

Evergy Announces 2019 Second Quarter Results; Reaffirms 2019 Earnings Guidance

- *GAAP EPS of \$0.57; Adjusted EPS (Non-GAAP) of \$0.58*
- *Declares quarterly dividend of \$0.475 per share*

KANSAS CITY, MO., August 7, 2019 – Evergy, Inc. (NYSE: EVRG) today announced second quarter 2019 earnings of \$140 million, or \$0.57 per share, compared with earnings of \$102 million, or \$0.56 per share, for the second quarter of 2018.

Evergy's adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) were \$140 million and \$0.58, respectively, in the second quarter of 2019 compared with \$179 million and \$0.67, respectively, in the second quarter of 2018. Adjusted earnings and adjusted earnings per share, which exclude certain merger-related costs and/or benefits, are reconciled to GAAP earnings in the financial table included in this release.

Second quarter earnings were driven by the inclusion of Kansas City Power and Light (KCP&L) and KCP&L Greater Missouri Operations (GMO) results in 2019, as well as lower operating expenses. These gains were offset by unfavorable weather and higher depreciation expense. Second quarter adjusted earnings (non-GAAP) were driven by unfavorable weather offset by lower operating expenses.

Evergy reaffirmed its guidance for 2019 adjusted earnings of \$2.80 to \$3.00 per share. A reconciliation of this guidance to GAAP guidance is included in the presentation that accompanies the earnings call.

“Evergy’s ability to execute its merger plan is reflected in our second quarter financial results.” said Terry Bassham, Evergy president and chief executive officer. “After a year operating as Evergy, our company is delivering on commitments made during the merger and providing the significant value for both customers and shareholders that was envisioned.”

Dividend Declaration

The Board of Directors declared a dividend on the Company’s common stock of \$0.475 per share payable September 20, 2019. The dividends are payable to shareholders of record as of August 30, 2019.

Earnings Conference Call

Evergy management will host a conference call Thursday, August 8, with the investment community at 10:00 a.m. ET (9:00 a.m. CT). Investors, media and the public may listen to the conference call by dialing (888) 353-7071, conference ID 3997919. A webcast of the live conference call will be available at www.evergyinc.com.



Members of the media are invited to listen to the conference call and then contact Gina Penzig with any follow-up questions.

This earnings announcement, a package of detailed second-quarter financial information, the Company's quarterly report on Form 10-Q for the period ended June 30, 2019 and other filings the Company has made with the Securities and Exchange Commission are available on the Company's website at www.evergyinc.com.

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

Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) exclude certain non-recurring costs and/or benefits resulting from rebranding, voluntary severance and the Great Plains Energy and Westar Energy merger. This information is intended to enhance an investor's overall understanding of results. Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) are used internally to measure performance against budget and in reports for management and the Evergy Board of Directors. Adjusted earnings (non-GAAP) and adjusted earnings per share (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 table provides a reconciliation between net income attributable to Evergy, Inc., diluted earnings per common share, pro forma net income attributable to Evergy, Inc. and pro forma diluted earnings per common share as determined in accordance with GAAP and adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP).



Evergy, Inc
Consolidated Earnings and Diluted Earnings Per Share
Three Months Ended June 30
(Unaudited)

	Earnings (Loss)		Earnings (Loss) per Diluted Share	
Three Months Ended June 30	2019		2018	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 139.7	\$ 0.57	\$ 101.8	\$ 0.56
Pro forma adjustments ^(a) :				
Great Plains Energy earnings prior to merger	—	—	59.4	0.22
Great Plains Energy shares prior to merger	n/a	—	n/a	(0.19)
Non-recurring merger costs and other	—	—	82.5	0.31
Pro forma net income attributable to Evergy, Inc.	\$ 139.7	\$ 0.57	\$ 243.7	\$ 0.90
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(b)	0.9	0.01	—	—
Voluntary severance costs, pre-tax ^(c)	(0.1)	—	—	—
Composite tax rate change ^(d)	—	—	(52.6)	(0.19)
Deferral of merger transition costs, pre-tax ^(e)	—	—	(28.5)	(0.10)
Inventory write-off at retiring generating units, pre-tax ^(f)	—	—	12.3	0.04
Income tax expense (benefit) ^(g)	(0.2)	—	4.2	0.02
Adjusted earnings (non-GAAP)	\$ 140.3	\$ 0.58	\$ 179.1	\$ 0.67

^(a) Reflects pro forma adjustments made in accordance with Article 11 of Regulation S-X and Accounting Standards Codification (ASC) 805 - *Business Combinations*. See Note 2 to the consolidated financial statements in the Evergy Companies' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 for further information regarding these adjustments.

^(b) Reflects external costs incurred to rebrand the legacy Westar Energy and KCP&L utility brands to Evergy and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

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

^(d) Reflects the revaluation of Westar Energy's deferred income tax assets and liabilities based on the Evergy composite tax rate as a result of the merger in June 2018 and are included in income tax expense on the consolidated statements of comprehensive income.

^(e) Reflects the portion of the \$47.8 million deferral of merger transition costs to a regulatory asset in June 2018 that related to costs incurred prior to 2018. The remaining merger transition costs included within the \$47.8 million deferral were both incurred and deferred in 2018 and did not impact earnings. This item is included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(f) Reflects obsolete inventory write-offs for Westar Energy's Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center and Units 1 and 2 at Gordon Evans Energy Center, which were committed to be retired upon the consummation of the merger, and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(g) Reflects an income tax effect calculated at a 26.1% statutory rate, with the exception of certain non-deductible items.



Evergy, Inc
Consolidated Earnings and Diluted Earnings Per Share
Year to Date June 30
(Unaudited)

Year to Date June 30	Earnings (Loss)		Earnings (Loss) per Diluted Share	
	2019		2018	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$	239.2	\$	0.96
	\$	162.3	\$	1.00
Pro forma adjustments ^(a) :				
Great Plains Energy earnings prior to merger		—		94.4
Great Plains Energy shares prior to merger		n/a		n/a
Non-recurring merger costs and other		—		78.9
Pro forma net income attributable to Evergy, Inc.	\$	239.2	\$	0.96
	\$	335.6	\$	1.23
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(b)		1.1		—
Voluntary severance costs, pre-tax ^(c)		14.7		0.06
Composite tax rate change ^(d)		—		(52.6)
Deferral of merger transition costs, pre-tax ^(e)		—		(28.5)
Inventory write-off at retiring generating units, pre-tax ^(f)		—		12.3
Income tax expense (benefit) ^(g)		(3.6)		(0.01)
Adjusted earnings (non-GAAP)	\$	251.4	\$	1.01
	\$	271.0	\$	1.00

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^(f) Reflects obsolete inventory write-offs for Westar Energy's Unit 7 at Tecumseh Energy Center, Units 3 and 4 at Murray Gill Energy Center and Units 1 and 2 at Gordon Evans Energy Center, which were committed to be retired upon the consummation of the merger, and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

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About Evergy

Evergy, Inc. (NYSE: EVRG), through its operating subsidiaries KCP&L and Westar Energy, provides clean, safe and reliable energy to 1.6 million customers in Kansas and Missouri. The 2018 combination of KCP&L and Westar Energy to form Evergy created a leading energy company that provides value to shareholders and a stronger company for customers.

Evergy's mission is to empower a better future. Today, about half the power supplied to homes and businesses by Evergy comes from emission-free sources, creating more reliable energy with less



impact to the environment. We will continue to innovate and adopt new technologies that give our customers better ways to manage their energy use.

For more information about Evergy, visit us at www.evergyinc.com.

Forward Looking Statements

Statements made in this press release 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 expected financial and operational benefits of the merger of Great Plains Energy Incorporated (Great Plains Energy) and Westar Energy that resulted in the creation of Evergy (including cost savings, operational efficiencies and the impact of the merger on earnings per share), cost estimates of capital projects, dividend growth, share repurchases, balance sheet and credit ratings, rebates to customers, the outcome of regulatory and legal proceedings, 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, Westar Energy and KCP&L 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 and any related impact on sales, prices and costs; prices and availability of electricity in wholesale markets; market perception of the energy industry, Evergy, Westar Energy and KCP&L; changes in business strategy or operations; the impact of unpredictable federal, state and local political, legislative, judicial and regulatory actions or developments, including, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates that Westar Energy and KCP&L (or other regulated subsidiaries of Evergy) can charge for electricity; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality; quality and waste management and disposal; changes in the energy trading markets in which Westar Energy and KCP&L participate, including retroactive repricing of transactions by regional transmission organizations and independent system operators; the impact of climate change, including reduced demand for coal-based energy because of actual or perceived climate impacts and the development of alternate energy sources; financial market conditions and performance, including 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; the transition to a replacement for the LIBOR benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including cyber terrorism; ability to carry out marketing and sales plans; weather conditions, including weather-related damage and the impact on sales, prices and costs; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; the inherent uncertainties in estimating the effects of weather, economic conditions, climate change 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 its transmission and distribution development plans and its transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including 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 from time to time in quarterly reports on Form 10-Q and annual reports on Form 10-K filed by Evergy, KCP&L and Westar Energy with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. Evergy, KCP&L and Westar Energy undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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