

Reconciliation of Consolidated income (loss) available to common shareholders and diluted earnings (loss) per share (GAAP) to non-GAAP income and non-GAAP diluted earnings per share

Quarter Ended

June 30, 2021

	Utility Operations		Midstream Investments		Corporate and Other ⁽⁴⁾		Consolidated	
	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾
Consolidated income (loss) available to common shareholders and diluted EPS ⁽¹⁾	\$ 199	\$ 0.33	\$ 54	\$ 0.09	\$ (32)	\$ (0.05)	\$ 221	\$ 0.37
ZENS-related mark-to-market (gains) losses:								
Marketable securities (net of taxes of \$15) ⁽²⁾⁽³⁾	—	—	—	—	(60)	(0.10)	(60)	(0.10)
Indexed debt securities (net of taxes of \$15) ⁽³⁾	—	—	—	—	62	0.10	62	0.10
Impacts associated with the Vectren merger (net of taxes of \$0) ⁽²⁾	2	0.01	—	—	—	—	2	0.01
Impacts associated with gas LDC sales ⁽²⁾	(11)	(0.02)	—	—	(6)	(0.01)	(17)	(0.03)
Cost associated with the early extinguishment of debt (net of taxes of \$1) ⁽²⁾	—	—	—	—	6	0.01	6	0.01
Corporate and Other Allocation	(25)	(0.04)	(5)	(0.01)	30	0.05	—	—
Consolidated on a non-GAAP basis	<u>\$ 165</u>	<u>\$ 0.28</u>	<u>\$ 49</u>	<u>\$ 0.08</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 214</u>	<u>\$ 0.36</u>

(1) Quarterly diluted EPS on both a GAAP and non-GAAP basis are based on the weighted average number of shares of common stock outstanding during the quarter, and the sum of the quarters may not equal year-to-date diluted EPS. EPS figures for Utility Operations, Midstream Investments and Corporate and Other are non-GAAP financial measures.

(2) Taxes are computed based on the impact removing such item would have on tax expense

(3) Comprised of common stock of AT&T Inc. and Charter Communications, Inc.

(4) Corporate and Other, plus income allocated to preferred shareholders

Year-to-Date

June 30, 2021

	Utility Operations		Midstream Investments		Corporate and Other ⁽⁴⁾		Consolidated	
	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾
Consolidated income (loss) available to common shareholders and diluted EPS ⁽¹⁾	\$ 503	\$ 0.84	\$ 125	\$ 0.21	\$ (73)	\$ (0.12)	\$ 555	\$ 0.93
ZENS-related mark-to-market (gains) losses:								
Marketable securities (net of taxes of \$11) ⁽²⁾⁽³⁾	—	—	—	—	(41)	(0.07)	(41)	(0.07)
Indexed debt securities (net of taxes of \$10) ⁽³⁾	—	—	—	—	41	0.07	41	0.07
Impacts associated with the Vectren merger (net of taxes of \$1) ⁽²⁾	4	0.01	—	—	—	—	4	0.01
Impacts associated with gas LDC sales ⁽²⁾	(11)	(0.02)	—	—	(6)	(0.01)	(17)	(0.03)
Cost associated with the early extinguishment of debt (net of taxes of \$7) ⁽²⁾	—	—	—	—	27	0.05	27	0.05
Corporate and Other Allocation	(46)	(0.07)	(6)	(0.01)	52	0.08	—	—
Consolidated on a non-GAAP basis	<u>\$ 450</u>	<u>\$ 0.76</u>	<u>\$ 119</u>	<u>\$ 0.20</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 569</u>	<u>\$ 0.96</u>

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(4) Corporate and Other, plus income allocated to preferred shareholders

Quarter Ended
June 30, 2020

	Utility Operations		Midstream Investments		Corporate and Other ⁽⁶⁾		CES ⁽¹⁾ & CIS ⁽²⁾ (Disc. Operations)		Consolidated	
	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾
Consolidated income (loss) available to common shareholders and diluted EPS ⁽³⁾	\$ 136	\$ 0.26	\$ 24	\$ 0.04	\$ (71)	\$ (0.13)	\$ (30)	\$ (0.06)	\$ 59	\$ 0.11
Timing effects impacting CES ⁽¹⁾:										
Mark-to-market (gains) losses (net of taxes of \$8) ⁽⁴⁾	—	—	—	—	—	—	25	0.05	25	0.05
ZENS-related mark-to-market (gains) losses:										
Marketable securities (net of taxes of \$15) ⁽⁴⁾⁽⁵⁾	—	—	—	—	(60)	(0.12)	—	—	(60)	(0.12)
Indexed debt securities (net of taxes of \$15) ⁽⁴⁾	—	—	—	—	61	0.12	—	—	61	0.12
Impacts associated with the Vectren merger (net of taxes of \$1,\$1)⁽⁴⁾	3	—	—	—	4	0.01	—	—	7	0.01
Severance costs (net of taxes of \$0, \$0)⁽⁴⁾	1	—	—	—	1	—	—	—	2	—
Impacts associated with the sales of CES⁽¹⁾ and CIS⁽²⁾ (net of taxes of \$38)⁽⁴⁾	—	—	—	—	—	—	4	0.01	4	0.01
Impacts associated with Series C preferred stock										
Preferred stock dividend requirement and amortization of beneficial conversion feature	—	—	—	—	16	0.03	—	—	16	0.03
Impact of increased share count on EPS if issued as common stock	—	(0.01)	—	—	—	—	—	—	—	(0.01)
Total Series C impacts	—	(0.01)	—	—	16	0.03	—	—	16	0.02
Corporate and Other Allocation	(38)	(0.07)	(9)	(0.01)	49	0.09	(2)	(0.01)	—	—
Exclusion of Discontinued Operations⁽⁷⁾	—	—	—	—	—	—	3	0.01	3	0.01
Consolidated on a non-GAAP basis	<u>\$ 102</u>	<u>\$ 0.18</u>	<u>\$ 15</u>	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 117</u>	<u>\$ 0.21</u>

(1) Energy Services segment

(2) Infrastructure Services segment

(3) Quarterly diluted EPS on both a GAAP and non-GAAP basis are based on the weighted average number of shares of common stock outstanding during the quarter, and the sum of the quarters may not equal year-to-date diluted EPS. EPS figures for Utility Operations, Midstream Investments, Corporate and Other and Discontinued Operations are non-GAAP financial measures.

(4) Taxes are computed based on the impact removing such item would have on tax expense

(5) Comprised of common stock of AT&T Inc. and Charter Communications, Inc.

(6) Corporate and Other, plus income allocated to preferred shareholders

(7) Results related to discontinued operations are excluded from the company's non-GAAP results

**Year-to-Date
June 30, 2020**

	Utility Operations		Midstream Investments		Corporate and Other ⁽⁶⁾		CES ⁽¹⁾ & CIS ⁽²⁾ (Disc. Operations)		Consolidated	
	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾
Consolidated income (loss) available to common shareholders and diluted EPS ⁽³⁾	\$ 203	\$ 0.39	\$ (1,103)	\$ (2.14)	\$ (93)	\$ (0.18)	\$ (176)	\$ (0.34)	\$ (1,169)	\$ (2.27)
Timing effects impacting CES ⁽¹⁾:										
Mark-to-market (gains) losses (net of taxes of \$3) ⁽⁴⁾	—	—	—	—	—	—	(10)	(0.02)	(10)	(0.02)
ZENS-related mark-to-market (gains) losses:										
Marketable securities (net of taxes of \$15) ⁽⁴⁾⁽⁵⁾	—	—	—	—	54	0.11	—	—	54	0.11
Indexed debt securities (net of taxes of \$13) ⁽⁴⁾	—	—	—	—	(46)	(0.09)	—	—	(46)	(0.09)
Impacts associated with the Vectren merger (net of taxes of \$1,\$2)⁽⁴⁾	3	0.01	—	—	10	0.02	—	—	13	0.03
Severance costs (net of taxes of \$2, \$0)⁽⁴⁾	7	0.01	—	—	2	—	—	—	9	0.01
Impacts associated with the sales of CES⁽¹⁾ and CIS⁽²⁾ (net of taxes of \$10)⁽⁴⁾	—	—	—	—	—	—	210	0.41	210	0.41
Impacts associated with Series C preferred stock										
Preferred stock dividend requirement and amortization of beneficial conversion feature	—	—	—	—	16	0.03	—	—	16	0.03
Impact of increased share count on EPS if issued as common stock	—	(0.01)	—	0.07	—	—	—	—	—	0.06
Total Series C impacts	—	(0.01)	—	0.07	16	0.03	—	—	16	0.09
Losses on impairment (net of taxes of \$0, \$379)⁽⁴⁾	185	0.35	1,177	2.21	—	—	—	—	1,362	2.56
Corporate and Other Allocation	(43)	(0.08)	(10)	(0.02)	57	0.11	(4)	(0.01)	—	—
Exclusion of Discontinued Operations⁽⁷⁾	—	—	—	—	—	—	(20)	(0.04)	(20)	(0.04)
Consolidated on a non-GAAP basis	<u>\$ 355</u>	<u>\$ 0.67</u>	<u>\$ 64</u>	<u>\$ 0.12</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 419</u>	<u>\$ 0.79</u>

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