

PPL 3rd Quarter Earnings Call November 5, 2020



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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 some of the 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. Unless otherwise expressly specified, the figures in this presentation do not reflect the effects of any sale of the U.K. business.

Management utilizes non-GAAP financial measures such as, "earnings from ongoing operations" or "ongoing earnings" in this presentation. For additional information on non-GAAP financial measures and reconciliations to the appropriate GAAP measure, refer to the Appendix of this presentation and PPL's earnings release.

Agenda

I. Third Quarter Review

Vince Sorgi

II. Q3 Financial Review

Joe Bergstein

III. Closing Remarks

Vince Sorgi

IV. Q&A

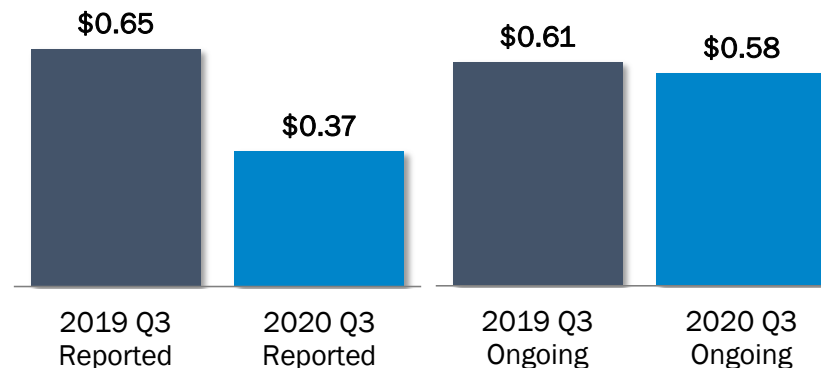
Third Quarter Review

Q3 Highlights

- Delivered Q3 2020 ongoing earnings results of \$0.58 per share vs. \$0.61 per share in Q3 2019
- Remain steadfast in delivering safe and reliable service to customers as we manage the impacts of COVID-19
 - Investments in smart technology continue to provide meaningful benefits to customers
 - Residential load remains strong across all territories; C&I load still down, yet improving
 - Maintained strong financial position
 - Continue to support those in need as moratoriums on customer disconnects are scheduled to end in PA and KY
- U.K. sale process on track
 - Continue to expect to announce a transaction in the first half of 2021

Q3 Earnings Results

(Earnings Per Share)



Forecast Updates

- Narrowed 2020 forecast range to **\$2.40 – \$2.50 per share**
 - Continue to project to be at lower end of forecast range primarily due to lower sales volumes in the U.K. from the impact of COVID-19 and mild Q1 weather

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

Regulatory and ESG Updates

Regulatory Updates

- **U.K. Regulated Updates**
 - WPD response to RII0-ED2 methodology encourages strong incentive-based regime to drive U.K. decarbonization efforts
 - Recent CMA findings for the water sector support more stable returns for regulated utilities in U.K. to incentivize necessary investments
- **Pennsylvania Regulated Updates**
 - FERC has requested parties to enter settlement procedures regarding the transmission ROE complaint
 - If no settlement is reached, the case will go to public hearings
- **Kentucky Regulated Updates**
 - Announced intent to apply for new rates in late November 2020, which will include seeking approval for AMI deployment

Sustainability and Governance Updates

- **Joined EPRI and GTI led initiative to accelerate low-carbon energy technologies⁽¹⁾⁽²⁾**
 - Collaborative effort focuses on identifying, developing and demonstrating affordable pathways to economy-wide decarbonization
- **Achieved a top score on the 2020 Disability Equality Index, reflecting our commitment to creating a diverse and inclusive culture**
- **Earned a Trendsetter ranking by the CPA-Zicklin Index for political disclosure and accountability practices**
- **Added Arthur P. Beattie, former Southern Company CFO, to PPL's Board of Directors**

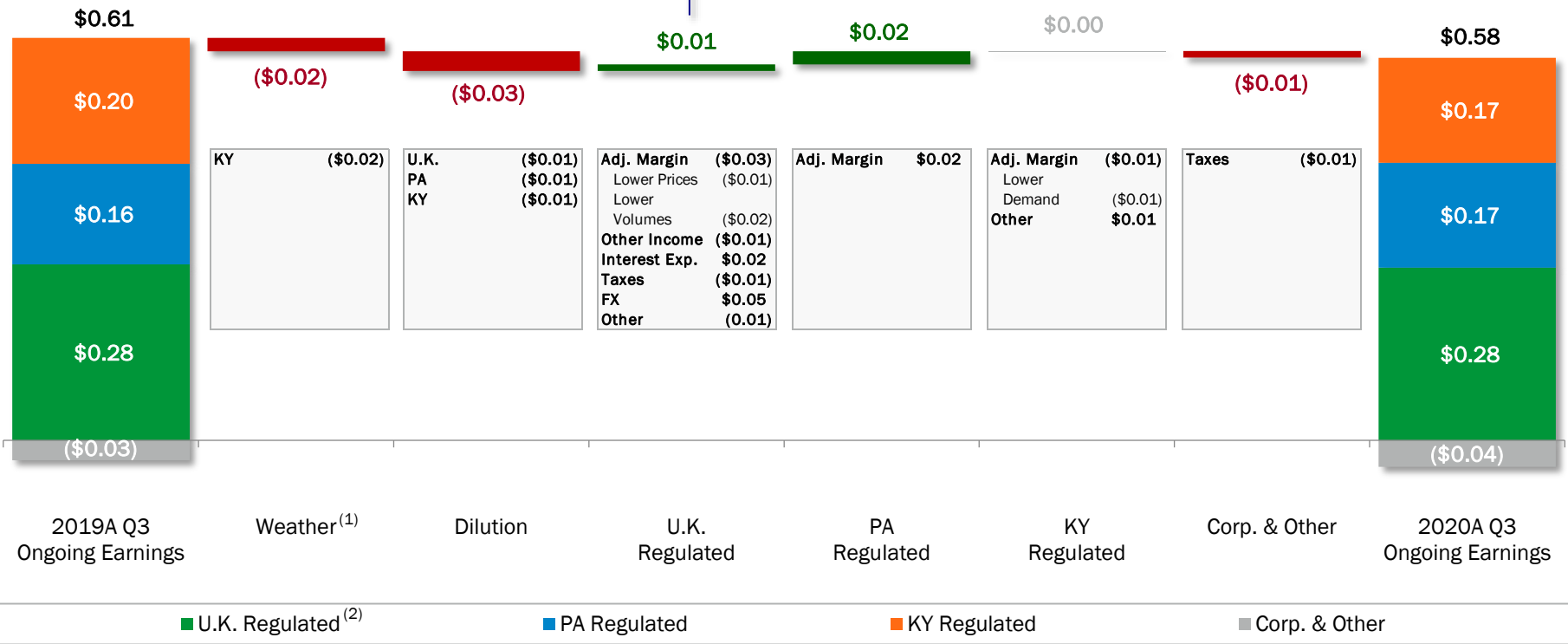
(1) Electric Power Research Institute (EPRI): a non-profit organization that conducts research and development relating to the generation, delivery and use of electricity for the benefit of the public, on a non-discriminatory basis.

(2) Gas Technology Institute (GTI): a leading research, development, and training organization addressing global energy and environmental challenges to enable a secure, reliable, abundant, and clean energy future.

Q3 2020 Financial Results

(Earnings Per Share)

\$0.02 impact due to lower sales volumes to be recovered through decoupling mechanism in 2022-2023



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

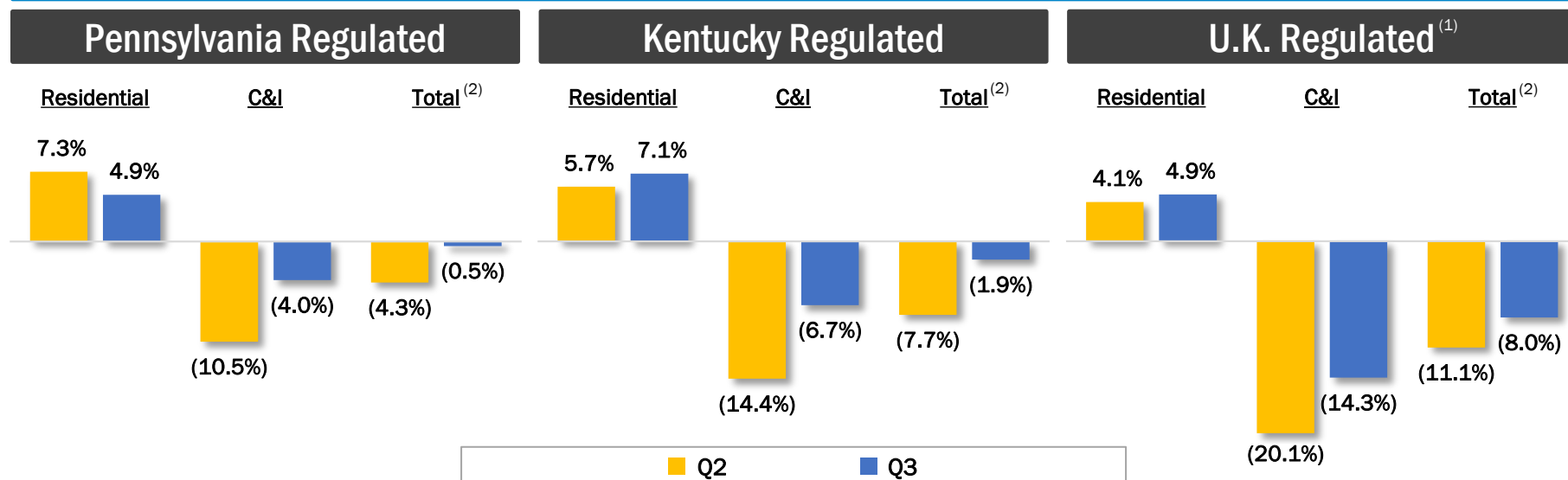
- (1) Reflects estimated impact of weather on sales volumes and related adjusted gross margins in the chart above.
- (2) Reflects a weighted average exchange rate of \$1.54/£ for Q3 2020 vs. \$1.26/£ for Q3 2019.



COVID Implications on Sales by Segment

Stronger residential sales continue to partially mitigate impact in U.S.; Impacts from lower sales volumes in U.K. to be recovered via decoupling mechanism

Quarterly Weather-Normalized Electricity Sales Volume Variances (2020 vs. 2019)



- Estimated Q3 net impact was not significant compared to prior year
- Customer mix and tariff structure offset lower C&I sales

- Estimated Q3 impact was less than (\$0.01) vs. prior year primarily due to lower demand charges in C&I
- Residential energy usage remains favorable; offsets a portion of C&I

- Estimated Q3 impact was (\$0.03) vs. prior year primarily due to lower C&I sales volumes due to COVID-19
- Weather-normalized C&I volumes showing improvement since Q2

(1) PPL consolidates U.K. segment results on a one-month lag. For example, Q3 load comparison reflects sales volumes from June, July, and August.

(2) U.S. totals include Residential, Commercial and Industrial customer classes as well as "Other," which is not depicted on the charts above.



Appendix

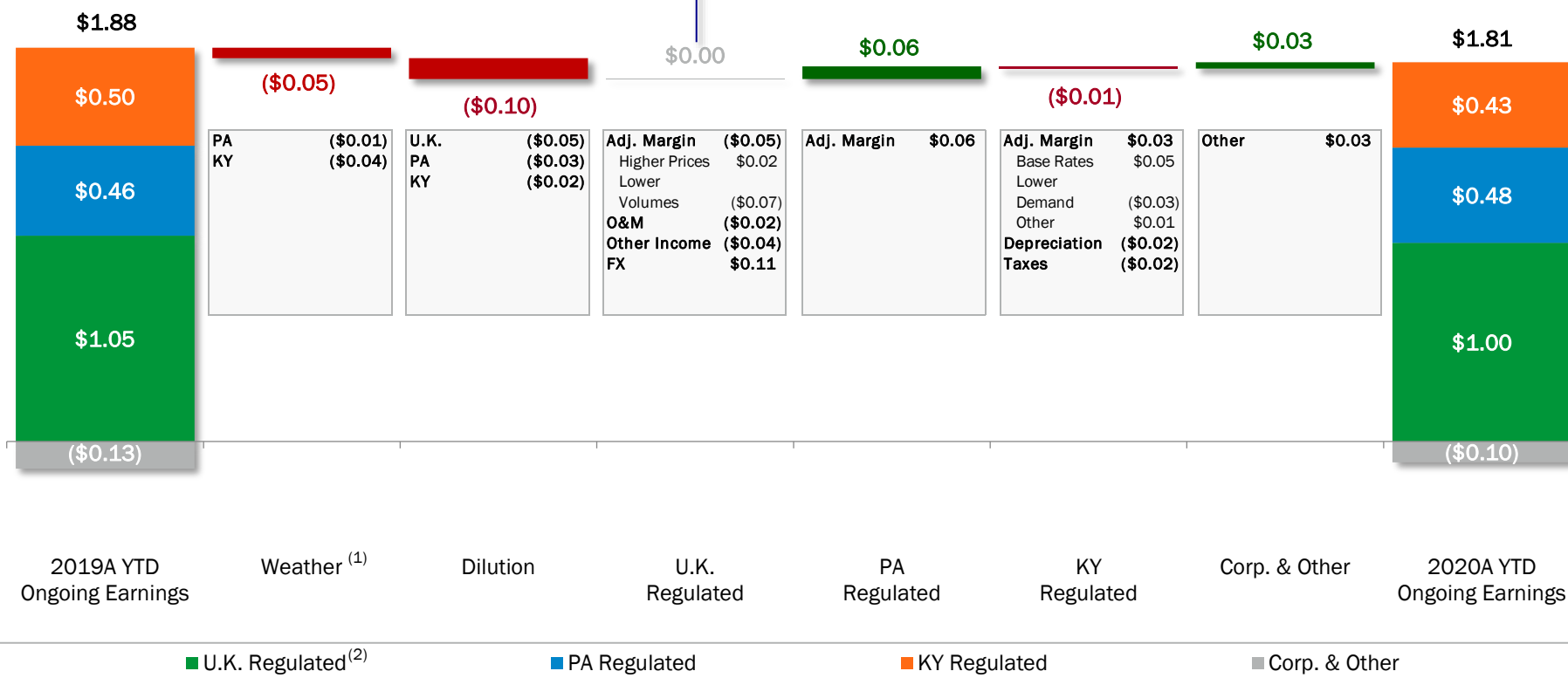


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YTD 2020 Financial Results

(Earnings Per Share)

\$0.07 impact due to lower sales volumes to be recovered through decoupling mechanism in 2022-2023



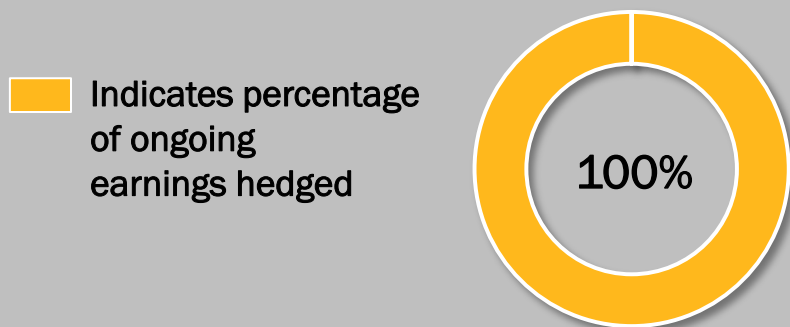
Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

(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 \$1.48/£ YTD 2020 vs. \$1.33/£ YTD 2019.

Foreign Currency Update

Foreign Currency Hedge Status



- Remaining 2020 hedge position at 100% compared to 95% at the end of the second quarter
- Average hedge rate decreased to \$1.45/£ from \$1.47/£

	2020 ⁽¹⁾
Average Hedge Rate ⁽²⁾	\$1.45/£

Note: As of September 30, 2020.

(1) Foreign currency hedge status based on the midpoint of PPL's 2020 ongoing earnings forecast range of \$2.40 - \$2.50 per share.

(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.

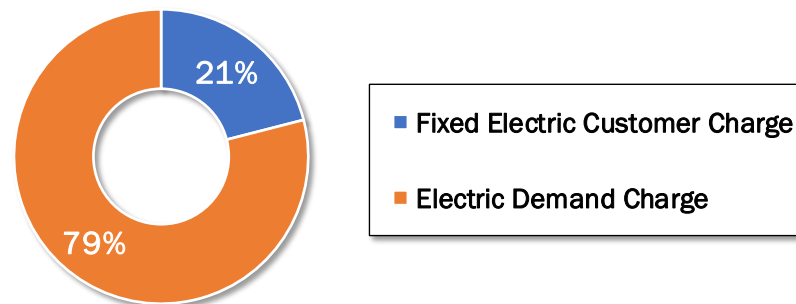
U.K. Load Profile and Sensitivities

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

■ Residential ■ Large C&I⁽¹⁾ ■ Small C&I⁽¹⁾

(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/£.

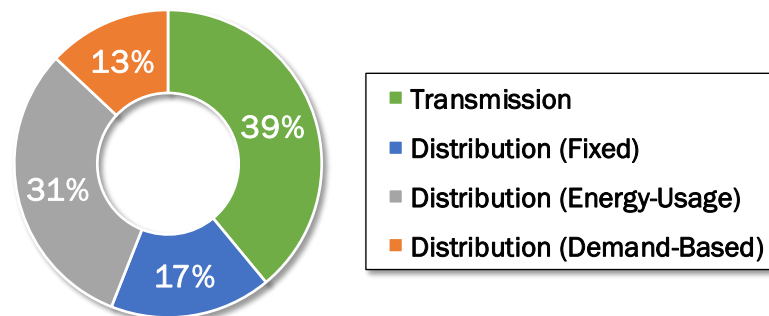
Pennsylvania Load Profile and Sensitivities

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.

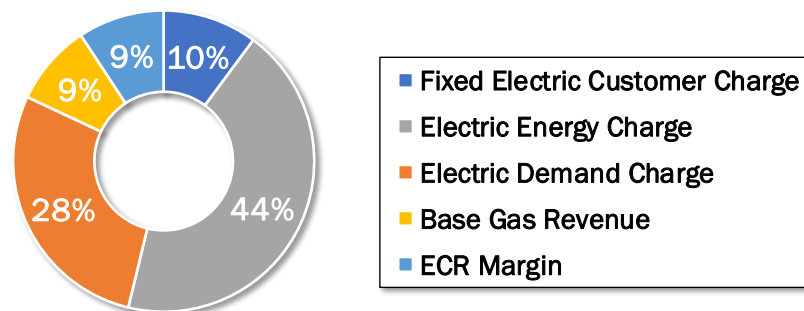
Kentucky Load Profile and Sensitivities

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

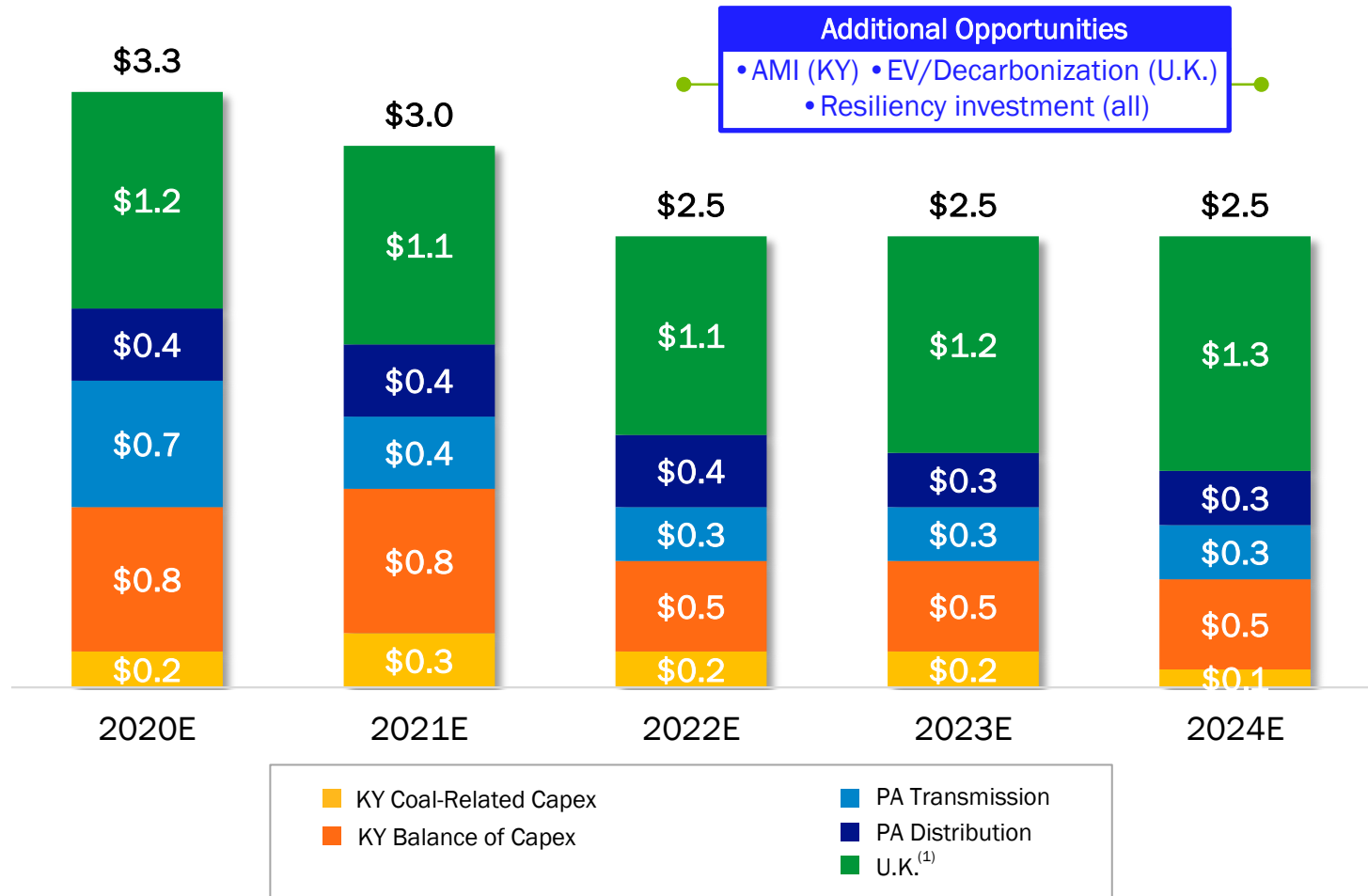
■ Residential ■ Commercial ■ Industrial

(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

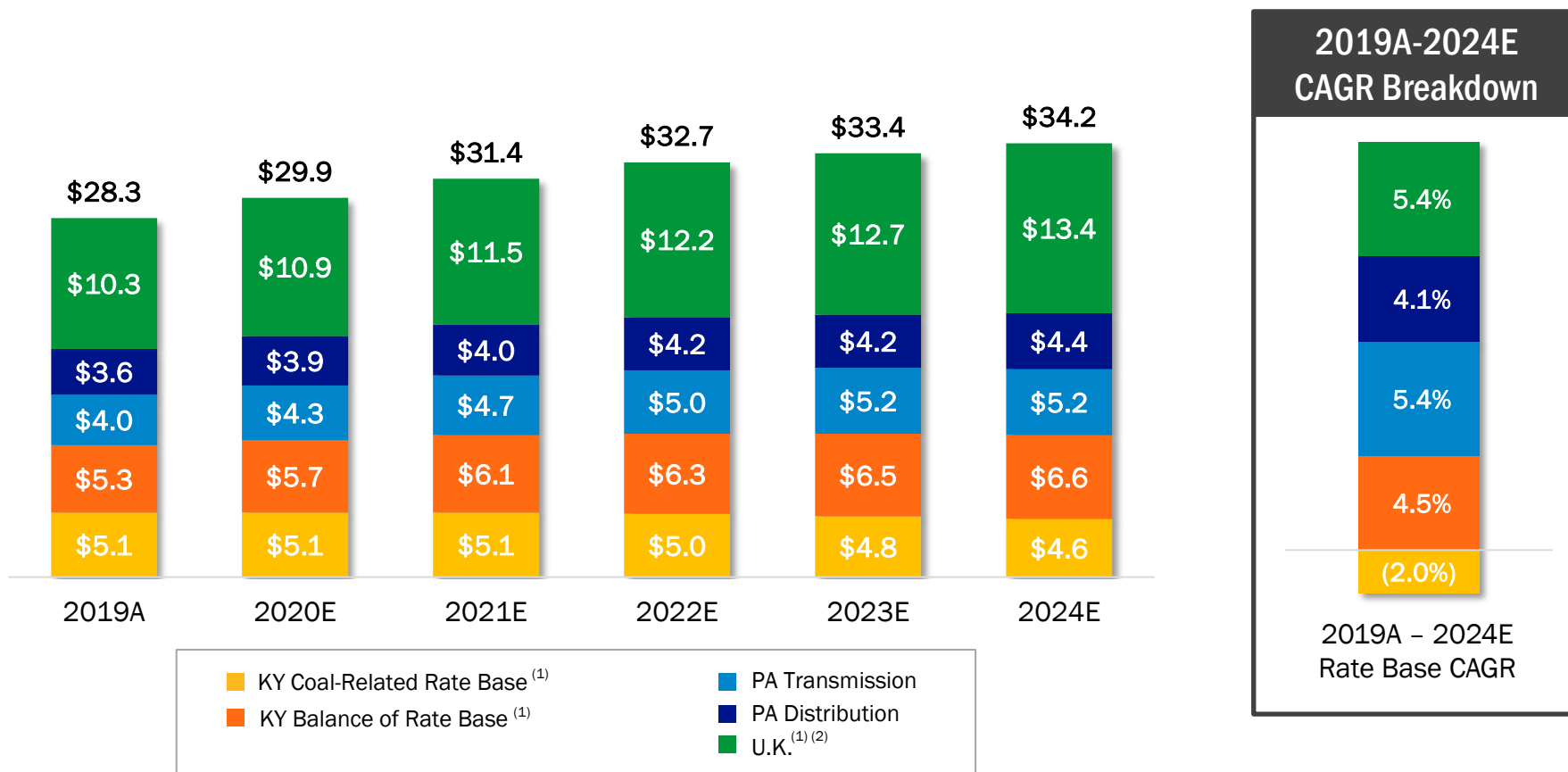
(\$ in billions)



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

Projected Rate Base by Utility

(\$ in billions)



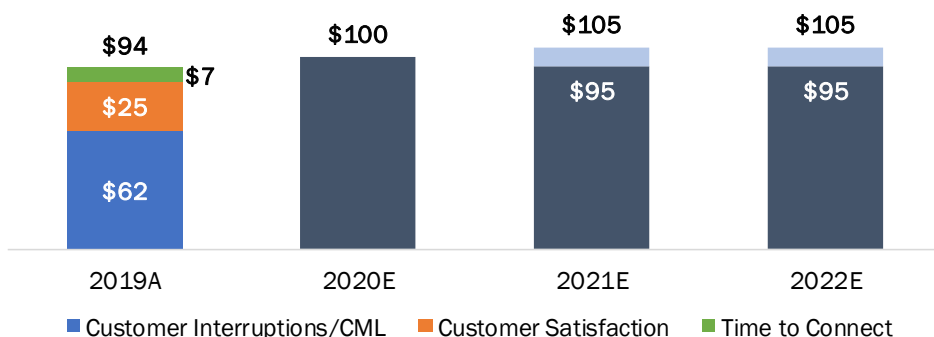
(1) Represents Regulatory Asset Value (RAV) for U.K. and utility capitalization for KY.

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

U.K. Regulated Incentive Revenues

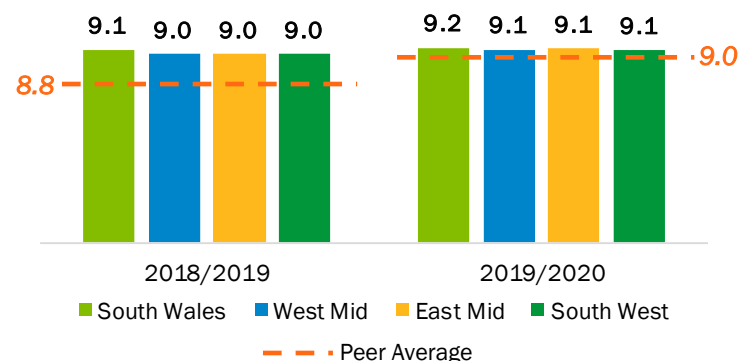
WPD continues to demonstrate how premier network operators deliver value for customers and shareowners

Incentive Revenues ⁽¹⁾



Excellent Customer Satisfaction Ratings

Customer Service Rating (10 point scale)



➤ **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

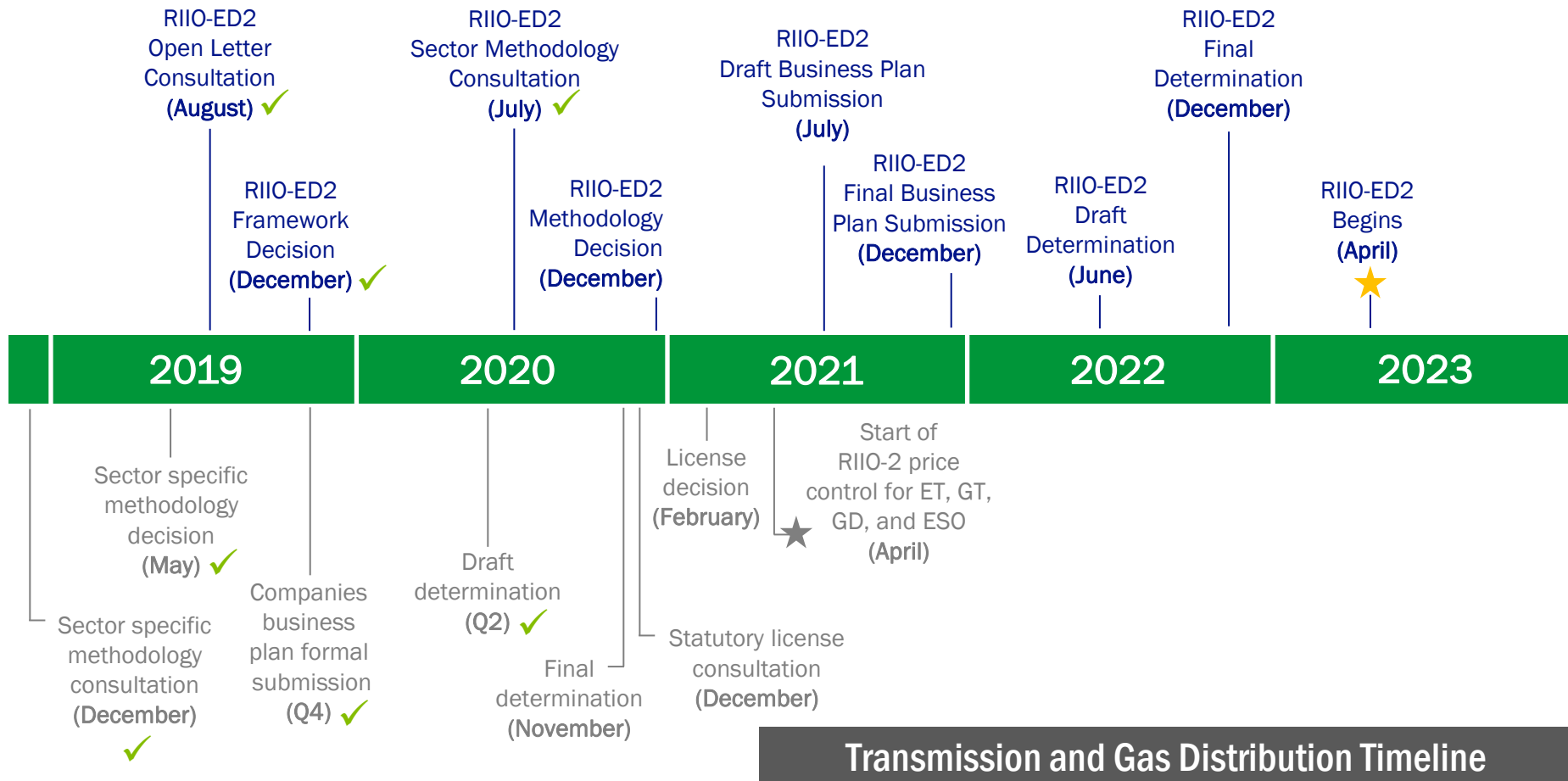
Adjustments included in current forecast			
(\$ in millions, pre-tax)	2020	2021	2022 ⁽¹⁾
TRU	\$0	(\$10)	
MOD	(\$90)	(\$150)	
K-factor	(\$10)	\$10	
Total	(\$100)	(\$150)	(\$130) - (\$180)

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.

U.K. Regulated: RIIO-2 Projected Timelines

Proposed Electricity Distribution Timeline ⁽¹⁾



Transmission and Gas Distribution Timeline

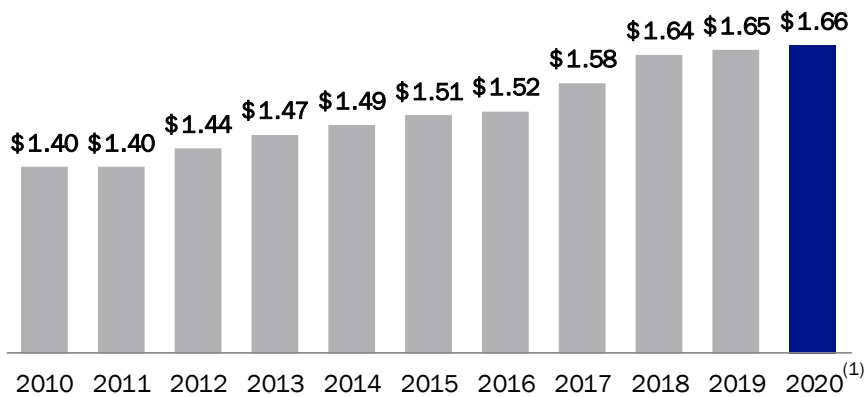
(1) Based on timeline published in Ofgem's RIIO-ED2 Methodology Consultation dated July 2020.

Dividend Profile

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

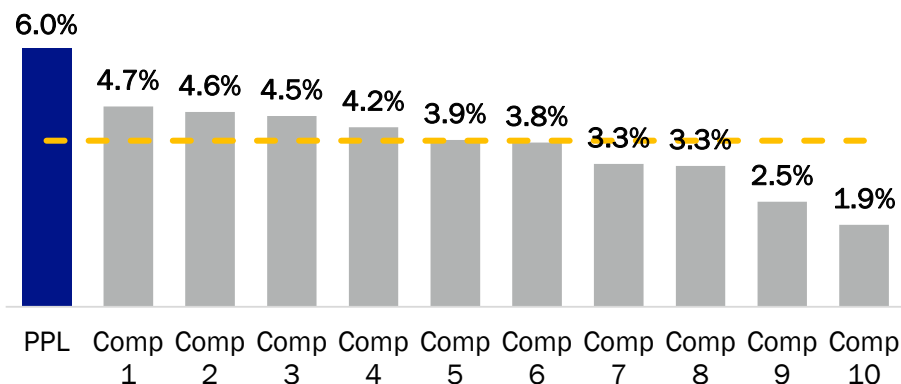
10-Year Dividend History

(\$ per share)



PPL Dividend Yield vs. Large Cap Utilities⁽²⁾

Large Cap Utility Average: 3.9%



- PPL has a long-standing history of paying dividends to shareowners
 - October 1st dividend represents the 299th 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 October 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⁾⁽²⁾	\$0	\$400	\$474	\$90	\$0	\$3,075	\$4,039
LG&E and KU Energy	\$0	\$250	\$0	\$0	\$0	\$0	\$250
Louisville Gas & Electric ⁽¹⁾	\$0	\$292	\$0	\$0	\$0	\$1,732	\$2,024
Kentucky Utilities ⁽¹⁾	\$0	\$132	\$0	\$13	\$0	\$2,497	\$2,642
WPD plc ⁽³⁾	\$0	\$500	\$0	\$668	\$67	\$670	\$1,905
WPD Operating Companies ⁽³⁾⁽⁴⁾⁽⁵⁾	\$201	\$0	\$0	\$936	\$535	\$4,724	\$6,396
Total	\$201	\$1,574	\$1,374	\$2,307	\$952	\$16,478	\$22,886

Note: As of September 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) On October 1, 2020, PPL Electric Utilities issued \$250 million of First Mortgage Bonds Floating Rate Series due in 2023.

(3) U.K. segment's pound-denominated debt translated at \$1.34/£ as reflected in PPL Corporation's balance sheet.

(4) On October 7, 2020, WPD South Wales issued £250 million of Senior Notes due in 2035, which will be used to repay the November 2020 maturity and for general corporate purposes.

(5) Includes WPD (East Midlands) plc, WPD (West Midlands) plc, WPD (South Wales) plc and WPD (South West) plc.

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	\$281	\$369
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2024	\$500	\$0	\$206	\$294
Kentucky Utilities	Syndicated Credit Facility	Jan-2024	\$400	\$0	\$139	\$261
	Total U.S. Credit Facilities		\$3,500	\$400	\$641	\$2,459
WPD	WPD plc Syndicated Credit Facility	Jan-2023	£210	£150	£0	£58 ⁽¹⁾
	WPD (South West) Syndicated Credit Facility	May-2023	220	118	0	102
	WPD (South Wales) Syndicated Credit Facility	May-2023	125	0	0	125
	WPD (East Midlands) Syndicated Credit Facility	May-2023	250	0	0	250
	WPD (West Midlands) Syndicated Credit Facility	May-2023	250	64	0	186
	Uncommitted Credit Facilities		100	0	4	96
	Total U.K. Credit Facilities		£1,155	£332	£4	£817

Note: As of September 30, 2020.

(1) The unused capacity reflects the amount borrowed in GBP of £152 million as of the date borrowed.

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 September 30, 2020.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) (millions of dollars)	3rd Quarter September 30, 2020					Year-to-Date September 30, 2020				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 55	\$ 129	\$ 135	\$ (38)	\$ 281	\$ 574	\$ 330	\$ 371	\$ (96)	\$ 1,179
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of \$14, \$20	(53)				(53)	(76)				(76)
Talen litigation costs, net of tax of \$1, \$2				(2)	(2)				(6)	(6)
COVID-19 impact, net of tax of \$1, \$0, \$0, \$0, \$4, \$1, \$0, \$0 ⁽²⁾	(3)		(1)	(1)	(5)	(15)	(4)	(1)	(1)	(21)
U.K. Tax Rate Change	(102)				(102)	(102)				(102)
Strategic corporate initiatives, net of tax of \$2, \$2				(7)	(7)				(7)	(7)
Total Special Items	<u>(158)</u>	<u>-</u>	<u>(1)</u>	<u>(10)</u>	<u>(169)</u>	<u>(193)</u>	<u>(4)</u>	<u>(1)</u>	<u>(14)</u>	<u>(212)</u>
Earnings from Ongoing Operations	<u>\$ 213</u>	<u>\$ 129</u>	<u>\$ 136</u>	<u>\$ (28)</u>	<u>\$ 450</u>	<u>\$ 767</u>	<u>\$ 334</u>	<u>\$ 372</u>	<u>\$ (82)</u>	<u>\$ 1,391</u>

After-Tax (Unaudited) (per share - diluted)	3rd Quarter September 30, 2020					Year-to-Date September 30, 2020				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 0.07	\$ 0.17	\$ 0.17	\$ (0.04)	\$ 0.37	\$ 0.74	\$ 0.43	\$ 0.48	\$ (0.12)	\$ 1.53
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	(0.07)				(0.07)	(0.10)				(0.10)
Talen litigation costs									(0.01)	(0.01)
COVID-19 impact ⁽²⁾	(0.01)				(0.01)	(0.02)				(0.02)
U.K. Tax Rate Change	(0.13)				(0.13)	(0.14)				(0.14)
Strategic corporate initiatives									(0.01)	(0.01)
Total Special Items	<u>(0.21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.21)</u>	<u>(0.26)</u>	<u>-</u>	<u>-</u>	<u>(0.02)</u>	<u>(0.28)</u>
Earnings from Ongoing Operations	<u>\$ 0.28</u>	<u>\$ 0.17</u>	<u>\$ 0.17</u>	<u>\$ (0.04)</u>	<u>\$ 0.58</u>	<u>\$ 1.00</u>	<u>\$ 0.43</u>	<u>\$ 0.48</u>	<u>\$ (0.10)</u>	<u>\$ 1.81</u>

(1) Reported Earnings represents Net Income.

(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.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (millions of dollars)	3rd Quarter September 30, 2019					Year-to-Date September 30, 2019				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 236	\$ 150	\$ 118	\$ (29)	\$ 475	\$ 784	\$ 364	\$ 333	\$ (99)	\$1,382
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of (\$8), (\$4)	31				31	15				15
Talen litigation costs, net of tax of \$0, \$1				(1)	(1)				(4)	(4)
Other, net of tax of \$0, \$1						(4)				(4)
Total Special Items	<u>31</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>30</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>7</u>
Earnings from Ongoing Operations	<u>\$ 205</u>	<u>\$ 150</u>	<u>\$ 118</u>	<u>\$ (28)</u>	<u>\$ 445</u>	<u>\$ 773</u>	<u>\$ 364</u>	<u>\$ 333</u>	<u>\$ (95)</u>	<u>\$1,375</u>

After-Tax (per share - diluted)	3rd Quarter September 30, 2019					Year-to-Date September 30, 2019				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 0.32	\$ 0.20	\$ 0.16	\$ (0.03)	\$ 0.65	\$ 1.07	\$ 0.50	\$ 0.46	\$ (0.14)	\$ 1.89
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	0.04				0.04	0.03				0.03
Talen litigation costs									(0.01)	(0.01)
Other						(0.01)				(0.01)
Total Special Items	<u>0.04</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.04</u>	<u>0.02</u>	<u>-</u>	<u>-</u>	<u>(0.01)</u>	<u>0.01</u>
Earnings from Ongoing Operations	<u>\$ 0.28</u>	<u>\$ 0.20</u>	<u>\$ 0.16</u>	<u>\$ (0.03)</u>	<u>\$ 0.61</u>	<u>\$ 1.05</u>	<u>\$ 0.50</u>	<u>\$ 0.46</u>	<u>\$ (0.13)</u>	<u>\$ 1.88</u>

(1) Reported Earnings represents Net Income.

Adjusted Gross Margins Summary

(Unaudited) (millions of dollars, except share data)	Three Months Ended September 30,			Per Share Diluted (after-tax)
	2020	2019	Change	
U.K. Adjusted Gross Margins	\$ 431	\$ 446	\$ (15)	\$ (0.02)
Less: Impact of changes in foreign currency exchange rates			12	0.01
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			\$ (27)	\$ (0.03)
Kentucky Adjusted Gross Margins	\$ 546	\$ 572	\$ (26)	\$ (0.03)
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 225	\$ 232	\$ (7)	\$ 0.00
Transmission	179	155	24	0.02
Total Pennsylvania Adjusted Gross Margins	\$ 404	\$ 387	\$ 17	\$ 0.02

(Unaudited) (millions of dollars, except share data)	Nine Months Ended September 30,			Per Share Diluted (after-tax)
	2020	2019	Change	
U.K. Adjusted Gross Margins	\$ 1,445	\$ 1,492	\$ (47)	\$ (0.05)
Less: Impact of changes in foreign currency exchange rates			(3)	(0.00)
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			\$ (44)	\$ (0.05)
Kentucky Adjusted Gross Margins	\$ 1,572	\$ 1,586	\$ (14)	\$ (0.01)
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 685	\$ 696	\$ (11)	\$ (0.01)
Transmission	503	440	63	0.06
Total Pennsylvania Adjusted Gross Margins	\$ 1,188	\$ 1,136	\$ 52	\$ 0.05

Reconciliation of Adjusted Gross Margins to Operating Income

(Unaudited) (millions of dollars)	Three Months Ended September 30, 2020					Nine Months Ended September 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	\$ 476	\$ 806	\$ 586	\$ 17	\$ 1,885	\$ 1,547	\$ 2,331	\$ 1,748	\$ 52	\$ 5,678
Operating Expenses										
Fuel		177			177		478			478
Energy purchases		18	118		136		97	373		470
Other operation and maintenance	45	25	23	390	483	102	66	69	1,209	1,446
Depreciation		39	13	271	323		114	38	807	959
Taxes, other than income		1	28	50	79		4	80	142	226
Total Operating Expenses	45	260	182	711	1,198	102	759	560	2,158	3,579
Total	\$ 431	\$ 546	\$ 404	\$ (694)	\$ 687	\$ 1,445	\$ 1,572	\$ 1,188	\$ (2,106)	\$ 2,099

(Unaudited) (millions of dollars)	Three Months Ended September 30, 2019					Nine Months Ended September 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	\$ 481	\$ 844	\$ 590	\$ 18	\$ 1,933	\$ 1,586	\$ 2,421	\$ 1,756	\$ 52	\$ 5,815
Operating Expenses										
Fuel		194			194		556			556
Energy purchases		19	132	(1)	150		125	413		538
Other operation and maintenance	35	25	30	390	480	94	70	92	1,196	1,452
Depreciation		33	14	259	306		81	36	773	890
Taxes, other than income		1	27	49	77		3	79	150	232
Total Operating Expenses	35	272	203	697	1,207	94	835	620	2,119	3,668
Total	\$ 446	\$ 572	\$ 387	\$ (679)	\$ 726	\$ 1,492	\$ 1,586	\$ 1,136	\$ (2,067)	\$ 2,147



Reconciliation of PPL's Earnings Forecast

After-Tax (Unaudited) (per share - diluted)	2020 Forecast		
	2020 Forecast Range		
	Midpoint	High	Low
Estimate of Reported Earnings ⁽¹⁾	\$ 2.17	\$ 2.22	\$ 2.12
Less: Special Items (expense) benefit: ⁽²⁾			
Foreign currency economic hedges	(0.10)	(0.10)	(0.10)
Talen litigation costs	(0.01)	(0.01)	(0.01)
COVID-19 impact ⁽³⁾	(0.02)	(0.02)	(0.02)
U.K. Tax Rate Change	(0.14)	(0.14)	(0.14)
Strategic corporate initiatives	(0.01)	(0.01)	(0.01)
Total Special Items	(0.28)	(0.28)	(0.28)
Forecast of Earnings from Ongoing Operations	\$ 2.45	\$ 2.50	\$ 2.40

(1) Reported Earnings represents Net Income.

(2) Reflects only special items recorded through September 30, 2020. PPL is not able to forecast special items for future periods.

(3) 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; asset or business acquisitions and dispositions, including our ability to successfully execute our plan to divest PPL 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; 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; 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.

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.