

Q2 / 2021

EARNINGS REVIEW AND BUSINESS
UPDATE

Lynn Good / Chair, President and CEO
Steve Young / Executive Vice President and CFO

August 5, 2021

Safe Harbor statement

This presentation includes forward-looking statements within the meaning of the federal securities laws. Actual results could differ materially from such forward-looking statements. The factors that could cause actual results to differ are discussed herein and in Duke Energy's SEC filings, available at www.sec.gov.

Regulation G disclosure

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available in the Appendix herein and on our Investor Relations website at www.duke-energy.com/investors/.

Safe harbor statement

This document includes 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. Forward-looking statements are based on management's beliefs and assumptions and can often be identified by terms and phrases that include "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will," "potential," "forecast," "target," "guidance," "outlook" or other similar terminology. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements; accordingly, there is no assurance that such results will be realized. These factors include, but are not limited to: The impact of the COVID-19 pandemic; State, federal and foreign legislative and regulatory initiatives, including costs of compliance with existing and future environmental requirements, including those related to climate change, as well as rulings that affect cost and investment recovery or have an impact on rate structures or market prices; The extent and timing of costs and liabilities to comply with federal and state laws, regulations and legal requirements related to coal ash remediation, including amounts for required closure of certain ash impoundments, are uncertain and difficult to estimate; The ability to recover eligible costs, including amounts associated with coal ash impoundment retirement obligations and costs related to significant weather events, and to earn an adequate return on investment through rate case proceedings and the regulatory process; The costs of decommissioning nuclear facilities could prove to be more extensive than amounts estimated and all costs may not be fully recoverable through the regulatory process; Costs and effects of legal and administrative proceedings, settlements, investigations and claims; Industrial, commercial and residential growth or decline in service territories or customer bases resulting from sustained downturns of the economy and the economic health of our service territories or variations in customer usage patterns, including energy efficiency efforts and use of alternative energy sources, such as self-generation and distributed generation technologies; Federal and state regulations, laws and other efforts designed to promote and expand the use of energy efficiency measures and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in customers leaving the electric distribution system, excess generation resources as well as stranded costs; Advancements in technology; Additional competition in electric and natural gas markets and continued industry consolidation; The influence of weather and other natural phenomena on operations, including the economic, operational and other effects of severe storms, hurricanes, droughts, earthquakes and tornadoes, including extreme weather associated with climate change; Changing customer expectations and demands including heightened emphasis on environmental, social and governance concerns; The ability to successfully operate electric generating facilities and deliver electricity to customers including direct or indirect effects to the company resulting from an incident that affects the U.S. electric grid or generating resources; Operational interruptions to our natural gas distribution and transmission activities; The availability of adequate interstate pipeline transportation capacity and natural gas supply; The impact on facilities and business from a terrorist attack, cybersecurity threats, data security breaches, operational accidents, information technology failures or other catastrophic events, such as fires, explosions, pandemic health events or other similar occurrences; The inherent risks associated with the operation of nuclear facilities, including environmental, health, safety, regulatory and financial risks, including the financial stability of third-party service providers; The timing and extent of changes in commodity prices and interest rates and the ability to recover such costs through the regulatory process, where appropriate, and their impact on liquidity positions and the value of underlying assets; The results of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings, interest rate fluctuations, compliance with debt covenants and conditions and general market and economic conditions; Credit ratings of the Duke Energy Registrants may be different from what is expected; Declines in the market prices of equity and fixed-income securities and resultant cash funding requirements for defined benefit pension plans, other post-retirement benefit plans and nuclear decommissioning trust funds; Construction and development risks associated with the completion of the Duke Energy Registrants' capital investment projects, including risks related to financing, obtaining and complying with terms of permits, meeting construction budgets and schedules and satisfying operating and environmental performance standards, as well as the ability to recover costs from customers in a timely manner, or at all; Changes in rules for regional transmission organizations, including changes in rate designs and new and evolving capacity markets, and risks related to obligations created by the default of other participants; The ability to control operation and maintenance costs; The level of creditworthiness of counterparties to transactions; The ability to obtain adequate insurance at acceptable costs; Employee workforce factors, including the potential inability to attract and retain key personnel; The ability of subsidiaries to pay dividends or distributions to Duke Energy Corporation holding company (the Parent); The performance of projects undertaken by our nonregulated businesses and the success of efforts to invest in and develop new opportunities; The effect of accounting pronouncements issued periodically by accounting standard-setting bodies; The impact of U.S. tax legislation to our financial condition, results of operations or cash flows and our credit ratings; The impacts from potential impairments of goodwill or equity method investment carrying values; The actions of activist shareholders could disrupt our operations, impact our ability to execute on our business strategy, or cause fluctuations in the trading price of our common stock; and the ability to implement our business strategy, including enhancing existing technology systems.

Additional risks and uncertainties are identified and discussed in the Duke Energy Registrants' reports filed with the SEC and available at the SEC's website at sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made and the Duke Energy Registrants expressly disclaim an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

\$0.96 / \$1.15

**Q2 2021 REPORTED / ADJUSTED EPS
GROWTH DRIVEN BY CONTINUED
STRENGTH IN ELECTRIC UTILITIES**

\$5.00 - \$5.30

**REAFFIRMING 2021
ADJUSTED EPS
GUIDANCE RANGE**

5% - 7%

**REAFFIRMING GROWTH RATE
THROUGH 2025 OFF 2021
MIDPOINT OF \$5.15⁽¹⁾**

(1) Based on adjusted EPS



PASSED 10,000 MEGAWATTS OF RENEWABLE ENERGY

- Duke Energy Sustainable Solutions placed the 182 MW Maryneal wind and 144 MW Pflugerville solar projects in operation in July
- Duke Energy now owns or purchases more than 10,000 MW⁽¹⁾ of solar and wind energy from both its regulated and commercial businesses
- Continues progress towards target of 16,000 MW of renewables by 2025

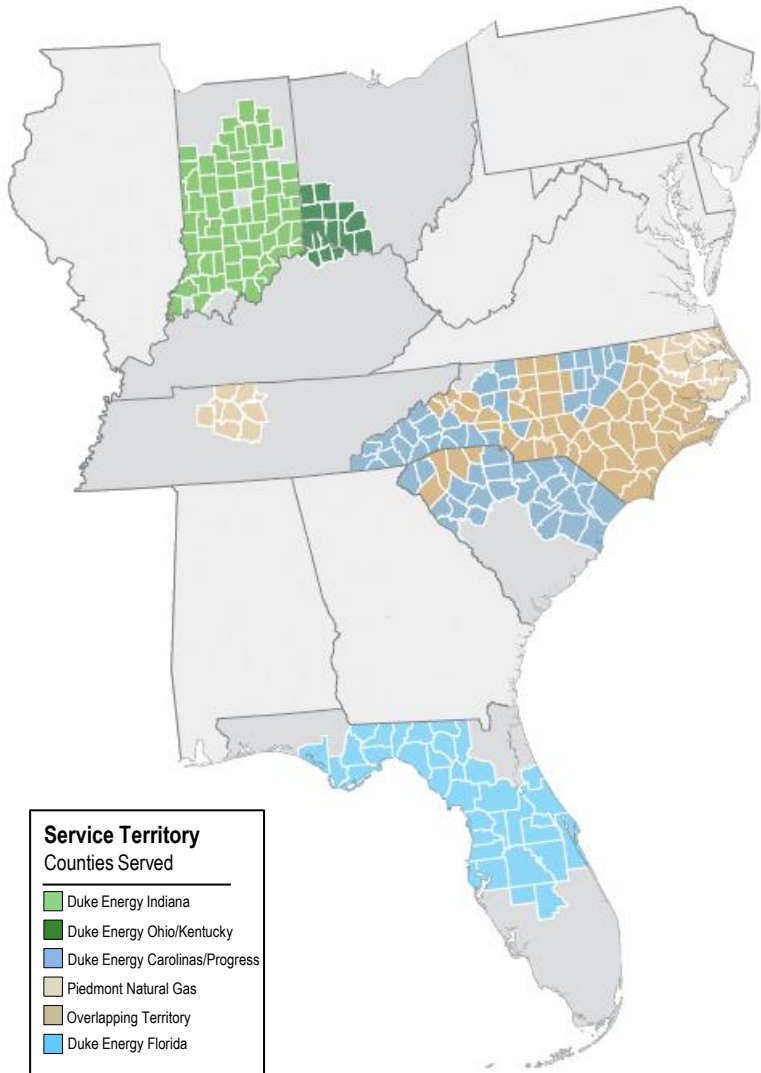
FILED OCONEE SUBSEQUENT LICENSE RENEWAL WITH NRC

- Filed an application in June to renew Oconee Nuclear Station's operating licenses for an additional 20 years
- Current licenses expire in the early 2030s; the renewal would extend the licenses to 2053 and 2054
- Duke Energy's largest nuclear station - 2,500 MW, enough to power 1.9 million homes with carbon-free generation
- Intend to seek renewal of operating licenses for all 11 reactors



(1) Includes ~1,600 MWs co-owned with third parties that are operated by Duke Energy

NEAR-TERM INITIATIVES



Carolinas

- Collaborating with NC policymakers and stakeholders to support the state's energy transition
- Advancing IRP process in both states

Florida

- MYRP order issued in June; advancing grid, solar and EV infrastructure

Indiana

- Actively working with stakeholders as we prepare for comprehensive Nov. IRP filing
- Step 2 of rate case approved; rate change retroactive to Jan. 2021

Natural Gas LDCs

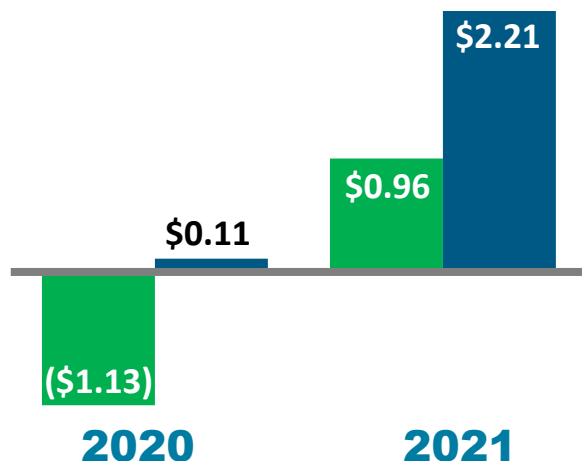
- North Carolina rate case filed in March
- Kentucky gas rate case filed in June

Federal

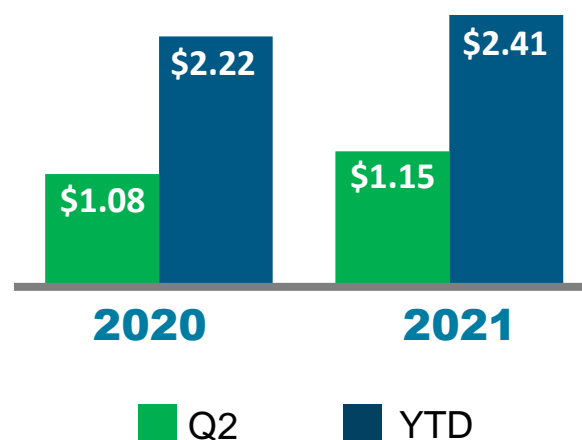
- Engaging policymakers to advance shared objectives on climate

Q2 2021 EPS summary and primary drivers

REPORTED EARNINGS PER SHARE



ADJUSTED EARNINGS PER SHARE



SEGMENT RESULTS VS. PRIOR YEAR QUARTER⁽¹⁾

Electric Utilities & Infrastructure, +\$182 M (+\$0.24 per share)⁽²⁾

- ▲ Contribution from base rate changes
- ▲ Retail and wholesale electric volumes
- ▲ Riders and other margin
- ▲ Weather
- ▼ O&M expenses

Gas Utilities & Infrastructure, -\$21 M (-\$0.03 per share)

- ▼ ACP cancellation

Commercial Renewables, -\$43 M (-\$0.06 per share)⁽²⁾

- ▼ Fewer projects placed in-service

Other, -\$29 M (-\$0.04 per share)⁽²⁾

- ▼ Market returns and tax expense
- ▲ Financing costs

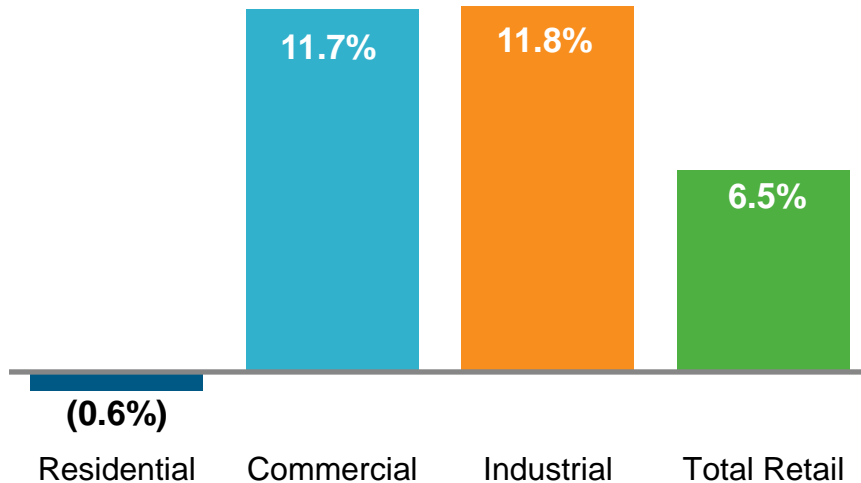
Total Share Dilution (-\$0.04 per share)⁽²⁾

(1) Based on adjusted EPS

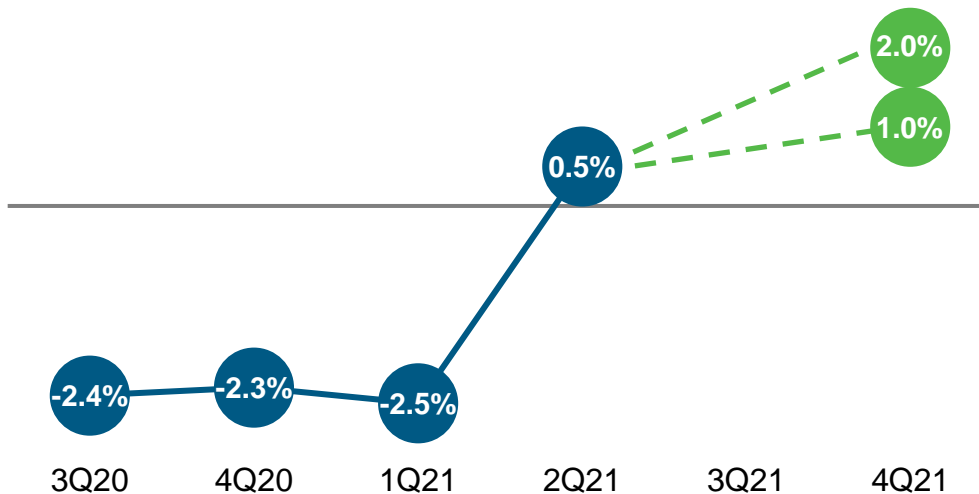
(2) Excludes share dilution impacts for each segment of Electric Utilities & Infrastructure (\$0.04), Commercial (\$0.01), and Other \$0.01. Total share dilution is (\$0.04) per share.

Retail electric volumes

Q2 2021 RETAIL ELECTRIC VOLUMES⁽¹⁾



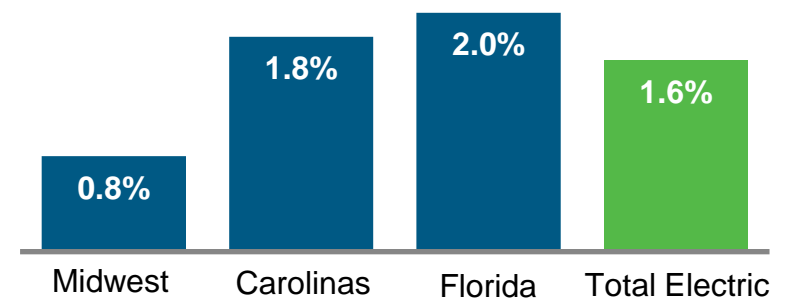
ROLLING 12-MONTH RETAIL LOAD TRENDS



Q2 2021 RETAIL LOAD TRENDS

- ~15% of workers continue to work from home due to the pandemic⁽²⁾, supporting elevated residential volumes
 - Customer growth continues to trend above historical averages
- Retail and dining, leisure and recreation, and education continue to rebound
 - Further improvement expected as vaccination rates increase, and the labor market recovers
- Industrial volumes expected to further improve as supply chain bottlenecks are resolved

ANNUAL RESIDENTIAL CUSTOMER GROWTH



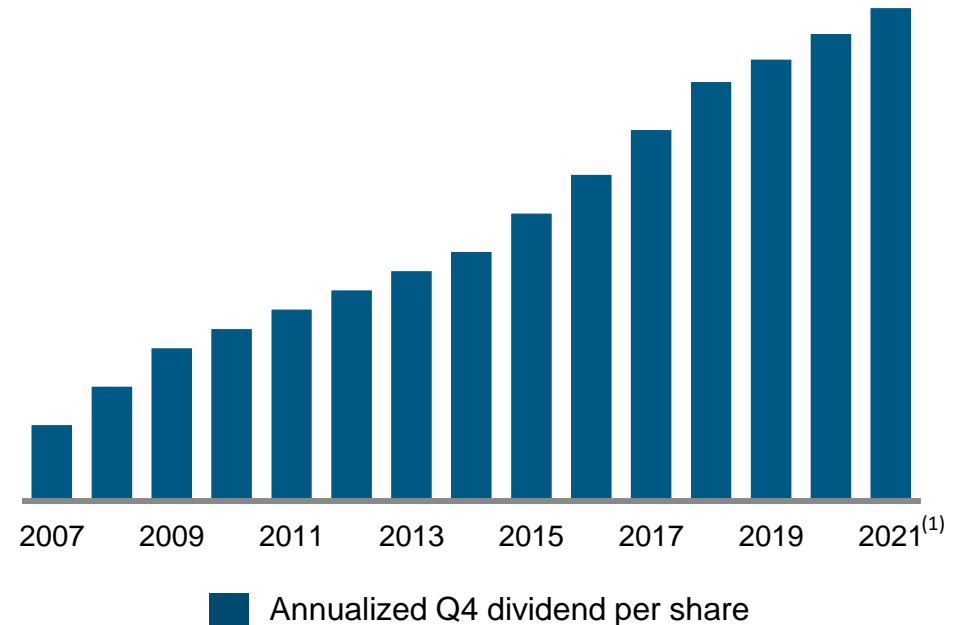
(1) Compared to Q2 2020 actuals.

(2) Source: Bureau of Labor Statistics.

FINANCING PLAN ON TRACK

- Received CFIUS clearance for DEI minority interest sale in June
 - Awaiting FERC ruling
- No common equity issuances in 5-year plan
- NC storm cost securitization of ~\$1 billion on track to close this Fall
- Issued \$3 billion of holding company debt in June 2021 at attractive rates
 - Satisfies all holding company issuances for 2021

15TH CONSECUTIVE YEAR OF DIVIDEND GROWTH



65 - 75%
LONG-TERM TARGET DIVIDEND
PAYOUT RATIO⁽²⁾

(1) Subject to approval by the Board of Directors

(2) Based on adjusted EPS

Cost management and second half considerations

BUSINESS TRANSFORMATION CONTINUES TO PRODUCE SUSTAINABLE SAVINGS

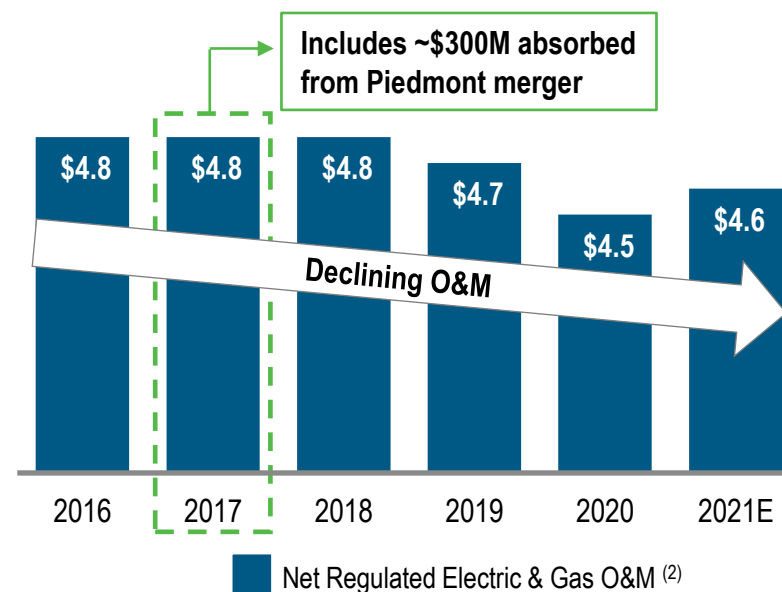
- Total 2020 O&M mitigation of ~\$320 million, of which ~\$200 million expected to be sustainable⁽¹⁾
- In 2021, key mitigation drivers include a versatile workforce, enhanced digital capabilities, general business expenses, and real estate optimization
- Second half of 2021 shows favorability for load, but O&M expected to be unfavorable due to tactical mitigation achieved Q3 2020

SHAPING CONSIDERATIONS COMPARED TO 2020

	3Q21	4Q21
Load	▲	▲
O&M timing driven by 2020 mitigation efforts	▼	▲
Other 2020 mitigation timing, including tax optimization	▼	--
Q4 2020 storms	--	▲

O&M COST MANAGEMENT⁽²⁾

(\$ IN BILLIONS)



(1) 2020 O&M mitigation includes contract and employee labor costs including overtime and variable compensation, employee expenses, and operational efficiencies

(2) Net regulated Electric and Gas O&M is a non-GAAP measure. For a description of this non-GAAP item and a reconciliation to GAAP O&M, see accompanying materials at www.duke-energy.com/investors

Our investor value proposition

DUK
LISTED
NYSE

A STRONG LONG-TERM RETURN PROPOSITION

DUK
LISTED
NYSE

3.7%

DIVIDEND YIELD⁽¹⁾
WITH LONG-TERM
DIVIDEND **GROWTH**
COMMITMENT⁽²⁾



~10%

ATTRACTIVE
RISK-ADJUSTED
TOTAL SHAREHOLDER
RETURN⁽³⁾



5-7%

LONG-TERM
EPS GROWTH⁽⁴⁾
THROUGH 2025

CONSTRUCTIVE JURISDICTIONS, LOWER-RISK REGULATED INVESTMENTS AND BALANCE SHEET STRENGTH

(1) As of August 3, 2021

(2) Subject to approval by the Board of Directors.

(3) Total shareholder return proposition at a constant P/E ratio

(4) Based on adjusted EPS



APPENDIX

Long-standing history of strong governance driven from diverse Board of Directors

FOCUSED ON BOARD COMPOSITION TO OVERSEE THE COMPANY'S LONG-TERM STRATEGY


- 9 out of 13 directors were first appointed in the last five years⁽¹⁾
- 12 out of 13 directors are independent (all directors except Chair, President and CEO)
- 5 out of 13 directors are female or identify as a part of a minority group



Lynn J. Good
Chair, President & CEO, Duke Energy
 Director since: 2013




Michael G. Browning
Independent Lead Director, Principal, Browning Consolidated
 Director since: 2006



Annette K. Clayton
President & CEO, North America Operations, Schneider Electric
 Director since: 2019



Theodore F. Craver Jr.
Retired Chairman, President, & CEO, Edison International
 Director since: 2017



Robert M. Davis
President & CEO, Merck & Co.
 Director since: 2018



Caroline Dorsa
Retired Executive Vice President & CFO, PSEG
 Director since: 2021



W. Roy Dunbar
Retired Chairman and CEO, Network Solutions
 Director since: 2021



Nicholas C. Fanandakis
Retired EVP, DuPont de Nemours
 Director since: 2019




John T. Herron
Retired President, CEO & Chief Nuclear Officer, Entergy Nuclear
 Director since: 2013



E. Marie McKee
Retired SVP, Corning
 Director since: 2012



Michael J. Pacilio
Retired Executive Vice President & COO, Exelon Generation
 Director since: 2021



Thomas E. Skains
Retired Chairman, President & CEO, Piedmont Natural Gas
 Director since: 2016



William E. Webster
Retired EVP, Institute of Nuclear Power Operations
 Director since: 2016

Key Stats

38%
 Racial, Gender and Ethnic Diversity

4.7
 Years Average Tenure

Key Skills & Experience

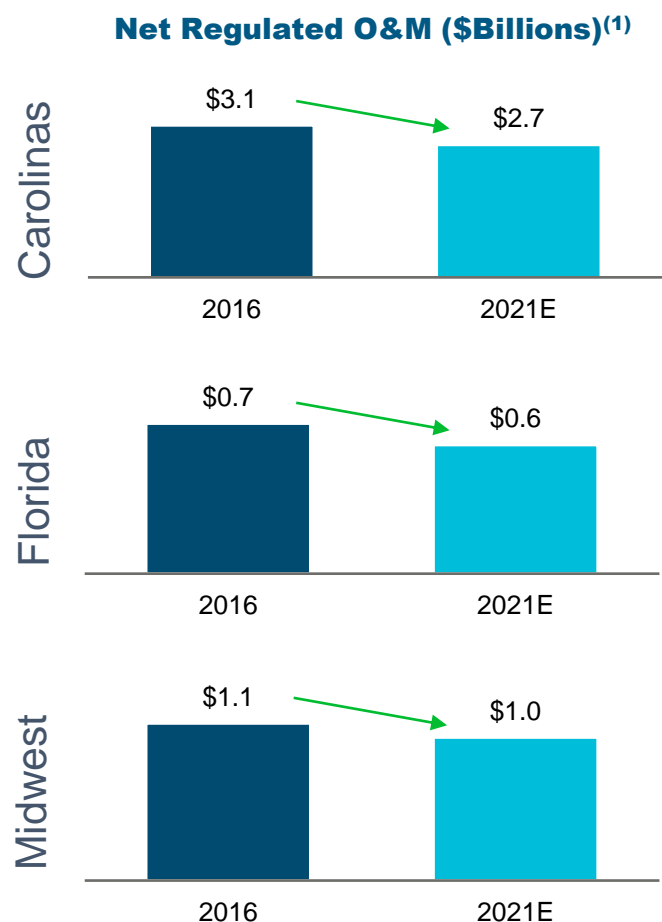
Risk Management	12
Regulatory / Government	10
Customer Service	9
Environmental	9
Industry	9
Cybersecurity / Technology	8
Human Capital Management	5
Legal	2

(1) As of most recent Annual Shareholder Meeting on May 6, 2021

Cost management continues to be a core competency

Sustained savings across all jurisdictions

- Lowered electric utility O&M by \$450 million since 2016, while growing earnings base \$20 billion



(1) Net regulated O&M is a non-GAAP measure. For a description of this non-GAAP item and a reconciliation to GAAP O&M, see accompanying materials included in the Appendix herein and at www.duke-energy.com/investors

Favorable O&M metrics benefit our customers

- Rank #2 across various operating metrics
- O&M efficiency keeps customer rates low and creates headroom for growth

Key Metrics	Electric non-generation O&M ⁽²⁾ / Customer	Electric non-generation O&M ⁽²⁾ / MWh	Distribution and Transmission O&M / Customer
PEER AVERAGE	\$490	\$24	\$243
DUKE ENERGY	\$359	\$14	\$144
DUKE RANKING (out of 10)	#2	#2	#2

Source: SNL FERC Form 1, annual filings and investor presentations; data as of YE 2020
Peer group: AEP, SO, EXC, NEE, D, XEL, ED, ES, WEC

(2) Reflects total electric O&M net of power production O&M

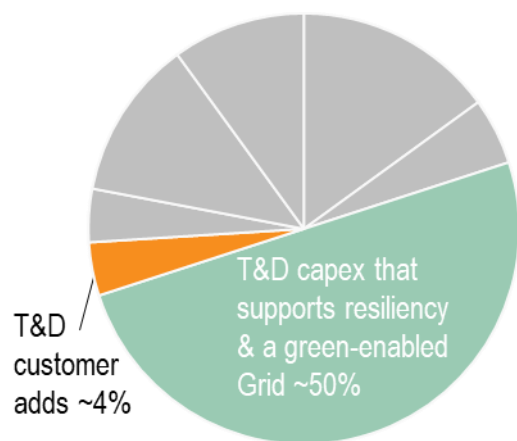
Transmission and distribution investments shaping our grid modernization

INVESTING OVER \$30 BILLION TO MODERNIZE OUR GRID

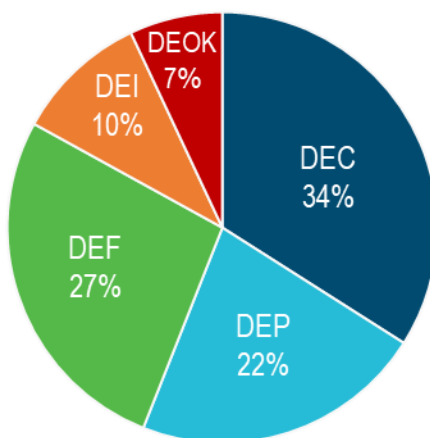
- Enables connectivity of clean energy resources
- Improves reliability and resiliency, including storm hardening
- Includes targeted investments that support state economic development efforts
- Strong investment opportunities focused on regulated jurisdictions



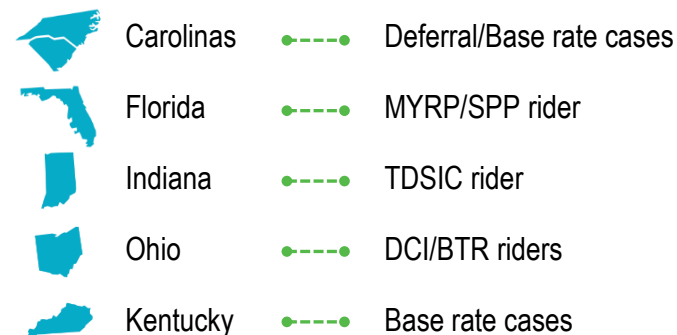
\$59 BILLION CAPITAL PLAN



~\$30 BILLION T&D CAPITAL BY JURISDICTION



PRIMARY RECOVERY MECHANISMS



Operational excellence on behalf of our customers

SAFETY

- Duke Energy was an industry leader for the sixth year in a row - Total incident case rate (TICR) of 0.33 in 2020
- TICR nearly 50% lower (better) than 2013 levels, the first full year after the Progress merger

NUCLEAR PERFORMANCE

- 22nd consecutive year with a fleet capacity factor greater than 90% (94.42% in 2020)
- All six nuclear sites are recognized by the industry for exemplary performance

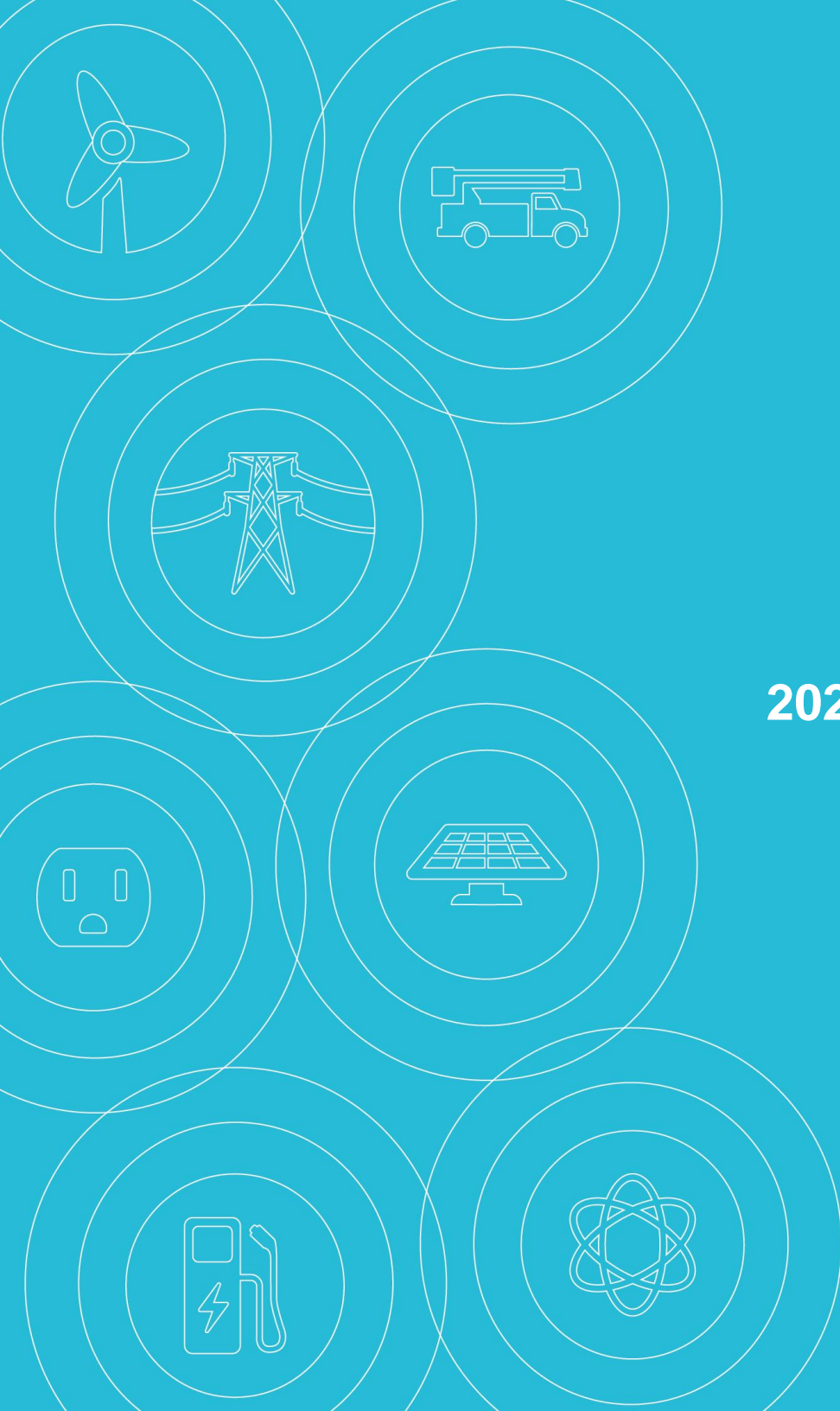
STORM RESPONSE

- Duke Energy has received over 20 Emergency Response Awards since EEI began recognizing storm response in 1998 (includes 8 for assisting other utilities)
- Received 8 awards for storm response in our service territories over the past decade

CUSTOMER SATISFACTION

- Beginning in 2017, developed and implemented an ecosystem of customer satisfaction measurement tools to understand and identify pain points in the current customer experience
- By focusing on improving our customers' actual experiences, we have seen improvements in customer satisfaction that have outpaced the industry (as measured by J.D. Power & Associates' Customer Satisfaction Index)
 - Residential J.D. Power CSI scores improved for all jurisdictions with DEP and DEF recognized as 'Top Movers' in 2020
 - DEC was recognized as a 'Top Mover' in the 2020 business study and finished in the top quartile nationally along with DEF





2021 guidance supplemental information

Key 2021 adjusted earnings guidance assumptions

(\$ in millions)	Original 2021 Assumptions ⁽¹⁾	2021 YTD (thru 6/30/2021)
Adjusted segment income/ (expense) ⁽²⁾:		
Electric Utilities & Infrastructure	\$3,900	\$1,755
Gas Utilities & Infrastructure	\$415	\$279
Commercial Renewables	\$220	\$74
Other	(\$575)	(\$252)
Duke Energy Consolidated	\$3,960	\$1,856
Additional consolidated information:		
Effective tax rate including noncontrolling interests and preferred dividends and excluding special items	6-8%	8.2%
AFUDC equity	\$185	\$82
Capital expenditures ⁽³⁾⁽⁴⁾	\$10,475	\$4,550
Weighted-average shares outstanding – basic	~769 million	~769 million

(1) Full-year amounts for 2021, as disclosed on Feb. 11, 2021

(2) Adjusted net income for 2021 assumptions is based upon the midpoint of the adjusted EPS guidance range of \$5.00 to \$5.30

(3) Includes debt AFUDC and capitalized interest

(4) 2021 full year assumptions include ~\$550 million of projected coal ash closure spend. 2021 YTD actual includes coal ash closure spend of ~\$200 million that was included in operating cash flows and excludes tax equity funding of Commercial Renewables projects of ~\$320 million

Electric utilities quarterly weather impacts

Weather segment income to normal:	2021						2020					
	Pretax impact		Weighted avg. shares		EPS impact favorable / (unfavorable)		Pretax impact		Weighted avg. shares		EPS impact favorable / (unfavorable)	
First Quarter	(\$17)		769		(\$0.02)		(\$110)		734		(\$0.11)	
Second Quarter	\$7		769		\$0.01		(\$8)		735		(\$0.01)	
Third Quarter							\$67		735		\$0.07	
Fourth Quarter							\$2		742		--	
Year-to-Date ⁽¹⁾	(\$10)		769		(\$0.01)		(\$48)		737		(\$0.05)	
2Q 2021	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY			
Heating degree days / Variance from normal	225	8.0%	199	13.5%	15	68.5%	556	13.4%	514	16.4%		
Cooling degree days / Variance from normal	466	(7.5%)	545	(1.9%)	1,092	4%	355	6%	360	8.1%		
2Q 2020	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY			
Heating degree days / Variance from normal	308	43.1%	224	23.4%	-	-	633	28.1%	590	31%		
Cooling degree days / Variance from normal	412	(17.5%)	461	(16.1%)	1,190	11.8%	343	4.2%	347	4.8%		

(1) Year-to-date amounts may not foot due to differences in weighted-average shares outstanding and/or rounding.

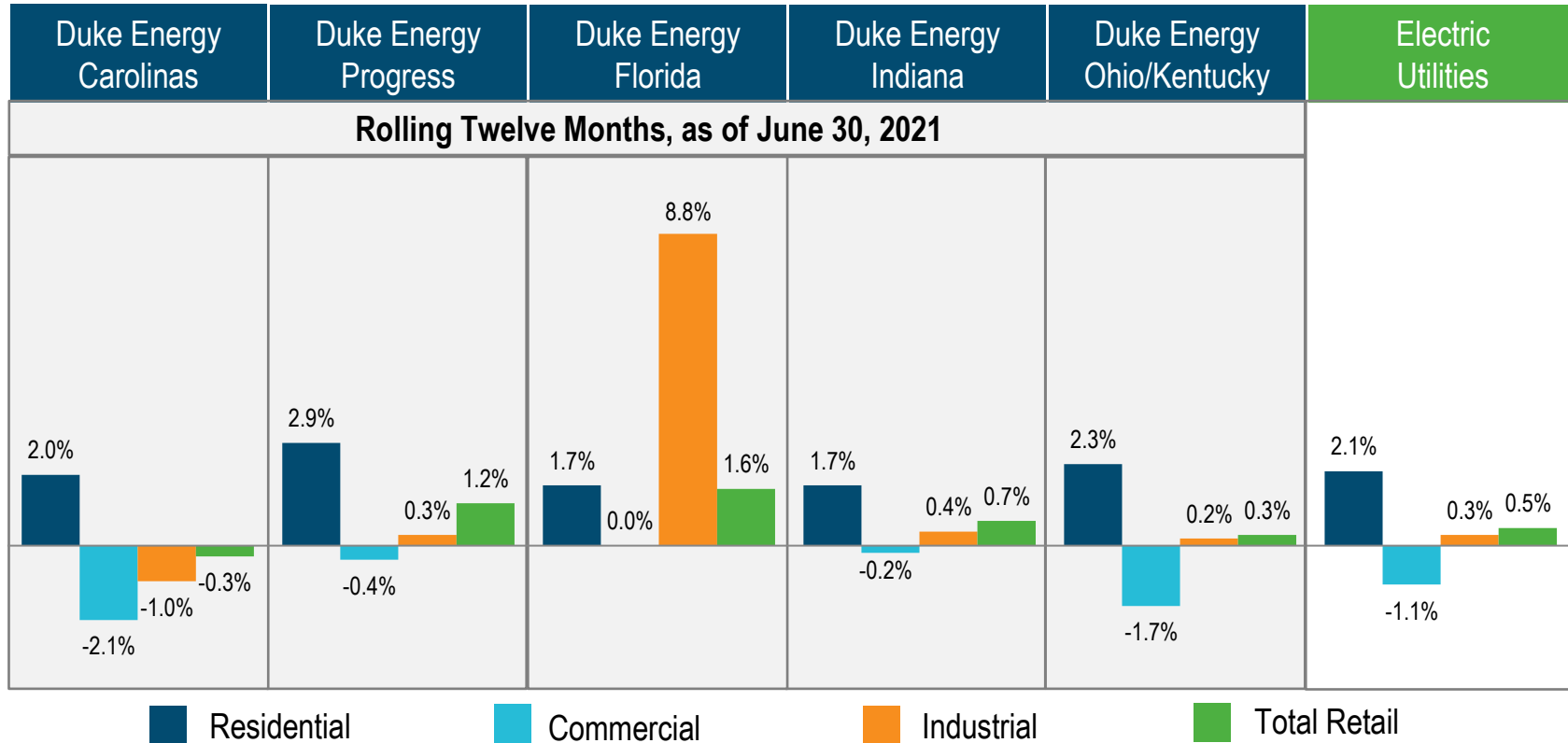
Key 2021 earnings sensitivities

Driver		EPS Impact
Electric Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.55
	\$1 billion change in rate base	+/- \$0.06
	1% change in retail volumes: Industrial +/- \$0.02 ⁽²⁾ Commercial +/- \$0.05 ⁽²⁾ Residential +/- \$0.08 ⁽²⁾	+/- \$0.15 ^{(1) (2)}
Gas Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.05
	\$200 million change in rate base	+/- \$0.01
	1% change in number of new customers	+/- \$0.02
Consolidated	1% change in interest rates ⁽³⁾	+/- \$0.10

Note: EPS amounts based on forecasted 2021 basic share count of ~769 million shares

- (1) Assumes 1% change across all customer classes; EPS impact for the industrial class is lower due to lower margins
- (2) Margin sensitivities are mitigated by the fixed component portion of bills, resulting in lower impacts to earnings than depicted.
- (3) Based on average variable-rate debt outstanding throughout the year. There was \$7.6 billion in floating rate debt as of December 31, 2020.

Weather normalized volume trends, by electric jurisdiction





Financing plan update and current liquidity

2021 Financing plan⁽¹⁾

Issuer	Estimated / Actual Amount (\$ in millions)	Security	Date Issued	Completed (\$ in millions)	Term	Rate	2021 Maturities ⁽²⁾
Holding Company	\$3,000	Senior Notes	June 2021	\$500 \$1,000 \$750 \$750	2-year 10-year 20-year 30-year	SOFR + 25 bps Fixed – 2.55% Fixed – 3.30% Fixed – 3.50%	\$1,750 (May & Sept)
DE Carolinas	\$1,000	First Mortgage Bonds	April 2021	\$550 \$450	10-year 30-year	Fixed – 2.55% Fixed – 3.45%	\$500 (June)
DE Progress	\$1,000 - \$1,200	-	-	-	-	-	\$1,300 (June & Sept.)
DE Florida	\$1,100 - \$1,300	-	-	-	-	-	\$500 (Aug. & Nov.)
DE Indiana	\$300 - \$400	-	-	-	-	-	-
Piedmont	\$350	Senior Notes	March 2021	\$350	10-year	2.50%	\$160 (June)
DE Kentucky	\$50 - \$100	-	-	-	-	-	-
Total	\$6,400 - \$7,750	-	-	\$4,350	-	-	\$4,210

(1) Excludes financings at Commercial Renewables and other non-regulated entities and storm cost securitization at Duke Energy Carolinas and Duke Energy Progress

(2) Excludes amortization of noncash purchase accounting adjustments and CR3 securitization

Liquidity summary (as of June 30, 2021)

(\$ in millions)

	Duke Energy	Duke Energy Carolinas	Duke Energy Progress	Duke Energy Florida	Duke Energy Indiana	Duke Energy Ohio	Duke Energy Kentucky	Piedmont Natural Gas	Total
Master Credit Facility ⁽¹⁾	\$ 2,650	\$ 1,325	\$ 1,150	\$ 850	\$ 600	\$ 550	\$ 175	\$ 700	\$ 8,000
Less: Notes payable and commercial paper ⁽²⁾	(549)	(767)	(418)	(360)	(150)	(355)	(56)	(92)	(2,747)
Outstanding letters of credit (LOCs)	(25)	(4)	(2)	-	-	-	-	-	(31)
Tax-exempt bonds	-	-	-	-	(81)	-	-	-	(81)
Available capacity	\$ 2,076	\$ 554	\$ 730	\$ 490	\$ 369	\$ 195	\$ 119	\$ 608	\$ 5,141
Funded Revolver and Term Loan ⁽³⁾	\$ 1,000								\$ 1,000
Less: Borrowings Under Credit Facilities	(500)								(500)
Available capacity	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Cash & short-term investments									259
Total available liquidity									\$ 5,900

(1) Duke Energy's master credit facility supports Tax-Exempt Bonds, LOCs and the Duke Energy CP program of \$6 billion

(2) Includes permanent layer of commercial paper of \$625 million, which is classified as long-term debt

(3) Borrowings under these facilities will be used for general corporate purposes



Upcoming Events & Other

Upcoming events

Event	Date
3Q 2021 earnings call (tentative)	November 4, 2021

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For additional information on Duke Energy,
please visit: duke-energy.com/investors

Duke Energy Corporation
Non-GAAP Reconciliations
Second Quarter Earnings Review & Business Update
August 5, 2021

Adjusted Earnings per Share (EPS)

The materials for Duke Energy Corporation's (Duke Energy) Second Quarter Earnings Review and Business Update on August 5, 2021, include a discussion of adjusted EPS for the quarter and year-to-date periods ended June 30, 2021 and 2020.

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, 2021 and 2020, 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:

- Gas Pipeline Investments represents costs related to the cancellation of the ACP pipeline and additional exit obligations.
- Severance represents the reversal of 2018 severance charges, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and the Duke Energy Progress 2019 North Carolina rate cases.
- Workplace and workforce realignment represents costs attributable to business transformation, including long-term real estate strategy changes and workforce realignment.

Adjusted EPS Guidance

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 5, 2021, include a reference to forecasted 2021 adjusted EPS guidance range of \$5.00 to \$5.30 per share and the midpoint of forecasted 2021 adjusted EPS guidance range of \$5.15. The materials also reference the long-term range of annual growth of 5% - 7% through 2025 off the midpoint of 2021 adjusted EPS guidance range of \$5.15. 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 5, 2021, include a discussion of adjusted segment income (loss) and adjusted other net loss for the quarter and year-to-date periods ended June 30, 2021 and a discussion of 2021 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. Reconciliations of adjusted segment income (loss) and adjusted other net loss for the quarter and year-to-date periods ended June 30, 2021, to the most directly comparable GAAP measures 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.

Dividend Payout Ratio

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 5, 2021, include a discussion of Duke Energy's long-term target dividend payout ratio of 65% - 75% based upon adjusted EPS. This payout ratio is a non-GAAP financial measure as it is based upon forecasted basic EPS from continuing operations available to Duke Energy Corporation stockholders, adjusted for the per-share impact of special items, as discussed above under Adjusted EPS. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders. 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, as discussed above under Adjusted EPS Guidance.

Net Regulated Electric and Gas O&M

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 5, 2021, include a discussion of Duke Energy's net regulated Electric and Gas operating, maintenance and other expenses (O&M) for the year-to-date periods ended December 31, 2020, 2019, 2018, 2017 and 2016, as well as the forecasted year-to-date period ended December 31, 2021.

Net regulated Electric and Gas O&M is a non-GAAP financial measure, as it represents reported O&M expenses adjusted for special items and expenses recovered through riders and excludes O&M expenses for Duke Energy's non-margin based Commercial businesses and non-regulated electric products and services supporting regulated operations.

Management believes the presentation of net regulated Electric and Gas O&M provides useful information to investors, as it provides a meaningful comparison of financial performance across periods. The most directly comparable GAAP financial measure for net regulated Electric and Gas O&M is reported operating, maintenance and other expenses. A reconciliation of net regulated Electric and Gas O&M for the year-to-date periods ended December 31, 2020, 2019, 2018, 2017 and 2016, as well as the forecasted year-to-date period ended December 31, 2021, to the most directly comparable GAAP measure are included here-in.

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

The materials for Duke Energy's Second Quarter Earnings Review and Business Update on August 5, 2021, include a discussion of the effective tax rate including impacts of noncontrolling interests and preferred dividends and excluding special items for the year-to-date period ended June 30, 2021. The materials also include a discussion of the 2021 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 year-to-date period ended June 30, 2021, 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 Second Quarter Earnings Review and Business Update on August 5, 2021, 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, 2021. The most directly comparable GAAP financial measure for available liquidity is cash and cash equivalents. A reconciliation of available liquidity as of June 30, 2021, to the most directly comparable GAAP measure is included herein.

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 but not yet declared 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
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Three Months Ended June 30, 2020
(Dollars in millions, except per share amounts)

	Reported Loss	Special Item Gas Pipeline Investments	Total Adjustments	Adjusted Earnings
SEGMENT INCOME (LOSS)				
Electric Utilities and Infrastructure	\$ 753	\$ —	\$ —	\$ 753
Gas Utilities and Infrastructure	(1,576)	1,626	A 1,626	50
Commercial Renewables	90	—	—	90
Total Reportable Segment (Loss) Income	(733)	1,626	1,626	893
Other	(84)	—	—	(84)
Net (Loss) Income Available to Duke Energy Corporation Common Stockholders	\$ (817)	\$ 1,626	\$ 1,626	\$ 809
(LOSS) EARNINGS PER SHARE AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ (1.13)	\$ 2.21	\$ 2.21	\$ 1.08

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

A – Net of \$374 million tax benefit. \$2,000 million recorded within Equity in earnings (losses) of unconsolidated affiliates related to the cancellation of the ACP investment on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 735 million

DUKE ENERGY CORPORATION
REPORTED TO ADJUSTED EARNINGS RECONCILIATION
Six Months Ended June 30, 2020
(Dollars in millions, except per share amounts)

	Reported Earnings	Special Items		Total Adjustments	Adjusted Earnings
		Gas Pipeline Investments	Severance		
SEGMENT INCOME (LOSS)					
Electric Utilities and Infrastructure	\$ 1,458	\$ —	\$ —	\$ —	\$ 1,458
Gas Utilities and Infrastructure	(1,327)	1,626 A	—	1,626	299
Commercial Renewables	147	—	—	—	147
Total Reportable Segment Income	278	1,626	—	1,626	1,904
Other	(196)	—	(75) B	(75)	(271)
Net Income Available to Duke Energy Corporation Common Stockholders	\$ 82	\$ 1,626	\$ (75)	\$ 1,551	\$ 1,633
EPS AVAILABLE TO DUKE ENERGY CORPORATION COMMON STOCKHOLDERS	\$ 0.11	\$ 2.21	\$ (0.10)	\$ 2.11	\$ 2.22

A – Net of \$374 million tax benefit. \$2,000 million recorded within Equity in earnings (losses) of unconsolidated affiliates related to the cancellation of the ACP investment on the Condensed Consolidated Statements of Operations.

B – Net of \$23 million tax expense. \$98 million reversal of 2018 severance charges recorded within Operations, maintenance and other on the Condensed Consolidated Statements of Operations.

Weighted Average Shares (reported and adjusted) – 734 million

DUKE ENERGY CORPORATION
EFFECTIVE TAX RECONCILIATION
June 2021
(Dollars in millions)

	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 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 %

	Three Months Ended		Six Months Ended	
	June 30, 2020		June 30, 2020	
	Balance	Effective Tax Rate	Balance	Effective Tax Rate
Reported Loss Before Income Taxes	\$ (1,208)		\$ (181)	
Gas Pipeline Investments	2,000		2,000	
Severance	—		(98)	
Noncontrolling Interests	90		138	
Preferred Dividends	(15)		(54)	
Pretax Income Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	<u>\$ 867</u>		<u>\$ 1,805</u>	
Reported Income Tax Benefit	\$ (316)	26.2 %	(179)	98.9 %
Gas Pipeline Investments	374		374	
Severance	—		(23)	
Tax Expense Including Noncontrolling Interests and Preferred Dividends and Excluding Special Items	<u>\$ 58</u>	6.7%	<u>\$ 172</u>	9.5 %

Duke Energy Corporation
Available Liquidity Reconciliation
As of June 30, 2021
(In millions)

Cash and Cash Equivalents	\$ 367	
Less: Certain Amounts Held in Foreign Jurisdictions	(6)	
Less: Unavailable Domestic Cash	<u>(102)</u>	
	259	
Plus: Remaining Availability under Master Credit Facilities and other facilities	<u>5,641</u>	
Total Available Liquidity (a), June 30, 2021	<u>\$ 5,900</u>	approximately 5.9 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, 2021. The most directly comparable GAAP financial measure for available liquidity is Cash and cash equivalents.

Duke Energy Corporation
Operations, Maintenance and Other Expense
(In millions)

	Actual December 31, 2016	Actual December 31, 2017	Actual December 31, 2018	Actual December 31, 2019	Actual December 31, 2020	Forecast ^(f) December 31, 2021
Operation, maintenance and other^(a)	\$6,223	\$5,944	\$6,463	\$6,066	\$5,788	\$6,072
Adjustments:						
Costs to Achieve, Mergers ^(b)	(238)	(94)	(83)	–	–	–
Severance ^(b)	(92)	–	(187)	–	98	–
Regulatory settlement ^(b)	–	(5)	(40)	–	(16)	–
Energy Efficiency Recoverable ^(c)	(417)	(485)	(446)	(415)	(350)	(403)
Other Deferrals ^(d) and Recoverable	(141)	(152)	(400)	(353)	(510)	(340)
O&M for Commercial Businesses	(351)	(267)	(304)	(298)	(285)	(477)
Short-term incentive payments (over)/under budget	(90)	(22)	(30)	(112)	33	–
Non-regulated Electric Products and Services ^(e)	(83)	(140)	(138)	(175)	(210)	(223)
Net Regulated Electric and Gas, operation, maintenance and other	\$4,811	\$4,779	\$4,835	\$4,714	\$4,548	\$4,630

(a) As reported in the Consolidated Statements of Operations.

(b) Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings per share.

(c) Primarily represents expenses to be deferred or recovered through rate riders.

(d) Prior periods have been recast to reflect a change in methodology to present certain deferrals which will be recovered through future rate cases as if they were included in base rates.

(e) Primarily represents non-regulated electric products and services expense in support of regulated operations.

(f) Full-year amounts for 2021, as disclosed on Feb. 11, 2021.

**Duke Energy - Carolinas Jurisdictions
Operations, Maintenance and Other Expense
(In millions)**

	Actual December 31, 2016	Actual December 31, 2017	Actual December 31, 2018	Actual December 31, 2019	Actual December 31, 2020	Forecast ^(e) December 31, 2021
Operation, maintenance and other^(a) - Duke Energy Carolinas	\$2,158	\$2,021	\$2,130	\$1,868	\$1,743	\$1,801
Operation, maintenance and other^(a) - Duke Energy Progress	1,565	1,439	1,578	1,446	1,332	1,447
Adjustments:						
Costs to Achieve, Mergers ^(b)	(126)	(34)	(15)	-	-	-
Severance ^(b)	(62)	-	(154)	-	98	-
Regulatory settlement ^(b)	-	(5)	(40)	-	(16)	-
Energy Efficiency Recoverable ^(c)	(210)	(279)	(270)	(248)	(180)	(238)
Other Deferrals and Recoverable ^(c)	(87)	(74)	(119)	(71)	(74)	(52)
Margin based O&M for Non-reg products/services	(40)	(76)	(69)	(99)	(130)	(131)
DEBS Depreciation ^(d)	(57)	(80)	(88)	(101)	(117)	(133)
Short-term incentive payments (over)/under budget	(55)	(26)	(13)	(64)	23	-
Net Regulated Electric and Gas, operation, maintenance and other	\$3,086	\$2,886	\$2,940	\$2,731	\$2,679	\$2,694

(a) As reported in the Consolidated Statements of Operations.

(b) Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings per share.

(c) Primarily represents expenses to be deferred or recovered through rate riders.

(d) Duke Energy Business Services (DEBS) Depreciation is allocated to the registrants as O&M, but is included within Depreciation and amortization on the Duke Energy Consolidated Statement of Operations. Accordingly, this allocation of depreciation has been removed from the registrant O&M.

(e) Full-year amounts for 2021, as disclosed on Feb. 11, 2021.

Duke Energy - Florida
Operations, Maintenance and Other Expense
(In millions)

	Actual December 31, 2016	Actual December 31, 2017	Actual December 31, 2018	Actual December 31, 2019	Actual December 31, 2020	Forecast ^(e) December 31, 2021
Operation, maintenance and other^(a) - Duke Energy Florida	\$884	\$853	\$1,025	\$1,034	\$1,131	\$1,016
Adjustments:						
Costs to Achieve, Mergers ^(b)	(9)	(9)	(4)	-	-	-
Severance ^(b)	(17)	-	(17)	-	-	-
Regulatory settlement ^(b)	-	-	-	-	-	-
Energy Efficiency Recoverable ^(c)	(99)	(95)	(105)	(99)	(116)	(121)
Other Deferrals and Recoverable ^(c)	(37)	(34)	(191)	(183)	(325)	(182)
Margin based O&M for Non-reg products/services	(27)	(38)	(43)	(39)	(38)	(45)
DEBS Depreciation ^(d)	(15)	(22)	(24)	(29)	(34)	(40)
Short-term incentive payments (over)/under budget	(14)	(8)	(6)	(16)	4	-
Net Regulated Electric and Gas, operation, maintenance and other	\$666	\$647	\$635	\$668	\$622	\$628

(a) As reported in the Consolidated Statements of Operations.

(b) Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings per share.

(c) Primarily represents expenses to be deferred or recovered through rate riders.

(d) Duke Energy Business Services (DEBS) Depreciation is allocated to the registrants as O&M, but is included within Depreciation and amortization on the Duke Energy Consolidated Statement of Operations. Accordingly, this allocation of depreciation has been removed from the registrant O&M.

(e) Full-year amounts for 2021, as disclosed on Feb. 11, 2021.

Duke Energy - Midwest Jurisdictions
Operations, Maintenance and Other Expense
(In millions)

	Actual December 31, 2016	Actual December 31, 2017	Actual December 31, 2018	Actual December 31, 2019	Actual December 31, 2020	Forecast ^(e) December 31, 2021
Operation, maintenance and other^(a) - Duke Energy Indiana	\$727	\$743	\$788	\$790	\$762	\$782
Operation, maintenance and other^(a) - Duke Energy Ohio	514	530	480	520	463	471
Adjustments:						
Costs to Achieve, Mergers ^(b)	(10)	(12)	(16)	-	-	-
Severance ^(b)	(10)	-	(13)	-	-	-
Regulatory settlement ^(b)	-	-	-	-	-	-
Energy Efficiency Recoverable ^(c)	(86)	(104)	(71)	(68)	(54)	(45)
Other Deferrals and Recoverable ^(c)	(39)	(48)	(89)	(99)	(101)	(106)
Margin based O&M for Non-reg products/services	(9)	(16)	(11)	(12)	(9)	(13)
DEBS Depreciation ^(d)	(16)	(23)	(25)	(30)	(34)	(40)
Short-term incentive payments (over)/under budget	(5)	(7)	-	(21)	8	-
Net Regulated Electric and Gas, operation, maintenance and other	\$1,066	\$1,063	\$1,043	\$1,080	\$1,035	\$1,049

(a) As reported in the Consolidated Statements of Operations.

(b) Presented as a special item for the purpose of calculating adjusted earnings and adjusted diluted earnings per share.

(c) Primarily represents expenses to be deferred or recovered through rate riders.

(d) Duke Energy Business Services (DEBS) Depreciation is allocated to the registrants as O&M, but is included within Depreciation and amortization on the Duke Energy Consolidated Statement of Operations. Accordingly, this allocation of depreciation has been removed from the registrant O&M.

(e) Full-year amounts for 2021, as disclosed on Feb. 11, 2021.