

Duke Energy Corporation
Non-GAAP Reconciliations
First Quarter Earnings Review & Business Update
May 9, 2022

Adjusted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) First Quarter Earnings Review and Business Update on May 9, 2022, include a discussion of adjusted EPS for the quarters ended March 31, 2022 and 2021.

The non-GAAP financial measure, adjusted EPS, represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items. As discussed below, special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance.

Management believes the presentation of adjusted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. Reconciliations of adjusted EPS for the quarters ended March 31, 2022 and 2021, to the most directly comparable GAAP measure are included herein.

Special items included in the periods presented include the following items, which management believes do not reflect ongoing costs:

- Regulatory Matters represents the net impact of charges related to the 2022 Indiana Supreme Court ruling on coal ash
- Gas Pipeline Investments represents additional exit obligations related to ACP

Adjusted EPS Guidance

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2022, include a reference to forecasted 2022 adjusted EPS guidance range of \$5.30 to \$5.60 per share and the midpoint of forecasted 2022 adjusted EPS guidance of \$5.45. The materials also reference the long-term range of annual growth of 5% - 7% through 2026 off the midpoint of original 2021 adjusted EPS guidance range of \$5.15. The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items (as discussed above under Adjusted EPS).

Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.

Adjusted Segment Income (Loss) and Adjusted Other Net Loss

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2022, include a discussion of adjusted segment income (loss) and adjusted other net loss for the quarter ended March 31, 2022 and a discussion of 2022 forecasted adjusted segment income and forecasted adjusted other net loss.

Adjusted segment income (loss) and adjusted other net loss are non-GAAP financial measures, as they represent reported segment income (loss) and other net loss adjusted for special items (as discussed above under Adjusted EPS). Management believes the presentation of adjusted segment income (loss) and adjusted other net expense provides useful information to investors, as it provides an additional relevant comparison of a segment's or Other's performance across periods. When a per share impact is provided for a segment income (loss) driver, the after-tax driver is derived using the pretax amount of the item less income taxes based on the segment statutory tax rate of 24% for Electric Utilities and Infrastructure, 23% for Gas Utilities and Infrastructure and Other, or an effective tax rate for Commercial Renewables. The after-tax earnings drivers are divided by the Duke Energy weighted average shares outstanding for the period. The most directly comparable GAAP measures for adjusted segment income (loss) and adjusted other net loss are reported segment income (loss) and other net loss, which represents segment income (loss) and other net loss from continuing operations, including any special items. A reconciliation of adjusted segment income (loss) and adjusted other net loss for the quarter ended March 31, 2022, to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of any forecasted adjusted segment income (loss) and forecasted other net loss and any related growth rates for future periods, information to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measures are not available at this time, as the company is unable to forecast all special items, as discussed above under Adjusted EPS guidance.

Effective Tax Rate Including Impacts of Noncontrolling Interests and Preferred Dividends and Excluding Special Items

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2022, include a discussion of the effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the quarter ended March 31, 2022. The materials also include a discussion of the 2022 forecasted effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items. Effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items is a non-GAAP financial measure as the rate is calculated using pretax income and income tax expense, both adjusted for the impact of special items, noncontrolling interests and preferred dividends. The most directly comparable GAAP measure is reported effective tax rate, which includes the impact of special items and excludes the impacts of noncontrolling interests and preferred dividends. A reconciliation of this non-GAAP financial measure for the quarter ended March 31, 2022, to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of the forecasted effective tax rates including impacts of noncontrolling interests and preferred dividends and excluding special items, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items, as discussed above under Adjusted EPS Guidance.

Available Liquidity

The materials for Duke Energy's First Quarter Earnings Review and Business Update on May 9, 2022, include a discussion of Duke Energy's available liquidity balance. The available liquidity balance presented is a non-GAAP financial measure as it represents cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, the remaining availability under Duke Energy's available credit facilities, including the master credit facility as of March 31, 2022. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of March 31, 2022, to the most directly comparable GAAP measure is included herein.

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2022
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item		Adjusted Earnings
		Regulatory Matters	Total Adjustments	
SEGMENT INCOME				
Electric Utilities and Infrastructure	\$ 723	\$ 173	A \$ 173	\$ 896
Gas Utilities and Infrastructure	254	—	—	254
Commercial Renewables	11	—	—	11
Total Reportable Segment Income	988	173	173	1,161
Other	(170)	—	—	(170)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 818	\$ 173	\$ 173	\$ 991
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 1.08	\$ 0.22	\$ 0.22	\$ 1.30

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of \$0.02.

A — Net of \$62 million tax benefit. \$211 million recorded within Impairment of assets and other charges and \$46 million within Operating revenues related to the Duke Energy Indiana Supreme Court ruling on the Condensed Consolidated Statements of Operations. \$22 million recorded within Noncontrolling Interests related to the same Duke Energy Indiana Supreme Court ruling.

Weighted Average Shares (reported and adjusted) - 770 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended March 31, 2021
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Item		Adjusted Earnings
		Gas Pipeline Investments	Total Adjustments	
SEGMENT INCOME				
Electric Utilities and Infrastructure	\$ 820	\$ —	\$ —	\$ 820
Gas Utilities and Infrastructure	245	5 A	5	250
Commercial Renewables	27	—	—	27
Total Reportable Segment Income	1,092	5	5	1,097
Other	(139)	—	—	(139)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 953	\$ 5	\$ 5	\$ 958
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 1.25	\$ 0.01	\$ 0.01	\$ 1.26

Note: Earnings Per Share amounts are adjusted for accumulated dividends for Series B Preferred Stock of \$0.02.

A — Net of \$1 million tax benefit. \$6 million of exit obligations recorded within Equity in earnings (losses) of unconsolidated affiliates on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 769 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
March 2022
(Dollars in millions)

	Three Months Ended	
	March 31, 2022	
	Balance	Effective Tax Rate
Reported Income Before Income Taxes	\$ 806	
Regulatory Matters	257	
Noncontrolling Interests	13	
Preferred Dividends	(39)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	\$ 1,037	
Reported Income Tax Expense	\$ (14)	(1.7)%
Regulatory Matters	62	
Noncontrolling Interest Portion of Income Taxes ^(a)	(2)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	\$ 46	4.4%

(a) Income tax related to non-pass through entities for tax purposes.

	Three Months Ended	
	March 31, 2021	
	Balance	Effective Tax Rate
Reported Income Before Income Taxes	1,025	
Gas Pipeline Investments	6	
Noncontrolling Interests	51	
Preferred Dividends	(39)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	\$ 1,043	
Reported Income Tax Expense	84	8.2 %
Gas Pipeline Investments	1	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	\$ 85	8.1%

Duke Energy Corporation
Available Liquidity Reconciliation
As of March 31, 2022
(In millions)

Cash and Cash Equivalents	\$ 853	
Less: Certain Amounts Held in Foreign Jurisdictions	(8)	
Less: Unavailable Domestic Cash	<u>(113)</u>	
	732	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>6,062</u>	
Total Available Liquidity (a), March 31, 2022	<u>\$ 6,794</u>	approximately 6.8 billion

(a) The available liquidity balance presented is a non-GAAP financial measure as it represents Cash and cash equivalents, excluding certain amounts held in foreign jurisdictions and cash otherwise unavailable for operations, and remaining availability under Duke Energy's available credit facilities, including the master credit facility, as of March 31, 2022. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.