Analysts Call to Review **Fiscal 2019 First Quarter Financial Results**

February 6, 2019

8:00 a.m. Eastern

Q1 Fiscal 2019 Highlights

- **Solid Financial Performance**
  - ✓ Diluted EPS of $1.38
  - ✓ 8.7% increase in capital spending to $416 million; 82% allocated to safety and reliability spending
  - ✓ 8.2% increase in fiscal 2019 indicated annual dividend to $2.10 per diluted share - 35th consecutive year of rising dividends
- **Executed Our Regulatory Strategy**
  - ✓ Implemented approximately $21 million of annualized regulatory outcomes
  - ✓ $38 million in rate proceedings in progress as of February 5, 2019
  - ✓ Continued to implement tax reform into customer bills
- **Strong Balance Sheet**
  - ✓ October 2018 - $600 million long-term debt offering
  - ✓ November 2018 - $748 million equity issuance
  - ✓ Established new $500 million At-The-Market Equity Issuance Program
  - ✓ Equity capitalization at 59.4% at quarter end

Consolidated Financial Results
Fiscal 2019 – Q1

Net Income – Q1 Fiscal 2019 versus Q1 Fiscal 2018

($millions, except EPS)	Fiscal 2019 – Q1 Net Income	Fiscal 2019 – Q1 EPS [2]	Fiscal 2018 – Q1 Net Income	Fiscal 2018 – Q1 EPS [2]
Segment Net Income				
Distribution	$ 115		$ 249	
Pipeline & Storage	43		65	
Net Income	**$ 158**	**$1.38**	**$ 314**	**$2.89**
Adjustment to nonrecurring benefit from the adoption of the TCJA	----	----	(162)	(1.49)
Adjusted Net Income[1]	**$ 158**	**$1.38**	**$ 152**	**$1.40**

[1] *Adjusted Net Income and diluted EPS are non-GAAP measures defined as Net Income and diluted EPS before the one-time, non-cash income tax benefit resulting from the implementation of the Tax Cuts and Jobs Act of 2017 (TCJA).*

[2] *Since Atmos Energy has non-vested share-based payments with a nonforfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.*

Distribution Segment Financial Results

Quarter Ended 12/31 *($millions)*	2018	2017	Change
Contribution Margin	$ 401.1	$ 397.0	$ 4.1
Operating Expenses			
Operation & Maintenance	105.8	103.2	2.6
Depreciation & Amortization	69.7	65.4	4.3
Taxes, Other Than Income	56.2	55.1	1.1
Operating Income	**$ 169.4**	**$ 173.3**	**$ (3.9)**

Key Drivers

- **Contribution margin increase:**
  - ✓ $7.7MM – Increased consumption
  - ✓ $3.7MM – Customer growth
  - ✓ ($7.3MM) – Reduction in rates including impact of TCJA
- **O&M increase:**
  - ✓ Primarily employee related expenses
- **D&A and ad valorem taxes:**
  - ✓ Reflect increased capital investments

Pipeline & Storage Segment Financial Results

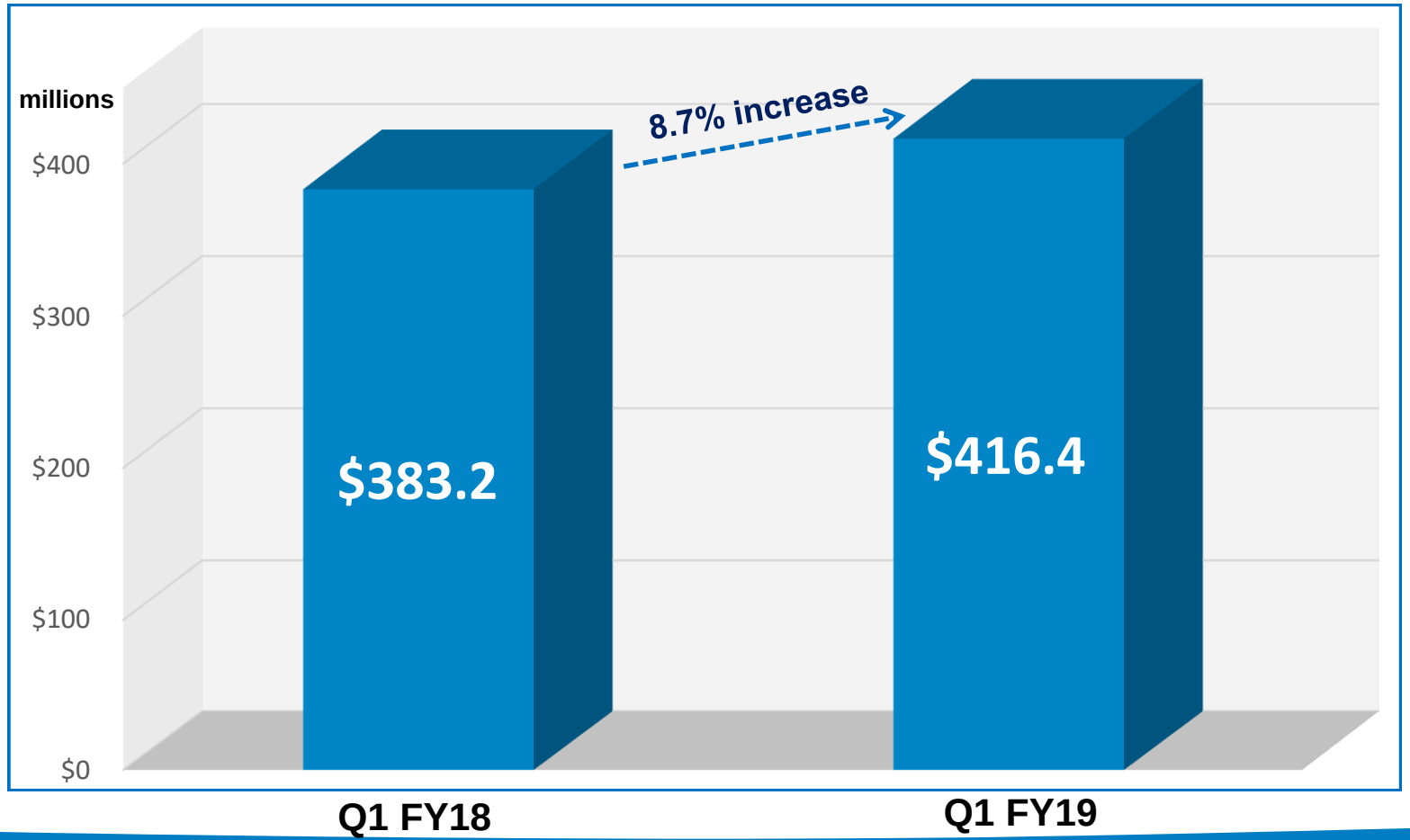
Quarter Ended 12/31 *($millions)*	2018	2017	Change
Contribution Margin	$ 134.8	$ 125.6	$ 9.2
Operating Expenses			
Operation & Maintenance	33.1	26.2	6.9
Depreciation & Amortization	26.4	22.9	3.5
Taxes, other than Income	8.3	7.7	0.6
Operating Income	$ 67.0	$ 68.8	$ (1.8)

Key Drivers

- **Contribution margin increase:**
  - ✓ $6.1MM – Rate increases
  - ✓ $3.1MM – Transportation
- **O&M increase:**
  - ✓ Higher system maintenance expense
- **D&A and ad valorem taxes:**
  - ✓ Reflect increased capital investments

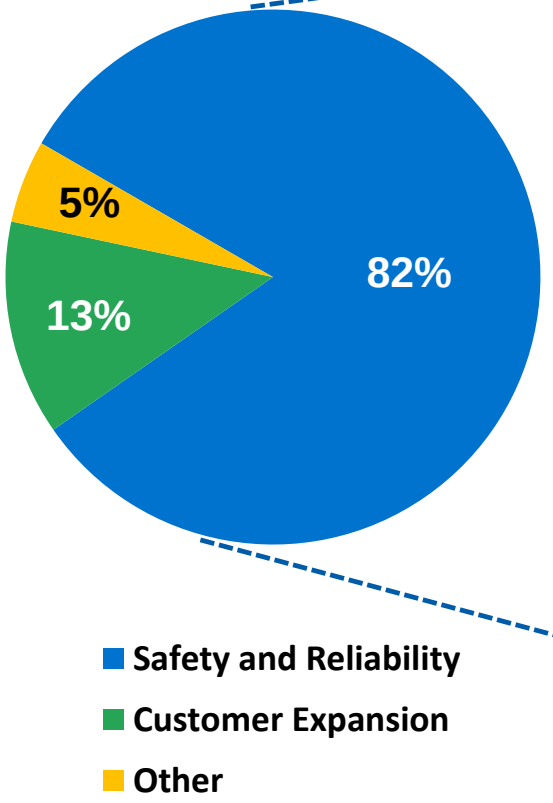
Capital Spending

82% Spent On Safety and Reliability



Capital Spending Mix

Safety & Reliability Investments Enable Modernization of Infrastructure

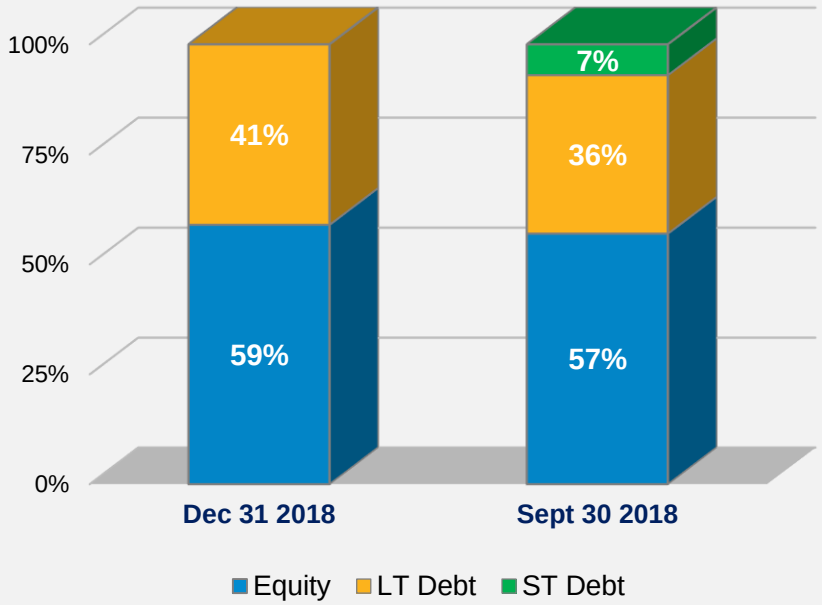


$millions	Fiscal 2019 Q1 CapEx
$ 175	Repair and replace transmission and distribution pipelines
$ 43	Service line replacement
$ 40	Fortifications
$ 36	Install & replace measurement & regulating equipment
$ 29	Pipeline integrity management projects
$ 18	Enhance storage and compression capabilities
$ 341	**Total Safety and Reliability Spending**
$ 416	**Total Capital Spending**

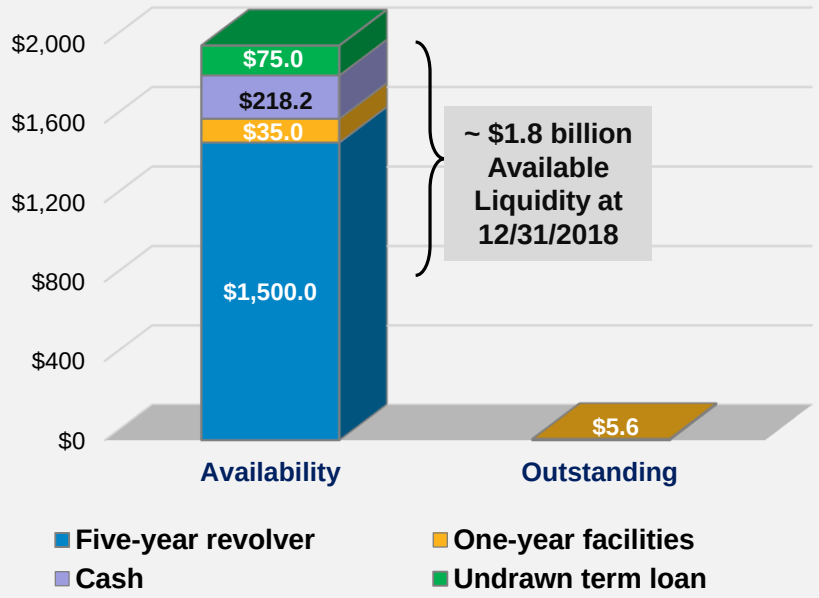
Strong Financial Foundation

Capitalization and Liquidity Profile

Total Capitalization



Liquidity Profile as of December 31, 2018



Fiscal 2019E Guidance

($millions, except EPS)	FY 2018 Adjusted Net Income [2]	FY 2019E*
Distribution	$ 305	$ 330 - 345
Pipeline & Storage	139	165 - 180
Total Net Income	**$ 444**	**$ 495 - 525**
Average Diluted Shares	111.0	118.0 - 120.0
Earnings Per Share [1]	**$ 4.00**	**$ 4.20 - $ 4.35**

* *Expected results for fiscal 2019 assumes normal weather. Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2019 significantly above or below this outlook.*

[1] *Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.*

[2] *Adjusted Net Income and diluted EPS are non-GAAP measures defined as Net Income and diluted EPS before the one-time, non-cash income tax benefit resulting from the implementation of TCJA.*

Fiscal 2019E Guidance

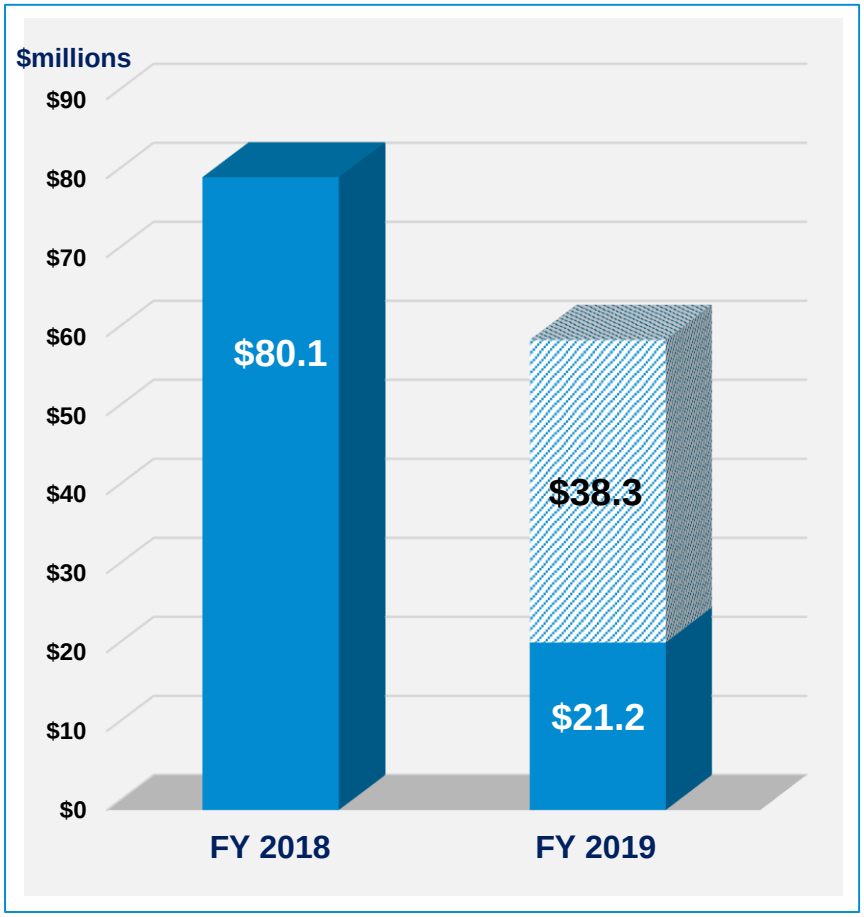
Selected Expenses *($millions)*	FY 2018	FY 2019E*
O&M	$ 600	$ 585 - 615
D&A	$ 361	$ 385 - 405
Interest	$ 107	$ 85 - 95
Income Tax	$ 8	$ 135 - 145
Effective Tax Rate	27.3%	21% - 23%**

* *Expected results for fiscal 2019 assumes normal weather. Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2019 significantly above or below this outlook.*

** *Inclusive of amortization of tax gross-up on excess deferred tax liability; 23% - 25% effective rate excluding this amortization.*

Recent Regulatory Developments

Approved Annualized Operating Income Increases



Key Rate Activity
Through 2/5/2019

- **$21.2MM Implemented – FY19**
  - ✓ $ 20.4MM – TX RRM
  - ✓ $ 7.0MM – Mississippi SRF/SIR
  - ✓ $ 2.1MM – Colorado SSIR
  - ✓ ($ 3.5MM) – TX Environ SOIs
  - ✓ ($ 5.0MM) – Tennessee ARM Filing
- **$38.3MM in Progress**
  - ✓ $ 14.4MM – Kentucky Rate Case
  - ✓ $ 9.5MM – Mid-Tex DARR
  - ✓ $ 4.7MM – Louisiana Trans La
  - ✓ $ 4.3MM – Mid-Tex ATM SOI
  - ✓ $ 3.2MM – Tennessee ARM
  - ✓ $ 1.6MM – Kansas GSRS
  - ✓ $ 0.6MM – Virginia Rate Case

Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex City of Dallas: *Filed* Dallas Annual Rate Review (DARR) on January 15, 2019**
  - ✓ Requested an increase in annual operating income of $9.5 million based on a 21% statutory federal income tax rate
  - ✓ Requested return on equity (ROE) of 9.8%; overall rate of return (ROR) of 7.96%
  - ✓ Requested capital structure of 40% debt / 60% equity
  - ✓ Requested system-wide rate base of $2.9 billion
  - ✓ Serves approximately 230,000 customers
  - ✓ Test year ended September 30, 2018

- **Mid-Tex Environ Cities: *Implemented* Statement of Intent (SOI) on January 1, 2019**
  - ✓ Authorized a decrease in annual income of $2.7 million based on 21% statutory federal income tax rate
  - ✓ Authorized ROE of 9.8%; ROR 7.97%
  - ✓ Authorized capital structure of 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of $2.6 billion
  - ✓ Serves approximately 65,000 customers
  - ✓ Test year ended December 31, 2017

- **Mid-Tex ATM Cities: *Filed* SOI on June 1, 2018**
  - ✓ Requested an increase in annual operating income of $4.3 million based on a 21% statutory federal income tax rate
  - ✓ Requested ROE of 10.50%; ROR of 8.39%
  - ✓ Requested capital structure of 40% debt / 60% equity
  - ✓ Requested system-wide rate base of $2.6 billion
  - ✓ Serves approximately 172,000 customers
  - ✓ Test year ended December 31, 2017
  - ✓ Currently on appeal at the Texas Railroad Commission

Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex Cities: *Implemented* 2017 Annual Rate Review Mechanism (RRM) on October 1, 2018**
  - ✓ Authorized $17.6 million annual operating income increase based a 21% statutory federal income tax rate
  - ✓ Authorized ROE of 9.8%; ROR of 7.87%
  - ✓ Authorized capital structure of 42% debt / 58% equity
  - ✓ Authorized system-wide rate base of $2.6 billion
  - ✓ Serves approximately 1,238,000 customers
  - ✓ Test year ended December 31, 2017

Distribution Operations – Regulatory Update

West Texas Division

- **West Texas Environs: *Implemented* 2018 SOI on January 1, 2019**
  - ✓ Authorized $0.8 million decrease in operating income based on a 21% statutory federal income tax rate
  - ✓ Authorized ROE of 9.8%; ROR of 7.97%
  - ✓ Authorized capital structure of 40% debt / 60% equity
  - ✓ Authorized system-wide rate base of $507 million
  - ✓ Serves approximately 24,000 customers
  - ✓ Test year ended December 31, 2017
- **West Texas Cities: *Implemented* 2017 RRM on October 1, 2018**
  - ✓ Authorized $2.8 million operating income increase based on a 21% statutory federal income tax rate
  - ✓ Authorized ROE of 9.8%; ROR of 7.87%
  - ✓ Authorized capital structure of 42% debt / 58% equity
  - ✓ Authorized system-wide rate base of $505.7 million
  - ✓ Serves approximately 144,000 customers
  - ✓ Test year ended December 31, 2017

Distribution Operations – Regulatory Update

Louisiana Division

- **TransLa: *Filed* annual RSC on December 28, 2018**
  - ✓ Requested a $4.7 million increase in annual operating income based on a 21% statutory federal income tax rate
  - ✓ Requested ROE of 9.8%; ROR of 7.81%
  - ✓ Requested capital structure: 41% debt / 59% equity
  - ✓ Requested rate base: $192.6 million
  - ✓ Serves approximately 77,000 customers
  - ✓ Test year ended September 30, 2018

Distribution Operations – Regulatory Update

Mississippi Division

- **Mississippi: *Implemented* on November 1, 2018, Annual System Integrity Rider (SIR) and Annual Stable Rate Filing (SRF)**
  - ✓ Authorized annual increase in operating income of $7.1 million for SIR; $0.1 million decrease for SRF
  - ✓ Both filings based on 21% statutory federal income tax rate
  - ✓ Authorized ROE of 10.24%; ROR of 7.81%
  - ✓ Authorized actual capital structure: 45% debt / 55% equity
  - ✓ Authorized rate base: $126.0 million (SIR); $415.6 million (SRF)
  - ✓ Serves approximately 270,000 customers
  - ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2018 - October 2019

Distribution Operations – Regulatory Update

Kentucky/Mid-States Division

- **Tennessee ARM Filing: *Filed* Annual Rate Mechanism (ARM) filing on February 1, 2019**
  - ✓ Requested annual operating income increase of $3.2 million based on a 21% statutory federal income tax rate
  - ✓ Requested ROE of 9.80%; ROR of 7.79%
  - ✓ Requested capital structure: 42% debt / 58% equity
  - ✓ Requested rate base: $389.1 million
  - ✓ Serves approximately 152,000 customers
  - ✓ Forward test year ending May 2020
- **Virginia Rate Filing: *Filed* general rate case filing on June 1, 2018**
  - ✓ Requested an annual operating income increase of $0.6 million based on a 21% statutory federal income tax rate
  - ✓ Requested ROE of 11.15%; ROR of 8.02%
  - ✓ Requested capital structure: 42% debt / 58% equity
  - ✓ Requested rate base: $47.8 million
  - ✓ Serves approximately 24,000 customers
  - ✓ Test year ending September 2017
- **Kentucky Rate Filing: *Filed* general rate case on September 28, 2018**
  - ✓ Requested a $14.4 million increase in annual operating income based on a 21% statutory federal income tax rate
  - ✓ Requested ROE of 10.40%; ROR of 7.95%
  - ✓ Requested capital structure: 42% debt / 58% equity
  - ✓ Requested rate base: $496.1 million
  - ✓ Serves approximately 184,000 customers
  - ✓ Forward-looking test year ending March 2020

Distribution Operations – Regulatory Update

Colorado - Kansas Division

- **Colorado: *Approved* System Safety and Integrity Rider (SSIR) January 1, 2019**
  - ✓ Authorized a $2.1 million increase in annual operating income based on a 21% statutory federal income tax rate
  - ✓ Authorized ROE of 9.45%; ROR of 7.55%
  - ✓ Authorized capital structure: 44% debt / 56% equity
  - ✓ Rate base value: $40.0 million
  - ✓ Test year ended December 31, 2018
- **Kansas: *Filed* Gas Safety Reliability Surcharge filing (GSRS) February 1, 2019**
  - ✓ Requested an annual operating income increase of $1.6 million
  - ✓ Kansas legislature increased the per customer monthly surcharge from $0.40 to $0.80
  - ✓ Serves approximately 137,000 customers

Key Regulatory Developments – Fiscal 2019E

Rate Filing Outlook

Q1 October → December	Q2 January → March	Q3 April → June	Q4 July → September
Mississippi – Approved Stable Rate Filing (SRF) and System Integrity Rider (SIR) of $7.0 million	Tennessee – filed annual mechanism of $3.2 million	Louisiana – Anticipate LGS annual Rate Stabilization Clause filing in April 2019; new rates anticipated Q4 fiscal 2019	Mississippi – Anticipate Stable Rate Filing in July 2019; new rates anticipated Q1 fiscal 2020
Tennessee – Approved Annual Rate Mechanism (ARM) of $(5.0) million	Atmos Pipeline Texas (APT) – Anticipate filing 2018 GRIP request in February 2019; new rates anticipated Q3 fiscal 2019		Kentucky – Anticipate filing rate case in September 2019 new rates anticipated Q3 fiscal 2019
Colorado – Approved System Safety and Integrity Rider (SSIR) of $2.1 million	Mid-Tex and WTX Cities – Anticipate Rate Review Mechanism (RRM) filing in April 2019; new rates anticipated Q1 fiscal 2020		
Louisiana – filed TransLa jurisdiction annual Rate Stabilization Clause in December 2018; new rates anticipated Q3 fiscal 2019	Texas Environs Customers - Anticipate filing GRIP in March 2019; new rates anticipated Q3 fiscal 2019		
Mid-Tex (Dallas) – filed Dallas Annual Rate Review (DARR) in January 2019; new rates anticipated Q3 fiscal 2019	West Texas ALDC – Anticipate filing annual GRIP request in March 2019; new rates anticipated Q3 fiscal 2019		
Kansas – filed Gas System Reliability Surcharge (GSRS) of $1.6 million	Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2019; new rates anticipated Q1 fiscal 2020		

Federal Tax Reform – Regulatory Progress

Jurisdiction	Note	Implement 21% in Rates	Refund Regulatory Liability	Refund Excess Deferred Taxes	
				Approved	Period *(Yrs)*
APT – Base rates	2	✓	✓		
Colorado (Includes SSIR)	1	✓	✓	✓	18
Kansas	2	✓	✓		
Kentucky	1	✓		✓	24-32
Louisiana – LGS	1	✓	✓	✓	23
Louisiana – TransLa	1	✓	✓	✓	28
Mississippi (SIR & SRF)	1	✓	**N/A**	✓	26-39
Tennessee	1	✓	**N/A**	✓	28
Texas – ACSC/WTX Cities	1	✓	✓	✓	24
Texas – ATM/MTX Cities	2	✓			
Texas – Dallas/MTX	2	✓			
Texas – WTX and MTX Environs	2	✓	✓	✓	24
Virginia	2				

✓ **Indicates that TCJA adjustment has been reflected in rates**

1 **EDTL amortization period is provisional and is subject to final true-up**

2 **The effect of the TCJA that is not reflected in rates is expected to be addressed in future filings**

Forward Looking Statements

The matters discussed or incorporated by reference in this presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this presentation or in any of our other documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the credit and capital markets and the other factors discussed in our reports filed with the Securities and Exchange Commission. These factors include the risks and uncertainties discussed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 and in subsequent filings with the Security and Exchange Commission. Although we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2019 and beyond that appear in this presentation are current as of February 5, 2019.

Appendix

Regulatory Summary

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ millions (1)	Requested Rate Base $ millions	Authorized Rate of Return (1)	Requested Rate of Return	Authorized Return on Equity (1)	Requested Return on Equity	Authorized Debt/ Equity Ratio	Requested Debt/ Equity Ratio	Meters at 12/31/18
Atmos Pipeline-TX (GUD 10580)		8/1/17		$ 13.0		$1,767		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP		5/22/18		$ 42.2		$2,122		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas SOI/DARR		2/14/18	1/15/19	$ (5.1)	$ 9.5	2	$2,862	2	7.96%	2	9.80%	2	40/60	230,592
Mid-Tex Cities RRM		10/1/18		$ 17.6		$2,587		7.87%		9.80%		42/58		1,237,796
Mid-Tex ATM Cities SOI (GUD 10779)			6/1/18		$ 4.3		$2,574		8.39%		10.50%		40/60	171,601
Mid-Tex Environs SOI (GUD 10742)		1/1/19		$ (2.7)		$2,573		7.97%		9.80%		40/60		65,081
West Texas Division SOI		4/1/14		$ 8.4		$324		2		2		2		NA
WTX Cities RRM		10/1/18		$ 2.8		$506		7.87%		9.80%		42/58		143,885
WTX ALDC GRIP	3,4	6/8/18		$ 4.4		$508		8.57%		10.50%		48/52		147,128
WTX Environs SOI (GUI 10743)		1/1/19		$ (0.8)		$507		7.97%		9.80%		40/60		24,215
Louisiana-LGS (U-34424)		7/1/18		$ (1.5)		$419		7.55%		9.80%		44/56		286,474
Louisiana-Trans La (U-34714)		5/1/18	12/28/18	$ (1.9)	$ 4.7	$ 169	$ 193	7.26%	7.81%	9.80%	9.80%	49/51	41/59	76,882
Mississippi SRF (2005-UN-0503)		10/23/18		$ (0.1)		$ 416		7.81%		10.24%		45/55		270,430

(See Next Page for Footnote Explanations)

Regulatory Summary *(continued)*

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ millions (1)	Requested Rate Base $ millions	Authorized Rate of Return (1)	Requested Rate of Return	Authorized Return on Equity (1)	Requested Return on Equity	Authorized Debt/ Equity Ratio	Requested Debt/ Equity Ratio	Meters at 12/31/18
Mississippi SIR (2015-UN-049)		10/23/18		$ 7.1		$ 126		7.81%		10.24%		45/55		NA
Kentucky (2018-00281)		5/3/18	9/28/18	$ (7.5)	$ 14.4	$ 428	$ 496	7.41%	7.95%	9.70%	10.40%	47/53	42/58	183,747
Tennessee ARM (19-00067)		10/15/18	2/1/19	$ (5.0)	$ 3.2	$ 352	$ 389	7.26%	7.79%	9.80%	9.80%	49/51	42/58	151,914
Kansas GSRS (18-ATMG-218-TAR)		2/27/18	2/1/19	$ 0.8	$ 1.6	$ 213	$ 26	2	9.54%	2	2	2	2	136,627
Colorado (17AL-0429G)		5/3/18		$ (0.2)		$ 135		7.55%		9.45%		44/56		121,154
Colorado SSIR (18AL-0770G)		1/1/19		$ 2.1		$ 40		7.55%		9.45%		44/56		NA
Colorado GIS (18A-0765G)			11/1/18		$ 0.1		$ 0.6		7.55%		9.45%		44/56	NA
Virginia (PUE-2018-00014)		10/1/17	6/1/18	$ 0.3	$ 0.6	$ 48	$ 48	2	8.02%	2	11.15%	2	42/58	24,494

1. Rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction. These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.
2. A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision.
3. GRIP filings are based on existing returns and the change in net utility plant investment.
4. Includes the cities of Amarillo, Lubbock, Dalhart and Channing.

Other: Annual Rate Filing Mechanisms allowed in Mid-Tex Cities RRM, Mid-Tex Dallas DARR, West Texas Cities RRM, Louisiana, Mississippi and Tennessee; Bad Debt Rider allowed in all jurisdictions except Colorado, Louisiana and Mississippi; WNA allowed in all jurisdictions except Colorado.