

Evergy, Inc.

Third Quarter 2023 Earnings

Released November 7, 2023

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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 September 30, 2023 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	2023	2022	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 675.1	\$ 746.6	\$ (71.5)	(9.6)
Commercial	528.6	583.7	(55.1)	(9.4)
Industrial	158.9	197.2	(38.3)	(19.4)
Other retail	11.6	(39.0)	50.6	(129.7)
Total electric retail	1,374.2	1,488.5	(114.3)	(7.7)
Wholesale	148.3	250.6	(102.3)	(40.8)
Transmission	101.9	101.3	0.6	0.6
Other	44.9	68.7	(23.8)	(34.6)
Total Revenues	1,669.3	1,909.1	(239.8)	(12.6)
OPERATING EXPENSES:				
Fuel and purchased power	478.4	643.0	(164.6)	(25.6)
SPP network transmission costs	75.4	81.6	(6.2)	(7.6)
Operating and maintenance	253.2	266.2	(13.0)	(4.9)
Depreciation and amortization	273.3	233.2	40.1	17.2
Taxes other than income tax	103.1	100.7	2.4	2.4
Sibley Unit 3 impairment loss	—	6.0	(6.0)	(100.0)
Total Operating Expenses	1,183.4	1,330.7	(147.3)	(11.1)
INCOME FROM OPERATIONS	485.9	578.4	(92.5)	(16.0)
OTHER INCOME (EXPENSE):				
Investment earnings	6.2	13.1	(6.9)	(52.7)
Other income	19.3	6.2	13.1	211.3
Other expense	(12.8)	(16.7)	3.9	(23.4)
Total Other Expense, Net	12.7	2.6	10.1	388.5
Interest expense	136.8	102.3	34.5	33.7
INCOME BEFORE INCOME TAXES	361.8	478.7	(116.9)	(24.4)
Income tax expense	8.8	49.5	(40.7)	(82.2)
Equity in earnings of equity method investees, net of income taxes	1.6	2.0	(0.4)	(20.0)
NET INCOME	354.6	431.2	(76.6)	(17.8)
Less: Net income attributable to noncontrolling interests	3.0	3.0	—	—
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 351.6	\$ 428.2	\$ (76.6)	(17.9)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 1.53	\$ 1.86	\$ (0.33)	(17.7)
Diluted earnings per common share	\$ 1.53	\$ 1.86	\$ (0.33)	(17.7)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	230.1	229.9	0.2	0.1
Diluted	230.5	230.6	(0.1)	—
Effective income tax rate	2.4 %	10.3 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Year to Date September 30	2023	2022	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 1,626.4	\$ 1,711.8	\$ (85.4)	(5.0)
Commercial	1,419.3	1,452.3	(33.0)	(2.3)
Industrial	475.3	517.6	(42.3)	(8.2)
Other retail	31.8	(20.2)	52.0	(257.4)
Total electric retail	3,552.8	3,661.5	(108.7)	(3.0)
Wholesale	301.8	382.0	(80.2)	(21.0)
Transmission	308.2	300.3	7.9	2.6
Other	157.5	235.7	(78.2)	(33.2)
Total Revenues	4,320.3	4,579.5	(259.2)	(5.7)
OPERATING EXPENSES:				
Fuel and purchased power	1,177.4	1,366.3	(188.9)	(13.8)
SPP network transmission costs	232.0	241.8	(9.8)	(4.1)
Operating and maintenance	697.1	801.2	(104.1)	(13.0)
Depreciation and amortization	806.1	694.3	111.8	16.1
Taxes other than income tax	305.9	302.9	3.0	1.0
Sibley Unit 3 impairment loss	—	6.0	(6.0)	(100.0)
Total Operating Expenses	3,218.5	3,412.5	(194.0)	(5.7)
INCOME FROM OPERATIONS	1,101.8	1,167.0	(65.2)	(5.6)
OTHER INCOME (EXPENSE):				
Investment earnings	22.0	2.6	19.4	746.2
Other income	34.1	20.3	13.8	68.0
Other expense	(55.1)	(64.5)	9.4	(14.6)
Total Other Income (Expense), Net	1.0	(41.6)	42.6	(102.4)
Interest expense	393.6	293.4	100.2	34.2
INCOME BEFORE INCOME TAXES	709.2	832.0	(122.8)	(14.8)
Income tax expense	32.0	83.1	(51.1)	(61.5)
Equity in earnings of equity method investees, net of income taxes	5.3	5.5	(0.2)	(3.6)
NET INCOME	682.5	754.4	(71.9)	(9.5)
Less: Net income attributable to noncontrolling interests	9.2	9.2	—	—
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 673.3	\$ 745.2	\$ (71.9)	(9.6)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 2.93	\$ 3.24	\$ (0.31)	(9.6)
Diluted earnings per common share	\$ 2.92	\$ 3.23	\$ (0.31)	(9.6)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	230.0	229.9	0.1	—
Diluted	230.5	230.5	—	—
Effective income tax rate	4.5 %	9.9 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30 2023	December 31 2022
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 41.0	\$ 25.2
Receivables, net of allowance for credit losses of \$21.5 and \$31.4, respectively	330.1	315.3
Accounts receivable pledged as collateral	395.0	359.0
Fuel inventory and supplies	739.9	672.9
Income taxes receivable	14.9	9.3
Regulatory assets	285.0	368.0
Prepaid expenses	52.0	47.8
Other assets	38.2	44.5
Total Current Assets	1,896.1	1,842.0
PROPERTY, PLANT AND EQUIPMENT, NET	23,141.4	22,136.5
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	135.4	140.7
OTHER ASSETS:		
Regulatory assets	1,845.6	1,846.3
Nuclear decommissioning trust fund	711.2	653.3
Goodwill	2,336.6	2,336.6
Other	549.7	534.5
Total Other Assets	5,443.1	5,370.7
TOTAL ASSETS	\$ 30,616.0	\$ 29,489.9

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30 2023	December 31 2022
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 889.4	\$ 439.1
Notes payable and commercial paper	2,178.4	1,332.3
Collateralized note payable	395.0	359.0
Accounts payable	418.0	600.8
Accrued taxes	339.9	163.0
Accrued interest	122.6	124.3
Regulatory liabilities	197.9	155.4
Asset retirement obligations	40.9	40.4
Accrued compensation and benefits	67.4	81.1
Other	160.2	198.4
Total Current Liabilities	4,809.7	3,493.8
LONG-TERM LIABILITIES:		
Long-term debt, net	9,297.6	9,905.7
Deferred income taxes	2,096.7	1,996.6
Unamortized investment tax credits	172.7	174.6
Regulatory liabilities	2,566.6	2,566.8
Pension and post-retirement liability	469.8	458.4
Asset retirement obligations	1,155.3	1,112.8
Other	279.8	287.9
Total Long-Term Liabilities	16,038.5	16,502.8
Commitments and Contingencies (See 10-Q Note 11)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 229,716,510 and 229,546,105 shares issued, stated value	7,231.5	7,219.7
Retained earnings	2,548.0	2,298.5
Accumulated other comprehensive loss	(30.5)	(34.5)
Total Evergy, Inc. Shareholders' Equity	9,749.0	9,483.7
Noncontrolling Interests	18.8	9.6
Total Equity	9,767.8	9,493.3
TOTAL LIABILITIES AND EQUITY	\$ 30,616.0	\$ 29,489.9

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

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

Year to Date September 30	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 682.5	\$ 754.4
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	806.1	694.3
Amortization of nuclear fuel	46.8	47.7
Amortization of deferred refueling outage	13.7	18.8
Amortization of corporate-owned life insurance	19.4	18.3
Non-cash compensation	14.0	15.2
Net deferred income taxes and credits	18.6	54.6
Allowance for equity funds used during construction	(6.6)	(18.3)
Payments for asset retirement obligations	(9.4)	(9.4)
Equity in earnings of equity method investees, net of income taxes	(5.3)	(5.5)
Income from corporate-owned life insurance	(26.2)	(1.2)
Other	1.0	0.9
Changes in working capital items:		
Accounts receivable	(7.2)	(127.8)
Accounts receivable pledged as collateral	(36.0)	(76.0)
Fuel inventory and supplies	(66.3)	(48.0)
Prepaid expenses and other current assets	105.9	16.1
Accounts payable	(194.2)	(142.6)
Accrued taxes	171.3	204.8
Other current liabilities	(68.2)	(43.2)
Changes in other assets	16.5	92.8
Changes in other liabilities	75.3	31.8
Cash Flows from Operating Activities	1,551.7	1,477.7
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(1,657.9)	(1,614.6)
Acquisition of Persimmon Creek, net of cash acquired	(217.9)	—
Purchase of securities - trusts	(30.7)	(28.5)
Sale of securities - trusts	22.8	22.3
Investment in corporate-owned life insurance	(15.4)	(15.5)
Proceeds from investment in corporate-owned life insurance	118.2	3.4
Other investing activities	(11.0)	7.8
Cash Flows used in Investing Activities	(1,791.9)	(1,625.1)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	344.7	62.9
Proceeds from Term Loan Facility	—	500.0
Collateralized short-term borrowings, net	36.0	76.0
Proceeds from long-term debt	690.3	246.9
Retirements of long-term debt	(350.0)	(387.5)
Borrowings against cash surrender value of corporate-owned life insurance	52.1	52.4
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(89.8)	(1.2)
Cash dividends paid	(422.0)	(394.1)
Other financing activities	(5.3)	(9.5)
Cash Flows from Financing Activities	256.0	145.9
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	15.8	(1.5)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	25.2	26.2
End of period	\$ 41.0	\$ 24.7

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Third Quarter 2023 vs. 2022

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2022 net income attributable to Eversource Energy, Inc.	\$ 428.2	\$ 1.86
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	(69.0)	A (0.30)
Operating and maintenance	13.0	B 0.06
Depreciation and amortization	(40.1)	C (0.17)
Taxes other than income tax	(2.4)	(0.01)
Sibley Unit 3 impairment loss	6.0	D 0.03
Other income, net	10.1	E 0.04
Interest expense	(34.5)	F (0.15)
Income tax expense	40.7	G 0.17
Equity in earnings of equity method investees, net of income taxes	(0.4)	—
Net income attributable to noncontrolling interests	—	—
Change in shares outstanding		—
2023 net income attributable to Eversource Energy, Inc.	\$ 351.6	\$ 1.53

^(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 at Eversource Energy Kansas Central in the third quarter of 2023 for future refund to customers of amounts previously collected from customers related to corporate-owned life insurance (COLI) rate credits - (\$96.5M); lower retail sales driven by unfavorable weather and lower weather-normalized commercial and industrial demand - (\$18.0M); a decrease due to mark-to-market losses related to forward contracts for natural gas and electricity entered into as economic hedges against fuel price volatility related to Eversource Energy Kansas Central's non-regulated 8% ownership share of Jeffrey Energy Center (JEC) - (\$17.1M); and a decrease in operating revenue related to non-regulated energy marketing activity at Eversource Energy Kansas Central - (\$3.8M); partially offset by the deferral of revenues in the third quarter of 2022 for the refund of amounts collected from customers since December 2018 for the return on investment of the retired Sibley Station - \$44.4M; and an increase from new Eversource Energy Metro and Eversource Energy Missouri West retail rates effective in January 2023 - \$22.0M.
- B Due primarily to a decrease in various administrative and general operating and maintenance expenses primarily due to lower regulatory amortizations at Eversource Energy Metro and Eversource Energy Missouri West as a result of their 2022 rate cases - \$7.5M; and a decrease in plant operating and maintenance expense at Wolf Creek at Eversource Energy Kansas Central and Eversource Energy Metro primarily due to lower refueling outage amortization and lower labor expense in 2023 - \$3.4M.
- C Due primarily to a change in depreciation rates and the rebasing of plant-in-service-accounting (PISA) depreciation deferrals as a result of Eversource Energy Metro's and Eversource Energy Missouri West's 2022 rate cases effective in January 2023 - (\$17.0M); and higher capital additions in 2023 - (\$23.1M).
- D Due to the recording of an impairment loss 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.
- E Due primarily to recording higher Eversource Energy Kansas Central COLI benefits in 2023 - \$17.0M; and lower pension non-service costs - \$3.7M; partially offset by 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).
- F 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 - (\$22.6M); the issuance of Eversource Energy Kansas Central's \$400.0M of 5.70% First Mortgage Bonds (FMBs) in March 2023- (\$5.7); and the issuance of Eversource Energy Missouri West's \$300.0M of 5.15% FMBs in December 2022 - (\$3.9M).
- G Due primarily to lower pre-tax income in the second quarter of 2023 - \$25.8M; higher amortization of excess deferred income taxes - \$9.3M; and higher wind and other income tax credits in the third quarter of 2023 - \$8.6M.

The Notes to the Unaudited Consolidated Financial Statements in Eversource Energy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

Evergy, Inc
Year Ended September 2023 vs. 2022

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2022 net income attributable to Evergy, Inc.	\$ 745.2	\$ 3.23
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	(60.5)	A (0.26)
Operating and maintenance	104.1	B 0.45
Depreciation and amortization	(111.8)	C (0.49)
Taxes other than income tax	(3.0)	(0.01)
Sibley Unit 3 impairment loss	6.0	D 0.03
Other expense, net	42.6	E 0.18
Interest expense	(100.2)	F (0.43)
Income tax expense	51.1	G 0.22
Equity in earnings of equity method investees, net of income taxes	(0.2)	—
Net income attributable to noncontrolling interests	—	—
Change in shares outstanding		—
2023 net income attributable to Evergy, Inc.	\$ 673.3	\$ 2.92

^(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 at Evergy Kansas Central in the third quarter of 2023 for future refund to customers of amounts previously collected from customers related to COLI rate credits - (\$96.5M); lower retail sales driven by unfavorable weather; partially offset by higher weather-normalized residential and commercial demand - (\$48.1M); a decrease due to mark-to-market 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 - (\$15.1M); a decrease in operating revenue related to non-regulated energy marketing activity at Evergy Kansas Central - (\$2.5M); partially offset by an increase from new Evergy Metro and Evergy Missouri West retail rates effective in January 2023 - \$55.6M; the deferral of revenues in the third quarter of 2022 for the refund of amounts collected from customers since December 2018 for the return on investment of the retired Sibley Station - \$38.2M; and an increase in transmission revenue primarily due to updated transmission costs reflected in Evergy Kansas Central's Federal Energy Regulatory Commission (FERC) transmission formula rate (TFR) effective in January 2023 and revised in March 2023 - \$7.9M.
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- B Due primarily to a decrease in administrative labor and employee benefits expenses primarily due to a decrease in employee headcount in 2023 - \$25.7M; a decrease in various administrative and general operating and maintenance expenses primarily due to lower regulatory amortizations at Evergy Metro and Evergy Missouri West as a result of their 2022 rate cases - \$17.6M; a decrease in plant operating and maintenance expense at fossil-fuel generating units primarily driven by major maintenance outages in 2022 at Evergy Kansas Central's JEC and Evergy Metro's Iatan Station Unit 1 and LaCygne Unit 2, partially offset by a major maintenance outage in 2023 at Evergy Metro's Hawthorn Station - \$15.5M; a decrease in transmission and distribution operating and maintenance expenses primarily at Evergy Kansas Central and Evergy Metro driven by lower labor expense, partially offset by costs primarily at Evergy Metro incurred from storms that occurred in July 2023 - \$11.6M; a decrease in plant operating and maintenance expense at Wolf Creek at Evergy Kansas Central and Evergy Metro primarily due to lower refueling outage amortization and lower labor expense in 2023 - \$10.3M; and advisor expenses incurred in 2022 associated with strategic planning - \$3.1M; partially offset by an increase due to a lower annual refund of nuclear insurance premiums received by Evergy Kansas Central and Evergy Metro in 2023 - (\$3.7M).
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- C Due primarily to a change in depreciation rates and the rebasing of PISA depreciation deferrals as a result of Evergy Metro's and Evergy Missouri West's 2022 rate cases effective in January 2023 - (\$54.7M); and higher capital additions in 2023 - (\$57.1M).
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- D Due to the recording of an impairment loss on Evergy Missouri West's regulatory asset for retired generation facilities related to Sibley Unit 3 in the third quarter of 2022 - \$6.0M.
-
- E Due primarily to recording higher Evergy Kansas Central COLI benefits in 2023 - \$24.8M; and higher investment earnings primarily driven by a loss from the sale of Evergy's equity investment in an early-stage energy solutions company in 2022 and net unrealized losses becoming net unrealized gains in Evergy Kansas Central's rabbit trust - \$19.4M; partially offset by lower equity allowance for funds used during construction (AFUDC) in 2023 - \$11.7M.
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- F Due primarily to higher short-term debt balances and weighted-average interest rates on short-term borrowings - (\$76.9M); the issuance of Evergy Kansas Central's \$400.0M of 5.70% FMBs in March 2023 - (\$12.5M); and the issuance of Evergy Missouri West's \$300.0M of 5.15% FMBs in December 2022 - (\$11.6M).
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- G Due primarily to lower pre-tax income in 2023 - \$27.1M; higher amortization of excess deferred income taxes - \$13.5M; higher wind and other income tax credits in 2023 - \$13.5M.

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 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	
	2023	2022	2023	2022	2023	2022	2023	2022
(Dollars in millions)								
Three Months Ended September 30								
Operating revenues	\$ 1,669.3	\$ 1,909.1	\$ 773.3	\$ 1,021.4	\$ 608.2	\$ 641.8	\$ 295.1	\$ 259.5
Fuel and purchased power	478.4	643.0	212.3	342.1	160.4	195.8	113.2	118.9
SPP network transmission costs	75.4	81.6	75.4	81.6	—	—	—	—
Operating and maintenance	253.2	266.2	123.9	135.1	81.5	76.0	45.2	52.3
Depreciation and amortization	273.3	233.2	133.2	121.6	104.1	84.8	37.1	28.0
Taxes other than income tax	103.1	100.7	54.9	54.9	34.7	32.9	13.6	12.7
Sibley Unit 3 impairment loss	—	6.0	—	—	—	—	—	6.0
Income from operations	485.9	578.4	173.6	286.1	227.5	252.3	86.0	41.6
Other income (expense), net	12.7	2.6	7.7	(9.5)	1.3	1.8	3.2	13.5
Interest expense	136.8	102.3	56.5	46.1	35.0	27.7	22.4	11.1
Income tax expense	8.8	49.5	(7.9)	15.5	23.7	33.2	9.8	6.3
Equity in earnings of equity method investees, net of income taxes	1.6	2.0	0.6	1.1	—	—	—	—
Net income	354.6	431.2	133.3	216.1	170.1	193.2	57.0	37.7
Less: net income attributable to noncontrolling interests	3.0	3.0	3.0	3.0	—	—	—	—
Net income attributable to controlling interest	\$ 351.6	\$ 428.2	\$ 130.3	\$ 213.1	\$ 170.1	\$ 193.2	\$ 57.0	\$ 37.7
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):								
Operating revenues	\$ 1,669.3	\$ 1,909.1	\$ 773.3	\$ 1,021.4	\$ 608.2	\$ 641.8	\$ 295.1	\$ 259.5
Fuel and purchased power	(478.4)	(643.0)	(212.3)	(342.1)	(160.4)	(195.8)	(113.2)	(118.9)
SPP network transmission costs	(75.4)	(81.6)	(75.4)	(81.6)	—	—	—	—
Operating and maintenance ^(a)	(131.3)	(138.8)	(58.4)	(67.0)	(54.8)	(50.8)	(17.9)	(21.0)
Depreciation and amortization	(273.3)	(233.2)	(133.2)	(121.6)	(104.1)	(84.8)	(37.1)	(28.0)
Taxes other than income tax	(103.1)	(100.7)	(54.9)	(54.9)	(34.7)	(32.9)	(13.6)	(12.7)
Gross margin (GAAP)	607.8	711.8	239.1	354.2	254.2	277.5	113.3	78.9
Operating and maintenance ^(a)	131.3	138.8	58.4	67.0	54.8	50.8	17.9	21.0
Depreciation and amortization	273.3	233.2	133.2	121.6	104.1	84.8	37.1	28.0
Taxes other than income tax	103.1	100.7	54.9	54.9	34.7	32.9	13.6	12.7
Utility gross margin (non-GAAP)	\$ 1,115.5	\$ 1,184.5	\$ 485.6	\$ 597.7	\$ 447.8	\$ 446.0	\$ 181.9	\$ 140.6
Revenues (Dollars in millions)								
Residential	\$ 675.1	\$ 746.6	\$ 262.9	\$ 343.1	\$ 259.9	\$ 255.9	\$ 152.3	\$ 147.6
Commercial	528.6	583.7	196.5	267.0	232.9	222.0	99.2	94.7
Industrial	158.9	197.2	93.4	134.0	37.2	36.6	28.3	26.6
Other retail revenues	11.6	(39.0)	5.7	4.6	3.4	3.0	2.5	(46.6)
Total electric retail	1,374.2	1,488.5	558.5	748.7	533.4	517.5	282.3	222.3
Wholesale revenues	148.3	250.6	106.3	156.9	43.4	81.4	6.0	26.2
Transmission	101.9	101.3	97.6	91.2	3.7	4.6	0.6	5.5
Other	44.9	68.7	10.9	24.6	27.7	38.3	6.2	5.5
Operating revenues	\$ 1,669.3	\$ 1,909.1	\$ 773.3	\$ 1,021.4	\$ 608.2	\$ 641.8	\$ 295.1	\$ 259.5
Electricity Sales (MWh in thousands)								
Residential	5,134	5,245	2,309	2,340	1,753	1,798	1,072	1,109
Commercial	5,212	5,277	2,184	2,215	2,056	2,091	973	971
Industrial	2,229	2,357	1,412	1,511	432	471	387	374
Other retail revenues	30	33	10	10	13	18	4	5
Total electric retail	12,605	12,912	5,915	6,076	4,254	4,378	2,436	2,459
Wholesale revenues	4,636	5,591	2,950	3,591	1,655	1,828	62	190
Total electricity sales	17,241	18,503	8,865	9,667	5,909	6,206	2,498	2,649

^(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

Financial Results	Evergy		Evergy Kansas Central		Evergy Metro		Evergy Missouri West	
	2023	2022	2023	2022	2023	2022	2023	2022
Year to Date September 30	2023	2022	2023	2022	2023	2022	2023	2022
	(Dollars in millions)							
Operating revenues	\$ 4,320.3	\$ 4,579.5	\$ 2,091.5	\$ 2,359.3	\$ 1,499.9	\$ 1,564.4	\$ 750.3	\$ 683.6
Fuel and purchased power	1,177.4	1,366.3	470.5	629.2	417.8	487.2	310.9	278.3
SPP network transmission costs	232.0	241.8	232.0	241.8	—	—	—	—
Operating and maintenance	697.1	801.2	347.1	402.3	213.6	240.8	128.6	147.5
Depreciation and amortization	806.1	694.3	386.0	361.9	311.9	252.2	111.7	83.7
Taxes other than income tax	305.9	302.9	165.1	163.3	100.4	100.0	40.3	39.5
Sibley Unit 3 impairment loss	—	6.0	—	—	—	—	—	6.0
Income from operations	1,101.8	1,167.0	490.8	560.8	456.2	484.2	158.8	128.6
Other income (expense), net	1.0	(41.6)	1.1	(26.9)	(11.6)	(11.3)	10.4	8.6
Interest expense	393.6	293.4	163.3	131.7	100.6	81.5	64.9	33.8
Income tax expense	32.0	83.1	3.6	23.5	42.3	55.2	8.0	16.5
Equity in earnings of equity method investees, net of income taxes	5.3	5.5	2.6	3.1	—	—	—	—
Net income	682.5	754.4	327.6	381.8	301.7	336.2	96.3	86.9
Less: net income attributable to noncontrolling interests	9.2	9.2	9.2	9.2	—	—	—	—
Net income attributable to controlling interest	\$ 673.3	\$ 745.2	\$ 318.4	\$ 372.6	\$ 301.7	\$ 336.2	\$ 96.3	\$ 86.9
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):								
Operating revenues	\$ 4,320.3	\$ 4,579.5	\$ 2,091.5	\$ 2,359.3	\$ 1,499.9	\$ 1,564.4	\$ 750.3	\$ 683.6
Fuel and purchased power	(1,177.4)	(1,366.3)	(470.5)	(629.2)	(417.8)	(487.2)	(310.9)	(278.3)
SPP network transmission costs	(232.0)	(241.8)	(232.0)	(241.8)	—	—	—	—
Operating and maintenance ^(a)	(370.6)	(411.2)	(171.6)	(200.5)	(146.9)	(154.2)	(51.6)	(56.1)
Depreciation and amortization	(806.1)	(694.3)	(386.0)	(361.9)	(311.9)	(252.2)	(111.7)	(83.7)
Taxes other than income tax	(305.9)	(302.9)	(165.1)	(163.3)	(100.4)	(100.0)	(40.3)	(39.5)
Gross margin (GAAP)	1,428.3	1,563.0	666.3	762.6	522.9	570.8	235.8	226.0
Operating and maintenance ^(a)	370.6	411.2	171.6	200.5	146.9	154.2	51.6	56.1
Depreciation and amortization	806.1	694.3	386.0	361.9	311.9	252.2	111.7	83.7
Taxes other than income tax	305.9	302.9	165.1	163.3	100.4	100.0	40.3	39.5
Utility gross margin (non-GAAP)	\$ 2,910.9	\$ 2,971.4	\$ 1,389.0	\$ 1,488.3	\$ 1,082.1	\$ 1,077.2	\$ 439.4	\$ 405.3
Revenues	(Dollars in millions)							
Residential	\$ 1,626.4	\$ 1,711.8	\$ 647.3	\$ 762.0	\$ 603.9	\$ 600.7	\$ 375.2	\$ 349.1
Commercial	1,419.3	1,452.3	555.3	625.9	606.1	589.7	257.9	236.7
Industrial	475.3	517.6	300.1	346.7	100.6	98.8	74.6	72.1
Other retail revenues	31.8	(20.2)	12.5	13.2	9.5	8.6	9.8	(42.0)
Total electric retail	3,552.8	3,661.5	1,515.2	1,747.8	1,320.1	1,297.8	717.5	615.9
Wholesale revenues	301.8	382.0	232.7	288.4	80.7	86.6	10.2	35.4
Transmission	308.2	300.3	294.8	269.8	10.8	14.4	2.6	16.1
Other	157.5	235.7	48.8	53.3	88.3	165.6	20.0	16.2
Operating revenues	\$ 4,320.3	\$ 4,579.5	\$ 2,091.5	\$ 2,359.3	\$ 1,499.9	\$ 1,564.4	\$ 750.3	\$ 683.6
Electricity Sales	(MWh in thousands)							
Residential	12,491	12,934	5,276	5,487	4,374	4,502	2,841	2,947
Commercial	13,961	13,921	5,683	5,615	5,648	5,700	2,631	2,605
Industrial	6,411	6,677	4,070	4,299	1,269	1,295	1,073	1,083
Other retail revenues	92	98	30	30	46	53	15	15
Total electric retail	32,955	33,630	15,059	15,431	11,337	11,550	6,560	6,650
Wholesale revenues	11,682	13,863	7,567	8,655	4,036	4,874	198	361
Total electricity sales	44,637	47,493	22,626	24,086	15,373	16,424	6,758	7,011

^(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	2023	2022/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,138	1,192	(54)	(4.5)
Actual compared to normal	1,138	1,032	106	10.3
Heating				
Actual compared to last year	1	18	(17)	(94.4)
Actual compared to normal	1	45	(44)	(97.8)

Evergy				
Year to Date September 30				
Degree Days	2023	2022/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,628	1,759	(131)	(7.4)
Actual compared to normal	1,628	1,478	150	10.1
Heating				
Actual compared to last year	2,633	3,030	(397)	(13.1)
Actual compared to normal	2,633	2,992	(359)	(12.0)

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 should be read in conjunction with this financial information.

Evergy, Inc.
Capitalization

	September 30, 2023		December 31, 2022	
	(dollars in millions, except per share amounts)			
Current maturities of long-term debt	\$ 889.4		\$ 439.1	
Long-term debt, net	9,297.6		9,905.7	
Total long-term debt	10,187.0	51.1 %	10,344.8	52.1 %
Common equity	9,749.0	48.9 %	9,483.7	47.9 %
Noncontrolling interests	18.8	— %	9.6	— %
Total capitalization	\$ 19,954.8	100.0 %	\$ 19,838.1	100.0 %
<hr/>				
GAAP Book value per share	\$ 42.44		\$ 41.32	
Period end shares outstanding	229,716,510		229,546,105	

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2023 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 aid 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, 2023 and 2022.

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

Management believes that adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are representative measures 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, 2022 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, 2023 were \$432.3 million or \$1.88 per share and \$754.5 million or \$3.27 per share, respectively. For the three months ended and year to date September 30, 2022, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$460.8 million or \$2.00 per share and \$785.2 million or \$3.41 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 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 2022 for future refunds to customers; iv.) the mark-to-market impacts of economic hedges related to Evergy Kansas Central's non-regulated 8% ownership share of JEC; v.) costs resulting from executive transition and advisor expenses; vi.) the transmission revenues collected from customers in 2022 through Evergy Kansas Central's FERC TFR to be refunded to customers in accordance with a December 2022 FERC order; vii.) the impairment loss on Sibley Unit 3; viii.) the second quarter 2023 deferral of the cumulative amount of prior year revenues collected since October 2019 for costs related to an electric subdivision rebate program to be refunded to customers in accordance with a June 2020 KCC order; and ix.) the deferral of revenues

for future refund of amounts previously collected from customers related to COLI rate credits in accordance with a September 2023 KCC rate case unanimous settlement agreement.

Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are intended to aid 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	2023		2022	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 351.6	\$ 1.53	\$ 428.2	\$ 1.86
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
Mark-to-market impact of JEC economic hedges, pre-tax ^(c)	6.8	0.03	(10.3)	(0.04)
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(d)	—	—	0.3	—
Executive transition costs, pre-tax ^(e)	—	—	0.7	—
Advisor expenses, pre-tax ^(f)	—	—	0.6	—
Sibley Unit 3 impairment loss, pre-tax ^(g)	—	—	6.0	0.03
TFR refund, pre-tax ⁽ⁱ⁾	—	—	(2.0)	(0.01)
Customer refund related to COLI rate credits, pre-tax ^(k)	96.5	0.42	—	—
Income tax benefit ^(l)	(22.6)	(0.10)	(9.2)	(0.04)
Adjusted earnings (non-GAAP)	\$ 432.3	\$ 1.88	\$ 460.8	\$ 2.00

Year to Date September 30	Earnings (Loss) per Diluted Share		Earnings (Loss) per Diluted Share	
	2023	2022	2023	2022
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 673.3	\$ 2.92	\$ 745.2	\$ 3.23
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)	—	—	38.2	0.17
Mark-to-market impact of JEC economic hedges, pre-tax ^(c)	4.8	0.02	(10.3)	(0.04)
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(d)	0.2	—	0.9	—
Executive transition costs, pre-tax ^(e)	—	—	0.7	—
Advisor expenses, pre-tax ^(f)	—	—	3.1	0.01
Sibley Unit 3 impairment loss, pre-tax ^(g)	—	—	6.0	0.03
Restricted equity investment losses, pre-tax ^(h)	—	—	16.3	0.07
TFR refund, pre-tax ⁽ⁱ⁾	—	—	(5.8)	(0.03)
Electric subdivision rebate program costs refund, pre-tax ^(j)	2.6	0.01	—	—
Customer refunds related to COLI rate credits, pre-tax ^(k)	96.5	0.42	—	—
Income tax benefit ^(l)	(22.9)	(0.10)	(11.2)	(0.04)
Adjusted earnings (non-GAAP)	\$ 754.5	\$ 3.27	\$ 785.2	\$ 3.41

^(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 and the 2022 deferral of the cumulative amount of revenues collected since December 2018 that 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 that 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 that 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 advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

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

^(h) Reflects losses related to equity investments which were subject to a restriction on sale that are included in investment earnings on the consolidated statements of comprehensive income.

⁽ⁱ⁾ Reflects transmission revenues collected from customers in 2022 through Evergy Kansas Central's FERC TFR to be refunded to customers in accordance with a December 2022 FERC order that are included in operating revenues on the consolidated statements of comprehensive income.

^(j) Reflects the deferral of the cumulative amount of prior year revenues collected since October 2019 for costs related to an electric subdivision rebate program to be refunded to customers in accordance with a June 2020 KCC order that are included in operating revenues on the consolidated statements of comprehensive income.

^(k) Reflects the deferral of revenues for future refund of amounts previously collected from customers related to COLI rate credits in accordance with a September 2023 KCC rate case unanimous settlement agreement reached between Evergy, the KCC staff and other intervenors that are included in operating revenues on the consolidated statements of comprehensive income.

^(l) Reflects an income tax effect calculated at a statutory rate of approximately 22%.