

# Evergy, Inc.

## Third Quarter 2021 Earnings

Released November 3, 2021

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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, 2021 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)

<b>Three Months Ended September 30</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>	<b>% Change</b>
(millions, except per share amounts)				
<b>REVENUES:</b>				
Residential	\$ 677.4	\$ 636.4	\$ 41.0	6.4
Commercial	525.0	499.5	25.5	5.1
Industrial	166.0	166.8	(0.8)	(0.5)
Other retail	9.2	9.5	(0.3)	(3.2)
Total electric retail	1,377.6	1,312.2	65.4	5.0
Wholesale	105.0	85.0	20.0	23.5
Transmission	90.3	80.7	9.6	11.9
Other	43.6	39.7	3.9	9.8
Total Revenues	1,616.5	1,517.6	98.9	6.5
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	355.8	316.2	39.6	12.5
SPP network transmission costs	73.6	66.1	7.5	11.3
Operating and maintenance	265.2	304.6	(39.4)	(12.9)
Depreciation and amortization	225.0	218.0	7.0	3.2
Taxes other than income tax	96.2	91.0	5.2	5.7
Total Operating Expenses	1,015.8	995.9	19.9	2.0
<b>INCOME FROM OPERATIONS</b>	<b>600.7</b>	<b>521.7</b>	<b>79.0</b>	<b>15.1</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment earnings	8.8	1.7	7.1	N/M
Other income	11.0	7.1	3.9	N/M
Other expense	(19.2)	(20.1)	0.9	(4.5)
Total Other Income (Expense), Net	0.6	(11.3)	11.9	N/M
Interest expense	93.6	94.8	(1.2)	(1.3)
<b>INCOME BEFORE INCOME TAXES</b>	<b>507.7</b>	<b>415.6</b>	<b>92.1</b>	<b>22.2</b>
Income tax expense	57.2	50.0	7.2	14.4
Equity in earnings of equity method investees, net of income taxes	2.0	1.9	0.1	5.3
<b>NET INCOME</b>	<b>452.5</b>	<b>367.5</b>	<b>85.0</b>	<b>23.1</b>
Less: Net income attributable to noncontrolling interests	3.1	3.0	0.1	3.3
<b>NET INCOME ATTRIBUTABLE TO EVERGY, INC.</b>	<b>\$ 449.4</b>	<b>\$ 364.5</b>	<b>\$ 84.9</b>	<b>23.3</b>
<b>BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)</b>				
Basic earnings per common share	\$ 1.96	\$ 1.60	\$ 0.36	22.5
Diluted earnings per common share	\$ 1.95	\$ 1.60	\$ 0.35	21.9
<b>AVERAGE COMMON SHARES OUTSTANDING</b>				
Basic	229.7	227.3	2.4	1.1
Diluted	230.2	227.5	2.7	1.2
Effective income tax rate	11.2 %	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, 2021 should be read in conjunction with this financial information.

**EVERGY, INC.**  
**Consolidated Statements of Income**  
(Unaudited)

Year to Date September 30	2021	2020	Change	% Change
(millions, except per share amounts)				
<b>REVENUES:</b>				
Residential	\$ 1,533.9	\$ 1,515.6	\$ 18.3	1.2
Commercial	1,293.5	1,272.9	20.6	1.6
Industrial	449.6	446.7	2.9	0.6
Other retail	26.1	29.2	(3.1)	(10.6)
Total electric retail	3,303.1	3,264.4	38.7	1.2
Wholesale	662.5	195.8	466.7	238.4
Transmission	266.7	238.5	28.2	11.8
Other	232.3	120.3	112.0	93.1
Total Revenues	4,464.6	3,819.0	645.6	16.9
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	1,275.0	832.5	442.5	53.2
SPP network transmission costs	216.8	197.8	19.0	9.6
Operating and maintenance	800.6	865.5	(64.9)	(7.5)
Depreciation and amortization	669.5	658.1	11.4	1.7
Taxes other than income tax	289.0	274.2	14.8	5.4
Total Operating Expenses	3,250.9	2,828.1	422.8	14.9
<b>INCOME FROM OPERATIONS</b>	<b>1,213.7</b>	<b>990.9</b>	<b>222.8</b>	<b>22.5</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment earnings	18.8	4.0	14.8	N/M
Other income	36.9	17.0	19.9	N/M
Other expense	(58.9)	(57.7)	(1.2)	2.1
Total Other Expense, Net	(3.2)	(36.7)	33.5	N/M
Interest expense	281.4	290.5	(9.1)	(3.1)
<b>INCOME BEFORE INCOME TAXES</b>	<b>929.1</b>	<b>663.7</b>	<b>265.4</b>	<b>40.0</b>
Income tax expense	99.8	93.8	6.0	6.4
Equity in earnings of equity method investees, net of income taxes	6.1	6.1	—	—
<b>NET INCOME</b>	<b>835.4</b>	<b>576.0</b>	<b>259.4</b>	<b>45.0</b>
Less: Net income attributable to noncontrolling interests	9.1	8.7	0.4	4.6
<b>NET INCOME ATTRIBUTABLE TO EVERGY, INC.</b>	<b>\$ 826.3</b>	<b>\$ 567.3</b>	<b>\$ 259.0</b>	<b>45.7</b>
<b>BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)</b>				
Basic earnings per common share	\$ 3.61	\$ 2.50	\$ 1.11	44.4
Diluted earnings per common share	\$ 3.60	\$ 2.49	\$ 1.11	44.6
<b>AVERAGE COMMON SHARES OUTSTANDING</b>				
Basic	228.8	227.2	1.6	0.7
Diluted	229.3	227.5	1.8	0.8
Effective income tax rate	10.7 %	14.0 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

**EVERGY, INC.**  
**Consolidated Balance Sheets**  
(Unaudited)

	September 30 2021	December 31 2020
<b>ASSETS</b>	(millions, except share amounts)	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 25.3	\$ 144.9
Receivables, net of allowance for credit losses of \$19.0 and \$19.3, respectively	335.1	273.9
Accounts receivable pledged as collateral	395.0	360.0
Fuel inventory and supplies	545.0	504.5
Income taxes receivable	63.3	62.9
Regulatory assets	331.5	206.2
Prepaid expenses and other assets	106.6	71.9
Total Current Assets	<b>1,801.8</b>	1,624.3
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<b>20,603.9</b>	19,951.0
<b>PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET</b>	<b>149.6</b>	154.9
<b>OTHER ASSETS:</b>		
Regulatory assets	2,003.9	1,868.2
Nuclear decommissioning trust fund	732.0	652.1
Goodwill	2,336.6	2,336.6
Other	554.3	527.7
Total Other Assets	<b>5,626.8</b>	5,384.6
<b>TOTAL ASSETS</b>	<b>\$ 28,182.1</b>	\$ 27,114.8

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

**EVERGY, INC.**  
**Consolidated Balance Sheets**  
(Unaudited)

	September 30 2021	December 31 2020
<b>LIABILITIES AND EQUITY</b>	(millions, except share amounts)	
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term debt	\$ 471.4	\$ 436.4
Current maturities of long-term debt of variable interest entities	—	18.8
Notes payable and commercial paper	620.5	315.0
Collateralized note payable	395.0	360.0
Accounts payable	437.0	654.0
Accrued taxes	313.7	143.8
Accrued interest	118.4	123.4
Regulatory liabilities	73.1	26.1
Asset retirement obligations	26.5	40.2
Accrued compensation and benefits	50.9	55.5
Other	164.1	182.6
<b>Total Current Liabilities</b>	<b>2,670.6</b>	<b>2,355.8</b>
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt, net	9,297.3	9,190.9
Deferred income taxes	1,829.3	1,664.8
Unamortized investment tax credits	182.7	186.7
Regulatory liabilities	2,676.6	2,638.8
Pension and post-retirement liability	988.7	1,149.4
Asset retirement obligations	920.1	901.7
Other	304.8	308.2
<b>Total Long-Term Liabilities</b>	<b>16,199.5</b>	<b>16,040.5</b>
Commitments and Contingencies (See 10-Q Note 10)		
<b>EQUITY:</b>		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 229,301,079 and 226,836,670 shares issued, stated value	7,201.8	7,080.0
Retained earnings	2,161.3	1,702.8
Accumulated other comprehensive loss	(45.3)	(49.4)
<b>Total Evergy, Inc. Shareholders' Equity</b>	<b>9,317.8</b>	<b>8,733.4</b>
Noncontrolling Interests	(5.8)	(14.9)
<b>Total Equity</b>	<b>9,312.0</b>	<b>8,718.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 28,182.1</b>	<b>\$ 27,114.8</b>

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

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

<b>Year to Date September 30</b>	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</b>	(millions)	
Net income	\$ 835.4	\$ 576.0
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	669.5	658.1
Amortization of nuclear fuel	35.7	43.8
Amortization of deferred refueling outage	18.8	19.1
Amortization of corporate-owned life insurance	18.5	14.8
Non-cash compensation	11.4	12.1
Net deferred income taxes and credits	98.6	136.5
Allowance for equity funds used during construction	(20.8)	(9.9)
Payments for asset retirement obligations	(10.0)	(11.0)
Equity in earnings of equity method investees, net of income taxes	(6.1)	(6.1)
Income from corporate-owned life insurance	(13.7)	(6.8)
Other	(4.5)	0.7
Changes in working capital items:		
Accounts receivable	(39.6)	(68.6)
Accounts receivable pledged as collateral	(35.0)	(56.0)
Fuel inventory and supplies	(40.0)	(30.0)
Prepaid expenses and other current assets	(167.9)	20.9
Accounts payable	(206.8)	(87.5)
Accrued taxes	169.5	192.3
Other current liabilities	(14.1)	(43.9)
Changes in other assets	(308.7)	88.4
Changes in other liabilities	45.8	(21.2)
Cash Flows from Operating Activities	<b>1,036.0</b>	<b>1,421.7</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(1,394.7)	(1,058.1)
Purchase of securities - trusts	(108.4)	(50.3)
Sale of securities - trusts	95.3	44.2
Investment in corporate-owned life insurance	(13.5)	(16.4)
Proceeds from investment in corporate-owned life insurance	76.3	60.6
Other investing activities	(4.1)	(9.9)
Cash Flows used in Investing Activities	<b>(1,349.1)</b>	<b>(1,029.9)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>		
Short-term debt, net	301.6	(361.9)
Collateralized short-term borrowings, net	35.0	56.0
Issuance of common stock	112.5	—
Proceeds from long-term debt	497.3	889.3
Retirements of long-term debt	(351.1)	(251.1)
Retirements of long-term debt of variable interest entities	(18.8)	(32.3)
Borrowings against cash surrender value of corporate-owned life insurance	53.1	54.5
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(62.1)	(52.5)
Cash dividends paid	(366.7)	(343.6)
Other financing activities	(7.3)	(11.8)
Cash Flows from (used in) Financing Activities	<b>193.5</b>	<b>(53.4)</b>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(119.6)</b>	<b>338.4</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH:</b>		
Beginning of period	144.9	23.2
End of period	\$ 25.3	\$ 361.6

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

Eversource Energy, Inc.  
Third Quarter 2021 vs. 2020

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2020 net income attributable to Eversource Energy, Inc.	\$ 364.5	\$ 1.60
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin <sup>(a)</sup>	51.8	A 0.23
Operating and maintenance	39.4	B 0.17
Depreciation and amortization	(7.0)	C (0.03)
Taxes other than income tax	(5.2)	D (0.02)
Other income (expense), net	11.9	E 0.05
Interest expense	1.2	0.01
Income tax expense	(7.2)	F (0.03)
Equity in earnings of equity method investees, net of income taxes	0.1	—
Net income attributable to noncontrolling interests	(0.1)	—
Change in shares outstanding		G (0.03)
2021 net income attributable to Eversource Energy, Inc.	\$ 449.4	\$ 1.95

<sup>(a)</sup> 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 higher retail sales driven by warmer weather partially offset by a decrease in weather-normalized demand - \$41.3M; an increase related to TDC riders in 2021 primarily at Eversource Kansas Central - \$10.0M; an increase in transmission revenue due to updated transmission costs reflected in Eversource Kansas Central's FERC TFR effective in January 2021 - \$9.6M; partially offset by a decrease in revenues due to rate reductions beginning January 1, 2021 to reflect Eversource Kansas Central's and Eversource Metro's exemption from Kansas corporate income taxes - (\$9.1M).
- B Due primarily to a decrease in voluntary severance expenses - \$28.7M; a decrease in advisor expenses associated with strategic planning - \$8.5M; a decrease in various transmission and distribution operating and maintenance expenses primarily due to lower labor and contractor costs - \$3.0M; partially offset by costs associated with executive transition - (\$3.3M); and costs related to non-regulated marketing margins recognized during the February 2021 winter weather event - (\$1.9M).
- C Due primarily to higher capital additions at Eversource Kansas Central in 2021.
- D Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values in 2021.
- E Due primarily to higher investment earnings primarily driven by a realized gain from the sale of an equity investment - \$7.1M; and other income related to a contract termination fee - \$3.0M.
- F Due primarily to higher Eversource Kansas Central and Eversource Metro pre-tax income - (\$21.8M); an increase due to higher wind and other income tax credits in 2021 - (\$5.0M); and an increase due to higher non-deductible officer compensation in 2021 - (\$1.3M); partially offset by a decrease as a result of the state of Kansas exempting certain public utilities, including Eversource Kansas Central and Eversource Metro, from Kansas corporate income tax beginning in January 2021 - \$15.3M; and a decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes at Eversource Kansas Central - \$8.3M.
- G Primarily due to the issuance of 2.3 million shares of common stock to an affiliate of Bluescape Energy Partners, LLC through a securities purchase agreement in April 2021.

The Notes to the Unaudited Consolidated Financial Statements in Eversource's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

Evergy, Inc  
Year to Date September 2021 vs. 2020

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2020 net income attributable to Evergy, Inc.	\$ 567.3	\$ 2.49
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin <sup>(a)</sup>	184.1	A 0.81
Operating and maintenance	64.9	B 0.29
Depreciation and amortization	(11.4)	C (0.05)
Taxes other than income tax	(14.8)	D (0.07)
Other expense, net	33.5	E 0.15
Interest expense	9.1	F 0.04
Income tax expense	(6.0)	G (0.03)
Equity in earnings of equity method investees, net of income taxes	—	—
Net income attributable to noncontrolling interests	(0.4)	—
Change in shares outstanding		H (0.03)
2021 net income attributable to Evergy, Inc.	\$ 826.3	\$ 3.60

<sup>(a)</sup> 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 non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - \$95.0M; an increase primarily due to higher retail sales driven by favorable weather - \$72.4M; an increase in transmission revenue primarily due to updated transmission costs reflected in Evergy Kansas Central's FERC TFR effective in January 2021 - \$28.2M; an increase related to TDC riders in 2021 primarily at Evergy Kansas Central - \$10.1M; and a net increase due to other impacts from the February 2021 winter weather event - \$1.6M; partially offset by a decrease in revenues due to rate reductions beginning January 1, 2021 to reflect Evergy Kansas Central's and Evergy Metro's exemption from Kansas corporate income taxes - (\$23.2M).
- B Due primarily to a decrease in voluntary severance expenses - \$52.5M; a decrease in advisor expenses incurred in 2021 associated with strategic planning - \$17.7M; a decrease in various transmission and distribution operating and maintenance expenses primarily due to lower labor and contractor costs - \$10.4M; a decrease in credit loss expense at Evergy Kansas Central, Evergy Metro and Evergy Missouri West primarily due to increases in the allowance for credit losses in 2020 related to the COVID-19 pandemic and a lower level of write-offs in 2021 - \$7.9M; partially offset by costs associated with executive transition in 2021 - (\$10.6M); an increase in plant operating and maintenance expense related to a major maintenance outage at JEC in 2021 - (\$6.6M); costs related to non-regulated marketing margins recognized at Evergy Kansas Central during the February 2021 winter weather event - (\$5.9M); and an increase in property insurance expense - (\$2.7M).
- C Due primarily to higher capital additions at Evergy Kansas Central in 2021.
- D Due primarily to an increase in property taxes in Missouri and Kansas primarily due to higher assessed property tax values in 2021.
- E Due primarily to higher investment earnings in 2021 primarily due to unrealized gains from equity investments and a realized gain from the sale of an equity investment - \$14.8M; higher Evergy Kansas Central and Evergy Metro equity allowance for funds used during construction (AFUDC) - \$10.9M; other income related to contract termination fees in 2021 - \$6.1M and higher Evergy Kansas Central corporate-owned life insurance (COLI) benefits in 2021 - \$1.6M.
- F Due primarily to lower weighted-average interest rates on short-term borrowings and lower commercial paper balances in 2021 - \$8.8M; redemption of Evergy's \$350.0 million of 4.85% Senior Notes in April 2021 - \$8.4M; Evergy Kansas Central's redemption of \$250.0 million of 5.10% FMBs in May 2020, net of an increase due to Evergy Kansas Central's issuance of \$500.0 million of 3.45% FMBs in April 2020 - \$2.1M; partially offset by an increase due to the issuance in a private placement of Evergy Missouri West's \$500.0 million of Series A, B and C Senior Notes in April 2021 - (\$6.6M); and an increase due to the issuance of Evergy Metro's \$400.0 million of 2.25% Mortgage Bonds in May 2020 - (\$3.6M).
- G Due primarily to higher Evergy Kansas Central and Evergy Metro pre-tax income in 2021 - (\$69.6M); an increase due to higher non-deductible officer compensation in 2021 - (\$2.5M); an increase due to lower wind and other income tax credits in 2021 - (\$2.5M); partially offset by a decrease as a result of the state of Kansas exempting certain public utilities, including Evergy Kansas Central and Evergy Metro, from Kansas corporate income tax beginning in 2021 - \$34.2M; a decrease due to flow-through items primarily driven by higher amortization of excess deferred income taxes at Evergy Kansas Central - \$22.3M; a revaluation of deferred income tax assets and liabilities in the second quarter of 2020 due to the change in the Kansas corporate income tax rate - \$13.8M.
- H Primarily due to the issuance of 2.3 million shares of common stock to an affiliate of Bluescape Energy Partners, LLC through a securities purchase agreement in April 2021.

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.



Eversource Energy, Inc.  
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource Energy		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2021	2020	2021	2020	2021	2020	2021	2020
(Dollars in millions)								
Operating revenues	\$ 1,616.5	\$ 1,517.6	\$ 777.8	\$ 733.6	\$ 571.8	\$ 528.5	\$ 268.3	\$ 256.9
Fuel and purchased power	355.8	316.2	143.2	128.6	133.2	112.2	81.0	77.1
SPP network transmission costs	73.6	66.1	73.6	66.1	—	—	—	—
Operating and maintenance	265.2	304.6	126.9	137.4	87.0	101.3	48.0	54.0
Depreciation and amortization	225.0	218.0	117.3	113.4	81.5	79.4	27.3	26.3
Taxes other than income tax	96.2	91.0	50.9	47.4	32.6	31.2	12.9	12.4
Income from operations	600.7	521.7	265.9	240.7	237.5	204.4	99.1	87.1
Other income (expense), net	0.6	(11.3)	(3.6)	(6.0)	(1.5)	(2.4)	(1.9)	(2.5)
Interest expense	93.6	94.8	40.1	40.3	27.8	29.2	12.8	13.8
Income tax expense	57.2	50.0	22.6	22.5	26.5	25.1	16.3	13.6
Equity in earnings of equity method investees, net of income taxes	2.0	1.9	1.1	1.2	—	—	—	—
Net income	452.5	367.5	200.7	173.1	181.7	147.7	68.1	57.2
Less: net income attributable to noncontrolling interests	3.1	3.0	3.1	3.0	—	—	—	—
Net income attributable to controlling interest	449.4	364.5	197.6	170.1	181.7	147.7	68.1	57.2
Reconciliation of utility gross margin to income from operations:								
Operating revenues	1,616.5	1,517.6	777.8	733.6	571.8	528.5	268.3	256.9
Fuel and purchased power	355.8	316.2	143.2	128.6	133.2	112.2	81.0	77.1
SPP network transmission costs	73.6	66.1	73.6	66.1	—	—	—	—
Utility gross margin <sup>(a)</sup>	1,187.1	1,135.3	561.0	538.9	438.6	416.3	187.3	179.8
Operating and maintenance	265.2	304.6	126.9	137.4	87.0	101.3	48.0	54.0
Depreciation and amortization	225.0	218.0	117.3	113.4	81.5	79.4	27.3	26.3
Taxes other than income tax	96.2	91.0	50.9	47.4	32.6	31.2	12.9	12.4
Income from operations	600.7	521.7	265.9	240.7	237.5	204.4	99.1	87.1
(Dollars in millions)								
Revenues								
Residential	677.4	636.4	282.3	262.9	254.5	241.2	140.6	132.3
Commercial	525.0	499.5	218.0	205.2	221.9	213.3	85.1	81.0
Industrial	166.0	166.8	105.0	105.7	35.9	36.6	25.1	24.5
Other retail revenues	9.2	9.5	4.5	4.4	2.8	2.7	1.9	2.4
Total electric retail	1,377.6	1,312.2	609.8	578.2	515.1	493.8	252.7	240.2
Wholesale revenues	105.0	85.0	76.8	68.7	24.0	9.7	5.7	8.0
Transmission	90.3	80.7	81.9	72.9	4.3	3.5	4.1	4.3
Other	43.6	39.7	9.3	13.8	28.4	21.5	5.8	4.4
Operating revenues	1,616.5	1,517.6	777.8	733.6	571.8	528.5	268.3	256.9
(MWh in thousands)								
Electricity Sales								
Residential	5,135	4,813	2,259	2,121	1,774	1,660	1,100	1,032
Commercial	5,146	4,914	2,176	2,068	2,049	1,969	921	876
Industrial	2,293	2,273	1,468	1,450	440	458	386	365
Other retail revenues	32	34	10	10	17	19	6	5
Total electric retail	12,606	12,034	5,913	5,649	4,280	4,106	2,413	2,278
Wholesale revenues	5,883	3,507	2,569	1,983	3,215	1,027	101	497
Total electricity sales	18,489	15,541	8,482	7,632	7,495	5,133	2,514	2,775

<sup>(a)</sup>Utility gross margin is a Non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Eversource Energy, Inc.  
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Year to Date September 30</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	(Dollars in millions)							
Operating revenues	\$ 4,464.6	\$ 3,819.0	\$ 2,277.4	\$ 1,864.5	\$ 1,526.7	\$ 1,328.3	\$ 664.7	\$ 630.0
Fuel and purchased power	1,275.0	832.5	543.7	329.9	489.3	306.0	246.7	200.6
SPP network transmission costs	216.8	197.8	216.8	197.8	—	—	—	—
Operating and maintenance	800.6	865.5	387.9	376.3	262.1	305.7	140.6	150.9
Depreciation and amortization	669.5	658.1	349.1	339.0	238.3	243.6	85.6	79.0
Taxes other than income tax	289.0	274.2	153.2	145.1	97.2	92.4	38.6	36.6
Income from operations	1,213.7	990.9	626.7	476.4	439.8	380.6	153.2	162.9
Other income (expense), net	(3.2)	(36.7)	(2.4)	(12.2)	(9.6)	(13.8)	(7.3)	(7.1)
Interest expense	281.4	290.5	120.2	127.7	83.2	85.5	40.4	42.6
Income tax expense (benefit)	99.8	93.8	45.7	149.2	43.7	5.1	16.9	(45.3)
Equity in earnings of equity method investees, net of income taxes	6.1	6.1	3.0	3.4	—	—	—	—
Net income	835.4	576.0	461.4	190.7	303.3	276.2	88.6	158.5
Less: net income attributable to noncontrolling interests	9.1	8.7	9.1	8.7	—	—	—	—
Net income attributable to controlling interest	826.3	567.3	452.3	182.0	303.3	276.2	88.6	158.5
Reconciliation of utility gross margin to income from operations:								
Operating revenues	4,464.6	3,819.0	2,277.4	1,864.5	1,526.7	1,328.3	664.7	630.0
Fuel and purchased power	1,275.0	832.5	543.7	329.9	489.3	306.0	246.7	200.6
SPP network transmission costs	216.8	197.8	216.8	197.8	—	—	—	—
Utility gross margin <sup>(a)</sup>	2,972.8	2,788.7	1,516.9	1,336.8	1,037.4	1,022.3	418.0	429.4
Operating and maintenance	800.6	865.5	387.9	376.3	262.1	305.7	140.6	150.9
Depreciation and amortization	669.5	658.1	349.1	339.0	238.3	243.6	85.6	79.0
Taxes other than income tax	289.0	274.2	153.2	145.1	97.2	92.4	38.6	36.6
Income from operations	1,213.7	990.9	626.7	476.4	439.8	380.6	153.2	162.9
<b>Revenues</b>	(Dollars in millions)							
Residential	1,533.9	1,515.6	657.3	627.5	550.6	572.2	326.0	315.9
Commercial	1,293.5	1,272.9	536.8	511.0	542.5	558.1	214.2	203.8
Industrial	449.6	446.7	293.0	284.6	91.9	99.6	64.7	62.5
Other retail revenues	26.1	29.2	12.9	13.3	7.7	8.9	5.5	7.0
Total electric retail	3,303.1	3,264.4	1,500.0	1,436.4	1,192.7	1,238.8	610.4	589.2
Wholesale revenues	662.5	195.8	402.7	168.1	237.3	16.7	27.0	14.8
Transmission	266.7	238.5	241.5	215.2	12.8	10.4	12.4	12.9
Other	232.3	120.3	133.2	44.8	83.9	62.4	14.9	13.1
Operating revenues	4,464.6	3,819.0	2,277.4	1,864.5	1,526.7	1,328.3	664.7	630.0
<b>Electricity Sales</b>	(MWh in thousands)							
Residential	12,556	12,114	5,259	5,110	4,412	4,249	2,884	2,755
Commercial	13,538	12,974	5,467	5,266	5,572	5,360	2,499	2,347
Industrial	6,424	6,171	4,106	3,911	1,249	1,279	1,069	981
Other retail revenues	98	99	30	31	53	54	16	15
Total electric retail	32,616	31,358	14,862	14,318	11,286	10,942	6,468	6,098
Wholesale revenues	13,087	10,242	7,906	5,775	4,958	3,690	226	778
Total electricity sales	45,703	41,600	22,768	20,093	16,244	14,632	6,694	6,876

<sup>(a)</sup>Utility gross margin is a Non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Evergy, Inc.  
Financial Results, Revenue and Sales

Supplemental Data

<b>Evergy</b>				
<b>Three Months Ended September 30</b>				
<b>Degree Days</b>	<b>2021</b>	2020/ Normal	Change	% Change
<b>Cooling</b>				
Actual compared to last year	1,163	956	207	—
Actual compared to normal	1,163	1,035	128	12.4
<b>Heating</b>				
Actual compared to last year	11	60	(49)	N/M
Actual compared to normal	11	47	(36)	N/M

<b>Evergy</b>				
<b>Year to Date September 30</b>				
<b>Degree Days</b>	<b>2021</b>	2020/ Normal	Change	% Change
<b>Cooling</b>				
Actual compared to last year	1,650	1,452	198	13.6
Actual compared to normal	1,650	1,483	167	11.3
<b>Heating</b>				
Actual compared to last year	2,971	2,835	136	4.8
Actual compared to normal	2,971	2,987	(16)	(0.5)

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

Evergy, Inc.  
Capitalization

	<b>September 30, 2021</b>		<b>December 31, 2020</b>	
	(dollars in millions)			
Current maturities of long-term debt	\$	471.4	\$	436.4
Current maturities of long-term debt of VIEs		—		18.8
Long-term debt, net		9,297.3		9,190.9
Total long-term debt		9,768.7	51.2 %	9,646.1
Common equity		9,317.8	48.8 %	8,733.4
Noncontrolling interests		(5.8)	— %	(14.9)
Total capitalization	\$	19,080.7	100.0 %	\$ 18,364.6
GAAP Book value per share	\$	40.64	\$	38.50
Period end shares outstanding		229,301,079		226,836,670

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2021 should be read in conjunction with this financial information.

Evergy, Inc.  
Non-GAAP Measures

**Utility Gross Margin (non-GAAP)**

Utility gross margin is a financial measure that is not calculated in accordance with GAAP. Utility gross margin, 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.

Management believes that utility gross margin provides a meaningful basis for evaluating the Evergy Companies' operations across periods because utility gross margin excludes the revenue effect of fluctuations in these expenses. Utility gross margin is used internally to measure performance against budget and in reports for management and the Evergy Board. Utility gross margin should be viewed as a supplement to, and not a substitute for, income from operations, which is the most directly comparable financial measure prepared in accordance with GAAP. The Evergy Companies' definition of utility gross margin may differ from similar terms used by other companies. See pages 8 and 9 for the reconciliation of utility gross margin to income from operations for the three months ended and year to date September 30, 2021 and 2020, respectively.

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

Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date September 30, 2021, were \$454.8 million or \$1.98 per share and \$775.3 million or \$3.38 per share, respectively. For the three months ended and year to date September 30, 2020, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$393.3 million or \$1.73 per share and \$641.7 million or \$2.82 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 the income or costs resulting from non-regulated energy marketing margins from the February 2021 winter weather event, as well as costs resulting from executive transition, severance, advisor expenses and the revaluation of deferred tax assets and liabilities from the Kansas corporate income tax rate change.

Adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are intended to enhance 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. 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).

	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
<b>Three Months Ended September 30</b>	<b>2021</b>		<b>2020</b>	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 449.4	\$ 1.95	\$ 364.5	\$ 1.60
Non-GAAP reconciling items:				
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax <sup>(b)</sup>	1.9	0.01	—	—
Executive transition costs, pre-tax <sup>(c)</sup>	3.3	0.02	—	—
Severance costs, pre-tax <sup>(d)</sup>	—	—	28.7	0.13
Advisor expenses, pre-tax <sup>(e)</sup>	1.2	—	9.7	0.04
Income tax benefit <sup>(f)</sup>	(1.0)	—	(9.6)	(0.04)
<b>Adjusted earnings (non-GAAP)</b>	<b>\$ 454.8</b>	<b>\$ 1.98</b>	<b>\$ 393.3</b>	<b>\$ 1.73</b>

	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
<b>Year to Date September 30</b>	<b>2021</b>		<b>2020</b>	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 826.3	\$ 3.60	\$ 567.3	\$ 2.49
Non-GAAP reconciling items:				
Non-regulated energy marketing margin related to February 2021 winter weather event, pre-tax <sup>(a)</sup>	(95.0)	(0.42)	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax <sup>(b)</sup>	5.9	0.03	—	—
Executive transition costs, pre-tax <sup>(c)</sup>	10.6	0.05	—	—
Severance costs, pre-tax <sup>(d)</sup>	2.8	0.01	55.3	0.24
Advisor expenses, pre-tax <sup>(e)</sup>	8.4	0.04	26.1	0.12
Income tax expense (benefit) <sup>(f)</sup>	16.3	0.07	(20.8)	(0.09)
Kansas corporate income tax change <sup>(g)</sup>	—	—	13.8	0.06
<b>Adjusted earnings (non-GAAP)</b>	<b>\$ 775.3</b>	<b>\$ 3.38</b>	<b>\$ 641.7</b>	<b>\$ 2.82</b>

<sup>(a)</sup> 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.

<sup>(b)</sup> 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.

<sup>(c)</sup> 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.

<sup>(d)</sup> 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.

<sup>(e)</sup> Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.

<sup>(f)</sup> Reflects an income tax effect calculated at a statutory rate of approximately 22% in 2021 and 26% in 2020, with the exception of certain non-deductible items.

<sup>(g)</sup> 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.