20, 2018
- Board approved share repurchase program
  - ~60 million shares by mid-year 2020
  - Began executing in August
- Reached settlement with key intervenors in Westar rate review, expecting order in late September



# Profile



# Pure Play, Vertically Integrated, Regulated Electric Utilities



## *Evergy Statistics<sup>1</sup>*

**\$15.5B Market Cap<sup>2</sup>**

**\$13.1B of rate base<sup>3</sup>**

**1.6M electric customers**

**13,083 MW of owned generation**

**3,116 MW of renewables<sup>4</sup>**

**10,000 miles of transmission**

**52,000 miles of distribution**

1. Operating metrics combined Westar Energy and Great Plains Energy pro forma as of 12/31/17.
2. Market cap as of 8/31/18.
3. Estimated rate base based on ordered and settled rate cases.
4. Renewables include both owned and purchase power agreements as of 12/31/17. Additionally, we expect total renewables will be over 3,800MW by 2020.



# Clear Focus

Empowering a better future. . .



- Providing safe, reliable, and cost effective operations
- Being a trusted energy partner to our customers
- Collaborative, open and transparent regulatory relationships



- Focused on delivering consistent and superior total shareholder return
- Allocating capital to drive sustainable and diverse energy solutions



- Building a culture that fosters engagement and excellence
- Dedication to diversity and inclusion
- Focused on being good stewards of our resources

. . . focusing on People First.

# Compelling Investment Thesis



Earnings growth driven by merger savings, cost management and share repurchases; not predicated on raising customer prices



Stable base rates allow for on-going, constructive dialogue with customers, regulators, policy makers and is good for economic development



Strong balance sheet combined with expected earnings and dividend growth provides an attractive total shareholder return profile



# Investment Outlook

## Earnings Growth

- Net merger savings of ~\$600M 2018-2022
- Share repurchases of ~60 million shares by mid-year 2020
- On-going 2018 general rate reviews to reduce regulatory lag
- FERC regulated transmission growth

## Dividend

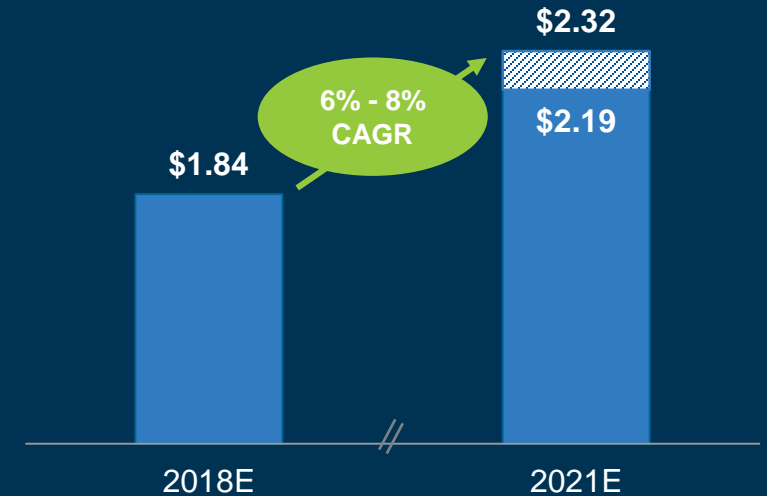
- Annual indicated dividend of \$1.84 per share
- Targeted annual dividend growth in line with EPS growth
- Target payout ratio of 60% to 70% over time

1. EPS growth based on Westar Energy 2016 actual EPS of \$2.43.  
2. 2018E based on most recent Great Plains Energy annualized indicated dividend of \$1.10 per share divided by the 0.5981

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



## Targeted Dividend Growth<sup>2</sup>





# Financial Focus

## ***Remain confident in merger savings***

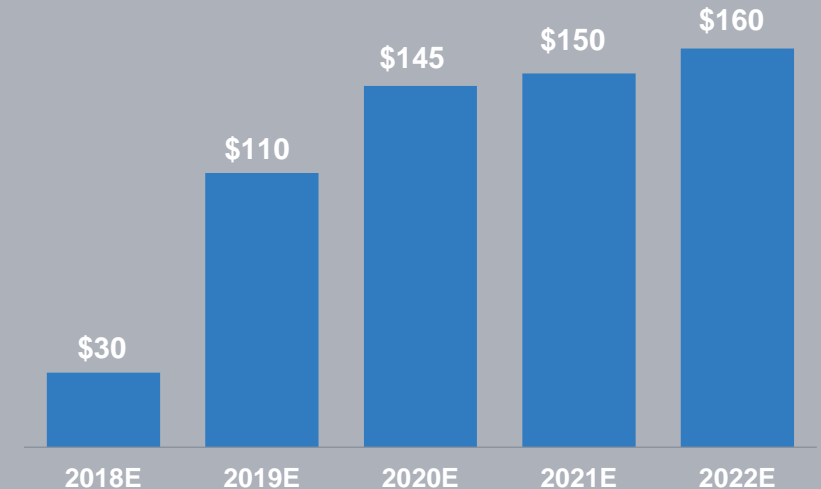
- Merger provides maximum opportunities for efficiencies, cost savings for customers, and better ability to earn allowed returns
- Opportunities above targeted merger savings
  - Over \$200 million of potential cost savings in first five years related to legacy Great Plains Energy plant retirements
  - Back-office centralization of Wolf Creek
- Cost management expected to drive total O&M cost reductions of approximately 15% from 2016 to 2021

## ***Continuing capital investment***

- Target rate base growth of 3% to 4% through 2022<sup>1</sup>
- ~\$6 billion in investment from 2018 through 2022
  - Including over \$1 billion in FERC regulated transmission investment

1. Based on 2016 pro forma rate base currently reflected in rates of \$13.1 billion.  
2. Excludes Great Plains Energy plant retirements announced June 2017 and potential capital expenditure savings. Planned merger savings include non-fuel O&M and Other shown net of transition costs.

## ***Targeted Net Merger Savings (\$mm)<sup>2</sup>***



# Regulatory and Legislative Priorities



# Regulatory Matters



## ***Kansas Corporation Commission***

- Westar General Rate Review - Docket #18-WSEE-328-RTS
  - Anticipated effective date: 9/27/2018
- KCP&L-KS General Rate Review – Docket #18-KCPE-480-RTS
  - Anticipated effective date: 12/27/2018



## ***Missouri Public Service Commission***

- KCP&L-MO and GMP General Rate Review – Docket #ER-2018-0145
  - Anticipated effective date: 12/29/2018



## ***Federal Energy Regulatory Commission***

- FERC tariff updated annually, effective January 1
- Based on formula rates to reflect changes in cost of service



# Rate Review Update

## Key intervenor settlement in Westar rate review

- Includes KCC Staff, CURB, KIC, DOE
- Subject to KCC approval
- \$66M base rate revenue reduction includes 9.3% ROE and ~51.5% equity ratio
  - Reflects annual tax reform benefits to customers
  - Return on Western Plains via levelized approach
  - Fuel clause flow through for expiration of wholesale contract
  - Adjusts for expiring JEC lease, provides avenue to pass potential future costs through fuel clause
  - Increases depreciation by ~\$46M/yr

## 3Q18

- 7/17 – Reached non-unanimous settlement in Westar rate review
- 8/20 – Settlement conference for MO rate reviews
- 9/6 – Settlement conference for MO rate reviews
- 9/12 – Staff testimony due for KCP&L-KS
- 9/17 – Evidentiary hearing for MO rate reviews
- 9/27 – Order date for Westar rate review

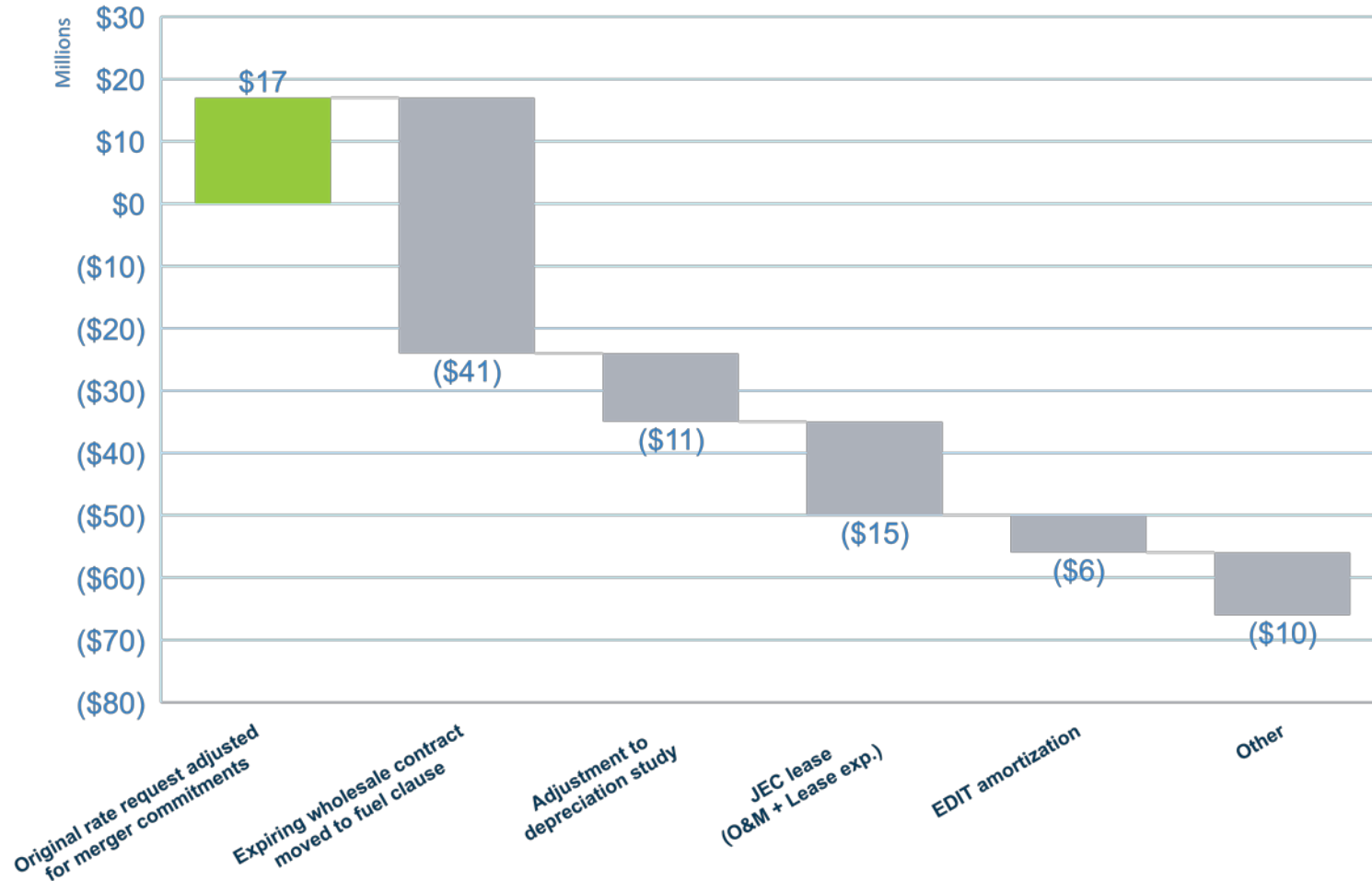
## 4Q18

- 10/9 – Settlement conference for KCP&L-KS
- 10/23 – Evidentiary hearings start for KCP&L-KS
- 11/25-11/30 – Order date for MO rate reviews
- 12/27 – Order date for KCP&L-KS



# Westar Rate Review Settlement

\$66M base rate revenue reduction

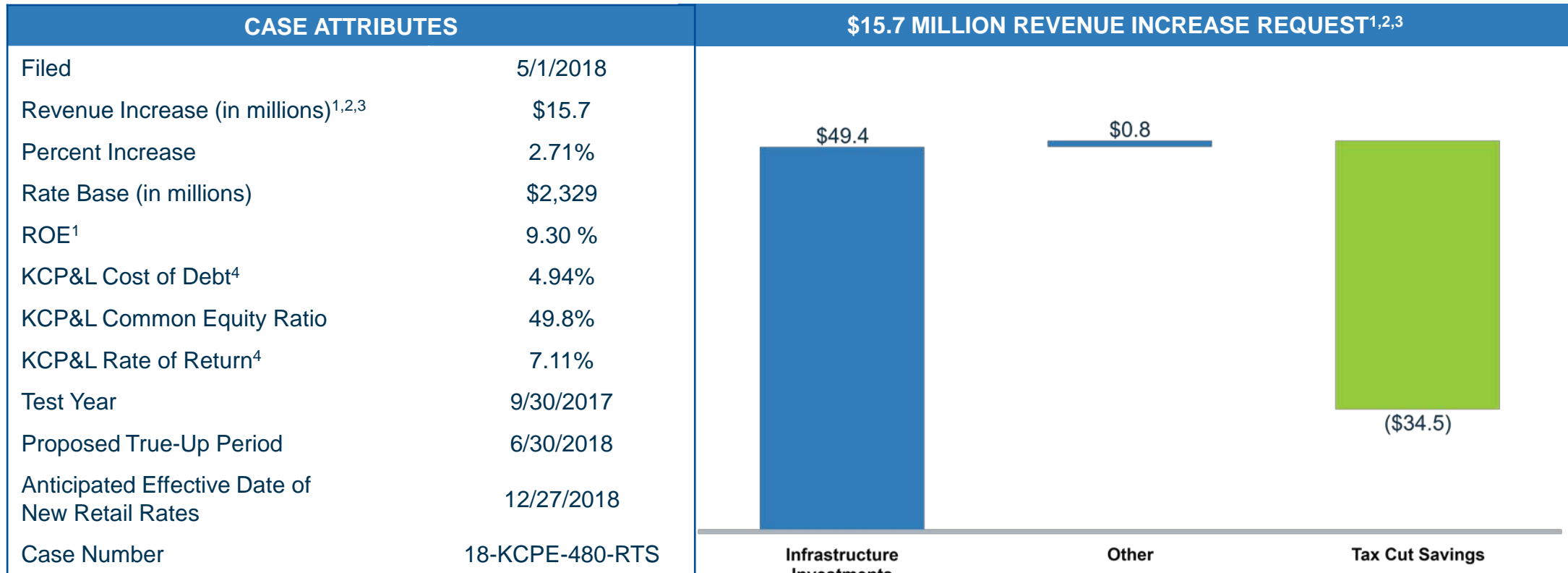


- Settlement reiterates constructive regulatory relationship in Kansas and de-risks the rate review process
- Many of the large items don't impact the bottom line
- ~\$74M annual reduced revenue to reflect customer's benefit of Tax Cut and Jobs Act
- \$41M wholesale contract expiration recovered through fuel clause; neutral impact to current revenues
- Western Plains levelized approach results in ~\$24M of annual revenue for recovery of and return on investment

# KCP&L – Kansas General Rate Review

## General Rate Review Drivers:

- Federal corporate tax cut savings resulting from Tax Cuts and Jobs Act of 2017
- New customer information system and infrastructure investments, and cost of service true-up since rates were last set



1. Includes ROE set at 9.30% agreed to in the merger settlement agreement. Embedded transition costs and merger savings have been adjusted to reflect terms of the merger settlement agreement. In addition, bill credits associated with the Tax Cuts and Jobs Act of 2017 that started Jan. 1, 2018 will be provided to customers without offset under terms of the merger settlement agreement.

2. Case filed with revenue increase of \$26.2M adjusted to est. \$15.7M revenue increase after considering commitments made in merger settlement agreement.

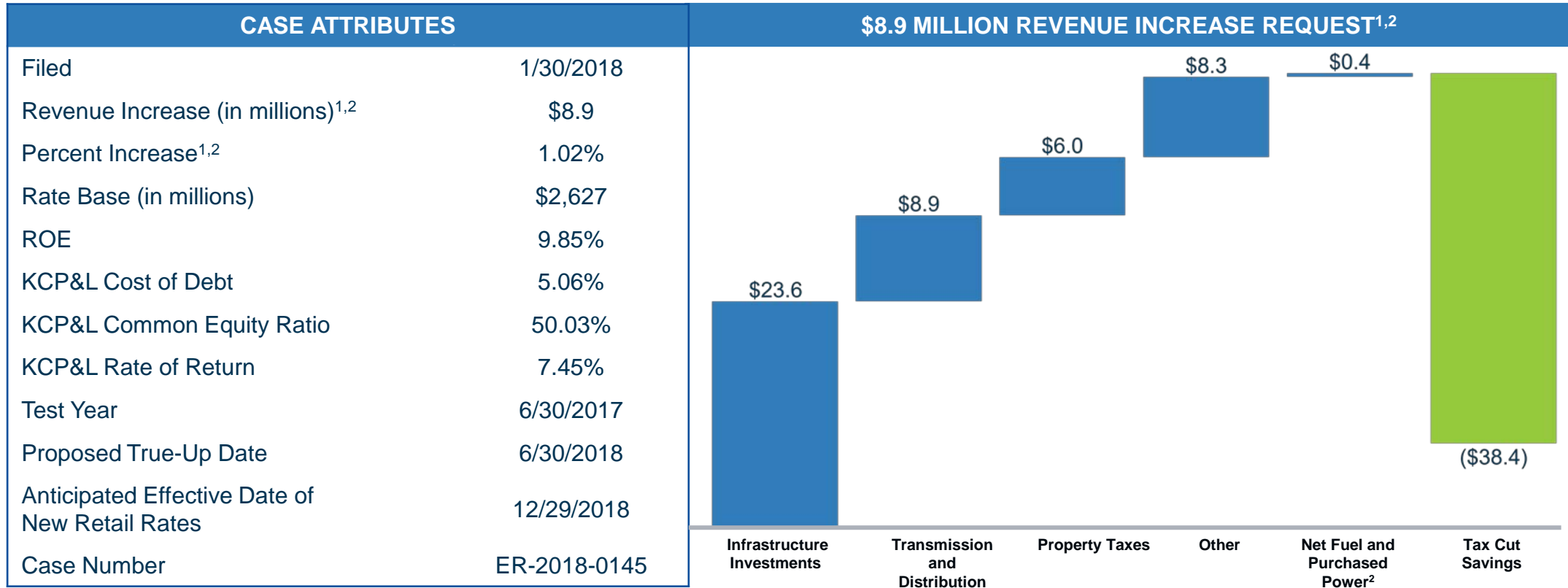
3. Excludes property taxes that flow through the property tax surcharge recovery mechanism.

4. Estimated amount to be updated at June 30, 2018.

# KCP&L – Missouri General Rate Review

## General Rate Review Drivers:

- Federal corporate tax savings resulting from Tax Cuts and Jobs Act of 2017
- New customer information system and infrastructure investments, and cost of service true-up since rates were last set



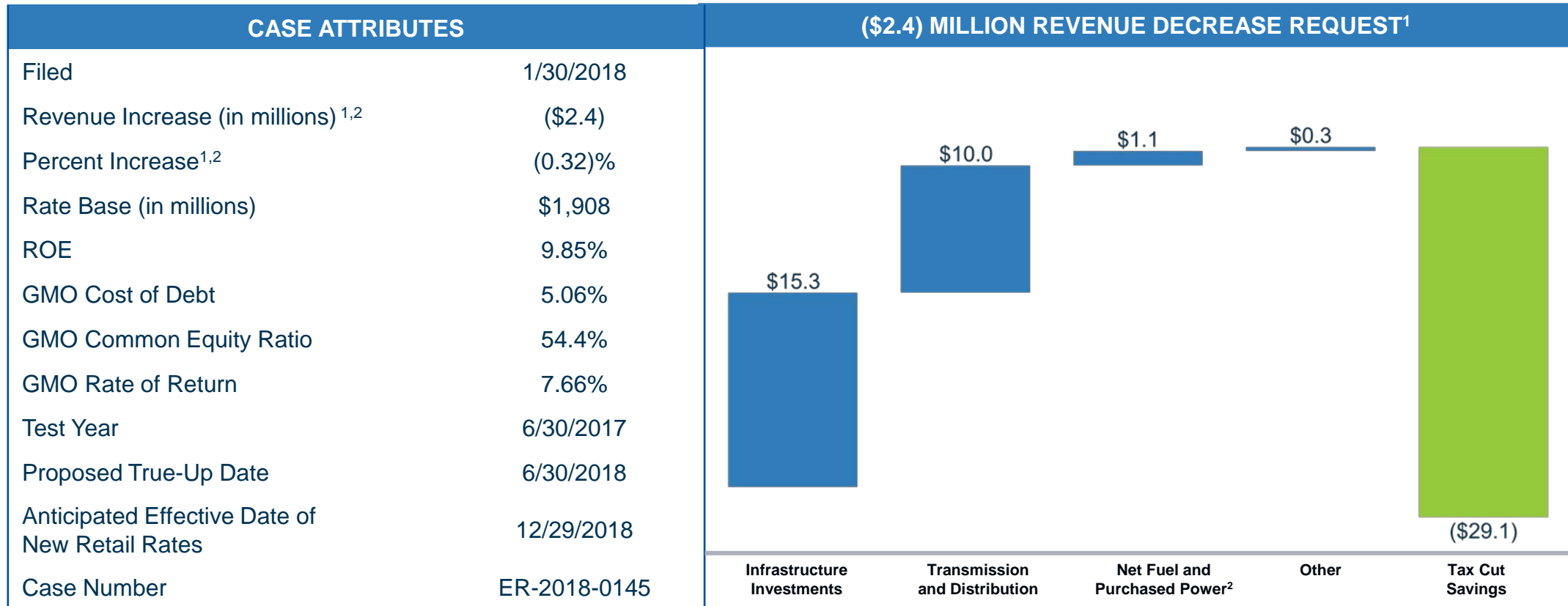
1. Excludes 95% of net fuel costs, or \$7.5 million, that flows through a fuel recovery mechanism. Total requested increase including net fuel is \$16.4 million or 1.88%.

2. Represents 5% of net fuel costs not recovered through a fuel recovery mechanism.

# GMO General Rate Review

## General Rate Review Drivers:

- Federal corporate tax savings resulting from Tax Cuts and Jobs Act of 2017
- New customer information system and infrastructure investments, and cost of service true-up since rates were last set



1. Excludes 95% of net fuel costs, or \$21.7 million, that flows through a fuel recovery mechanism. Total requested increase including net fuel is \$19.3 million or 2.61%.

2. Represents 5% of net fuel costs not recovered through a fuel recovery mechanism.





# Missouri Legislation Update

- Missouri Senate Bill 564 was signed in to law on June 1, 2018
  - Modernizes the regulatory framework in Missouri
  - Provides rate caps and stability for customers
  - Reduces regulatory lag through Plant in Service Accounting (PISA), making Missouri a more attractive jurisdiction for capital investment
- PISA
  - Authorizes deferral of depreciation expense and return associated with 85% of qualifying rate base additions between rate cases
  - Annual submission of capital plans
    - No more than 6% of total capex in a given year may consist of smart meters
    - At least 25% of annual capex shall consist of grid modernization projects
  - PISA treatment ceases on 12/31/23 unless the Commission grants 5-year extension
- Rate Caps
  - Rate cap of 3% compound annual growth rate (CAGR) starting with the effective dates of rates from the 2018 rate cases
  - Any amount above 3% CAGR during general rate review shall not be recovered

Sustainability

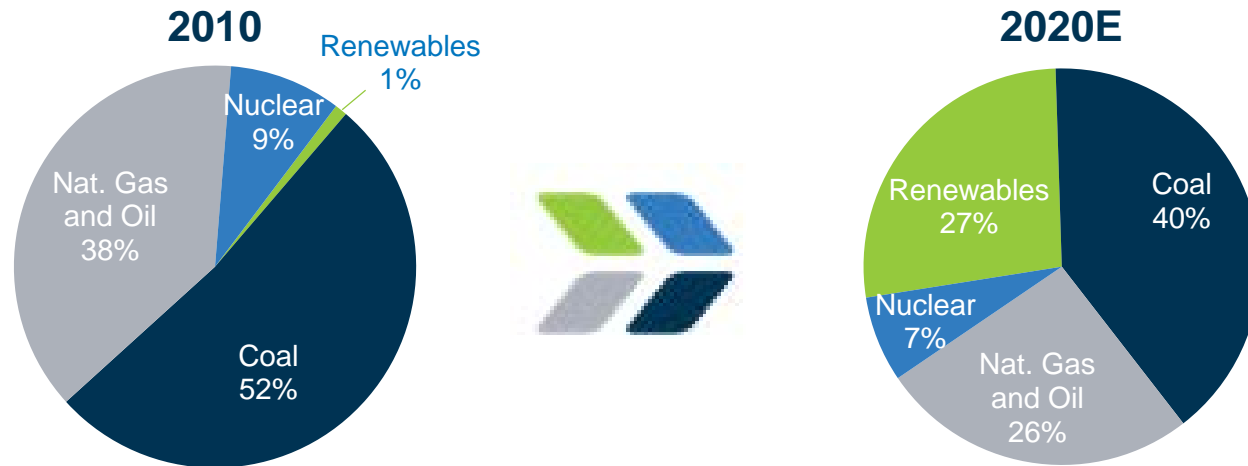




# Lower Carbon Future

- Wind portfolio one of the largest in the United States: 3,116MW<sup>1</sup> currently and expect to be over 3,800MW by 2020
- Focused on growing renewables while retiring end-of-life fossil plants
  - Retiring 1,500 MW of fossil generation by year-end 2018 (800 MW of coal and 700 MW of natural gas)

## Generation Capacity by Fuel Type

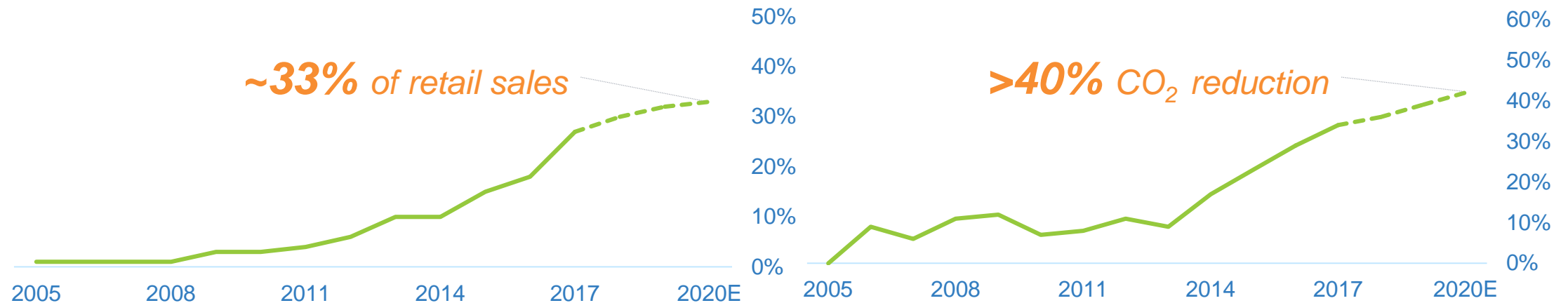


# Clean Energy Leader

## 2020 Projections

Renewables as a Percentage of Retail Sales

CO<sub>2</sub> Emission Reductions



- By 2020, we expect carbon emission reductions of over 40%, from 2005 levels
- Emission-free sources (renewable and nuclear) provide nearly half of retail customers' energy needs

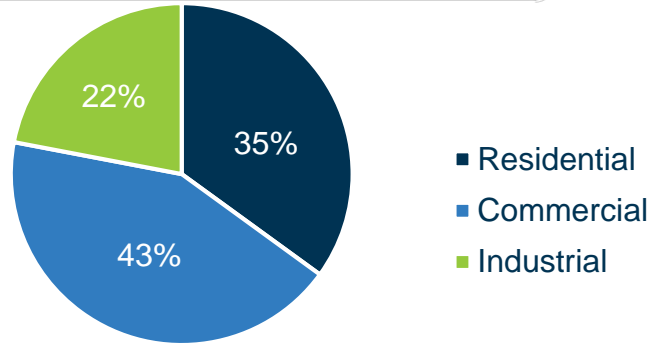
# Appendix



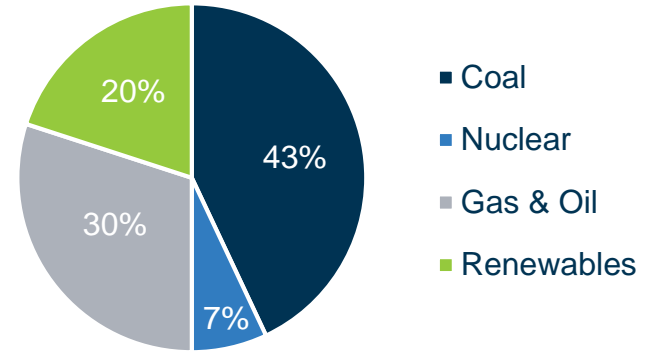


# Diverse Supply and Sales Mix

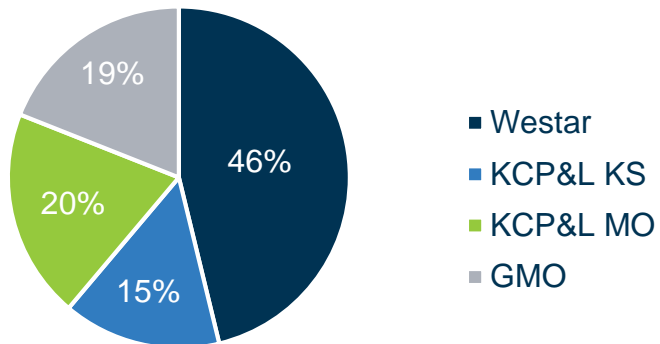
### 2017 Pro Forma Retail Sales by Customer Type<sup>1</sup>



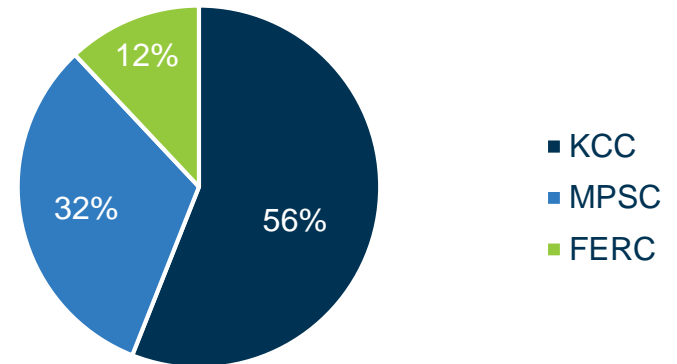
### 2017 Pro Forma Capacity by Fuel Type<sup>1,2</sup>



### 2017 Pro Forma Retail Sales by Jurisdiction<sup>1</sup>



### 2017 Pro Forma Rate Base by Jurisdiction<sup>1</sup>



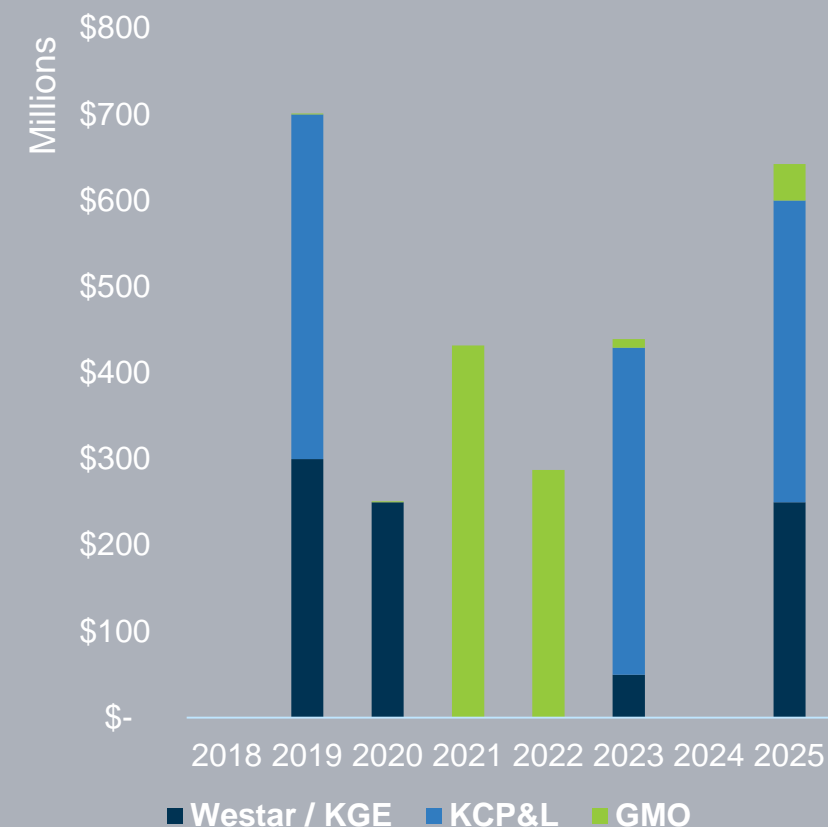
1. Combined Westar Energy and Great Plains Energy Pro Forma.  
 2. Renewables include both owned and purchase power agreements as of 12/31/17.

# Strong Credit Profile

Current Credit Ratings <sup>1</sup>	S&P Global	Moody's
<b><u>EVERGY</u></b>		
Outlook	Stable	Stable
Corporate Credit Rating	A-	
Senior Unsecured Debt	BBB+	Baa2
<b><u>WESTAR / KGE</u></b>		
Outlook	Stable	Stable
Senior Secured Debt	A	A2
Senior Unsecured Debt		
Commercial Paper (Westar only)	A-2	P-2
<b><u>KCP&amp;L</u></b>		
Outlook	Stable	Stable
Senior Secured Debt	A	A2
Senior Unsecured Debt	A-	Baa1
Commercial Paper	A-2	P-2
<b><u>GMO</u></b>		
Outlook	Stable	Stable
Senior Unsecured Debt	A-	Baa2
Commercial Paper	A-2	P-2

1. Ratings are not recommendations to buy, sell or hold securities. The ratings are subject to change or withdrawal at any time by the credit rating agencies.  
 2. Includes long-term debt maturities through December 31, 2025.

## Manageable Levels of Long-Term Debt Maturities<sup>2</sup>





# 2018 Rate Review Schedules

<b>Westar (KCC)</b> <i>Docket: 18-WSEE-328-RTS</i>	
Filing Date	2/1/18
Public Hearing	5/22/18
Staff/Intervenor Direct Testimony	6/11/18
Westar Rebuttal Testimony	7/2/18
Settlement Conference	7/9/18
Deadline to Submit Settlement Agreement	7/16/18
Discovery Cut-off	7/18/18
Evidentiary Hearing Starts	7/23/18
Evidentiary Hearing Ends	7/27/18
Westar Initial Brief	8/15/18
Staff/Intervenor Briefs	8/24/18
Westar Reply Brief	8/31/18
Order Date	9/27/18

<b>KCP&amp;L-KS (KCC)</b> <i>Docket: 18-KCPE-480-RTS</i>	
Filing Date	5/1/18
Public Hearing	8/23/18
Staff/Intervenor Direct Testimony	9/12/18
KCP&L Rebuttal Testimony	10/3/18
Settlement Conference	10/9/18
Deadline to Submit Settlement Agreement	10/15/18
Discovery Cut-off	10/15/18
Evidentiary Hearing Starts	10/23/18
Evidentiary Hearing Ends	10/26/18
KCP&L Initial Brief	11/13/18
Staff/Intervenor Briefs	11/21/18
KCP&L Brief	11/28/18
Order Date	12/27/18

<b>KCP&amp;L-MO &amp; GMO (MPSC)</b> <i>Docket: ER-2018-0145</i>	
Filing Date	1/30/18
Staff/Intervenor Testimony – Cost of Service	6/19/18
Staff/Intervenor Testimony - Rate Design	7/6/18
Public Hearing	After 7/6/18
Settlement Conference	7/17/18
Rebuttal Testimony - Revenue Requirement	7/27/18
Rebuttal Testimony - Rate Design	8/7/18
Settlement Conference	8/20/18
Surrebuttal/True Up Direct Testimony	9/4/18
Settlement Conference	9/6/18
Evidentiary Hearing	9/24/18
Initial Brief	10/17/18
Reply & True-up Briefs, Updated Recon	10/26/18
Order Date	11/25- 11/30





# Most Recent Completed Rate Reviews

<b>Rate Case Outcomes (\$ in millions)</b>							
<b>Rate Jurisdiction</b>	<b>Date Filed</b>	<b>Effective Date</b>	<b>Rate Base</b>	<b>Common Equity Ratio</b>	<b>Authorized ROE</b>	<b>Annual Revenue Increase</b>	<b>Percent Increase</b>
Westar – Kansas	10/26/2016	5/3/2017	\$5,102	53.45%	9.35% <i>implied</i>	\$16.3	0.74%
KCP&L – Kansas	11/9/2016	6/28/17	\$2,182 <sup>1</sup>	50.48%	9.3%	\$(3.6)	-0.62%
KCP&L – Missouri	7/1/2016	6/8/2017	\$2,525	49.20%	9.5%	\$32.5	3.88%
GMO – Missouri	2/23/2016	2/22/2017	\$1,889 <sup>2</sup>	n/a <sup>3</sup>	9.5%-9.75% <sup>4</sup> <i>implied range</i>	\$3.0	0.41%
GMO (Steam) – Missouri	9/5/2008	7/1/2009	\$14	n/a <sup>3</sup>	n/a <sup>3</sup>	\$0.4	2.3%
<b>Total</b>			<b>11,712<sup>5</sup></b>				

1. Includes \$81.1 million of transmission plant in the Transmission Delivery Charge rider.

2. Settled case. Implied Rate Base level.

3. Negotiated settlement. Information not available.

4. Settled case. Implied ROE range of 9.5% - 9.75%.

5. Excludes FERC regulated rate base.



# Constructive Ratemaking

Cost Recovery Mechanisms	Westar Kansas	KCP&L Kansas	KCP&L Missouri	GMO Missouri
Fuel Adjustment Clause Rider	✓	✓	✓	✓
Pension and OPEB Tracker	✓	✓	✓	✓
Property Tax Surcharge Rider	✓	✓		
Energy Efficiency Cost Recovery Rider	✓	✓		
Missouri Energy Efficiency Investment Act Program Rider			✓	✓
Renewable Energy Standards Tracker			✓	✓
Renewable Energy Standard Rate Adj. Mechanism Rider				✓
Transmission Delivery Charge Rider	✓	✓		
Critical Infrastructure Protection Standards / Cybersecurity Tracker	✓	✓		
Abbreviated Rate Case	✓	✓		
Missouri Plant in Service Accounting (PISA)			✓	✓



# State Commissioners

## Missouri Public Service Commission (MPSC)



**Mr. Daniel Y. Hall (D)**  
**Chair (since August 2015)**  
 Term began: September 2013  
 Term expires: September 2019



**Mr. William P. Kenney (R)**  
**Commissioner**  
 Term began: January 2013  
 Term expires: January 2019



**Mr. Scott T. Rupp (R)**  
**Commissioner**  
 Term began: March 2014  
 Term expires: March 2020



**Ms. Maida J. Coleman (D)**  
**Commissioner**  
 Term began: August 2015  
 Term expires: August 2021



**Mr. Ryan A. Silvey (R)**  
**Commissioner**  
 Term began: January 2018  
 Term expires: January 2024

MPSC consists of five (5) members, including the Chairman, who are appointed by the Governor and confirmed by the Senate.

- ❑ Members serve six-year terms (may continue to serve after term expires until reappointed or replaced)
- ❑ Governor appoints one member to serve as Chairman

## Kansas Corporation Commission (KCC)



**Ms. Shari Feist Albrecht (I)**  
**Chair (since January 2018)**  
 Term began: June 2012  
 Reappointed: January 2017  
 Term expires: March 2020



**Mr. Jay S. Emler (R)**  
**Commissioner**  
 Term began: January 2014  
 Reappointed: May 2015  
 Term expires: March 2019



**Mr. Dwight D. Keen (R)**  
**Commissioner**  
 Term began: April 2018  
 Term expires: March 2022

KCC consists of three (3) members, including the Chairman, who are appointed by the Governor and confirmed by the Senate.

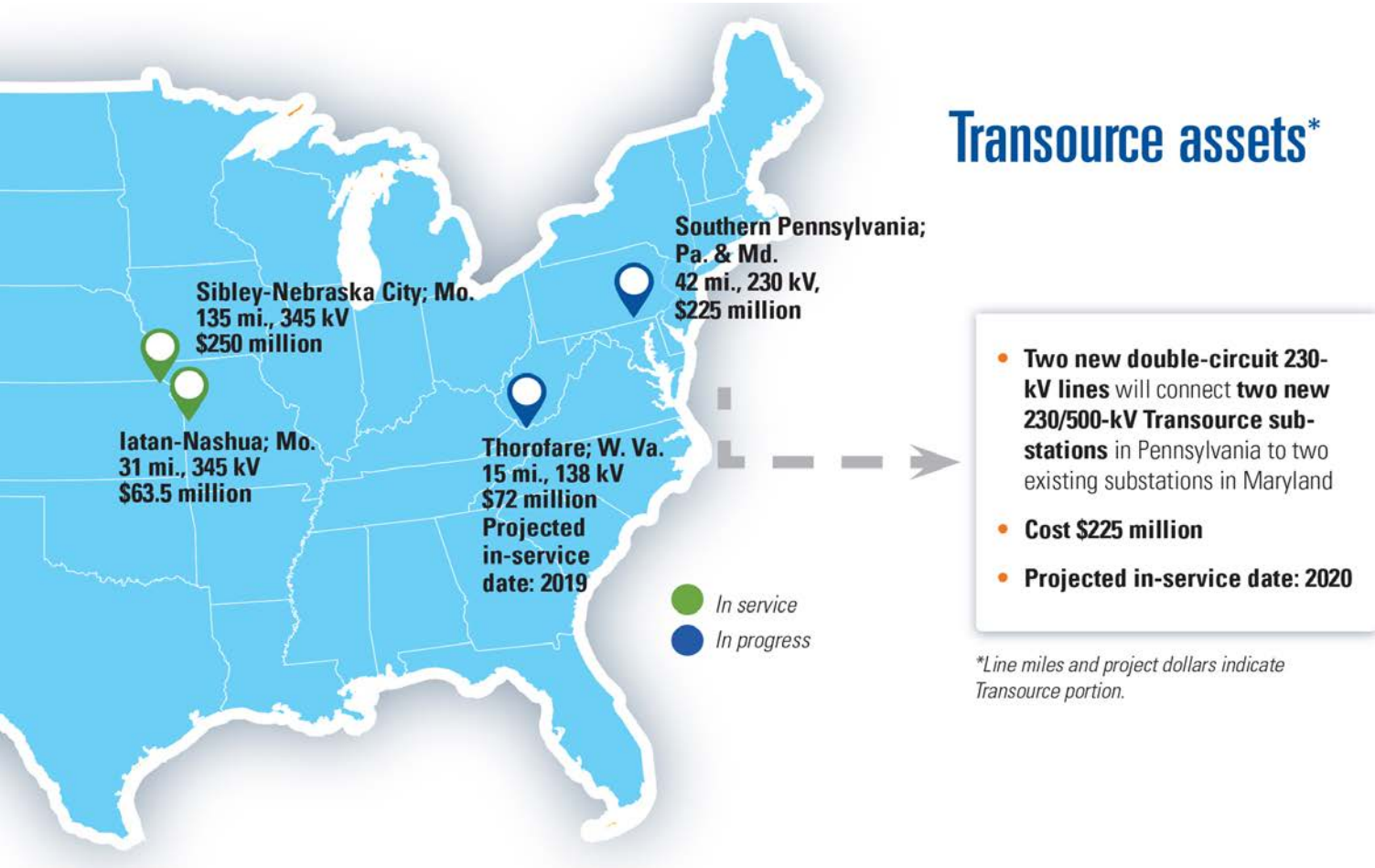
- ❑ Members serve four-year terms (may continue to serve after term expires until reappointed or replaced)
- ❑ Commissioners elect one member to serve as Chairman



# GAAP to Pro Forma

	2Q18 EPS	YTD EPS
<b>GAAP Earnings<sup>1</sup></b>	<b>\$0.56</b>	<b>\$1.00</b>
Non-recurring merger-related costs	0.25	0.25
One-time bill credits	0.16	0.16
GXP GAAP earnings prior to merger	0.22	0.35
GXP shares prior to merger	(0.19)	(0.40)
Interest rate swaps and other	(0.10)	(0.13)
<b>Pro Forma Earnings<sup>2</sup></b>	<b>\$0.90</b>	<b>\$1.23</b>

1. GAAP diluted shares outstanding: 181M
2. Pro forma diluted shares outstanding: 272M



- Joint venture between Evergy (13.5%) and AEP (86.5%) structured to pursue competitive transmission projects<sup>1</sup>
- Total project portfolio over \$600 million
- Positioned for sustainable, long-term growth in competitive transmission market

1. The venture excludes transmission projects in the Electric Reliability Council of Texas (ERCOT) and AEP's existing transmission project joint ventures.



# Investor Relations Contacts

*NYSE: Evergy (EVRG)*

## **Lori Wright**

*Vice President – Corporate Planning, Investor Relations and Treasurer*

(816) 556-2506

[lori.wright@evergyinc.com](mailto:lori.wright@evergyinc.com)

## **Cody Vandavelde**

*Director, Investor Relations*

(785) 575-8227

[cody.vandavelde@evergyinc.com](mailto:cody.vandavelde@evergyinc.com)

## **Kyle Beck**

*Investor Relations Analyst*

(785) 575-6379

[kyle.beck@evergyinc.com](mailto:kyle.beck@evergyinc.com)