

Duke Energy Corporation
Non-GAAP Reconciliations
Second Quarter Earnings Review & Business Update
August 4, 2022

Adjusted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Second Quarter Earnings Review and Business Update on August 4, 2022, include a discussion of adjusted EPS for the quarter and year-to-date periods ended June 30, 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 quarter and year-to-date periods ended June 30, 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
- Mark-to-Market represents the income statement impact of derivative instruments that do not qualify for hedge accounting or regulatory accounting
- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment
- Gas Pipeline Investments represents additional exit obligations related to ACP

Adjusted EPS Guidance

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 4, 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 Second Quarter Earnings Review and Business Update on August 4, 2022, include a discussion of adjusted segment income (loss) and adjusted other net loss for the quarter and year-to-date periods ended June 30, 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 and year-to-date periods ended June 30, 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 Noncontrolling Interests and Preferred Dividends and Excluding Special Items

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 4, 2022, include a discussion of the effective tax rate including noncontrolling interests and preferred dividends and excluding special items for the year-to-date period ended June 30, 2022. The materials also include a discussion of the 2022 forecasted effective tax rate including noncontrolling interests and preferred dividends and excluding special items. Effective tax rate including 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 special items, noncontrolling interests and preferred dividends. The most directly comparable GAAP measure is reported effective tax rate, which includes special items and excludes noncontrolling interests and preferred dividends. A reconciliation of this non-GAAP financial measure for the year-to-date period ended June 30, 2022, to the most directly comparable GAAP measure is included herein. Due to the forward-looking nature of the forecasted effective tax rates including 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 Second Quarter Earnings Review and Business Update on August 4, 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 June 30, 2022. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of June 30, 2022, to the most directly comparable GAAP measure is included herein.

Commercial Renewables Earning Contribution

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 4, 2022, reference less than 5% of consolidated earnings coming from Commercial Renewables (i.e., earning contribution). Commercial Renewables earnings contribution is calculated as the Commercial Renewable segment's 2022 projected adjusted segment income, as a percentage of total 2022 projected segment income, excluding the impact of Other, based upon the midpoint of the 2022 adjusted EPS guidance range of \$5.30-\$5.60.

Adjusted segment income is a non-GAAP financial measure, as it represents reported segment income adjusted for special items as discussed above. Due to the forward-looking nature of any forecasted adjusted segment income, information to reconcile this non-GAAP financial measure 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).

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2022
(Dollars in millions, except per share amounts)

	Special Items				
	Reported Earnings	Regulatory Matters	Mark-to- Market	Total Adjustments	Adjusted Earnings
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 974	\$ (16) A	\$ —	\$ (16)	\$ 958
Gas Utilities and Infrastructure	19	—	—	—	19
Commercial Renewables	30	—	16 B	16	46
Total Reportable Segment Income	1,023	(16)	16	—	1,023
Other	(130)	—	—	—	(130)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 893	\$ (16)	\$ 16	\$ —	\$ 893
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 1.14	\$ (0.02)	\$ 0.02	\$ —	\$ 1.14

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

A — Net of \$2 million recorded within Noncontrolling Interests. \$18 million tax benefit related to the Duke Energy Indiana Supreme Court ruling on the Condensed Consolidated Statements of Operations.

B — Net of \$5 million tax benefit. \$21 million recorded within Nonregulated electric and other (Operating revenues) related to derivative contracts that do not qualify for hedge accounting or regulatory treatment on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 770 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2022
(Dollars in millions, except per share amounts)

	<u>Special Items</u>				
	<u>Reported Earnings</u>	<u>Regulatory Matters</u>	<u>Mark-to-Market</u>	<u>Total Adjustments</u>	<u>Adjusted Earnings</u>
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 1,697	\$ 157 ^A	\$ —	\$ 157	\$ 1,854
Gas Utilities and Infrastructure	273	—	—	—	273
Commercial Renewables	41	—	16 ^B	16	57
Total Reportable Segment Income	2,011	157	16	173	2,184
Other	(300)	—	—	—	(300)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 1,711	\$ 157	\$ 16	\$ 173	\$ 1,884
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 2.22	\$ 0.21	\$ 0.02	\$ 0.23	\$ 2.45

A — Net of \$80 million tax benefit. \$211 million recorded within Impairment of assets and other charges, \$46 million within Regulated electric (Operating revenues) and \$20 million within Noncontrolling Interests related to the Duke Energy Indiana Supreme Court ruling on the Condensed Consolidated Statements of Operations.

B — Net of \$5 million tax benefit. \$21 million recorded within Nonregulated electric and other (Operating revenues) related to derivative contracts that do not qualify for hedge accounting or regulatory treatment on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) - 770 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2021
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items		Total Adjustments	Adjusted Earnings
		Gas Pipeline Investments	Workplace and Workforce Realignment		
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 935	\$ —	\$ —	\$ —	\$ 935
Gas Utilities and Infrastructure	17	12 A	—	12	29
Commercial Renewables	47	—	—	—	47
Total Reportable Segment Income	999	12	—	12	1,011
Other	(248)	—	135 B	135	(113)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 751	\$ 12	\$ 135	\$ 147	\$ 898
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 0.96	\$ 0.01	\$ 0.18	\$ 0.19	\$ 1.15

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

A – Net of \$4 million tax benefit. \$16 million recorded within Equity in earnings (losses) of unconsolidated affiliates related to exit obligations for ACP on the Condensed Consolidated Statements of Operations.

B – Net of \$40 million tax benefit. \$131 million recorded within Impairment of assets and other charges, \$27 million within Operations, maintenance and other, and \$17 million within Depreciation and amortization related to costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 769 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2021
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items		Total Adjustments	Adjusted Earnings
		Gas Pipeline Investments	Workplace and Workforce Realignment		
SEGMENT INCOME					
Electric Utilities and Infrastructure	\$ 1,755	\$ —	\$ —	\$ —	\$ 1,755
Gas Utilities and Infrastructure	262	17 A	—	17	279
Commercial Renewables	74	—	—	—	74
Total Reportable Segment Income	2,091	17	—	17	2,108
Other	(387)	—	135 B	135	(252)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 1,704	\$ 17	\$ 135	\$ 152	\$ 1,856
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 2.21	\$ 0.02	\$ 0.18	\$ 0.20	\$ 2.41

A – Net of \$5 million tax benefit. \$22 million recorded within Equity in earnings (losses) of unconsolidated affiliates related to exit obligations for ACP on the Condensed Consolidated Statements of Operations.

B – Net of \$40 million tax benefit. \$131 million recorded within Impairment of assets and other charges, \$27 million within Operations, maintenance and other, and \$17 million within Depreciation and amortization related to costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 769 million

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

	Three Months Ended		Six Months Ended	
	June 30, 2022		June 30, 2022	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes	\$ 957		\$ 1,763	
Regulatory Matters	—		257	
Mark-to-Market	21		21	
Noncontrolling Interests	26		39	
Preferred Dividends	(14)		(53)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	<u>\$ 990</u>		<u>\$ 2,027</u>	
Reported Income Tax Expense	\$ 77	8.0 %	\$ 63	3.6 %
Regulatory Matters	18		80	
Mark-to-Market	5		5	
Noncontrolling Interest Portion of Income Taxes ^(a)	(3)		(5)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	<u>\$ 97</u>	9.8%	<u>\$ 143</u>	7.1 %

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

	Three Months Ended		Six Months Ended	
	June 30, 2021		June 30, 2021	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Income Before Income Taxes	734		\$ 1,759	
Gas Pipeline Investments	16		22	
Workplace and Workforce Realignment	175		175	
Noncontrolling Interests	67		118	
Preferred Dividends	(14)		(53)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	<u>\$ 978</u>		<u>\$ 2,021</u>	
Reported Income Tax Expense	36	4.9 %	120	6.8 %
Gas Pipeline Investments	4		5	
Workplace and Workforce Realignment	40		40	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	<u>\$ 80</u>	8.2%	<u>\$ 165</u>	8.2 %

Duke Energy Corporation
Available Liquidity Reconciliation
As of June 30, 2022
(In millions)

Cash and Cash Equivalents	\$	428	
Less: Certain Amounts Held in Foreign Jurisdictions		(7)	
Less: Unavailable Domestic Cash		<u>(57)</u>	
		364	
Plus: Remaining Availability under Master Credit Facilities and other facilities		<u>5,365</u>	
Total Available Liquidity ^(a)		<u>\$ 5,729</u>	approximately \$ 5.7 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 June 30, 2022. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.