

Evergy, Inc.

Third Quarter 2019 Earnings

Released November 6, 2019

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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, 2019 should be read in conjunction with this financial information. The enclosed statements have been prepared for the purpose of providing information concerning Evergy, Evergy Kansas Central and Evergy Metro and not in connection with any sale, offer for sale, or solicitation to buy any securities.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Three Months Ended September 30	2019	2018	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 653.0	\$ 647.1	\$ 5.9	0.9
Commercial	539.1	530.5	8.6	1.6
Industrial	175.3	173.4	1.9	1.1
Other retail	16.0	10.9	5.1	46.8
Total electric retail	1,383.4	1,361.9	21.5	1.6
Wholesale	96.3	118.5	(22.2)	(18.7)
Transmission	80.4	80.6	(0.2)	(0.2)
Other	17.5	21.5	(4.0)	(18.6)
Total Revenues	1,577.6	1,582.5	(4.9)	(0.3)
OPERATING EXPENSES:				
Fuel and purchased power	357.3	383.7	(26.4)	(6.9)
SPP network transmission costs	62.4	58.4	4.0	6.8
Operating and maintenance	311.6	330.4	(18.8)	(5.7)
Depreciation and amortization	216.1	193.9	22.2	11.4
Taxes other than income tax	91.5	83.0	8.5	10.2
Total Operating Expenses	1,038.9	1,049.4	(10.5)	(1.0)
INCOME FROM OPERATIONS	538.7	533.1	5.6	1.1
OTHER INCOME (EXPENSE):				
Investment earnings	1.8	4.9	(3.1)	(63.3)
Other income	2.8	1.6	1.2	75.0
Other expense	(19.7)	(30.8)	11.1	(36.0)
Total Other Income (Expense), Net	(15.1)	(24.3)	9.2	(37.9)
Interest expense	90.8	89.1	1.7	1.9
INCOME BEFORE INCOME TAXES	432.8	419.7	13.1	3.1
Income tax expense	65.5	64.1	1.4	2.2
Equity in earnings of equity method investees, net of income taxes	3.6	2.0	1.6	80.0
NET INCOME	370.9	357.6	13.3	3.7
Less: Net income attributable to noncontrolling interests	4.1	2.6	1.5	57.7
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 366.8	\$ 355.0	\$ 11.8	3.3
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 1.56	\$ 1.32	\$ 0.24	18.2
Diluted earnings per common share	\$ 1.56	\$ 1.32	\$ 0.24	18.2
AVERAGE COMMON SHARES OUTSTANDING				
Basic	234.6	268.6	(34.0)	(12.7)
Diluted	235.0	268.8	(33.8)	(12.6)
Effective income tax rate	15.0%	15.2%		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Statements of Income
(Unaudited)

Year to Date September 30	2019	2018	Change	% Change
(millions, except per share amounts)				
REVENUES:				
Residential	\$ 1,536.3	\$ 1,169.4	\$ 366.9	31.4
Commercial	1,391.2	945.0	446.2	47.2
Industrial	478.9	375.5	103.4	27.5
Other retail	35.3	21.5	13.8	64.2
Total electric retail	3,441.7	2,511.4	930.3	37.0
Wholesale	251.7	302.4	(50.7)	(16.8)
Transmission	233.5	227.6	5.9	2.6
Other	89.3	34.7	54.6	157.3
Total Revenues	4,016.2	3,076.1	940.1	30.6
OPERATING EXPENSES:				
Fuel and purchased power	978.9	748.9	230.0	30.7
SPP network transmission costs	188.7	194.4	(5.7)	(2.9)
Operating and maintenance	907.1	754.2	152.9	20.3
Depreciation and amortization	645.1	411.6	233.5	56.7
Taxes other than income tax	276.4	183.5	92.9	50.6
Total Operating Expenses	2,996.2	2,292.6	703.6	30.7
INCOME FROM OPERATIONS	1,020.0	783.5	236.5	30.2
OTHER INCOME (EXPENSE):				
Investment earnings	7.6	6.2	1.4	22.6
Other income	17.1	5.3	11.8	222.6
Other expense	(57.2)	(55.2)	(2.0)	3.6
Total Other Income (Expense), Net	(32.5)	(43.7)	11.2	(25.6)
Interest expense	277.3	191.3	86.0	45.0
INCOME BEFORE INCOME TAXES	710.2	548.5	161.7	29.5
Income tax expense	99.2	28.3	70.9	250.5
Equity in earnings of equity method investees, net of income taxes	7.9	4.7	3.2	68.1
NET INCOME	618.9	524.9	94.0	17.9
Less: Net income attributable to noncontrolling interests	12.9	7.6	5.3	69.7
NET INCOME ATTRIBUTABLE TO EVERGY, INC.	\$ 606.0	\$ 517.3	\$ 88.7	17.1
BASIC AND DILUTED EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING ATTRIBUTABLE TO EVERGY (See 10-Q Note 1)				
Basic earnings per common share	\$ 2.49	\$ 2.61	\$ (0.12)	(4.6)
Diluted earnings per common share	\$ 2.49	\$ 2.61	\$ (0.12)	(4.6)
AVERAGE COMMON SHARES OUTSTANDING				
Basic	243.5	197.9	45.6	23.0
Diluted	243.8	198.0	45.8	23.1
Effective income tax rate	13.8%	5.1%		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30 2019	December 31 2018
ASSETS	(millions, except share amounts)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 50.1	\$ 160.3
Receivables, net	268.8	193.7
Accounts receivable pledged as collateral	395.0	365.0
Fuel inventory and supplies	454.4	511.0
Income taxes receivable	65.3	68.0
Regulatory assets	204.8	303.9
Prepaid expenses and other assets	73.9	79.1
Total Current Assets	<u>1,512.3</u>	<u>1,681.0</u>
PROPERTY, PLANT AND EQUIPMENT, NET	<u>18,976.1</u>	<u>18,782.5</u>
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	<u>163.8</u>	<u>169.2</u>
OTHER ASSETS:		
Regulatory assets	1,869.7	1,757.9
Nuclear decommissioning trust fund	541.0	472.1
Goodwill	2,336.6	2,338.9
Other	508.0	396.5
Total Other Assets	<u>5,255.3</u>	<u>4,965.4</u>
TOTAL ASSETS	<u>\$ 25,907.5</u>	<u>\$ 25,598.1</u>

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

EVERGY, INC.
Consolidated Balance Sheets
(Unaudited)

	September 30 2019	December 31 2018
LIABILITIES AND EQUITY	(millions, except share amounts)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 251.1	\$ 705.4
Current maturities of long-term debt of variable interest entities	32.3	30.3
Notes payable and commercial paper	360.6	738.6
Collateralized note payable	395.0	365.0
Accounts payable	311.3	451.5
Accrued taxes	287.9	133.6
Accrued interest	110.7	110.9
Regulatory liabilities	59.6	110.2
Asset retirement obligations	58.2	49.8
Other	208.4	171.9
Total Current Liabilities	2,075.1	2,867.2
LONG-TERM LIABILITIES:		
Long-term debt, net	8,749.2	6,636.3
Long-term debt of variable interest entities, net	18.8	51.1
Deferred income taxes	1,729.6	1,599.2
Unamortized investment tax credits	370.3	373.2
Regulatory liabilities	2,227.5	2,218.8
Pension and post-retirement liability	1,149.6	987.6
Asset retirement obligations	659.1	637.3
Other	338.4	236.7
Total Long-Term Liabilities	15,242.5	12,740.2
Commitments and Contingencies (See 10-Q Note 11)		
EQUITY:		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 227,901,556 and 255,326,252 shares issued, stated value	7,066.9	8,685.2
Retained earnings	1,603.1	1,346.0
Accumulated other comprehensive loss	(50.7)	(3.0)
Total Evergy, Inc. Shareholders' Equity	8,619.3	10,028.2
Noncontrolling Interests	(29.4)	(37.5)
Total Equity	8,589.9	9,990.7
TOTAL LIABILITIES AND EQUITY	\$ 25,907.5	\$ 25,598.1

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

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

Year to Date September 30	2019	2018
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:	(millions)	
Net income	\$ 618.9	\$ 524.9
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	645.1	411.6
Amortization of nuclear fuel	42.6	28.6
Amortization of deferred refueling outage	19.4	14.7
Amortization of corporate-owned life insurance	16.5	17.2
Non-cash compensation	12.9	25.2
Net deferred income taxes and credits	111.4	47.8
Allowance for equity funds used during construction	(0.9)	(2.4)
Payments for asset retirement obligations	(11.6)	(15.9)
Equity in earnings of equity method investees, net of income taxes	(7.9)	(4.7)
Income from corporate-owned life insurance	(19.5)	(2.1)
Other	(3.6)	(3.9)
Changes in working capital items:		
Accounts receivable	(68.4)	(34.9)
Accounts receivable pledged as collateral	(30.0)	(15.0)
Fuel inventory and supplies	57.0	44.6
Prepaid expenses and other current assets	65.7	(3.4)
Accounts payable	(111.5)	(58.5)
Accrued taxes	155.3	119.0
Other current liabilities	(77.7)	38.9
Changes in other assets	56.1	26.0
Changes in other liabilities	(22.5)	33.9
Cash Flows from Operating Activities	1,447.3	1,191.6
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(849.1)	(698.3)
Cash acquired from the merger with Great Plains Energy	—	1,154.2
Purchase of securities - trusts	(37.4)	(107.0)
Sale of securities - trusts	32.3	110.2
Investment in corporate-owned life insurance	(17.2)	(16.2)
Proceeds from investment in corporate-owned life insurance	99.1	6.5
Proceeds from settlement of interest rate swap	—	140.6
Other investing activities	0.2	(15.2)
Cash Flows from (used in) Investing Activities	(772.1)	574.8
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Short term debt, net	(378.0)	(166.7)
Proceeds from term loan facility	1,000.0	—
Repayment of term loan facility	(1,000.0)	—
Collateralized short-term borrowings, net	30.0	15.0
Proceeds from long-term debt	2,374.0	22.9
Retirements of long-term debt	(701.1)	(127.4)
Retirements of long-term debt of variable interest entities	(30.3)	(28.5)
Payment for settlement of interest rate swap accounted for as a cash flow hedge	(69.8)	—
Borrowings against cash surrender value of corporate-owned life insurance	57.2	55.1
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(77.4)	(3.9)
Cash dividends paid	(347.5)	(350.4)
Repurchase of common stock under repurchase plan	(1,628.7)	(486.1)
Distributions to shareholders of noncontrolling interests	(8.5)	—
Other financing activities	(5.3)	(20.1)
Cash Flows used in Financing Activities	(785.4)	(1,090.1)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(110.2)	676.3
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period, including restricted cash of \$0.0 and \$0.1, respectively	160.3	3.5
End of period, including restricted cash of \$0.0 and \$0.1, respectively	\$ 50.1	\$ 679.8

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

Evergy, Inc
Third Quarter 2019 vs. 2018

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2018 net income attributable to Evergy, Inc.	\$ 355.0	\$ 1.32
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	17.5	A 0.07
Other operating expenses	10.3	B 0.04
Depreciation and amortization	(22.2)	C (0.08)
Other income (expense)	9.2	D 0.03
Interest expense	(1.7)	E (0.01)
Income tax expense	(1.4)	(0.01)
Equity in earnings of equity method investees, net of income taxes	1.6	0.01
Net income attributable to noncontrolling interests	(1.5)	(0.01)
Change in shares outstanding		F 0.20
2019 net income attributable to Evergy, Inc.	\$ 366.8	\$ 1.56

^(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 new retail rates effective in 2018, net of a provision for rate refund recorded in the third quarter of 2018 for the change in the corporate income tax rate caused by the Tax Cuts and Jobs Act - \$24.2M; and higher retail sales driven by warmer weather - \$5.4M; partially offset by a decrease related to Evergy Kansas Central's and Evergy Metro's TDC riders - (\$12.1M).
- B Due primarily to a decrease in various administrative and general operating and maintenance expenses - \$14.5M; and a decrease in plant operating and maintenance expense at coal-fired generating units - \$8.2M; partially offset by an increase in taxes other than income taxes primarily due to increased property taxes - (\$8.5M); and an increase in Evergy Kansas Central transmission and distribution operating and maintenance expense - (\$1.9M).
- C Due to change in depreciation rates - (\$14.6M); and an increase due to capital additions - (\$7.6M).
- D Due primarily to a decrease in Evergy Kansas Central pension non-service costs - \$3.9M; and higher Evergy Kansas Central corporate-owned life insurance (COLI) benefits in 2019 - \$2.0M.
- E Due primarily to a higher average commercial paper balance at Evergy Kansas Central and Evergy's borrowings under its \$1.0 billion loan term credit agreement in 2019 - \$5.6M; and an increase due to Evergy Metro's issuance of \$400.0 million of 4.125% Mortgage in March 2019 - \$4.1M; partially offset by the repayment of Evergy Metro's \$400.0 million of 7.15% Mortgage Bonds at maturity in April 2019 - (\$8.6M).
- G Increase due to a lower number of diluted weighted average common shares outstanding in 2019 due to shares repurchased under Evergy's common share repurchase program.

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

Evergy, Inc
Year to Date September 2019 vs. 2018

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2018 net income attributable to Evergy, Inc.	\$ 517.3	\$ 2.61
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin ^(a)	715.8	A 3.62
Other operating expenses	(245.8)	B (1.24)
Depreciation and amortization	(233.5)	C (1.18)
Other income (expense)	11.2	D 0.06
Interest expense	(86.0)	E (0.43)
Income tax expense	(70.9)	F (0.36)
Equity in earnings of equity method investees, net of income taxes	3.2	0.02
Net income attributable to noncontrolling interests	(5.3)	(0.03)
Change in shares outstanding		G (0.58)
2019 net income attributable to Evergy, Inc.	\$ 606.0	\$ 2.49

^(a) Utility gross margin is a non-GAAP financial measure. See explanation of utility gross margin in the Utility Gross Margin (Non-GAAP) section below.

Major factors influencing the period to period change in EPS-- Favorable/(Unfavorable)

- A Due primarily to the inclusion of Evergy Metro's and Evergy Missouri West's utility gross margin in the first five months of 2019 - \$674.4M; one-time bill credits recorded in June 2018 - \$59.7M; and new retail rates effective in 2018, net of a provision for rate refund recorded year to date September 30, 2018 for the change in the corporate income tax rate caused by the Tax Cut and Jobs Act - \$39.6M; partially offset by lower retail sales driven by cooler weather in the second quarter of 2019 - (\$48.6M); and a decrease related to Evergy Kansas Central's and Evergy Metro's TDC riders - (\$9.3M).
- B Due primarily to the inclusion of Evergy Metro's and Evergy Missouri West's operating and maintenance expenses in the first five months of 2019 - (\$279.9M); the inclusion of Evergy Metro's and Evergy Missouri West's taxes other than income taxes in the first five months of 2019 - (\$75.7M); an increase in taxes other than income taxes primarily due to increased property taxes - (\$17.2M); and voluntary severance expense recorded at Evergy Kansas Central in 2019 - (\$7.8M); partially offset by merger-related costs incurred year to date September 30, 2018 - \$64.6M; a decrease in plant operating and maintenance expense at coal-fired generating units - \$30.1M; a decrease in various administrative and general operating and maintenance expenses - \$29.3M; and a decrease in transmission and distribution operating and maintenance expense primarily due to a higher level of vegetation management activity in the first half of 2018 - \$13.6M.
- C Due to the inclusion of Evergy Metro's and Evergy Missouri West's depreciation expense in the first five months of 2019 - (\$173.4M); a change in depreciation rates - (\$39.0M); and an increase due to capital additions - (\$21.1M).
- D Due primarily to higher Evergy Kansas Central COLI benefits in 2019 - \$10.7M; a decrease in Evergy Kansas Central pension non-service costs - \$6.0M; partially offset by the inclusion of Evergy Metro and Evergy Missouri West amounts in the first five months of 2019 - (\$9.5M).
- E Due primarily to the inclusion of Evergy Metro's and Evergy Missouri West's interest expense in the first five months of 2019 - \$77.2M; a higher average commercial paper balance at Evergy Kansas Central and Evergy's borrowings under its \$1.0 billion term loan credit agreement in 2019 - \$10.1M; and an increase due to Evergy Metro's issuance of \$400.0 million of 4.125% Mortgage Bonds in March 2019 - \$4.1M; partially offset by the repayment of Evergy Metro's \$400.0 million of 7.15% Mortgage Bonds at maturity in April 2019 - (\$11.4M).
- F Due primarily to the revaluation of Evergy Kansas Central's deferred income tax assets and liabilities based on the Evergy composite tax rate as a result of the merger in June 2018 - (\$52.6M); and higher Evergy Kansas Central pre-tax income - (\$15.2M).
- G Dilution due to the issuance of common shares to Great Plains Energy shareholders as a result of the merger; partially offset by shares repurchased under Evergy's common stock repurchase program.

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 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	
	2019	2018	2019	2018	2019	2018	2019	2018
(Dollars in millions)								
Operating revenues	\$ 1,577.6	\$ 1,582.5	\$ 749.0	\$ 764.8	\$ 568.8	\$ 559.6	\$ 260.8	\$ 255.9
Fuel and purchased power	357.3	383.7	144.9	169.7	129.3	142.4	84.3	71.7
SPP network transmission costs	62.4	58.4	62.4	58.4	—	—	—	—
Other operating expenses	403.1	413.4	188.4	183.9	143.8	155.9	65.7	68.1
Depreciation and amortization	216.1	193.9	110.9	95.9	80.2	71.9	26.3	27.3
Income from operations	538.7	533.1	242.4	256.9	215.5	189.4	84.5	88.8
Other income (expense), net	(15.1)	(24.3)	(7.9)	(13.9)	(3.2)	(8.1)	(2.7)	(3.6)
Interest expense	90.8	89.1	41.7	43.9	28.2	33.0	14.4	16.8
Income tax expense	65.5	64.1	25.8	22.4	32.2	28.0	15.3	14.7
Equity in earnings of equity method investees, net of income taxes	3.6	2.0	1.2	1.3	—	—	—	—
Net income	370.9	357.6	168.2	178.0	151.9	120.3	52.1	53.7
Less: net income attributable to noncontrolling interests	4.1	2.6	4.1	2.6	—	—	—	—
Net income attributable to controlling interest	366.8	355.0	164.1	175.4	151.9	120.3	52.1	53.7
Reconciliation of utility gross margin to operating revenue:								
Operating revenues	1,577.6	1,582.5	749.0	764.8	568.8	559.6	260.8	255.9
Fuel and purchased power	357.3	383.7	144.9	169.7	129.3	142.4	84.3	71.7
SPP network transmission costs	62.4	58.4	62.4	58.4	—	—	—	—
Utility gross margin ^(a)	1,157.9	1,140.4	541.7	536.7	439.5	417.2	176.5	184.2
(Dollars in millions)								
Residential	653.0	647.1	268.9	270.5	249.2	243.5	134.9	133.2
Commercial	539.1	530.5	219.3	217.4	234.1	231.1	85.8	81.9
Industrial	175.3	173.4	111.3	111.9	40.8	39.1	23.2	22.5
Other retail revenues	16.0	10.9	5.6	5.4	7.0	2.7	3.4	2.8
Total electric retail	1,383.4	1,361.9	605.1	605.2	531.1	516.4	247.3	240.4
Wholesale revenues	96.3	118.5	67.7	82.4	23.5	29.9	6.1	6.1
Transmission	80.4	80.6	67.7	72.2	7.8	3.8	4.9	4.6
Other	17.5	21.5	8.5	5.0	6.4	9.5	2.5	4.8
Operating revenues	1,577.6	1,582.5	749.0	764.8	568.8	559.6	260.8	255.9
(MWh in thousands)								
Residential	4,937	4,839	2,173	2,100	1,710	1,691	1,053	1,049
Commercial	5,251	5,259	2,191	2,230	2,125	2,111	934	919
Industrial	2,372	2,365	1,549	1,550	488	476	335	339
Other retail revenues	34	40	11	15	19	18	5	5
Total electric retail	12,594	12,503	5,924	5,895	4,342	4,296	2,327	2,312
Wholesale revenues	3,684	3,883	2,020	2,083	1,463	1,614	203	186
Total electricity sales	16,278	16,386	7,944	7,978	5,805	5,910	2,530	2,498

^(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.

Eversource Energy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource		Eversource Kansas Central		Eversource Metro ^(b)		Eversource Missouri West ^(b)	
	2019	2018	2019	2018	2019	2018	2019	2018
Year to Date September 30	2019	2018	2019	2018	2019	2018	2019	2018
(Dollars in millions)								
Operating revenues	\$ 4,016.2	\$ 3,076.1	\$ 1,931.3	\$ 2,015.9	\$ 1,431.2	\$ 1,408.9	\$ 654.9	\$ 648.1
Fuel and purchased power	978.9	748.9	375.3	463.2	380.4	392.4	224.7	198.9
SPP network transmission costs	188.7	194.4	188.7	194.4	—	—	—	—
Other operating expenses	1,183.5	937.7	541.7	620.2	437.5	442.4	193.3	205.9
Depreciation and amortization	645.1	411.6	331.3	281.6	239.0	209.0	78.4	81.4
Income from operations	1,020.0	783.5	494.3	456.5	374.3	365.1	158.5	161.9
Other income (expense), net	(32.5)	(43.7)	(13.9)	(31.6)	(11.5)	(19.1)	(8.8)	(10.4)
Interest expense	277.3	191.3	134.1	132.1	91.6	100.6	43.6	48.9
Income tax expense (benefit)	99.2	28.3	46.2	(22.0)	43.9	80.3	20.7	23.8
Equity in earnings of equity method investees, net of income taxes	7.9	4.7	3.6	3.7	—	—	—	—
Net income	618.9	524.9	303.7	318.5	227.3	165.1	85.4	78.8
Less: net income attributable to noncontrolling interests	12.9	7.6	12.9	7.6	—	—	—	—
Net income attributable to controlling interest	606.0	517.3	290.8	310.9	227.3	165.1	85.4	78.8
Reconciliation of utility gross margin to operating revenues:								
Operating revenues	4,016.2	3,076.1	1,931.3	2,015.9	1,431.2	1,408.9	654.9	648.1
Fuel and purchased power	978.9	748.9	375.3	463.2	380.4	392.4	224.7	198.9
SPP network transmission costs	188.7	194.4	188.7	194.4	—	—	—	—
Utility gross margin ^(a)	2,848.6	2,132.8	1,367.3	1,358.3	1,050.8	1,016.5	430.2	449.2
Revenues	(Dollars in millions)							
Residential	1,536.3	1,169.4	640.4	671.9	575.5	585.4	320.4	321.2
Commercial	1,391.2	945.0	556.4	542.8	613.5	609.2	221.3	216.8
Industrial	478.9	375.5	308.5	297.2	106.7	105.4	63.7	62.5
Other retail revenues	35.3	21.5	15.8	15.3	12.3	7.7	7.2	5.6
Total electric retail	3,441.7	2,511.4	1,521.1	1,527.2	1,308.0	1,307.7	612.6	606.1
Wholesale revenues	251.7	302.4	182.5	263.7	54.7	38.5	15.9	13.7
Transmission	233.5	227.6	205.5	216.3	14.0	11.0	14.0	13.7
Other	89.3	34.7	22.2	8.7	54.5	51.7	12.4	14.6
Operating revenues	4,016.2	3,076.1	1,931.3	2,015.9	1,431.2	1,408.9	654.9	648.1
Electricity Sales	(MWh in thousands)							
Residential	12,163	9,047	5,103	5,349	4,261	4,480	2,798	2,923
Commercial	14,009	9,794	5,673	5,797	5,828	5,931	2,507	2,557
Industrial	6,528	5,345	4,286	4,275	1,303	1,333	939	972
Other retail revenues	105	75	35	45	57	56	14	15
Total electric retail	32,805	24,261	15,097	15,466	11,449	11,800	6,258	6,467
Wholesale revenues	10,872	9,789	5,591	7,560	4,685	3,753	599	470
Total electricity sales	43,677	34,050	20,688	23,026	16,134	15,553	6,857	6,937

^(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.

^(b)Eversource Metro and Eversource Missouri West amounts are only included in consolidated Eversource from June 4, 2018, the date of the closing of the merger, and thereafter.

Evergy, Inc.
Financial Results, Revenue and Sales

Supplemental Data

Evergy				
Three Months Ended September 30				
Degree Days	2019	2018/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,154	1,112	42	3.8
Actual compared to normal	1,154	1,026	128	12.5
Heating				
Actual compared to last year	—	36	(36)	N/M
Actual compared to normal	—	51	(51)	N/M

Evergy				
Year to Date September 30				
Degree Days	2019	2018/ Normal	Change	% Change
Cooling				
Actual compared to last year	1,554	1,839	(285)	(15.5)
Actual compared to normal	1,554	1,467	87	5.9
Heating				
Actual compared to last year	3,189	3,121	68	2.2
Actual compared to normal	3,189	2,989	200	6.7

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

Evergy, Inc.
Capitalization

	September 30, 2019		December 31, 2018	
	(dollars in millions)			
Current maturities of long-term debt	\$	251.1	\$	705.4
Current maturities of long-term debt of VIEs		32.3		30.3
Long-term debt, net		8,749.2		6,636.3
Long-term debt of variable interest entities, net		18.8		51.1
Total long-term debt		9,051.4	51.3 %	7,423.1 42.6 %
Common equity		8,619.3	48.9 %	10,028.2 57.6 %
Noncontrolling interests		(29.4)	(0.2)%	(37.5) (0.2)%
Total capitalization	\$	17,641.3	100.0 %	\$ 17,413.8 100.0 %
GAAP Book value per share	\$	37.82	\$	39.28
Period end shares outstanding		227,901,556		255,326,252

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended September 30, 2019 should be read in conjunction with this financial information.

Eversource Energy, 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 Eversource Energy, Eversource Kansas Central and Eversource Metro (collectively, the Eversource 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 Eversource Companies' operations across periods compared with operating revenues 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 Eversource Board. The Eversource 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 operating revenues for the three months ended and year to date September 30, 2019 and 2018, respectively.

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

Eversource's adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) for the three months ended and year to date September 30, 2019, were \$369.8 million or \$1.57 per share and \$621.2 million or \$2.55 per share, respectively. For the three months ended and year to date September 30, 2018, Eversource's adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) were \$370.9 million and \$1.38 per share and \$641.9 million or \$2.36 per share, respectively. In addition to net income attributable to Eversource, Inc., diluted earnings per common share, pro forma net income attributable to Eversource, Inc. and pro forma diluted earnings per common share as prepared in accordance with GAAP, Eversource's management uses adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) to evaluate earnings and earnings per share without the non-recurring costs and/or benefits resulting from rebranding, voluntary severance and significant items related to the Great Plains Energy and Eversource Kansas Central merger.

Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) are intended to enhance an investor's overall understanding of results. Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) are used internally to measure performance against budget and in reports for management and the Eversource Board. Adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP) are financial measures that are not calculated in accordance with GAAP and may not be comparable to other companies' presentations or more useful than the GAAP information provided elsewhere in this report.

The following tables provide a reconciliation between net income attributable to Evergy, Inc., diluted earnings per common share, pro forma net income attributable to Evergy, Inc. and pro forma diluted earnings per common share as determined in accordance with GAAP and adjusted earnings (non-GAAP) and adjusted earnings per share (non-GAAP).

Three Months Ended September 30	2019		2018	
	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.	\$ 366.8	\$ 1.56	\$ 355.0	\$ 1.32
Pro forma adjustments ^(a) :				
Non-recurring merger costs and other	—	—	3.9	0.02
Pro forma net income attributable to Evergy, Inc.	\$ 366.8	\$ 1.56	\$ 358.9	\$ 1.34
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(b)	3.6	0.01	—	—
Voluntary severance costs, pre tax ^(c)	0.4	—	16.3	0.06
Income tax benefit ^(g)	(1.0)	—	(4.3)	(0.02)
Adjusted earnings (non-GAAP)	\$ 369.8	\$ 1.57	\$ 370.9	\$ 1.38

Year to Date September 30	Earnings	Earnings	Earnings	Earnings
	(Loss)	(Loss) per Diluted Share	(Loss)	(Loss) per Diluted Share
	2019		2018	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 606.0	\$ 2.49	\$ 517.3	\$ 2.61
Pro forma adjustments ^(a) :				
Great Plains Energy earnings prior to merger	—	—	94.4	0.35
Great Plains Energy shares prior to merger	n/a	—	n/a	(0.71)
Non-recurring merger costs and other	—	—	82.8	0.30
Pro forma net income attributable to Evergy, Inc.	\$ 606.0	\$ 2.49	\$ 694.5	\$ 2.55
Non-GAAP reconciling items:				
Rebranding costs, pre-tax ^(b)	4.7	0.02	—	—
Voluntary severance costs, pre tax ^(c)	15.1	0.06	16.3	0.06
Composite tax rate change ^(d)	—	—	(52.6)	(0.19)
Deferral of merger transition costs, pre-tax ^(e)	—	—	(28.5)	(0.10)
Inventory write-off at retiring generating units, pre-tax ^(f)	—	—	12.3	0.04
Income tax expense (benefit) ^(g)	(4.6)	(0.02)	(0.1)	—
Adjusted earnings (non-GAAP)	\$ 621.2	\$ 2.55	\$ 641.9	\$ 2.36

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

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

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

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

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

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

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