

Second Quarter 2022 Earnings Call

August 4, 2022





Important Information

Forward Looking Statements

Statements made in this document 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 Evergy's strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "could," "may," "seeks," "intends," "proposed," "projects," "planned," "target," "outlook," "remain confident," "goal," "will" or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. (collectively, the Evergy Companies) are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, securitization and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudence of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; the impact of climate change, including increased frequency and severity of significant weather events and the extent to which counterparties are willing to do business with, finance the operations of or purchase energy from the Evergy Companies due to the fact that the Evergy Companies operate coal-fired generation; prices and availability of electricity in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of the Coronavirus (COVID-19) pandemic on, among other things, sales, results of operations, financial condition, liquidity and cash flows, and also on operational issues, such as supply chain issues and the availability and ability of the Evergy Companies' employees and suppliers to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations (RTO) and independent system operators; 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 London Interbank Offered Rate (LIBOR) benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of physical and cybersecurity breaches, criminal activity, terrorist attacks, acts of war and other disruptions to the Evergy Companies' facilities or information technology infrastructure or the facilities and infrastructure of third-party service providers on which the Evergy Companies rely; ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and 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 those related to the Evergy Companies' ability to attract and retain qualified personnel, maintain satisfactory relationships with their labor unions and manage costs of, or changes in, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence Evergy's strategic plan, financial results or operations; the possibility that strategic initiatives, including mergers, acquisitions and divestitures, and long-term financial plans, may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. You should also carefully consider the information contained in our other filings with the Securities and Exchange Commission (SEC). Additional risks and uncertainties are discussed in the Annual Report on Form 10-K for the year ended December 31, 2021 filed by the Evergy Companies with the SEC, and from time to time in current reports on Form 8-K and quarterly reports on Form 10-Q filed by the Evergy Companies with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

Evergy uses adjusted earnings and adjusted earnings per share which are non-GAAP financial measures. A reconciliation of the non-GAAP measures to the most directly comparable GAAP measures are included in the appendix.



Agenda

David Campbell, President & CEO

- Second quarter highlights
- Integrated resource plan update
- Regulatory and legislative milestones

Kirk Andrews, EVP & CFO

- Second quarter results
- Retail sales and economic trends
- Financial outlook



Business Update

David Campbell

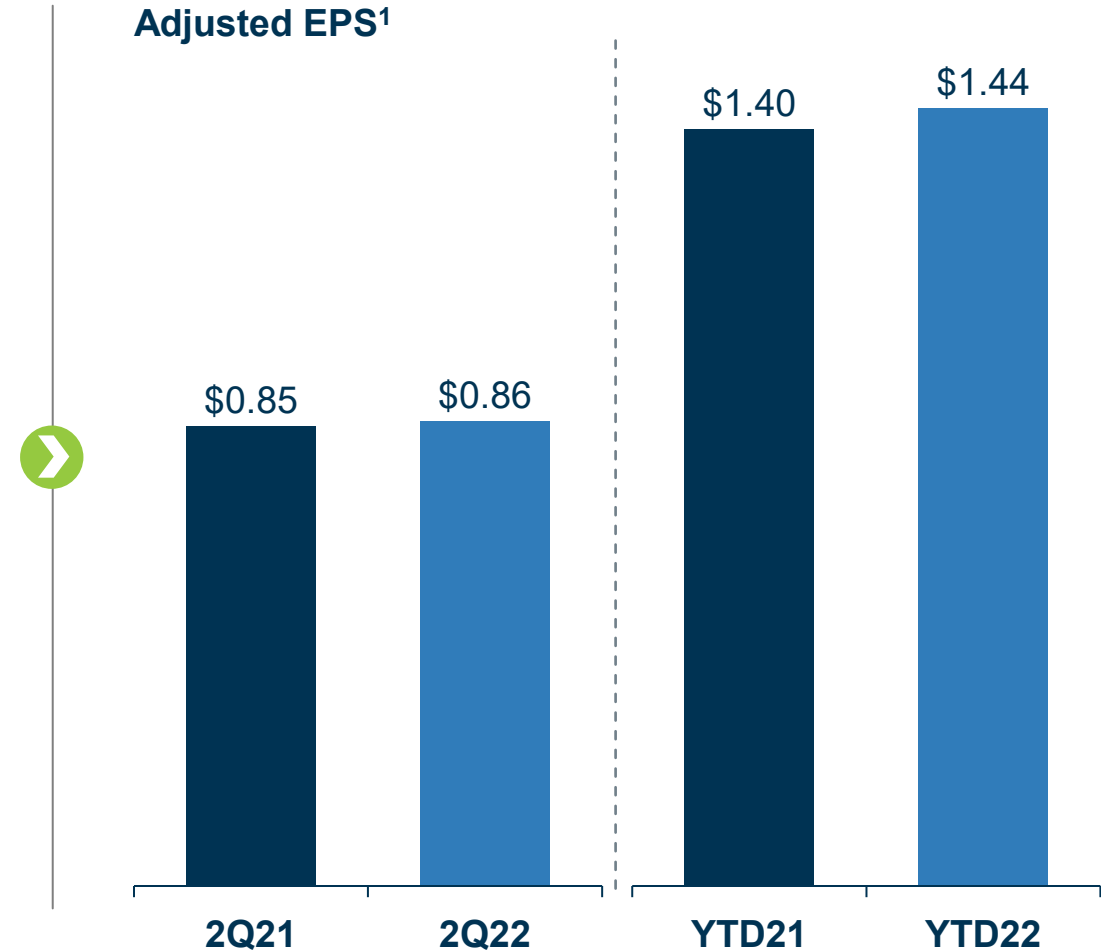
President & CEO



Second Quarter Highlights

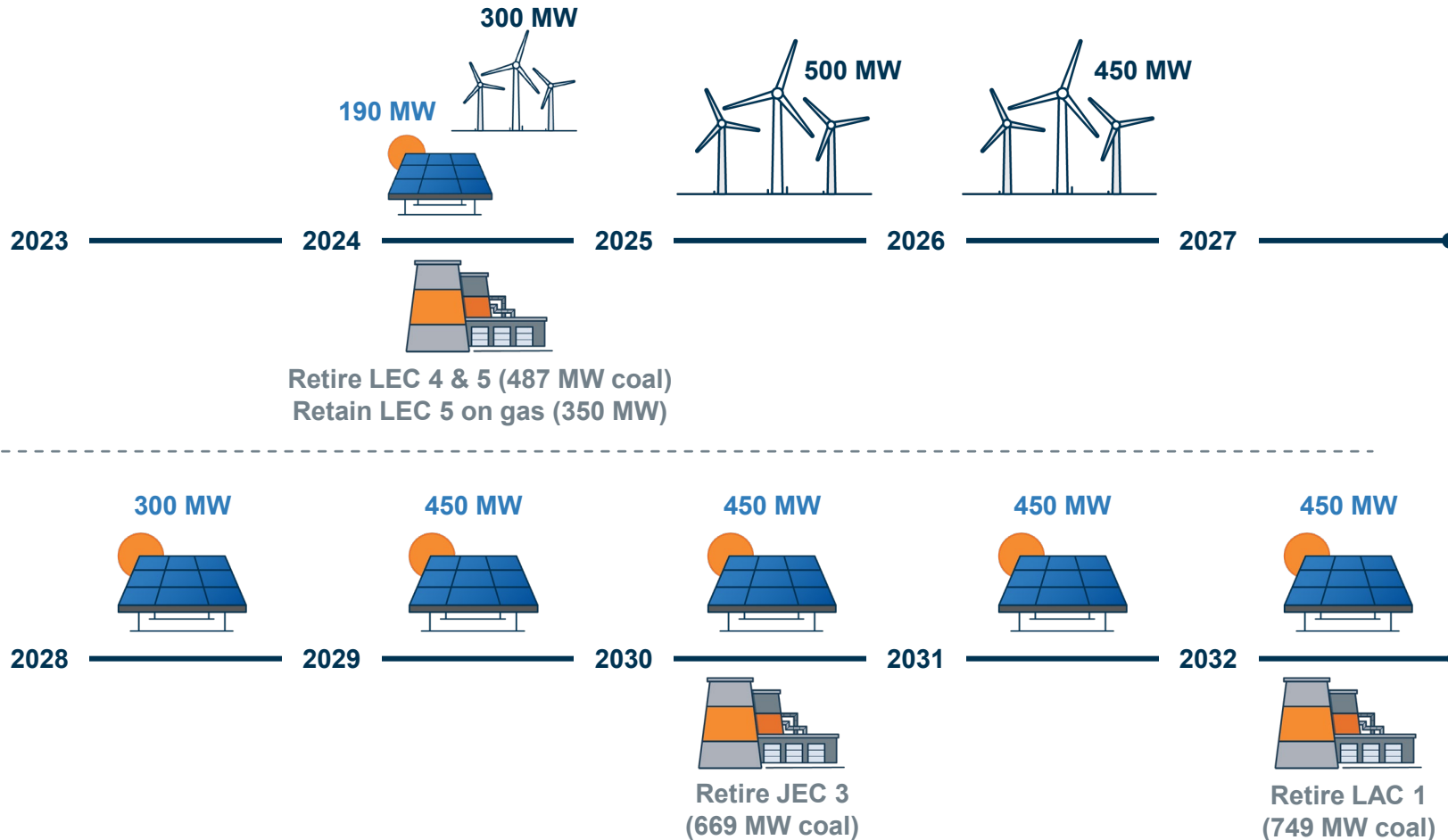
- **Second Quarter 2022 results**
 - GAAP EPS: \$0.84
 - Adjusted EPS¹ (Non-GAAP): \$0.86
- **Primary Earnings Drivers**
 - ↑ Sales
 - ↑ Transmission margin
 - ↓ O&M
 - ↓ Other income/expense
- **Solid operational execution**, including a 60% reduction in OSHA recordable safety events during 1H 2022 vs 1H 2021
- **Renewable milestone**: exceeded cumulative 100M MWh generated from renewable sources
- **Reaffirming guidance**: 2022 adjusted EPS of \$3.43 - \$3.63 and long-term target of 6% to 8% adjusted EPS CAGR² through 2025

Adjusted EPS¹



Solid second quarter; continuing track record of consistent execution

2022 Integrated Resource Plan Update



Preferred Plan Highlights

- Updated near-term renewables execution plan in response to supply chain pressures
- Shifted 190MW of solar and LEC coal retirement to 2024
- Shifted 2026 solar to wind and increased capacity
- Slight reduction to capacity due to modeling assumptions (immaterial to capital plan)

Consistent with Sept '21 Investor Day; resequencing to wind in 2026 with slight changes to capacity and pricing for 2026 – 2030 with immaterial impact on capital plan

Key Regulatory & Legislative Milestones

Missouri



- **Upcoming Missouri Rate Case Dates:** surrebuttal/true-up testimony August 16; settlement conference August 22; hearings August 29 – September 9; rates effective December 6
- **Winter Storm Uri:** seeking securitization of ~\$300M of costs for Missouri West; filed non-unanimous settlement resolving key issues with PSC Staff on August 1; procedural schedule calls for October 2022 financing order
- **PISA Extension | SB 745:** signed into law in June 2022. Modifies PISA cap from current all-in 3.0% CAGR to a 2.5% CAGR on PISA deferrals; adds property tax tracker effective August 2022; extends the law through 2028, with ability for Commission to approve extension to 2033
- **Triennial IRP:** filed April 2021; accepted March 2022; annual IRP update filed June 2022
- **Securitization | HB 734:** signed into law in July 2021. Authorizes securitization for extraordinary costs and for unrecovered book value of retired generation plants

Kansas



- **Preparing to file 2023 Kansas rate case:** Will file in April 2023, 8-month process, new rates effective December 2023 consistent with merger commitment
- **Winter Storm Uri cost recovery approval:** KCC approved non-unanimous stipulation & agreement. Recovery begins in April 2023 through the fuel clause rider
- **Securitization | HB 2072:** signed into law in April 2021. Authorizes securitization for extraordinary costs and for unrecovered book value of retired generation plants
- **STP Docket closed:** Information docket on Sustainability Transformation Plan closed in November 2021
- **Triennial IRP:** filed June 2021; accepted May 2022; annual IRP update filed June 2022

Continuing to advance constructive regulatory outcomes and enhanced regulatory frameworks to support infrastructure investment, economic development, and regional rate competitiveness

Financial Update

Kirk Andrews

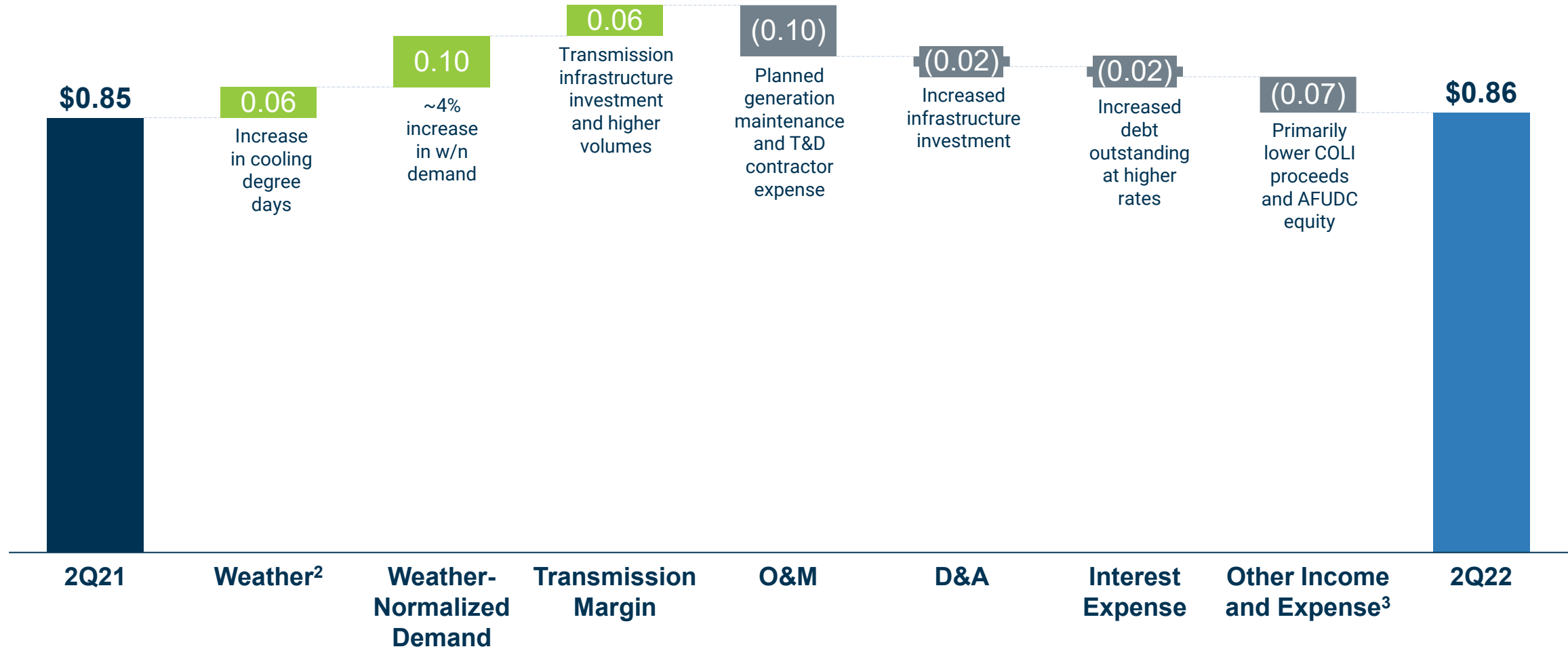
EVP & CFO





Second Quarter Adjusted EPS¹ Results

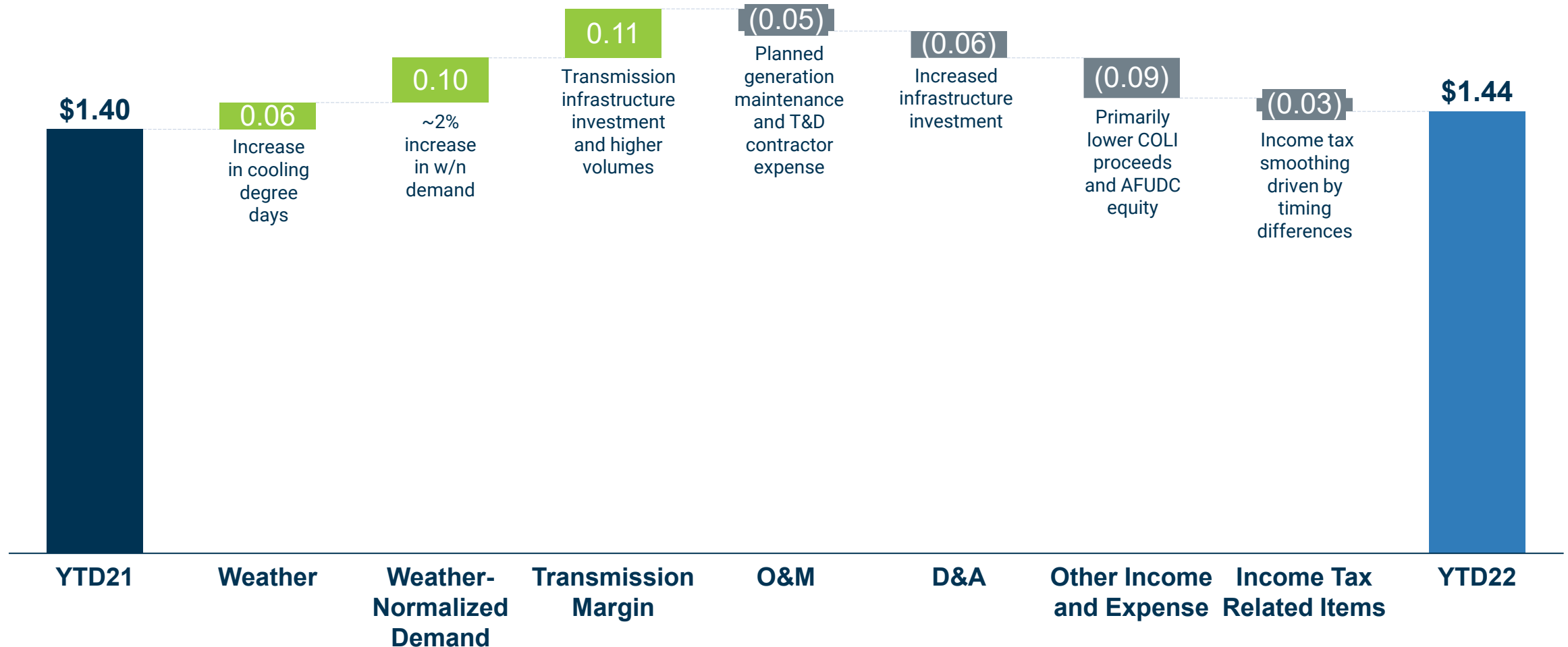
Adjusted EPS¹ Drivers





Year to Date Second Quarter Adjusted EPS¹ Results

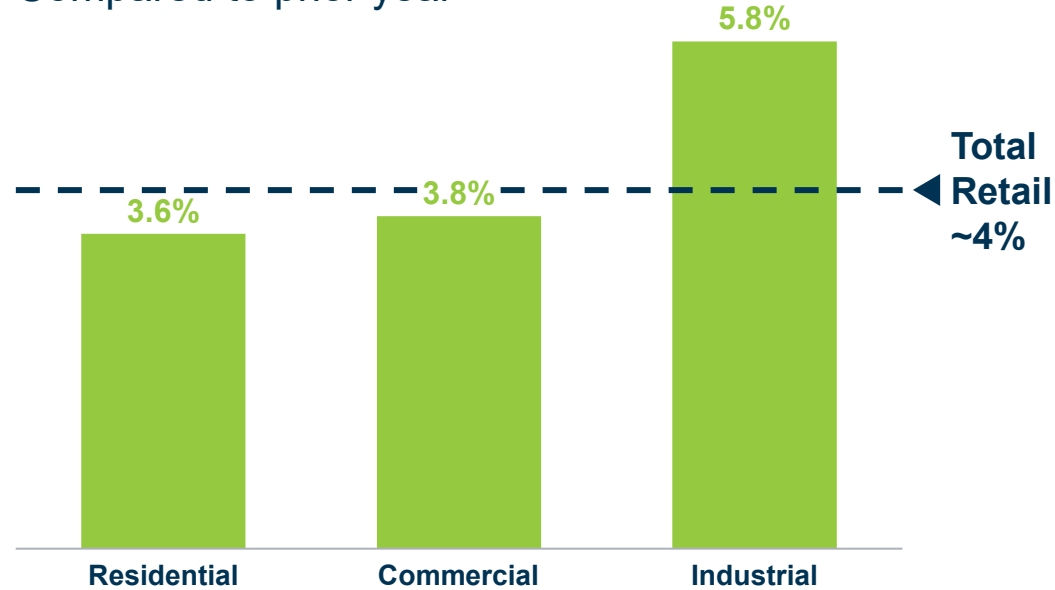
Adjusted EPS¹ Drivers



Retail Sales & Economic Trends

2Q22 Weather-Normalized Retail Sales Growth

Compared to prior year^{1,2}



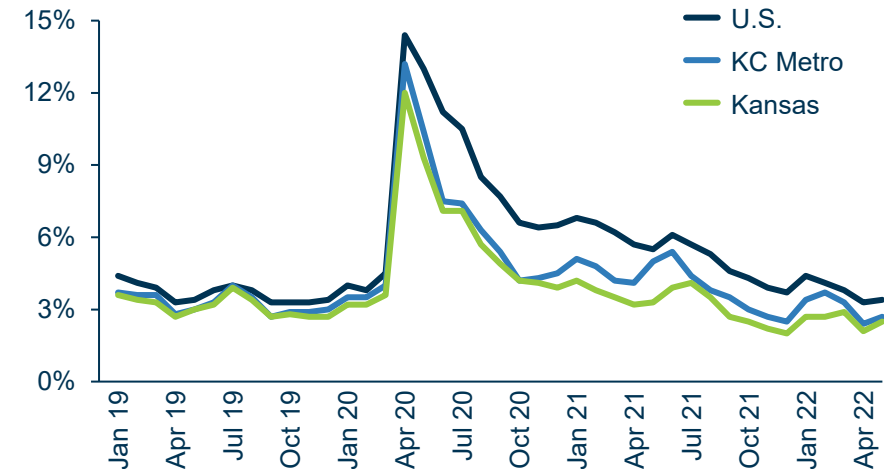
Year-to-date 2Q 2022 W/N total retail sales growth is ~2% compared to prior year

- Residential: 1.0%
- Commercial: 2.3%
- Industrial: 4.3%

Economic Development News

- In July, Panasonic chose Kansas for their lithium-ion battery manufacturing plant
- Will establish the Kansas City region at the forefront of EV battery manufacturing
- Projects up to \$4B investment and 4,000 permanent jobs

Unemployment Rate²



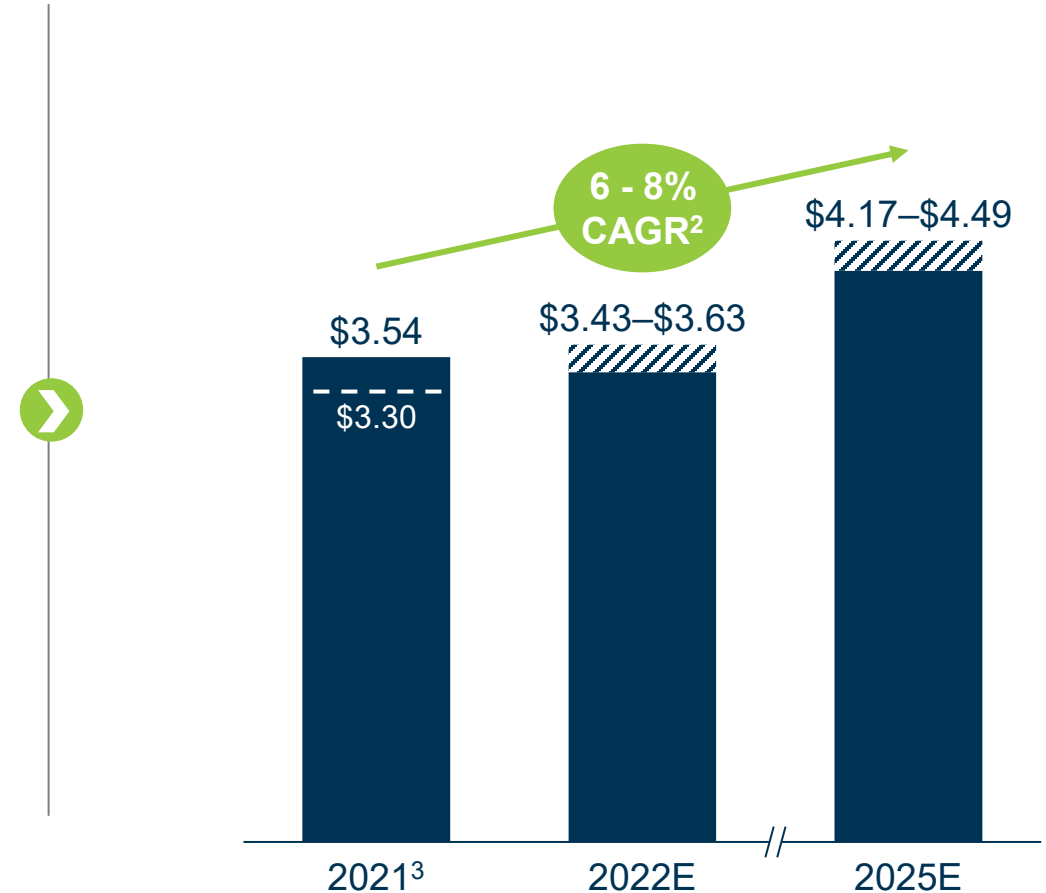
Kansas and Missouri economic trends remain healthy; total demand now above pre-pandemic levels



Maintaining Execution & Momentum

- Reaffirming adjusted EPS guidance¹
 - 2022 target: \$3.43 to \$3.63
 - 2021 to 2025E annualized growth target of 6% to 8%²
- Targeting dividend growth in line with long-term earnings growth
- Planning \$10.7B of infrastructure investment 2022E to 2026E
- Targeting annualized rate base growth of 5% to 6% 2021 to 2026E
- Focusing on affordability, reliability and sustainability for the benefit of our customers and communities

Targeted Adjusted EPS Growth¹



Well-positioned to deliver on our EPS and dividend growth targets

⁽¹⁾Adjusted EPS is a non-GAAP financial measure. See appendix for reconciliation to most comparable GAAP information. ⁽²⁾CAGR is calculated using \$3.30 mid-point of original 2021 adjusted EPS guidance and \$3.53 mid-point of 2022 adjusted EPS guidance. ⁽³⁾\$3.30 in 2021 represents mid-point of original 2021 adjusted EPS guidance range.



Q&A

Appendix





GAAP to Non-GAAP EPS Reconciliation

Adjusted EPS¹			
	Original 2021E	2022E	2025E
GAAP EPS – Guidance	\$3.14 - \$3.34	\$3.37 - \$3.57	\$4.17 - \$4.49
Executive transition expense, pre-tax	0.03	-	-
Advisor expense, pre-tax	0.05	0.01	-
Restricted equity investment losses, pre-tax	-	0.07	-
Income tax benefit	(0.02)	(0.02)	-
Adjusted EPS – Guidance (non-GAAP)	\$3.20 - \$3.40	\$3.43 - \$3.63	\$4.17 - \$4.49

⁽¹⁾Adjusted earnings and adjusted earnings per share guidance (non-GAAP) are financial measures that are not calculated in accordance with GAAP and may not be comparable to other companies' presentations of similarly-named measures. Adjusted earnings (Non-GAAP) and adjusted EPS (Non-GAAP) should be considered as supplemental in nature and not considered in isolation or as a substitute for GAAP information.



GAAP to Non-GAAP Reconciliation

	2022		2021	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
Three Months Ended June 30	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 194.5	\$ 0.84	\$ 185.3	\$ 0.81
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	—	—	1.5	0.01
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(b)	0.3	—	2.0	0.01
Executive transition costs, pre-tax ^(c)	—	—	1.8	0.01
Severance costs, pre-tax ^(d)	—	—	1.2	—
Advisor expenses, pre-tax ^(e)	2.5	0.01	5.7	0.02
Restricted equity investment losses, pre-tax ^(f)	2.1	0.01	—	—
Income tax benefit ^(g)	(1.0)	—	(2.4)	(0.01)
Adjusted earnings (non-GAAP)	\$ 198.4	\$ 0.86	\$ 195.1	\$ 0.85

- (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 non-regulated energy marketing incentive compensation costs related to the February 2021 winter weather event and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (c) 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.
- (d) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (e) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (f) Reflects losses related to equity investments which were subject to a restriction on sale and are included in investment earnings (loss) on the consolidated statements of comprehensive income.
- (g) Reflects an income tax effect calculated at a statutory rate of approximately 22%, with the exception of certain non-deductible items.



GAAP to Non-GAAP Reconciliation

Year to Date June 30	2022		2021	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
(millions, except per share amounts)				
Net income attributable to Evergy, Inc.	\$ 317.0	\$ 1.38	\$ 376.9	\$ 1.65
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	—	—	(95.0)	(0.42)
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(b)	0.6	—	4.0	0.02
Executive transition costs, pre-tax ^(c)	—	—	7.3	0.03
Severance costs, pre-tax ^(d)	—	—	2.8	0.01
Advisor expenses, pre-tax ^(e)	2.5	0.01	7.2	0.03
Restricted equity investment losses, pre-tax ^(f)	16.3	0.07	—	—
Income tax expense (benefit) ^(g)	(4.2)	(0.02)	17.3	0.08
Adjusted earnings (non-GAAP)	\$ 332.2	\$ 1.44	\$ 320.5	\$ 1.40

- (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 non-regulated energy marketing incentive compensation costs related to the February 2021 winter weather event and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (c) 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.
- (d) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (e) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (f) Reflects losses related to equity investments which were subject to a restriction on sale and are included in investment earnings (loss) on the consolidated statements of comprehensive income.
- (g) Reflects an income tax effect calculated at a statutory rate of approximately 22%, with the exception of certain non-deductible items.



GAAP to Non-GAAP Reconciliation

Year Ended December 31	Earnings (Loss) per Diluted Share	
	2021	
	(millions, except per share amounts)	
Net income attributable to Evergy, Inc.	\$ 879.7	\$ 3.83
Non-GAAP reconciling items:		
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	(94.5)	(0.41)
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(b)	7.9	0.03
Executive transition costs, pre-tax ^(c)	10.8	0.05
Severance costs, pre-tax ^(d)	2.8	0.01
Advisor expenses, pre-tax ^(e)	11.6	0.05
COVID-19 vaccine incentive, pre-tax ^(f)	1.2	0.01
Restricted equity investment gains, pre-tax ^(g)	(27.7)	(0.12)
Income tax expense (benefit) ^(h)	20.8	0.09
Kansas corporate income tax change ⁽ⁱ⁾	—	—
Adjusted earnings (non-GAAP)	\$ 812.6	\$ 3.54

- (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 non-regulated energy marketing incentive compensation costs related to the February 2021 winter weather event and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (c) Reflects costs associated with executive transition including inducement bonuses, severance agreements and other transition expenses of which \$10.5 million is included in operating and maintenance expense and \$0.3 million is included in other expense in 2021 on the consolidated statements of comprehensive income.
- (d) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (e) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (f) Reflects incentive compensation costs incurred associated with employees becoming fully vaccinated against COVID-19 and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- (g) Reflects gains related to equity investments which are subject to a restriction on sale and are included in investment earnings on the consolidated statements of comprehensive income.
- (h) Reflects an income tax effect calculated at a statutory rate of approximately 22% in 2021, with the exception of certain non-deductible items.
- (i) Reflects the revaluation of Evergy Kansas Central's, Evergy Metro's and Evergy Missouri West's deferred income tax assets and liabilities from the Kansas corporate income tax rate change and are included in income tax expense on the consolidated statements of comprehensive income.