



ENERGY
FORWARD

PPL 2nd Quarter Investor Update | August 5, 2021

Cautionary Statements and Factors That May Affect Future Results



Statements made in this presentation about future operating results or other future events, including the anticipated effects of the recent sale of PPL Corporation's U.K. business, the anticipated acquisition of The Narragansett Electric Company (Narragansett) from National Grid, and the impact of each transaction on PPL Corporation, 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.

Management utilizes non-GAAP financial measures such as, "adjusted gross margins" or "margins" 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 SEC filings.

Agenda



- | | | |
|------|-----------------------------------|---------------|
| I. | Strategic and Operational Updates | Vince Sorgi |
| II. | Financial Update | Joe Bergstein |
| III. | Closing Remarks | Vince Sorgi |
| IV. | Q&A | |

Strategic Repositioning Update

Sale of U.K. business complete; On track in Rhode Island



Highlights Since 1st Quarter Investor Update

- **Completed sale of U.K. utility business on June 14th**
 - Resulted in net cash proceeds of \$10.4 billion⁽¹⁾
- **Successful execution of liability management to strengthen balance sheet**
 - \$3.5 billion reduction in outstanding debt at PPL Capital Funding⁽²⁾
- **Board authorization for up to \$3.0 billion of share repurchases⁽³⁾**
 - Company plans to repurchase approximately \$500 million by year-end
 - Retains flexibility to assess best use of proceeds to maximize shareowner value, including a review of capital plans for incremental investment opportunities
- **Rhode Island utility acquisition progressing**
 - Hart-Scott-Rodino waiting period expired, received Federal Communications Commission approval, and waiver granted by Massachusetts Department of Public Utilities
 - Remain on track to complete transaction by March 2022
 - Announced planned leadership team for Rhode Island upon transaction's close⁽⁴⁾

(1) Represents expected net proceeds after taxes and fees and inclusive of currency hedges.

(2) Reflects principal amount of debt retired. Does not reflect approximately \$0.4 billion for tender premiums, make-whole payments, accrued interest and related fees.

(3) The actual amount of share repurchases will depend on several factors including the share price, market conditions and potential other uses of proceeds from the U.K. utility business sale, including for incremental capital investments.

(4) Pending regulatory approval and completion of acquisition.

Update to Carbon Reduction Goals

Targeting net-zero by 2050; Advancing interim targets



Clean Energy Strategy Supports Updated Targets

- **Anticipate hitting current greenhouse gas reduction goals earlier than expected⁽¹⁾**
 - 70% reduction by 2035 and 80% reduction by 2040
- **Collaboration with industry-leading, global consulting firm to further enhance PPL's clean energy transition strategy**
- **2021 Climate Assessment and Kentucky Integrated Resource Plan to further inform interim targets and projected greenhouse gas emissions**
- **Continue to explore innovative ways to support an economic and just transition for our customers and the communities we serve**
- **Focused on R&D efforts necessary to drive economic reductions or removal for the remaining carbon emissions**
 - Vince Sorgi chairing the EPRI Low-Carbon Resources Initiative (LCRI) Board Working Group
 - Leveraging investments and intellectual capital in emerging technologies through Energy Impact Partners' purpose-driven platform

(1) Goals include CO₂e emissions from owned generation and Kentucky purchased power, fleet vehicles, fugitive emissions from electric operations, and building energy use. U.K. utility business emissions removed from 2010 baseline. See Appendix for current projected generation retirement schedule.

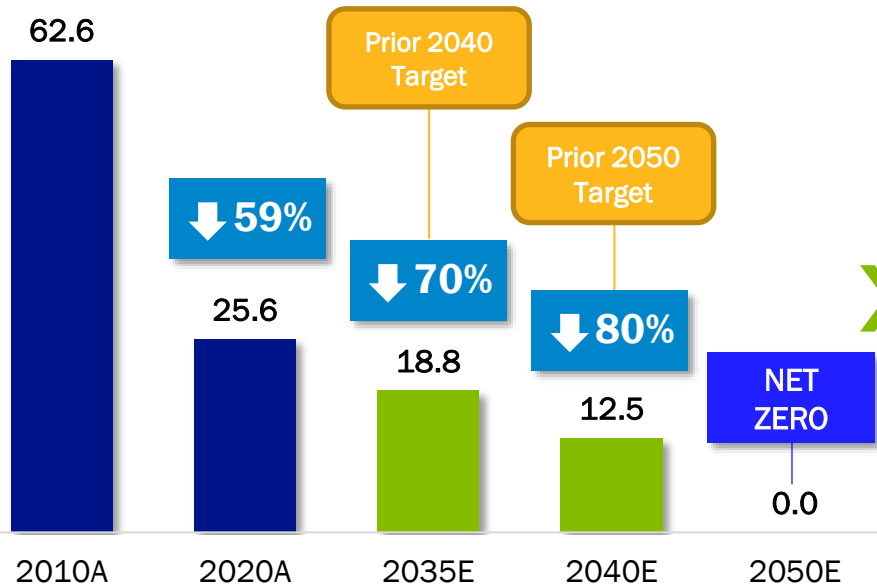
Creating Our Path to Net-Zero Emissions



2050 goal, while aspirational, is backed by action

Projected reductions show progress ahead of prior goal from original 2010 baseline ⁽¹⁾

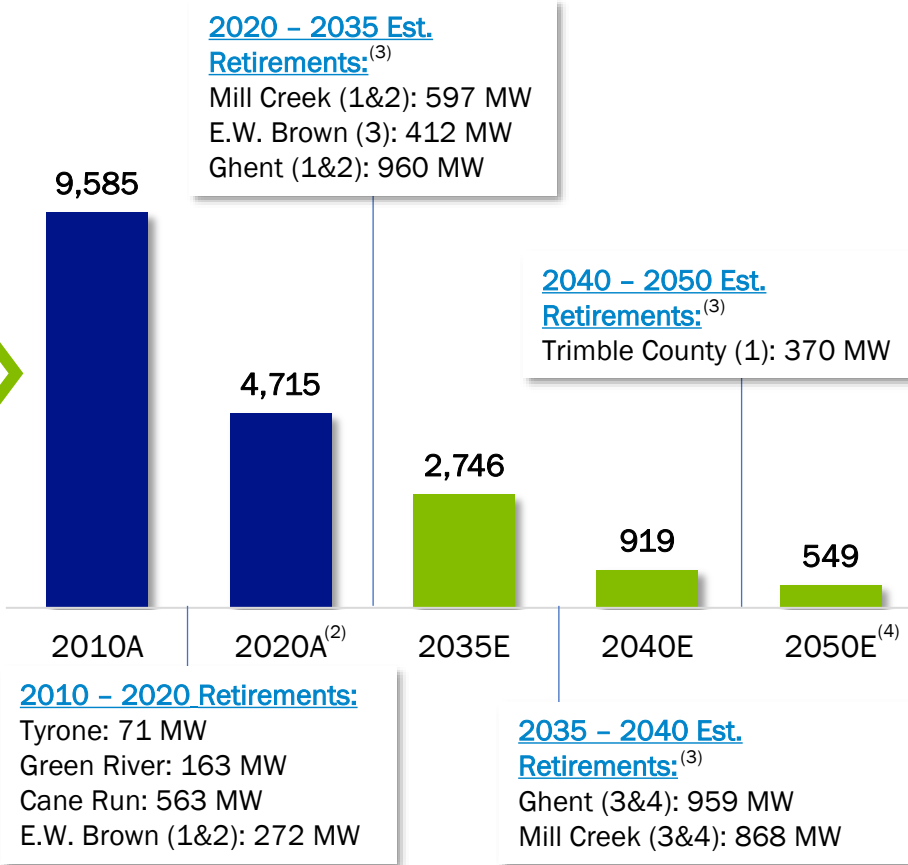
(Metric Tonnes, in millions)



Targeting Net-Zero Emissions by 2050

Trajectory of Projected Coal Capacity ⁽²⁾

(in MW)



- (1) 2050 goal includes CO2e emissions from owned generation and Kentucky purchased power, fleet vehicles, fugitive emissions from electric operations, and building energy use. U.K. utility business emissions removed from 2010 baseline. See Appendix for current projected generation retirement schedule.
- (2) Represents summer rating of PPL's ownership or other interest in MW. 2020A reflects exit from competitive generation in 2015, including over 4GW of coal-fired generation.
- (3) Per company's most recent depreciation study filed in Case Nos. 2020-00349 and 2020-00350.
- (4) The remaining coal capacity in 2050 relates to Trimble County Unit 2, which went into commercial operation in 2011. The unit remains economic beyond 2050 based on current technologies, regulation, and policy.

Kentucky Rate Case Update



New rate orders completed with rates effective July 1, 2021

Settlement Outcome

Revenue Increase

(\$ in millions)

KU: Electric	\$106
LG&E: Electric	\$73
LG&E: Gas	\$20
Total	\$199

ROE

Base	9.425%
ECR & GLT Mechanisms	9.35%

Capitalization⁽¹⁾

(\$ in billions)

KU: Electric	\$5.2
LG&E: Electric	\$3.5
LG&E: Gas	\$1.1
Total	\$9.8

Capital Structure

Equity	53%
Debt	47%

Key Considerations of Approved Settlement

- **Annual revenue increase of \$199 million**
 - First year includes a \$53 million billing credit for customers
- **Approved CPCN requests for Advanced Metering Infrastructure (AMI) project**
 - ~\$350 million capital investment
 - Investment to be recorded as CWIP and accrue AFUDC during the implementation period
- **Establishment of Retired Asset Recovery Rider⁽²⁾**
 - Provides recovery of and return on remaining NBV at time of retirement, with recovery over 10 years from retirement date
- **Four-year “stay out” commitment**
 - No base rate increases before July 1, 2025, subject to certain exceptions

Note: KPSC docket numbers 2020-00349 for KU and 2020-00350 for LG&E.

(1) Does not include approximately \$1.5 billion capitalization recovered via other rate mechanisms or other jurisdictions.

(2) Retired Asset Recovery Riders applies to the generating plants of LG&E and KU.

Commitment to Excellence

Continuously recognized industry leader



Recent awards reflect commitments to diversity, equity and inclusion, innovation, and safety

- Top Utility for Diversity, Equity and Inclusion – *DiversityInc*
- Top 50 Company for ESG – *DiversityInc*
- Best Place to Work for Disability Inclusion – *Disability Equality Index*
- Southeastern Electric Exchange’s Chairman’s Award for downed power line detection innovation (PPL Electric Utilities)



- ✓ 4th Consecutive Year
- ✓ Perfect Score on Disability Equality Index





ENERGY
FORWARD

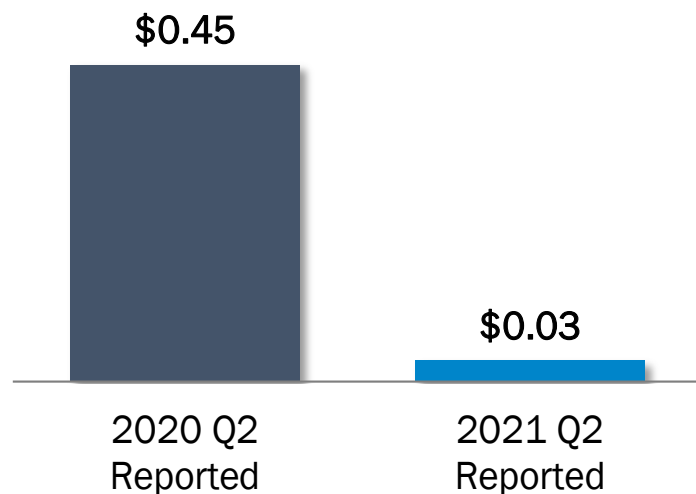
Financial Update

2nd Quarter Financial Results



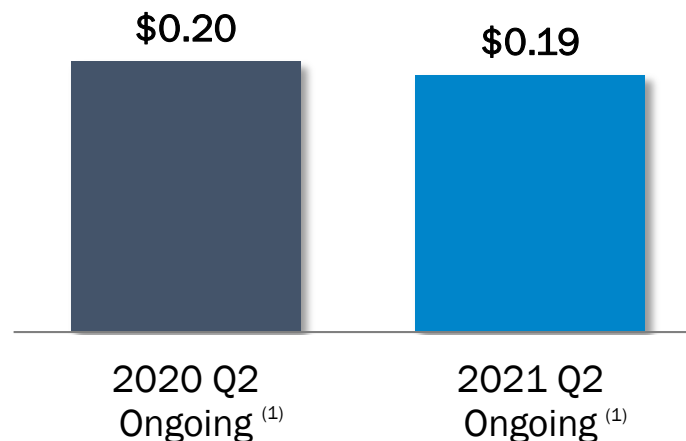
Reported Earnings

(Earnings Per Share)



Ongoing Earnings

(Earnings Per Share)



- **2nd quarter 2021 results reflect special items of (\$0.16) per share, primarily items related to the U.K. business and losses on the early extinguishment of debt**

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

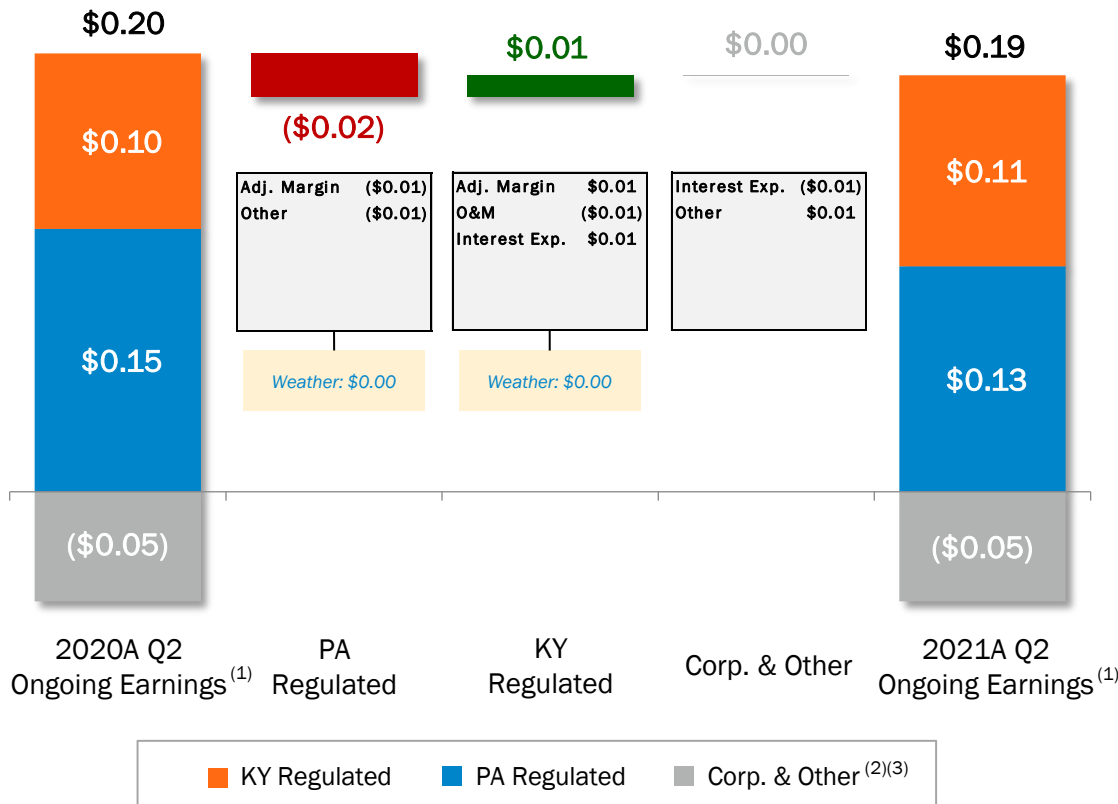
(1) Excludes special items. PPL sold its U.K. utility business on June 14, 2021, and its earnings were treated as a special item.

2nd Quarter Segment Results



Q2 2021 vs. Q2 2020

(Earnings Per Share)



Key Earnings Drivers

- **Pennsylvania Regulated:**
 - Adjusted Margins
 - Lower peak transmission demand
 - Increased reserve as a result of challenge to FERC transmission ROE
 - + Returns on additional capital investments in transmission

- **Kentucky Regulated:**
 - Adjusted Margins
 - + Higher commercial and industrial demand revenue vs. prior year
 - O&M
 - Primarily higher generation plant-related costs
 - Interest Expense
 - + Primarily due to interest costs previously allocated to the Kentucky Regulated segment (these costs are now reflected in Corp. & Other)

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

(1) Excludes special items. PPL sold its U.K. utility business on June 14, 2021, and its earnings were treated as a special item.

(2) Q2 2020 earnings have been adjusted by (\$0.02) per share for certain costs that were previously included in the U.K. Regulated segment.

(3) Corporate level financing costs are no longer allocated to the reportable segments and are being reported in Corporate and Other.

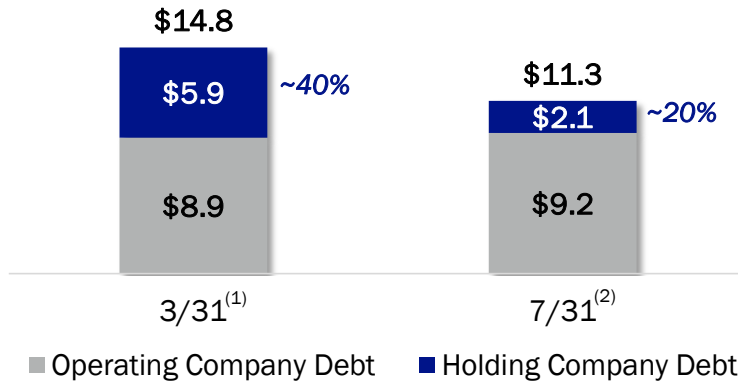
Financing Update

Successful execution of liability management



Significant Reduction in HoldCo Debt

(\$ in billions)

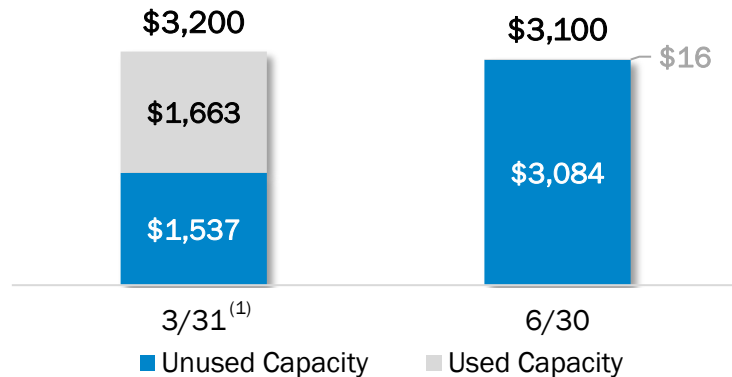


Notable Financing Highlights

- **Reduced PPL Capital Funding long-term debt outstanding by ~\$3.5 billion**
 - Successful execution of Tender Offer in June resulting in ~\$2 billion debt retirement
 - Additional ~\$1.5 billion debt reduction in July through a series of redemptions
- **Delisted Kentucky HoldCo (LKE) on 7/9**
 - Redeemed \$250 million LKE debt in July
 - No planned future debt issuances at LKE
- **On track to achieve targeted credit metrics post strategic repositioning**
 - CFO(FFO) to debt ratio of 16% - 18%
 - Holding Company to Total debt ratio to below 25%
 - Debt-to-Total Capitalization ratio of 45% - 55%
- **Efficient use of transaction proceeds to reduce outstanding short-term debt**

Liquidity Update

(\$ in millions)



(1) Excludes U.K. utility business due to the completed sale announced on June 14, 2021.

(2) Includes financing activities executed in July 2021 to reflect completed liability management.



ENERGY
FORWARD

Narragansett Electric Acquisition Update



Regulatory approvals on track

Acquisition of Narragansett (expected approval within 12 months of transaction announcement)	<u>Status</u>
<u>Federal Approvals:</u>	
Hart-Scott-Rodino (DOJ)	✓ Waiting Period Expired 6/2
Federal Communications Commission (FCC)	✓ Approval Received 7/14
Federal Energy Regulatory Commission (FERC)	Pending (filing submitted 5/4)
<u>State Approvals:</u>	
Rhode Island Division of Public Utilities and Carriers	Pending (filing submitted 5/4)
Massachusetts Department of Public Utilities (waiver) ⁽¹⁾	✓ Granted 7/16

(1) National Grid obligation for Massachusetts Department of Public Utilities waiver relating to its foreign utility change in control provision.

Liability Management Summary

Long-term debt retirements via liability management activity



<u>PPL Capital Funding, Inc.</u>			<u>3/31/2021</u>	<u>7/31/2021</u>	
<u>CUSIP / ISIN</u>	<u>Stated Maturity Date</u>	<u>Coupon</u>	<u>Amount Outstanding (\$ in thousands)</u>	<u>Amount Outstanding (\$ in thousands)</u>	<u>Amount Retired (\$ in thousands)</u>
Senior Unsecured Notes					
69352PAD5	6/15/2022	4.200	\$400,000	\$0	\$400,000
69352PAE3	12/1/2022	3.500	\$400,000	\$0	\$400,000
69352PAF0	6/1/2023	3.400	\$600,000	\$0	\$600,000
69352PAK9	3/15/2024	3.950	\$350,000	\$0	\$350,000
69352PAQ6	4/15/2030	4.125	\$1,000,000	\$431,119	\$568,881
69352PAH6	6/1/2043	4.700	\$300,000	\$70,811	\$229,189
69352PAJ2	3/15/2044	5.000	\$400,000	\$177,124	\$222,876
69352PAM5	9/15/2047	4.000	\$500,000	\$236,845	\$263,155
Junior Subordinated Notes					
69352P202	4/30/2073	5.900	\$450,000	\$0	\$450,000
Total Outstanding Debt Retired from Liability Management ⁽¹⁾					\$3,484,101

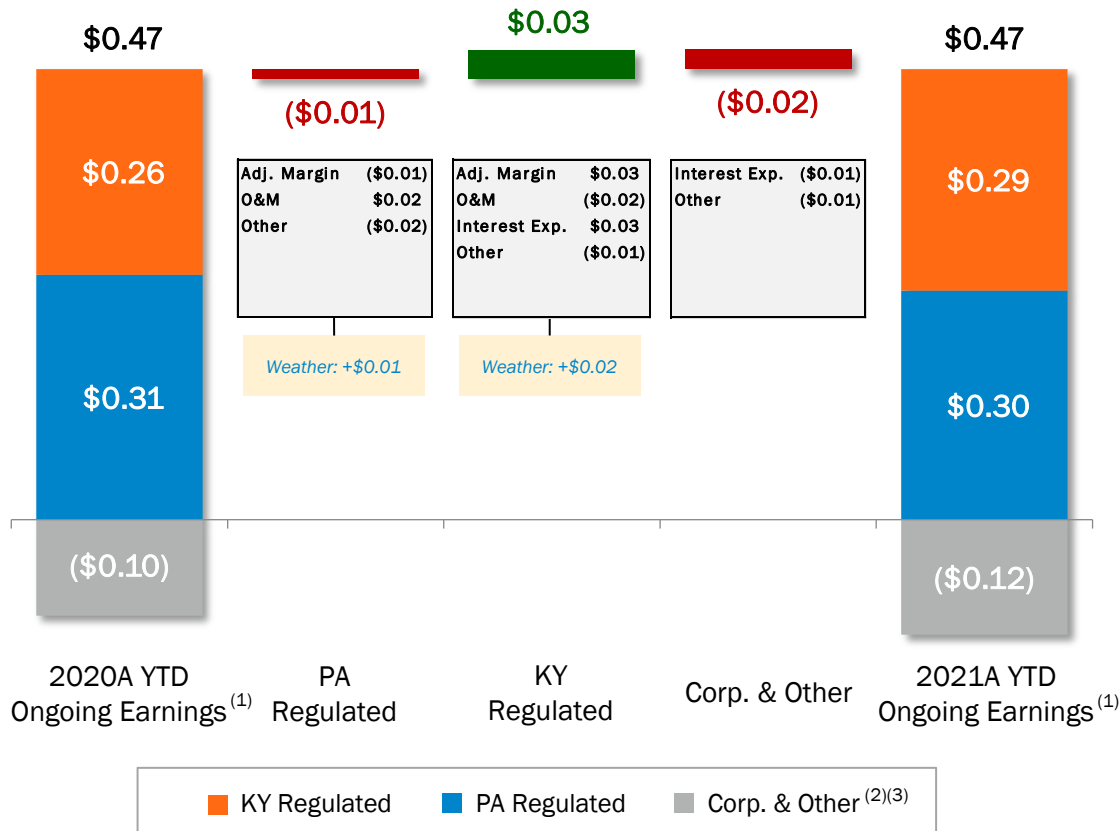
(1) Reflects principal amount of debt retired. Does not include approximately \$0.4 billion for tender premiums, make-whole payments, accrued interest and related legal fees.

YTD 2021 Financial Results



YTD 2021 vs. YTD 2020

(Earnings Per Share)



YTD Highlights: 2021 vs. 2020

- **Pennsylvania Regulated:**
 - Adjusted Margins
 - Lower peak transmission demand
 - Recorded reserve as a result of challenge to transmission ROE
 - + Returns on additional capital investments in transmission
 - + Higher sales volumes primarily due to favorable weather vs. prior year
 - O&M
 - + Lower overall O&M expenses
- **Kentucky Regulated:**
 - Adjusted Margins
 - + Higher sales volumes primarily due to favorable weather vs. prior year
 - O&M
 - Primarily higher plant-related costs
 - Interest Expense
 - + Primarily related to interest costs previously allocated to the Kentucky Regulated segment (these costs are now reflected in Corp. & Other)
- **Corp. & Other:**
 - Interest Expense
 - Higher interest expense primarily due to interest costs previously allocated to the Kentucky Regulated segment in 2020

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

(1) Excludes special items. PPL sold its U.K. utility business on June 14, 2021, and its earnings were treated as a special item.

(2) YTD 2020 earnings have been adjusted by (\$0.03) per share for certain costs that were previously included in the U.K. Regulated segment.

(3) Corporate level financing costs are no longer allocated to the operating segments and are being reported in Corporate and Other.

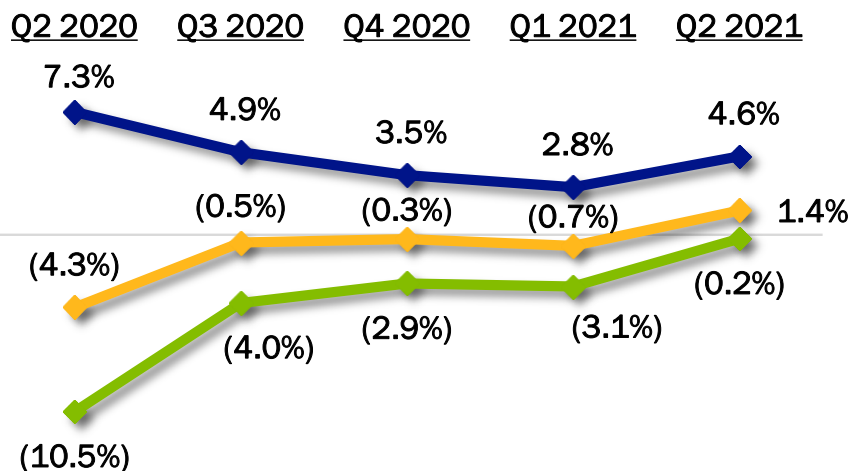
Electricity Sales Trends

COVID-19 implications continue to moderate

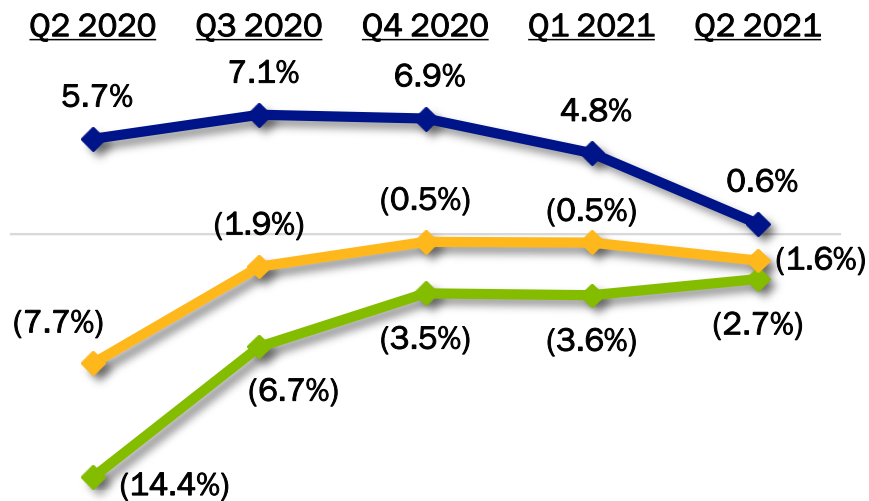


Weather-Normalized Electricity Sales Volumes Compared to 2019 Sales Volumes ⁽¹⁾

Pennsylvania Regulated



Kentucky Regulated



■ Residential ■ C&I ■ Total ⁽²⁾

Note: Excludes U.K. utility business due to the completed sale announced on June 14, 2021.

(1) 2019 weather-normalized electricity sales volumes used for comparative purposes to reflect sales trends vs. a period prior to COVID-19 impacts.

(2) Includes Residential, Commercial and Industrial customer classes as well as "Other," which is not depicted in the charts above.

Electricity Sale Volumes

2021 sales vs. 2020 sales by operating segment



Weather-Normalized Electricity Sales Volume Variance (2021 vs. 2020) in GWh

Pennsylvania			
	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>% Change</u>
Residential	3,017	3,093	(2.5%)
Commercial	3,308	2,965	11.6%
Industrial	2,119	1,903	11.3%
Other	14	17	NM*
Total	8,458	7,978	6.0%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	7,630	7,560	0.9%
Commercial	6,721	6,410	4.9%
Industrial	4,114	3,959	3.9%
Other	36	42	NM*
Total	18,501	17,971	2.9%

Kentucky			
	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>% Change</u>
Residential	2,234	2,346	(4.8%)
Commercial	1,846	1,752	5.4%
Industrial	2,171	1,778	22.1%
Other	648	595	NM*
Total	6,899	6,472	6.6%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	5,316	5,382	(1.2%)
Commercial	3,659	3,647	0.3%
Industrial	4,275	3,862	10.7%
Other	1,274	1,266	NM*
Total	14,525	14,157	2.6%

Actual Electricity Sales Volume Variance (2021 vs. 2020) in GWh

Pennsylvania			
	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>% Change</u>
Residential	3,085	3,184	(3.1%)
Commercial	3,323	2,985	11.3%
Industrial	2,119	1,903	11.4%
Other	16	17	NM*
Total	8,543	8,089	5.6%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	7,547	7,195	4.9%
Commercial	6,705	6,339	5.8%
Industrial	4,114	3,959	3.9%
Other	38	42	NM*
Total	18,404	17,535	5.0%

Kentucky			
	<u>Q2 2021</u>	<u>Q2 2020</u>	<u>% Change</u>
Residential	2,249	2,315	(2.9%)
Commercial	1,852	1,724	7.4%
Industrial	2,171	1,778	22.1%
Other	649	588	NM*
Total	6,921	6,405	8.1%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	5,271	4,971	6.0%
Commercial	3,673	3,561	3.2%
Industrial	4,275	3,862	10.7%
Other	1,273	1,239	NM*
Total	14,493	13,632	6.3%

*NM: Not Meaningful

(1) Represents the six months ending June 30, 2021.

(2) Represents the six months ending June 30, 2020.

Baseload Generation Summary

Key Attributes of Kentucky's baseload generation fleet



PPL's Kentucky Baseload Generation Resources

Power Plant	Unit	COD	Owned Capacity MW	Capacity Factor		Currently Projected End of Economic Useful Life ⁽¹⁾
				2019A	2020A	
Coal						
Mill Creek	1	1972	300	57%	64%	2024
E.W. Brown	3	1971	412	25%	29%	2028
Mill Creek	2	1974	297	70%	35%	2028
Ghent	1	1974	475	64%	63%	2034
Ghent	2	1977	485	62%	59%	2034
Ghent	3	1981	481	56%	60%	2037
Ghent	4	1984	478	59%	53%	2037
Mill Creek	3	1978	391	53%	50%	2039
Mill Creek	4	1982	477	73%	54%	2039
Trimble County	1	1990	370	75%	81%	2045
Trimble County	2	2011	549	70%	74%	2066
Natural Gas						
Cane Run (CCGT)	7	2015	662	85%	75%	2055
Total Baseload			5,377			

(1) Per most recent depreciation study filed in Case Nos. 2020-00349 and 2020-00350.

PPL's Clean Energy Transition Strategy

Investments in smarter, more resilient power grids



Our Clean Energy Strategy To Achieve Net Zero by 2050

1



DECARBONIZE OUR GENERATION

Economically retire existing coal plants in Kentucky and replace with a mix of renewables and gas and grow clean energy portfolio

2



DECARBONIZE OUR NON-GENERATION OPERATIONS

Reduce company energy use, increase electrification of fleet vehicles and reduce emissions associated with transmission and distribution equipment and gas distribution

3



FURTHER RESEARCH AND DEVELOPMENT

Invest in new clean energy technologies to decarbonize remaining fossil-fueled generation and transition to a clean energy portfolio

4



ENABLE THIRD-PARTY DECARBONIZATION

Invest in transmission and distribution networks to allow for increased electrification and large-scale connection of distributed energy resources; develop customer-facing renewable and storage solutions

Fostering an Exceptional Workplace

Committed to diversity, equity, and inclusion



PPL's Diversity, Equity, and Inclusion Commitments



Commitment 1:

Attract, develop and retain a high-performing, diverse workforce.



Commitment 2:

Increase diverse representation in leadership roles, with a focus on females and minorities.



Commitment 3:

Maintain a workplace culture of equity and inclusion.



Commitment 4:

Foster partnerships that support the growth and vitality of the diverse communities and customers we serve.



Commitment 5:

Develop and sustain relationships with diverse suppliers, vendors and service providers.

Key Initiatives Implemented in 2021

- Implemented company-wide DE&I strategy aligned around five DEI commitments to focus efforts and remain accountable.
- Expanded support for employee-led Business Resource Groups for a total of 16 affinity groups which provide an opportunity for employees to network, volunteer and actively address diversity issues in the workplace.
- Expanded financial support for racial and social justice initiatives through the company's foundations and awarded STEM scholarships.
- Provided greater transparency of DE&I metrics through PPL's Corporate Sustainability Report.

Recognition for DE&I Efforts



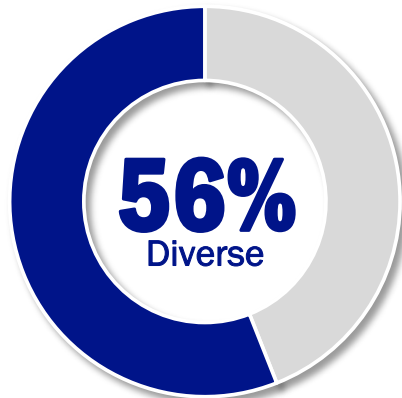
Learn more at: pplweb.com/diversity

Corporate Governance Highlights

Led by a balanced and diverse board



Independent Oversight by a Diverse Board

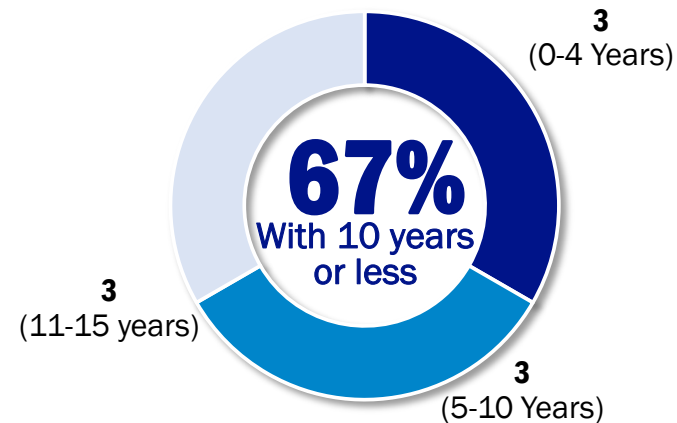


■ Diverse Board Members
(based on gender, race and ethnicity)



■ Independent Board Committees led
by Women

Tenure-balanced



Average tenure: **8 years**

Corporate Governance Highlights and Achievements

- ✓ Adopted the “Rooney Rule” to ensure diverse candidates are considered for open board seats
- ✓ Appointed independent chair of board
- ✓ Awarded Trendsetter ranking by CPA-Zicklin Index, demonstrating our ongoing commitment to transparency around political spending disclosure

Note: As of July 31, 2021. Figures based on PPL Corporation’s 2021 Proxy Statement.

Learn more at: <https://www.pplweb.com/sustainability/sustainability-reports/>

Debt Maturities



Debt Maturities at June 30, 2021:

(\$ in millions)	2021	2022	2023	2024	2025	2026 and Beyond	Total
PPL Capital Funding	\$0	\$527	\$389	\$156	\$0	\$2,496	\$3,568
PPL Electric Utilities ⁽¹⁾	\$400	\$474	\$340	\$650	\$0	\$3,075	\$4,939
LG&E and KU Energy	\$250	\$0	\$0	\$0	\$0	\$0	\$250
Louisville Gas & Electric ⁽¹⁾	\$28	\$0	\$0	\$0	\$300	\$1,697	\$2,024
Kentucky Utilities ⁽¹⁾	\$0	\$0	\$13	\$0	\$250	\$2,379	\$2,642
Total Debt Maturities⁽²⁾	\$678	\$1,001	\$742	\$806	\$550	\$9,647	\$13,423

Debt Maturities at July 31, 2021 (reflects July financing activities):

(\$ in millions)	2021	2022	2023	2024	2025	2026 and Beyond	Total
PPL Capital Funding	\$0	\$0	\$0	\$0	\$0	\$2,046	\$2,046
PPL Electric Utilities ⁽¹⁾	\$0	\$474	\$340	\$650	\$0	\$3,075	\$4,539
Louisville Gas & Electric ⁽¹⁾	\$28	\$0	\$0	\$0	\$300	\$1,697	\$2,024
Kentucky Utilities ⁽¹⁾	\$0	\$0	\$13	\$0	\$250	\$2,379	\$2,642
Total Debt Maturities⁽²⁾	\$28	\$474	\$353	\$650	\$550	\$9,197	\$11,251

(1) Amounts include the timing of any put option on municipal bonds that may be put by the holders before the bonds' final maturities.

(2) Does not reflect unamortized debt issuance costs, unamortized premiums (discounts), and fair market valuation adjustments. At June 30, 2021, this represented a total amount of (\$128 million).

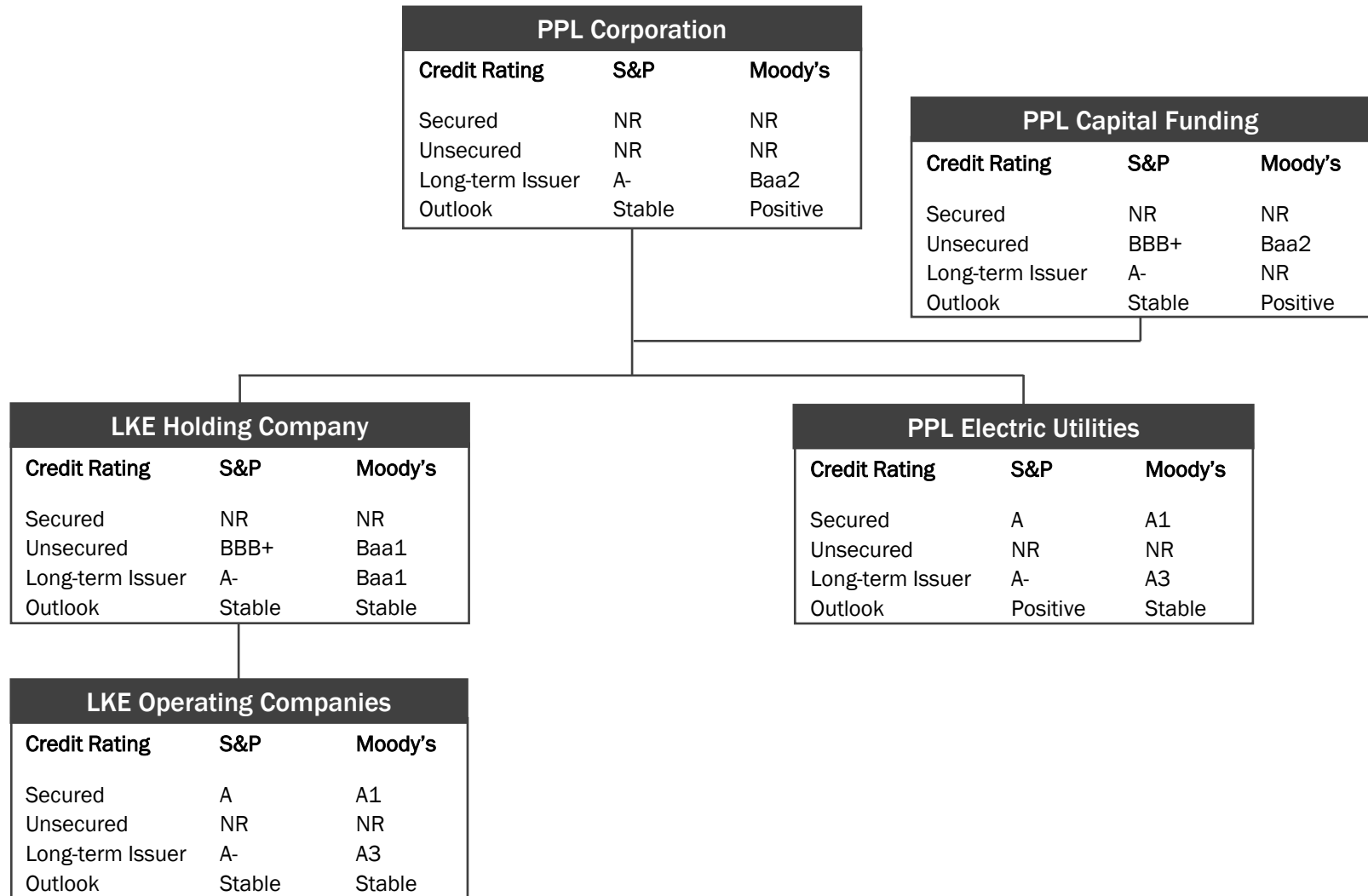
Liquidity Profile



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
	Bilateral Credit Facility	Mar-2022	50	0	0	50
	Uncommitted Credit Facility	Mar-2022	50	0	15	35
			<u>\$1,550</u>	<u>\$0</u>	<u>\$15</u>	<u>\$1,535</u>
PPL Electric Utilities	Syndicated Credit Facility	Jan-2024	\$650	\$0	\$1	\$649
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2024	\$500	\$0	\$0	\$500
Kentucky Utilities	Syndicated Credit Facility	Jan-2024	\$400	\$0	\$0	\$400
	Total Credit Facilities		<u>\$3,100</u>	<u>\$0</u>	<u>\$16</u>	<u>\$3,084</u>

Note: As of June 30, 2021.

PPL's Credit Ratings



Note: As of June 30, 2021.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (\$ in millions)	2nd Quarter June 30, 2021					Year-to-Date June 30, 2021				
	KY Reg.	PA Reg.	Corp. & Other	Disc. Ops. ⁽²⁾	Total	KY Reg.	PA Reg.	Corp. & Other	Disc. Ops. ⁽²⁾	Total
Reported Earnings⁽¹⁾	\$ 84	\$ 96	\$ (716)	\$ 555	\$ 19	\$ 230	\$ 209	\$ (772)	\$ (1,488)	\$ (1,821)
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				555	555				(1,492)	(1,492)
Talen litigation costs, net of tax of \$1, \$2			(6)		(6)			(9)		(9)
Strategic corporate initiatives, net of tax of \$1, \$1			(2)		(2)			(2)		(2)
Valuation allowance adjustment						4		(4)	4	4
Challenge to transmission formula rate return on equity reserve, net of tax of \$2, \$8		(7)			(7)		(20)			(20)
Acquisition integration, net of tax of \$1, \$1			(2)		(2)			(2)		(2)
U.K. tax rate change			(383)		(383)			(383)		(383)
Solar panel impairment, net of tax of \$9, \$9 ⁽³⁾			(28)		(28)			(28)		(28)
Loss on early extinguishment of debt, net of tax of \$67, \$67			(255)		(255)			(255)		(255)
Total Special Items	-	(7)	(676)	555	(128)	4	(20)	(683)	(1,488)	(2,187)
Earnings from Ongoing Operations	\$ 84	\$ 103	\$ (40)	\$ -	\$ 147	\$ 226	\$ 229	\$ (89)	\$ -	\$ 366

After-Tax (Unaudited) (per share - diluted)	2nd Quarter June 30, 2021					Year-to-Date June 30, 2021				
	KY Reg.	PA Reg.	Corp. & Other	Disc. Ops. ⁽²⁾	Total	KY Reg.	PA Reg.	Corp. & Other	Disc. Ops. ⁽²⁾	Total
Reported Earnings⁽¹⁾	\$ 0.11	\$ 0.12	\$ (0.92)	\$ 0.72	\$ 0.03	\$ 0.30	\$ 0.27	\$ (1.01)	\$ (1.93)	\$ (2.37)
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				0.72	0.72			(0.01)	(1.94)	(1.94)
Talen litigation costs								(0.01)		(0.01)
Valuation allowance adjustment						0.01		(0.01)	0.01	0.01
Challenge to transmission formula rate return on equity reserve		(0.01)			(0.01)		(0.03)			(0.03)
U.K. tax rate change			(0.50)		(0.50)			(0.50)		(0.50)
Solar panel impairment ⁽³⁾			(0.04)		(0.04)			(0.04)		(0.04)
Loss on early extinguishment of debt			(0.33)		(0.33)			(0.33)		(0.33)
Total Special Items	-	(0.01)	(0.87)	0.72	(0.16)	0.01	(0.03)	(0.89)	(1.93)	(2.84)
Earnings from Ongoing Operations	\$ 0.11	\$ 0.13	\$ (0.05)	\$ -	\$ 0.19	\$ 0.29	\$ 0.30	\$ (0.12)	\$ -	\$ 0.47

(1) Reported Earnings represents Net Income.

(2) PPL sold its U.K. utility business on June 14, 2021, and its earnings were treated as a special item.

(3) Reflects solar panel write-down due to extension of federal government's solar investment tax credits, technological advances resulting in more efficient modules available on the market, and rising commodity prices for materials used in various solar projects.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (\$ in millions)	2nd Quarter June 30, 2020					Year-to-Date June 30, 2020				
	KY Reg.	PA Reg.	Corp. & Other ⁽²⁾	Disc. Ops. ⁽³⁾	Total	KY Reg.	PA Reg.	Corp. & Other ⁽²⁾	Disc. Ops. ⁽³⁾	Total
Reported Earnings ⁽¹⁾	\$ 74	\$ 118	\$ (39)	\$ 191	\$ 344	\$ 201	\$ 236	\$ (80)	\$ 541	\$ 898
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				191	191				541	541
Talen litigation costs, net of tax of \$0, \$1			(2)		(2)			(4)		(4)
COVID-19 impact, net of tax of \$1, \$1	(4)				(4)	(4)				(4)
Total Special Items	(4)	-	(2)	191	185	(4)	-	(4)	541	533
Earnings from Ongoing Operations	<u>\$ 78</u>	<u>\$ 118</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>\$ 159</u>	<u>\$ 205</u>	<u>\$ 236</u>	<u>\$ (76)</u>	<u>\$ -</u>	<u>\$ 365</u>

After-Tax (Unaudited) (per share - diluted)	2nd Quarter June 30, 2020					Year-to-Date June 30, 2020				
	KY Reg.	PA Reg.	Corp. & Other ⁽²⁾	Disc. Ops. ⁽³⁾	Total	KY Reg.	PA Reg.	Corp. & Other ⁽²⁾	Disc. Ops. ⁽³⁾	Total
Reported Earnings ⁽¹⁾	\$ 0.10	\$ 0.15	\$ (0.05)	\$ 0.25	\$ 0.45	\$ 0.26	\$ 0.31	\$ (0.10)	\$ 0.70	\$ 1.17
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				0.25	0.25				0.70	0.70
Total Special Items	-	-	-	0.25	0.25	-	-	-	0.70	0.70
Earnings from Ongoing Operations	<u>\$ 0.10</u>	<u>\$ 0.15</u>	<u>\$ (0.05)</u>	<u>\$ -</u>	<u>\$ 0.20</u>	<u>\$ 0.26</u>	<u>\$ 0.31</u>	<u>\$ (0.10)</u>	<u>\$ -</u>	<u>\$ 0.47</u>

(1) Reported Earnings represents Net Income.

(2) The amount for the period ended June 30, 2020, has been adjusted for certain costs that were previously included in the U.K. Regulated segment.

(3) PPL sold its U.K. utility business on June 14, 2021, and its earnings were treated as a special item.

Adjusted Gross Margins Summary⁽¹⁾



(Unaudited) (millions of dollars, except share data)	Three Months Ended June 30,			Per Share Diluted (after-tax)
	2021	2020	Change	
Kentucky Adjusted Gross Margins	\$ 489	\$ 479	\$ 10	\$ 0.01
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 211	\$ 218	\$ (7)	\$ (0.01)
Transmission	159	165	(6)	0.00
Total Pennsylvania Adjusted Gross Margins	\$ 370	\$ 383	\$ (13)	\$ (0.01)

(Unaudited) (millions of dollars, except share data)	Six Months Ended June 30,			Per Share Diluted (after-tax)
	2021	2020	Change	
Kentucky Adjusted Gross Margins	\$ 1,059	\$ 1,026	\$ 33	\$ 0.03
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 458	\$ 460	\$ (2)	\$ (0.00)
Transmission	315	324	(9)	(0.01)
Total Pennsylvania Adjusted Gross Margins	\$ 773	\$ 784	\$ (11)	\$ (0.01)

(1) Excludes U.K. utility business due to the completed sale announced on June 14, 2021.

Reconciliation of Adjusted Gross Margins to Operating Income⁽¹⁾



(Unaudited) (millions of dollars)	Three Months Ended June 30, 2021				Six Months Ended June 30, 2021			
	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 741	\$ 545	\$ 2	\$ 1,288	\$ 1,626	\$ 1,169	\$ (9)	\$ 2,786
Operating Expenses								
Fuel	159	-	-	159	336	-	-	336
Energy purchases	27	110	-	137	98	259	-	357
Other operation and maintenance	24	26	354	404	49	51	671	771
Depreciation	41	15	213	269	81	32	423	536
Taxes, other than income	1	24	24	49	3	54	44	101
Total Operating Expenses	252	175	591	1,018	567	396	1,138	2,101
Total	\$ 489	\$ 370	\$ (589)	\$ 270	\$ 1,059	\$ 773	\$ (1,147)	\$ 685

(Unaudited) (millions of dollars)	Three Months Ended June 30, 2020				Six Months Ended June 30, 2020			
	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	KY Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 700	\$ 554	\$ 9	\$ 1,263	\$ 1,525	\$ 1,162	\$ 16	\$ 2,703
Operating Expenses								
Fuel	138			138	301			301
Energy purchases	22	111		133	79	255		334
Other operation and maintenance	20	23	310	353	41	46	621	708
Depreciation	38	13	204	255	75	25	405	505
Taxes, other than income	3	24	10	37	3	52	29	84
Total Operating Expenses	221	171	524	916	499	378	1,055	1,932
Total	\$ 479	\$ 383	\$ (515)	\$ 347	\$ 1,026	\$ 784	\$ (1,039)	\$ 771

(1) Excludes U.K. utility business due to the completed sale announced on June 14, 2021.

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 anticipated acquisition of Narragansett from National Grid, and its impact on PPL Corporation, 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: asset or business acquisitions and dispositions; 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 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; 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:

- 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.
- Significant losses on early extinguishment of debt.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.

Definitions of non-GAAP Financial Measures



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

"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.