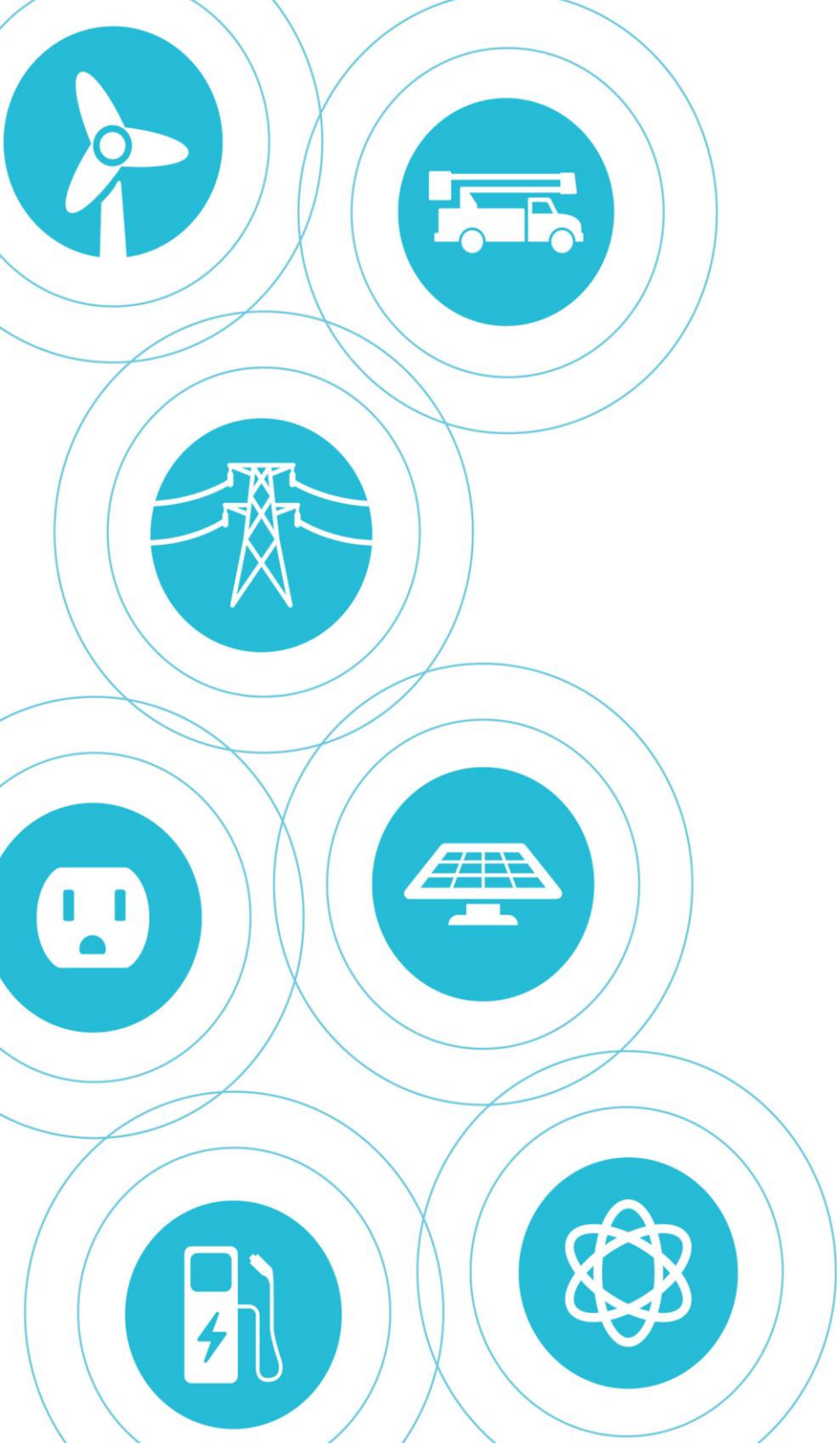


UBS MIDWEST UTILITIES CONFERENCE

Steve Young / *Executive Vice President and CFO*
Jack Sullivan / *Vice President Investor Relations*

August 19, 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

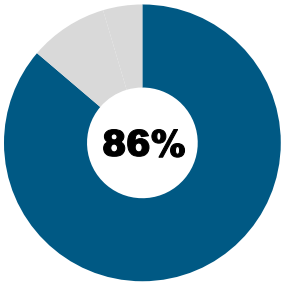
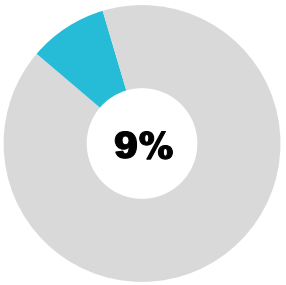
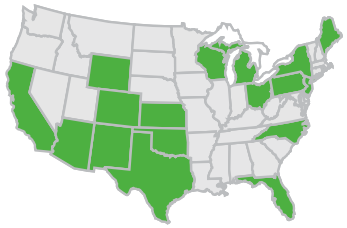
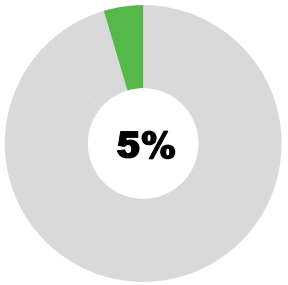
In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available in the Appendix herein and on our Investor Relations website at www.duke-energy.com/investors/.

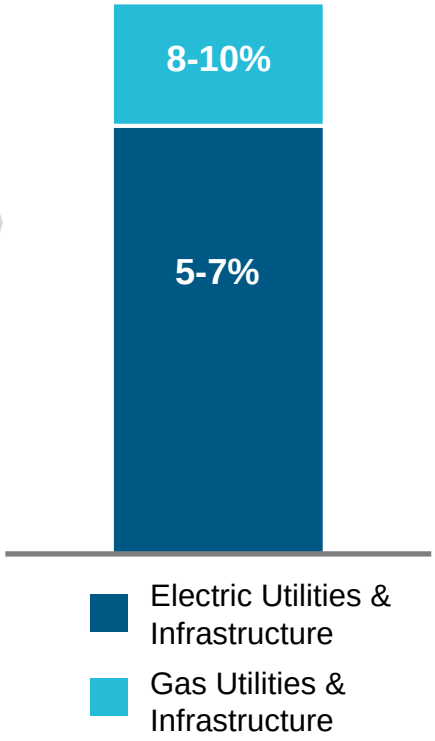
Safe harbor statement

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.

Complementary businesses with strong growth opportunities

ELECTRIC UTILITIES & INFRASTRUCTURE	2021 ADJUSTED EPS CONTRIBUTION[1]	2021-2025 CAPEX	2021 – 2025 ADJUSTED EPS CAGR[2]
		$49.5 B	Consolidated 5-7%
GAS UTILITIES & INFRASTRUCTURE			
		$5.7 B	
COMMERCIAL RENEWABLES			
		$2.5 B[3]	



(1) *Based upon the midpoint of the 2021 adjusted EPS guidance range of $5.00-$5.30 per share as most recently reaffirmed in the Q2 2021 Earnings Review and Business Update on August 5, 2021; excludes the impact of Other*
(2) *CAGR off of the components of the midpoint of the 2021 EPS guidance range of $5.00-$5.30 per share as most recently reaffirmed in the Q2 2021 Earnings Review and Business Update on August 5, 2021; consolidated growth rate includes the impact of Commercial Renewables (approximately flat growth) and Other*
(3) *Net of tax equity financing*

Advancing our clean energy strategy on the road to net zero

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


Pflugerville Solar

FILED OCONEE SUBSEQUENT LICENSE RENEWAL WITH NRC

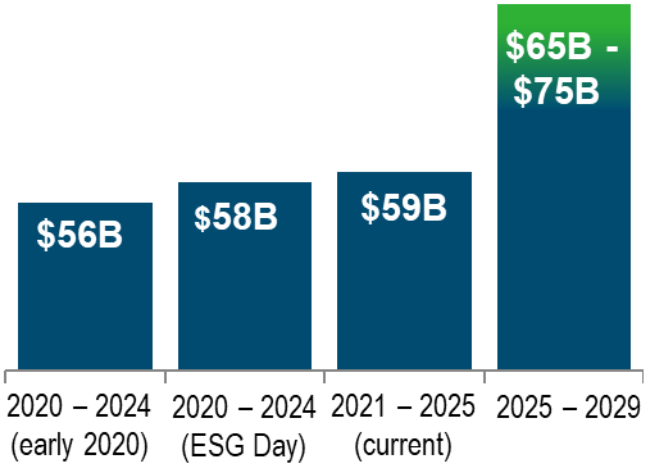
- Filed an application in June to renew Oconee Nuclear Station's operating licenses for an additional 20 years
- Current licenses expire in the early 2030s; the renewal would extend the licenses to 2053 and 2054
- Duke Energy's largest nuclear station - 2,500 MW, enough to power 1.9 million homes with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


Oconee Nuclear Station

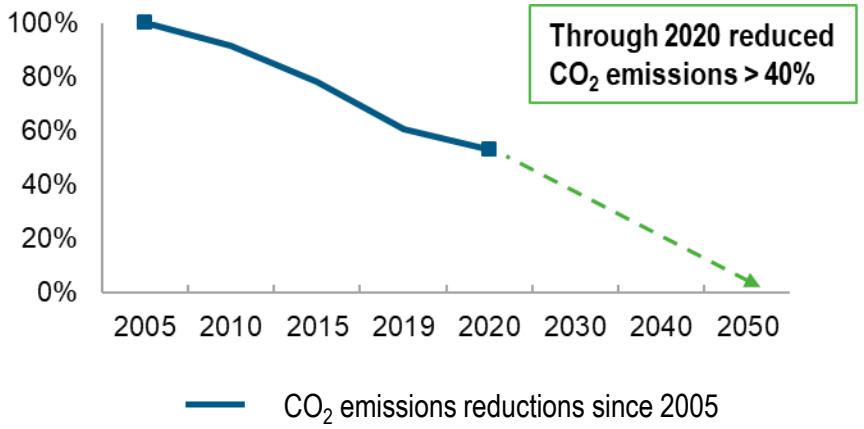
(1) Includes ~1,600 MWs co-owned with third parties that are operated by Duke Energy

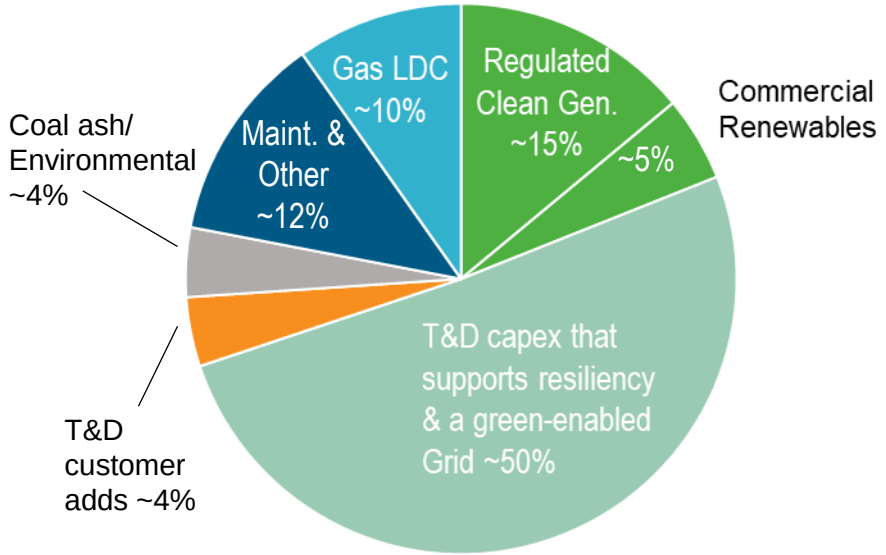
Capital plan focused on clean energy transition

Growing 5-year capex profile…



…supports emission reductions as we drive toward net-zero

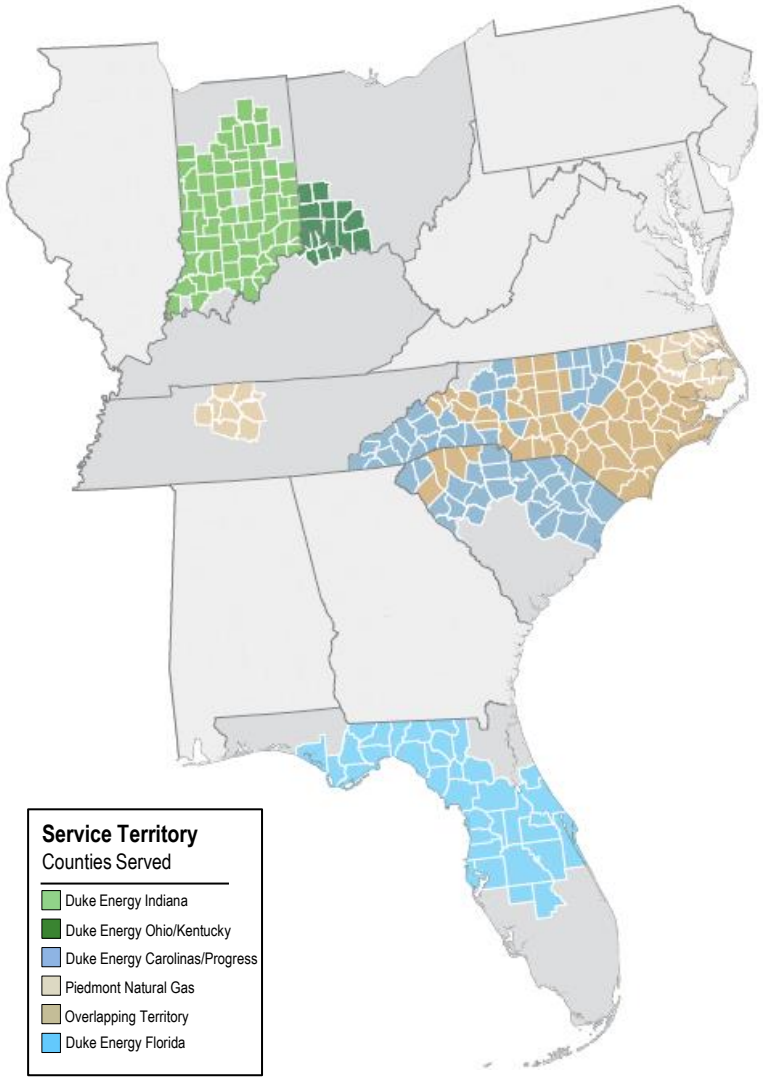




$59 BILLION CAPITAL PLAN FOCUSED ON CLEAN ENERGY TRANSITION

- Drives rate base CAGR of ~6.5% over 5-year plan
- Accelerated coal plant retirements
- Grid investments to enable renewables and energy storage, resiliency and dynamic power flows
- Clean energy – mix of solar, storage and nuclear

Regulatory and policy update

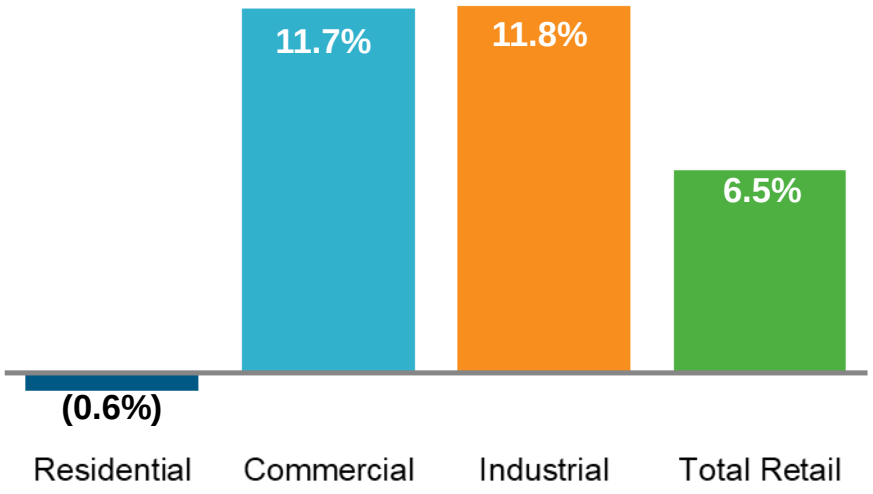


NEAR-TERM INITIATIVES

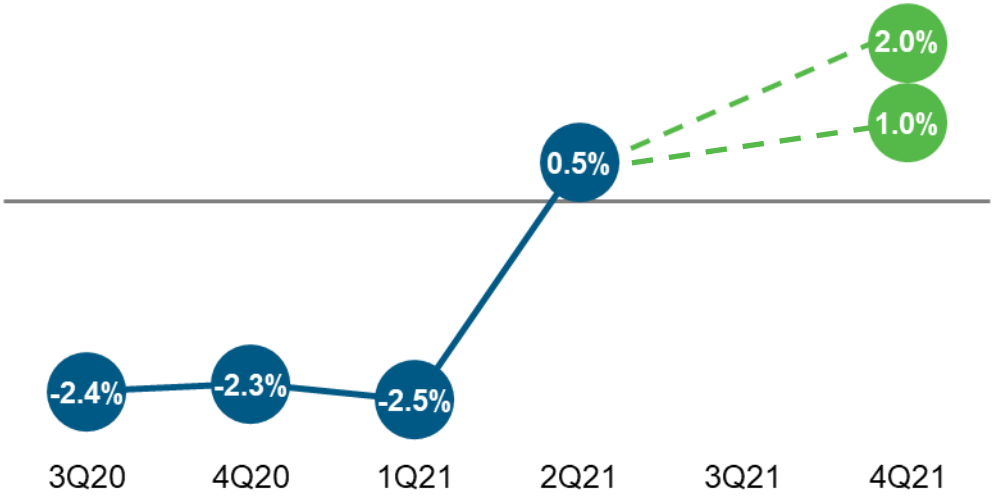
Carolinas	▪ Collaborating with NC policymakers and stakeholders to support the state's energy transition ▪ Advancing IRP process in both states
Florida	▪ MYRP order issued in June; advancing grid, solar and EV infrastructure
Indiana	▪ Actively working with stakeholders as we prepare for comprehensive Nov. IRP filing ▪ Step 2 of rate case approved; rate change retroactive to Jan. 2021
Natural Gas LDCs	▪ Piedmont (NC) rate case filed in March ▪ Kentucky gas rate case filed in June
Federal	▪ Engaging policymakers to advance shared objectives on climate

Retail electric volumes

Q2 2021 RETAIL ELECTRIC VOLUMES(1)



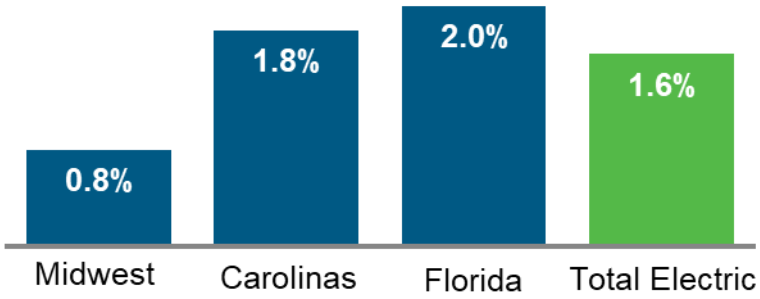
ROLLING 12-MONTH RETAIL LOAD TRENDS



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.

Strong O&M cost management track record

Event-driven cost savings

2006: Cinergy merger
- $300M in synergies in non-fuel O&M
- ~9% of total non-fuel O&M

2012: Progress merger
- $550M in synergies in non-fuel O&M
- ~9% of total non-fuel O&M, exceeded merger target of 5-7%
- $687M in fuel and joint-dispatch savings over five years

2016: Piedmont acquisition
- Absorbed $300M in O&M

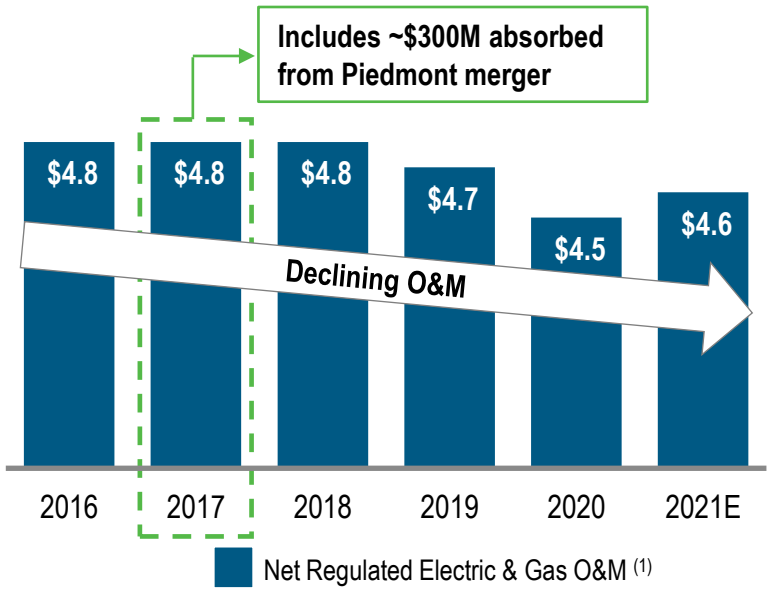
2020: COVID mitigation
- 2020 O&M savings of ~$320M; $200M expected to be sustainable

Sustainable cost efficiencies

- Integrated functions with strong jurisdictional leadership
- Best practice sharing and scale purchasing
- In 2021, key mitigation drivers include a versatile workforce, enhanced digital capabilities, general business expenses, and real estate optimization
- 2021 O&M expected to be unfavorable to 2020 due to one-time, tactical mitigation achieved in 2020

O&M COST MANAGEMENT(1)

($ IN BILLIONS)



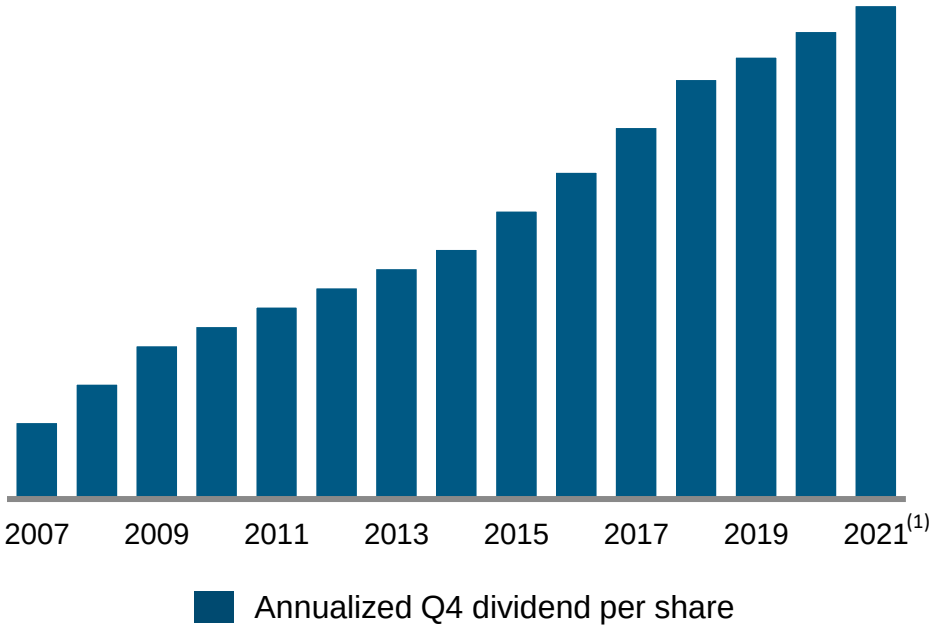
(1) Net regulated Electric and Gas O&M is a non-GAAP measure. For a description of this non-GAAP item and a reconciliation to GAAP O&M, see accompanying materials at www.duke-energy.com/investors

Financing plan update

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
- Have completed ~$5.5 billion of long-term debt issuances YTD at attractive rates

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

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 17, 2021
(2) Subject to approval by the Board of Directors.
(3) Total shareholder return proposition at a constant P/E ratio
(4) As most recently reaffirmed in the Q2 2021 Earnings Review and Business Update on August 5, 2021. Based on adjusted EPS



*BUILDING A **SMARTER** ENERGY FUTURE ®*

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

Duke Energy Corporation
Non-GAAP Reconciliations
UBS Midwest Utilities Conference

Adjusted Earnings per Share (EPS)

The materials for the UBS Midwest Utilities Conference include a discussion of adjusted EPS.

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. 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.

Adjusted EPS Guidance

The materials for the UBS Midwest Utilities Conference include a reference to the long-term range of annual growth of 5% - 7% through 2025 off the midpoint of 2021 adjusted EPS guidance range of $5.00 - $5.30 (on a compound annual growth rate (CAGR) basis). The materials also reference the expected five-year EPS growth in the Gas Utilities and Infrastructure segment of 8% - 10% and the expected five-year EPS growth in the Electric Utilities and Infrastructure segment of 5% - 7% (on a CAGR basis). 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 item, 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.

Dividend Payout Ratio

The materials for the UBS Midwest Utilities Conference 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 UBS Midwest Utilities Conference 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.

Business Mix Percentage

The materials for the UBS Midwest Utilities Conference reference each segment's 2021 projected adjusted segment income as a percentage of the total projected 2021 adjusted net income (i.e. business mix), excluding the impact of Other. Duke Energy's segments are comprised of Electric Utilities and Infrastructure, Gas Utilities and Infrastructure and Commercial Renewables.

Adjusted segment income is a non-GAAP financial measure, as it represents reported segment income adjusted for special items. 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 performance across periods. The most directly comparable GAAP measure for adjusted segment income are reported segment income, which represents segment income from continuing operations, including any special items.

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.