PPL 2nd Quarter Earnings Call

August 10, 2020

100 ppl

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Cautionary Statements and Factors That May Affect Future Results

Statements made in this presentation about future operating results or other future events, including the process to sell PPL's U.K. business, are forward-looking statements under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix to this presentation and in the Company's SEC filings.

Agenda

I.	Strategic Announcement	Vince Sorgi
II.	Second Quarter Review	Vince Sorgi
III.	Q2 Financial Review	Joe Bergstein
IV.	Closing Remarks	Vince Sorgi
V.	Q&A	

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Announced Process to Sell U.K. Business

Strategic repositioning expected to be value accretive to shareowners and to better position the company for continued long-term value creation

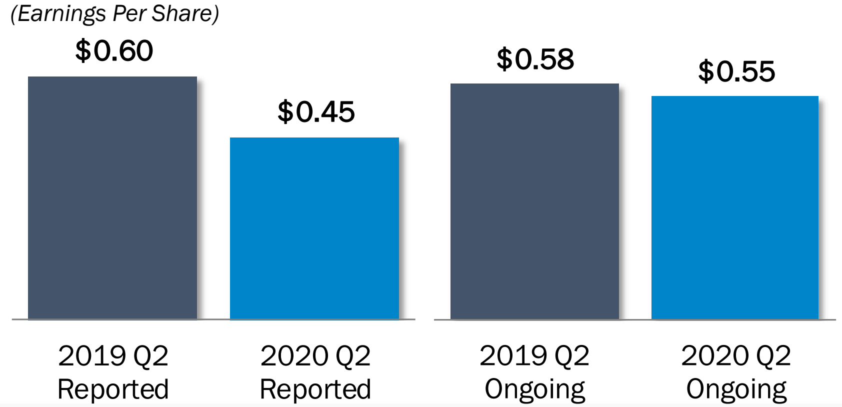
- **Positioning PPL as a purely U.S. utility holding company**
  - Simplifying its business mix and enhancing corporate clarity
- **Use of proceeds would be focused on strengthening PPL's balance sheet and enhancing PPL's earnings growth, which could include supporting strategic growth opportunities in the U.S. and returning capital to shareowners**
  - Improving corporate credit metrics; targeting mid-teens FFO/debt
  - Providing greater financial flexibility to support strategic growth that advances a cleaner energy future in the U.S. and leverages company's superior operational excellence
- **WPD is expected to command a premium valuation**
  - Highly attractive collection of premier, rate-regulated U.K. electricity distribution businesses
  - Sale would maximize WPD's value to shareowners and enables buyer to influence RIIO-ED2 business plans
- **Exploring both cash offers in WPD and potential exchange of U.S. utility assets**
- **Expect to announce a transaction in the first half of 2021**

Second Quarter Review

Q2 Highlights

- **Delivered Q2 2020 ongoing earnings results of $0.55 per share vs. $0.58 per share in Q2 2019**
- **COVID-19 Update**
  - Remain diligent on safety and providing reliable service to customers
  - Excellent operational performance YTD
- **U.K. Regulatory Update**
  - RIIO-ED2 sector specific methodology:
    - Ofgem highlights DNO's key role in achieving net-zero carbon emissions
    - Incentives will play a key role for DNOs
  - WPD well-positioned for RIIO-ED2
  - RIIO-2 gas and transmission draft determinations in line with expectations

Q2 Earnings Results



Forecast Updates

- **Reaffirmed 2020 forecast of $2.40 to $2.60 per share**
  - Projecting to be at lower end of forecast range primarily due to lower sales in U.K. from COVID impact and mild Q1 weather
- **Withdrew prior 2021 forecast due to announced process to sell WPD**

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.
The information contained on this slide relating to 2020 does not reflect the potential sale of the U.K. business. With respect to the withdrawal of the prior 2021 forecast, note that there is no assurance that the announced sale process will result in the consummation of the sale of the U.K. business.

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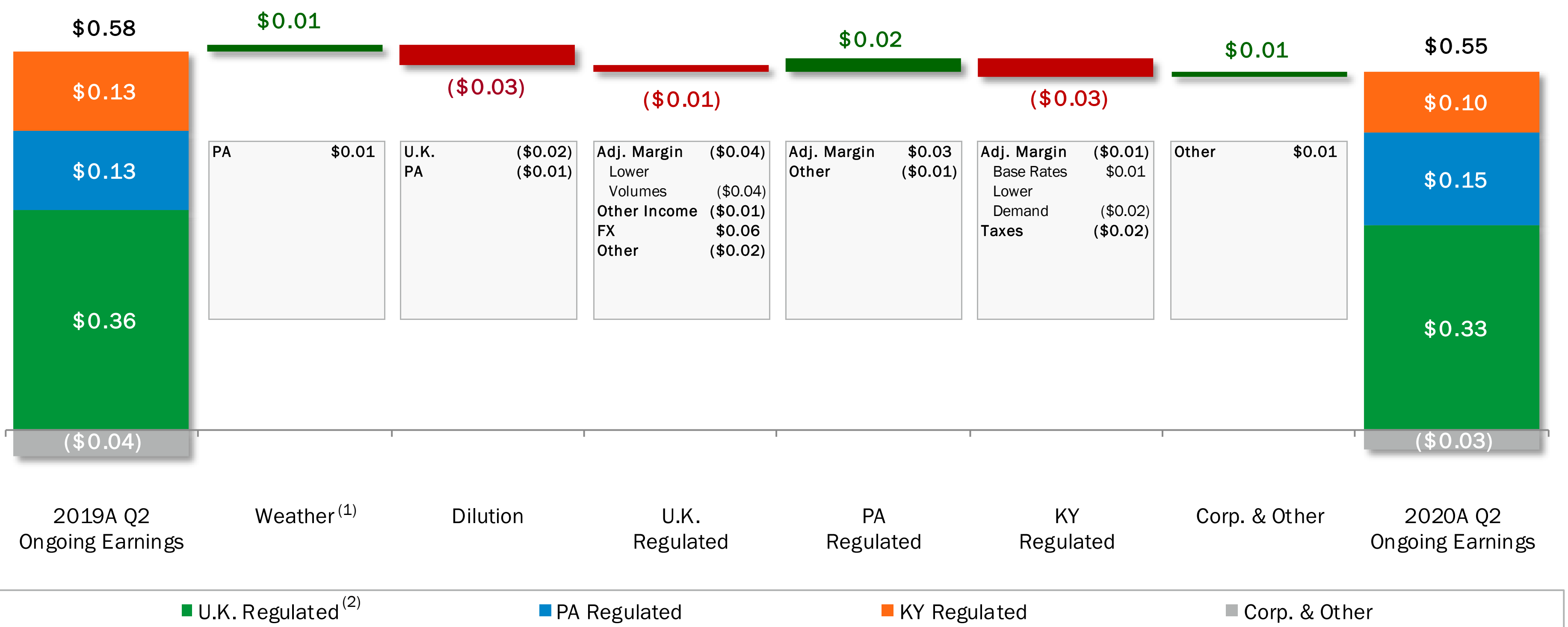
Q2 2020 Financial Results

Q2 results reflect an estimated $0.06 per share unfavorable impact due to COVID-19 driven largely by lower sales volumes in the U.K. $0.04 per share of impact related to U.K. volumes is recoverable in the 2022-2023 regulatory year due to U.K. decoupling mechanism.

(Earnings Per Share)



Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

(1) Reflects estimated impact of weather on sales volumes and related adjusted gross margins in the chart above.
(2) Reflects a weighted average exchange rate of $1.63/£ for Q2 2020 vs. $1.36/£ for Q2 2019.

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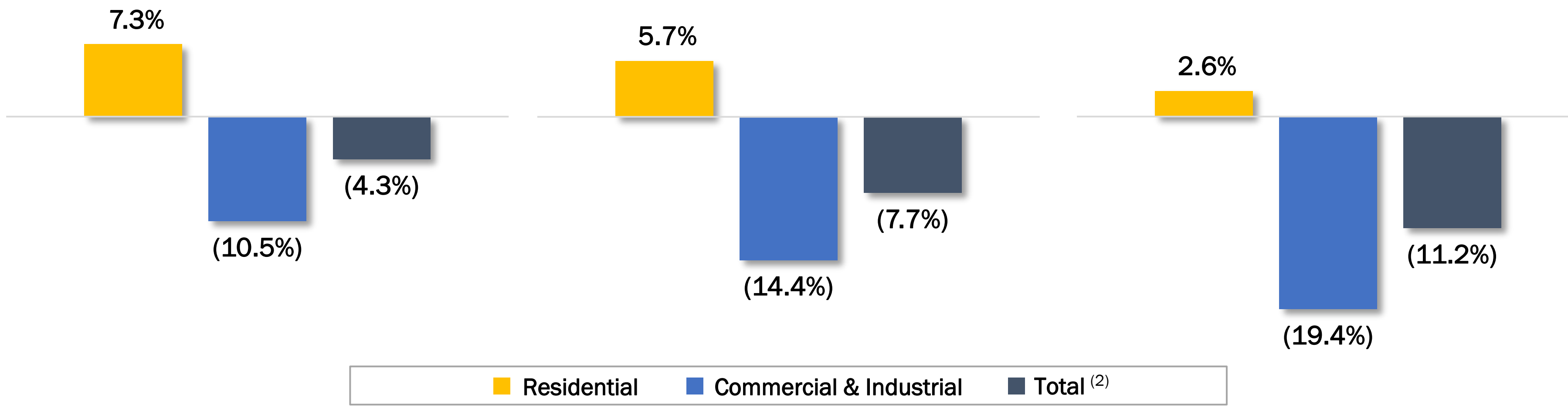
COVID Implications on Sales by Segment

Stronger residential sales substantially mitigated impact in U.S.; Any impacts from lower sales volumes in U.K. to be recovered via decoupling mechanism

Q2 2020 vs. Q2 2019 Weather-Normalized Load (GWh)

Pennsylvania Regulated	Kentucky Regulated	U.K. Regulated [1]



Pennsylvania Regulated

- Estimated Q2 net impact was slightly positive compared to prior year
- Customer mix and tariff structure offset lower C&I sales

Kentucky Regulated

- Estimated Q2 impact was ($0.02) vs. prior year primarily due to lower demand charges in C&I sectors
- Favorable residential energy usage offsets a portion of C&I

U.K. Regulated

- Estimated Q2 impact was ($0.04) vs. prior year primarily due to lower C&I sales volumes due to COVID-19
- Tighter lockdown protocol in U.K. and less offset in residential usage

(1) For U.K. Regulated, Q2 load comparison reflects sales volumes from March, April, and May as PPL consolidates WPD on a one-month lag.
(2) U.S. totals include Residential, Commercial and Industrial customer classes as well as "Other," which is not depicted on the charts above.

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Key Focus Areas

Clear focus on delivering long-term value for customers and shareowners

- **Delivering safe and reliable service at an affordable price**
  - Underpinned by innovation and operational improvement that drive PPL's premier customer service and satisfaction levels
  - Leveraging culture of operational excellence to further enhance value

- **Improving PPL's TSR performance; supported by strategic repositioning**
  - Simplifying PPL's business mix
  - Reducing leverage
  - Improving the earnings growth rate
  - Enhancing PPL's ability to invest in sustainable energy solutions

- **Reducing PPL's carbon footprint**
  - Declining cost of renewable energy potentially accelerates decarbonization of Kentucky fleet under regulatory oversight and with economic benefit for customers

Appendix

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YTD 2020 Financial Results

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

(1) Reflects estimated impact of weather on sales volumes and related adjusted gross margins in the chart above.
(2) Reflects a weighted average exchange rate of $1.46/£ YTD 2020 vs. $1.35/£ YTD Q2 2019.

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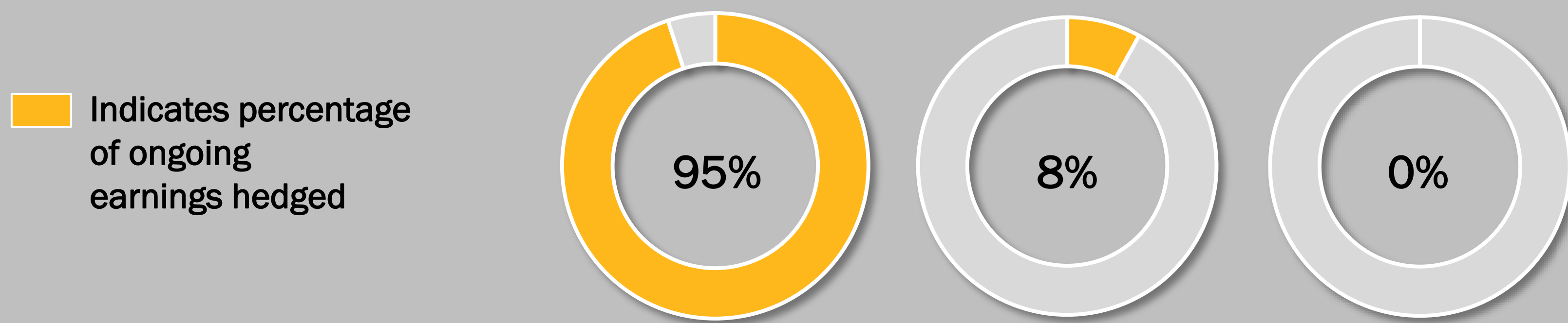
Foreign Currency Update

Foreign Currency Hedge Status



	2020 [1]	2021	2022
Average Hedge Rate[2]	\$1.47/£	\$1.32/£	-

- **Increased 2020 hedge position to 95% from 79% at the end of the first quarter**
- **2021 hedge position remains at about 8%**
  - No plans to add additional earnings hedges to 2021, given announced sale process of WPD

Note: As of August 5, 2020.

(1) PPL's foreign currency hedge status based on the midpoint of our 2020 ongoing earnings forecast range of \$2.40 - \$2.60.
(2) Hedge rates reflect a combination of average-rate forwards and options. Average hedge rates based on the average forward rate and the average floor on the options.

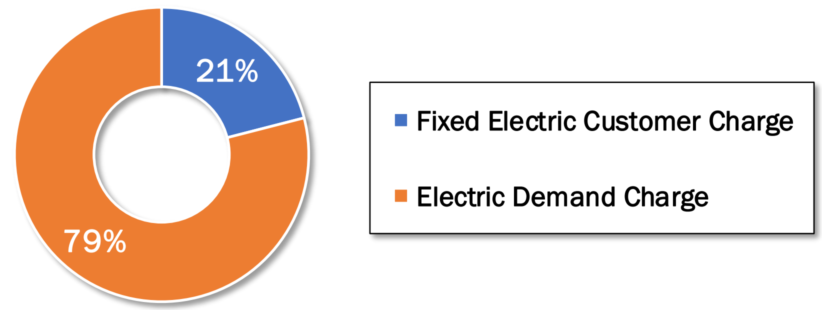
U.K. Load Profile and Sensitivities

U.K. volume variances are NPV neutral; decoupled and trued-up in 2 years

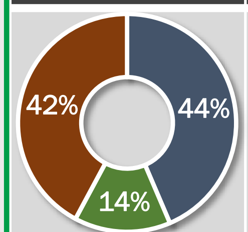
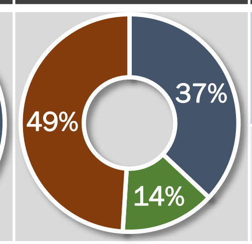
Key Considerations

- Any revenue under collection due to volume declines, including COVID, will be trued-up in tariff two years later, adjusted for inflation
- Approximately 45% of distribution revenues are from Residential customer class
- Retail margins by customer class for electric distribution service are less differentiated than U.S.

2019A Margin Breakdown



Sensitivity to Electric Distribution Sales Volumes

2019A Revenues	2019A Volumes
	

Annual EPS Sensitivity to 1% Change in Load (2) (3)	
Residential	+/-$0.01
C&I	+/-$0.01

(1) "Large C&I" represents Commercial & Industrial (half-hourly metered) and "Small C&I" represents Small Commercial (non-half hourly metered). In the U.K., these measurement classes are grouped by demand levels.
(2) Estimated annual sensitivities rounded to the nearest $0.005 per share.
(3) Based on exchange rate of $1.30/£.

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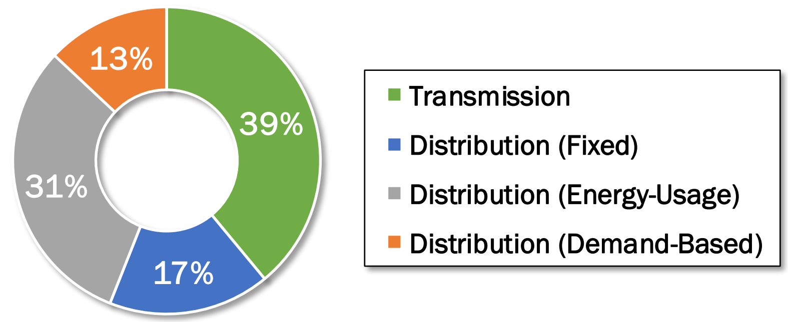
Pennsylvania Load Profile and Sensitivities

Fixed charges and formula rates make up a significant percentage of margin

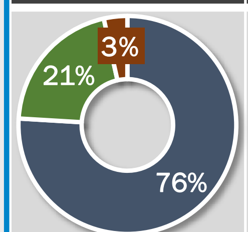
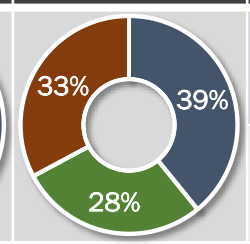
Key Considerations

- Approx. 40% of margins are from Transmission business, under FERC-Formula rates
- 30% of margins are from fixed customer and demand-based distribution charges
- Approx. 75% of Electric Distribution revenues are from Residential customer class

2019A Margin Breakdown



Sensitivity to Electric Distribution Sales Volumes

2019A Revenues	2019A Volumes	Annual EPS Sensitivity to 1% Change in Load [1]	
		Residential	+/-$0.005
		C&I [2]	+/-$0.00

Residential Commercial Industrial

(1) Estimated annual sensitivities rounded to the nearest $0.005 per share.
(2) Estimated annual sensitivity for Pennsylvania C&I was not significant and rounds to $0.00.

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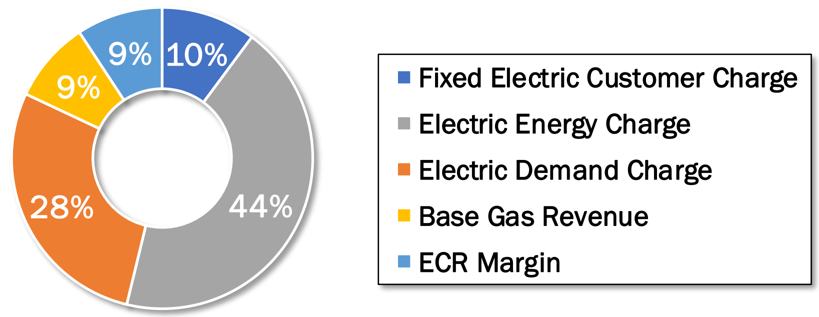
Kentucky Load Profile and Sensitivities

Revenue diversity, fixed and demand charges reduce sensitivity to load

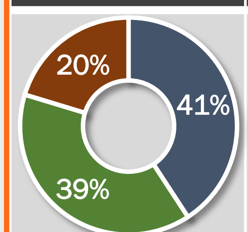
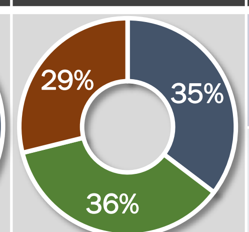
Key Considerations

- Approx. 25% of margins are from fixed customer charges, riders and formula rates that are not sensitive to changes in volume
- Approx. 30% of margins are electric demand-based charges that mitigate some impact to changes in volume
- Terms of LG&E's and KU's tariffs partially mitigate the impact of short-term demand reductions

2019A Margin Breakdown



Sensitivity to Electric Distribution Sales Volumes

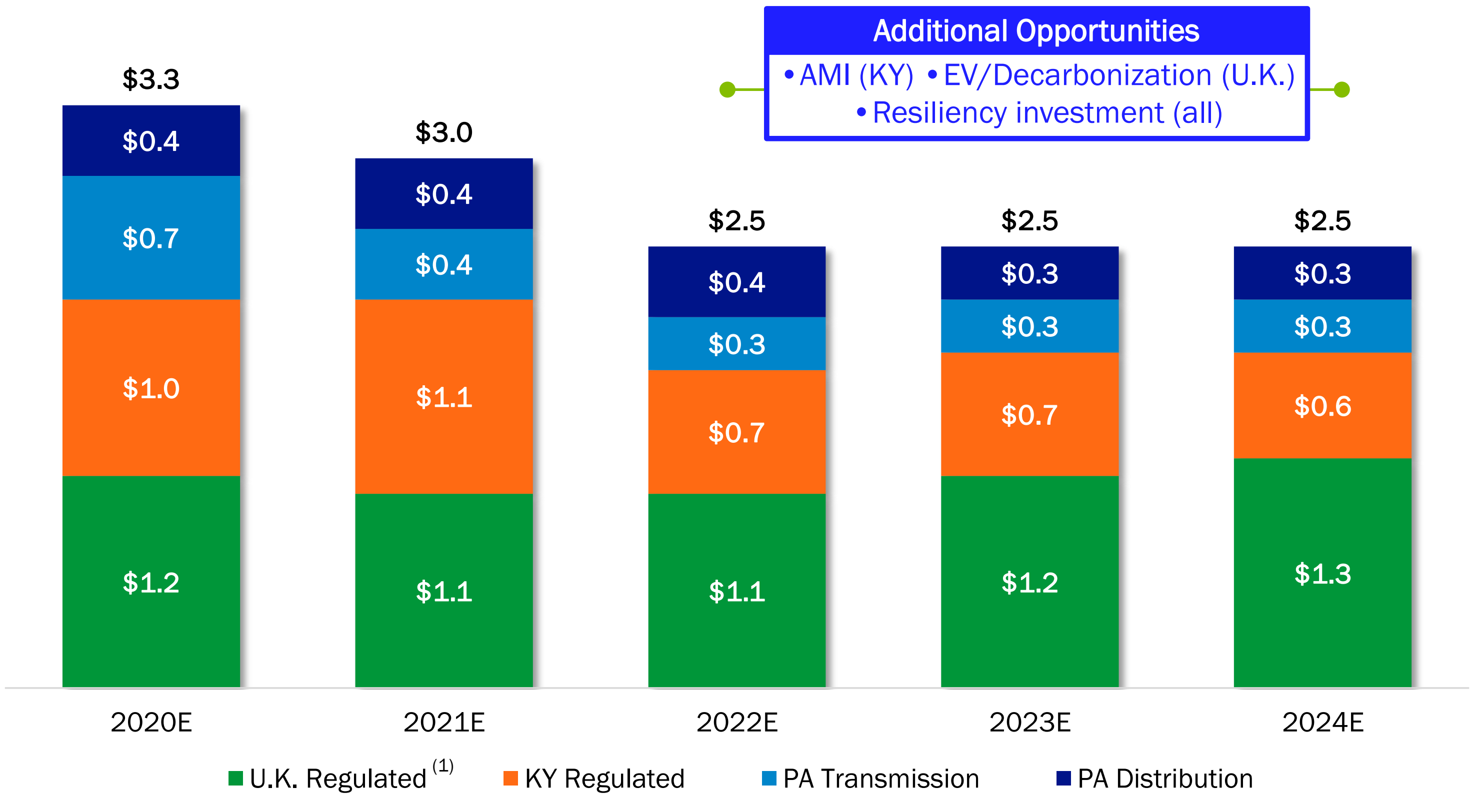
2019A Revenues (1)	2019A Volumes (1)	Annual EPS Sensitivity to 1% Change in Load (2)	
		Residential	+/-$0.005
		C&I	+/-$0.01

Residential Commercial Industrial

(1) Commercial includes customers classified as public authorities.
(2) Estimated annual sensitivities rounded to the nearest $0.005 per share.

2020 – 2024 Capital Plan by Utility

($ in billions)

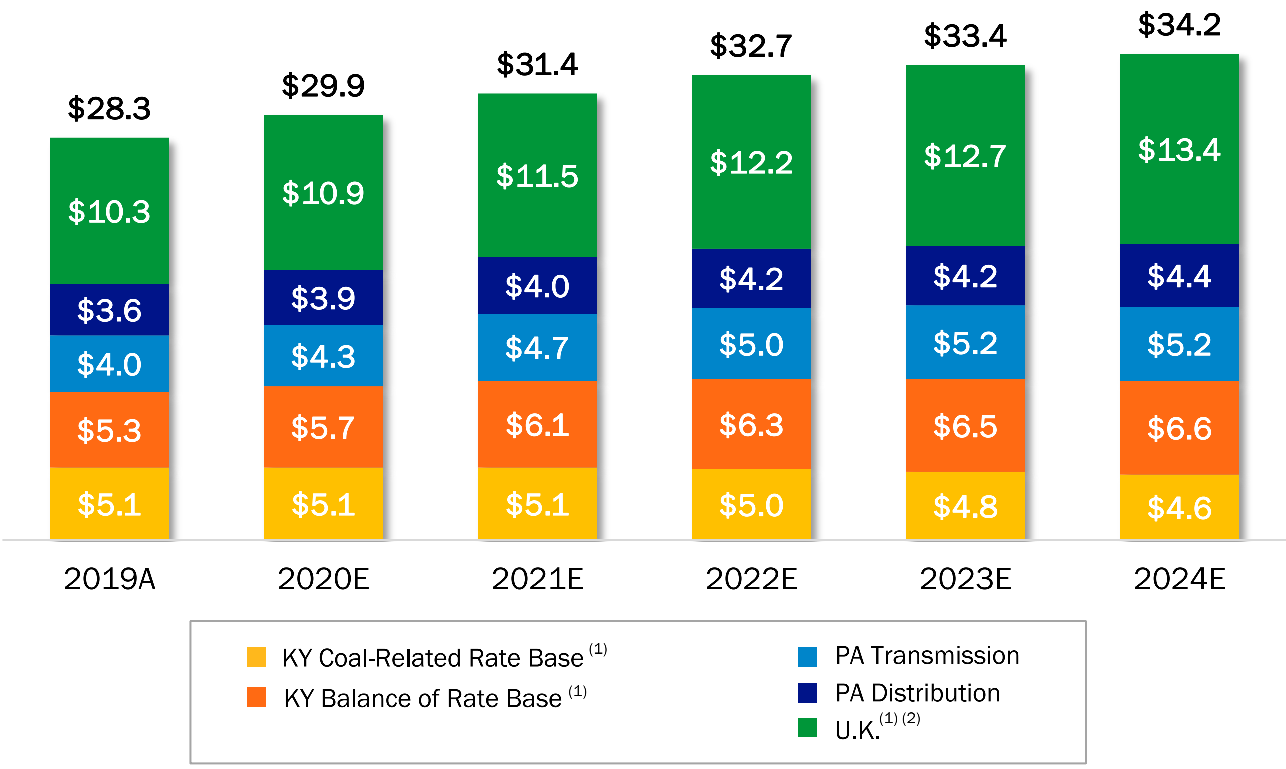


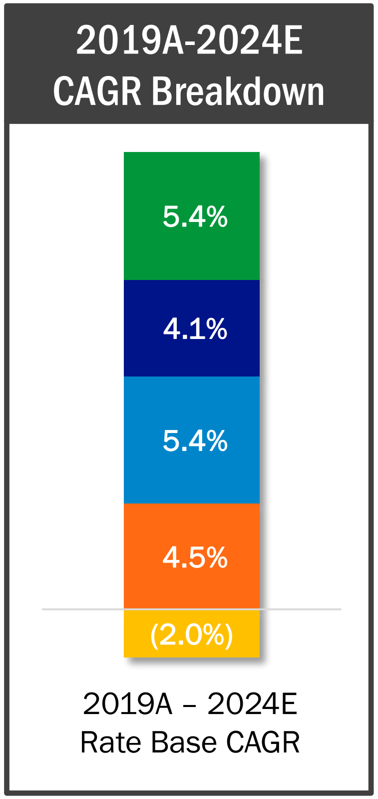
Note: The information contained on this slide does not reflect the potential sale of the U.K. business. There is no assurance that the announced sale process will result in the consummation of the sale of the U.K. business.

(1) Based on assumed exchange rate of $1.30/£ in all years for comparability purposes.

Projected Rate Base by Utility

($ in billions)





Note: Rate base represents end of calendar year values. The information contained on this slide does not reflect the potential sale of the U.K. business. There is no assurance that the announced sale process will result in the consummation of the sale of the U.K. business.

(1) Represents Regulatory Asset Value (RAV) for U.K. and utility capitalization for KY.

(2) Based on assumed exchange rate of $1.30/£ in all years for comparability purposes.

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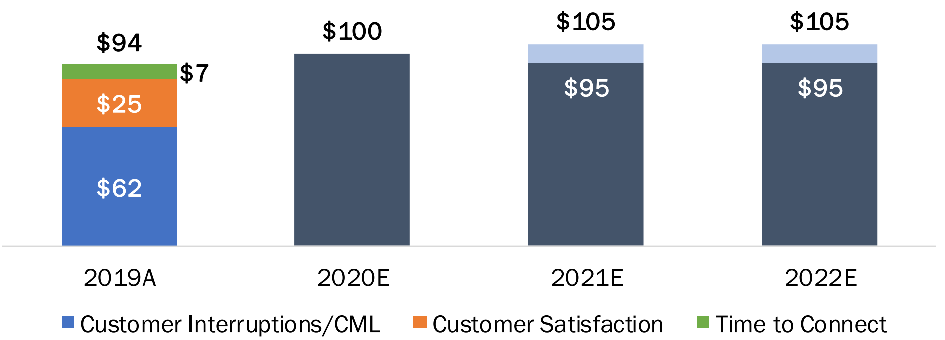
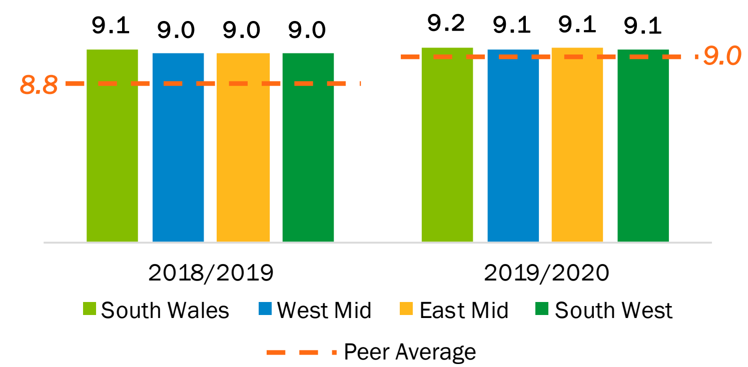
U.K. Regulated Incentive Revenues

WPD continues to demonstrate how premier network operators deliver value for customers and shareowners

Incentive Revenues [1]



Excellent Customer Satisfaction Ratings



- **WPD has the ability to earn annual incentive revenues for strong operational performance:**
  - Customer Interruptions/Minutes Lost – rewards or penalizes DNOs for managing and reducing power outage frequency and duration
  - The Broad Measure of Customer Service – rewards or penalizes DNOs based on supply interruptions, connections and general inquiries, complaints, stakeholder engagement, and delivery of social obligations
  - Time to Connect – incentive rewards DNOs for reducing connection times against Ofgem targets

(1) Based on calendar year revenues on an exchange rate of $1.30/£ in all years for comparability purposes. Annual incentives are reflected in customer rates on a two-year lag from the time they are earned.

U.K. Regulated: True-up Mechanisms

TRU Adjustment

- Tariffs are set using a forecasted RPI as determined by HM Treasury
- Forecasted RPI is trued up to actuals and the corresponding revenue adjustment is collected from or returned to customers two regulatory years later

MOD Adjustment

- On an annual basis, certain components of base revenue are updated for financial adjustments including tax, pension, cost of debt and legacy price control adjustments
- MOD adjustment also includes the Totex Incentive Mechanism which allows WPD to retain 70% of any cost savings against the RIIO-ED1 business plan and bear 70% of any cost over-runs
- Similar to TRU, most MOD components result in a revenue adjustment two regulatory years later

Correction Factor (K-factor) Adjustment

- A K-factor is created if set tariffs or delivered volumes do not recover allowed revenue for a regulatory year
- Over and under-recoveries are included in allowed revenues two regulatory years later

Adjustments included in current forecast			
($ in millions, pre-tax)	2020	2021	2022 (1)
TRU	$0	($10)	
MOD	($90)	($150)	
K-factor	($10)	$10	
Total	($100)	($150)	($130) - ($180)

Note: Based on assumed exchange rates of $1.30/£ in all years.

(1) Does not yet reflect estimates for potential sales volume true-up due to COVID-19.

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U.K. Regulated: RIIO-2 Projected Timelines

Proposed Electricity Distribution Timeline[1]

2019
- RIIO-ED2 Open Letter Consultation **(August)** ✓
- RIIO-ED2 Framework Decision **(December)** ✓

2020
- RIIO-ED2 Sector Methodology Consultation **(July)** ✓
- RIIO-ED2 Methodology Decision **(December)**

2021
- RIIO-ED2 Draft Business Plan Submission **(July)**
- RIIO-ED2 Final Business Plan Submission **(December)**

2022
- RIIO-ED2 Draft Determination **(June)**
- RIIO-ED2 Final Determination **(December)**

2023
- RIIO-ED2 Begins **(April)** ★

Transmission and Gas Distribution Timeline

2019
- Sector specific methodology consultation (December) ✓
- Sector specific methodology decision (May) ✓
- Companies business plan formal submission (Q4) ✓

2020
- Draft determination (Q2) ✓
- Final determination (November)
- Statutory license consultation (December)

2021
- License decision (February)
- Start of RIIO-2 price control for ET, GT, GD, and ESO (April) ★

(1) Based on timeline published in Ofgem's RIIO-ED2 Methodology Consultation dated July 2020.

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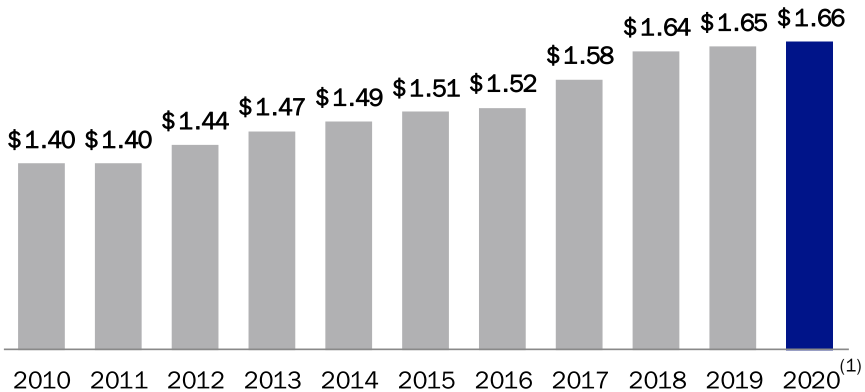
Dividend Profile

PPL's dividend is an important component to total shareowner return

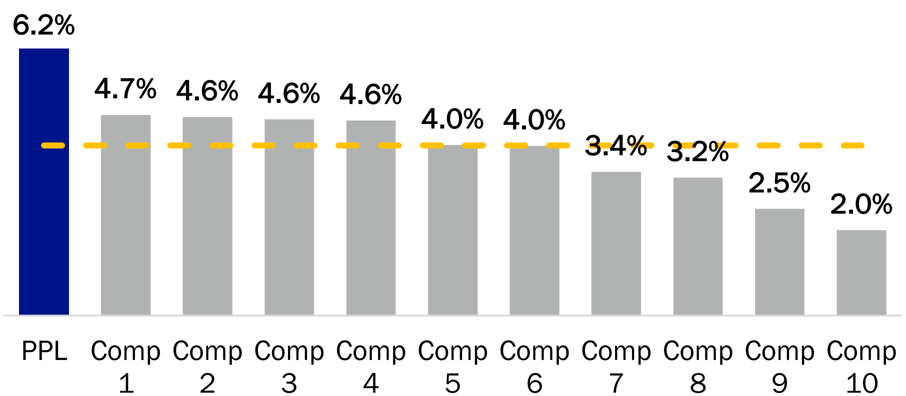
10-Year Dividend History

($ per share)



PPL Dividend Yield vs. Large Cap Utilities (2)

Large Cap Utility Average: 4.0%



- **PPL has a long-standing history of paying dividends to shareowners**
  - July 1st dividend represents the 298th consecutive quarterly dividend paid
- **PPL's dividend offers an attractive yield with growth in today's low rate environment**

Note: There is no change in the dividend as of a result of the announced sale process of the U.K. business. There is no assurance that the announced sale process will result in the consummation of the sale. The Board of Directors will assess the dividend at the appropriate time in connection with a resulting transaction.

(1) Annualized dividend based on February 14, 2020 announced increase. Actual dividends to be determined by Board of Directors.
(2) Dividend yield calculated based on share prices and annualized dividends as of July 31, 2020.

Debt Maturities

($ in Millions)	2020	2021	2022	2023	2024	2025 and Beyond	Total
PPL Capital Funding	$0	$0	$900	$600	$350	$3,780	$5,630
PPL Electric Utilities(1)	$0	$400	$474	$90	$0	$3,075	$4,039
LG&E and KU Energy	$475	$250	$0	$0	$0	$0	$725
Louisville Gas & Electric(1)	$0	$292	$0	$0	$0	$1,732	$2,024
Kentucky Utilities(1)(2)	$500	$132	$0	$13	$0	$2,497	$3,142
WPD plc(3)	$0	$500	$0	$617	$62	$634	$1,813
WPD Operating Companies(3)(4)	$185	$0	$0	$864	$494	$4,361	$5,904
Total	**$1,160**	**$1,574**	**$1,374**	**$2,184**	**$906**	**$16,079**	**$23,277**

Note: As of June 30, 2020.

(1) Amounts reflect the timing of any put option on municipal bonds that may be put by the holders before the bonds' final maturities.
(2) In August 2020, Kentucky Utilities redeemed $500 million of 3.25% First Mortgage Bonds due November 2020.
(3) U.K. translated at $1.23/£.
(4) Includes WPD (East Midlands) plc, WPD (West Midlands) plc, WPD (South Wales) plc and WPD (South West) plc.

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Liquidity Profile

Entity	Facility	Expiration Date	Capacity (Millions)	Borrowed (Millions)	Letters of Credit & Commercial Paper Issued (Millions)	Unused Capacity (Millions)
PPL Capital Funding	Syndicated Credit Facility	Jan-2024	$1,450	$0	$0	$1,450
	Term Loan Credit Facility	Mar-2022	100	100	0	0
	Term Loan Credit Facility	Mar-2021	300	300	0	0
	Bilateral Credit Facility	Mar-2021	50	0	0	50
	Uncommitted Credit Facility	Mar-2021	50	0	15	35
			$1,950	$400	$15	$1,535
PPL Electric Utilities	Syndicated Credit Facility	Jan-2024	$650	$0	$201	$449
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2024	$500	$0	$0	$500
Kentucky Utilities	Syndicated Credit Facility	Jan-2024	$400	$0	$0	$400
	Total U.S. Credit Facilities		**$3,500**	**$400**	**$216**	**$2,884**
WPD	WPD plc Syndicated Credit Facility	Jan-2023	£210	£162	£0	£48 (1)
	WPD (South West) Syndicated Credit Facility	May-2023	220	0	0	220
	WPD (South Wales) Syndicated Credit Facility	May-2023	125	5	0	120
	WPD (East Midlands) Syndicated Credit Facility	May-2023	250	0	0	250
	WPD (West Midlands) Syndicated Credit Facility	May-2023	250	39	0	211
	Uncommitted Credit Facilities		100	60	4	37
	Total U.K. Credit Facilities		**£1,155**	**£266**	**£4**	**£885**

Note: As of June 30, 2020.

(1) The unused capacity reflects the amount borrowed in GBP of £162 million as of the date borrowed.

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PPL's Credit Ratings

PPL Corporation

Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	NR	NR
Long-term Issuer	A-	Baa2
Outlook	Stable	Stable

PPL Capital Funding

Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa2
Long-term Issuer	A-	NR
Outlook	Stable	Stable

WPD Holding Company

Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa3
Long-term Issuer	A-	Baa3
Outlook	Stable	Stable

LKE Holding Company

Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa1
Long-term Issuer	A-	Baa1
Outlook	Stable	Stable

WPD Operating Companies

Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	A-	Baa1
Long-term Issuer	A-	Baa1
Outlook	Stable	Stable

LKE Operating Companies

Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

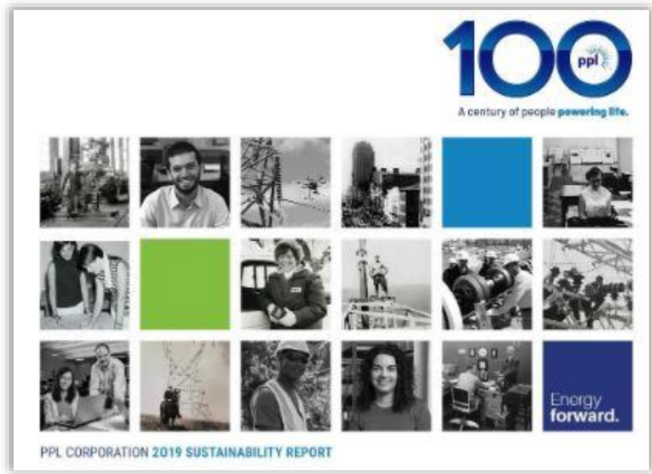
PPL Electric Utilities

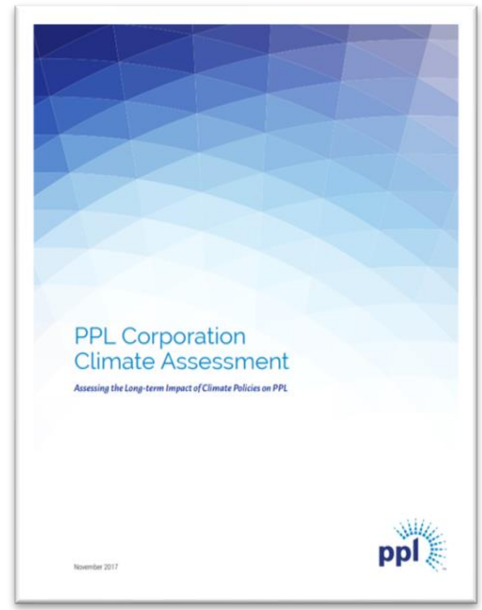
Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

Note: As of June 30, 2020.

Voluntary ESG Disclosures

Extensive and transparent reporting keeps stakeholders informed





CDP
DRIVING SUSTAINABLE ECONOMIES

- TCFD, SASB disclosure mapping [1] [2]
- CPA-Zicklin political disclosure [3]
- Responsive to Sustainalytics, MSCI, ISS, and other ratings

(1) TCFD: Task Force on Climate-related Financial Disclosures.
(2) SASB: Sustainability Accounting Standards Board.
(3) CPA-Zicklin Index is produced by the Center for Political Accountability in conjunction with the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) (millions of dollars)	2nd Quarter June 30, 2020					Year-to-Date June 30, 2020				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	$ 179	$ 74	$ 118	$ (27)	$ 344	$ 519	$ 201	$ 236	$ (58)	$ 898
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of $17, $6	(65)				(65)	(23)				(23)
Talen litigation costs, net of tax of $0, $1				(2)	(2)				(4)	(4)
COVID-19 impact, net of tax of $4, $4 (1)	(12)	(4)	-		(16)	(12)	(4)	-		(16)
Total Special Items	(77)	(4)	-	(2)	(83)	(35)	(4)	-	(4)	(43)
Earnings from Ongoing Operations	$ 256	$ 78	$ 118	$ (25)	$ 427	$ 554	$ 205	$ 236	$ (54)	$ 941

After-Tax (Unaudited) (per share - diluted)	2nd Quarter June 30, 2020					Year-to-Date June 30, 2020				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	$ 0.23	$ 0.10	$ 0.15	$ (0.03)	$ 0.45	$ 0.67	$ 0.26	$ 0.31	$ (0.07)	$ 1.17
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	(0.08)				(0.08)	(0.03)				(0.03)
COVID-19 impact (1)	(0.02)	-	-		(0.02)	(0.02)	-	-		(0.02)
Total Special Items	(0.10)	-	-	-	(0.10)	(0.05)	-	-	-	(0.05)
Earnings from Ongoing Operations	$ 0.33	$ 0.10	$ 0.15	$ (0.03)	$ 0.55	$ 0.72	$ 0.26	$ 0.31	$ (0.07)	$ 1.22

(1) COVID-19 impact relates to incremental costs for labor not chargeable to capital projects due to U.K. government lockdown restrictions, outside services, customer payment processing, purchases of personal protective equipment and other safety related actions associated with the COVID-19 pandemic.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (millions of dollars)	2nd Quarter June 30, 2019					Year-to-Date June 30, 2019				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	$ 284	$ 97	$ 94	$ (34)	$ 441	$ 548	$ 214	$ 215	$ (70)	$ 907
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of ($7), $4	24				24	(16)				(16)
Talen litigation costs, net of tax of $1, $1				(1)	(1)				(3)	(3)
Other, net of tax of $1, $1	(4)				(4)	(4)				(4)
Total Special Items	20	-	-	(1)	19	(20)	-	-	(3)	(23)
Earnings from Ongoing Operations	$ 264	$ 97	$ 94	$ (33)	$ 422	$ 568	$ 214	$ 215	$ (67)	$ 930

After-Tax (per share - diluted)	2nd Quarter June 30, 2019					Year-to-Date June 30, 2019				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	$ 0.39	$ 0.13	$ 0.13	$ (0.05)	$ 0.60	$ 0.75	$ 0.29	$ 0.29	$ (0.09)	$ 1.24
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	0.04				0.04	(0.02)				(0.02)
Talen litigation				(0.01)	(0.01)					
Other	(0.01)				(0.01)	(0.01)				(0.01)
Total Special Items	0.03	-	-	(0.01)	0.02	(0.03)	-	-	-	(0.03)
Earnings from Ongoing Operations	$ 0.36	$ 0.13	$ 0.13	$ (0.04)	$ 0.58	$ 0.78	$ 0.29	$ 0.29	$ (0.09)	$ 1.27

Adjusted Gross Margins Summary

(Unaudited) (millions of dollars, except share data)	Three Months Ended June 30, 2020	2019	Change	Per Share Diluted (after-tax)
U.K. Adjusted Gross Margins	$ 439	$ 500	$ (61)	$ (0.07)
Less: Impact of changes in foreign currency exchange rates			(24)	(0.03)
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			$ (37)	$ (0.04)
Kentucky Adjusted Gross Margins	$ 479	$ 484	$ (5)	$ (0.01)
Pennsylvania Adjusted Gross Margins				
Distribution	$ 218	$ 204	$ 14	$ 0.02
Transmission	165	142	23	0.02
Total Pennsylvania Adjusted Gross Margins	$ 383	$ 346	$ 37	$ 0.04

(Unaudited) (millions of dollars, except share data)	Six Months Ended June 30, 2020	2019	Change	Per Share Diluted (after-tax)
U.K. Adjusted Gross Margins	$ 1,014	$ 1,046	$ (32)	$ (0.04)
Less: Impact of changes in foreign currency exchange rates			(15)	(0.02)
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			$ (17)	$ (0.02)
Kentucky Adjusted Gross Margins	$ 1,026	$ 1,014	$ 12	$ 0.01
Pennsylvania Adjusted Gross Margins				
Distribution	$ 460	$ 464	$ (4)	$ (0.01)
Transmission	324	285	39	0.04
Total Pennsylvania Adjusted Gross Margins	$ 784	$ 749	$ 35	$ 0.03

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Reconciliation of Adjusted Gross Margins to Operating Income

(Unaudited) (millions of dollars)	Three Months Ended June 30, 2020					Six Months Ended June 30, 2020				
	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	$ 467	$ 700	$ 554	$ 18	$ 1,739	$ 1,071	$ 1,525	$ 1,162	$ 35	$ 3,793
Operating Expenses										
Fuel		138			138		301			301
Energy purchases		22	111		133		79	255		334
Other operation and maintenance	28	20	23	416	487	57	41	46	819	963
Depreciation		38	13	268	319		75	25	536	636
Taxes, other than income		3	24	40	67		3	52	92	147
Total Operating Expenses	28	221	171	724	1,144	57	499	378	1,447	2,381
Total	$ 439	$ 479	$ 383	$ (706)	$ 595	$ 1,014	$ 1,026	$ 784	$ (1,412)	$ 1,412

(Unaudited) (millions of dollars)	Three Months Ended June 30, 2019					Six Months Ended June 30, 2019				
	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	U.K. Adjusted Gross Margins	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	$ 531	$ 732	$ 521	$ 19	$ 1,803	$ 1,105	$ 1,577	$ 1,166	$ 34	$ 3,882
Operating Expenses										
Fuel		168			168		362			362
Energy purchases		27	110	1	138		106	281	1	388
Other operation and maintenance	31	23	31	397	482	59	45	62	806	972
Depreciation		29	12	259	300		48	22	514	584
Taxes, other than income		1	22	52	75		2	52	101	155
Total Operating Expenses	31	248	175	709	1,163	59	563	417	1,422	2,461
Total	$ 500	$ 484	$ 346	$ (690)	$ 640	$ 1,046	$ 1,014	$ 749	$ (1,388)	$ 1,421

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Reconciliation of PPL's Earnings Forecast

After-Tax (Unaudited) (per share - diluted)	2020 Forecast 2020 Forecast Range		
	Midpoint	High	Low
Estimate of Reported Earnings	$ 2.45	$ 2.55	$ 2.35
Less: Special Items (expense) benefit: [(1)]			
Foreign currency economic hedges	(0.03)	(0.03)	(0.03)
COVID-19 impact [(2)]	(0.02)	(0.02)	(0.02)
Total Special Items	(0.05)	(0.05)	(0.05)
Forecast of Earnings from Ongoing Operations	$ 2.50	$ 2.60	$ 2.40

(1) Reflects only special items recorded through June 30, 2020. PPL is not able to forecast special items for future periods.
(2) COVID-19 impact relates to incremental costs for labor not chargeable to capital projects due to U.K. government lockdown restrictions, outside services, customer payment processing, purchases of personal protective equipment and other safety related actions associated with the COVID-19 pandemic.

Forward-Looking Information Statement

Statements contained in this presentation, including statements with respect to future earnings, cash flows, dividends, financing, regulation and corporate strategy, including the process to sell PPL Corporation's U.K. business, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: the COVID-19 pandemic or other pandemic health events or other catastrophic events, including severe weather, and their effect on financial markets, economic conditions and our businesses; market demand for energy in our U.S. service territories; weather conditions affecting customer energy usage and operating costs; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of our facilities; the length of scheduled and unscheduled outages at our generating plants; environmental conditions and requirements, and the related costs of compliance; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; asset or business acquisitions and dispositions, including our ability to successfully execute our plan to divest PPL's Corporation's U.K. business within the anticipated timeframe or on any particular terms, if at all, or that such plan may not yield the anticipated benefits; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; capital market conditions, including interest rates, and decisions regarding capital structure; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation involving PPL Corporation and its subsidiaries; stock price performance; the market prices of debt and equity securities and the impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business, including any potential effects of threatened or actual cyberattack, terrorism, or war or other hostilities; British pound sterling to U.S. dollar exchange rates; new state, federal or foreign legislation or regulatory developments, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important factors and in conjunction with factors and other matters discussed in PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

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Definitions of non-GAAP Financial Measures

Management utilizes "Earnings from Ongoing Operations" as a non-GAAP financial measure that should not be considered as an alternative to reported earnings, or net income, an indicator of operating performance determined in accordance with GAAP. PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides management's view of PPL's earnings performance as another criterion in making investment decisions. In addition, PPL's management uses Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including targets for certain executive incentive compensation. Other companies may use different measures to present financial performance.

Earnings from Ongoing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on an after-tax basis with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, are calculated based on the statutory tax rate of the entity where the activity is recorded. Special items may include items such as:

- Unrealized gains or losses on foreign currency economic hedges (as discussed below).
- Gains and losses on sales of assets not in the ordinary course of business.
- Impairment charges.
- Significant workforce reduction and other restructuring effects.
- Acquisition and divestiture-related adjustments.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.

Unrealized gains or losses on foreign currency economic hedges include the changes in fair value of foreign currency contracts used to hedge GBP-denominated anticipated earnings. The changes in fair value of these contracts are recognized immediately within GAAP earnings. Management believes that excluding these amounts from Earnings from Ongoing Operations until settlement of the contracts provides a better matching of the financial impacts of those contracts with the economic value of PPL's underlying hedged earnings.

Definitions of non-GAAP Financial Measures

Management also utilizes the following non-GAAP financial measures as indicators of performance for its businesses:

"U.K. Adjusted Gross Margins" is a single financial performance measure of the electricity distribution operations of the U.K. Regulated segment. In calculating this measure, direct costs such as connection charges from National Grid, which owns and manages the electricity transmission network in England and Wales, and Ofgem license fees (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues, as they are costs passed through to customers. As a result, this measure represents the net revenues from the delivery of electricity across WPD's distribution network in the U.K. and directly related activities.

"Kentucky Adjusted Gross Margins" is a single financial performance measure of the electricity generation, transmission and distribution operations of the Kentucky Regulated segment, as well as the Kentucky Regulated segment’s distribution and sale of natural gas. In calculating this measure, fuel, energy purchases and certain variable costs of production (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues. In addition, certain other expenses, recorded in "Other operation and maintenance", "Depreciation" and "Taxes, other than income" on the Statements of Income, associated with approved cost recovery mechanisms are offset against the recovery of those expenses, which are included in revenues. These mechanisms allow for direct recovery of these expenses and, in some cases, returns on capital investments and performance incentives. As a result, this measure represents the net revenues from electricity and gas operations.

"Pennsylvania Adjusted Gross Margins" is a single financial performance measure of the electricity transmission and distribution operations of the Pennsylvania Regulated segment. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms, including energy provided as a PLR, are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance," (which are primarily Act 129, Storm Damage and Universal Service program costs), "Depreciation" (which is primarily related to the Act 129 Smart Meter program) and "Taxes, other than income," (which is primarily gross receipts tax) on the Statements of Income. This measure represents the net revenues from the Pennsylvania Regulated segment's electricity delivery operations.

These measures are not intended to replace "Operating Income," which is determined in accordance with GAAP, as an indicator of overall operating performance. Other companies may use different measures to analyze and report their results of operations. Management believes these measures provide additional useful criteria to make investment decisions. These performance measures are used, in conjunction with other information, by senior management and PPL's Board of Directors to manage operations and analyze actual results compared with budget.

Reconciliations of adjusted gross margins for future periods are not provided as certain items excluded from Operating Income are inherently subject to change and are not significant.