



Third Quarter 2018 Earnings Call

November 8, 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 current reports on Form 8-K filed by Evergy, KCP&L and Westar 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 press release 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 September 30, 2018.



Agenda

Business Update

Terry Bassham, President & CEO

- Third quarter highlights
- Regulatory update
- Strategic and financial outlook

Financial Update

Tony Somma, EVP - CFO

- Third quarter earnings drivers
- Share repurchases
- Key investor considerations



Business Update

Terry Bassham

President & CEO



Merger Plan on Track



Focusing on merger integration efforts



Executing on regulatory priorities



Repurchasing shares to rebalance capital structure



Remaining on track to deliver attractive total shareholder return



Checking Off Regulatory Boxes

- ✓ **Westar rate review settlement approved by KCC**
 - \$66M base rate revenue reduction includes 9.3% ROE and 51.46% equity ratio
 - Reflects \$80M of annual on-going tax reform benefits to customers
- ✓ **Key intervenor settlement in KCP&L-KS rate review**
 - Includes KCC Staff, CURB and others; subject to KCC approval
 - \$11M base rate revenue reduction includes 9.3% ROE and 49.1% equity ratio
 - Reflects \$53M of annual on-going tax reform benefits to customers
- ✓ **KCP&L-MO and GMO rate review approved by MPSC**
 - New rates effective no later than December 6th
 - Black-box settlement does not detail ROE or equity ratio
 - KCPL-MO: \$21M base rate revenue reduction
 - \$53M of annual on-going tax reform benefit
 - GMO: \$24M base rate revenue reduction
 - \$39M of annual on-going tax reform benefit

3Q18

- ✓ 7/17 – Reached non-unanimous settlement in Westar rate review
- ✓ 9/19 – Reached unanimous settlement in KCP&L-MO and GMO rate review
- ✓ 9/27 – KCC approves Westar settlement, rates become effective

4Q18

- ✓ 10/15 – Reached unanimous settlement in KCP&L-KS
- ✓ 10/31 – MPSC approves MO rate reviews
- 12/27 – Order date for KCP&L-KS

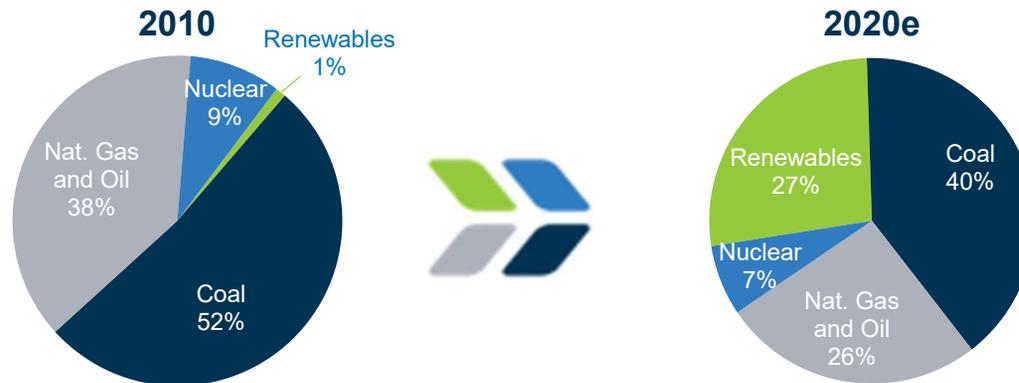
Lower Carbon Future

By year-end 2020 we will have:

- **Shut-down over 2,200MW** of end-of-life fossil generation
- A wind portfolio of over **3,800MW**
- **Reduced carbon** emissions by **over 40%**, from 2005 levels
- **Emission-free sources** (renewable and nuclear) providing **nearly half** of retail customers' energy needs



Generation Capacity by Fuel Type



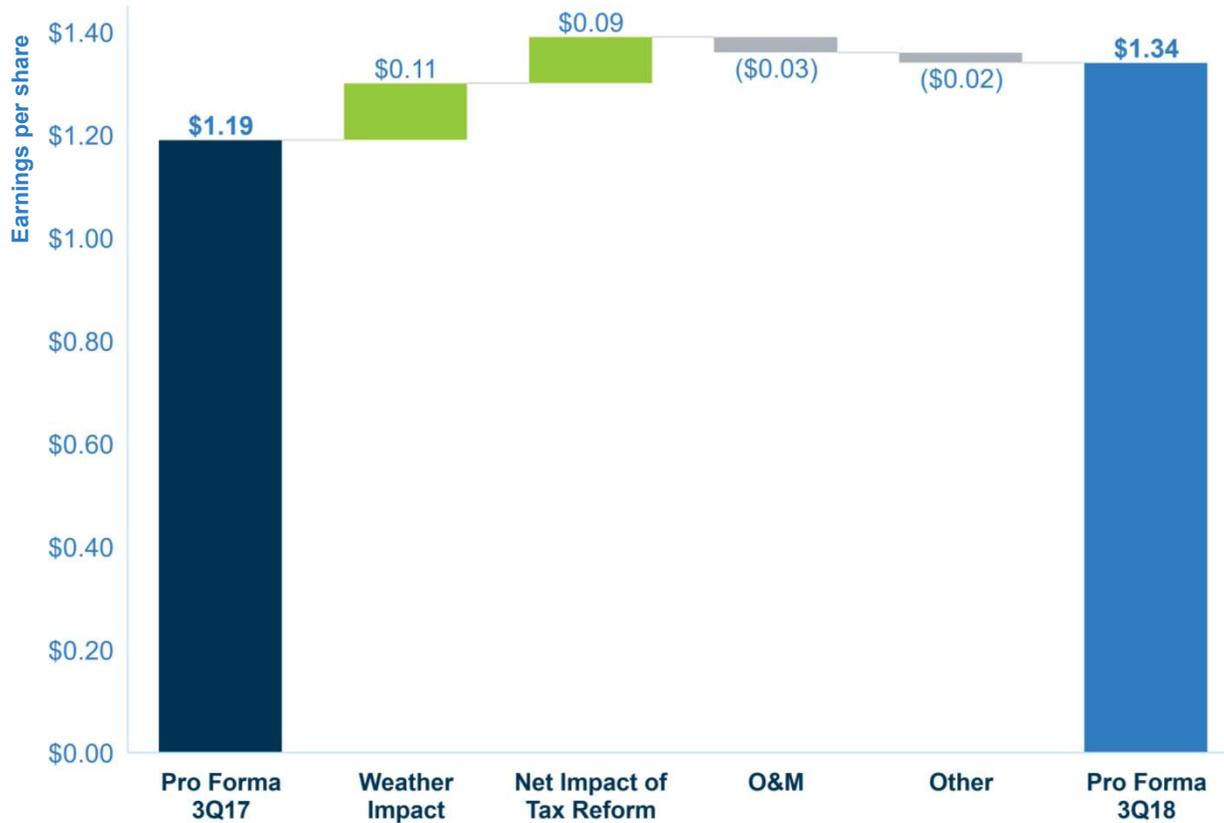
Financial Update

Tony Somma

EVP - CFO



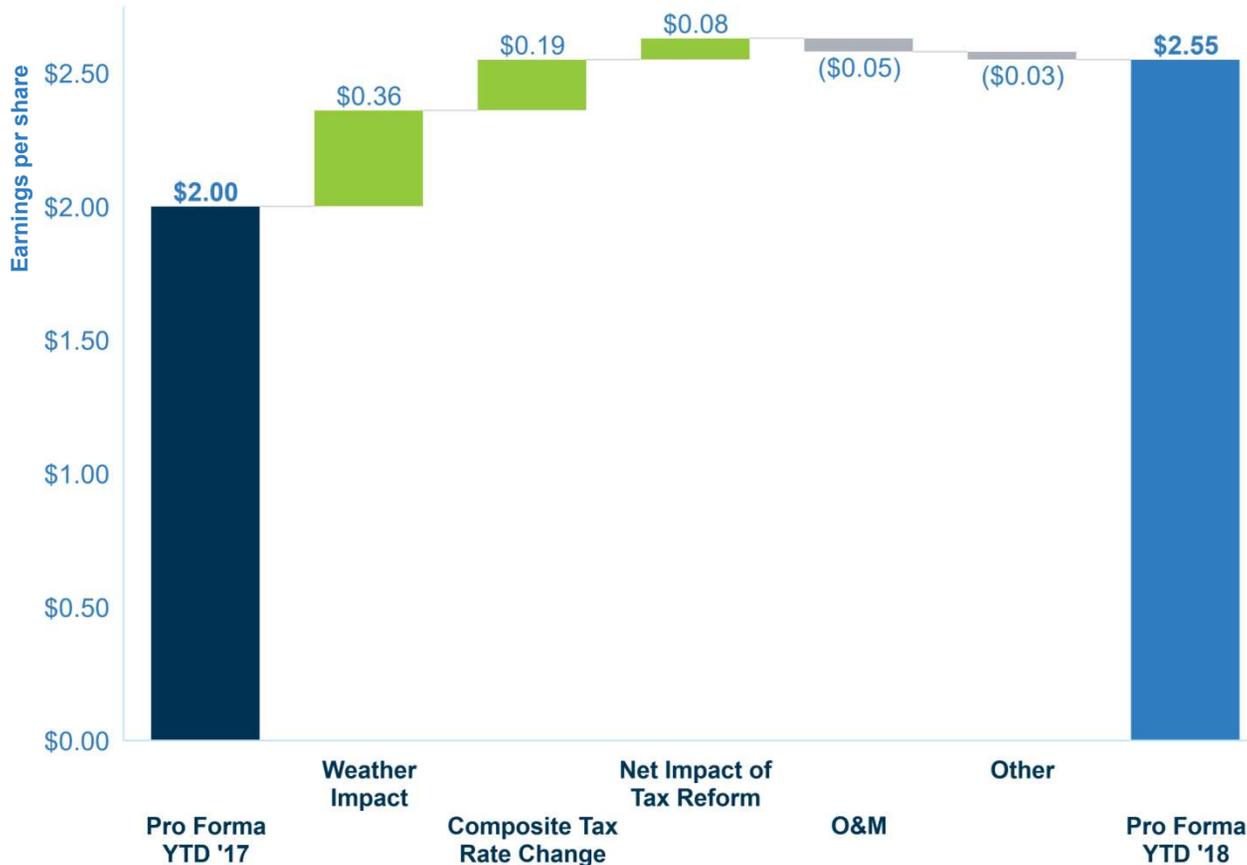
Pro Forma Third Quarter Results¹



Variance Drivers

- Increased sales due primarily to warmer weather
- Lower income tax expense net of tax refund obligation
- O&M includes \$16M, or \$(0.04), for voluntary severance expense
- Other includes
 - Higher depreciation expense
 - On-going annual bill credits in Kansas
 - Lower shares outstanding
- Pro Forma Shares
 - 3Q18: ~269M
 - 3Q17: ~272M

Pro Forma Year-to-date Results¹



Variance Drivers

- Increased sales due primarily to favorable weather
- Revaluation of Westar's deferred income taxes based on Evergy's composite tax rate
- Lower income tax expense net of tax refund obligation
- O&M includes \$16M, or \$(0.04), for voluntary severance expense and \$12M, or \$(0.03), of plant inventory write-offs
- Other includes
 - Higher depreciation expense
 - On-going annual bill credits in Kansas
- Pro Forma Shares
 - YTD18: ~272M
 - YTD17: ~272M



Recent Financing Activities

| Third Quarter 2018 Share Repurchases | | | |
|--------------------------------------|---|--|---|
| Month | Total Number of Shares Purchased ^(a) | Average Price Paid per Share (or Unit) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ^(a) |
| July | — | \$ — | N/A |
| August | 6,496,849 | (b) | 53,503,151 |
| September | 398,224 | 57.25 | 53,104,927 |
| Total | 6,895,073 | (b) | 53,104,927 |

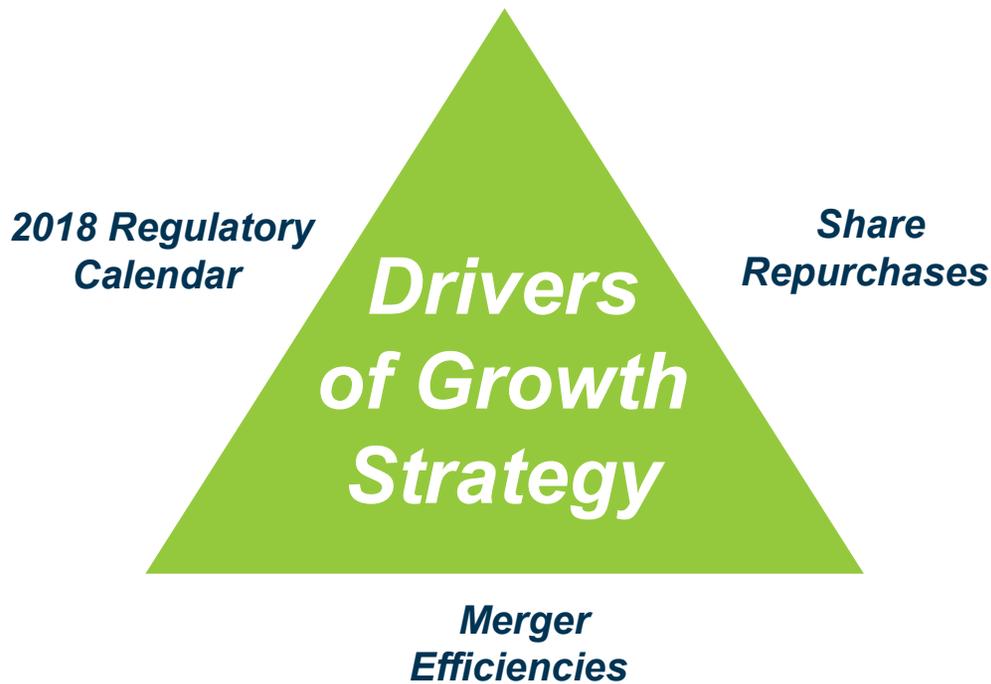
^(a) In July 2018, the Evergy Board authorized the repurchase of up to 60 million shares of Evergy's common stock with no expiration date. Evergy expects to repurchase the 60 million shares by mid-2020. See Note 15 to the consolidated financial statements for additional information on Evergy's common stock repurchase plan.

^(b) In August 2018, Evergy entered into two ASR agreements to purchase \$450.0 million of Evergy common stock and through which 6.3 million shares were delivered in August 2018, representing a partial settlement of the contracts. In October 2018, one of the ASR agreements was settled early at the option of the financial institution, which resulted in the delivery of 848,226 additional shares of Evergy common stock at no additional cost. The average price paid per share for shares delivered under this ASR was \$56.51. The final number of shares of Evergy common stock that will ultimately be delivered to Evergy under the remaining ASR, and therefore the average price paid per share, will be determined at the final settlement of the ASR in November 2018. In addition, Evergy repurchased 229,441 shares of common stock in the open market at an average price of \$57.35.

Highlights

- Entered into share repurchase agreements with financial institutions in August 2018
 - Repurchased ~6.9 million shares in third quarter 2018
 - Expect total repurchases of ~9.5 million shares by the end of November 2018
 - Expect to issue ~\$1.5 billion of holding company debt throughout duration of repurchase programs
- Executed \$2.5 billion master credit facility
 - \$250 million more capacity than previous facilities
 - Provides flexibility to optimize financing plans

Summary



Underpinned by projected dividend growth in line with EPS growth and a targeted payout ratio of 60% to 70%

Targeted EPS Growth¹



1. EPS growth based on Westar Energy 2016 actual EPS of \$2.43

Appendix





GAAP to Pro Forma

| | 3Q18 EPS | 3Q17 EPS | YTD 3Q18 EPS | YTD 3Q17 EPS |
|--|---------------|---------------|--------------------|--------------------|
| GAAP EPS¹ | \$1.32 | \$1.11 | \$2.61 | \$2.03 |
| Pro Forma Adjustments: | | | | |
| Non-recurring merger transaction costs | 0.02 | 0.02 | 0.27 | 0.03 |
| One-time bill credits | - | - | 0.16 | - |
| GXP GAAP earnings prior to merger | - | 0.01 | 0.35 | (0.16) |
| GXP shares prior to merger | - | (0.53) | (0.71) | (0.96) |
| Original merger financing and other | - | 0.58 | (0.13) | 1.06 |
| Pro Forma EPS² | \$1.34 | \$1.19 | \$2.55 | \$2.00 |

1. GAAP diluted shares outstanding: 3Q18 = ~269M; 3Q17 = ~143M; YTD 3Q18 = ~198M; YTD 3Q17 = ~143M

2. Pro forma diluted shares outstanding: 3Q18 = ~269M; 3Q17 = ~272M; YTD 3Q18 = ~272M; YTD 3Q17 = ~272M

Sales and Economy Update

Local economic climate remains strong

- ~3.2% unemployment rates across service territory remains below national average of 3.7%
- 30 quarters of consecutive customer growth
- Office vacancies continue to decline in KC metro

Steady growth in commercial and industrial sectors

- Expansion in KC Healthcare and Business Services
- Growth in the aircraft and metal fabrication segments in Kansas
- Absent one large, low-margin customer, industrials are up 1.2% YTD ending September 30, 2018 compared to same period last year

Unemployment Rates



Credit Ratings and Debt Profile

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

