



ENERGY
FORWARD

PPL 3rd Quarter Investor Update | November 4, 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 Update

Excellent progress on strategic repositioning



Highlights since 2nd quarter investor update

- **Narragansett Electric acquisition approvals remain on track**
 - 4 of 5 approvals completed - FERC approval received in September
 - Rhode Island (RI) Division of Public Utilities and Carriers only remaining approval (procedural schedule in Appendix)
 - Expect to close transaction by March 2022

- **Significant progress on Day 1 and transition planning initiatives**
 - Day 1 activities identified and planned
 - Transition Services Agreement (TSA) identified and drafted
 - 1,100+ National Grid employees accepted employment offers upon closing to staff RI operations

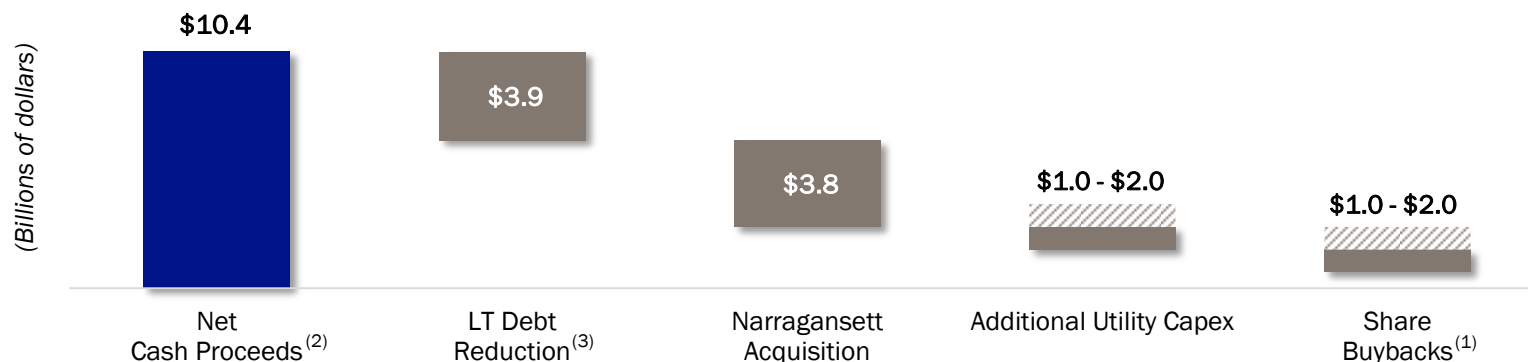
- **Added Heather B. Redman to Board of Directors effective October 11th**
 - Co-founder and managing partner of Flying Fish Partners, a venture capital firm investing in early-stage artificial intelligence and machine learning startups, including energy-related applications
 - Board is now overall 60% diverse, with 30% women and an average tenure of 7.5 years

Strategic Update

Updated views on capital allocation priorities post-WPD sale



- Plan to invest at least \$1 billion in additional regulated utility Capex through 2025
- Additional \$500 million allocated to share repurchases ⁽¹⁾
 - Targeting \$1 billion of total repurchases by year end with \$550 million repurchased as of October 31st
- Evaluating additional regulated utility Capex investments and/or share repurchases, with a strong bias towards utility investment to advance a sustainable energy future
 - Ongoing review of additional Capex opportunities to maintain and improve reliability, resiliency, and support grid modernization with details to be shared at investor day after closing of Narragansett acquisition



- Additional clarity on timing of expected change to quarterly dividend ⁽⁴⁾
 - Expect current dividend rate to remain through January 3, 2022 dividend payment
 - Future dividend payments beyond that date are expected to be based upon a 60-65% payout ratio of PPL's annual EPS following the closing of the Narragansett acquisition

(1) The actual amount of share repurchases will depend on several factors including the share price, market conditions and other potential uses of proceeds.

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

(3) Reflects total cash allocated to retire debt, including approximately \$0.4 billion for tender premiums, make whole payments, accrued interest and related fees.

(4) Based on timing consistent with Rhode Island Division procedural schedule. Actual dividends to be determined by Board of Directors.

Advancing PPL's Clean Energy Strategy

Initiatives supporting overall goal of net zero emissions



New 125-megawatt solar facility planned for Kentucky

- Renewable Power Agreements with five major customers in LG&E and KU's service territories
- Agreements are under LG&E and KU's existing Green Tariff



Joined Electric Highway Coalition to support electric vehicle (EV) adoption

- Coalition aims to expand rapid-charging infrastructure along U.S. highways from the Northeast to Midwest down to Texas
- PA and KY utilities are members of the coalition; Narragansett is also a member of the coalition under National Grid's ownership



Launched partnership to study and simulate the capture of carbon emissions at a combined cycle gas plant

- LG&E and KU collaboration with EPRI and University of Kentucky Center for Applied Energy Research



Innovative transmission line infrastructure investment

- Acquired ownership interest in SOO Green transmission line project
- 350-mile underground transmission line along existing railway right of ways to transmit Midwest renewable energy into PJM

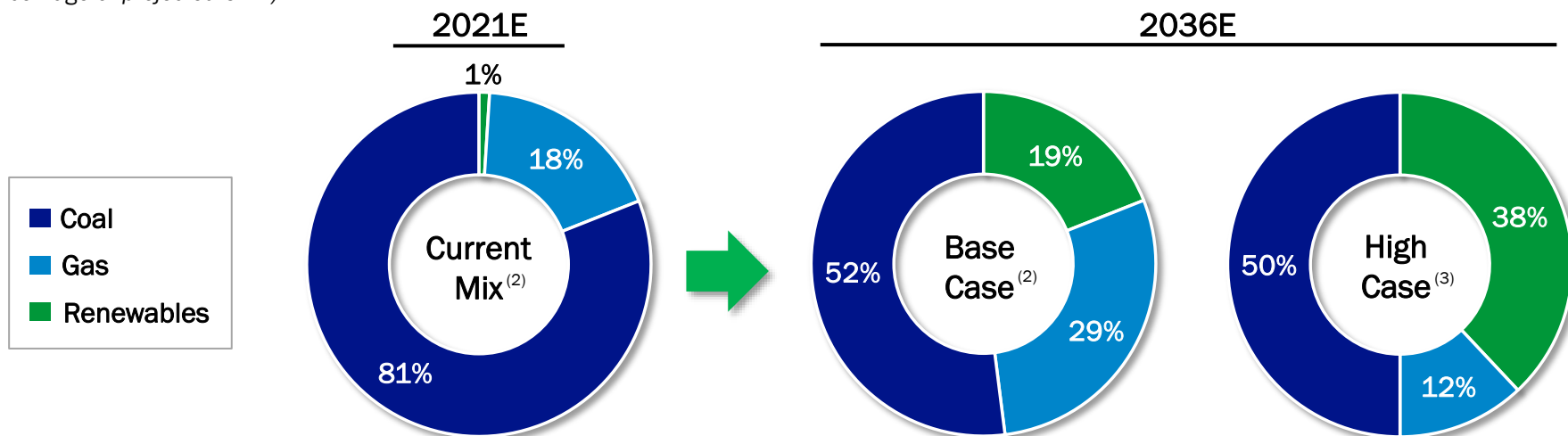
Kentucky Integrated Resource Plan

Expecting meaningful shift to cleaner generation mix



Projected generation mix over 15-year planning period⁽¹⁾

(Percentage of projected GWh)



- Anticipate meaningful decline in output from coal-fired facilities during the 15-year planning period, replaced by combination of renewable and natural gas
- Base case scenario supports renewable development of ~2,300 MW by 2036, with substantial further renewable generation needed in the high load/high fuel price case scenario
- Next IRP filed in 2024

Source: LG&E and KU 2021 Integrated Resource Plan (IRP), KPSC case no. 2021-00393

(1) See appendix for a summary of the base and high case scenario assumptions.

(2) Represents results from base load/base fuel price scenario. See slide 19 for applicable assumptions supporting this scenario.

(3) Represents results from high load/high fuel price scenario. See slide 19 for applicable assumptions supporting this scenario.

Operational and Regulatory Update

Innovation driving value for our customers and shareowners



Constructive settlement on PA transmission formula rate⁽¹⁾

- Agreement lowers base ROE, partially offset by other formula changes



PPL's utilities named among the most trusted utility brands in the nation

- PPL Electric and Kentucky Utilities are top rated by residential customers in Escalent study focused on utility performance⁽²⁾
- PPL Electric's 3rd consecutive year, Kentucky Utilities' 2nd consecutive year



PPL Electric recognized for innovation in vegetation management⁽³⁾

- Use of data analytics and other technologies driving fewer tree-related outages



PPL Electric chosen as a Top Innovator by Public Utilities Fortnightly⁽⁴⁾

- Acknowledgement for use of Dynamic Line Rating sensors in transmission



Supporting meaningful economic development in Kentucky

- Ford Motor Co. and SK Innovation announced in late September a new \$5.8 billion investment in the state for two electric battery manufacturing facilities in Glendale, KY

(1) The Settlement is subject to review and action by FERC, including approval, denial or modification. See appendix for settlement agreement details.

(2) Escalent – a human behavior and analytics advisory firm. Study focused on customer focus, community support, communications effectiveness, reliable quality, environmental dedication, and company reputation.

(3) 2021 AEIC (Association of Edison Illuminating Companies) Achievement award.

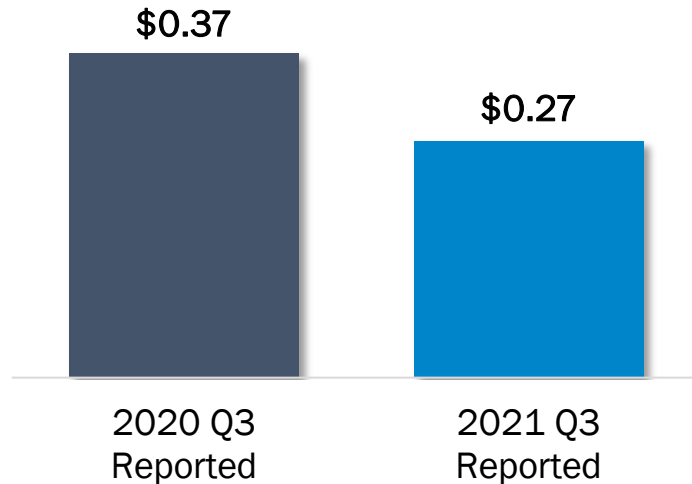
(4) Public Utilities Fortnightly - a forum for stakeholders in utility regulation and policy.

3rd Quarter Financial Results



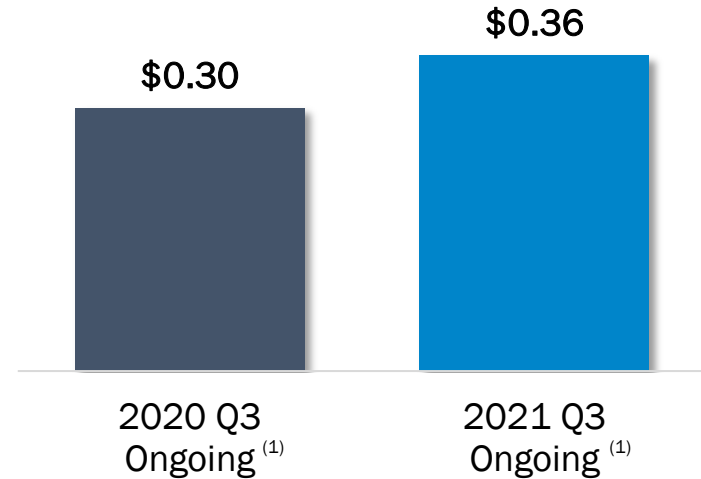
Reported Earnings

(Earnings Per Share)



Ongoing Earnings

(Earnings Per Share)



- **3rd quarter 2021 results reflect special items of (\$0.09) per share, primarily related to losses on the early extinguishment of debt**

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

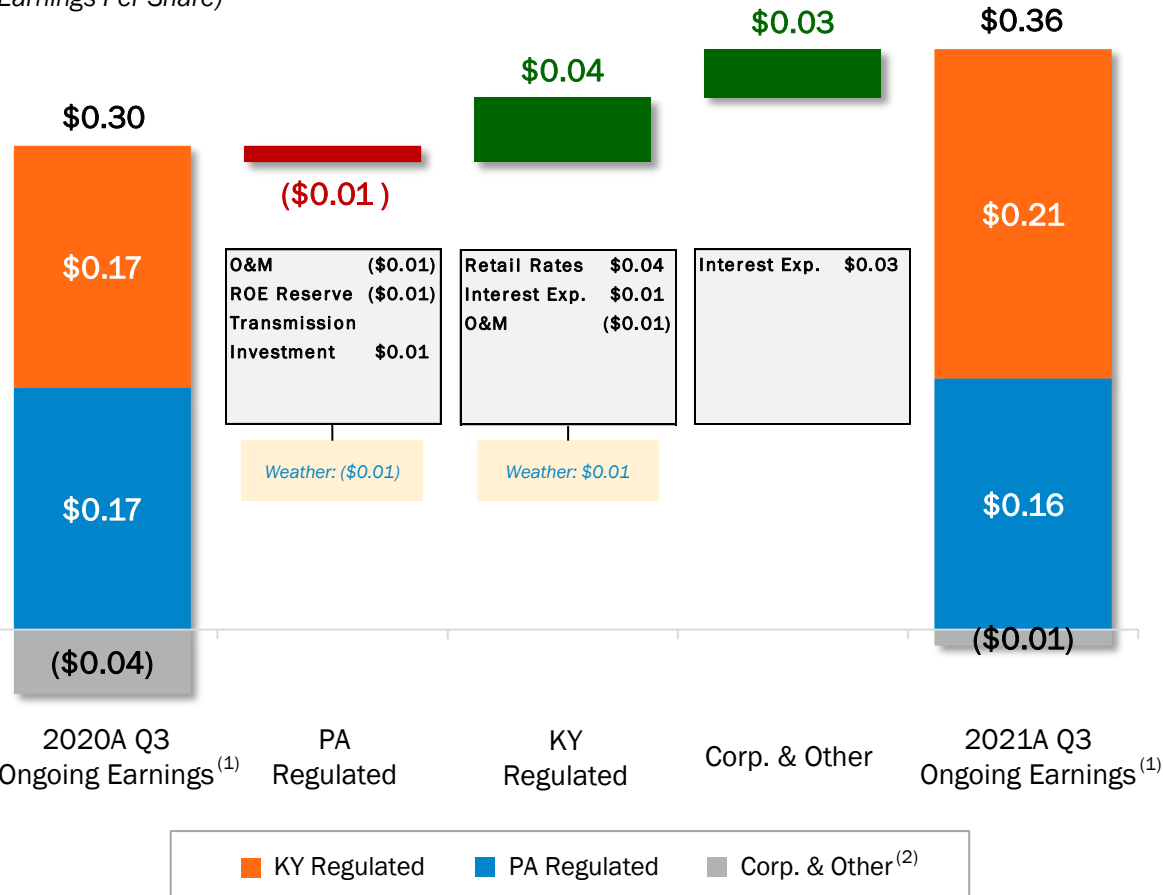
(1) Excludes special items. PPL sold its U.K. utility business on June 14, 2021, and its earnings were treated as a special item.

3rd Quarter Segment Results



Q3 2021 vs. Q3 2020

(Earnings Per Share)



Key Earnings Drivers

- **Pennsylvania Regulated:**
 - Higher O&M, primarily due to storm and support costs
 - Reserve recorded for a reduction in the transmission formula rate ROE
 - + Returns on additional capital investments in transmission
- **Kentucky Regulated:**
 - + Higher base rates effective July 1st
 - + Interest costs previously allocated to the KY segment
 - Higher O&M, primarily due to generation and administrative costs
- **Corp. & Other:**
 - + Lower long-term debt balance

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



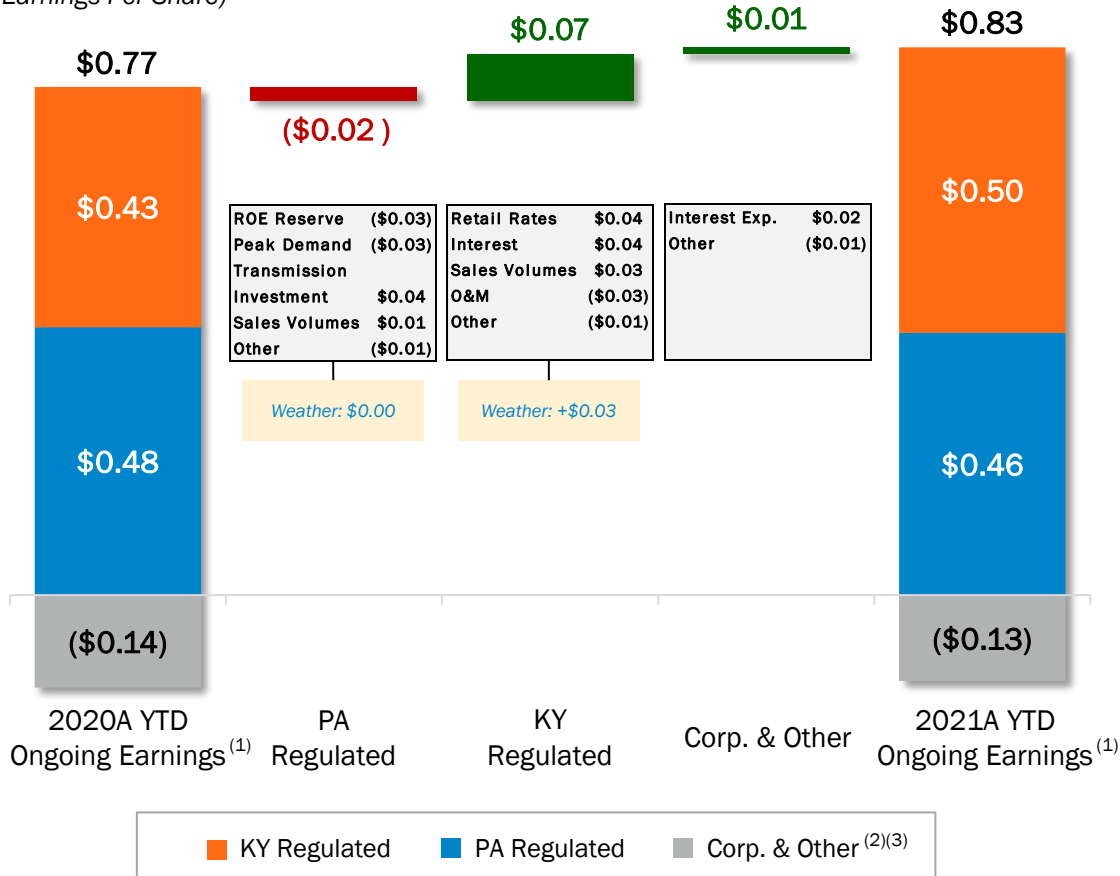
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YTD 2021 Financial Results



YTD 2021 vs. YTD 2020

(Earnings Per Share)



YTD Highlights: 2021 vs. 2020

- **Pennsylvania Regulated:**
 - Reserve recorded for a reduction in the transmission formula rate ROE
 - Lower peak transmission demand
 - + Returns on additional capital investments in transmission
 - + Higher sales volumes primarily due to increased residential load
- **Kentucky Regulated:**
 - + Higher base rates effective July 1st
 - + Interest costs previously allocated to the KY segment & lower interest rates
 - + Higher sales volumes, primarily due to favorable weather vs. prior year
 - Higher O&M due to increased generation and administrative costs
- **Corp. & Other:**
 - + Lower long-term debt balance
 - Higher interest expense primarily due to interest previously allocated to the Kentucky Regulated segment

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 (\$0.04) 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.

Narragansett Electric Acquisition

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)	✓ Approval Received 9/23
<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.

Narragansett Electric Acquisition

Rhode Island Division procedural schedule



<u>Timing</u>	<u>Milestone</u>
10/1/2021	Deadline for propounding discovery (all parties)
10/25/2021	Discovery Conference (if needed)
11/3/2021	Deadline for Intervenors and Advocacy Section to submit pre-filed direct testimony
11/23/2021	Deadline for Petitioners to submit pre-filed rebuttal testimony
12/8/2021 - 12/10/2021	Settlement discussions
12/9/2021	Deadline for Advocacy Section and Intervenors to submit pre-filed surrebuttal testimony
12/13/2021 - 12/17/2021	Public Hearings (Starting at 9:30AM)
1/17/2022	Post-Hearing Memoranda (Optional)
1/25/2022	Reply Memoranda (Optional)
2/25/2022	Decision Target Date

Note: Docket number D-21-09, Rhode Island Division of Public Utilities and Carriers.

FERC Transmission ROE Settlement

Constructive agreement on PA transmission formula rate



Notable aspects of Settlement⁽¹⁾

- **Changes to PPL Electric's base return on equity (ROE)⁽²⁾**
 - 9.90% ROE from 5/21/2020 – 5/31/2022
 - 9.95% ROE from 6/1/2022 – 5/31/2023
 - 10.00% ROE beginning 6/1/2023⁽³⁾
- **Changes the equity component of PPL Electric's capital structure**
 - To be the lower of i.) PPL Electric's actual equity component calculated in accordance with the formula rate template, or ii.) 56.00%⁽⁴⁾
- **Allows modification of current rate year to calendar year of January 1 to December 31**
 - PPL Electric's current rate year is from a June 1 to May 31 period
- **Allows modification of formula rate to use a projected rate year**
- **Impact of settlement is expected to reduce net income by \$25 - \$30 million per year**
 - Reserve for lower ROE already reflected in 2021 results to date

(1) The Settlement is subject to review and action by FERC, including approval, denial or modification.

(2) PPL Electric Utilities' current base transmission return on equity is 11.18%.

(3) The 10.00% ROE shall continue in effect unless and until changed as permitted by the terms of the Settlement.

(4) PPL Electric Utilities equity component was filed at 54.5% in the formula rate for the June 2021 – May 2022 planning period.

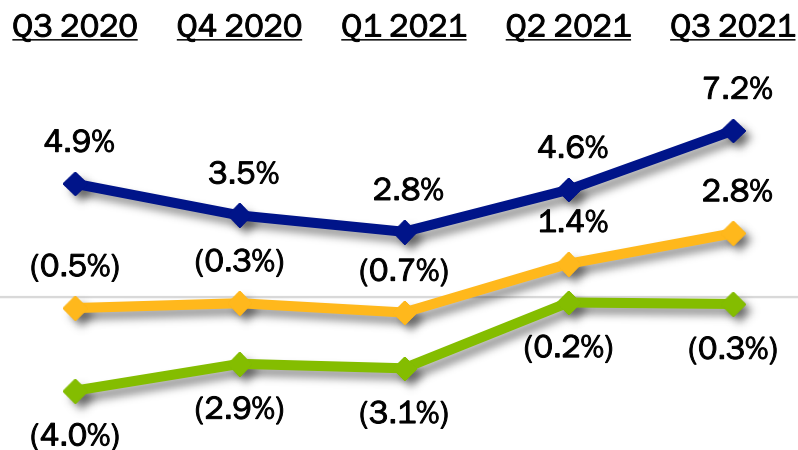
Electricity Sales Trends

Sales comparison to pre-pandemic levels

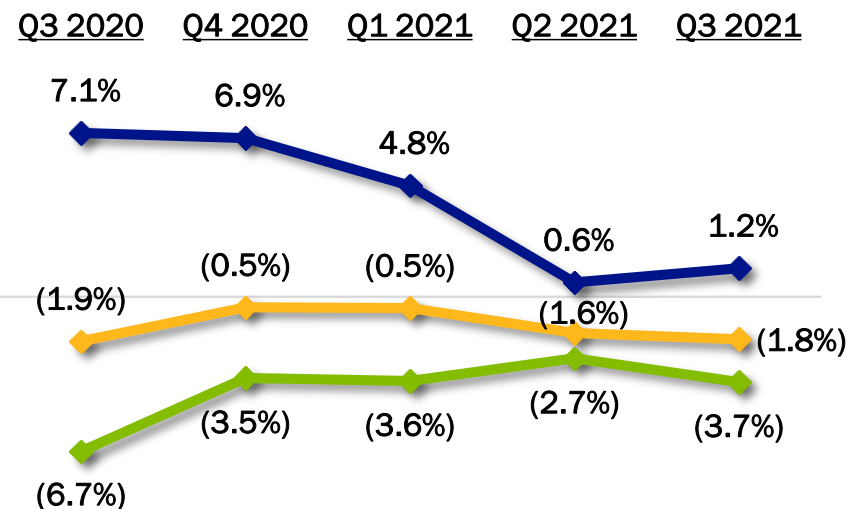


Weather-Normalized Electricity Sales Volumes Compared to 2019 Sales Volumes ⁽¹⁾

Pennsylvania Regulated



Kentucky Regulated



■ Residential ■ C&I ■ Total ⁽²⁾

(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>Q3 2021</u>	<u>Q3 2020</u>	<u>% Change</u>
Residential	3,525	3,449	2.2%
Commercial	3,747	3,609	3.8%
Industrial	2,205	2,119	4.0%
Other	18	18	NM*
Total	9,494	9,195	3.2%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	11,155	11,009	1.3%
Commercial	10,468	10,019	4.5%
Industrial	6,319	6,078	4.0%
Other	53	60	NM*
Total	27,995	27,166	3.1%

Kentucky			
	<u>Q3 2021</u>	<u>Q3 2020</u>	<u>% Change</u>
Residential	2,854	3,019	(5.5%)
Commercial	2,120	2,113	0.3%
Industrial	2,287	2,156	6.1%
Other	734	700	NM*
Total	7,995	7,987	0.1%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	8,170	8,401	(2.7%)
Commercial	5,779	5,760	0.3%
Industrial	6,562	6,018	9.0%
Other	2,009	1,966	NM*
Total	22,520	22,145	1.7%

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

Pennsylvania			
	<u>Q3 2021</u>	<u>Q3 2020</u>	<u>% Change</u>
Residential	3,628	3,753	(3.3%)
Commercial	3,792	3,714	2.1%
Industrial	2,205	2,119	4.1%
Other	17	17	NM*
Total	9,642	9,603	0.4%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	11,175	10,947	2.1%
Commercial	10,497	10,052	4.4%
Industrial	6,319	6,078	4.0%
Other	55	61	NM*
Total	28,046	27,138	3.3%

Kentucky			
	<u>Q3 2021</u>	<u>Q3 2020</u>	<u>% Change</u>
Residential	2,928	3,000	(2.4%)
Commercial	2,143	2,105	1.8%
Industrial	2,287	2,156	6.1%
Other	741	699	NM*
Total	8,100	7,960	1.8%
	<u>YTD 2021</u> ⁽¹⁾	<u>YTD 2020</u> ⁽²⁾	<u>% Change</u>
Residential	8,199	7,971	2.9%
Commercial	5,817	5,666	2.7%
Industrial	6,562	6,018	9.0%
Other	2,014	1,937	NM*
Total	22,593	21,592	4.6%

*NM: Not Meaningful

(1) Represents the nine months ending September 30, 2021.

(2) Represents the nine months ending September 30, 2020.

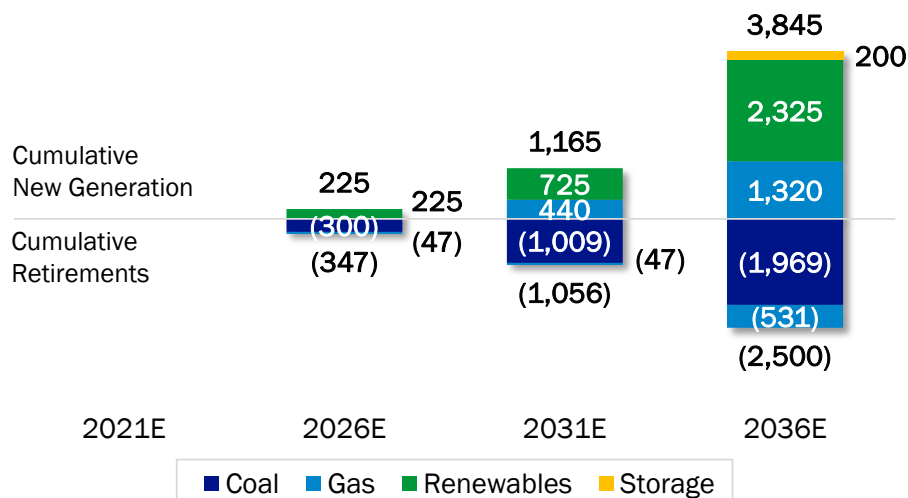
Kentucky Integrated Resource Plan

Potential generation capacity additions and retirements



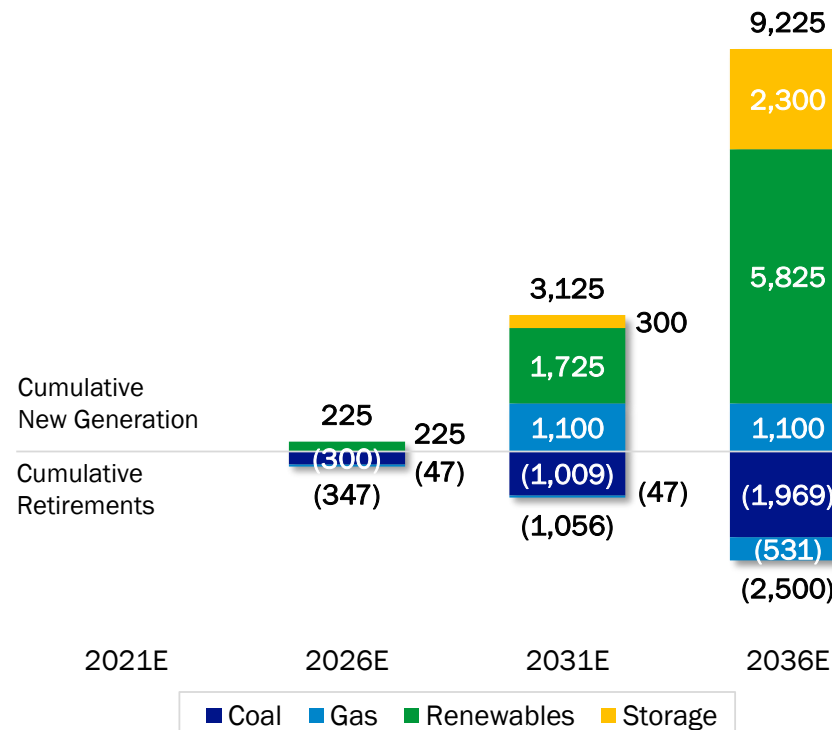
Base Case ⁽¹⁾

(Cumulative New Generation and Retirements in MW)



High Case ⁽²⁾

(Cumulative New Generation and Retirements in MW)



Source: LG&E and KU 2021 Integrated Resource Plan (IRP), KPSC case no. 2021-00393

(1) Represents results from base load/base fuel price scenario. See slide 19 for applicable assumptions supporting this scenario.

(2) Represents results from high load/high fuel price scenario. See slide 19 for applicable assumptions supporting this scenario.

Kentucky Integrated Resource Plan

Key Forecast Assumptions & Uncertainties



	Base Case	High Case
Key Load Assumptions		
Customer Growth	0.4% CAGR	50% faster (0.6% CAGR)
Energy Efficiency	>6% reduction in Residential/ Small Commercial use-per-customer by 2036	>6% reduction in Residential/ Small Commercial use-per-customer by 2036
Major New Customer Additions	None	180 MW
Electric Vehicle Growth	Less than 4% of new car sales by 2030	50% of new car sales by 2030
Space Heating Electrification	Flat to slightly increasing	No new gas furnaces beginning 2024
Key Fuel Assumptions		
Gas Price: 5-year averages ⁽¹⁾⁽²⁾ (\$/mmBtu)	2022 - 2026: \$2.87 2027 - 2031: \$3.11 2032 - 2036: \$3.52	2022 - 2026: \$3.75 2027 - 2031: \$4.14 2032 - 2036: \$4.74
Coal Price: 5-year averages ⁽³⁾⁽⁴⁾ (\$/mmBtu)	2022 - 2026: \$1.69 2027 - 2031: \$1.80 2032 - 2036: \$1.98	2022 - 2026: \$1.89 2027 - 2031: \$2.02 2032 - 2036: \$2.24
Carbon Price ⁽⁵⁾	No assumption	No assumption

Source: LG&E and KU 2021 Integrated Resource Plan (IRP), KPSC case no. 2021-00393

- (1) Gas price base case reflects forward market prices through 2024 interpolated to reach the U.S. Energy Information Administration's (EIA) 2021 Annual Energy Outlook's (AEO) High Oil and Gas Supply case's price by 2050.
- (2) Gas price high case reflects EIA's 2021 AEO reference case.
- (3) In the coal price base case, the forecasted open position through 2026 is a blend of bids received in response to the RFP and a consultant's forecast. In the long-term, the forecast escalates with coal price growth rate from EIA's 2021 AEO High Oil & Gas Supply case.
- (4) In the coal price high case, coal prices are correlated with natural gas prices.
- (5) Plants assumed to retire in accordance with recent depreciation study filed in rate cases. New resources assumed to be non-emitting, except for CTs needed for reliability.

Baseload Generation Resources

Summary 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	65%	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	54%	50%	2039
Mill Creek	4	1982	477	73%	54%	2039
Trimble County	1	1990	370	75%	81%	2045
Trimble County	2	2011	549	72%	76%	2066
Natural Gas						
Cane Run (CCGT)	7	2015	662	86%	76%	2055
Total Baseload			5,377			

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

Debt Maturities



(\$ 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	\$0	\$0	\$0	\$0	\$300	\$1,724	\$2,024
Kentucky Utilities	\$0	\$0	\$13	\$0	\$250	\$2,379	\$2,642
Total Debt Maturities⁽²⁾	\$0	\$474	\$353	\$650	\$550	\$9,224	\$11,251

Note: As of September 30, 2021.

(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 September 30, 2021, this represented a total amount of (\$112 million).

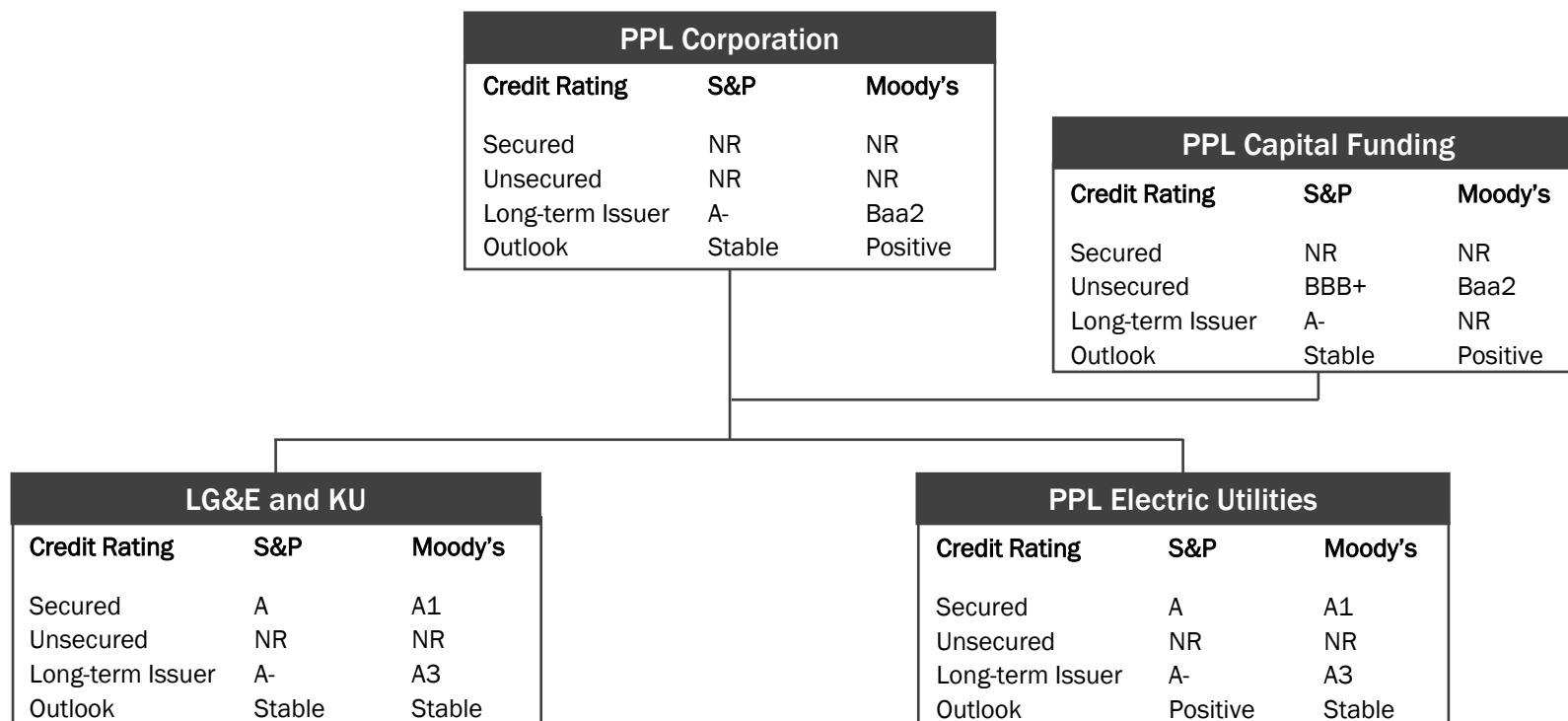
Liquidity Profile



Entity	Facility	Expiration Date	Capacity (\$ in millions)	Borrowed (\$ in millions)	Letters of Credit & Commercial Paper Issued (\$ in millions)	Unused Capacity (\$ in 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>
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 September 30, 2021.

PPL's Credit Ratings



Note: As of September 30, 2021.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (\$ in millions)	3rd Quarter September 30, 2021					Year-to-Date September 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⁾	\$ 159	\$ 126	\$ (76)	\$ (2)	\$ 207	\$ 389	\$ 335	\$ (848)	\$ (1,490)
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				(2)	(2)				(1,494)	(1,494)
Talen litigation costs, net of tax of \$1, \$3			(1)		(1)			(10)		(10)
Strategic corporate initiatives, net of tax of \$0, \$1			(1)		(1)			(3)		(3)
Valuation allowance adjustment						4		(4)	4	4
Transmission formula rate return on equity reserve, net of tax of \$0, \$8							(20)			(20)
Acquisition integration, net of tax of \$3, \$4			(9)		(9)			(11)		(11)
U.K. tax rate change								(383)		(383)
Solar panel impairment, net of tax of \$0, \$9								(28)		(28)
Loss on early extinguishment of debt, net of tax of \$16, \$83			(57)		(57)			(312)		(312)
Total Special Items	-	-	(68)	(2)	(70)	4	(20)	(751)	(1,490)	(2,257)
Earnings from Ongoing Operations	<u>\$ 159</u>	<u>\$ 126</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ 277</u>	<u>\$ 385</u>	<u>\$ 355</u>	<u>\$ (97)</u>	<u>\$ -</u>	<u>\$ 643</u>

After-Tax (Unaudited) (per share - diluted)	3rd Quarter September 30, 2021					Year-to-Date September 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⁾	\$ 0.21	\$ 0.16	\$ (0.10)	\$ -	\$ 0.27	\$ 0.51	\$ 0.43	\$ (1.10)	\$ (1.94)
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations									(1.95)	(1.95)
Talen litigation costs								(0.01)		(0.01)
Valuation allowance adjustment						0.01		(0.01)	0.01	0.01
Transmission formula rate return on equity reserve							(0.03)			(0.03)
Acquisition integration			(0.01)		(0.01)			(0.01)		(0.01)
U.K. tax rate change								(0.50)		(0.50)
Solar panel impairment								(0.04)		(0.04)
Loss on early extinguishment of debt			(0.08)		(0.08)			(0.40)		(0.40)
Total Special Items	-	-	(0.09)	-	(0.09)	0.01	(0.03)	(0.97)	(1.94)	(2.93)
Earnings from Ongoing Operations	<u>\$ 0.21</u>	<u>\$ 0.16</u>	<u>\$ (0.01)</u>	<u>\$ -</u>	<u>\$ 0.36</u>	<u>\$ 0.50</u>	<u>\$ 0.46</u>	<u>\$ (0.13)</u>	<u>\$ -</u>	<u>\$ 0.83</u>

(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.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (\$ in millions)	3rd Quarter September 30, 2020					Year-to-Date September 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⁾	\$ 129	\$ 135	\$ (147)	\$ 164	\$ 281	\$ 330	\$ 371	\$ (227)	\$ 705	\$ 1,179
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				164	164				705	705
Talen litigation costs, net of tax of \$1, \$2			(2)		(2)			(6)		(6)
COVID-19 impact, net of tax of \$0, \$0, \$0, \$1, \$0, \$0		(1)	(1)		(2)	(4)	(1)	(1)		(6)
Strategic corporative initiatives, net of tax of \$2, \$2			(5)		(5)			(5)		(5)
U.K. tax rate change			(102)		(102)			(102)		(102)
Total Special Items	-	(1)	(110)	164	53	(4)	(1)	(114)	705	586
Earnings from Ongoing Operations	<u>\$ 129</u>	<u>\$ 136</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>\$ 228</u>	<u>\$ 334</u>	<u>\$ 372</u>	<u>\$ (113)</u>	<u>\$ -</u>	<u>\$ 593</u>

After-Tax (Unaudited) (per share - diluted)	3rd Quarter September 30, 2020					Year-to-Date September 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⁾	\$ 0.17	\$ 0.17	\$ (0.19)	\$ 0.22	\$ 0.37	\$ 0.43	\$ 0.48	\$ (0.29)	\$ 0.91	\$ 1.53
Less: Special Items (expense) benefit:										
Income (Loss) from Discontinued Operations				0.22	0.22				0.91	0.91
Talen litigation costs			(0.01)		(0.01)			(0.01)		(0.01)
Strategic corporate initiatives			(0.01)		(0.01)			(0.01)		(0.01)
U.K. tax rate change			(0.13)		(0.13)			(0.13)		(0.13)
Total Special Items	-	-	(0.15)	0.22	0.07	-	-	(0.15)	0.91	0.76
Earnings from Ongoing Operations	<u>\$ 0.17</u>	<u>\$ 0.17</u>	<u>\$ (0.04)</u>	<u>\$ -</u>	<u>\$ 0.30</u>	<u>\$ 0.43</u>	<u>\$ 0.48</u>	<u>\$ (0.14)</u>	<u>\$ -</u>	<u>\$ 0.77</u>

(1) Reported Earnings represents Net Income.

(2) The amount for the period ended September 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 September 30,			
	2021	2020	Change	Per Share Diluted (after-tax)
Kentucky Adjusted Gross Margins	\$ 625	\$ 546	\$ 79	\$ 0.08
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 228	\$ 225	\$ 3	\$ 0.00
Transmission	180	179	1	0.00
Total Pennsylvania Adjusted Gross Margins	\$ 408	\$ 404	\$ 4	\$ 0.00

(Unaudited) (millions of dollars, except share data)	Nine Months Ended September 30,			
	2021	2020	Change	Per Share Diluted (after-tax)
Kentucky Adjusted Gross Margins	\$ 1,684	\$ 1,572	\$ 112	\$ 0.11
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 686	\$ 685	\$ 1	\$ 0.00
Transmission	495	503	(8)	(0.01)
Total Pennsylvania Adjusted Gross Margins	\$ 1,181	\$ 1,188	\$ (7)	\$ (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 September 30, 2021				Nine Months Ended September 30, 2021			
	KY	PA			KY	PA		
	Adjusted Gross Margins	Adjusted Gross Margins	Other	Operating Income	Adjusted Gross Margins	Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 879	\$ 628	\$ 5	\$ 1,512	\$ 2,505	\$ 1,797	\$ (4)	\$ 4,298
Operating Expenses								
Fuel	195	-	-	195	531	-	-	531
Energy purchases	24	143	-	167	122	402	-	524
Other operation and maintenance	22	35	336	393	71	86	1,007	1,164
Depreciation	12	12	250	274	93	44	673	810
Taxes, other than income	1	30	21	52	4	84	65	153
Total Operating Expenses	254	220	607	1,081	821	616	1,745	3,182
Total	\$ 625	\$ 408	\$ (602)	\$ 431	\$ 1,684	\$ 1,181	\$ (1,749)	\$ 1,116

(Unaudited) (millions of dollars)	Three Months Ended September 30, 2020				Nine Months Ended September 30, 2020			
	KY	PA			KY	PA		
	Adjusted Gross Margins	Adjusted Gross Margins	Other	Operating Income	Adjusted Gross Margins	Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 806	\$ 586	\$ 8	\$ 1,400	\$ 2,331	\$ 1,748	\$ 24	\$ 4,103
Operating Expenses								
Fuel	177	-	-	177	478	-	-	478
Energy purchases	18	118	-	136	97	373	-	470
Other operation and maintenance	25	23	298	346	66	69	919	1,054
Depreciation	39	13	205	257	114	38	610	762
Taxes, other than income	1	28	18	47	4	80	47	131
Total Operating Expenses	260	182	521	963	759	560	1,576	2,895
Total	\$ 546	\$ 404	\$ (513)	\$ 437	\$ 1,572	\$ 1,188	\$ (1,552)	\$ 1,208

(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, including the expected acquisition of Narragansett Electric, and our ability to realize expected benefits from them; 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; the outcome of rate cases or other cost recovery or revenue proceedings; 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, 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; changes in 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.