

Q1 / 2022



# Earnings Review and Business Update

Lynn Good / *Chair, President and CEO*  
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May 9, 2022

## **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](http://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/](http://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, asset retirement and construction costs related to carbon emissions reductions, 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, natural gas building and appliance electrification, 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, natural gas electrification, and distributed generation technologies, such as private solar and battery storage, in Duke Energy service territories could result in a reduced number of customers, 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, an individual utility's generation mix, 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; Asset or business acquisitions and dispositions, including our ability to successfully consummate the second closing of the minority investment in Duke Energy Indiana or that the sale may not yield the anticipated benefits; 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 its carbon emission reduction goals.

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](http://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.

**\$1.08 / \$1.30**

**Q1 2022 REPORTED / ADJUSTED EPS  
CONTINUED LOAD GROWTH PARTIALLY  
OFFSET BY WINTER STORMS**

**\$5.30 - \$5.60**

**REAFFIRMING 2022  
ADJUSTED EPS  
GUIDANCE RANGE**

**5% – 7%**

**REAFFIRMING GROWTH RATE THROUGH  
2026 OFF MIDPOINT OF ORIGINAL 2021  
GUIDANCE RANGE (\$5.15)<sup>(1)</sup>**

*(1) Based on adjusted EPS*



# ESG report highlights

## GOALS AND COMMITMENTS

### ENVIRONMENTAL

- At least 50% carbon reduction and net-zero gas LDC methane emissions by 2030 (Scope 1)
- Expanded net-zero by 2050 goals to include Scope 2 and certain Scope 3 GHG emissions
- Goal to exit coal generation by 2035<sup>(1)</sup>

### SOCIAL RESPONSIBILITY

- Commitment to social responsibility including diversity and inclusion and stakeholder and community engagement

### GOVERNANCE

- Maintain strong corporate governance

## RECENT ACCOMPLISHMENTS

### Carbon Reduction

- Exceeded 44% carbon reduction from 2005 in 2021
- Decarbonizing natural gas business, focusing on methane detection and reduction of emissions using technology

### Fleet Transition

- 56 coal units retired since 2010, ~7,500MW
- 10,500MW of renewable energy on our system, on track to 24,000MW by 2030

### R&D

- Advocating for clean energy R&D investment and piloting/advising on new clean energy technology
- Member of National Electric Highway Coalition and working with schools and cities to help decarbonize their vehicles

### Social

- Spent more than \$1.5 billion with diverse suppliers in 2021
- Strengthened and published our environmental justice principles based on stakeholder input
- Most diverse recruiting year with 35% female and 34% people of color new hires, released EEO-1 data

### Governance

- Ranked #1 utility for investor transparency by Labrador in its 2021 report
- Continued board refreshment; 50% gender/racial diversity

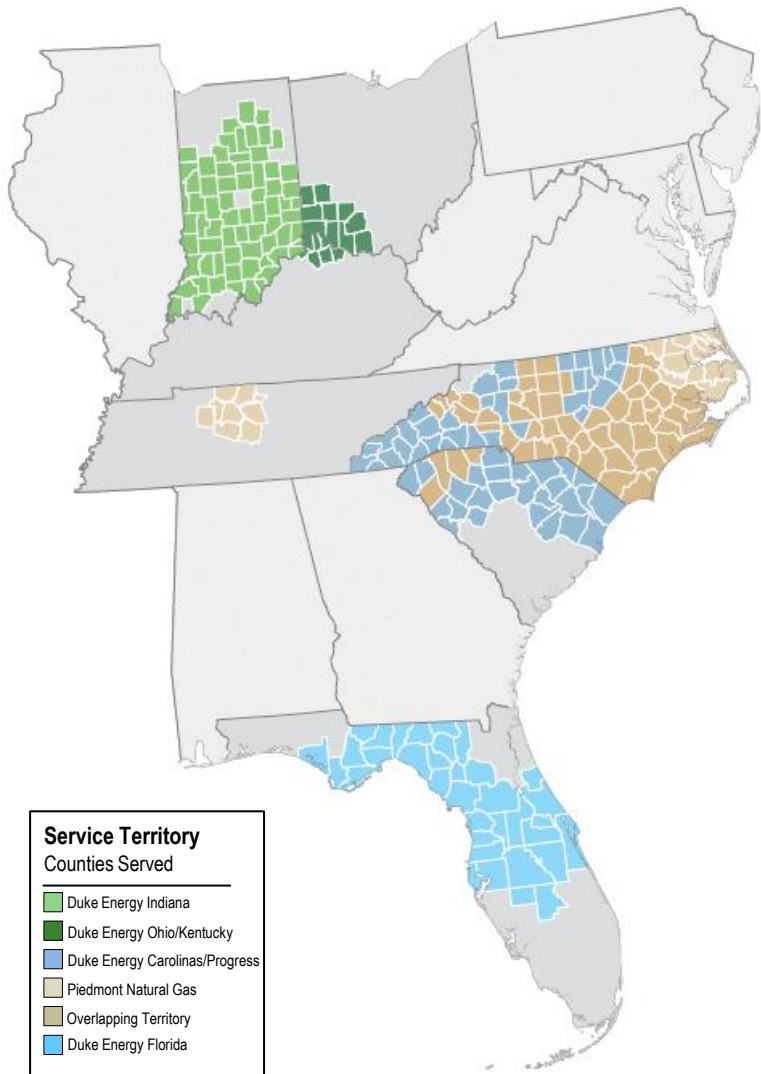
## ENGAGING WITH STAKEHOLDERS TO DEVELOP CLEAN ENERGY TRANSITION

- Held three stakeholder meetings on the Carbon Plan
  - Reviewed preliminary modeling assumptions and resource portfolios to achieve carbon reductions while maintaining affordability and reliability
- Filing proposed Carbon Plan on May 16, which will include multiple portfolios to achieve 70% carbon reduction targets
  - Portfolios will consider a mix of currently available and emerging technologies
  - NCUC required to approve Carbon Plan by Dec. 31
  - Carbon Plan will be reviewed every two years and adjusted as needed
- Constructive rulemaking orders for performance-based regulation in February and coal plant securitization in April
- Evaluating timing of future rate cases, which will propose multi-year rate plans and residential decoupling

2022 Timeline	Filed	Order	Docket #
Rulemaking for performance-based regulation	☑	☑	E-100 Sub 178
Rulemaking for coal plant securitization	☑	☑	E-100 Sub 177
Carbon Plan	May 16	By December 31	E-100 Sub 179



# Regulatory and policy update



## South Carolina

- Potential legislation for storm cost securitization

## Florida

- Filed updated 10-year storm protection plan (2023-2032) in April; includes \$7 billion of capital investment focused on grid hardening
- Completed Park & Plug pilot program, installing 627 EV charging stations in public spaces and on thoroughfares

## Indiana

- Issued RFPs for up to 2,400 MW of new generation in February, in advance of CPCN filing by year end
- Completed TDSIC 2.0 hearing in March

## Ohio / Kentucky

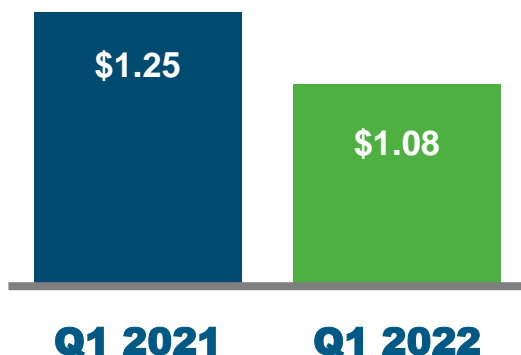
- Anticipate DE Ohio-Electric rate case hearing in the summer
- Piedmont South Carolina rate case hearing in August

## Natural Gas LDCs

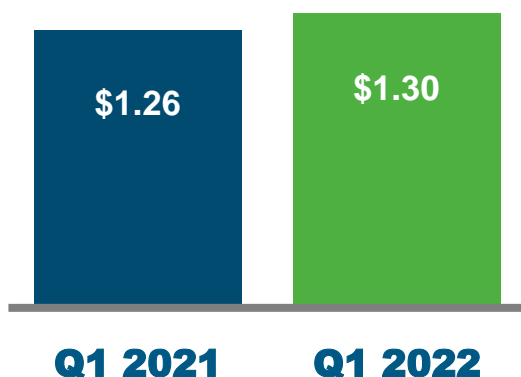
- In April, Tennessee passed legislation enabling investment in low-to-zero emission capital projects for innovative natural gas resources

# Q1 2022 adjusted EPS summary and primary drivers

## REPORTED EARNINGS PER SHARE



## ADJUSTED EARNINGS PER SHARE



## SEGMENT RESULTS VS. PRIOR YEAR QUARTER<sup>(1)</sup>

### Electric Utilities & Infrastructure, +\$76 M (+\$0.10 per share)

- ▲ Retail and wholesale electric volumes
- ▲ Rate cases and pricing
- ▼ Weather (-\$0.01) and storms (-\$0.07)
- ▼ O&M

### Gas Utilities & Infrastructure, +\$4 M (flat)

- ▲ Contribution from base rate changes
- ▲ Riders and LDC margin expansion
- ▼ Regulatory lag<sup>(2)</sup> on growing asset base

### Commercial Renewables, -\$16 M (-\$0.02 per share)

- ▼ Fewer new projects placed in-service
- ▲ Lower storm costs (2021 Winter Storm Uri)

### Other, -\$31 M (-\$0.04 per share)

- ▼ Lower market returns on benefit trusts

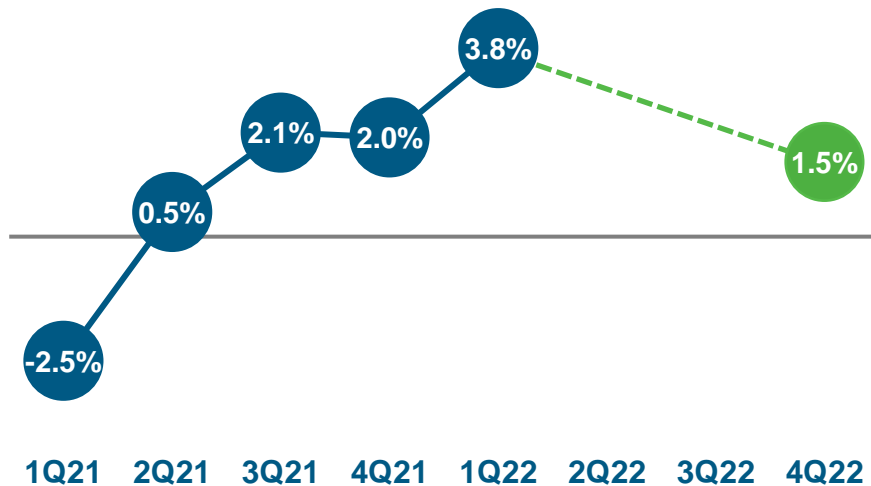
(1) Based on adjusted EPS

(2) Regulatory lag includes depreciation and amortization, interest expense and property taxes

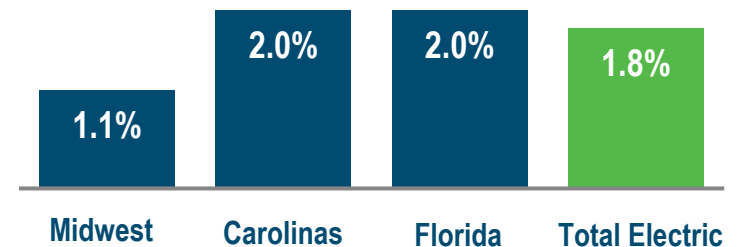
## CONTINUED LOAD GROWTH ACROSS ALL CUSTOMER CLASSES DESPITE MODERATING ECONOMIC EXPANSION IN 2022

- Residential class supported by meaningful customer growth and the continuation of fully remote and hybrid work
- Retail and service sectors continue to rebound from 2020 pandemic lows, with the retreat of COVID in Q1 allowing for re-openings and capacity increases in commercial and industrial classes
- Economic development drives long-term load growth for our territories - attracted nearly 12,500 new jobs and \$6.2 billion in capital investment in 2021
- Expect rolling 12-month retail load to moderate to 1.5% load growth in 2022 - equivalent to a ~0.4% load growth CAGR since 2019, in line with our long-term expectations

### ROLLING 12-MONTH RETAIL LOAD TRENDS



### CONTINUED RESIDENTIAL CUSTOMER GROWTH<sup>(1)</sup>



(1) As compared to Q1 2021.

# Our investor value proposition

DUK  
LISTED  
NYSE

## A STRONG LONG-TERM RETURN PROPOSITION

DUK  
LISTED  
NYSE

**3.6%**

**DIVIDEND YIELD<sup>(1)</sup>**  
WITH LONG-TERM  
DIVIDEND **GROWTH**  
**COMMITMENT<sup>(2)</sup>**

**~10%**

ATTRACTIVE  
RISK-ADJUSTED  
**TOTAL SHAREHOLDER**  
**RETURN<sup>(3)</sup>**

**5-7%**

LONG-TERM  
**EPS GROWTH<sup>(4)</sup>**  
THROUGH 2026

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

(1) As of May 5, 2022

(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

# Indiana energy transition

## TRANSITION TO CLEANER ENERGY WITH FOCUS ON RELIABILITY AND AFFORDABILITY

- Submitted 2021 Indiana integrated resource plan (IRP) in December
- Preferred portfolio reduces carbon emissions from our Indiana fleet by 63% in 2030 and 88% by 2040, compared to 2005 levels
- Key components of the company's preferred 20-year plan include:
  - Adds over 7,000 MW of renewables, plus 400 MW of energy storage
  - Adds 2,360 MW of natural gas, positioned to leverage hydrogen as the technology evolves
  - Accelerates coal plant retirement dates; retires all coal units by 2035<sup>(1)</sup>
- In February, filed RFPs for up to 2,400 MW of generation through 2027; includes renewable and dispatchable resources
- IRP will be updated for the CPCN filings to include results of the RFPs and current load and pricing assumptions



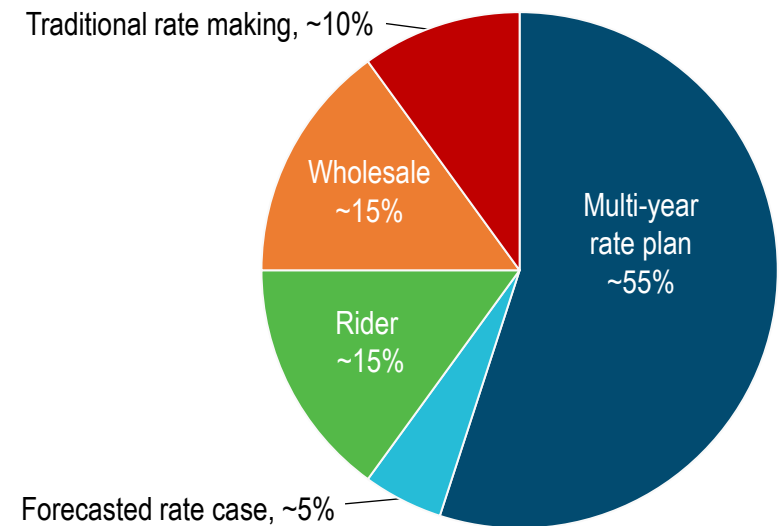
2022 Timeline	Status
IRP	<input checked="" type="checkbox"/>
Request for proposal for new generation	<input checked="" type="checkbox"/>
IURC staff report on IRP	2022
CPCN filings	By year end 2022

# Electric utilities & infrastructure recovery mechanisms

## RECOVERY MECHANISMS FOR ELECTRIC CAPEX<sup>(1)</sup>

- ~90% of electric segment capital investments are eligible for modern recovery mechanisms, mitigating regulatory lag
  - Includes recovery through riders, rate cases with forecasted test years, and multi-year rate plans
  - Majority of wholesale contracts are recovered through formula rate contracts
- Residential decoupling mechanisms reduce volumetric margin exposure – will account for ~20% of total retail volumes once fully implemented

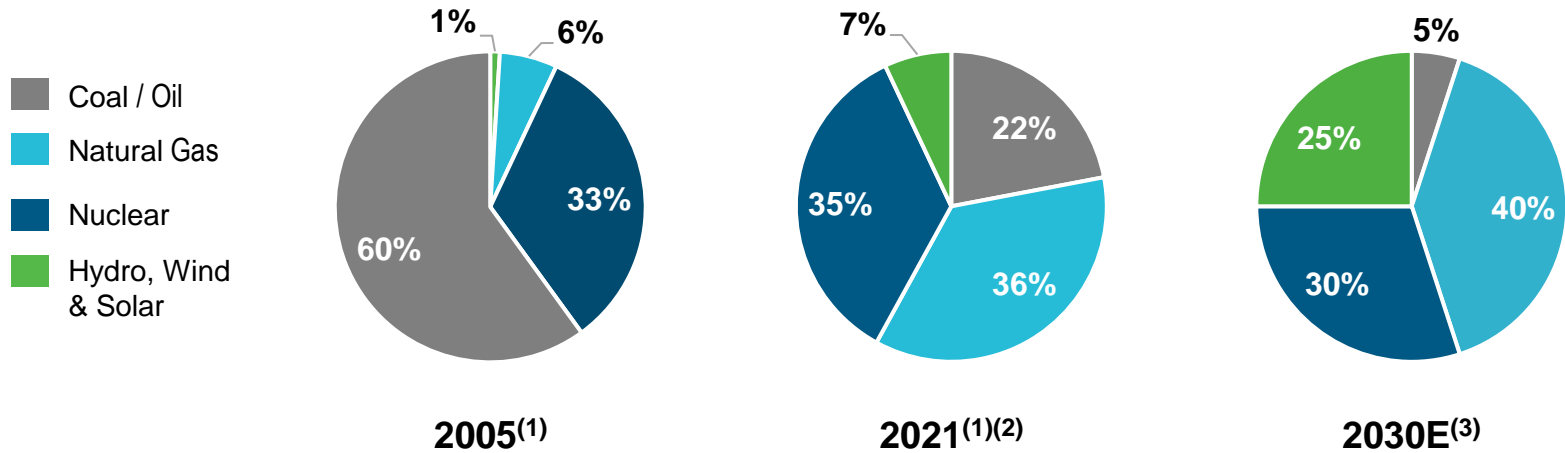
Recovery Mechanisms	NC <sup>(2)</sup>	SC	FL	IN	OH	KY
Multi-year rate plan	✓		✓			
Forecasted rate case				✓		✓
Grid modernization rider			✓	✓	✓	
Renewables rider			✓	✓		
Environmental rider			✓	✓		✓
Residential decoupling	✓				✓	
Traditional rate making		✓			✓	



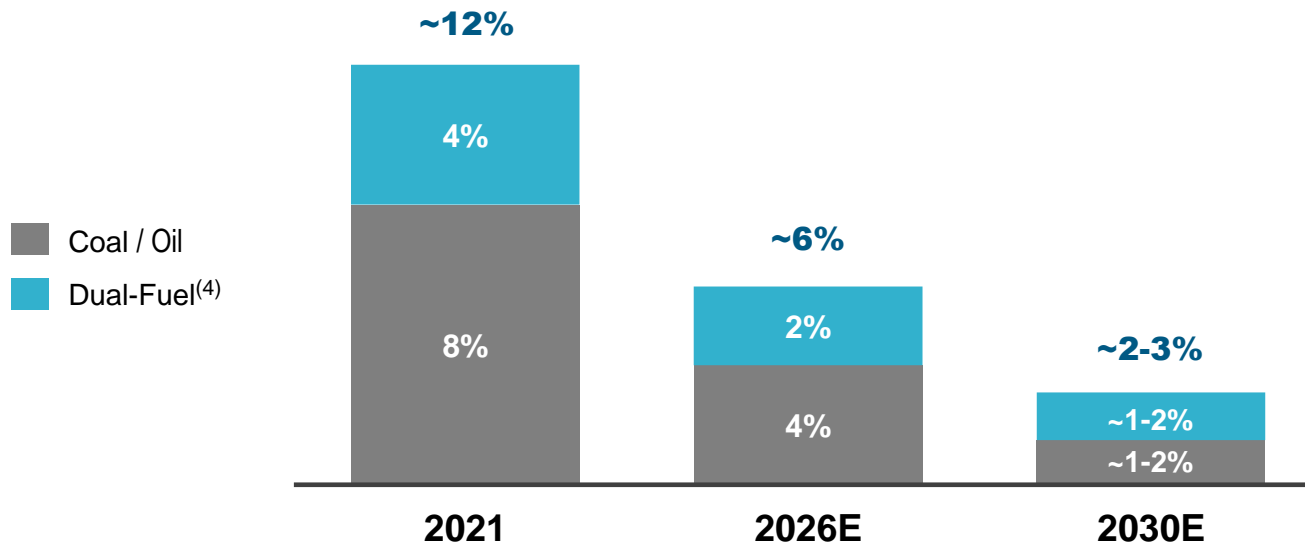
(1) Based on 2022-2026 capital plan, subject to regulatory approval; per HB 951 certain North Carolina capital investments are not eligible for multi-year rate plan including large generation investments over \$500 million  
 (2) Eligible for future rate cases

# Transforming the way we produce power

## Generation (MWh) by Fuel Type



## Coal as a % of Earnings Base



(1) 2005 and 2021 data based on Duke's ownership share of U.S. generation assets as of Dec. 31, 2021.

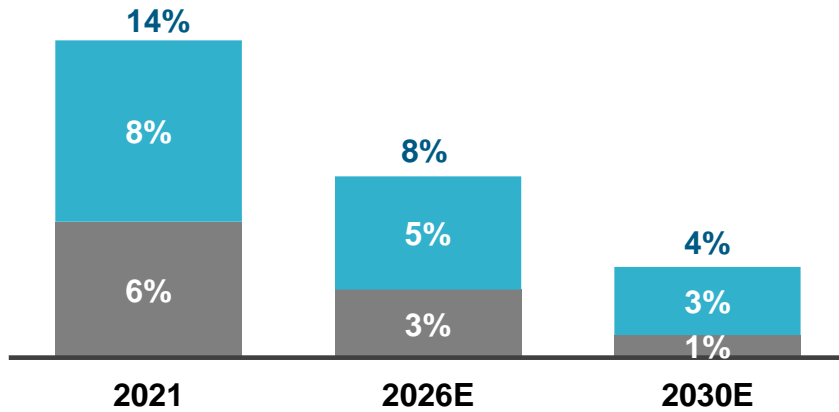
(2) 2021 data excludes 9,088 GWh of purchased renewables, equivalent to ~4% of Duke's output.

(3) 2030 estimate will be influenced by customer demand for electricity, weather, fuel and purchased power prices, and other factors.

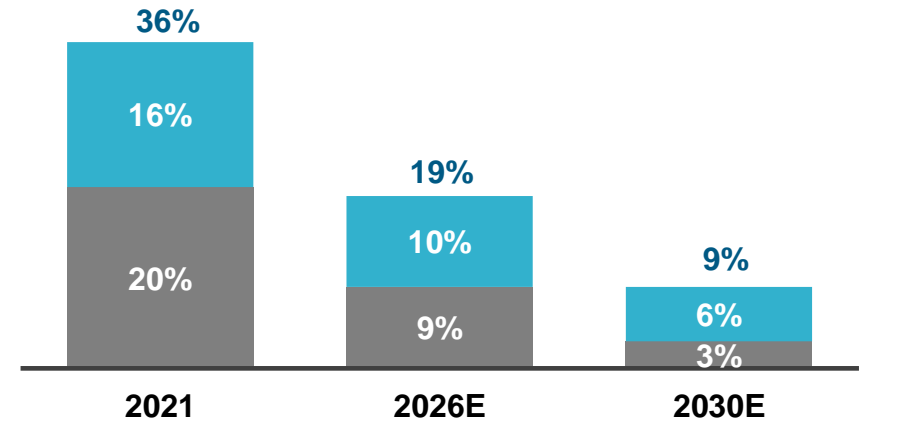
(4) As of December 31, 2021, the dual-fuel capable units and percentage of gas capacity are Cliffside 6 (100%), Belews Creek 1 & 2 (50%), Cliffside 5 (40%), Marshall 1&2 (40%), Marshall 3&4 (50%), Edwardsport (100%).

# Coal as a % of earnings base by jurisdiction<sup>(1)</sup>

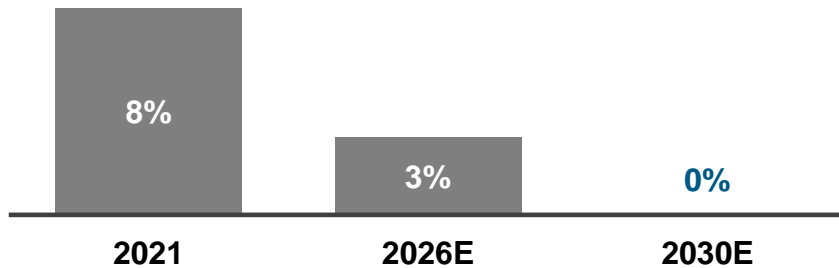
## DUKE ENERGY CAROLINAS



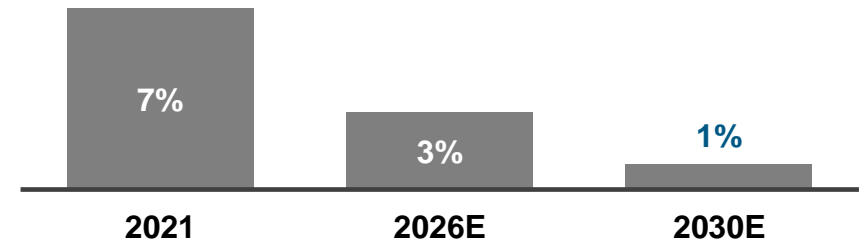
## DUKE ENERGY INDIANA



## DUKE ENERGY PROGRESS



## DUKE ENERGY FLORIDA



(1) Coal earnings base for Duke Energy Kentucky is 8%, 5%, and 4% for 2021, 2026E and 2030E, respectively.

(2) As of December 31, 2021, the dual-fuel capable units and percentage of gas capacity are as follows: At Duke Energy Carolinas, Cliffside 6 (100%), Belews Creek 1 & 2 (50%), Cliffside 5 (40%), Marshall 1&2 (40%), and Marshall 3&4 (50%). At Duke Energy Indiana, Edwardsport (100%).

# Economic development

## OUR COMMUNITIES DEPEND ON ECONOMIC GROWTH, AND WE PLAY AN IMPORTANT ROLE

- We work with state and local authorities to promote economic growth in our communities, helping attract investment in jobs
- Focused on several key business sectors: Aerospace, data centers, advanced manufacturing, automotive, life sciences, and food/beverage processing
- Long track record of success – Site Selection magazine named Duke Energy to its “Top Utilities in Economic Development” list for the 17<sup>th</sup> consecutive year

Attracted nearly 12,500 new jobs and \$6.2 billion in capital investment in 2021



North Carolina

**CAPITAL INVESTMENT**  
\$2,457 million



**JOBS**  
5,310



South Carolina

**CAPITAL INVESTMENT**  
\$712 million



**JOBS**  
1,038



Florida

**CAPITAL INVESTMENT**  
\$362 million



**JOBS**  
2,087



Indiana

**CAPITAL INVESTMENT**  
\$1,241 million



**JOBS**  
3,308



Ohio–Kentucky

**CAPITAL INVESTMENT**  
\$1,414 million




**JOBS**  
770

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

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

- 13 out of 14 directors are independent (all directors except Chair, President and CEO)
- 7 out of 14 directors are female or identify as a part of a minority group

### Board of Directors

 <p><b>Lynn J. Good</b> Chair, President &amp; CEO, Duke Energy Director since 2013</p>	 <p><b>Derrick Burks</b> Retired Managing Partner, Indianapolis Office, Ernst &amp; Young Director since 2022</p>	 <p><b>Annette K. Clayton</b> President &amp; CEO, North America Operations, Schneider Electric Director since 2019</p>
 <p><b>Theodore F. Craver Jr.</b> Retired Chairman, President, &amp; CEO, Edison International Director since 2017</p>	 <p><b>Robert M. Davis</b> President and CEO, Merck &amp; Co. Director since 2018</p>	 <p><b>Caroline Dorsa</b> Retired EVP &amp; CFO, PSEG Director since 2021</p>
 <p><b>W. Roy Dunbar</b> Retired Chairman and CEO, Network Solutions Director since 2021</p>	 <p><b>Nicholas C. Fanandakis</b> Retired EVP, DuPont de Nemours Director since 2019</p>	 <p><b>John T. Herron</b> Retired President, CEO &amp; Chief Nuclear Officer, Entergy Nuclear Director since 2013</p>
 <p><b>Idalene F. Kesner</b> Dean, Indiana University Kelley School of Business Director since 2021</p>	 <p><b>E. Marie McKee</b> Retired SVP, Corning Director since 2012</p>	 <p><b>Michael J. Pacilio</b> Retired EVP &amp; COO, Exelon Generation Director since 2021</p>
 <p><b>Thomas E. Skains</b> Retired Chairman, President &amp; CEO, Piedmont Natural Gas Director since 2016</p>	 <p><b>William E. Webster</b> Retired EVP, Institute of Nuclear Power Operations Director since 2016</p>	

### Key Stats

**50%**  
Racial, Gender and  
Ethnic Diversity

**4**  
Years Average Tenure

### Key Skills & Experience

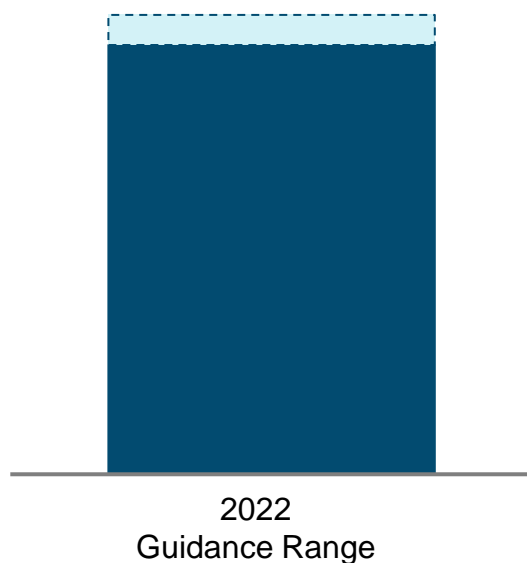
Customer Service	9
Cybersecurity/ Technology	9
ESG	11
Human Capital Management	6
Industry	9
Regulatory/ Government	12
Risk Management	13

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**2022 SUPPLEMENTAL FINANCIAL INFORMATION**

# 2022 EPS guidance and shaping considerations

\$5.30 - \$5.60<sup>(1)</sup>



**ON TRACK**

TO ACHIEVE 2022 EPS  
GUIDANCE RANGE OF \$5.30 - \$5.60<sup>(1)</sup>

## SHAPING CONSIDERATIONS COMPARED TO 2021

2022 drivers	Q2	2 <sup>nd</sup> Half of 2022
Normalizing 2021 weather <sup>(2)</sup>	▼	▲
O&M timing	▼	▲
Rate cases & riders	--	▲
Commercial Renewables	▼	--
Tax accounting timing	▼	▼

# Key 2022 adjusted earnings guidance assumptions

(\$ in millions)	Original 2022 Assumptions <sup>(1)</sup>	2022 YTD (thru 3/31/2022)
<b>Adjusted segment income/(expense)<sup>(2)</sup>:</b>		
Electric Utilities & Infrastructure	\$4,170	\$896
Gas Utilities & Infrastructure	\$470	\$254
Commercial Renewables	\$150	\$11
Other	(\$595)	(\$170)
Duke Energy Consolidated	\$4,195	\$991
<b>Additional consolidated information:</b>		
Effective tax rate including noncontrolling interests and preferred dividends and excluding special items	8-10%	4.4%
AFUDC equity	\$195	\$46
Capital expenditures <sup>(3)(4)</sup>	\$12,350	\$2,636
Weighted-average shares outstanding – basic	~770 million	~770 million

(1) Full-year amounts for 2022, as disclosed on Feb. 10, 2022

(2) Adjusted net income for 2022 assumptions is based upon the midpoint of the adjusted EPS guidance range of \$5.30 to \$5.60

(3) Includes debt AFUDC and capitalized interest

(4) 2022 Assumptions include ~\$488 million of projected coal ash closure spend. 2022 YTD actual includes coal ash closure spend of ~\$91 million that was included in operating cash flows and excludes tax equity

# Electric utilities quarterly weather impacts

Weather segment income to normal:	2022						2021					
	Pretax impact		Weighted avg. shares		EPS impact favorable / (unfavorable)		Pretax impact		Weighted avg. shares		EPS impact favorable / (unfavorable)	
First Quarter	(\$33)		770		(\$0.03)		(\$17)		769		(\$0.02)	
Second Quarter							\$7		769		\$0.01	
Third Quarter							\$46		769		\$0.05	
Fourth Quarter							(81)		769		(\$0.08)	
Year-to-Date <sup>(1)</sup>							(46)		769		(\$0.05)	
1Q 2022	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY			
Heating degree days / Variance from normal	1,613	(6.1%)	1,453	(8.3%)	297	(18.6%)	2,798	1.8%	2,519	(1.7%)		
Cooling degree days / Variance from normal	10	42.5%	28	143.9%	293	46.0%	-	-	-	-		
1Q 2021	Duke Energy Carolinas		Duke Energy Progress		Duke Energy Florida		Duke Energy Indiana		Duke Energy Ohio/KY			
Heating degree days / Variance from normal	1,683	(2.0%)	1,548	(2.3%)	295	(20.2%)	2,705	(1.6%)	2,500	(2.3%)		
Cooling degree days / Variance from normal	5	(33.2)%	14	32.1%	268	40.4%	-	-	-	-		

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

# Key 2022 earnings sensitivities

Driver		EPS Impact
Electric Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.53
	\$1 billion change in rate base	+/- \$0.07
	1% change in Electric Utilities volumes Industrial +/- \$0.02 <sup>(2)</sup> Commercial +/- \$0.05 <sup>(2)</sup> Residential +/- \$0.08 <sup>(2)</sup>	+/- \$0.15 <sup>(1) (2)</sup>
Gas Utilities & Infrastructure	1% change in earned return on equity	+/- \$0.08
	\$200 million change in rate base	+/- \$0.01
	1% change in number of new customers	+/- \$0.02
Consolidated	1% change in interest rates <sup>(3)</sup>	+/- \$0.12

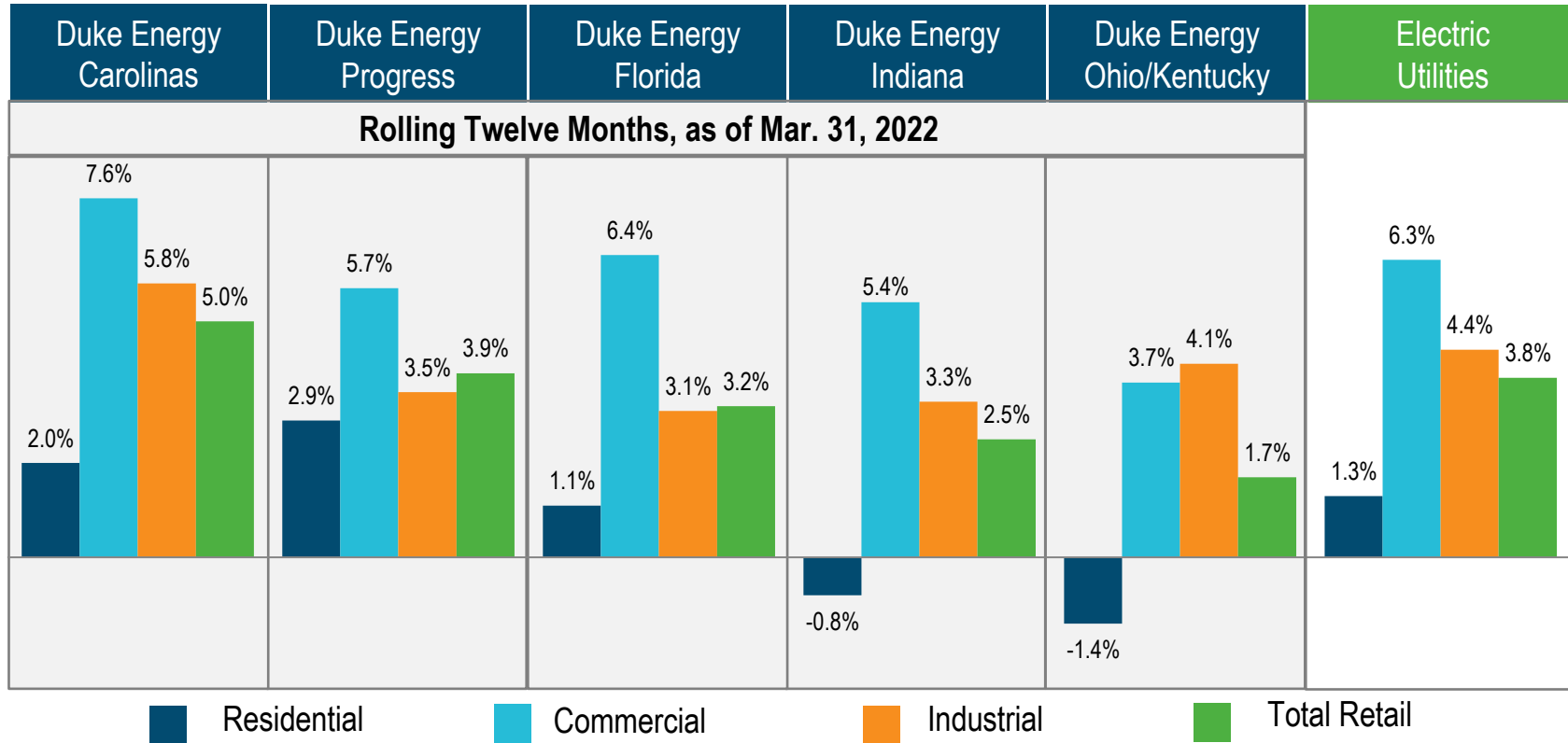
Note: EPS amounts based on forecasted 2022 basic share count of ~770 million shares

(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 and new issuances.

# Weather normalized volume trends, by electric jurisdiction



# **FINANCING PLAN UPDATE AND CURRENT LIQUIDITY**

# 2022 Financing plan<sup>(1)</sup>

Issuer	Estimated / Actual Amount (\$ in millions)	Security	Date Issued	Completed (\$ in millions)	Term	Rate	2022 Maturities <sup>(2)</sup>
Holding Company	\$1,400	Term Loan	March 9, 2022	\$1,400 <sup>(3)</sup>	2-year	Floating	\$500
	\$4,600 - \$5,100	Senior Debt / Hybrid Securities					\$2,050 (Mar., Apr. & Aug.)
DE Carolinas	\$1,150	Sustainable First Mortgage Bonds (FMBs)	March 4, 2022	\$500 \$650	10-year 30-year	2.85% 3.55%	\$350 (May)
DE Progress	\$900	Sustainable FMBs	March 17, 2022	\$500 \$400	10-year 30-year	3.40% 4.00%	\$500 (May)
	\$300 - \$500	Tax-Exempt Debt					
DE Florida	\$400 - \$600	Senior Debt	-	-	-	-	-
DE Indiana	\$50 - \$75	Tax-Exempt Debt	-	-	-	-	-
Piedmont	\$300 - \$500	Senior Debt	-	-	-	-	-
DE Kentucky	\$40 - \$60	Tax-Exempt Debt	-	-	-	-	-

(1) Excludes financings at Commercial Renewables and other non-regulated entities

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

(3) On March 9, 2022, Duke Energy Corp. executed a \$1.4 billion term loan of which \$500 million of the proceeds were used to repay \$500 million of outstanding borrowings under its \$1.0 billion revolving credit facility, which was retired at the time of repayment. Remaining proceeds of \$900 million go towards 2022 estimated Holding Company financing of \$5.5 - 6.0 billion

# Liquidity summary (as of March 31, 2022)

(\$ 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 <sup>(1)</sup>	\$ 3,300	\$ 1,225	\$ 1,400	\$ 900	\$ 600	\$ 600	\$ 175	\$ 800	\$ 9,000
Less: Notes payable and commercial paper <sup>(2)</sup>	(1,715)	(300)	(150)	(236)	(150)	(35)	(51)	(182)	(2,819)
Outstanding letters of credit (LOCs)	(25)	(4)	(2)	(7)	-	-	-	-	(38)
Tax-exempt bonds	-	-	-	-	(81)	-	-	-	(81)
Available capacity	\$ 1,560	\$ 921	\$ 1,248	\$ 657	\$ 369	\$ 565	\$ 124	\$ 618	\$ 6,062
Cash & short-term investments									732
<b>Total available liquidity</b>									<b>\$ 6,794</b>

(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

## **UPCOMING EVENTS & OTHER**

## Upcoming events

Event	Date
2Q 2022 earnings call (tentative)	August 4, 2022
ESG Day	October 4, 2022
3Q 2022 earnings call (tentative)	November 4, 2022

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please visit: [duke-energy.com/investors](http://duke-energy.com/investors)

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

**Adjusted Earnings per Share (EPS)**

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

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

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

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

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

**Adjusted EPS Guidance**

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

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

## **Adjusted Segment Income (Loss) and Adjusted Other Net Loss**

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

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

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

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

## **Available Liquidity**

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

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

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

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

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

**Weighted Average Shares (reported and adjusted) - 770 million**

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

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

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

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

**Weighted Average Shares (reported and adjusted) – 769 million**

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

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

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

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

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

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

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