

CenterPoint Energy, Inc. and Subsidiaries
Condensed Statements of Consolidated Income
(Unaudited)

	Quarter Ended March 31,	
	2019	2018
	(in millions)	
Revenues:		
Utility revenues	\$ 2,161	\$ 1,894
Non-utility revenues	1,370	1,261
Total	3,531	3,155
Expenses:		
Utility natural gas, fuel and purchased power	735	637
Non-utility cost of revenues, including natural gas	1,251	1,273
Operation and maintenance	861	569
Depreciation and amortization	313	314
Taxes other than income taxes	126	111
Total	3,286	2,904
Operating Income	245	251
Other Income (Expense):		
Gain on marketable securities	83	1
Loss on indexed debt securities	(86)	(18)
Interest and other finance charges	(121)	(78)
Interest on securitization bonds	(12)	(16)
Equity in earnings of unconsolidated affiliates	62	69
Other income, net	20	3
Total	(54)	(39)
Income Before Income Taxes	191	212
Income tax expense	22	47
Net Income	169	165
Preferred stock dividend requirement	29	—
Income Available to Common Shareholders	\$ 140	\$ 165

Reference is made to the Combined Notes to Unaudited Condensed Consolidated Financial Statements contained in the Quarterly Report on Form 10-Q of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries
Selected Data From Statements of Consolidated Income
(Unaudited)

	Quarter Ended March 31,	
	2019	2018
	(in millions, except share and per share amounts)	
Basic Earnings Per Common Share	\$ 0.28	\$ 0.38
Diluted Earnings Per Common Share	\$ 0.28	\$ 0.38
Dividends Declared per Common Share	\$ —	\$ —
Dividends Paid per Common Share	\$ 0.2875	\$ 0.2775
Weighted Average Common Shares Outstanding (000):		
- Basic	501,521	431,231
- Diluted	503,944	434,008
<u>Operating Income (Loss) by Reportable Segment</u>		
Houston Electric T&D:		
TDU	\$ 74	\$ 99
Bond Companies	10	16
Total Houston Electric T&D	84	115
Indiana Electric Integrated	(9)	—
Natural Gas Distribution	167	156
Energy Services	33	(26)
Infrastructure Services	(16)	—
Corporate and Other	(14)	6
Total	\$ 245	\$ 251

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CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Unaudited)

	Houston Electric T&D		% Diff Fav/Unfav
	Quarter Ended March 31,		
	2019	2018	
	(in millions, except throughput and customer data)		
Revenues:			
TDU	\$ 595	\$ 598	(1)%
Bond Companies	94	153	(39)%
Total	<u>689</u>	<u>751</u>	(8)%
Expenses:			
Operation and maintenance, excluding Bond Companies	366	340	(8)%
Depreciation and amortization, excluding Bond Companies	93	98	5 %
Taxes other than income taxes	62	61	(2)%
Bond Companies	84	137	39 %
Total	<u>605</u>	<u>636</u>	5 %
Operating Income	<u>\$ 84</u>	<u>\$ 115</u>	(27)%
Operating Income:			
TDU	\$ 74	\$ 99	(25)%
Bond Companies	10	16	(38)%
Total Segment Operating Income	<u>\$ 84</u>	<u>\$ 115</u>	(27)%
Actual MWH Delivered			
Residential	5,182,639	5,604,862	(8)%
Total	19,018,985	19,643,755	(3)%
Weather (percentage of 10-year average for service area):			
Cooling degree days	91%	170%	(79)%
Heating degree days	90%	93%	(3)%
Number of metered customers - end of period:			
Residential	2,206,563	2,171,715	2 %
Total	2,494,761	2,453,844	2 %
			Indiana Electric Integrated (1)
			Quarter Ended March 31,
			2019
			(in millions, except throughput and customer data)
Revenues			\$ 83
Expenses:			
Utility natural gas, fuel and purchased power			26
Operation and maintenance			48
Depreciation and amortization			16
Taxes other than income taxes			2
Total expenses			<u>92</u>
Operating Loss			<u>\$ (9)</u>
Actual MWH Delivered			
Retail			704
Wholesale			58
Total			762
Number of metered customers at end of period:			
Residential			128,194
Total			147,047

(1) Represents February 1, 2019 through March 31, 2019 results only due to the Merger.

Natural Gas Distribution (1)

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contained in the Quarterly Report on Form 10-Q of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Unaudited)

	Quarter Ended March 31,		% Diff
	2019	2018	Fav/Unfav
	(in millions, except throughput and customer data)		
Revenues	\$ 1,399	\$ 1,153	21 %
Utility natural gas, fuel and purchased power	771	667	(16)%
Gross Margin	628	486	29 %
Expenses:			
Operation and maintenance	307	213	(44)%
Depreciation and amortization	95	68	(40)%
Taxes other than income taxes	59	49	(20)%
Total	461	330	(40)%
Operating Income	\$ 167	\$ 156	7 %
Throughput data in BCF			
Residential	114	87	31 %
Commercial and Industrial	136	94	45 %
Total Throughput	250	181	38 %
Weather (average for service area)			
Percentage of 10-year average:			
Heating degree days	103%	99%	4 %
Number of customers - end of period:			
Residential	4,219,795	3,220,262	31 %
Commercial and Industrial	350,419	257,806	36 %
Total	4,570,214	3,478,068	31 %

(1) Includes acquired natural gas operations' February 1, 2019 through March 31, 2019 results only due to the Merger.

	Energy Services		% Diff
	2019	2018	Fav/Unfav
	(in millions, except for throughput and customer data)		
Revenues	\$ 1,246	\$ 1,285	(3)%
Non-utility cost of revenues, including natural gas	1,182	1,281	8 %
Gross Margin	64	4	1,500 %
Expenses:			
Operation and maintenance	25	25	—
Depreciation and amortization	5	5	—
Taxes other than income taxes	1	—	—
Total	31	30	(3)%
Operating Income (Loss)	\$ 33	\$ (26)	227 %
Timing impacts of mark-to-market gain (loss)	\$ 19	\$ (80)	124 %
Throughput data in BCF	379	375	1 %
Number of customers - end of period	30,000	30,000	—

	Infrastructure Services (1)
	Quarter Ended March 31, 2019
	(in millions)
Revenues	\$ 146
Non-utility cost of revenues, including natural gas	43
Gross Margin	103
Expenses:	
Operation and maintenance	110

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CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Unaudited)

Depreciation and amortization		9
Total expenses		119
Operating Loss		\$ (16)
Backlog:		
Blanket contracts		\$ 541
Bid contracts		455
Total		\$ 996

(1) Represents February 1, 2019 through March 31, 2019 results only due to the Merger.

	Corporate and Other		% Diff Fav/Unfav
	Quarter Ended March 31,		
	2019	2018	
	(in millions)		
Revenues	\$ 42	\$ 4	950 %
Expenses:			
Non-utility cost of revenues, including natural gas	37	—	—
Operation and maintenance	4	(12)	(133)%
Depreciation and amortization	13	8	(63)%
Taxes other than income taxes	2	2	—
Total expenses	56	(2)	(2,900)%
Operating Income (Loss)	\$ (14)	\$ 6	(333)%

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CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Unaudited)

Capital Expenditures by Segment

	Quarter Ended March 31,	
	2019	2018
	(in millions)	
Houston Electric T & D	\$ 235	\$ 207
Indiana Electric Integrated (1)	37	—
Natural Gas Distribution (1)	166	93
Energy Services	3	5
Infrastructure Services (1)	19	—
Corporate and Other (1)	68	18
Total	\$ 528	\$ 323

(1) Includes capital expenditures of acquired businesses from February 1, 2019 through March 31, 2019 only due to the Merger.

Interest Expense Detail

	Quarter Ended March 31,	
	2019	2018
	(in millions)	
Amortization of Deferred Financing Cost	\$ 7	\$ 5
Capitalization of Interest Cost	(9)	(2)
Securitization Bonds Interest Expense	12	16
Other Interest Expense	123	75
Total Interest Expense	\$ 133	\$ 94

CenterPoint Energy, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	March 31, 2019	December 31, 2018
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 255	\$ 4,231
Other current assets	3,164	2,794
Total current assets	3,419	7,025
Property, Plant and Equipment, net	19,512	14,044
Other Assets:		
Goodwill	5,129	867
Regulatory assets	2,229	1,967
Investment in unconsolidated affiliate	2,471	2,482
Preferred units – unconsolidated affiliate	363	363
Other non-current assets	779	261
Total other assets	10,971	5,940
Total Assets	\$ 33,902	\$ 27,009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of securitization bonds long-term debt	347	458
Indexed debt	23	24
Current portion of other long-term debt	32	—
Other current liabilities	2,737	2,820
Total current liabilities	3,139	3,302
Other Liabilities:		
Accumulated deferred income taxes, net	3,824	3,239
Regulatory liabilities	3,449	2,525
Other non-current liabilities	1,515	1,203
Total other liabilities	8,788	6,967
Long-term Debt:		
Securitization bonds	914	977
Other	12,845	7,705
Total long-term debt	13,759	8,682
Shareholders' Equity	8,216	8,058
Total Liabilities and Shareholders' Equity	\$ 33,902	\$ 27,009

Reference is made to the Combined Notes to Unaudited Condensed Consolidated Financial Statements contained in the Quarterly Report on Form 10-Q of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries
Condensed Statements of Consolidated Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
	(in millions)	
Net income	\$ 169	\$ 165
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	329	320
Deferred income taxes	(14)	(17)
Write-down of natural gas inventory	1	1
Equity in earnings of unconsolidated affiliate, net of distributions	12	(9)
Changes in net regulatory assets	(3)	42
Changes in other assets and liabilities	(218)	(20)
Other, net	(5)	2
Net cash provided by operating activities	271	484
Net cash used in investing activities	(6,539)	(331)
Net cash provided by (used in) financing activities	2,345	(192)
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(3,923)	(39)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	4,278	296
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 355	\$ 257

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