

Evergy, Inc.

Fourth Quarter 2022 Earnings

Released February 24, 2023

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NOTE:

The Notes to the Consolidated Financial Statements in Evergy's, Evergy Kansas Central's and Evergy Metro's combined annual report on Form 10-K for the year ended December 31, 2022 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 December 31	2022	2021	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 456.4	\$ 384.4	\$ 72.0	18.7
Commercial	436.2	387.8	48.4	12.5
Industrial	168.6	147.4	21.2	14.4
Other retail	(11.9)	7.0	(18.9)	N/M
Total electric retail	<u>1,049.3</u>	926.6	122.7	13.2
Wholesale	127.9	54.7	73.2	133.8
Transmission	43.4	90.1	(46.7)	(51.8)
Other	59.0	50.7	8.3	16.4
Total Revenues	<u>1,279.6</u>	1,122.1	157.5	14.0
OPERATING EXPENSES:				
Fuel and purchased power	454.9	282.0	172.9	61.3
SPP network transmission costs	81.2	73.6	7.6	10.3
Operating and maintenance	284.1	306.9	(22.8)	(7.4)
Depreciation and amortization	235.1	226.9	8.2	3.6
Taxes other than income tax	95.2	91.5	3.7	4.0
Sibley Unit 3 impairment loss and other regulatory disallowances	28.9	—	28.9	N/M
Total Operating Expenses	<u>1,179.4</u>	980.9	169.6	17.3
INCOME FROM OPERATIONS	100.2	141.2	(12.1)	(8.6)
OTHER INCOME (EXPENSE):				
Investment earnings	6.8	41.1	(34.3)	(83.5)
Other income	9.6	9.4	0.2	2.1
Other expense	(32.8)	(28.5)	(4.3)	15.1
Total Other Income (Expense), Net	<u>(16.4)</u>	22.0	(38.4)	N/M
Interest expense	110.6	91.2	19.4	21.3
INCOME (LOSS) BEFORE INCOME TAXES	(26.8)	72.0	(69.9)	(97.1)
Income tax expense (benefit)	(35.6)	17.6	(53.2)	(302.3)
Equity in earnings of equity method investees, net of income taxes	1.8	2.1	(0.3)	(14.3)
NET INCOME	10.6	56.5	(17.0)	(30.1)
Less: Net income attributable to noncontrolling interests	3.1	3.1	—	—
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 7.5	\$ 53.4	\$ (17.0)	(31.8)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-K Note 1)				
Basic earnings per common share	\$ 0.03	\$ 0.23	\$ (0.20)	(87.0)
Diluted earnings per common share	\$ 0.03	\$ 0.23	\$ (0.20)	(87.0)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.9	229.7	0.2	0.1
Diluted	230.3	230.3	—	—
Effective income tax rate	142.3 %	23.8 %		

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Year Ended December 31	2022	2021	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 2,168.2	\$ 1,918.3	\$ 249.9	13.0
Commercial	1,888.5	1,681.3	207.2	12.3
Industrial	686.2	597.0	89.2	14.9
Other retail	(32.1)	33.1	(65.2)	N/M
Total electric retail	4,710.8	4,229.7	481.1	11.4
Wholesale	509.9	717.2	(207.3)	(28.9)
Transmission	343.7	356.8	(13.1)	(3.7)
Other	294.7	283.0	11.7	4.1
Total Revenues	5,859.1	5,586.7	272.4	4.9
OPERATING EXPENSES:				
Fuel and purchased power	1,821.2	1,557.0	264.2	17.0
SPP network transmission costs	323.0	290.4	32.6	11.2
Operating and maintenance	1,085.3	1,107.5	(22.2)	(2.0)
Depreciation and amortization	929.4	896.4	33.0	3.7
Taxes other than income tax	398.1	380.5	17.6	4.6
Sibley Unit 3 impairment loss and other regulatory disallowances	34.9	—	34.9	N/M
Total Operating Expenses	4,591.9	4,231.8	360.1	8.5
INCOME FROM OPERATIONS	1,267.2	1,354.9	(87.7)	(6.5)
OTHER INCOME (EXPENSE):				
Investment earnings	9.4	59.9	(50.5)	(84.3)
Other income	29.9	46.3	(16.4)	(35.4)
Other expense	(97.3)	(87.4)	(9.9)	11.3
Total Other Income (Expense), Net	(58.0)	18.8	(76.8)	N/M
Interest expense	404.0	372.6	31.4	8.4
INCOME BEFORE INCOME TAXES	805.2	1,001.1	(195.9)	(19.6)
Income tax expense	47.5	117.4	(69.9)	(59.5)
Equity in earnings of equity method investees, net of income taxes	7.3	8.2	(0.9)	(11.0)
NET INCOME	765.0	891.9	(126.9)	(14.2)
Less: Net income attributable to noncontrolling interests	12.3	12.2	0.1	0.8
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 752.7	\$ 879.7	\$ (127.0)	(14.4)
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-K Note 1)				
Basic earnings per common share	\$ 3.27	\$ 3.84	\$ (0.57)	(14.8)
Diluted earnings per common share	\$ 3.27	\$ 3.83	\$ (0.56)	(14.6)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	229.9	229.0	0.9	0.4
Diluted	230.3	229.6	0.7	0.3
Effective income tax rate	5.8 %	11.6 %		

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	December 31	
	2022	2021
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 25.2	\$ 26.2
Receivables, net of allowance for credit losses of \$31.4 and \$32.9, respectively	315.3	221.6
Accounts receivable pledged as collateral	359.0	319.0
Fuel inventory and supplies	672.9	566.7
Income taxes receivable	9.3	28.0
Regulatory assets	368.0	424.1
Prepaid expenses	47.8	49.3
Other assets	44.5	75.4
Total Current Assets	1,842.0	1,710.3
PROPERTY, PLANT AND EQUIPMENT, NET	22,136.5	21,002.6
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	140.7	147.8
OTHER ASSETS:		
Regulatory assets	1,846.3	1,991.1
Nuclear decommissioning trust fund	653.3	768.7
Goodwill	2,336.6	2,336.6
Other	534.5	563.4
Total Other Assets	5,370.7	5,659.8
TOTAL ASSETS	\$ 29,489.9	\$ 28,520.5

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

December 31

2022 **2021**

LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 439.1	\$ 389.3
Notes payable and commercial paper	1,332.3	1,159.3
Collateralized note payable	359.0	319.0
Accounts payable	600.8	639.7
Accrued taxes	163.0	150.4
Accrued interest	124.3	118.8
Regulatory liabilities	155.4	70.7
Asset retirement obligations	40.4	19.5
Accrued compensation and benefits	81.1	51.6
Other	198.4	184.6
Total Current Liabilities	3,493.8	3,102.9
LONG-TERM LIABILITIES:		
Long-term debt, net	9,905.7	9,297.9
Deferred income taxes	1,996.6	1,861.9
Unamortized investment tax credits	174.6	181.4
Regulatory liabilities	2,566.8	2,705.0
Pension and post-retirement liability	458.4	879.1
Asset retirement obligations	1,112.8	940.6
Other	287.9	310.0
Total Long-Term Liabilities	16,502.8	16,175.9
Commitments and Contingencies (See 10-K Note 15)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 229,546,105 and 229,299,900 shares issued, stated value	7,219.7	7,205.5
Retained earnings	2,298.5	2,082.9
Accumulated other comprehensive loss	(34.5)	(44.0)
Total Evergy, Inc. Shareholders' Equity	9,483.7	9,244.4
Noncontrolling Interests	9.6	(2.7)
Total Equity	9,493.3	9,241.7
TOTAL LIABILITIES AND EQUITY	\$ 29,489.9	\$ 28,520.5

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

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

Year Ended December 31	2022	2021
(millions)		
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 765.0	\$ 891.9
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	929.4	896.4
Amortization of nuclear fuel	55.5	51.4
Amortization of deferred refueling outage	22.3	25.1
Amortization of corporate-owned life insurance	25.0	24.1
Non-cash compensation	18.8	15.6
Net deferred income taxes and credits	7.3	102.2
Allowance for equity funds used during construction	(22.5)	(29.4)
Payments for asset retirement obligations	(13.0)	(22.6)
Equity in earnings of equity method investees, net of income taxes	(7.3)	(8.2)
Income from corporate-owned life insurance	(5.6)	(14.2)
Sibley Unit 3 impairment loss and other regulatory disallowances	34.9	—
Other	0.7	(13.8)
Changes in working capital items:		
Accounts receivable	(59.8)	69.9
Accounts receivable pledged as collateral	(40.0)	41.0
Fuel inventory and supplies	(105.6)	(61.6)
Prepaid expenses and other current assets	(3.1)	(299.8)
Accounts payable	2.1	(55.1)
Accrued taxes	32.2	41.4
Other current liabilities	0.8	(19.4)
Changes in other assets	81.0	(251.5)
Changes in other liabilities	83.8	(31.7)
Cash Flows from Operating Activities	1,801.9	1,351.7
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(2,166.5)	(1,972.5)
Purchase of securities - trusts	(50.5)	(158.2)
Sale of securities - trusts	27.3	115.7
Investment in corporate-owned life insurance	(16.5)	(14.2)
Proceeds from investment in corporate-owned life insurance	35.2	77.0
Other investing activities	18.8	38.4
Cash Flows used in Investing Activities	(2,152.2)	(1,913.8)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short-term debt, net	172.9	840.5
Proceeds from term loan facility	500.0	—
Collateralized short-term borrowings, net	40.0	(41.0)
Issuance of common stock	—	112.5
Proceeds from long-term debt	567.7	497.3
Retirements of long-term debt	(410.9)	(432.0)
Retirements of long-term debt of variable interest entities	—	(18.8)
Borrowings against cash surrender value of corporate-owned life insurance	53.5	54.4
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(28.0)	(62.3)
Cash dividends paid	(534.8)	(497.9)
Other financing activities	(11.1)	(9.3)
Cash Flows from (used in) Financing Activities	349.3	443.4
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1.0)	(118.7)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	26.2	144.9
End of period	\$ 25.2	\$ 26.2

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

Evergy, Inc
Fourth Quarter 2022 vs. 2021

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2021 net income attributable to Evergy, Inc.	\$ 53.4	\$ 0.23
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	(23.0) A	(0.10)
Operating and maintenance	22.8 B	0.10
Depreciation and amortization	(8.2) C	(0.04)
Taxes other than income tax	(3.7) D	(0.02)
Sibley Unit 3 impairment loss and other regulatory disallowances	(28.9) E	(0.13)
Other income, net	(38.4) F	(0.17)
Interest expense	(19.4) G	(0.08)
Income tax expense	53.2 H	0.24
Equity in earnings of equity method investees, net of income taxes	(0.3)	—
Net income attributable to noncontrolling interests	—	—
Change in shares outstanding		—
2022 net income attributable to Evergy, Inc.	\$ 7.5	\$ 0.03

^(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 a decrease in transmission revenues collected from Evergy Kansas Central's customers through its Federal Energy Regulatory Commission (FERC) transmission formula rate (TFR) which is to be refunded to customers in accordance with a December 2022 FERC order - (\$32.8M); a decrease in transmission revenues related to the amortization of excess deferred income taxes authorized by FERC in December 2022 and which is offset in income tax expense - (\$22.7M); and the deferral of revenues in 2022 for the refund of amounts collected from customers since December 2018 for the return on investment of the retired Sibley Station - (\$20.6M); partially offset by higher retail sales driven by favorable weather - \$38.3M; an increase in transmission revenue due to updated transmission costs reflected in Evergy Kansas Central's FERC TFR effective in January 2022 - \$9.0M; an increase due to the cessation of annual bill credits recorded by Evergy Kansas Central and Evergy Metro through January 2022 as a result of the expiration of conditions in the State Corporation Commission of the State of Kansas (KCC) order granting the 2018 merger of Evergy Kansas Central and Great Plains Energy - \$3.3M; and an increase due to higher revenues collected at Evergy Kansas Central and Evergy Metro related to property taxes which has a direct offset in taxes other than income tax - \$2.5M.
-
- B Due primarily to a decrease in credit loss expense at Evergy Metro and Evergy Missouri West primarily due to resuming collection activities for accounts with lower balances due - \$9.3M; a decrease in plant operating and maintenance expenses primarily at Evergy Kansas Central and Evergy Metro - \$5.9M; a decrease in transmission and distribution operating and maintenance expenses driven by higher contractor and vegetation management costs in 2022 - \$3.2M; a decrease in costs incurred in the fourth quarter of 2022 at Evergy Kansas Central related to non-regulated marketing margins recognized during the February 2021 winter weather event - \$1.6M; partially offset by an increase in voluntary severance expenses - (\$2.3M); and an increase in costs recorded in the fourth quarter of 2022 associated with executive transition, including inducement bonuses, severance agreements and other transition expenses - (\$1.3M).
-
- C Due primarily to higher capital additions at Evergy Kansas Central and Evergy Metro in 2022.
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- D Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values.
-
- E 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 fourth quarter of 2022 - (\$20.6M); and the recording of losses at Evergy Metro and Evergy Missouri West in accordance with the amended final rate order from the Public Service Commission of the State of Missouri (MPSC) in their 2022 rate cases which disallowed the recovery of costs associated with the replacement of certain electric meters - (\$8.2M).
-
- F Due primarily to an unrealized gain in the fourth quarter of 2021 due to the change in fair value related to Evergy's equity investment in an early-stage energy solutions company - (\$27.7M); and lower unrealized gains from various equity investments in the fourth quarter of 2022 - (\$4.0M).
-
- G 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 for Evergy, Inc., Evergy Kansas Central and Evergy Missouri West - (\$22.4M); partially offset by a decrease due to repayment of Evergy's \$287.5 million of 5.292% Senior Notes at maturity in June 2022 - \$3.8M.
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- H Due primarily to a decrease primarily driven by higher amortization of excess deferred income taxes authorized by FERC in December 2022 - \$24.0M; and lower pre-tax income in the fourth quarter of 2022 - \$21.2M.
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The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

Evergy, Inc
Year Ended December 2022 vs. 2021

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2021 net income attributable to Evergy, Inc.	\$ 879.7	\$ 3.83
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	(24.4) A	(0.11)
Operating and maintenance	22.2 B	0.10
Depreciation and amortization	(33.0) C	(0.14)
Taxes other than income tax	(17.6) D	(0.08)
Sibley Unit 3 impairment loss and other regulatory disallowances	(34.9) E	(0.15)
Other expense, net	(76.8) F	(0.33)
Interest expense	(31.4) G	(0.14)
Income tax expense	69.9 H	0.30
Equity in earnings of equity method investees, net of income taxes	(0.9)	—
Net income attributable to noncontrolling interests	(0.1)	—
Change in shares outstanding		(0.01)
2022 net income attributable to Evergy, Inc.	\$ 752.7	\$ 3.27

^(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 a decrease in non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - (\$96.6M); the deferral of revenues in 2022 for the refund of amounts collected from customers since December 2018 for the return on investment of the retired Sibley Station - (\$68.0M); a decrease in transmission revenues collected from Evergy Kansas Central's customers through its FERC TFR which is to be refunded to customers in accordance with a December 2022 FERC order - (\$32.8M); a decrease in transmission revenues related to the amortization of excess deferred income taxes authorized by FERC in December 2022 and which is offset in income tax expense - (\$22.7M); a reduction to Evergy Metro's operating revenues due to recording an estimated refund obligation to customers related to Evergy Metro's Earnings Review and Sharing Plan (ERSP) - (\$16.7M); and a net decrease due to other impacts from the February 2021 winter weather event - (\$1.4M); partially offset by higher retail sales driven by favorable weather and an increase in weather-normalized demand - \$138.2M; an increase in transmission revenue primarily due to updated transmission costs reflected in Evergy Kansas Central's FERC TFR effective in January 2022 - \$42.5M; an increase due to market gains 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 - \$11.2M; an increase due to higher revenues collected at Evergy Kansas Central and Evergy Metro related to property taxes and which has a direct offset in taxes other than income tax - \$11.0M; and an increase due to the cessation of annual bill credits recorded by Evergy Kansas Central and Evergy Metro through January 2022 as a result of the expiration of conditions in the KCC order granting the 2018 merger of Evergy Kansas Central and Great Plains Energy - \$10.9M.
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- B Due primarily to a decrease in credit loss expense at Evergy Metro and Evergy Missouri West primarily due to resuming collection activities for accounts with lower balances due - \$11.9M; a decrease in costs recorded in 2022 associated with executive transition, including inducement bonuses, severance agreements and other transition expenses - \$8.6M; a decrease in costs incurred in 2022 related to non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - \$6.6M; and a decrease in advisory expenses incurred in 2022 associated with strategic planning - \$6.2M; partially offset by an increase in transmission and distribution operating and maintenance expenses driven by higher contractor costs, engineering and environmental outside service fees and vegetation management costs in 2022 - (\$10.5M).
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- C Due primarily to higher capital additions at Evergy Kansas Central and Evergy Metro in 2022.
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- D Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values in 2022.
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- E 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 2022 - (\$26.7M); and the recording of losses at Evergy Metro and Evergy Missouri West in accordance with the amended final rate order from the MPSC in their 2022 rate cases which disallowed the recovery of costs associated with the replacement of certain electric meters - (\$8.2M).
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- F Due primarily to an unrealized gain in 2021 due to the change in fair value related to Evergy's equity investment in an early-stage energy solutions company - (\$27.7M); a realized loss related to this equity investment that was sold in 2022 through a share forward agreement - (\$16.3M); realized gains from the sale of various equity investments in 2021 - (\$14.0M); lower unrealized gains from various equity investments in 2022 - (\$9.9M); higher pension non-service costs at Evergy Kansas Central and Evergy Metro in 2022 - (\$7.3M); lower Evergy Kansas Central equity allowance for funds used during construction (AFUDC) - (\$6.4M); and other income recorded in 2021 related to contract termination fees - (\$6.1M); partially offset by carrying charges recorded by Evergy 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 - \$15.0M.
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- G Due primarily to higher short-term debt balances and weighted-average interest rates on short-term borrowings for Evergy, Inc., Evergy Kansas Central and Evergy Missouri West in 2022 - (\$42.3M); and an increase due to the issuance of Evergy Missouri West's \$250.0 million of 3.75% First Mortgage Bonds (FMBs) in March 2022 - (\$7.4M); partially offset by a decrease due to the repayment of Evergy's \$287.5 million of 5.292% Senior Notes at maturity in June 2022 - \$8.3M; and a decrease due to the repayment of Evergy Missouri West's \$80.9 million of 8.27% Senior Notes at maturity in November 2021 - \$5.8M.
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- H Due primarily to lower pre-tax income in 2022 - \$42.7M; and a decrease primarily due to higher amortization of excess deferred income taxes authorized by FERC in December 2022 - \$17.9M .
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The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

Eversource Energy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2022	2021	2022	2021	2022	2021	2022	2021
(Dollars in millions)								
Operating revenues	\$ 1,279.6	\$ 1,122.1	\$ 696.6	\$ 569.9	\$ 406.2	\$ 387.0	\$ 185.4	\$ 168.6
Fuel and purchased power	454.9	282.0	226.3	95.0	143.5	124.2	93.7	66.2
SPP network transmission costs	81.2	73.6	81.2	73.6	—	—	—	—
Operating and maintenance	284.1	306.9	134.0	142.9	93.6	103.3	51.8	54.6
Depreciation and amortization	235.1	226.9	122.7	118.1	85.6	82.7	28.0	27.3
Taxes other than income tax	95.2	91.5	53.2	50.7	30.0	29.0	11.8	11.6
Sibley Unit 3 impairment loss and other regulatory disallowances	28.9	—	—	—	5.5	—	23.3	—
Income from operations	100.2	141.2	79.2	89.6	48.0	47.8	(23.2)	8.9
Other income (expense), net	(16.4)	22.0	(2.1)	(5.2)	(4.5)	(3.5)	0.6	(1.5)
Interest expense	110.6	91.2	50.1	40.1	29.2	26.6	14.9	11.6
Income tax expense	(35.6)	17.6	(11.2)	6.0	(4.9)	8.7	(11.0)	(2.7)
Equity in earnings of equity method investees, net of income taxes	1.8	2.1	0.9	1.0	—	—	—	—
Net income	10.6	56.5	39.1	39.3	19.2	9.0	(26.5)	(1.5)
Less: net income attributable to noncontrolling interests	3.1	3.1	3.1	3.1	—	—	—	—
Net income attributable to controlling interest	7.5	53.4	36.0	36.2	19.2	9.0	(26.5)	(1.5)
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):								
Operating revenues	1,279.6	1,122.1	696.6	569.9	406.2	387.0	185.4	168.6
Fuel and purchased power	(454.9)	(282.0)	(226.3)	(95.0)	(143.5)	(124.2)	(93.7)	(66.2)
SPP network transmission costs	(81.2)	(73.6)	(81.2)	(73.6)	—	—	—	—
Operating and maintenance ^(a)	(131.4)	(147.0)	(61.1)	(69.8)	(49.5)	(56.4)	(20.7)	(20.6)
Depreciation and amortization	(235.1)	(226.9)	(122.7)	(118.1)	(85.6)	(82.7)	(28.0)	(27.3)
Taxes other than income tax	(95.2)	(91.5)	(53.2)	(50.7)	(30.0)	(29.0)	(11.8)	(11.6)
Gross margin (GAAP)	281.8	301.1	152.1	162.7	97.6	94.7	31.2	42.9
Operating and maintenance ^(a)	131.4	147.0	61.1	69.8	49.5	56.4	20.7	20.6
Depreciation and amortization	235.1	226.9	122.7	118.1	85.6	82.7	28.0	27.3
Taxes other than income tax	95.2	91.5	53.2	50.7	30.0	29.0	11.8	11.6
Utility gross margin (non-GAAP)	743.5	766.5	389.1	401.3	262.7	262.8	91.7	102.4
(Dollars in millions)								
Revenues								
Residential	456.4	384.4	218.1	166.8	145.7	141.3	92.6	76.3
Commercial	436.2	387.8	197.0	157.3	168.9	170.8	70.3	59.7
Industrial	168.6	147.4	119.0	98.7	28.2	30.1	21.4	18.6
Other retail revenues	(11.9)	7.0	4.7	4.2	2.9	1.5	(19.4)	1.3
Total electric retail	1,049.3	926.6	538.8	427.0	345.7	343.7	164.9	155.9
Wholesale revenues	127.9	54.7	101.5	50.4	25.3	5.3	9.6	2.6
Transmission	43.4	90.1	35.2	81.4	3.8	4.3	4.3	4.4
Other	59.0	50.7	21.1	11.1	31.4	33.7	6.6	5.7
Operating revenues	1,279.6	1,122.1	696.6	569.9	406.2	387.0	185.4	168.6
(MWh in thousands)								
Electricity Sales								
Residential	3,560	3,159	1,467	1,306	1,231	1,105	861	750
Commercial	4,255	4,121	1,681	1,645	1,764	1,714	811	762
Industrial	2,105	2,184	1,359	1,427	406	420	339	337
Other retail revenues	33	33	10	10	18	17	6	4
Total electric retail	9,953	9,497	4,517	4,388	3,419	3,256	2,017	1,853
Wholesale revenues	3,240	2,842	2,382	2,269	877	565	37	10
Total electricity sales	13,193	12,339	6,899	6,657	4,296	3,821	2,054	1,863

^(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	
	2022	2021	2022	2021	2022	2021	2022	2021
Year Ended December 31	2022	2021	2022	2021	2022	2021	2022	2021
	(Dollars in millions)							
Operating revenues	\$ 5,859.1	\$ 5,586.7	\$ 3,055.9	\$ 2,847.3	\$ 1,970.6	\$ 1,913.7	\$ 869.0	\$ 833.3
Fuel and purchased power	1,821.2	1,557.0	855.5	638.7	630.7	613.5	372.0	312.9
SPP network transmission costs	323.0	290.4	323.0	290.4	—	—	—	—
Operating and maintenance	1,085.3	1,107.5	536.3	530.8	334.4	365.4	199.3	195.2
Depreciation and amortization	929.4	896.4	484.6	467.2	337.8	321.0	111.7	112.9
Taxes other than income tax	398.1	380.5	216.5	203.9	130.0	126.2	51.3	50.2
Sibley Unit 3 impairment loss and other regulatory disallowances	34.9	—	—	—	5.5	—	29.3	—
Income from operations	1,267.2	1,354.9	640.0	716.3	532.2	487.6	105.4	162.1
Other income (expense), net	(58.0)	18.8	(29.0)	(7.6)	(15.8)	(13.1)	9.2	(8.8)
Interest expense	404.0	372.6	181.8	160.3	110.7	109.8	48.7	52.0
Income tax expense	47.5	117.4	12.3	51.7	50.3	52.4	5.5	14.2
Equity in earnings of equity method investees, net of income taxes	7.3	8.2	4.0	4.0	—	—	—	—
Net income	765.0	891.9	420.9	500.7	355.4	312.3	60.4	87.1
Less: net income attributable to noncontrolling interests	12.3	12.2	12.3	12.2	—	—	—	—
Net income attributable to controlling interest	752.7	879.7	408.6	488.5	355.4	312.3	60.4	87.1
Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):								
Operating revenues	5,859.1	5,586.7	3,055.9	2,847.3	1,970.6	1,913.7	869.0	833.3
Fuel and purchased power	(1,821.2)	(1,557.0)	(855.5)	(638.7)	(630.7)	(613.5)	(372.0)	(312.9)
SPP network transmission costs	(323.0)	(290.4)	(323.0)	(290.4)	—	—	—	—
Operating and maintenance ^(a)	(542.6)	(535.7)	(261.6)	(264.1)	(203.6)	(202.7)	(76.8)	(68.1)
Depreciation and amortization	(929.4)	(896.4)	(484.6)	(467.2)	(337.8)	(321.0)	(111.7)	(112.9)
Taxes other than income tax	(398.1)	(380.5)	(216.5)	(203.9)	(130.0)	(126.2)	(51.3)	(50.2)
Gross margin (GAAP)	1,844.8	1,926.7	914.7	983.0	668.5	650.3	257.2	289.2
Operating and maintenance ^(a)	542.6	535.7	261.6	264.1	203.6	202.7	76.8	68.1
Depreciation and amortization	929.4	896.4	484.6	467.2	337.8	321.0	111.7	112.9
Taxes other than income tax	398.1	380.5	216.5	203.9	130.0	126.2	51.3	50.2
Utility gross margin (non-GAAP)	3,714.9	3,739.3	1,877.4	1,918.2	1,339.9	1,300.2	497.0	520.4
Revenues	(Dollars in millions)							
Residential	2,168.2	1,918.3	980.1	824.1	746.4	691.9	441.7	402.3
Commercial	1,888.5	1,681.3	822.9	694.1	758.6	713.3	307.0	273.9
Industrial	686.2	597.0	465.7	391.7	127.0	122.0	93.5	83.3
Other retail revenues	(32.1)	33.1	17.9	17.1	11.5	9.2	(61.4)	6.8
Total electric retail	4,710.8	4,229.7	2,286.6	1,927.0	1,643.5	1,536.4	780.8	766.3
Wholesale revenues	509.9	717.2	389.9	453.1	111.9	242.6	45.0	29.6
Transmission	343.7	356.8	305.0	322.9	18.2	17.1	20.4	16.8
Other	294.7	283.0	74.4	144.3	197.0	117.6	22.8	20.6
Operating revenues	5,859.1	5,586.7	3,055.9	2,847.3	1,970.6	1,913.7	869.0	833.3
Electricity Sales	(MWh in thousands)							
Residential	16,494	15,715	6,954	6,565	5,733	5,517	3,808	3,634
Commercial	18,176	17,659	7,296	7,112	7,464	7,286	3,416	3,261
Industrial	8,782	8,608	5,658	5,533	1,701	1,669	1,422	1,406
Other retail revenues	131	131	40	40	71	70	21	20
Total electric retail	43,583	42,113	19,948	19,250	14,969	14,542	8,667	8,321
Wholesale revenues	17,103	15,916	11,037	10,175	5,751	5,523	398	223
Total electricity sales	60,686	58,029	30,985	29,425	20,720	20,065	9,065	8,544

^(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 December 31				
Degree Days	2022	2021/ Normal	Change	% Change
Cooling				
Actual compared to last year	57	42	15	35.7
Actual compared to normal	57	37	20	54.1
Heating				
Actual compared to last year	1,835	1,376	459	33.4
Actual compared to normal	1,835	1,855	(20)	(1.1)

Evergy				
Year Ended December 31				
Degree Days	2022	2021/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,816	1,692	124	7.3
Actual compared to normal	1,816	1,517	299	19.7
Heating				
Actual compared to last year	4,865	4,346	519	11.9
Actual compared to normal	4,865	4,843	22	0.5

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 should be read in conjunction with this financial information.

Evergy, Inc.
Capitalization

	December 31, 2022		December 31, 2021	
	(dollars in millions, except per share amounts)			
Current maturities of long-term debt	\$	439.1	\$	389.3
Long-term debt, net		9,905.7		9,297.9
Total long-term debt		10,344.8	52.2 %	9,687.2 51.2 %
Common equity		9,483.7	47.8 %	9,244.4 48.8 %
Noncontrolling interests		9.6	— %	(2.7) — %
Total capitalization	\$	19,838.1	100.0 %	\$ 18,928.9 100.0 %
GAAP Book value per share	\$	41.32	\$	40.32
Period end shares outstanding		229,546,105		229,299,900

The Notes to the Consolidated Financial Statements in Evergy's annual report on Form 10-K for the year ended December 31, 2022 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 Evergy's Board of Directors (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 10 and 11 for the reconciliation of utility gross margin (non-GAAP) to gross margin, the most comparable GAAP measure, for the three months ended and year ended December 31, 2022 and 2021.

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

Effective in the third quarter of 2022, the calculation of adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) excludes the revenues collected from customers for the return on investment of the retired Sibley Station in the current period and the 2022 deferral of the cumulative amount of revenues collected since December 2018 to be refunded to customers. Effective in the fourth quarter of 2022, the calculation of adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) excludes the transmission revenues collected from customers in the current period and the 2022 deferral of the cumulative amount of transmission revenues collected since 2018 through Evergy Kansas Central's FERC TFR to be refunded to customers as a result of a December 2022 FERC order. Management believes that this is a representative measure 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 2021 have been recast, as applicable, to conform to the current year presentation.

Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for 2022 were \$853.8 million or \$3.71 per share. For 2021, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$795.2 million or \$3.46 per share.

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 income or 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 the current period and the 2022 deferral of the cumulative amount of revenues collected since December 2018 for future refunds to customers; iv.) the estimated impairment loss on Sibley Unit 3 and other regulatory disallowances; v.) the mark-to-market impacts of economic hedges

related to Evergy Kansas Central's non-regulated 8% ownership share of Jeffrey Energy Center (JEC); vi.) the transmission revenues collected from customers through Evergy Kansas Central's FERC TFR to be refunded to customers in accordance with a December 2022 FERC order; and vii.) costs resulting from executive transition, severance, advisor expenses and COVID-19 vaccine incentives.

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) per Diluted Share		Earnings (Loss) per Diluted Share	
	Earnings (Loss)	Earnings (Loss)	Earnings (Loss)	Earnings (Loss)
Three Months Ended December 31	2022	2021	2022	2021
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 7.5	\$ 0.03	\$ 53.4	\$ 0.23
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	—	—	0.5	—
Sibley Station return on investment, pre-tax ^(b)	13.2	0.06	(3.1)	(0.01)
Mark-to-market impact of JEC economic hedges, pre-tax ^(c)	(0.9)	—	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(d)	0.4	—	2.0	0.01
Executive transition costs, pre-tax ^(e)	1.5	0.01	0.2	—
Severance costs, pre-tax ^(f)	2.3	0.01	—	—
Advisor expenses, pre-tax ^(g)	2.3	0.01	3.2	0.01
COVID-19 vaccine incentive, pre-tax ^(h)	—	—	1.2	0.01
Sibley impairment loss and other regulatory disallowances, pre-tax ⁽ⁱ⁾	28.9	0.13	—	—
Restricted equity investment (gains) losses, pre-tax ⁽ⁱ⁾	—	—	(27.7)	(0.12)
TFR refund, pre-tax ^(k)	30.8	0.13	(2.5)	(0.01)
Income tax expense (benefit) ^(l)	(17.4)	(0.08)	5.7	0.02
Adjusted earnings (non-GAAP)	\$ 68.6	\$ 0.30	\$ 32.9	\$ 0.14

Year Ended December 31	Earnings (Loss)		Earnings (Loss)	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
	2022		2021	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 752.7	\$ 3.27	\$ 879.7	\$ 3.83
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax ^(a)	2.1	0.01	(94.5)	(0.41)
Sibley Station return on investment, pre-tax ^(b)	51.4	0.22	(12.4)	(0.05)
Mark-to-market impact of JEC economic hedges, pre-tax ^(c)	(11.2)	(0.05)	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax ^(d)	1.3	0.01	7.9	0.03
Executive transition costs, pre-tax ^(e)	2.2	0.01	10.8	0.05
Severance costs, pre-tax ^(f)	2.3	0.01	2.8	0.01
Advisor expenses, pre-tax ^(g)	5.4	0.02	11.6	0.05
COVID-19 vaccine incentive, pre-tax ^(h)	—	—	1.2	0.01
Sibley impairment loss and other regulatory disallowances, pre-tax ⁽ⁱ⁾	34.9	0.15	—	—
Restricted equity investment losses (gains), pre-tax ^(j)	16.3	0.07	(27.7)	(0.12)
TFR refund, pre-tax ^(k)	25.0	0.11	(9.9)	(0.05)
Income tax (benefit) expense ^(l)	(28.6)	(0.12)	25.7	0.11
Adjusted earnings (non-GAAP)	853.8	\$ 3.71	795.2	\$ 3.46

^(a) Reflects non-regulated energy marketing margins related to the February 2021 winter weather event that 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 in the current period 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 that are included in operating and maintenance expense on the consolidated statements of comprehensive income.

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

^(g) Reflects advisor expenses incurred associated with strategic planning that are included in operating and maintenance expense on the consolidated statements of comprehensive income.

^(h) Reflects incentive compensation costs incurred associated with employees becoming fully vaccinated against COVID-19 that are included in operating and maintenance expense on the consolidated statements of comprehensive income.

⁽ⁱ⁾ Reflects the impairment loss on Sibley Unit 3 and costs related to certain meter replacements that were disallowed in the 2022 Evergy Metro and Evergy Missouri West rate cases that are included in Sibley Unit 3 impairment loss and other regulatory disallowances on the consolidated statements of comprehensive income.

^(j) Reflects (gains) 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.

^(k) Reflects transmission revenues collected from customers in the current period and the 2022 deferral of the cumulative amount of transmission revenues collected since 2018 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.

^(l) Reflects an income tax effect calculated at a statutory rate of approximately 22%, with the exception of certain non-deductible items.