

# Evergy, Inc.

## Second Quarter 2023 Earnings

Released August 4, 2023

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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 June 30, 2023 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 June 30</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>% Change</b>
	(millions, except per share amounts)			
<b>REVENUES:</b>				
Residential	\$ 492.7	\$ 513.4	\$ (20.7)	(4.0)
Commercial	460.7	465.5	(4.8)	(1.0)
Industrial	157.3	170.1	(12.8)	(7.5)
Other retail	8.9	9.8	(0.9)	(9.2)
Total electric retail	<u>1,119.6</u>	<u>1,158.8</u>	<u>(39.2)</u>	<u>(3.4)</u>
Wholesale	83.1	79.5	3.6	4.5
Transmission	100.5	101.0	(0.5)	(0.5)
Other	51.0	107.2	(56.2)	(52.4)
Total Revenues	<u>1,354.2</u>	<u>1,446.5</u>	<u>(92.3)</u>	<u>(6.4)</u>
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	344.8	414.3	(69.5)	(16.8)
SPP network transmission costs	75.4	81.5	(6.1)	(7.5)
Operating and maintenance	227.6	282.8	(55.2)	(19.5)
Depreciation and amortization	269.4	232.1	37.3	16.1
Taxes other than income tax	100.4	100.3	0.1	0.1
Total Operating Expenses	<u>1,017.6</u>	<u>1,111.0</u>	<u>(93.4)</u>	<u>(8.4)</u>
<b>INCOME FROM OPERATIONS</b>	<b>336.6</b>	<b>335.5</b>	<b>1.1</b>	<b>0.3</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment earnings (loss)	6.7	(0.9)	7.6	N/M
Other income	2.6	5.9	(3.3)	(55.9)
Other expense	(21.0)	(22.9)	1.9	(8.3)
Total Other Expense, Net	<u>(11.7)</u>	<u>(17.9)</u>	<u>6.2</u>	<u>(34.6)</u>
Interest expense	133.7	99.3	34.4	34.6
<b>INCOME BEFORE INCOME TAXES</b>	<b>191.2</b>	<b>218.3</b>	<b>(27.1)</b>	<b>(12.4)</b>
Income tax expense	10.8	22.1	(11.3)	(51.1)
Equity in earnings of equity method investees, net of income taxes	1.8	1.4	0.4	28.6
<b>NET INCOME</b>	<b>182.2</b>	<b>197.6</b>	<b>(15.4)</b>	<b>(7.8)</b>
Less: Net income attributable to noncontrolling interests	3.1	3.1	—	—
<b>NET INCOME ATTRIBUTABLE TO EVERGY, INC.</b>	<b>\$ 179.1</b>	<b>\$ 194.5</b>	<b>\$ (15.4)</b>	<b>(7.9)</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	\$ 0.78	\$ 0.85	\$ (0.07)	(8.2)
Diluted earnings per common share	\$ 0.78	\$ 0.84	\$ (0.06)	(7.1)
<b>AVERAGE COMMON SHARES OUTSTANDING</b>				
Basic	230.1	229.9	0.2	0.1
Diluted	<u>230.5</u>	<u>230.4</u>	<u>0.1</u>	<u>—</u>
Effective income tax rate	5.6 %	10.1 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

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

<b>Year to Date June 30</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>% Change</b>
	(millions, except per share amounts)			
<b>REVENUES:</b>				
Residential	\$ 951.3	\$ 965.2	\$ (13.9)	(1.4)
Commercial	890.7	868.6	22.1	2.5
Industrial	316.4	320.4	(4.0)	(1.2)
Other retail	20.2	18.8	1.4	7.4
Total electric retail	2,178.6	2,173.0	5.6	0.3
Wholesale	153.5	131.4	22.1	16.8
Transmission	206.3	199.0	7.3	3.7
Other	112.6	167.0	(54.4)	(32.6)
Total Revenues	2,651.0	2,670.4	(19.4)	(0.7)
<b>OPERATING EXPENSES:</b>				
Fuel and purchased power	699.0	723.3	(24.3)	(3.4)
SPP network transmission costs	156.6	160.2	(3.6)	(2.2)
Operating and maintenance	443.9	535.0	(91.1)	(17.0)
Depreciation and amortization	532.8	461.1	71.7	15.5
Taxes other than income tax	202.8	202.2	0.6	0.3
Total Operating Expenses	2,035.1	2,081.8	(46.7)	(2.2)
<b>INCOME FROM OPERATIONS</b>	<b>615.9</b>	<b>588.6</b>	<b>27.3</b>	<b>4.6</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment earnings	15.8	(10.5)	26.3	N/M
Other income	14.8	14.1	0.7	5.0
Other expense	(42.3)	(47.8)	5.5	(11.5)
Total Other Expense, Net	(11.7)	(44.2)	32.5	(73.5)
Interest expense	256.8	191.1	65.7	34.4
<b>INCOME BEFORE INCOME TAXES</b>	<b>347.4</b>	<b>353.3</b>	<b>(5.9)</b>	<b>(1.7)</b>
Income tax expense	23.2	33.6	(10.4)	(31.0)
Equity in earnings of equity method investees, net of income taxes	3.7	3.5	0.2	5.7
<b>NET INCOME</b>	<b>327.9</b>	<b>323.2</b>	<b>4.7</b>	<b>1.5</b>
Less: Net income attributable to noncontrolling interests	6.2	6.2	—	—
<b>NET INCOME ATTRIBUTABLE TO EVERGY, INC.</b>	<b>\$ 321.7</b>	<b>\$ 317.0</b>	<b>\$ 4.7</b>	<b>1.5</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	\$ 1.40	\$ 1.38	\$ 0.02	1.4
Diluted earnings per common share	\$ 1.40	\$ 1.38	\$ 0.02	1.4
<b>AVERAGE COMMON SHARES OUTSTANDING</b>				
Basic	230.0	229.8	0.2	0.1
Diluted	230.4	230.4	—	—
Effective income tax rate	6.6 %	9.4 %		

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

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

	<b>June 30</b>	December 31
	<b>2023</b>	2022
<b>ASSETS</b>	(millions, except share amounts)	
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 31.4	\$ 25.2
Receivables, net of allowance for credit losses of \$22.6 and \$31.4, respectively	321.1	315.3
Accounts receivable pledged as collateral	347.0	359.0
Fuel inventory and supplies	729.4	672.9
Income taxes receivable	—	9.3
Regulatory assets	306.7	368.0
Prepaid expenses	58.3	47.8
Other assets	41.4	44.5
Total Current Assets	<b>1,835.3</b>	1,842.0
PROPERTY, PLANT AND EQUIPMENT, NET	<b>22,838.8</b>	22,136.5
PROPERTY, PLANT AND EQUIPMENT OF VARIABLE INTEREST ENTITIES, NET	<b>137.1</b>	140.7
<b>OTHER ASSETS:</b>		
Regulatory assets	1,877.3	1,846.3
Nuclear decommissioning trust fund	717.2	653.3
Goodwill	2,336.6	2,336.6
Other	534.8	534.5
Total Other Assets	<b>5,465.9</b>	5,370.7
<b>TOTAL ASSETS</b>	<b>\$ 30,277.1</b>	\$ 29,489.9

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

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

	June 30 2023	December 31 2022
<b>LIABILITIES AND EQUITY</b>	(millions, except share amounts)	
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term debt	\$ 89.4	\$ 439.1
Notes payable and commercial paper	2,371.1	1,332.3
Collateralized note payable	347.0	359.0
Accounts payable	369.8	600.8
Accrued taxes	233.5	163.0
Accrued interest	100.7	124.3
Regulatory liabilities	185.6	155.4
Asset retirement obligations	40.5	40.4
Accrued compensation and benefits	55.0	81.1
Other	159.0	198.4
Total Current Liabilities	3,951.6	3,493.8
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt, net	10,097.1	9,905.7
Deferred income taxes	2,053.9	1,996.6
Unamortized investment tax credits	170.9	174.6
Regulatory liabilities	2,503.6	2,566.8
Pension and post-retirement liability	512.4	458.4
Asset retirement obligations	1,143.9	1,112.8
Other	293.0	287.9
Total Long-Term Liabilities	16,774.8	16,502.8
Commitments and Contingencies (See 10-Q Note 11)		
<b>EQUITY:</b>		
Evergy, Inc. Shareholders' Equity:		
Common stock - 600,000,000 shares authorized, without par value 229,701,709 and 229,546,105 shares issued, stated value	7,229.0	7,219.7
Retained earnings	2,337.8	2,298.5
Accumulated other comprehensive loss	(31.9)	(34.5)
Total Evergy, Inc. Shareholders' Equity	9,534.9	9,483.7
Noncontrolling Interests	15.8	9.6
Total Equity	9,550.7	9,493.3
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 30,277.1</b>	<b>\$ 29,489.9</b>

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

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

<b>Year to Date June 30</b>	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</b>	(millions)	
Net income	\$ 327.9	\$ 323.2
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	532.8	461.1
Amortization of nuclear fuel	30.6	31.8
Amortization of deferred refueling outage	9.1	12.5
Amortization of corporate-owned life insurance	12.5	11.7
Non-cash compensation	11.5	11.0
Net deferred income taxes and credits	0.7	6.9
Allowance for equity funds used during construction	(4.7)	(12.8)
Payments for asset retirement obligations	(4.8)	(3.9)
Equity in earnings of equity method investees, net of income taxes	(3.7)	(3.5)
Income from corporate-owned life insurance	(9.0)	(0.9)
Other	0.8	0.6
Changes in working capital items:		
Accounts receivable	5.6	(131.9)
Accounts receivable pledged as collateral	12.0	(28.0)
Fuel inventory and supplies	(55.9)	(69.5)
Prepaid expenses and other current assets	48.3	(27.8)
Accounts payable	(196.9)	(75.9)
Accrued taxes	79.8	87.7
Other current liabilities	(77.9)	(61.6)
Changes in other assets	13.5	35.1
Changes in other liabilities	(17.0)	23.1
Cash Flows from Operating Activities	<b>715.2</b>	<b>588.9</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment	(1,104.2)	(1,116.4)
Acquisition of Persimmon Creek, net of cash acquired	(217.9)	—
Purchase of securities - trusts	(22.0)	(19.4)
Sale of securities - trusts	15.3	19.4
Investment in corporate-owned life insurance	(15.7)	(15.5)
Proceeds from investment in corporate-owned life insurance	42.4	2.9
Other investing activities	(5.3)	0.1
Cash Flows used in Investing Activities	<b>(1,307.4)</b>	<b>(1,128.9)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>		
Short-term debt, net	537.4	369.1
Proceeds from Term Loan Facility	—	500.0
Collateralized short-term borrowings, net	(12.0)	28.0
Proceeds from long-term debt	690.5	246.9
Retirements of long-term debt	(350.0)	(387.5)
Borrowings against cash surrender value of corporate-owned life insurance	51.0	51.1
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(32.6)	(1.2)
Cash dividends paid	(281.3)	(262.7)
Other financing activities	(4.6)	(7.5)
Cash Flows from Financing Activities	<b>598.4</b>	<b>536.2</b>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>6.2</b>	<b>(3.8)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH:</b>		
Beginning of period	25.2	26.2
End of period	<b>\$ 31.4</b>	<b>\$ 22.4</b>

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

Eversource Energy, Inc.  
Second Quarter 2023 vs. 2022

Earnings Variances

	Change	
	(dollars in millions)	(\$ per share)
2022 net income attributable to Eversource Energy, Inc.	\$ 194.5	\$ 0.84
	<i>Favorable/(Unfavorable)</i>	
Utility gross margin <sup>(a)</sup>	(16.7)	A (0.07)
Operating and maintenance	55.2	B 0.24
Depreciation and amortization	(37.3)	C (0.16)
Taxes other than income tax	(0.1)	—
Other income, net	6.2	D 0.03
Interest expense	(34.4)	E (0.15)
Income tax expense	11.3	F 0.05
Equity in earnings of equity method investees, net of income taxes	0.4	—
Net income attributable to noncontrolling interests	—	—
Change in shares outstanding		—
2023 net income attributable to Eversource Energy, Inc.	\$ 179.1	\$ 0.78

<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 lower retail sales driven by unfavorable weather; partially offset by higher weather-normalized residential and commercial demand - (\$18.8M); a decrease due to mark-to-market losses related to forward contracts for natural gas and electricity entered into as economic hedges against fuel price volatility related to Eversource Energy Kansas Central's non-regulated 8% ownership share of Jeffrey Energy Center (JEC) - (\$6.4M); and a decrease in operating revenue related to non-regulated energy marketing activity at Eversource Energy Kansas Central - (\$5.1M); partially offset by an increase from new Eversource Energy Metro and Eversource Energy Missouri West retail rates effective in January 2023 - \$13.6M.
- B Due primarily to a decrease in administrative labor and employee benefits expenses primarily due to a decrease in employee headcount - \$19.5M; a decrease in plant operating and maintenance expense at fossil-fuel generating units primarily driven by major maintenance outages in 2022 at Eversource Energy Kansas Central's JEC and Eversource Energy Metro's Iatan Station Unit 1; partially offset by a major maintenance outage in 2023 at Eversource Energy Metro's Hawthorn Station - \$8.5M; a decrease in transmission and distribution operating and maintenance expenses primarily at Eversource Energy Kansas Central and Eversource Energy Metro driven by lower labor expense -\$6.9M; a decrease in various administrative and general operating and maintenance expenses primarily due to lower regulatory amortizations at Eversource Energy Metro and Eversource Energy Missouri West as a result of their 2022 rate cases - \$4.2M; and advisor expenses incurred in the second quarter of 2022 associated with strategic planning - \$2.5M.
- C Due primarily to a change in depreciation rates and the rebasing of plant-in-service-accounting (PISA) depreciation deferrals as a result of Eversource Energy Metro's and Eversource Energy Missouri West's 2022 rate cases effective in January 2023 - (\$19.1M); and higher capital additions in 2023 - (\$18.2M).
- D Due primarily to an increase in interest and dividend income - \$4.5M.
- E 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 Eversource Energy Kansas Central, Eversource Energy Metro and Eversource Energy Missouri West - (\$26.8M).
- H Due primarily to lower pre-tax income in the second quarter of 2023 - \$5.9M; and higher wind and other income tax credits in the second quarter of 2023 - \$3.8M.

The Notes to the Unaudited Consolidated Financial Statements in Eversource Energy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

Evergy, Inc  
Year Ended June 2023 vs. 2022

Earnings Variances

	Change (dollars in millions)		(\$ per share)
2022 net income attributable to Evergy, Inc.	\$ 317.0		\$ 1.38
	<b>Favorable/(Unfavorable)</b>		
Utility gross margin <sup>(a)</sup>	8.5	A	0.04
Operating and maintenance	91.1	B	0.40
Depreciation and amortization	(71.7)	C	(0.31)
Taxes other than income tax	(0.6)		—
Sibley Unit 3 impairment loss and other regulatory disallowances	—		—
Other expense, net	32.5	D	0.14
Interest expense	(65.7)	E	(0.29)
Income tax expense	10.4	F	0.04
Equity in earnings of equity method investees, net of income taxes	0.2		—
Net income attributable to noncontrolling interests	—		—
Change in shares outstanding			—
2023 net income attributable to Evergy, Inc.	\$ 321.7		\$ 1.40

<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 an increase from new Evergy Metro and Evergy Missouri West retail rates effective in January 2023 - \$25.4M; an increase in transmission revenue due to updated transmission costs reflect in Evergy Kansas Central's Federal Energy Regulatory Commission (FERC) transmission formula rate (TFR) effective in January 2023 and revised in March 2023 - \$7.2M; an increase due to mark-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 - \$2.0M; and an increase in operating revenue related to non-regulated energy marketing activity at Evergy Kansas Central - \$1.3M; partially offset by lower retail sales driven by unfavorable weather; partially offset by higher weather-normalized residential and commercial demand - (\$27.4M).
- B Due primarily to a decrease in administrative labor and employee benefits expenses primarily due to a decrease in employee headcount - \$32.8M; a decrease in plant operating and maintenance expense at fossil-fuel generating units primarily driven by major maintenance outages in 2022 at Evergy Kansas Central's JEC and Evergy Metro's Iatan Station Unit 1 and LaCygne Unit 2; partially offset by a major maintenance outage in 2023 at Evergy Metro's Hawthorn Station - \$13.7M; a decrease in various administrative and general operating and maintenance expenses primarily due to lower regulatory amortizations at Evergy Metro and Evergy Missouri West as a result of their 2022 rate cases - \$10.1M; a decrease in transmission and distribution operating and maintenance expenses primarily at Evergy Kansas Central and Evergy Metro driven by lower labor expense; partially offset by an increase in vegetation management costs - \$9.4M; a decrease in plant operating and maintenance expense at Wolf Creek at Evergy Kansas Central and Evergy Metro primarily due to lower refueling outage amortization and lower labor expense in 2023 - \$6.9M; and advisor expenses incurred in the second quarter of 2022 associated with strategic planning - \$2.5M; partially offset by an increase in property insurance expense due to a lower annual refund of nuclear insurance premiums received by Evergy Kansas Central and Evergy Metro in 2023 - (\$3.7M).
- C Due primarily to a change in depreciation rates and the rebasing of plant-in-service-accounting (PISA) depreciation deferrals as a result of Evergy Metro's and Evergy Missouri West's 2022 rate cases effective in January 2023 - (\$37.7M); and higher capital additions in 2023 - (\$34.0M).
- D Due primarily to higher investment earnings primarily driven by a loss from the sale of Evergy's equity investment in an early-stage energy solutions company in 2022 and an increase in interest and dividend income and net unrealized losses becoming net unrealized gains in Evergy Kansas Central's rabbit trust; partially offset by a decrease in unrealized gains due to the change in fair value related to other equity investments - \$26.3M; a decrease due to recording higher Evergy Kansas Central corporate-owned life insurance (COLI) benefits in 2023 - \$8.1M and lower equity allowance for funds used during construction (AFUDC) in 2023 - \$8.0M.
- E Due primarily to higher short-term debt balances and weighted-average interest rates on short-term borrowings for Evergy Kansas Central, Evergy Metro and Evergy Missouri West in 2022 - (\$54.3M).
- F Due primarily to higher amortization of excess deferred income taxes authorized by FERC in December 2022 - \$4.3M; higher expected COLI proceeds in 2023 - \$3.0M and lower pre-tax income in 2023 - \$1.3M.

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.



Evergy, Inc.  
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Evergy		Evergy Kansas Central		Evergy Metro		Evergy Missouri West	
	2023	2022	2023	2022	2023	2022	2023	2022
(Dollars in millions)								
Three Months Ended June 30								
Operating revenues	\$ 1,354.2	\$ 1,446.5	\$ 639.6	\$ 724.0	\$ 485.3	\$ 500.1	\$ 233.1	\$ 230.4
Fuel and purchased power	344.8	414.3	113.8	179.0	142.0	158.9	92.8	84.2
SPP network transmission costs	75.4	81.5	75.4	81.5	—	—	—	—
Operating and maintenance	227.6	282.8	115.6	141.5	66.8	86.7	41.8	49.5
Depreciation and amortization	269.4	232.1	128.7	120.6	105.4	84.5	36.5	28.1
Taxes other than income tax	100.4	100.3	54.5	53.9	32.2	33.7	13.5	12.9
Income from operations	336.6	335.5	151.6	147.5	138.9	136.3	48.5	55.7
Other income (expense), net	(11.7)	(17.9)	(7.2)	(8.8)	(7.4)	(6.8)	3.0	(2.5)
Interest expense	133.7	99.3	54.4	44.7	35.0	26.8	22.0	12.1
Income tax expense	10.8	22.1	3.1	4.4	11.7	14.3	1.2	8.8
Equity in earnings of equity method investees, net of income taxes	1.8	1.4	1.0	1.0	—	—	—	—
Net income	182.2	197.6	87.9	90.6	84.8	88.4	28.3	32.3
Less: net income attributable to noncontrolling interests	3.1	3.1	3.1	3.1	—	—	—	—
Net income attributable to controlling interest	\$ 179.1	\$ 194.5	\$ 84.8	\$ 87.5	\$ 84.8	\$ 88.4	\$ 28.3	\$ 32.3
<b>Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):</b>								
Operating revenues	\$ 1,354.2	\$ 1,446.5	\$ 639.6	\$ 724.0	\$ 485.3	\$ 500.1	\$ 233.1	\$ 230.4
Fuel and purchased power	(344.8)	(414.3)	(113.8)	(179.0)	(142.0)	(158.9)	(92.8)	(84.2)
SPP network transmission costs	(75.4)	(81.5)	(75.4)	(81.5)	—	—	—	—
Operating and maintenance <sup>(a)</sup>	(121.1)	(141.0)	(59.3)	(68.5)	(44.5)	(53.1)	(17.2)	(19.2)
Depreciation and amortization	(269.4)	(232.1)	(128.7)	(120.6)	(105.4)	(84.5)	(36.5)	(28.1)
Taxes other than income tax	(100.4)	(100.3)	(54.5)	(53.9)	(32.2)	(33.7)	(13.5)	(12.9)
<b>Gross margin (GAAP)</b>	<b>443.1</b>	<b>477.3</b>	<b>207.9</b>	<b>220.5</b>	<b>161.2</b>	<b>169.9</b>	<b>73.1</b>	<b>86.0</b>
Operating and maintenance <sup>(a)</sup>	121.1	141.0	59.3	68.5	44.5	53.1	17.2	19.2
Depreciation and amortization	269.4	232.1	128.7	120.6	105.4	84.5	36.5	28.1
Taxes other than income tax	100.4	100.3	54.5	53.9	32.2	33.7	13.5	12.9
<b>Utility gross margin (non-GAAP)</b>	<b>\$ 934.0</b>	<b>\$ 950.7</b>	<b>\$ 450.4</b>	<b>\$ 463.5</b>	<b>\$ 343.3</b>	<b>\$ 341.2</b>	<b>\$ 140.3</b>	<b>\$ 146.2</b>
<b>Revenues</b> (Dollars in millions)								
Residential	\$ 492.7	\$ 513.4	\$ 192.3	\$ 222.8	\$ 186.0	\$ 184.9	\$ 114.4	\$ 105.7
Commercial	460.7	465.5	180.7	193.7	197.3	194.1	82.7	77.7
Industrial	157.3	170.1	98.2	111.9	35.0	33.4	24.1	24.8
Other retail revenues	8.9	9.8	2.5	4.5	3.4	3.0	3.0	2.3
Total electric retail	1,119.6	1,158.8	473.7	532.9	421.7	415.4	224.2	210.5
Wholesale revenues	83.1	79.5	58.8	81.4	25.9	(2.5)	2.3	8.5
Transmission	100.5	101.0	96.6	91.1	3.3	4.4	0.6	5.5
Other	51.0	107.2	10.5	18.6	34.4	82.8	6.0	5.9
Operating revenues	\$ 1,354.2	\$ 1,446.5	\$ 639.6	\$ 724.0	\$ 485.3	\$ 500.1	\$ 233.1	\$ 230.4
<b>Electricity Sales</b> (MWh in thousands)								
Residential	3,616	3,754	1,515	1,598	1,292	1,321	809	835
Commercial	4,438	4,388	1,827	1,763	1,786	1,800	825	825
Industrial	2,118	2,207	1,339	1,418	438	425	341	365
Other retail revenues	31	33	10	10	16	18	6	4
Total electric retail	10,203	10,382	4,691	4,789	3,532	3,564	1,981	2,029
Wholesale revenues	3,498	4,372	1,973	2,703	1,555	1,598	(15)	71
Total electricity sales	13,701	14,754	6,664	7,492	5,087	5,162	1,966	2,100

<sup>(a)</sup>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.

Eversource Energy, Inc.  
Financial Results, Revenue and Sales

Supplemental Data

Financial Results	Eversource		Eversource Kansas Central		Eversource Metro		Eversource Missouri West	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Year to Date June 30</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	(Dollars in millions)							
Operating revenues	\$ 2,651.0	\$ 2,670.4	\$ 1,318.2	\$ 1,337.9	\$ 891.7	\$ 922.6	\$ 455.2	\$ 424.1
Fuel and purchased power	699.0	723.3	258.2	287.1	257.4	291.4	197.7	159.4
SPP network transmission costs	156.6	160.2	156.6	160.2	—	—	—	—
Operating and maintenance	443.9	535.0	223.2	267.2	132.1	164.8	83.4	95.2
Depreciation and amortization	532.8	461.1	252.8	240.3	207.8	167.4	74.6	55.7
Taxes other than income tax	202.8	202.2	110.2	108.4	65.7	67.1	26.7	26.8
Income from operations	615.9	588.6	317.2	274.7	228.7	231.9	72.8	87.0
Other income (expense), net	(11.7)	(44.2)	(6.6)	(17.4)	(12.9)	(13.1)	7.2	(4.9)
Interest expense	256.8	191.1	106.8	85.6	65.6	53.8	42.5	22.7
Income tax expense	23.2	33.6	11.5	8.0	18.6	22.0	(1.8)	10.2
Equity in earnings of equity method investees, net of income taxes	3.7	3.5	2.0	2.0	—	—	—	—
Net income	327.9	323.2	194.3	165.7	131.6	143.0	39.3	49.2
Less: net income attributable to noncontrolling interests	6.2	6.2	6.2	6.2	—	—	—	—
Net income attributable to controlling interest	\$ 321.7	\$ 317.0	\$ 188.1	\$ 159.5	\$ 131.6	\$ 143.0	\$ 39.3	\$ 49.2
<b>Reconciliation of gross margin (GAAP) to utility gross margin (non-GAAP):</b>								
Operating revenues	\$ 2,651.0	\$ 2,670.4	\$ 1,318.2	\$ 1,337.9	\$ 891.7	\$ 922.6	\$ 455.2	\$ 424.1
Fuel and purchased power	(699.0)	(723.3)	(258.2)	(287.1)	(257.4)	(291.4)	(197.7)	(159.4)
SPP network transmission costs	(156.6)	(160.2)	(156.6)	(160.2)	—	—	—	—
Operating and maintenance <sup>(a)</sup>	(239.3)	(272.4)	(113.2)	(133.5)	(92.1)	(103.4)	(33.7)	(35.1)
Depreciation and amortization	(532.8)	(461.1)	(252.8)	(240.3)	(207.8)	(167.4)	(74.6)	(55.7)
Taxes other than income tax	(202.8)	(202.2)	(110.2)	(108.4)	(65.7)	(67.1)	(26.7)	(26.8)
<b>Gross margin (GAAP)</b>	<b>820.5</b>	<b>851.2</b>	<b>427.2</b>	<b>408.4</b>	<b>268.7</b>	<b>293.3</b>	<b>122.5</b>	<b>147.1</b>
Operating and maintenance <sup>(a)</sup>	239.3	272.4	113.2	133.5	92.1	103.4	33.7	35.1
Depreciation and amortization	532.8	461.1	252.8	240.3	207.8	167.4	74.6	55.7
Taxes other than income tax	202.8	202.2	110.2	108.4	65.7	67.1	26.7	26.8
<b>Utility gross margin (non-GAAP)</b>	<b>\$ 1,795.4</b>	<b>\$ 1,786.9</b>	<b>\$ 903.4</b>	<b>\$ 890.6</b>	<b>\$ 634.3</b>	<b>\$ 631.2</b>	<b>\$ 257.5</b>	<b>\$ 264.7</b>
<b>Revenues</b>	(Dollars in millions)							
Residential	\$ 951.3	\$ 965.2	\$ 384.4	\$ 418.9	\$ 344.0	\$ 344.8	\$ 222.9	\$ 201.5
Commercial	890.7	868.6	358.8	358.9	373.2	367.7	158.7	142.0
Industrial	316.4	320.4	206.7	212.7	63.4	62.2	46.3	45.5
Other retail revenues	20.2	18.8	6.8	8.6	6.1	5.6	7.3	4.6
Total electric retail	2,178.6	2,173.0	956.7	999.1	786.7	780.3	435.2	393.6
Wholesale revenues	153.5	131.4	126.4	131.5	37.3	5.2	4.2	9.2
Transmission	206.3	199.0	197.2	178.6	7.1	9.8	2.0	10.6
Other	112.6	167.0	37.9	28.7	60.6	127.3	13.8	10.7
Operating revenues	\$ 2,651.0	\$ 2,670.4	\$ 1,318.2	\$ 1,337.9	\$ 891.7	\$ 922.6	\$ 455.2	\$ 424.1
<b>Electricity Sales</b>	(MWh in thousands)							
Residential	7,357	7,689	2,967	3,147	2,621	2,704	1,769	1,838
Commercial	8,749	8,644	3,499	3,400	3,592	3,609	1,658	1,634
Industrial	4,182	4,320	2,658	2,788	837	824	686	709
Other retail revenues	62	65	20	20	33	35	11	10
Total electric retail	20,350	20,718	9,144	9,355	7,083	7,172	4,124	4,191
Wholesale revenues	7,046	8,272	4,617	5,064	2,381	3,046	136	171
Total electricity sales	27,396	28,990	13,761	14,419	9,464	10,218	4,260	4,362

<sup>(a)</sup>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

<b>Evergy</b>				
<b>Three Months Ended June 30</b>				
<b>Degree Days</b>	<b>2023</b>	2022/ Normal	Change	% Change
<b>Cooling</b>				
Actual compared to last year	490	566	(76)	(13.4)
Actual compared to normal	490	443	47	10.6
<b>Heating</b>				
Actual compared to last year	328	428	(100)	(23.4)
Actual compared to normal	328	413	(85)	(20.6)

<b>Evergy</b>				
<b>Year to Date June 30</b>				
<b>Degree Days</b>	<b>2023</b>	2022/ Normal	Change	% Change
<b>Cooling</b>				
Actual compared to last year	490	566	(76)	(13.4)
Actual compared to normal	490	447	43	9.6
<b>Heating</b>				
Actual compared to last year	2,632	3,011	(379)	(12.6)
Actual compared to normal	2,632	2,947	(315)	(10.7)

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 should be read in conjunction with this financial information.

Evergy, Inc.  
Capitalization

	<b>June 30, 2023</b>		December 31, 2022	
	(dollars in millions, except per share amounts)			
Current maturities of long-term debt	<b>\$ 89.4</b>		\$ 439.1	
Long-term debt, net	<b>10,097.1</b>		9,905.7	
Total long-term debt	<b>10,186.5</b>	51.7 %	10,344.8	52.1 %
Common equity	<b>9,534.9</b>	48.3 %	9,483.7	47.9 %
Noncontrolling interests	<b>15.8</b>	— %	9.6	— %
Total capitalization	<b>\$ 19,737.2</b>	100.0 %	\$ 19,838.1	100.0 %
GAAP Book value per share	<b>\$ 41.51</b>		\$ 41.32	
Period end shares outstanding	<b>229,701,709</b>		229,546,105	

The Notes to the Unaudited Consolidated Financial Statements in Evergy's Quarterly Report on Form 10-Q for the period ended June 30, 2023 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 the 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 page 6 for the reconciliation of utility gross margin (non-GAAP) to gross margin, the most comparable GAAP measure, for the three months ended June 30, 2023 and 2022.

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

Management believes that adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) are representative measures 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 the three months ended and year to date June 30, 2022 have been recast, as applicable, to conform to the current year presentation.

Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) for the three months ended and year to date June 30, 2023 were \$186.1 million or \$0.81 per share and \$322.2 million or \$1.40 per share, respectively. For the three months ended and year to date June 30, 2022, Evergy's adjusted earnings (non-GAAP) and adjusted EPS (non-GAAP) were \$194.5 million or \$0.84 per share and \$324.4 million or \$1.41 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 i.) the 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 2022 for future refunds to customers; iv.) the mark-to-market impacts of economic hedges related to Evergy Kansas Central's non-regulated 8% ownership share of JEC; v.) costs resulting from advisor expenses; and vi.) the transmission revenues collected from customers in 2022 through Evergy Kansas Central's FERC TFR to be refunded to customers in accordance with a December 2022 FERC order and vii.) the second quarter 2023 deferral of the cumulative amount of prior year revenues collected since October 2019 for costs related to an electric subdivision rebate program to be refunded to customers in accordance with a June 2020 KCC order.

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. dd

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) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
Three Months Ended June 30	2023		2022	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 179.1	\$ 0.78	\$ 194.5	\$ 0.84
Non-GAAP reconciling items:				
Sibley Station return on investment, pre-tax <sup>(a)</sup>	—	—	(3.1)	(0.01)
Mark-to-market impact of JEC economic hedges, pre-tax <sup>(b)</sup>	6.4	0.03	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax <sup>(c)</sup>	0.1	—	0.3	—
Advisor expenses, pre-tax <sup>(d)</sup>	—	—	2.5	0.01
Restricted equity investment losses, pre-tax <sup>(e)</sup>	—	—	2.1	0.01
TFR refund, pre-tax <sup>(f)</sup>	—	—	(1.9)	(0.01)
Electric subdivision rebate program costs refund, pre-tax <sup>(g)</sup>	2.6	0.01	—	—
Income tax expense (benefit) <sup>(h)</sup>	(2.1)	(0.01)	0.1	—
Adjusted earnings (non-GAAP)	\$ 186.1	\$ 0.81	\$ 194.5	\$ 0.84

	Earnings (Loss) per Diluted Share		Earnings (Loss) per Diluted Share	
	Earnings (Loss)	Earnings (Loss) per Diluted Share	Earnings (Loss)	Earnings (Loss) per Diluted Share
Year to Date June 30	2023		2022	
	(millions, except per share amounts)			
Net income attributable to Evergy, Inc.	\$ 321.7	\$ 1.40	\$ 317.0	\$ 1.38
Non-GAAP reconciling items:				
Sibley Station return on investment, pre-tax <sup>(a)</sup>	—	—	(6.2)	(0.03)
Mark-to-market impact of JEC economic hedges, pre-tax <sup>(b)</sup>	(2.0)	(0.01)	—	—
Non-regulated energy marketing costs related to February 2021 winter weather event, pre-tax <sup>(c)</sup>	0.2	—	0.6	—
Advisor expenses, pre-tax <sup>(d)</sup>	—	—	2.5	0.01
Restricted equity investment losses, pre-tax <sup>(e)</sup>	—	—	16.3	0.07
TFR refund, pre-tax <sup>(f)</sup>	—	—	(3.8)	(0.02)
Electric subdivision rebate program costs refund, pre-tax <sup>(g)</sup>	2.6	0.01	—	—
Income tax (benefit) expense <sup>(h)</sup>	(0.3)	—	(2.0)	—
Adjusted earnings (non-GAAP)	\$ 322.2	\$ 1.40	\$ 324.4	\$ 1.41

- <sup>(a)</sup> Reflects revenues collected from customers for the return on investment of the retired Sibley Station in 2022 that are included in operating revenues on the consolidated statements of comprehensive income.
- <sup>(b)</sup> 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.
- <sup>(c)</sup> 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.
- <sup>(d)</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>(e)</sup> Reflects 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.
- <sup>(f)</sup> Reflects transmission revenues collected from customers in 2022 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.
- <sup>(g)</sup> Reflects the second quarter 2023 deferral of the cumulative amount of prior year revenues collected since October 2019 for costs related to an electric subdivision rebate program to be refunded to customers in accordance with a June 2020 KCC order that are included in operating revenues on the consolidated statements of comprehensive income.
- <sup>(h)</sup> Reflects an income tax effect calculated at a statutory rate of approximately 22%.