



Third Quarter 2021 Earnings Call

November 3, 2021





Important Information

Forward Looking Statements

Statements made in this document that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to Evergy's strategic plan, including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; and other matters relating to expected financial performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "could," "may," "seeks," "intends," "proposed," "projects," "planned," "target," "outlook," "remain confident," "goal," "will" or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

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

This list of factors is not all-inclusive because it is not possible to predict all factors. You should also carefully consider the information contained in our other filings with the Securities and Exchange Commission (SEC). Additional risks and uncertainties are discussed in the Annual Report on Form 10-K for the year ended December 31, 2020 filed by the Evergy Companies with the SEC, and from time to time in current reports on Form 8-K and quarterly reports on Form 10-Q filed by the Evergy Companies with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

Evergy uses adjusted EPS and adjusted O&M which are non-GAAP financial measures. A reconciliation of the non-GAAP measures to the most directly comparable GAAP measures are included in the appendix.



Agenda

David Campbell, President & CEO

- Third quarter highlights
- Business plan highlights
- Evergy value proposition

Kirk Andrews, EVP & CFO

- Third quarter results
- Retail sales update
- 2021 guidance update
- Financial outlook



Business Update

David Campbell
President & CEO



Third Quarter Highlights

- Third quarter 2021 results
 - GAAP EPS: \$1.95
 - Adjusted EPS¹ (Non-GAAP): \$1.98
- Year-over-year drivers
 - + Favorable weather
 - + Higher transmission margin
 - + Higher other income and lower income tax
 - Lower weather-normalized demand
- Raising and narrowing 2021 adjusted EPS¹ guidance range to \$3.50–\$3.60
- Affirming 2022 adjusted EPS¹ guidance of \$3.43–\$3.63
- Affirming 6% to 8% adjusted EPS¹ annualized growth target² 2021E–2025E
- Increasing dividend by 7%



1. Adjusted EPS is a non-GAAP financial measure. See appendix for reconciliation to most comparable GAAP information.
2. Long-term annualized adjusted EPS growth target based off mid-point of original 2021 adjusted EPS guidance range of \$3.20 - \$3.40.



Business Plan Highlights

Capital Expenditures	\$10.4B 2021E – 2025E ~\$1.5B in renewables
Rate Base Growth	5% to 6% 2020A – 2025E
Adjusted O&M¹ Savings	~\$345M or >25% reduction 2025E vs 2018A
Adjusted EPS^{1,2} Growth	6% to 8% 2021E – 2025E
Balance Sheet	Maintain strong balance sheet with no incremental equity planned through 2025
CO₂ Reduction Targets³	Net-zero carbon by 2045 70% reduction by 2030; 51% achieved in 2020

1. Adjusted EPS and adjusted O&M are non-GAAP financial measures. See appendix for reconciliation to most comparable GAAP information.
 2. Long-term annualized adjusted EPS growth target based off mid-point of original 2021 adjusted EPS guidance range of \$3.20 - \$3.40.
 3. Targets vs. 2005 levels; the trajectory and timing of reaching Evergy's net-zero carbon emissions goal are dependent on enabling technology developments and supportive energy policies and regulations.



Executing Our Near-Term Resource Plan

Projected Additions & Retirements (MW)¹



- **Kansas Predetermination**

- Proposal to own 190 MW of Kansas solar generation and to retire 487 MW of coal operations at Lawrence Energy Center
- Order expected in first or second quarter 2022

- **2024 – 2025 Wind Additions**

- Issued Request For Proposal (RFP) to purchase 800 MW of wind generation
- Will serve Kansas and Missouri customers
- Targeting to complete negotiations by mid-year 2022

- **Actively evaluating PPA buy-ins and repowerings**

Finalizing contract for 190 MW of owned solar, seeking regulatory pre-determination in Kansas and advancing wind RFP for ~800 MW of wind in 2024-2025

Evergy Value Proposition



All-electric regulated utility driving continuous improvement and performance management culture



Reduced carbon emissions 51%; well-positioned to transition generation portfolio cost-effectively



Geographically advantaged to participate in clean energy infrastructure buildout



Targeting 6-8% annualized adjusted EPS¹ growth 2021-25. No additional equity; strong balance sheet

Financial Update

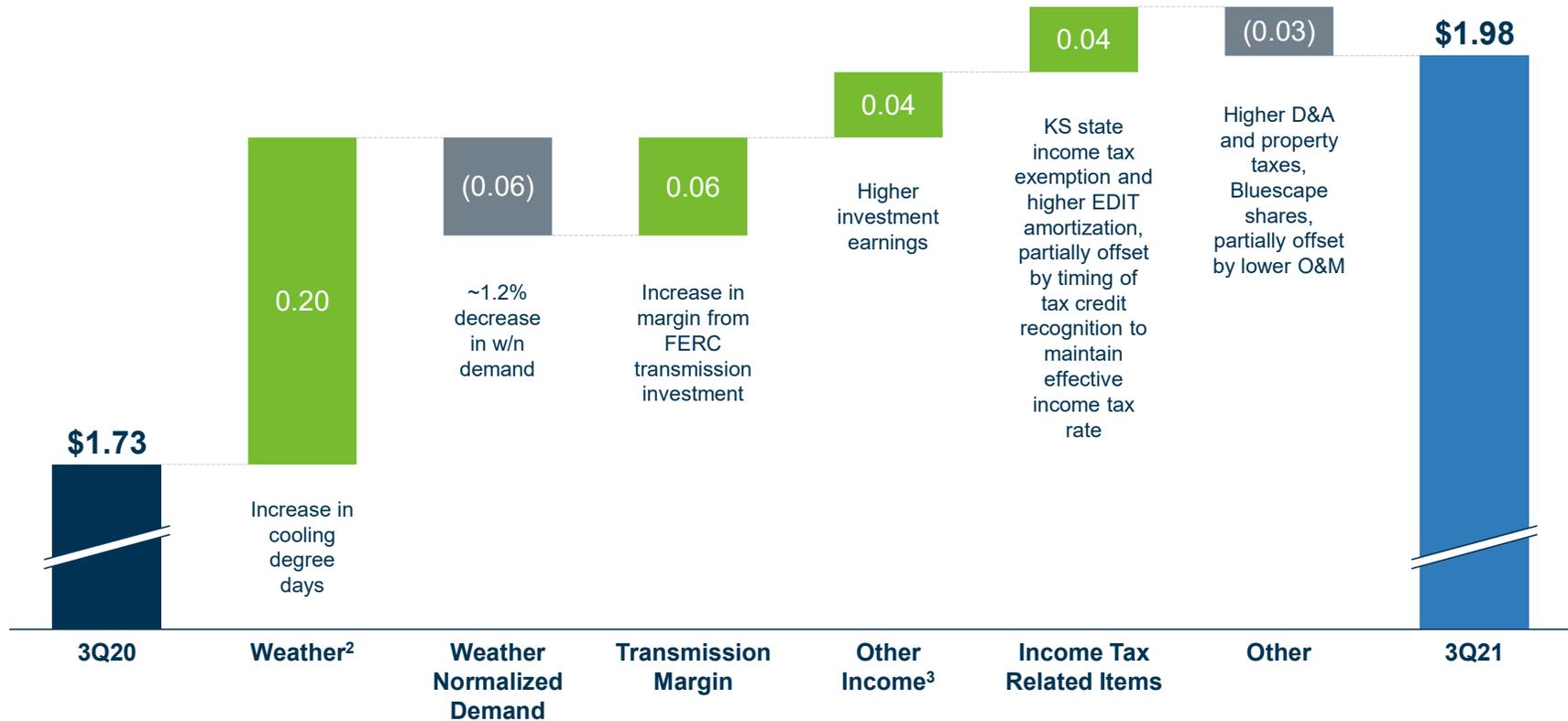
Kirk Andrews

EVP & CFO



Third Quarter 2021 Adjusted EPS¹: \$1.98

Adjusted EPS¹ Drivers

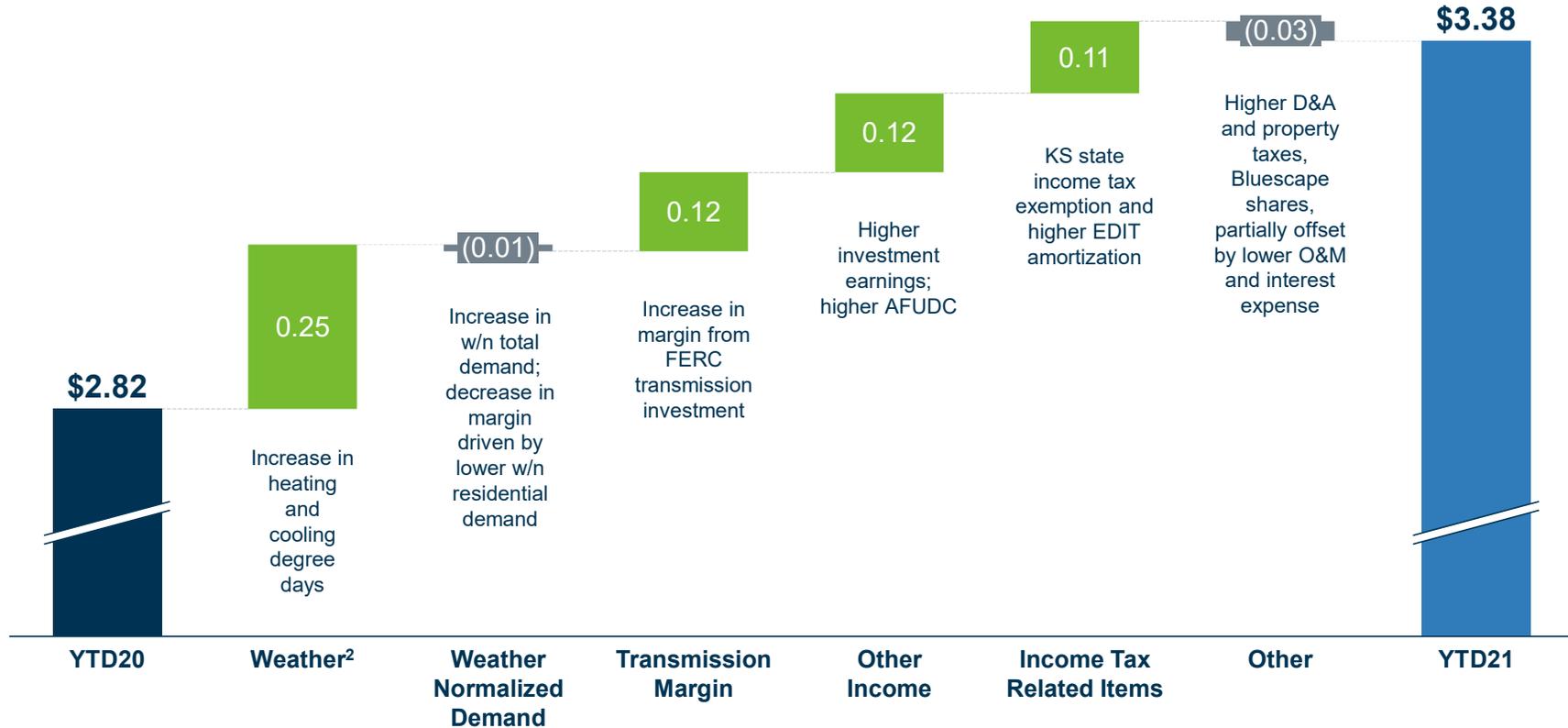


1. Adjusted EPS is a non-GAAP financial measure. See appendix for reconciliation to most comparable GAAP information.
 2. Weather compared to normal was an estimated \$0.13 favorable.
 3. No COLI proceeds in 3Q21.



Year to Date Adjusted EPS¹: \$3.38

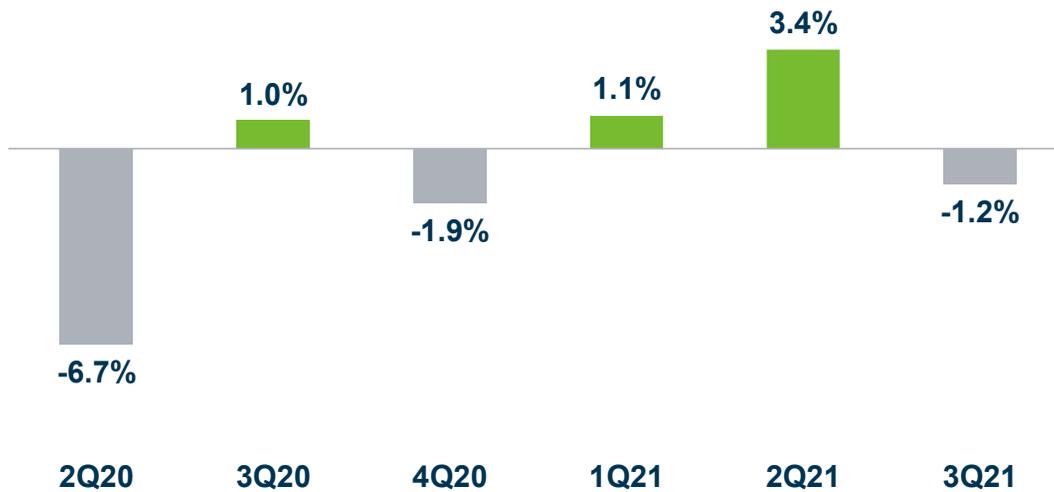
Adjusted EPS¹ Drivers



1. Adjusted EPS is a non-GAAP financial measure. See appendix for reconciliation to most comparable GAAP information.
 2. Weather compared to normal was an estimated \$0.18 favorable.

Retail Sales Update

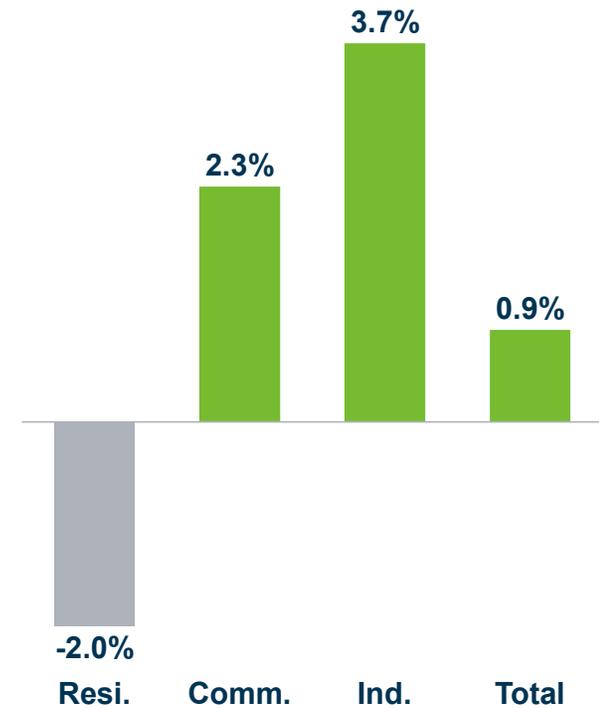
Quarterly Retail Sales – Weather Normalized
Compared to Prior Year¹



Third quarter 2021 weather normalized sales were 1.2% lower compared to third quarter 2020, with September 0.5% higher

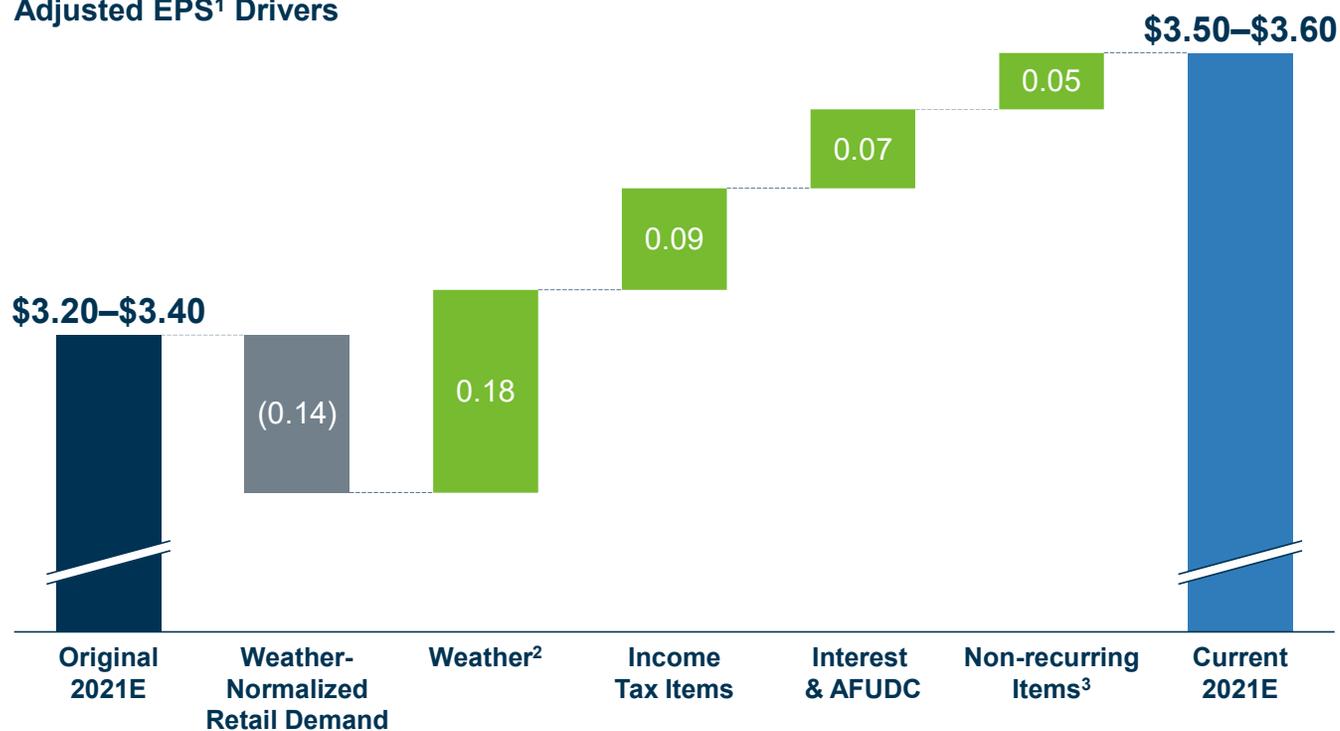
- Residential sales were ~3% lower
- + Commercial sales were ~1% higher; Industrial sales were flat

YTD Sales Growth – Weather Normalized
Compared to Prior Year¹



Raising And Narrowing 2021 Adjusted EPS¹ Guidance

Adjusted EPS¹ Drivers



- **Raising and narrowing 2021 Adjusted EPS¹ guidance**
 - Favorable weather, income tax items, interest and AFUDC more than offset weaker demand
- **Key factors impacting 4Q21 relative to 4Q20**
 - ~\$(0.06) of timing and phasing of operating costs
 - ~\$(0.03) bad debt expense timing

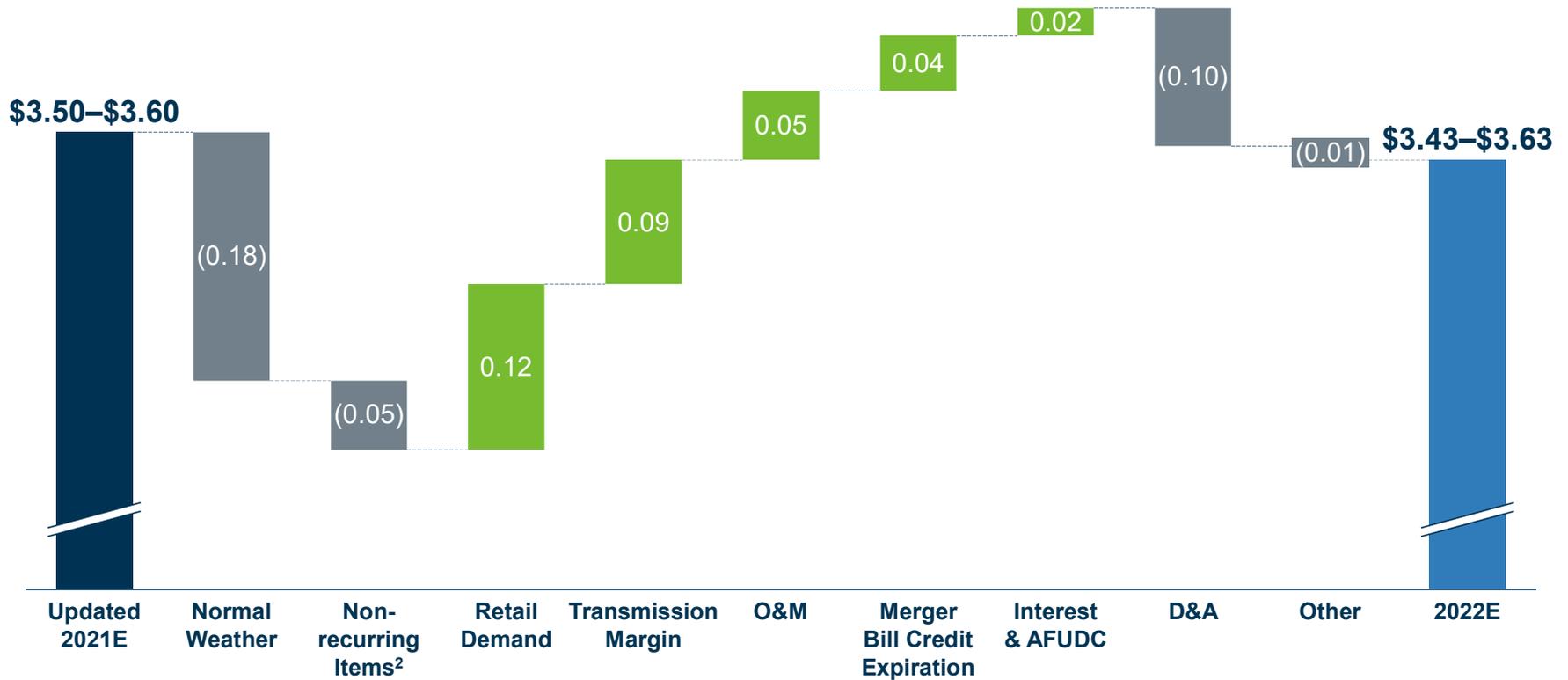
1. Adjusted EPS is a non-GAAP financial measure. See appendix for reconciliation to most comparable GAAP information.

2. Assumes normal weather for fourth quarter 2021.

3. 2021E non-recurring items include power marketing and Evergy Ventures investment earnings above plan run-rate partially offset by timing and phasing of cost items.

Reaffirming 2022 Adjusted EPS¹ Guidance

Adjusted EPS¹ Drivers



1. Adjusted EPS is a non-GAAP financial measure. See appendix for reconciliation to most comparable GAAP information.

2. 2021E non-recurring items include power marketing and Evergy Ventures investment earnings above plan run-rate partially offset by timing and phasing of cost items.

3. 2022E is \$3.53/sh. mid-point of 2022 adjusted EPS (non-GAAP) guidance range of \$3.43 to \$3.63.



Q&A

Appendix





GAAP to Non-GAAP EPS Reconciliation

Adjusted EPS¹ Guidance		
	2021E	2022E
GAAP EPS – Guidance	\$3.71 - \$3.81	\$3.43 - \$3.63
Non-regulated energy marketing margin related to winter weather event, pre-tax	(0.41)	-
Non-regulated energy marketing costs related to winter weather event, pre-tax	0.03	-
Executive transition expense, pre-tax	0.05	-
Severance costs, pre-tax	0.01	-
Advisor expense, pre-tax	0.04	-
Income tax expense	0.07	-
Adjusted EPS (non-GAAP)	\$3.50 - \$3.60	\$3.43 - \$3.63

1. Adjusted earnings per share guidance (non-GAAP) and adjusted O&M (non-GAAP) are financial measures that are not calculated in accordance with GAAP and may not be comparable to other companies' presentations of similarly-named measures or more useful than the GAAP information.



GAAP to Non-GAAP O&M Reconciliation

2018 Adjusted O&M (\$ in millions)	
2018 GAAP O&M	\$1,116
Great Plains Energy O&M prior to the merger	318
Non-recurring merger-related costs	(101)
Pro Forma O&M	\$1,333
Severance expense	\$(24)
Deferral of merger transition costs	28
Inventory write-off from retiring generating units	(31)
2018 Adjusted O&M (non-GAAP)	\$1,306

Adjusted O&M (\$ in millions)			
	2019A	2020A	2025E
GAAP O&M	\$1,219	\$1,163	\$957 - \$967
Severance expense and rebranding costs	(32)	(99)	-
Adjusted O&M (non-GAAP)	\$1,187	\$1,064	\$957 - \$967

1. Adjusted O&M is a financial measure that is not calculated in accordance with GAAP and may not be comparable to other companies' presentations of similarly-named measures or more useful than the GAAP information.



2021/2020 EPS: GAAP to Non-GAAP Reconciliation¹

	Earnings (Loss) per Diluted Share		Earnings (Loss) per Diluted Share	
	2021	2020	2021	2020
(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 ^(a)	1.9	0.01	—	—
Executive transition costs, pre-tax ^(b)	3.3	0.02	—	—
Severance costs, pre-tax ^(c)	—	—	28.7	0.13
Advisor expenses, pre-tax ^(d)	1.2	—	9.7	0.04
Income tax benefit ^(e)	(1.0)	—	(9.6)	(0.04)
Adjusted earnings (non-GAAP)	\$ 454.8	\$ 1.98	\$ 393.3	\$ 1.73

- a) 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.
- b) 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.
- c) 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.
- d) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- e) 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.



2021/2020 EPS: GAAP to Non-GAAP Reconciliation

Year to Date September 30	2021		2020	
	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.	\$ 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 ^(a)	(95.0)	(0.42)	—	—
Non-regulated energy marketing costs related to February 2021				
winter weather event, pre-tax ^(b)	5.9	0.03	—	—
Executive transition costs, pre-tax ^(c)	10.6	0.05	—	—
Severance costs, pre-tax ^(d)	2.8	0.01	55.3	0.24
Advisor expenses, pre-tax ^(e)	8.4	0.04	26.1	0.12
Income tax expense (benefit) ^(f)	16.3	0.07	(20.8)	(0.09)
Kansas corporate income tax change ^(g)	—	—	13.8	0.06
Adjusted earnings (non-GAAP)	\$ 775.3	\$ 3.38	\$ 641.7	\$ 2.82

- a) Reflects non-regulated energy marketing margins related to the February 2021 winter weather event and are included in operating revenues on the consolidated statements of comprehensive income.
- b) Reflects non-regulated energy marketing incentive compensation costs related to the February 2021 winter weather event and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- c) Reflects costs associated with executive transition including inducement bonuses, severance agreements and other transition expenses and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- d) Reflects severance costs incurred associated with certain voluntary severance programs at the Evergy Companies and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- e) Reflects advisor expenses incurred associated with strategic planning and are included in operating and maintenance expense on the consolidated statements of comprehensive income.
- f) Reflects 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.
- g) 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.