February 24, 2021

# Entergy Corporation Fourth Quarter Earnings Call

## Building the Premier Utility

# Caution regarding forward-looking statements and Regulation G compliance

In this presentation, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, statements regarding Entergy’s 2021 earnings guidance; its current financial and operational outlooks; and other statements of Entergy’s plans, beliefs, or expectations included in this presentation. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this presentation and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q, and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with (1) rate proceedings, formula rate plans, and other cost recovery mechanisms, including the risk that costs may not be recoverable to the extent anticipated by the utilities and (2) implementation of the ratemaking effects of changes in law; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) risks associated with operating nuclear facilities, including plant relicensing, operating, and regulatory costs and risks; (e) changes in decommissioning trust fund values or earnings or in the timing or cost of decommissioning Entergy’s nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with executing on business strategies, including strategic transactions that Entergy or its subsidiaries may undertake and the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized; (h) effects of changes in federal, state, or local laws and regulations and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental, or energy policies; (i) the effects of changes in commodity markets, capital markets, or economic conditions; (j) impacts from a terrorist attack, cybersecurity threats, data security breaches, or other attempts to disrupt Entergy’s business or operations, and/or other catastrophic events; (k) the direct and indirect impacts of the COVID-19 pandemic on Entergy and its customers; and (l) the effects of technological change, including the costs, pace of development and commercialization of new and emerging technologies.

This presentation includes the non-GAAP financial measures of adjusted EPS; adjusted ROE; adjusted ROE, excluding affiliate preferred; parent debt to total debt, excluding securitization debt; FFO to debt, excluding securitization debt; FFO to debt, excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments associated with exit of EWC; and adjusted EBITDA when describing Entergy’s results of operations and financial performance. We have prepared reconciliations of these financial measures to the most directly comparable GAAP measure, which can be found in this presentation. This presentation should be considered together with the Entergy earnings release to which this teleconference relates, which is posted on the company’s website at www.entergy.com and which contains further information on non-GAAP financial measures.

# Table of contents

# Uniquely positioned to be the Premier Utility

- Industry leader in critical measures of sustainability
- Among the lowest retail rates in the U.S.
- One of the cleanest large-scale generation fleets in the U.S.
- Robust capital plan to meet our customers' evolving needs
- Strong 5% to 7% adjusted EPS growth
- Expect dividend growth rate in line with EPS growth rate by 4Q21
- Commitment to continuous improvement

# 2020 key deliverables

## 1Q

- ✓ E-AR Searcy Solar project decision
- ✓ E-AR FRP rates effective
- ✓ E-MS annual FRP filing
- ✓ E-TX DCRF filing

## 2Q

- ✓ E-MS Sunflower Solar project decision
- ✓ E-LA LCPS in service
- ✓ E-NO NOPS in service
- ✓ Western Region Phase 2 economic transmission project completion
- ✓ E-TX 2020 CCGT RFP announcement
- ✓ E-LA 2020 solar RFP announcement (added 2Q)
- ✓ E-MS FRP rates effective
- ✓ E-MS FRP decision (MPSC)
- ✓ E-LA FRP filing
- • E-NO annual FRP filing (delayed to 6/30/21)
- ✓ SERI GGNS sale-leaseback renewal initial decision (ALJ)
- ✓ Indian Point Unit 2 shutdown

## 3Q

- ✓ E-TX DCRF rates effective
- ✓ E-AR 2019 solar RFP selection announcement
- ✓ E-TX 2019 solar RFP selection announcement
- ✓ E-AR FRP filing
- ✓ E-LA FRP rates effective
- • E-NO FRP rates effective (delayed to November 2021)
- ✓ PUCT finalization of generation rider rulemaking
- ✓ Palisades final refueling outage

## 4Q

- ✓ ~2M advanced meters installed (cumulative)
- ✓ E-LA WPEC acquisition
- ✓ E-NO New Orleans Solar Station in service
- ✓ MTEP 2020 approval
- ✓ E-AR FRP decision (E-AR requesting rehearing)
- ✓ E-TX generation cost recovery rider filing
- • SERI ROE initial decision (ALJ) (now expected 1Q21)
- ✓ Annual dividend review

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Estimated timing as of February 2020; regulatory activity or other factors could lead to changes

# 2021 key deliverables

## 1Q

- ✓ MCPS in service
- ✓ MCPS in rates
- ✓ NOSS in rates
- ✓ E-TX 2021 solar RFP announced
- ✓ E-AR FRP rates effective (E-AR requested rehearing)
- E-AR 2021 FRP rehearing and FRP extension decisions (APSC)
- E-LA FRP extension decision (LPSC)
- E-MS annual FRP filing
- E-LA storm cost filing
- E-TX storm cost filing
- SERI ROE initial decision (ALJ)

## 2Q

- E-MS IRP filing
- Walnut Bend Solar decision (APSC)
- E-NO annual FRP filing
- E-MS FRP rates effective[1]
- E-MS FRP decision (MPSC)
- E-LA FRP filing[2]
- E-TX 2020 DCRF decision (PUCT)
- E-TX 2020 TCRF decision (PUCT)
- E-NO storm cost filing
- Indian Point 3 shutdown
- Indian Point sale to Holtec

## 3Q

- Liberty County Solar decision (PUCT)
- OCPS filing (PUCT)
- West Memphis Solar decision (APSC)
- E-LA renewable RFP selections
- E-AR FRP filing[2]
- E-LA FRP rates effective[2]
- E-TX 2021 DCRF filing
- E-TX 2021 TCRF filing

## 4Q

- ~3M advanced meters installed (cumulative)
- Sunflower Solar project completed
- Searcy Solar project completed
- E-AR IRP filing
- E-TX Power Through decision (PUCT)
- MTEP 2021 approval
- E-NO FRP rates effective
- E-AR FRP decision[2]
- Annual dividend review



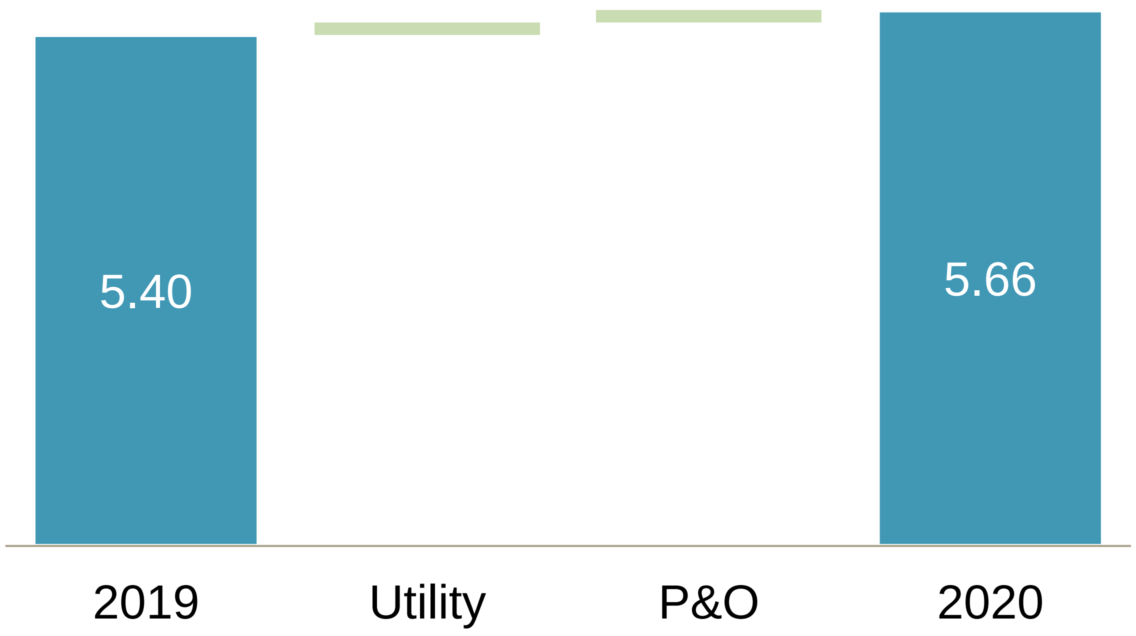
Estimated timing as of February 2021; regulatory activity or other factors could lead to changes

1 Rate change up to 2% effective April 1, any rate change above 2% would be effective the month following the receipt of an MPSC order

2 Subject to commission approvals of extensions

# Full year Entergy adjusted EPS

Entergy adjusted EPS; $




*Key takeaways*

- *Final results in top half of guidance range*
- *Successfully mitigated lower revenues from COVID-19, weather, and storms*
- *Exceeded $100M O&M cost reduction target for 2020*

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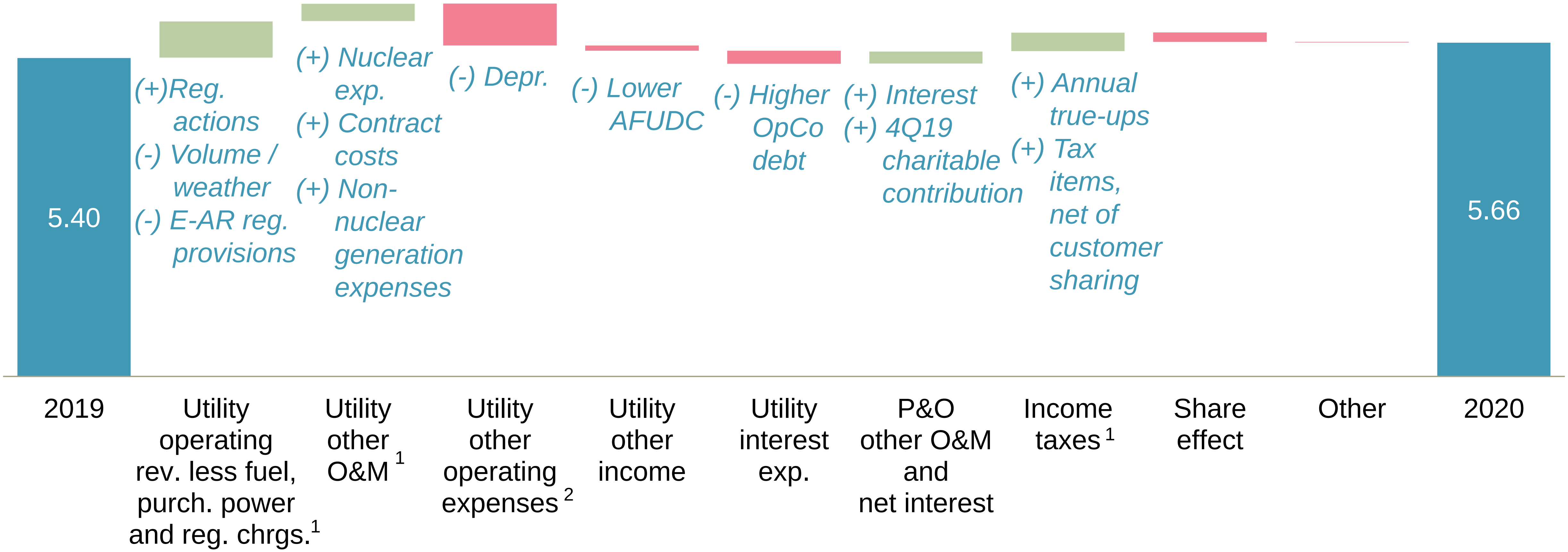
Calculations may differ due to rounding; see Financial summaries and Regulation G reconciliations section for earnings summary
201M and 197M diluted average common shares outstanding for 2020 and 2019, respectively

# Full year Entergy adjusted EPS

Entergy adjusted EPS; $




See Financial summaries and Regulation G reconciliations section for earnings summary

201M and 197M diluted average common shares outstanding for 2020 and 2019, respectively

1 Utility operating revenue / regulatory charges, Utility other O&M, and Utility income taxes exclude $74M, $-M, and $74M respectively in 2020 and $268M, $6M, and $274M respectively in 2019 for the return of unprotected excess ADIT to customers (net effect is neutral to earnings)

2 Other operating expenses include nuclear refueling outage expense, depreciation expense, taxes other than income taxes, and decommissioning expense

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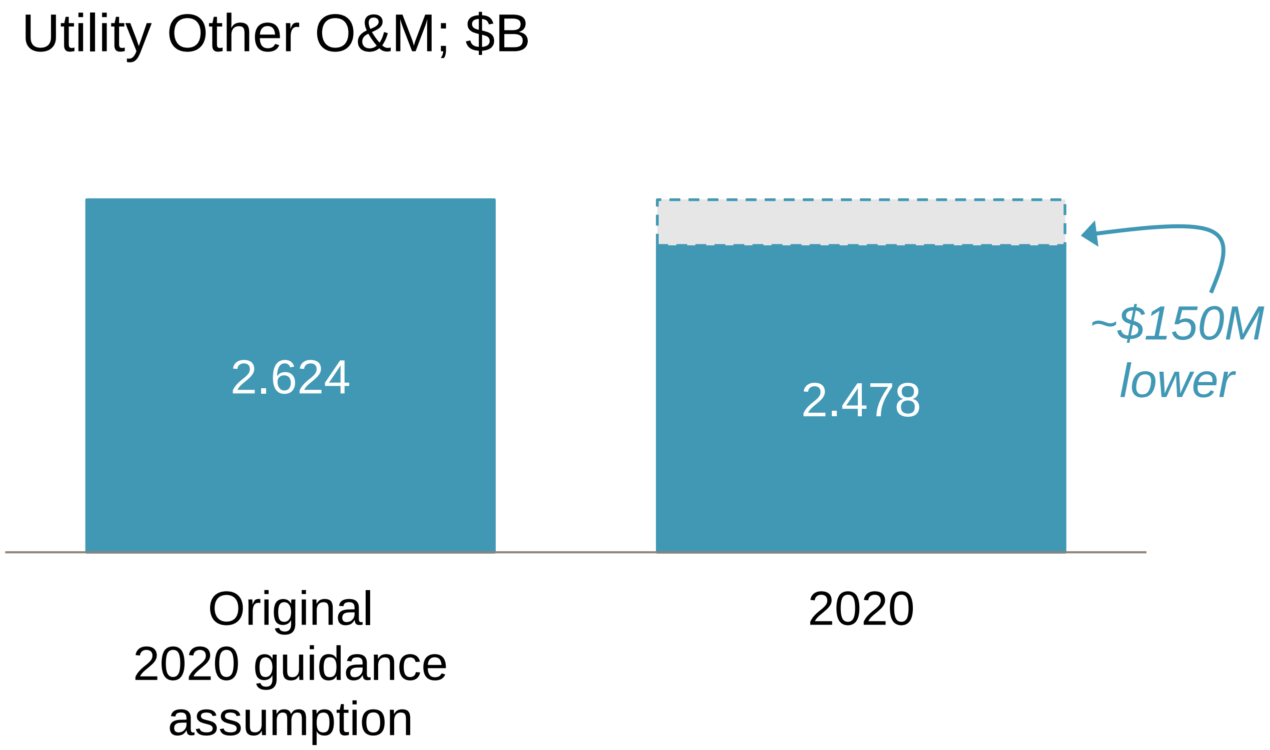
# 2020 flexible spending success

## Exceeded $100 million goal

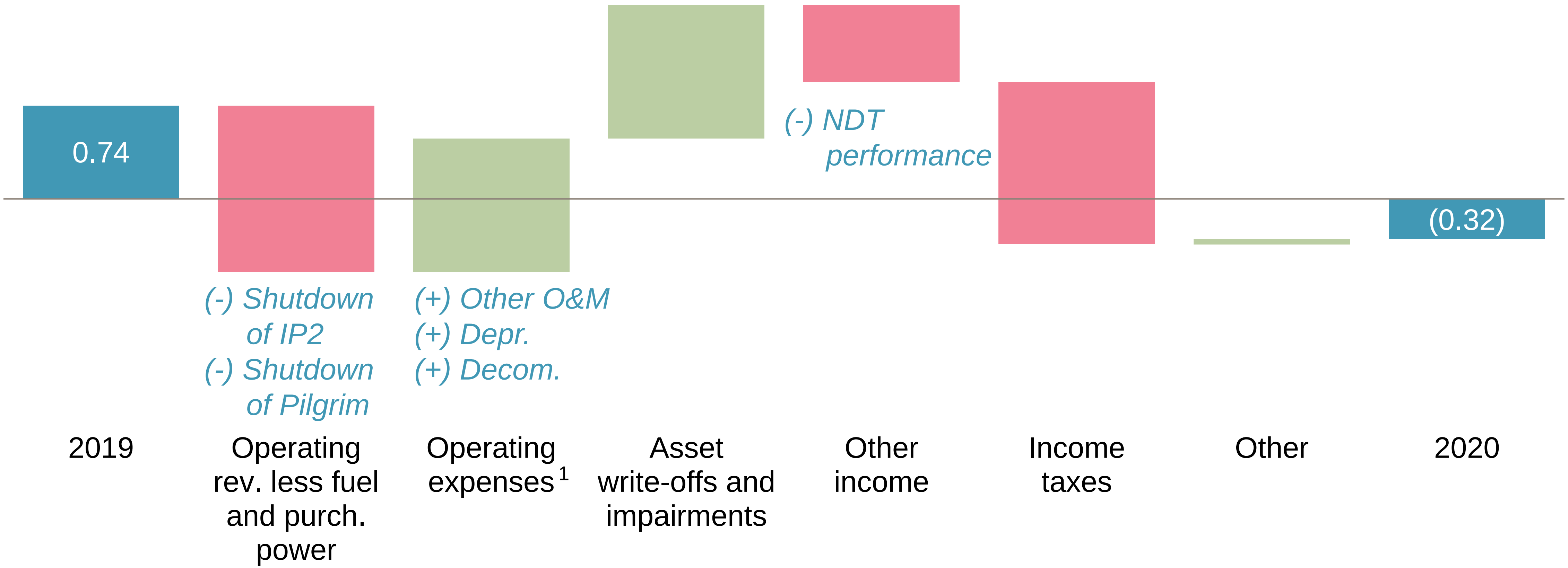



*Sources of O&M decreases*

- *Employee expenses*
- *Workforce attrition*
- *Projects delayed where feasible considering safety and reliability*
- *One-time items (insurance credits, DOE proceeds)*

# Full year EWC as-reported EPS

EWC as-reported EPS; $

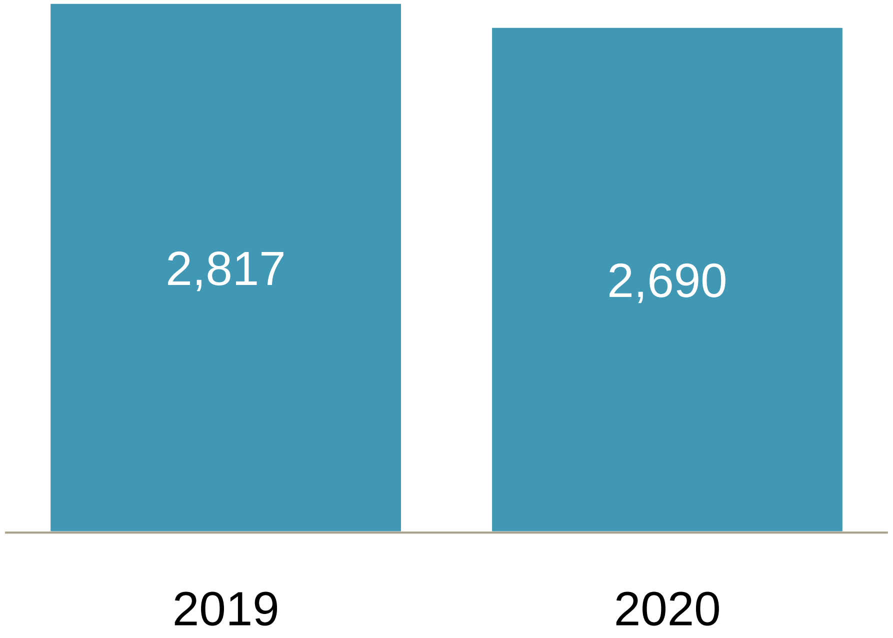





See Financial summaries and Regulation G reconciliations section for earnings summary
201M and 197M diluted average common shares outstanding for 2020 and 2019, respectively
[1] Operating expenses include other O&M, nuclear refueling outage expense, depreciation expense, taxes other than income taxes, and decommissioning expense

# Full year OCF

Consolidated OCF; $M

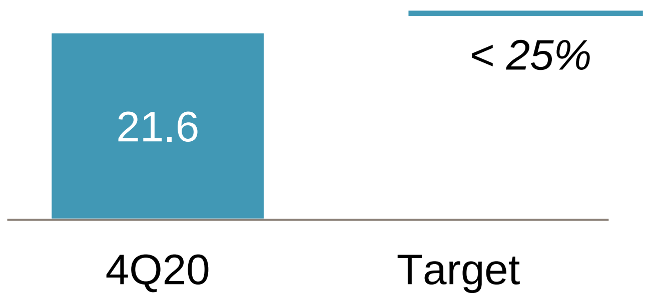



*<u>Key drivers</u>*

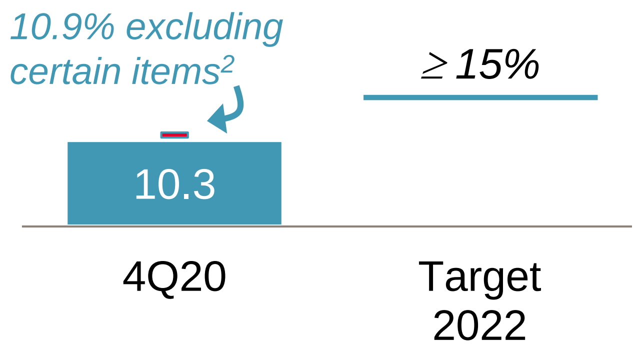
- *Storm costs (non-capital portion)*
- *Decreased collections for fuel and purchased power cost recovery*
- *Lower collections due to COVID-19*
- *Unfavorable weather*
- *Partially offset by a lower amount of unprotected excess ADIT returned to customers, lower severance and retention payments at EWC, lower pension funding, and higher DOE proceeds*

# Credit and liquidity

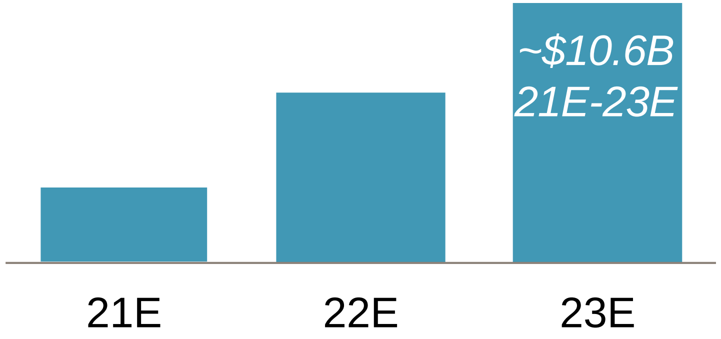
Parent debt to total debt[1]; %




FFO to debt[1]; %




Cumulative OCF outlook; $B




- *FFO to debt temporarily lower than target due largely to impact of storms*
- *Expect to return to targeted levels in 2022 once securitization proceeds received*

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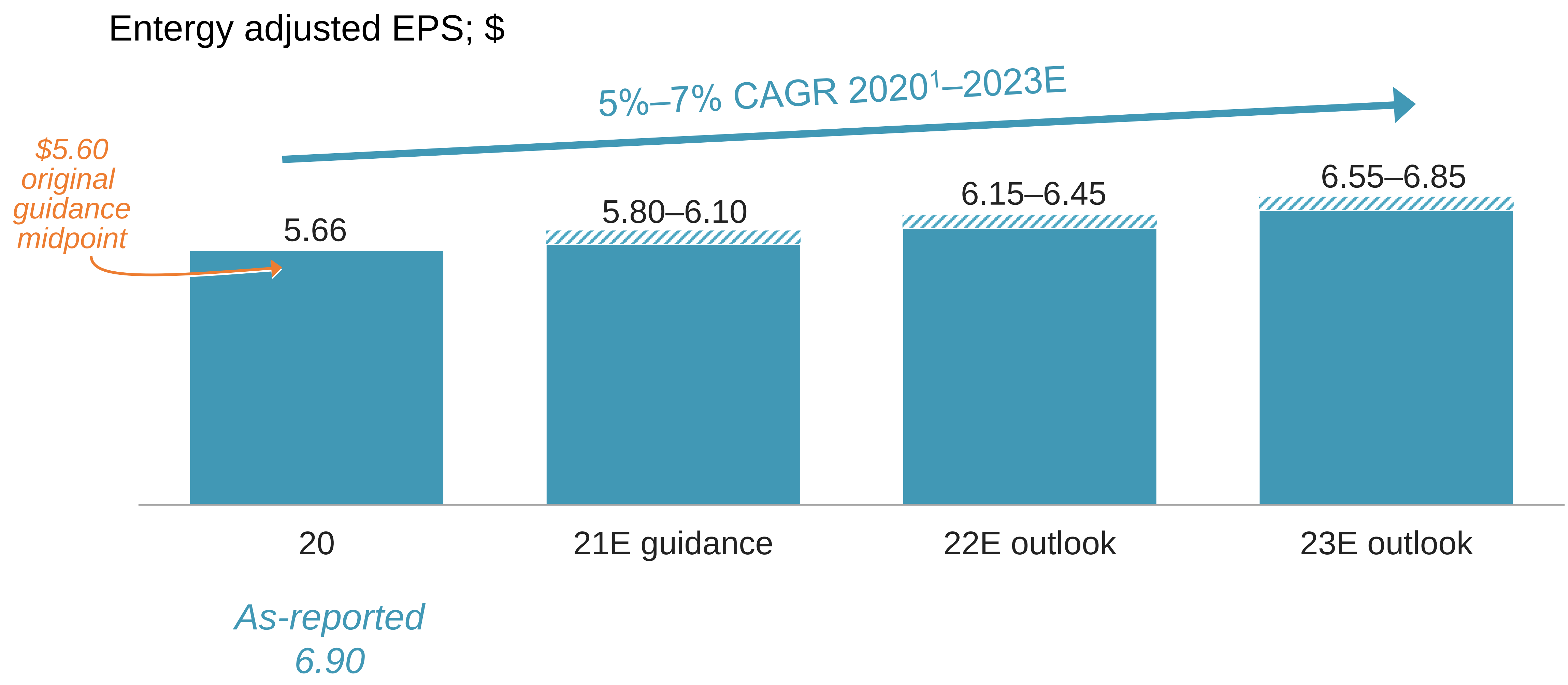
[1] Excludes securitization debt; see appendix for Regulation G reconciliation
[2] Excludes securitization debt, return of unprotected excess ADIT, and severance and retention payments associated with exit of EWC; see appendix for Regulation G reconciliation

# Adjusted EPS guidance and outlooks

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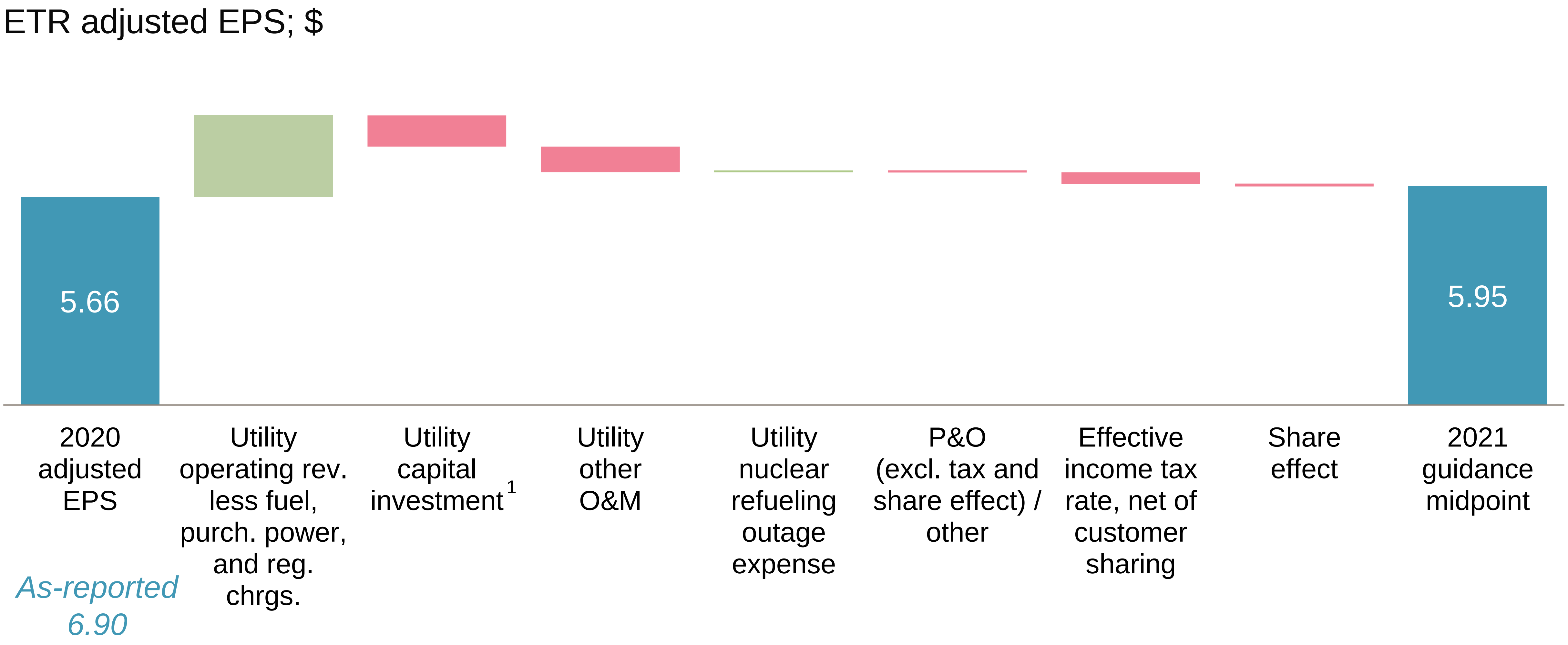
[1] Based on original 2020E guidance midpoint of $5.60

# 2021 guidance drivers






[1] Includes depreciation expense, taxes other than income taxes, other income (deductions), and interest expense

# Appendix

# Leader in sustainability

Entergy

Member of

**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

- Entergy is the only U.S. company in the electric utility sector to be included on the DJSI for 19 consecutive years
- In 2020, perfect scores in
  - ✓ Climate strategy
  - ✓ Environmental reporting
  - ✓ Materiality
  - ✓ Policy influence
  - ✓ Social reporting
  - ✓ Water-related risks

# Committed to maximizing clean energy

Committed to work with our regulators and other stakeholders to balance reliability and affordability with environmental stewardship

# 20 years of environmental leadership

**2001**

First U.S. utility to voluntarily set goal to stabilize greenhouse gas emissions

**2006**

Intensified commitment with a goal to reduce $CO_2$ emissions by 20% below year-2000 levels through 2010

**2011**

Extended $CO_2$ reduction commitment through 2020

**2019**

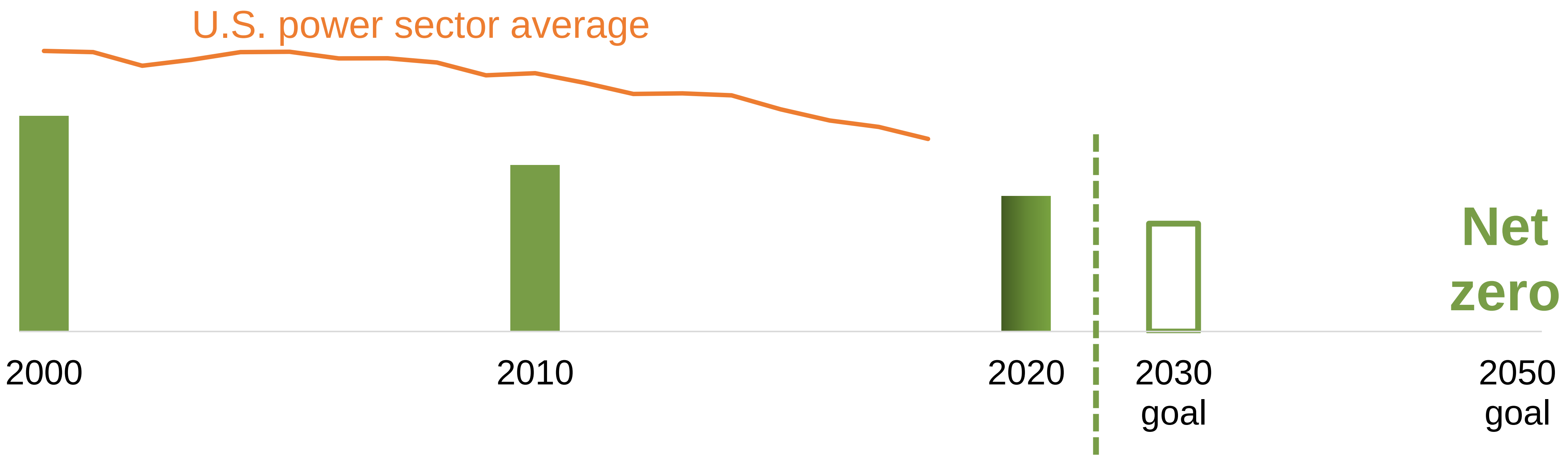
Introduced new goal to reduce Utility $CO_2$ emission rate by 50% below year-2000 levels by 2030

**2020**

Commitment to achieve net-zero emissions by 2050

# A track record of results

Entergy Utility $CO_2$ emission rates; lbs per MWh




| | 2010 | 2020 | 2030 goal | 2050 goal |
|---|---|---|---|---|
| *Reduction vs 2000* | *~20%* | *~37%* | *50%* | *100%* |
| *Reduction vs 2020* | | | *~20%* | *100%* |

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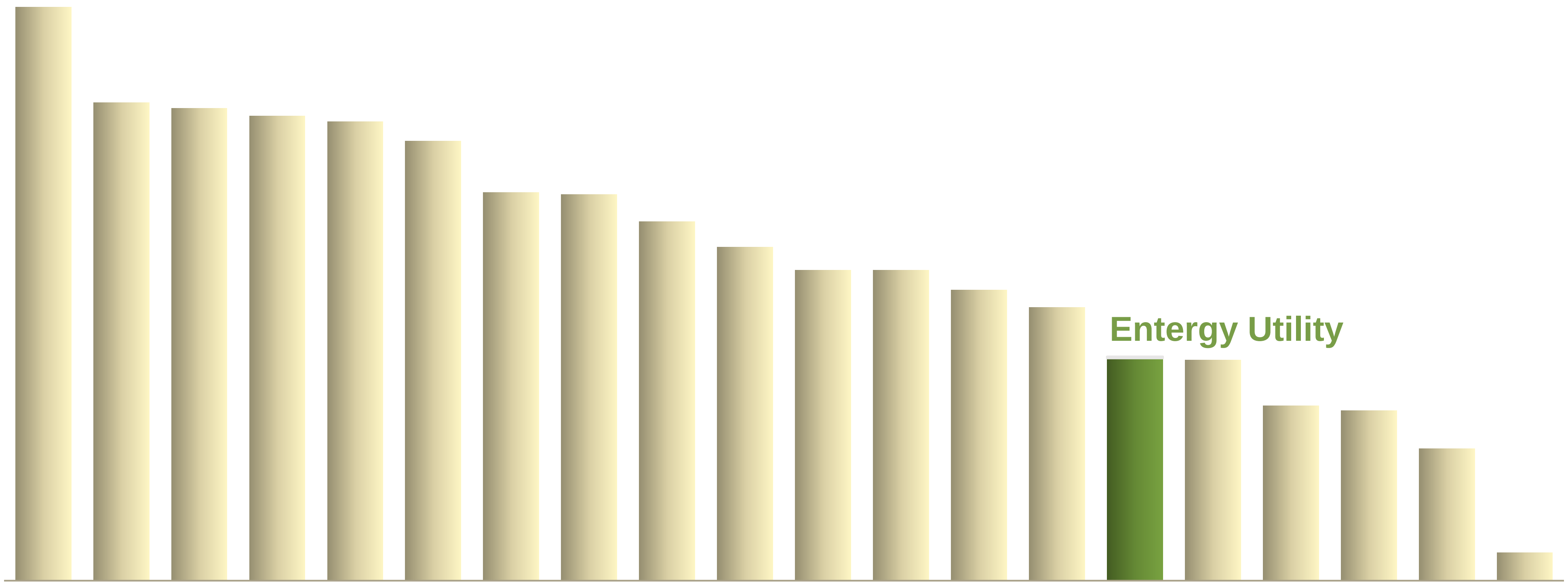
# Among the cleanest large-scale fleets in the U.S.

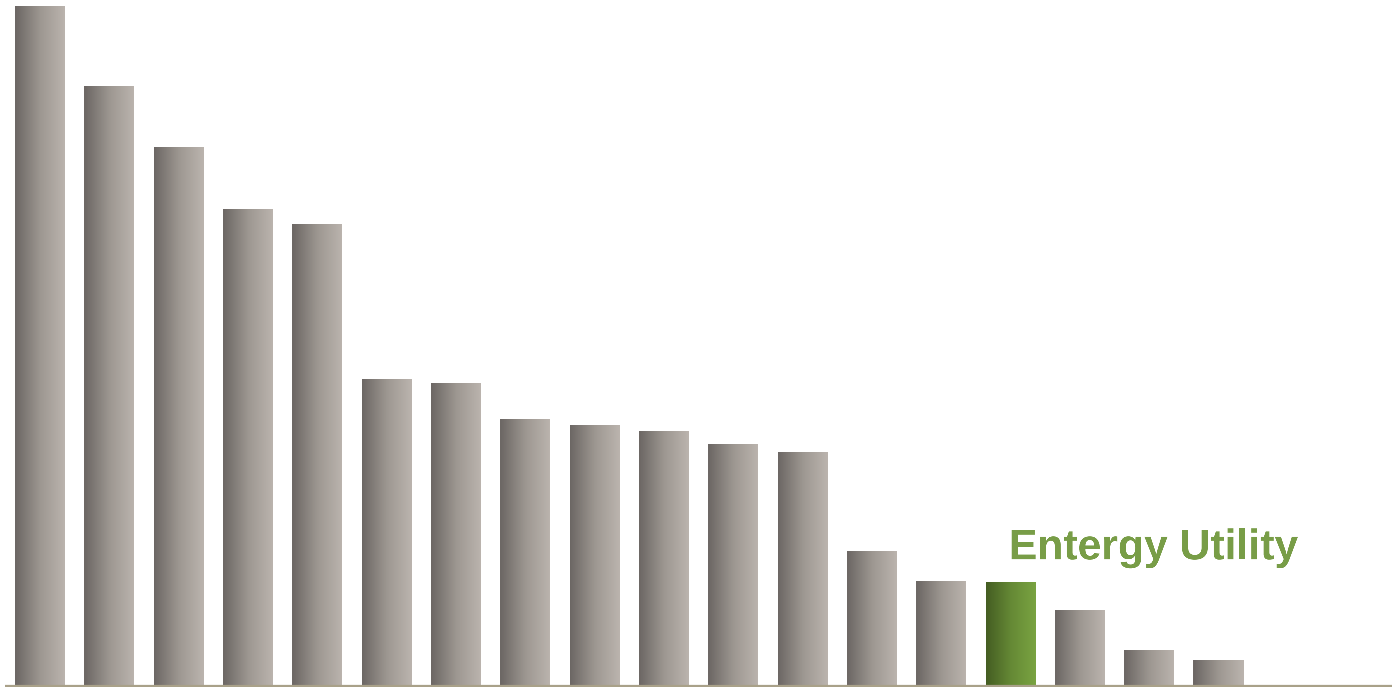
$CO_2$ emission rates of top 20 privately / investor-owned power producers; lbs per MWh




Based on *MJ Bradley, Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States, published July 2020 (2018 data)*

# Minimal coal generation

Coal generation of top 20 privately / investor-owned power producers; MWh




Based on *MJ Bradley, Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States, published July 2020 (2018 data)*

- Less than 5% of 2020 revenue was derived from coal assets
- Less than 2% of 2020 rate base was comprised of coal assets
- Intend to retire all coal-fired capacity by end of 2030

Preliminary estimates

# Growing our renewables portfolio

In service, in progress, and announced renewables portfolio

- 537 MW in service
- ~445 MW installations in progress
- 380 MW announced

Plus:

- Two RFPs for solar resources totaling 500 MW
- Plan to solicit more than 800 additional solar MWs in 2021

*Illustrative*

# Entergy / Mitsubishi decarbonization collaboration

## Combining the strengths of industry leaders to move towards net-zero

## Identified areas of collaboration

**CCGT innovation**

Demonstrate hydrogen flex concepts

**New build resource**

Includes storage, new build, and battery

**Storage projects**

Storage and conversion

**CCGT expansion**

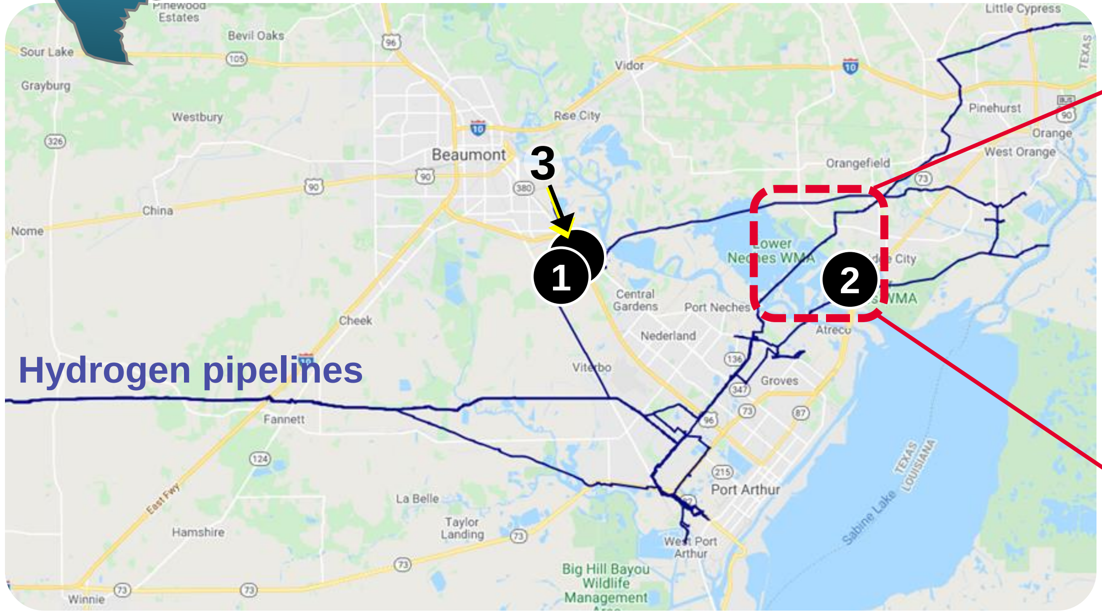
Convert renewables to green hydrogen, with battery

**Nuclear hydrogen**

Nuclear-supplied electrolysis facility with storage

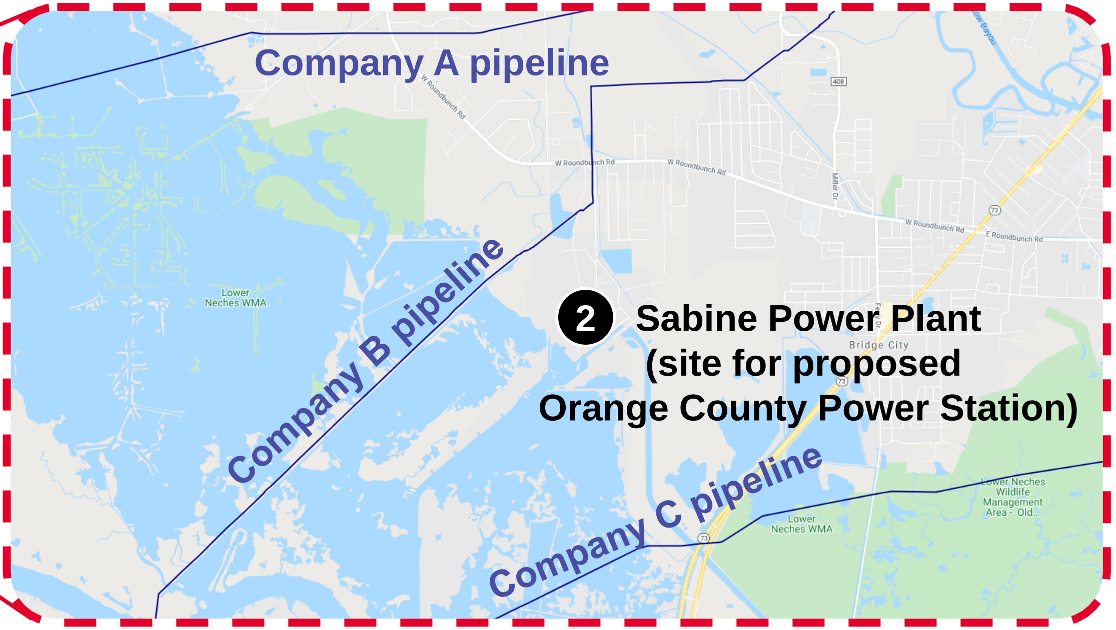
# Multiple hydrogen pipelines nearby existing plants

Hydrogen pipeline infrastructure
*Texas industrial corridor*




*Illustrative*

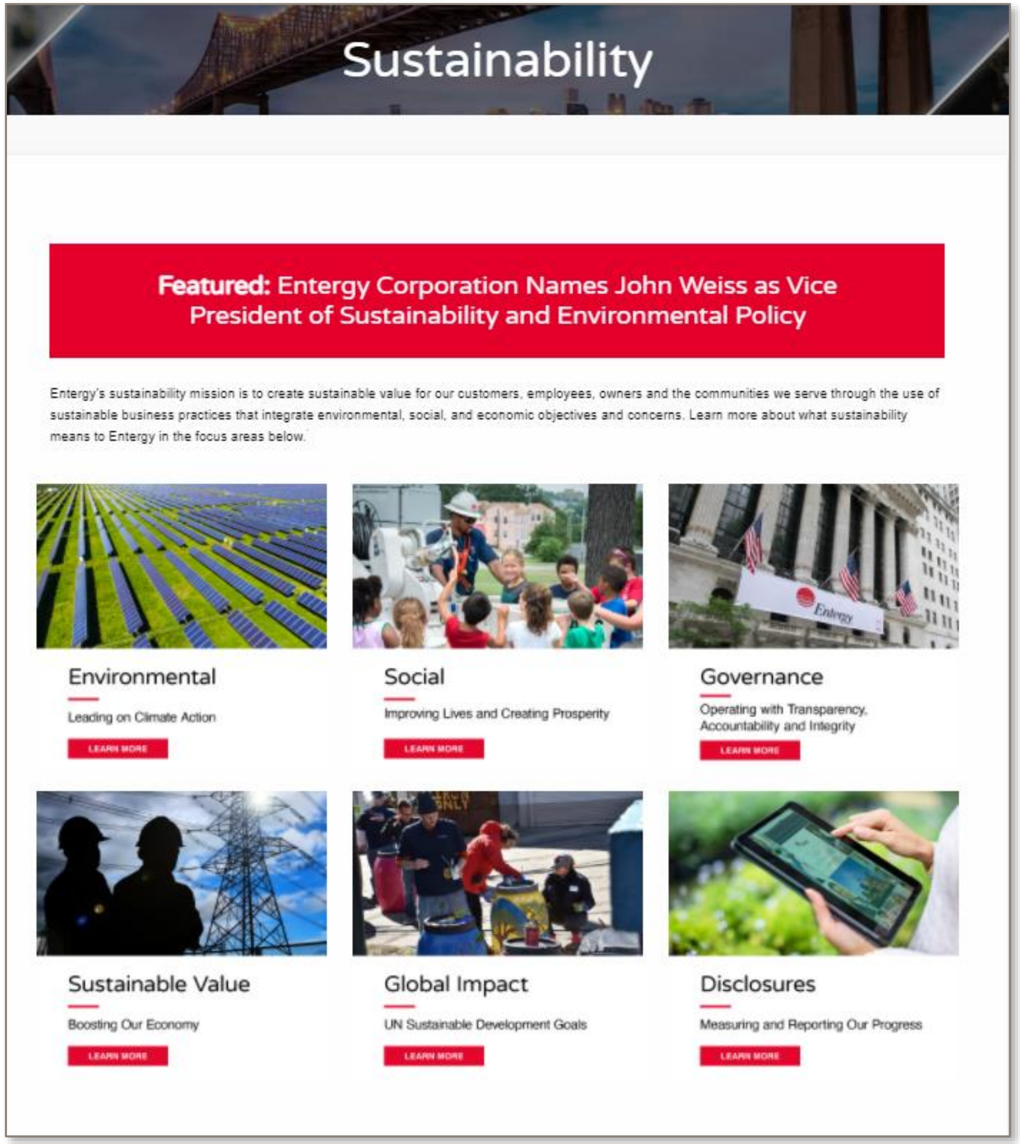
Multiple hydrogen pipelines nearby
leveraging existing infrastructure




1. Large scale storage (Spindletop)
2. Entergy's Sabine Power Plant
3. Hydrogen storage facility (third party)

# Extensive and transparent sustainability reporting

Visit Entergy's
Sustainability page
[entergy.com/sustainability](https://www.entergy.com/sustainability)



# Utility overview

## E-AR

- Electric utility
  722,000 customers
- Authorized ROE: 9.25% – 10.25%
- Forward test year FRP[1]

## E-LA

- Electric and gas utility
  1,096,000 electric customers
  94,000 gas customers
- Authorized ROE:
  Electric 9.2% – 10.4%
  Gas 9.3% – 10.3%
- Electric FRP[1] with riders (including capacity, transmission), Gas RSP

## E-MS

- Electric utility
  456,000 customers
- Authorized ROE: 8.89% – 10.93%
- FRP with forward-looking features

## E-NO

- Electric and gas utility
  207,000 electric customers
  108,000 gas customers
- Authorized ROE: 8.85% – 9.85%
- FRP with forward-looking features

## E-TX

- Electric utility
  473,000 customers
- Authorized ROE: 9.65%
- Rate case and cost recovery riders (transmission, distribution, and generation)

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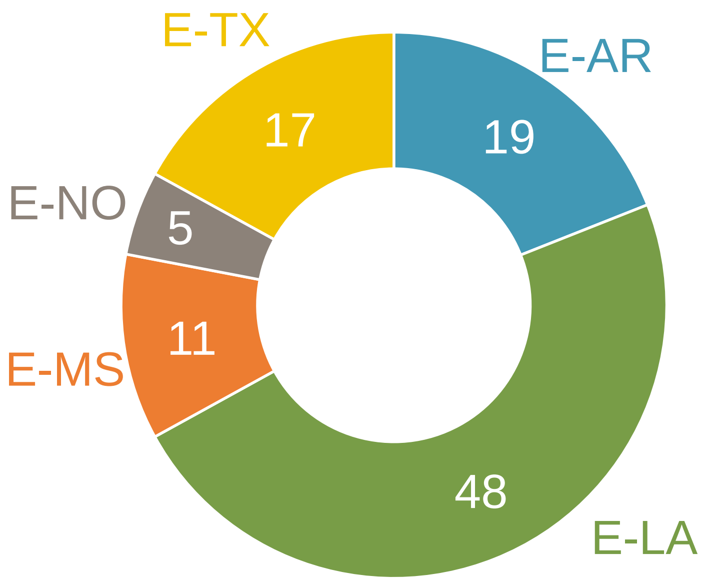
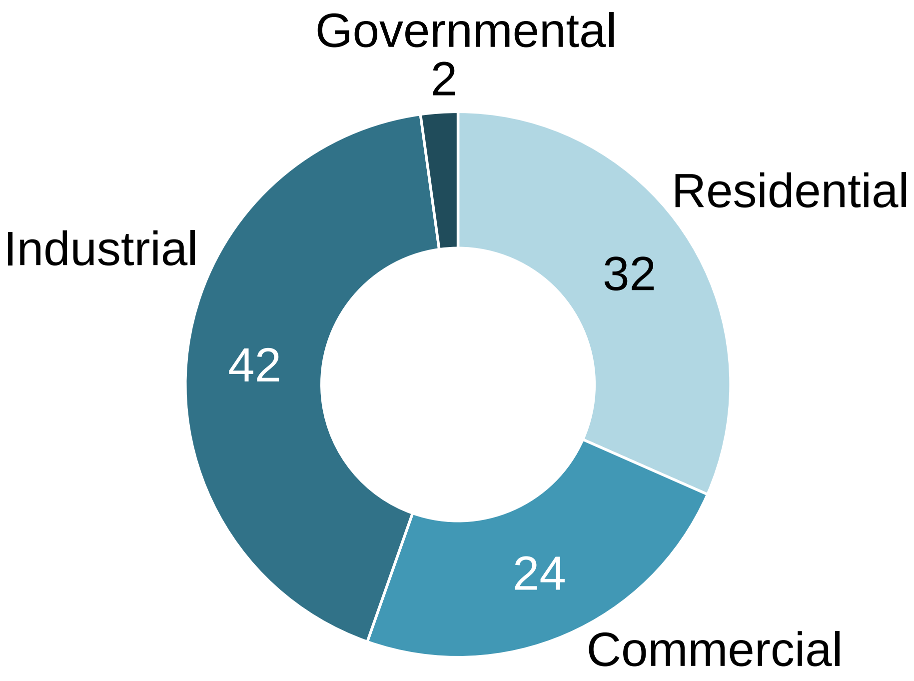
See operating company slides for more details
Customer counts at the end of period 12/31/20
1 Commission decisions on extension of E-AR and E-LA FRPs are pending

# Utility 2020 electric retail sales

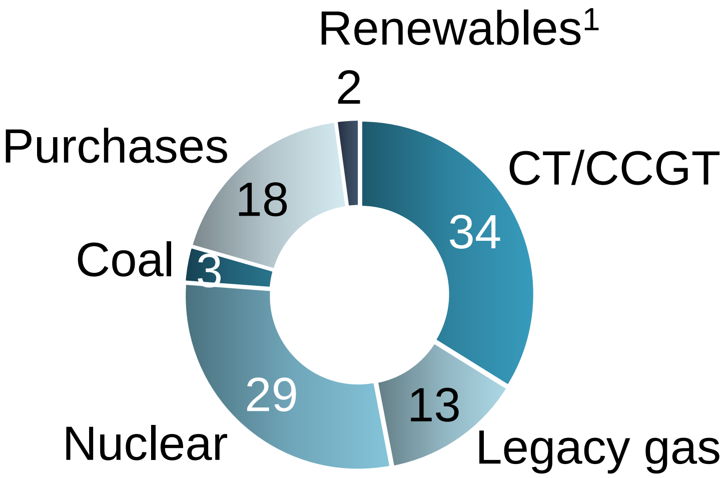
2020 electric retail sales; % of total



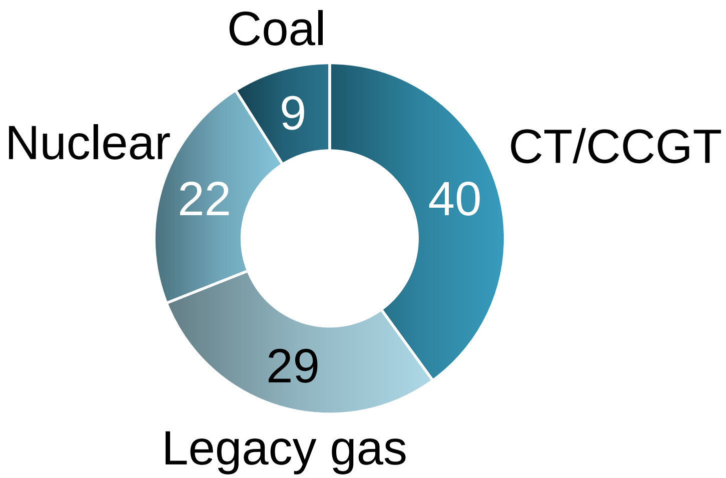



# Utility generation overview

2020 generation sources; %




Owned and leased capability as of 12/31/20; %




*Our business plan supports our 2030 commitment to reduce our 2000 Utility $CO_2$ emission rate by 50% (or better)*

[1] Includes generation from both owned and purchased power resources as well as renewable energy credits

# Credit ratings

Credit ratings[1] (outlooks)

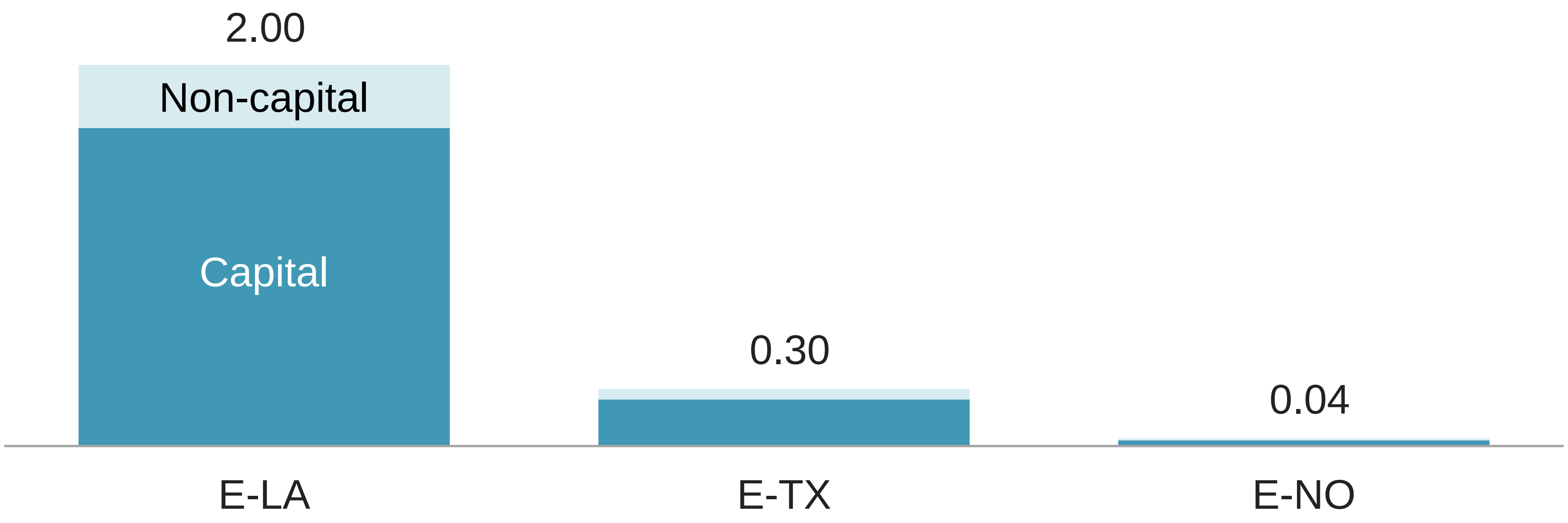
| | E-AR | E-LA | E-MS | E-NO | E-TX | SERI | ETR |
|---|---|---|---|---|---|---|---|
| S&P | A (stable) | A (stable) | A (stable) | A- (negative) | A (stable) | A (stable) | BBB+ (stable) |
| Moody's | A2 (stable) | A2 (stable) | A2 (stable) | Baa2 (stable) | Baa1 (positive) | Baa1 (stable) | Baa2 (stable) |



[1] Senior secured ratings for the OpCos and SERI; corporate credit rating for ETR

# Updated major 2020 storm cost estimates

Updated major storm cost estimates; $B






Total estimated cost approximately $2.4 billion, including costs at E-AR and E-MS

# Entergy Arkansas

E-AR (currently in rates)

| Metric | Detail |
| --- | --- |
| Authorized ROE | 9.25%–10.25% |
| Rate base | $8.4B retail rate base (2021 test year) |
| WACC (after-tax) | 5.04% |
| Equity ratio | 36.6% (47.0% excluding $1.8B ADIT at 0% cost rate) |
| Regulatory construct | Forward test year FRP; result outside authorized ROE range resets to midpoint; maximum rate change 4% of filing year total retail revenue; true-up of projection to actuals netted with future projection |
| FRP rate change | $1M increase effective 1/2/21[1] ($44M 2021 test year less $(43M) previously reserved for 2019 test year true-up) |
| Riders | Fuel and purchased power, MISO, capacity, Grand Gulf, tax adjustment, energy efficiency |



1 E-AR has requested rehearing on the APSC rate decision; order expected by 3/15/21

# Entergy Arkansas

## Annual FRP filing and request to extend FRP

***E-AR has requested rehearing on the Commission's 12/11/20 rate order***

2020 evaluation report (docket 16-036-FR)

| $M | APSC Order[1] | E-AR position |
|---|---|---|
| 2019 revenue requirement | 24 | 24 |
| Adjusted historical year rider FRP revenue | 67 | - |
| 2019 netting adjustment | (43) | 24 |
| 2021 revenue requirement | 44 | 44 |
| 2021 rate change | 1 | 68 |

Key dates

| Date | Event |
|---|---|
| 3/15/21 | Commission order on rehearing request and FRP extension |



See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

[1] E-AR has requested rehearing on the APSC rate decision

# Entergy Arkansas

## Walnut Bend Solar and West Memphis Solar

### *Walnut Bend Solar*

| Item | Details |
|---|---|
| Docket | 20-052-U |
| MW | 100 |
| Location | Fleener Township, AR |
| Recovery mechanism | Proposed FRP or a rider |

Key dates

| Date | Event |
|---|---|
| 2/9/21 | Staff/AG/intervenor direct |
| 3/2/21 | E-AR rebuttal |
| 3/23/21 | Staff/AG/intervenor surrebuttal |
| 3/31/21 | E-AR sur-surrebuttal |
| 4/9/21 | Settlement deadline |
| 4/21/21 | Hearing |
| 6/15/21 | Final order (requested) |

### *West Memphis Solar*

| Item | Details |
|---|---|
| Docket | 20-067-U |
| MW | 180 |
| Location | West Memphis, AR |
| Recovery mechanism | Proposed FRP or a rider |

Key dates

| Date | Event |
|---|---|
| 9/7/21 | Final order (requested) |

# Entergy Louisiana

E-LA (currently in rates)

| Metric | Detail – electric[1] | Detail – gas |
|---|---|---|
| Authorized ROE | 9.2%–10.4% | 9.3%–10.3% |
| Last filed rate base | $11.9B (12/31/19 test year)<br>+ $0.4B for transmission rider<br>+ $1.1B for capacity rider | $0.08B (9/30/19 test year) |
| WACC (after-tax) | 6.97% | 6.96% |
| Equity ratio | 48.63% | 48.37% |
| Regulatory construct | FRP; 60/40 customer/company sharing outside bandwidth | RSP[2] |
| FRP and certain rider rate changes[3] | $45M FRP increase (transmission rider); $108M increase for LCPS and $35M increase for WPEC included in capacity rider (first year annual revenue requirement) | $(0.7M) IIRR-G |
| Riders / specific recovery | Fuel, capacity, MISO, transmission | Gas infrastructure |

1 Pending finalization of the 2019 test year filing (docket U-35581), the 2018 test year filing (docket U-35205), and the 2017 test year filing (docket U-34951)
2 50 bps dead band, 51 bps–200 bps 50% sharing, >200 bps adjust to 200 bps plus 75 bps sharing; for infrastructure costs, 100% sharing above the band
3 Does not include MISO / other or tax reform adjustment mechanism (amount varies over time)

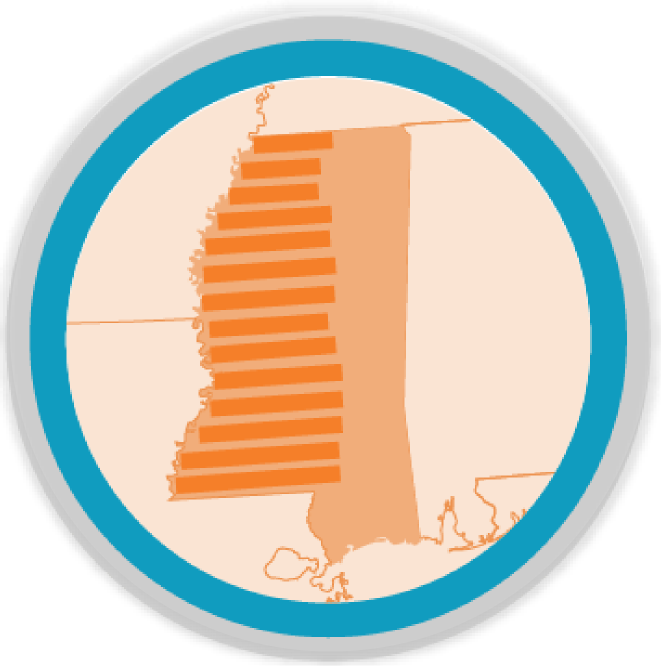
# Entergy Louisiana

## Request for FRP extension

<u>FRP extension filing highlights (docket U-35565)</u>

- Extension period: three years (2021–2023 filing years)
- Allowed ROE unchanged (9.2% – 10.4%, 9.8% midpoint)
- Rate base: end-of-period measurement
- Midpoint ROE reset in 2021 filing year
- Sharing outside allowed ROE band unchanged for 2022–2023 filing years (60/40 customer/company)
- Distribution recovery mechanism: new mechanism for distribution annual investment above $100M
- Transmission recovery mechanism unchanged
- Capacity cost recovery mechanism unchanged
- Status: in discovery phase (no procedural schedule at this time)

# Entergy Mississippi



E-MS (currently in rates)

| Metric | Detail |
|---|---|
| Authorized ROE | 9.91% performance-adjusted midpoint (9.49% + 0.42% performance factor); 8.89% – 10.93% range (annual redetermination based on formula) |
| Rate base | $3.0B (2020 forward test year) + $0.3B for Choctaw included in interim capacity mechanism |
| WACC (after-tax) | 6.82% |
| Equity ratio | 49.09% |
| Regulatory construct | FRP with forward-looking features; performance-based bandwidth; subject to annual “look-back” evaluation; maximum rate increase 4% of test year retail revenue (higher requires base rate case) |
| FRP and certain rider rate changes | $24M FRP increase; $22M increase for vegetation rider; $59M increase for Choctaw included in interim capacity mechanism (first year annual revenue requirement) |
| Riders | Fuel, Grand Gulf, MISO, unit power cost, storm damage, ad valorem tax adjustment, vegetation, grid modernization, restructuring credit, PMR |

# Entergy New Orleans

E-NO (currently in rates)

| Metric | Detail – electric | Detail – gas |
|---|---|---|
| Authorized ROE | 9.35% | 9.35% |
| Rate base | $0.8B (12/31/18 test year and known and measurables through 12/31/19), $0.19B NOPS in FRP interim adjustment, and $0.04B NOSS in purchased power rider | $0.1B (12/31/18 test year and known and measurables through 12/31/19) |
| WACC (after-tax) | 7.09% | 7.09% |
| Equity ratio | 50% | 50% |
| Regulatory construct | FRP with forward-looking features | FRP with forward-looking features |
| Base rate change and certain rider changes | $(13M) (including ~$(6M) for depreciation rate decrease), $33M for NOPS and $5M for NOSS (first year revenue requirement) | $(2M) |
| Riders / specific recovery | Fuel and purchased power, MISO, energy efficiency, environmental | Purchased gas |

# Entergy Texas

E-TX (currently in rates)

| Metric | Detail |
|---|---|
| Authorized ROE | 9.65% |
| Rate base | $2.4B (12/31/17 test year); plus $1.0B in cost recovery riders |
| WACC (after-tax) | 7.73% |
| Equity ratio | 50.90% |
| Regulatory construct | Rate case |
| Base and certain rider rate changes[1] | $53M increase, plus amounts being recovered via cost recovery riders ($19M in TCRF, $20M in DCRF, and $86M in GCRR rates) |
| Riders | Fuel, capacity, cost recovery riders (DCRF, TCRF, and GCRR), rate case expenses, AMI surcharge, tax reform, among others |



[1] Does not include the Tax Reduction rider

# Entergy Texas

## TCRF and DCRF filings

TCRF filing highlights (docket 51406)

- Filed 10/19/20
- Requested an incremental $31.6M in annual revenues associated with transmission investment through 8/31/20

Key dates

| Date | Event |
|---|---|
| 2/1/21 | Deadline for intervention |
| 2/17/21 | Intervenor testimony due |
| 2/24/21 | Staff direct testimony due |
| 3/3/21 | ETI rebuttal testimony due |
| 3/16/21 | Hearing on the merits |

DCRF filing highlights (docket 51416)

- Filed 10/22/20
- Requested an incremental $6.8M in annual revenues associated with distribution investment through 8/31/20

Key dates

| Date | Event |
|---|---|
| 3/16/21 | 145-day deadline for final order and expected effective date |

# Entergy Texas

## Liberty County Solar

### Project overview

| Item | Details |
| --- | --- |
| Docket | 51215 |
| MW | 100 |
| Location | Liberty County, Texas |
| In-service date | Targeted May 2023 |
| Recovery mechanism | Anticipate a combination of rate mechanisms, including base rates and fixed fuel factor |

### Key dates

| Date | Event |
| --- | --- |
| 3/5/21 | Intervenor direct |
| 3/12/21 | Staff direct |
| 4/2/21 | E-TX rebuttal |
| 4/20/21 | Prehearing conference |
| 4/21–23/21 | Hearing |



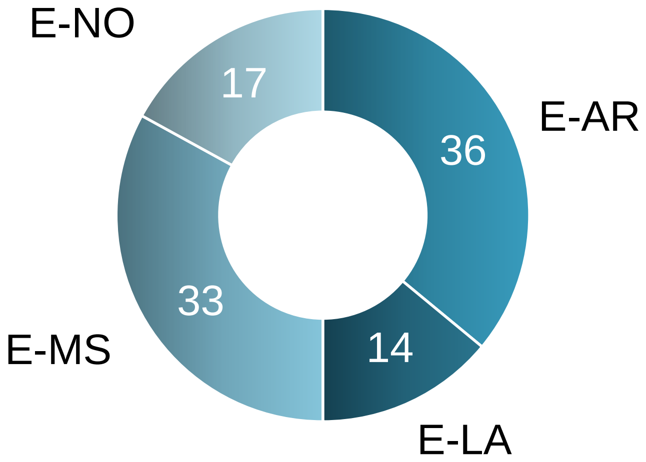
See Management’s Financial Discussion and Analysis in the most recent Form 10-K and/or any subsequent Form 10-Qs

# System Energy Resources, Inc.


## SERI – generation company

| Metric | Detail |
|---|---|
| Principal asset | An ownership and leasehold interest in Grand Gulf |
| Authorized ROE | 10.94%[1] |
| Last calculated rate base | $1.6B (12/31/20) |
| WACC (after-tax) | 8.30% |
| Equity ratio | 65%[1,2] |
| Regulatory construct | Monthly cost of service |

## Energy and capacity allocation[3]; %

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1 Ongoing proceeding at FERC challenging SERI's authorized ROE and equity component (see next slide)
2 For SERI ratemaking, the sale leaseback obligation is excluded from the capital structure and instead is treated as an operating lease and recovered as an O&M cost
3 Percentages under SERI's UPSA

# System Energy Resources, Inc.

## FERC proceedings (1 of 2)

| ROE complaints and equity complaint (consolidated dockets EL17-41, EL18-142, EL18-204) |
|---|
| APSC, MPSC, and LPSC filed ROE complaints at FERC; LPSC also alleged that SERI's equity component was unjust and unreasonable (these complaints are now consolidated) |

Key dates

| Date | Event |
|---|---|
| 3/24/21 | ALJ initial decision expected |
| TBD | FERC decision |

| LPSC complaint regarding GGNS sale-leaseback renewal and uncertain tax position (docket EL18-152) |
|---|
| Complaint alleging (1) SERI is double-recovering costs by including both the lease payments and the capital additions in UPSA billings and (2) SERI incorrectly excluded FIN 48 liabilities associated with uncertain tax position from UPSA billings |

Key dates

| Date | Event |
|---|---|
| TBD | FERC ruling on initial decision |

# System Energy Resources, Inc.

## FERC proceedings (2 of 2)

### UPSA formula rate complaint (docket EL20-72)

- In September 2020, the LPSC, APSC, MPSC, and CCNO filed a complaint at FERC alleging two categories of UPSA rate issues
  (1) violations of the filed rate that require refunds for prior periods, and
  (2) elements of the UPSA that the retail regulators contend are unjust and unreasonable that require refunds for the 15-month refund period and changes to the UPSA prospectively
- In November 2020, SERI filed an answer disputing the allegations and requested FERC to dismiss the complaint

Next steps

| Date | Event |
| --- | --- |
| TBD | FERC Order on the complaint |

# Jurisdictional base rate filing frameworks

| | E-AR | E-LA | E-MS | E-NO | E-TX | SERI |
|---|---|---|---|---|---|---|
| Latest filing date | FRP filed 7/7/20 | FRP filed 5/29/20 | FRP filed 3/2/20 | Rate case filed 9/21/18 | Rate case filed 5/15/18 | Monthly cost of service[1] |
| Next filing date | FRP: TBD[2] | FRP: TBD[2] | FRP: by 3/1/21 | FRP: by 6/30/21 | Rate case: by June 2022[3] | Every month |
| Rate effective date | January following filing | September following filing | April following filing[4] | Nov. 2021 for 2021 filing, Sept. in 2022–2023 | 35 days after filing[5] | Immediate |
| Evaluation period | Forward test year ended 12/31 | Historical test year ended 12/31 plus new generation and transmission closed to plant above baseline through 8/31 of filing year | Historical test year ended 12/31 plus certain known and measurable changes through 12/31 of filing year | Historical test year ended 12/31 plus certain known and measurable changes through 12/31 of filing year | 12-month historical test year with available updates | Actual current month expense and prior month-end balance sheet |
| FRP term / post FRP framework | Five years (2016–2020 filing years); requested extension[2] (true-up filings in 2021 and 2022 regardless) | Three years (2018–2020 filing years); requested extension[2] | No specified termination; option to file rate case as needed | Three years (2021–2023 filing years) | n/a | Monthly cost of service continues until terminated by mutual agreement |

1 Not required to be filed per FERC order
2 Commission decisions on extension of E-AR and E-LA FRPs are pending
3 Requirement to file a base case filing every four years, requirement may be extended by PUCT if non-material change in rates would result; base rate case also required 18 months after generation recovery rider becomes effective
4 Rate change up to 2% effective April 1, any rate change above 2% would be effective the month following the receipt of an MPSC order
5 May be suspended for an additional 150 days

# Renewables

| Project | MW | Owned/ PPA | In service[1] |
|---|---|---|---|
| **In service** | | | |
| Remmel Hydro (E-AR) | ~11 | Owned | 1925 |
| Carpenter Hydro (E-AR) | ~62 | Owned | 1932 |
| Toledo Bend Hydro (E-LA) | ~41 | PPA | 1968 |
| Vidalia Hydro (E-LA) | ~114 | PPA | 1990 |
| Agrilectric (bio-mass) (E-LA) | ~9 | PPA | 2013 |
| Rain CII (waste heat) (E-LA) | ~27 | PPA | 2013 |
| Montauk (bio-mass) (E-LA) | ~3 | PPA | 2014 |
| DeSoto Solar (E-MS) | 0.5 | Owned | 2015 |
| Brookhaven Solar (E-MS) | 0.5 | Owned | 2016 |
| Hinds Solar (E-MS) | 0.5 | Owned | 2016 |
| Paterson Solar (E-NO) | 1 | Owned | 2016 |
| Stuttgart Solar (E-AR) | 81 | PPA | 2017 |
| ECO Services (waste heat) (E-LA) | 6 | PPA | 2019 |
| Capital Region Solar (E-LA) | 50 | PPA | 2020 |
| New Orleans Residential Rooftop Solar (E-NO) | 0.5 | Owned | 2020 |
| N.O. Commercial Rooftop Solar (E-NO) | 5 | Owned | 2020 |
| Chicot Solar (E-AR) | 100 | PPA | 2020 |
| New Orleans Solar Station (E-NO) | 20 | Owned | 2020 |
| South Alexander Development – Springfield (E-LA) | ~5 | PPA | 2020 |

| Project | MW | Owned / PPA | Est. in service[1] |
|---|---|---|---|
| **Installations in progress** | | | |
| Various solar projects (E-LA) | ~25 | PPA | 2021 |
| St. James Solar (E-NO) | 20 | PPA | 2021 |
| Iris Solar (E-NO) | 50 | PPA | 2021 |
| Sunflower County Solar (E-MS) | 100 | Owned | 2021 |
| Searcy Solar (E-AR) | 100 | Owned | 2021 |
| Umbriel Solar (E-TX) | 150 | PPA | 2023 |
| **Announced / regulatory filings pending** | | | |
| Walnut Bend Solar (E-AR) | 100 | Owned | 2022 |
| Liberty County Solar (E-TX) | 100 | Owned | 2023 |
| West Memphis Solar (E-AR) | 180 | Owned | 2023 |
| **RFPs** | | | |
| 2020 E-LA Solar[2] | 300 | Owned / PPA | 2023 |
| 2021 E-TX Solar | 200 | Owned / PPA | By Jan. 2025 |

1 Date of COD or entry of contract

2 E-LA has concluded evaluations of the 2020 ELL Solar RFP and three proposals have been placed on the primary selection list and two proposals have been placed on the secondary selection list; E-LA will provide additional information about the preferred proposals if and after the parties reach a definitive agreement based on the terms of the proposal

# EWC overview

## EWC nuclear plants

| | Indian Point 1 | Indian Point 2 | Indian Point 3 | Palisades |
|---|---|---|---|---|
| Planned shut down | Shut down | Shut down | 4/30/21 | 5/31/22 |
| Net MW | n/a | n/a | 1,041 | 811 |
| Energy market (closest hubs) | n/a | n/a | NYISO (Zone G) | MISO (Indiana) |
| Net book value (12/31/20)[1] | | $255M | | $75M |
| NDT balance (12/31/20) | $631M | $794M | $991M | $554M |
| ARO liability balance (12/31/20)[2] | $247M | $840M | $869M | $635M[3] |

## EWC non-nuclear plants

| | ISES 2[4] | Nelson 6[4] | RS Cogen[5] |
|---|---|---|---|
| COD | 1983 | 1982 | 2002 |
| Fuel / technology | Coal | Coal | CCGT cogen |
| Net MW owned | 121 | 60 | 213 |
| Market | MISO | MISO | MISO |

1 Entergy's adjusted investment in the companies being sold, with Indian Point as a combined total
2 ARO liability balances are based on estimates and are subject to change
3 Includes $41M for Big Rock Point
4 Entergy plans to retire all coal-fired capacity by the end of 2030
5 In December 2020, Entergy's wholly-owned subsidiary with a direct interest in RS Cogen, LLC entered into a membership interest purchase agreement with a subsidiary of the other 50% equity partner to sell its 50% membership interest to the equity partner. The targeted closing date for the transaction is October 2022.

# Indian Point and Palisades transactions

## Transaction highlights

| Item | Indian Point | Palisades |
|---|---|---|
| Structure | Equity sale of IPEC owners | Equity sale of Palisades owner |
| Purchaser | Nuclear Asset Management Co., LLC (Holtec International subsidiary) | Nuclear Asset Management Co., LLC (Holtec International subsidiary) |
| Conditions to close include | • Permanent shutdown and reactor defuel<br>• NRC approval<br>• New York Public Service Commission action on the ownership transfer<br>• New York State Department of Environmental Conservation action on the decommissioning plan | • Permanent shutdown and reactor defuel<br>• NRC approval |
| NDT | • No NDT minimum balance<br>• No NDT contribution<br>• Limitations on withdrawals<br>• Controls on investment management | • No NDT minimum balance<br>• $20M contribution at closing<br>• Limitations on withdrawals<br>• Controls on investment management |
| Status | NRC approval received 11/23/20<br>State regulatory filings submitted | NRC filing submitted 12/23/20 |

## Timeline

| Event | Indian Point | Palisades |
|---|---|---|
| NRC filing | November 2019 | December 2020 |
| PSC filing | November 2019 | n/a |
| Targeted close | May 2021 | By the end of 2022 |

# EWC nuclear capacity and generation table

EWC nuclear portfolio (based on market prices as of December 31, 2020)[1]

| | 21E | 22E |
|---|---|---|
| *Energy* | | |
| Planned TWh of generation | 9.6 | 2.8 |
| % of planned generation under contract (unit contingent) | 98% | 99% |
| Average revenue per MWh on contracted volumes (in $) (expected based on current market prices) | 54.5 | 47.1 |
| *Capacity* | | |
| Planned net MW in operation (average) | 1,158 | 338 |
| % of capacity sold forward | | |
| Bundled capacity and energy contracts | 68% | 97% |
| Capacity contracts | 29% | - |
| *Total* | 97% | 97% |
| Average revenue under contract (applies to capacity contracts only) (in $/kW-month) | 0.10 | - |
| *Total energy and capacity revenues[2] (in $)* | | |
| Expected sold and market total revenue per MWh | 54.0 | 46.8 |
| Sensitivity: -/+ $10 per MWh market price change | 53.8–54.2 | 46.7–47.0 |

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See Appendix F in the earnings news release for definitions

[1] Reflects shutdown of IP3 (4/30/21) and Palisades (5/31/22)

[2] Excludes non-cash revenue from the amortization of the Palisades below-market PPA, mark-to-market activity, and service revenues

# Estimated EWC adjusted EBITDA

## As of 12/31/20

Estimated EWC adjusted EBITDA; $M

| | 21E | 22E |
|---|---|---|
| Operating revenues, less fuel and fuel-related expenses, and purchased power | 530 | 160 |
| Other O&M and nuclear refueling outage expense | (370) | (135) |
| Severance and retention | (40) | (15) |
| Asset impairments (capital, fuel, refuel, DOE proceeds, other) | (40) | 50 |
| Net gain / (loss) on sale of assets[1] | (215) | 150 |
| Other | (100) | (25) |
| Estimated adjusted EBITDA | (235) | 185 |

Note: The table above reflects estimates for EWC operations and the costs associated with the strategic decision to exit the EWC business. Other items may occur during the periods presented, the impact of which cannot reasonably be estimated at this time.

[1] *Net gain / (loss) on sale of assets* represents current estimates (subject to change). Primary variables in ultimate gain / (loss) are values of NDTs and asset retirement obligations, financial results from plant operations, and the level of any unrealized deferred tax balances at closing.

# EWC capital plan

EWC forecast; $M

| | 21E | 22E |
|---|---|---|
| Capital plan | 10 | 5 |
| Estimated depreciation expense | 60 | 25 |

# Financial disclosures

# ETR adjusted EPS 2021 guidance drivers

| Driver | 2020 | Expected change | 2021 guidance Midpoint | 2021 guidance Range |
|---|---|---|---|---|
| 2020 ETR adjusted EPS | 5.66 | | | |
| Weather in 2020 billed sales | | 0.37 | | |
| Utility revenue[1] – volume | | (0.05) | | |
| Utility revenue[1] – price | | 1.35 | | |
| Utility revenue[1] – 2020 reg. charge for E-AR 2019 over-earnings | | 0.16 | | |
| Utility revenue[1] – offset in other line items / other | | 0.40 | | |
| Utility other O&M | | (0.70) | | |
| Utility nuclear refueling outage expense | | 0.05 | | |
| Utility taxes other than income taxes | | (0.15) | | |
| Utility depreciation expense | | (0.45) | | |
| Utility net interest expense | | (0.25) | | |
| P&O (excl. income tax and share effect) / other | | (0.06) | | |
| Effective income tax rate, net of tax sharing | | (0.30) | | |
| Share effect | | (0.08) | | |
| 2021 ETR adjusted EPS | | | 5.95 | 5.80–6.10 |



[1] Operating revenue less fuel, fuel-related expenses, and gas purchased for resale; purchased power; and regulatory charges (credits)
P&O 2021E adjusted EPS ~$(1.35)

# ETR adjusted EPS – 2021 key drivers and assumptions

| Category | Considerations |
|---|---|
| Sales growth | • Weather-adjusted sales growth estimate ~2.5% (~1.2% excluding storm impacts)<br>• Driven by industrial ~7%, partially offset by lower residential ~(2%) |
| Utility revenue[1] – price | • Full year of 2020 rate actions: E-TX TCRF, E-MS FRP, E-LA LCPS, E-LA FRP, E-TX DCRF, E-NO NOPS recovery, E-LA WPEC<br>• New 2021 rate actions: E-TX GCRR (MCPS), E-NO NOSS recovery, E-TX TCRF, E-TX DCRF<br>• Expected 2021 filings: E-MS FRP, E-LA FRP[2], E-NO FRP |
| Utility revenue[1] – offset in other line items / other | • Changes in capacity costs, E-MS ad valorem rider, returns on decommissioning trusts |
| Utility other O&M | • Higher nuclear spending<br>• Higher non-nuclear generation spending, including new plants in service<br>• Higher pension and OPEB expense (2.77% discount rate)<br>• Customer focus initiatives |
| Utility taxes other than inc. taxes | • Higher ad valorem primarily at E-MS |
| Utility depreciation expense | • Increase in plant in service (full year of 2020 additions and new additions in 2021) |
| Utility net interest expense | • Lower AFUDC from completion of large construction projects |
| Effective income tax rate | • ~22% effective tax rate |
| Fully diluted avg. shares | • ~204M |



1 Operating revenue less fuel, fuel-related expenses, and gas purchased for resale; purchased power; and regulatory charges (credits)
2 Pending LPSC approval of E-LA's FRP renewal request

# Adjusted earnings quarterly considerations

| 2020 results | 1Q | 2Q | 3Q | 4Q |
|---|---|---|---|---|
| ETR as-reported EPS | 0.59 | 1.79 | 2.59 | 1.93 |
| Adjustments EPS | (0.55) | 0.42 | 0.15 | 1.22 |
| ETR adjusted EPS | 1.14 | 1.37 | 2.44 | 0.71 |
| **2020 timing considerations** | | | | |
| Estimated effect of weather (EPS) | (0.25) | (0.02) | 0.01 | (0.11) |
| Weather-adj. retail sales (% of total) | 25% | 23% | 28% | 24% |
| Act 55 financing tax settlements (net of customer sharing) | 0.05 | | | 0.04 |
| Annual tax true-ups | 0.11 | | | 0.08 |
| Turnaround of E-AR provision for 2018 over-earnings | 0.17 | | | |
| Reg. provision at E-AR for 2019 over-earnings | | | | (0.16) |
| 2020 rate actions (annualized) | | | | |
| E-TX TCRF (2/2020) | $17M | | | |
| E-MS FRP (4/2020) | | $24M | | |
| E-MS vegetation rider (4/2020) | | $22M | | |
| E-LA LCPS (4/2020) | | $108M | | |
| E-LA FRP (9/2020) | | | $45M | |
| E-TX DCRF (10/2020) | | | | $16M |
| E-NO NOPS recovery (11/2020) | | | | $33M |
| E-LA WPEC (12/2020) | | | | $35M |

# Adjusted earnings quarterly considerations (continued)

| | 1Q | 2Q | 3Q | 4Q |
|---|---|---|---|---|
| **2021 timing considerations** | | | | |
| Turnaround of E-AR provision for 2019 over-earnings | 0.16 | | | |
| 2021 rate actions (annualized) | | | | |
| E-AR FRP (1/2021) | $1M[1] | | | |
| E-NO NOSS recovery (1/2021) | $5M | | | |
| E-TX GCRR (1/2021) | $86M | | | |
| E-MS FRP (4/2021) | | TBD | | |
| E-TX TCRF (5/2021) | | TBD | | |
| E-TX DCRF (6/2021) | | TBD | | |
| E-LA FRP (9/2021) | | | TBD[2] | |
| E-NO FRP (11/2021) | | | | TBD |
| Utility taxes other than income taxes | | | Increase in ad valorem taxes | |
| Utility depreciation expense | More weighted to the first three quarters | | | |

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1 E-AR has requested rehearing on the 2021 FRP rate change; APSC order expected by 3/15/21
2 Pending LPSC approval of E-LA's FRP renewal request

# 2021 ETR adjusted earnings sensitivities

| Variable | Description of sensitivity | Estimated annual EPS impact |
|---|---|---|
| Utility | | |
| Retail sales growth for existing customers | 1% change in residential MWh sold<br>1% change in commercial / governmental MWh sold<br>1% change in industrial MWh sold | +/- 0.09<br>+/- 0.05<br>+/- 0.02 |
| Other O&M and nuclear refueling outage exp. | 1% change in expense | +/- 0.10 |
| Rate base | $100 million change in rate base in rates | +/- 0.02 |
| ROE | 25 basis point change in allowed ROE | +/- 0.19 |
| ETR Adjusted | | |
| Interest expense | 1% change in interest rate on $1 billion debt | +/- 0.04 |
| Pension and OPEB | 25 bps change in discount rate | +/- 0.06 |
| Effective tax rate | 1% change in effective tax rate | +/- 0.08 |

# Three-year capital plan

| E-AR | 2021E | 2022E | 2023E | Total |
|---|---|---|---|---|
| Generation | 340 | 355 | 430 | 1,125 |
| Transmission | 40 | 45 | 190 | 275 |
| Distribution | 95 | 255 | 420 | 770 |
| Utility Support | 105 | 80 | 75 | 260 |
| *Total* | *580* | *735* | *1,115* | *2,430* |
| Depreciation expense | 360 | 380 | 400 | 1,140 |
| **E-LA** | | | | |
| Generation | 365 | 460 | 785 | 1,610 |
| Transmission | 425 | 340 | 230 | 995 |
| Distribution | 540 | 485 | 500 | 1,525 |
| Utility Support | 160 | 130 | 115 | 405 |
| *Total* | *1,490* | *1,415* | *1,630* | *4,535* |
| Depreciation expense | 660 | 700 | 740 | 2,100 |
| **E-MS** | | | | |
| Generation | 180 | 140 | 180 | 500 |
| Transmission | 120 | 75 | 55 | 250 |
| Distribution | 210 | 200 | 225 | 635 |
| Utility Support | 80 | 85 | 30 | 195 |
| *Total* | *590* | *500* | *490* | *1,580* |
| Depreciation expense | 225 | 240 | 245 | 710 |
| **E-NO** | | | | |
| Generation | 10 | 15 | 5 | 30 |
| Transmission | 20 | 25 | 20 | 65 |
| Distribution | 90 | 125 | 120 | 335 |
| Utility Support | 20 | 15 | 10 | 45 |
| *Total* | *140* | *180* | *155* | *475* |
| Depreciation expense | 75 | 80 | 85 | 240 |

| E-TX | 2021E | 2022E | 2023E | Total |
|---|---|---|---|---|
| Generation | 95 | 40 | 490 | 625 |
| Transmission | 115 | 125 | 180 | 420 |
| Distribution | 245 | 285 | 295 | 825 |
| Utility Support | 55 | 75 | 50 | 180 |
| *Total* | *510* | *525* | *1,015* | *2,050* |
| Depreciation expense | 215 | 225 | 235 | 675 |
| **SERI** | | | | |
| Generation | 90 | 145 | 140 | 375 |
| Transmission | - | - | - | - |
| Distribution | - | - | - | - |
| Utility Support | 15 | 10 | 15 | 40 |
| *Total* | *105* | *155* | *155* | *415* |
| Depreciation expense | 95 | 115 | 120 | 330 |
| **Entergy Services, LLC** | | | | |
| Generation | - | - | - | - |
| Transmission | - | - | - | - |
| Distribution | - | - | - | - |
| Utility Support | 60 | 45 | 40 | 145 |
| *Total* | *60* | *45* | *40* | *145* |
| Depreciation expense[1] | - | - | - | - |
| **Total** | | | | |
| Generation | 1,080 | 1,155 | 2,030 | 4,265 |
| Transmission | 720 | 610 | 675 | 2,005 |
| Distribution | 1,180 | 1,350 | 1,560 | 4,090 |
| Utility Support | 495 | 440 | 335 | 1,270 |
| *Total* | *3,475* | *3,555* | *4,600* | *11,630* |
| Depreciation expense | 1,630 | 1,740 | 1,825 | 5,195 |

Excludes storm capital expenditures
Distribution includes capital investment for E-NO's and E-LA's gas distribution business
[1] Depreciation for Entergy Services, LLC is allocated to each OpCo

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# Financial summaries and Regulation G reconciliations

# Earnings summary

| Table 1: Full year earnings summary | | | | |
|---|---|---|---|---|
| | Full Year | | | |
| | $ in millions | | Per share in $ | |
| | 2020 | 2019 | 2020 | 2019 |
| As-reported | | | | |
| Utility | 1,800 | 1,411 | 8.95 | 7.16 |
| Parent & Other | (347) | (316) | (1.73) | (1.60) |
| EWC | (65) | 147 | (0.32) | 0.74 |
| Consolidated | 1,388 | 1,241 | 6.90 | 6.30 |
| | | | | |
| Less adjustments | | | | |
| Utility | 377 | 41 | 1.87 | 0.21 |
| Parent & Other | (61) | (11) | (0.31) | (0.05) |
| EWC | (65) | 147 | (0.32) | 0.74 |
| Consolidated | 250 | 177 | 1.24 | 0.90 |
| | | | | |
| Adjusted (non-GAAP) | | | | |
| Utility | 1,424 | 1,369 | 7.08 | 6.95 |
| Parent & Other | (286) | (305) | (1.42) | (1.55) |
| EWC | - | - | - | - |
| Consolidated | 1,138 | 1,064 | 5.66 | 5.40 |

Calculations may differ due to rounding
201M and 197M diluted average common shares outstanding for 2020 and 2019, respectively
For additional details, see Appendix A in the earnings news release

# Utility book ROEs

| Table 2: Utility book ROE summary<br>LTM ending December 31, 2020 | | | | | | | |
|---|---|---|---|---|---|---|---|
| *($ in millions)* | | | | | | | |
| | | E-AR | E-LA | E-MS | E-NO | E-TX | Utility[1] |
| As-reported earnings available to common stock | (a) | 245 | 1,082 | 141 | 49 | 213 | 1,800 |
| | | | | | | | |
| Less adjustments: | | | | | | | |
| 2014/2015 IRS audit settlement (E-LA Business Combination) | | 6 | 383 | 4 | (1) | 2 | 396 |
| SERI NOPA rate base effect retroactive refund | | - | - | - | - | - | (19) |
| Total adjustments | (b) | 6 | 383 | 4 | (1) | 2 | 377 |
| | | | | | | | |
| Adjusted earnings available to common stock (non-GAAP) | (c) = (a)-(b) | 239 | 700 | 137 | 50 | 211 | 1,423 |
| | | | | | | | |
| Average common equity | (d) | 3,201 | 6,927 | 1,607 | 552 | 1,944 | 15,038 |
| | | | | | | | |
| Adjustment for E-LA affiliate preferred (offset at P&O) | | | | | | | |
| Earnings from affiliate preferred | (e) | | 128 | | | | |
| | | | | | | | |
| Preferred investment | (f) | | 1,391 | | | | |
| Equity ratio in last rate proceeding | (g) | | 48.6% | | | | |
| Estimated equity financing for preferred investment | (h) = (f) x (g) | | 676 | | | | |
| | | | | | | | |
| As-reported ROE | (a) / (d) | 7.7% | 15.6% | 8.7% | 8.9% | 11.0% | 12.0% |
| Adjusted ROE (non-GAAP) | (c) / (d) | 7.5% | 10.1% | 8.5% | 9.1% | 10.9% | 9.5% |
| Adjusted ROE, excluding affiliate preferred (non-GAAP) | (c-e) / (d-h) | | 9.2% | | | | |

Calculations may differ due to rounding

[1] Utility earnings do not equal the sum of the operating companies due primarily to SERI (as-reported and adjusted earnings ~$99M and average common equity ~$896M) and Entergy Utility Holding Co.

# Regulation G reconciliations

| Table 3: ETR adjusted earnings<br>Reconciliation of GAAP to Non-GAAP measures | | |
|---|---|---|
| | 2020 | 2019 |
| *($ in millions, except diluted average common shares outstanding)* | | |
| Net income (loss) attributable to ETR Corp. | 1,388 | 1,241 |
| Less adjustments: | | |
| Utility – reversal of income tax valuation allowance | | 41 |
| Utility – 2014 / 2015 IRS settlement (E-LA Business Combination) | 396 | |
| Utility – SERI NOPA rate base effect retroactive refund | (19) | |
| P&O – income tax valuation allowance for interest deductibility | | (11) |
| P&O – 2014 / 2015 IRS settlement (E-LA Business Combination) | (61) | |
| EWC | (65) | 147 |
| ETR adjusted earnings (non-GAAP) | 1,138 | 1,064 |
| | | |
| Diluted average common shares outstanding (in millions) | 201 | 197 |
| | | |
| *($ per share)* | | |
| Net income (loss) attributable to ETR Corp. | 6.90 | 6.30 |
| Less adjustments: | | |
| Utility – reversal of income tax valuation allowance | | 0.21 |
| Utility – 2014 / 2015 IRS settlement (E-LA Business Combination) | 1.96 | |
| Utility – SERI NOPA rate base effect retroactive refund | (0.09) | |
| P&O – income tax valuation for interest deductibility | | (0.05) |
| P&O – 2014 / 2015 IRS settlement (E-LA Business Combination) | (0.31) | |
| EWC | (0.32) | 0.74 |
| ETR adjusted earnings (non-GAAP) | 5.66 | 5.40 |



Calculations may differ due to rounding

# Regulation G reconciliations

| Table 4: Parent debt to total debt, excluding securitization debt<br>Reconciliation of GAAP to Non-GAAP measures | | |
|---|---|---|
| *($ in millions)* | | 4Q20 |
| Entergy Corporation notes: | | |
| Due July 2022 | | 650 |
| Due September 2025 | | 800 |
| Due September 2026 | | 750 |
| Due June 2030 | | 600 |
| Due June 2050 | | 600 |
| Total Entergy Corporation notes | | 3,400 |
| Revolver draw | | 165 |
| Commercial paper | | 1,627 |
| Unamortized debt issuance costs and discounts | | (38) |
| Total parent debt | (a) | 5,154 |
| Total debt | | 24,062 |
| Less securitization debt | | 175 |
| Total debt, excluding securitization debt | (b) | 23,887 |
| Parent debt to total debt, excluding securitization debt (non-GAAP) | (a) / (b) | 21.6% |

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Calculations may differ due to rounding

# Regulation G reconciliations

| Table 5: FFO to debt, excluding securitization debt; FFO to debt, excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments associated with exit of EWC<br>Reconciliation of GAAP to Non-GAAP measures | | |
|---|---|---|
| *($ in millions)* | | 4Q20 |
| Total debt | | 24,062 |
| Less securitization debt | | 175 |
| Total debt, excluding securitization debt | (a) | 23,887 |
| OCF (LTM) | | 2,690 |
| AFUDC-borrowed funds (LTM) | | (52) |
| Less working capital in OCF (LTM): | | |
| Receivables | | (139) |
| Fuel inventory | | (27) |
| Accounts payable | | 137 |
| Taxes accrued | | 208 |
| Interest accrued | | 8 |
| Other working capital accounts | | (143) |
| Securitization regulatory charges (LTM) | | 124 |
| Total | | 168 |
| FFO (LTM) (non-GAAP) | (b) | 2,470 |
| FFO to debt, excluding securitization debt (non-GAAP) | (b) / (a) | 10.3% |
| Estimated return of unprotected excess ADIT (LTM) | (c) | 70 |
| Severance and retention payments assoc. with exit of EWC (LTM pre-tax) | (d) | 55 |
| FFO to debt, excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments assoc. with exit of EWC (non-GAAP) | (b+c+d) / (a) | 10.9% |



Calculations may differ due to rounding