



# 2<sup>nd</sup> Quarter Investor Update

August 3, 2022

PPL Corporation

# 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 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 of this presentation and in PPL's SEC filings.

Management utilizes non-GAAP financial measures such as, "earnings from ongoing operations," "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.



# Business Update

**Vince Sorgi**

President & Chief Executive Officer

2nd Quarter Investor Update

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PPL Corporation

# PPL's Investment Thesis



A large-cap, regulated U.S. utility in constructive regulatory jurisdictions



Visible and predictable 6% - 8% annual EPS and dividend growth<sup>(1)</sup>



Robust \$27B regulated investment opportunity through 2030



One of the strongest balance sheets in the U.S. utility sector – no equity issuances



Compelling opportunity to transition existing coal fleet to cleaner energy resources – no unabated coal by 2050<sup>(2)</sup>



Superior operators with a proven, scalable strategy that enables growth while sustaining affordable rates



9% - 11% total return proposition – de-risked plan does not require base rate cases to achieve<sup>(3)</sup>

(1) Refers to PPL's projected earnings per share growth from pro forma 2022 to 2025 and targeted dividend per share growth in line with EPS.

(2) PPL is economically transitioning coal-fired generation and has committed to not burn coal by 2050 unless it can be mitigated with carbon dioxide removal technologies.

(3) Total return reflects PPL's targeted EPS growth rate plus dividend yield based on targeted annualized dividend and PPL's closing share price as of July 29, 2022.



# 2<sup>nd</sup> Quarter Update: Takeaways

- ✓ **Strong quarterly results have PPL on track to achieve 2022 financial targets**
  - Reported Q2 2022 GAAP results of \$0.16 per share; Ongoing earnings of \$0.30 per share
  
- ✓ **Reaffirmed 2022 earnings forecast of \$1.30 – \$1.45 per share**
  
- ✓ **Reaffirmed long-term annual earnings and dividend growth rate of 6% - 8%<sup>(1)</sup>**
  - Growth based on mid-point of 2022 pro forma forecast range of \$1.40 – \$1.55 per share<sup>(2)</sup>
  
- ✓ **Executing strategy to achieve at least \$150M of O&M savings by 2025**
  - Asset optimization and centralization of shared service functions underway
  
- ✓ **Issued RFP for replacement generation in Kentucky to advance a clean energy future**
  - Seeking proposals to replace energy produced by older, coal-fired units

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

(1) Refers to PPL's projected earnings per share growth from pro forma 2022 to 2025 and targeted dividend per share growth in line with EPS.

(2) Based on pro forma 2022 EPS projections, including a full year of earnings contributions from Rhode Island Energy

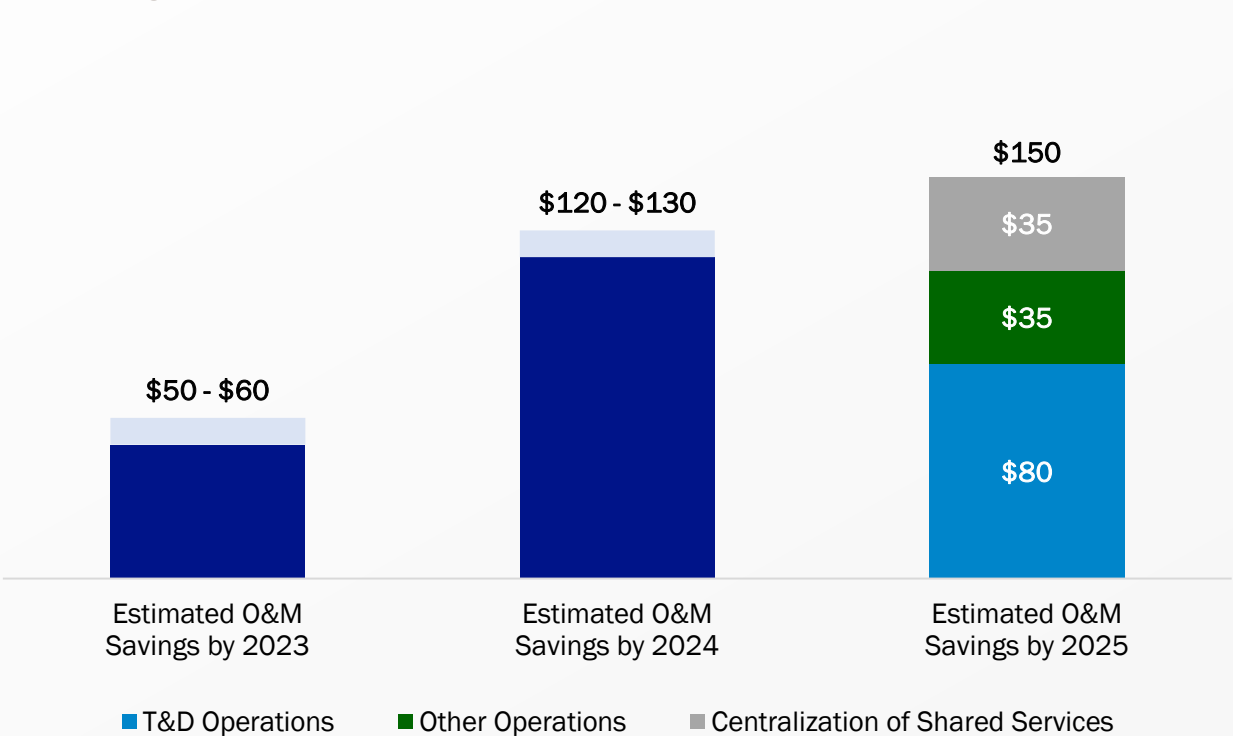


# A Strategy Focused on Efficiency and Affordability



## A clear path to deliver at least \$150M of savings by 2025

(O&M savings, \$ in millions)



- ✓ **T&D Operations**
  - Smart Grid Technology – more efficient and condition-based maintenance for substation and line assets
  - Enhanced vegetation management modeling lowers maintenance costs
  - Customer service technology investments improve self-service and reduce calls handled by agents
- ✓ **Other Operations (Generation & Gas LDCs)**
  - Optimization of planned outage schedules and non-outage maintenance
- ✓ **Centralization of Shared Services**
  - Consolidation of IT platforms reducing maintenance footprint and lower licensing costs
  - Economies of scale from centralized service functions, including supply chain

Additional Opportunities to Scale and Drive Incremental Savings Longer Term

# Advancing The Clean Energy Transition in Kentucky



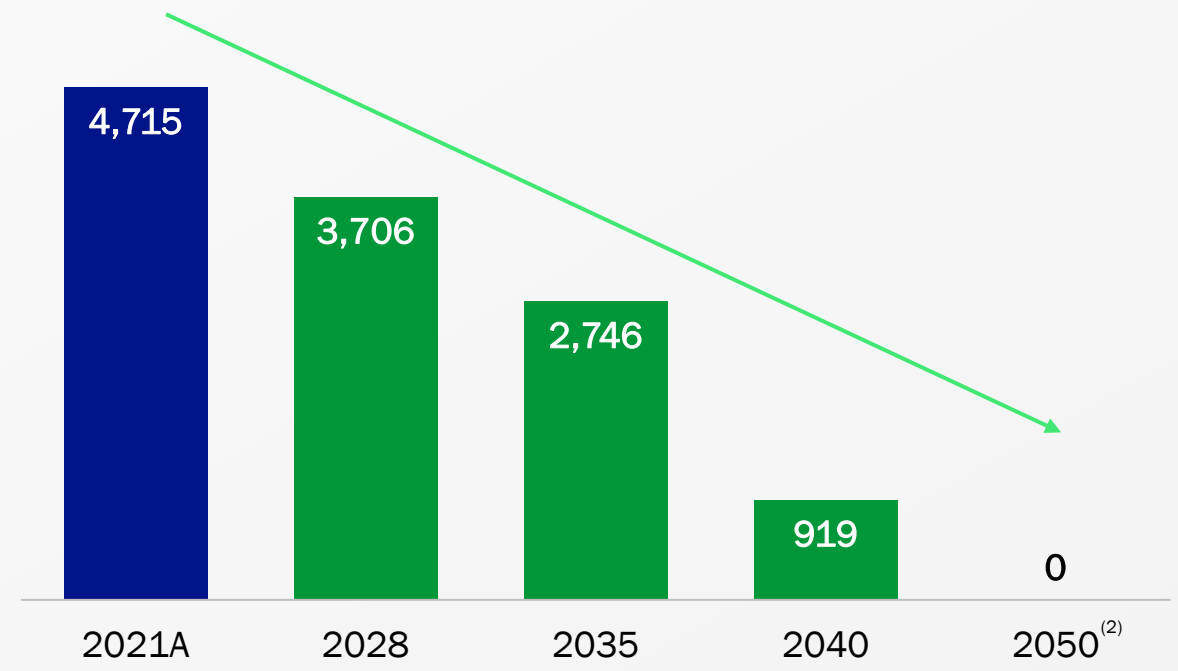
## RFP to Evaluate Long-Term Supply of Energy and Capacity

- ✓ **LG&E and KU issued RFP to support energy and capacity needs ahead of expected 2028 coal-plant retirements**
  - Open to a variety of generation sources, including renewables, battery storage, and natural gas (peaking and/or baseload); sources to be added no earlier than 2025
  - Proposals due mid-August with completion of evaluation by end of October
  - Timing supports anticipated regulatory filing in Q4 2022 or Q1 2023 to enable timely replacement
- ✓ **Results help to inform further generation transition analysis**
  - Study will be focused on financial and operational implications of various generation replacement options, including a scenario with 80% clean-energy by 2030
  - Study expected to be published in Q4 2022
- ✓ **Monitoring EPA's "Good Neighbor" rule and potential impacts on plant retirement schedule<sup>(1)</sup>**

## Supports PPL's Projected Coal-Fired Generation Retirements

(in MW)

Projected Coal-Fired Generation Capacity



(1) Rulemaking has the potential to shift nearly 500MW of coal-fired capacity retirements from the 2030s to the late 2020s depending upon compliance timelines and flexibility.  
(2) PPL is economically transitioning coal-fired generation and has committed to not burn coal by 2050 unless it can be mitigated with carbon dioxide removal technologies.



# Financial Update

**Joe Bergstein**

Executive Vice President & Chief Financial Officer

2nd Quarter Investor Update

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PPL Corporation



# Financial Update



## Overview of 2<sup>nd</sup> Quarter Financial Results

(Earnings Per Share)

	Q2 2022	Q2 2021
Reported Earnings	\$0.16	\$0.03
Less: Special Items <sup>(1)</sup>	(\$0.14)	(\$0.16)
<b>Ongoing Earnings</b>	<b>\$0.30</b>	<b>\$0.19</b>
PA Regulated	\$0.17	\$0.13
KY Regulated	\$0.14	\$0.11
RI Regulated	\$0.01	-
Corp. and Other	(\$0.02)	(\$0.05)

## Overview of YTD Financial Results

(Earnings Per Share)

	YTD 2022	YTD 2021
Reported Earnings	\$0.53	(\$2.37)
Less: Special Items <sup>(2)</sup>	(\$0.18)	(\$2.84)
<b>Ongoing Earnings</b>	<b>\$0.71</b>	<b>\$0.47</b>
PA Regulated	\$0.36	\$0.30
KY Regulated	\$0.39	\$0.29
RI Regulated	\$0.01	-
Corp. and Other	(\$0.05)	(\$0.12)

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

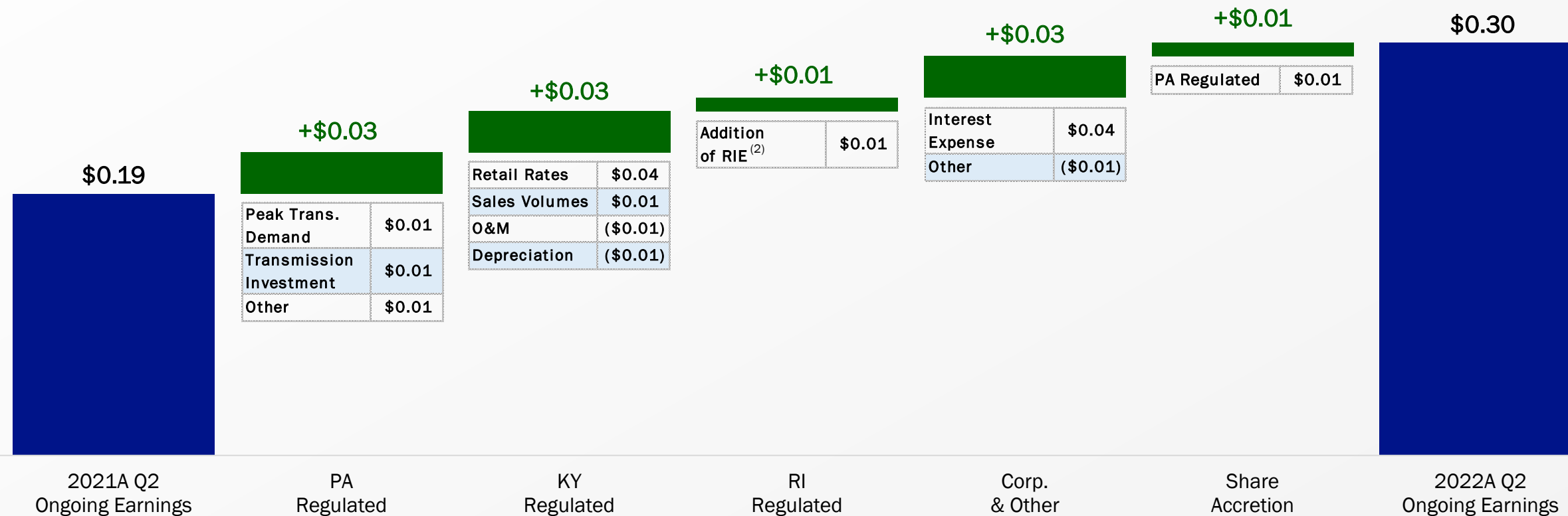
- (1) Q2 2022 special items were primarily attributable to integration expenses associated with the acquisition of Rhode Island Energy. Q2 2021 special items were primarily attributable to discontinued operations associated with the U.K. utility business, a U.K. tax rate change and a loss on the early extinguishment of debt.
- (2) YTD 2022 special items were primarily attributable to integration expenses associated with the acquisition of Rhode Island Energy. YTD 2021 special items were primarily attributable to discontinued operations associated with the U.K. utility business, a U.K. tax rate change and a loss on the early extinguishment of debt. The 2021 YTD special-item charges attributable to discontinued operations included a non-cash net loss on the sale of the U.K. utility business, primarily due to the realization of accumulated other comprehensive losses and forecasted federal taxes associated with the sale, partially offset by earnings from the operations of the U.K. utility business until completion of its sale on June 14, 2021.

# Review of 2<sup>nd</sup> Quarter Financial Results



## Ongoing Earnings Walk – Q2 2022 vs. Q2 2021<sup>(1)</sup>

(Earnings Per Share)



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

(1) Ongoing earnings excludes special items. For 2021A Q2, earnings related to the U.K. utility business sold on June 14, 2021 were treated as a special item.

(2) RIE – Rhode Island Energy.



# Appendix

August 3, 2022

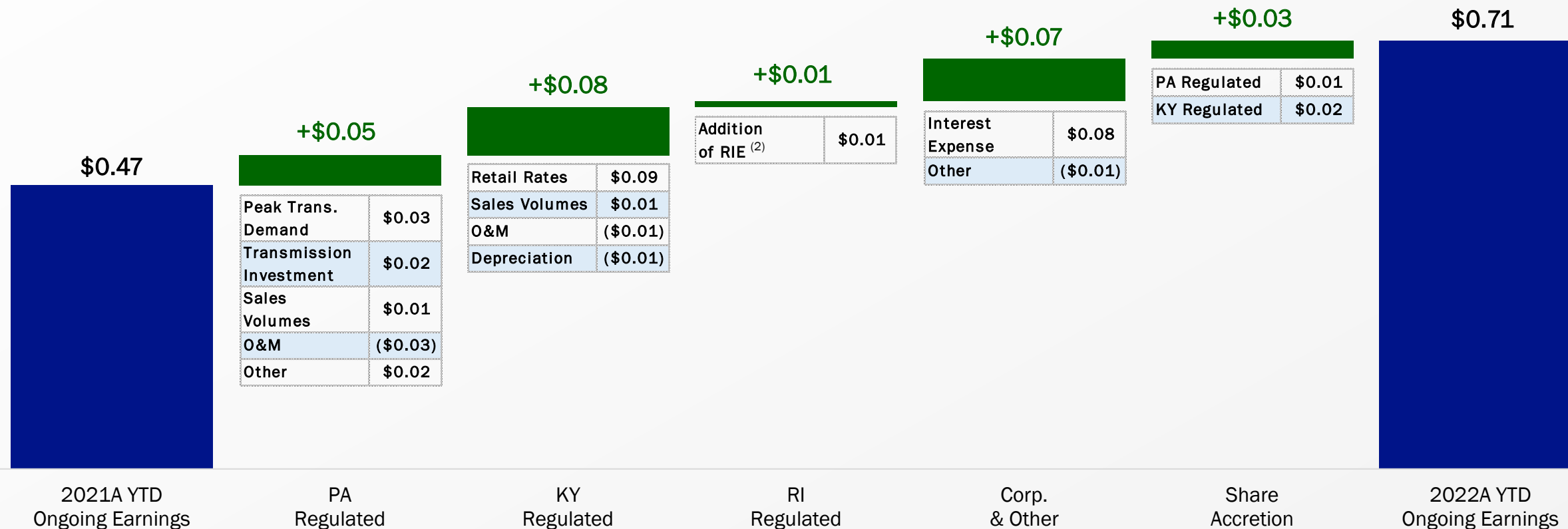
PPL Corporation – 2<sup>nd</sup> Quarter Investor Update

# Review of YTD Financial Results



## Ongoing Earnings Walk – YTD 2022 vs. YTD 2021 <sup>(1)</sup>

(Earnings Per Share)



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

(1) Ongoing earnings excludes special items. For 2021A YTD, earnings related to the U.K. utility business sold on June 14, 2021 were treated as a special item.

(2) RIE – Rhode Island Energy.

# Electricity Sales Volumes



2022 retail sales vs. 2021 retail sales by operating segment<sup>(1)</sup>

(GWh)	Weather-Normalized Electricity Sales Volume						Actual Electricity Sales Volume		
	Three Months Ended June 30,			Trailing Twelve Months Ended June 30,			Three Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change	2022	2021	% Change
<b>Pennsylvania</b>									
Residential	3,028	3,017	0.3%	14,911	14,887	0.2%	3,027	3,085	(1.9%)
Commercial	3,335	3,306	0.9%	13,916	13,559	2.6%	3,345	3,323	0.7%
Industrial	2,206	2,119	4.1%	8,500	8,246	3.1%	2,206	2,119	4.1%
Other	14	16	NM*	77	79	NM*	14	16	NM*
<b>Total</b>	<b>8,583</b>	<b>8,458</b>	<b>1.5%</b>	<b>37,403</b>	<b>36,770</b>	<b>1.7%</b>	<b>8,592</b>	<b>8,543</b>	<b>0.6%</b>
<b>Kentucky</b>									
Residential	2,280	2,234	2.0%	10,547	10,895	(3.2%)	2,381	2,249	5.9%
Commercial	1,870	1,846	1.3%	7,635	7,535	1.3%	1,902	1,852	2.7%
Industrial	2,205	2,171	1.6%	8,768	8,517	2.9%	2,205	2,171	1.6%
Other	656	648	NM*	2,665	2,572	NM*	662	649	NM*
<b>Total</b>	<b>7,010</b>	<b>6,899</b>	<b>1.6%</b>	<b>29,615</b>	<b>29,519</b>	<b>0.3%</b>	<b>7,150</b>	<b>6,921</b>	<b>3.3%</b>

\*NM: Not Meaningful

(1) Excludes Rhode Island Energy's sales volumes as its revenue is decoupled.

# 2022 Earnings Projections



2022 Forecast Reflects Partial Year of Rhode Island Energy; 2022 Pro Forma is Basis for EPS Growth Rate

**Supported by Growth in Pennsylvania and Kentucky, a Full-Year of Interest Savings, and the Addition of Rhode Island Energy**

(Earnings per share)

Segment	2021 Actual	Change	2022 Forecast Mid-point <sup>(2)</sup>	Rhode Island Pro Forma Adjustment <sup>(3)</sup>	2022 Pro Forma Mid-point <sup>(4)</sup>
PA Regulated	\$0.61	\$0.10	\$0.71	-	\$0.71
KY Regulated	\$0.61	\$0.07	\$0.68	-	\$0.68
RI Regulated <sup>(1)</sup>	-	\$0.07	\$0.07	\$0.11	\$0.18
Corp. & Other	(\$0.17)	\$0.08	(\$0.09)	-	(\$0.09)
<b>Total PPL</b>	<b>\$1.05</b>	<b>\$0.32</b>	<b>\$1.37</b>	<b>\$0.11</b>	<b>\$1.48</b>

## Key Earnings Drivers (2022 Forecast)

### PA Regulated (+\$0.10)

- + Returns on additional capital investments in transmission
- + Higher peak transmission demand
- + Lower O&M

### KY Regulated (+\$0.07)

- + Higher base retail rates effective July 1, 2021
- + Higher sales volumes
- Higher O&M

### RI Regulated (+\$0.07)

- + Results from June through December

### Corp. & Other (+\$0.08)

- + Lower interest expense

(1) 2022 forecast reflects partial year that Rhode Island Energy was owned by PPL (June through December). 2022 pro forma reflects full year estimate for Rhode Island Energy.

(2) Represents mid-point of 2022 earnings forecast of \$1.30 - \$1.45 per share, reflecting a partial year of RI Regulated segment.

(3) Reflects pro forma adjustment for Rhode Island Energy's 2022 results prior to PPL ownership (January through May). These results reflect the seasonality associated with Rhode Island Energy's natural gas operations.

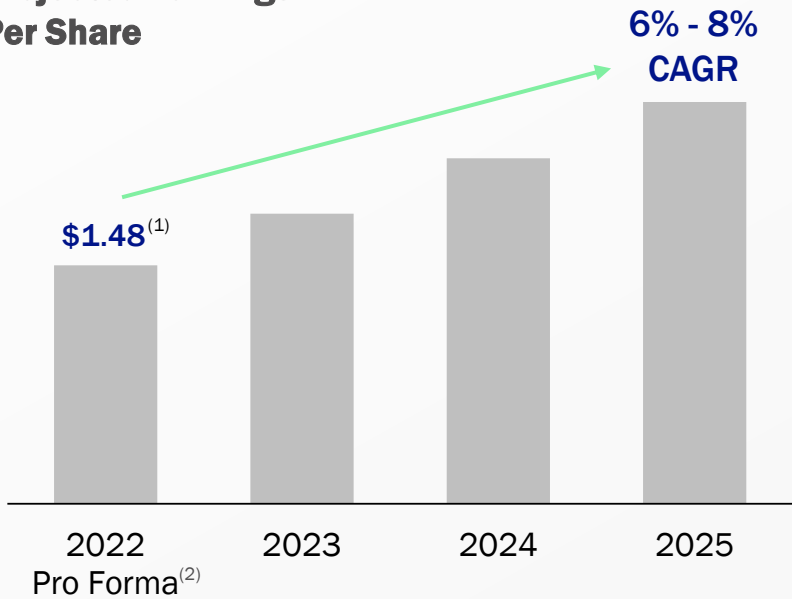
(4) Represents mid-point of 2022 pro forma earnings forecast of \$1.40 - \$1.55 per share, reflecting a full year estimate for the RI Regulated segment. 2022 pro forma estimate is used as the basis for targeted earnings growth.



# 6% - 8% EPS and Dividend Growth

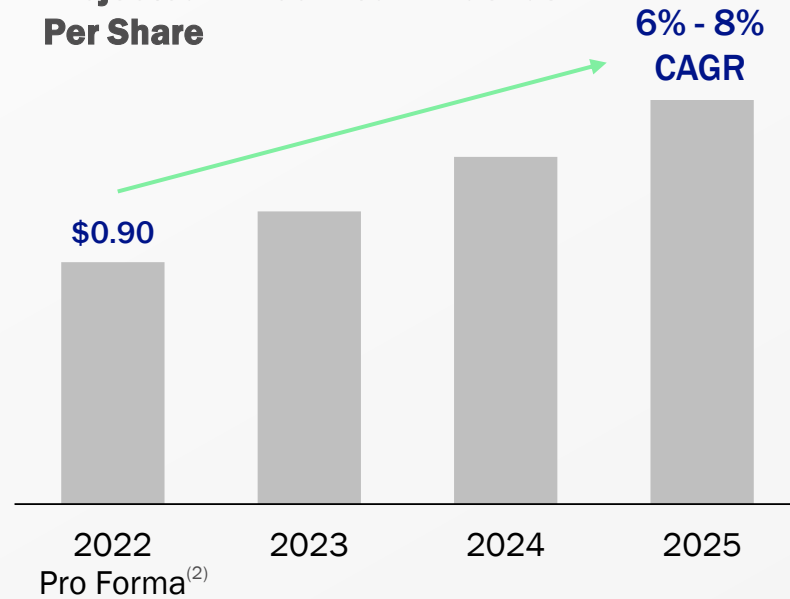
## Top-Tier Earnings Per Share Growth...

### Projected Earnings Per Share



## ...And Dividend Growth Aligned with EPS

### Projected Annualized Dividends Per Share



Compelling annualized total return of 9% - 11%<sup>(3)</sup>

(1) Represents the midpoint of 2022 pro forma forecast range of \$1.40 - \$1.55 per share.

(2) Reflects pro forma estimate for a full year of earnings contributions from Rhode Island Energy.

(3) Total return reflects PPL's targeted EPS growth rate plus dividend yield based on projected annualized dividend and PPL's closing share price as of July 29, 2022.



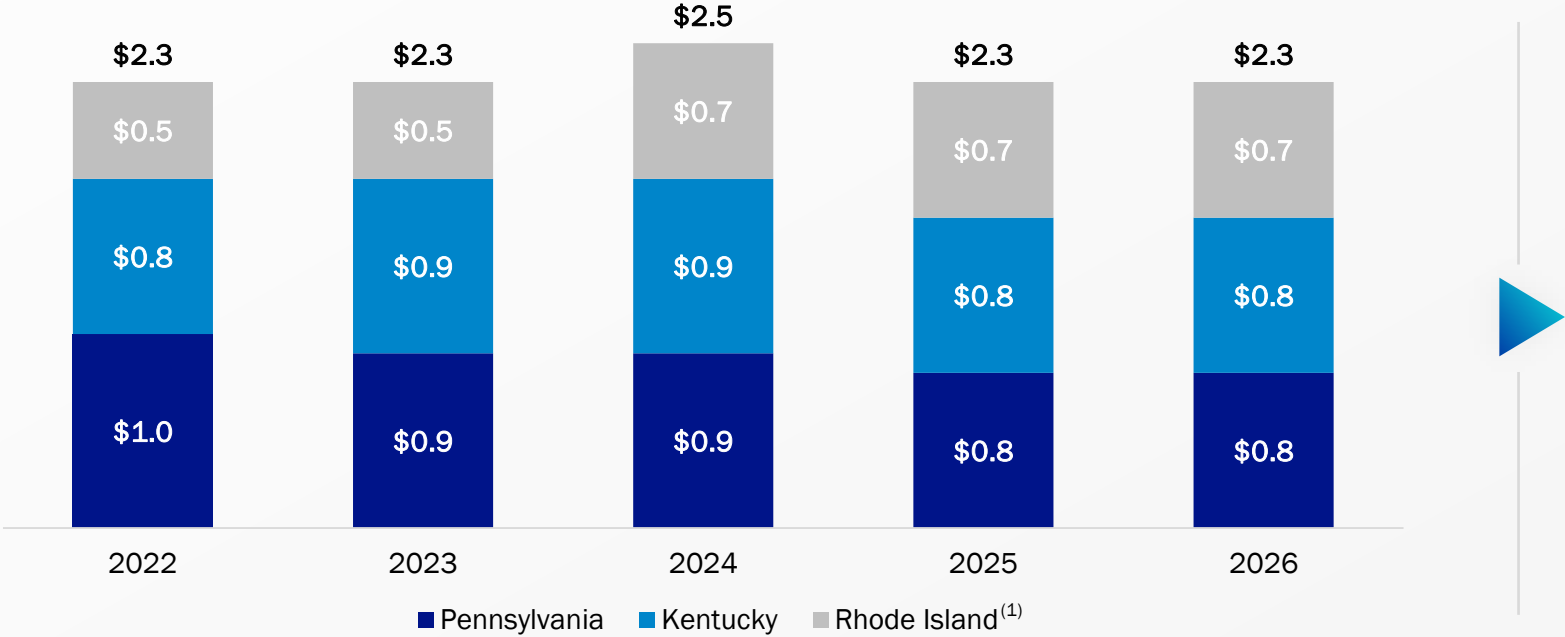
# Significant Capital Investment Opportunities



## Robust ~\$12B Regulated Utility Capital Plan From 2022 – 2026...

## ...With Additional Future Prospects

(\$ in billions)



# \$15B

Additional investment opportunities through 2030

- ✓ Grid Modernization and Resiliency
- ✓ Digital Transformation
- ✓ Coal Generation Replacement

\$27B of investment opportunities through 2030

(1) For years 2024 – 2026, reflects the midpoint of projected capex range for Rhode Island Energy, which is \$550 million - \$750 million per year.

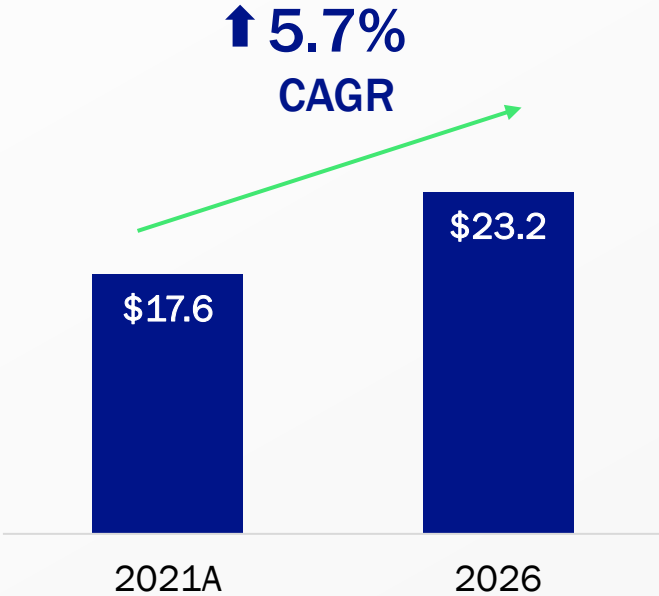


# A More Sustainable Business Mix



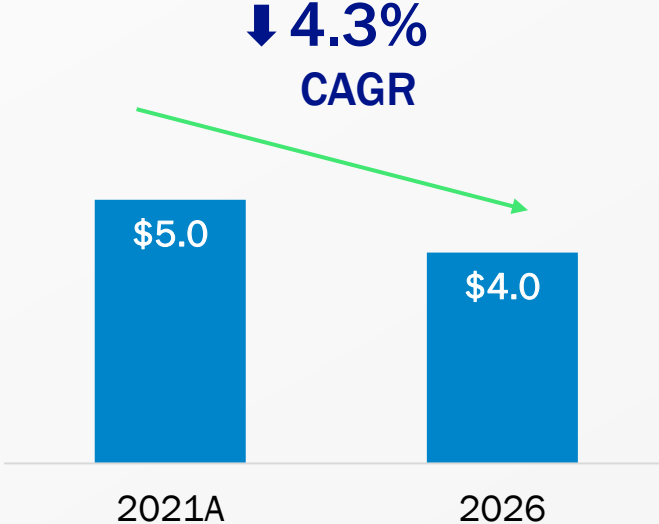
## Increasing Sustainable Infrastructure<sup>(1)</sup>

(Average rate base, \$ in billions)

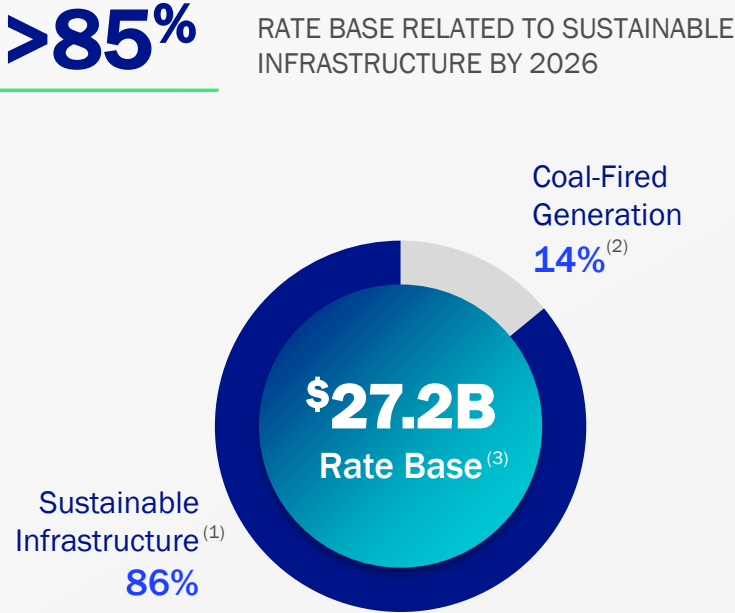


## ...And Decreasing Coal-Fired Generation...

(Average rate base, \$ in billions)



## ...Results in Less Carbon Intensive Mix



Growth fueled by T&D investments as coal-fired generation rate base declines to less than 15%

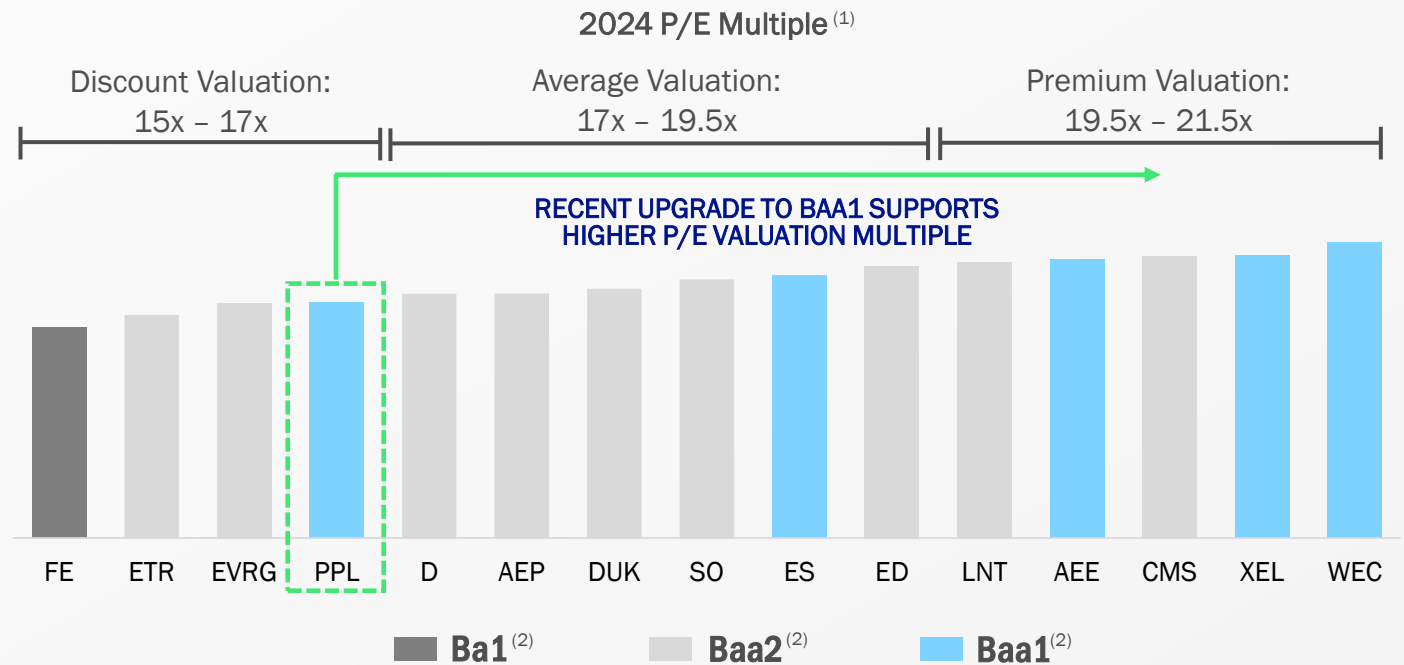
(1) Sustainable infrastructure rate base includes electric distribution, electric transmission, gas operations, and non-coal generation.  
 (2) Projected rate base related to coal-fired generation expected to decline to less than 15% of total rate base by 2026 from 21% as of year-end 2021.  
 (3) Represents 2026 average rate base (average of estimated ending balances for 2025 and 2026).

# Improved Balance Sheet Now In-Line with Premium Peers



## One of the Sector's Best Credit Profiles

- ✓ **Upgraded to Baa1 rating at Moody's**
  - A- rating affirmed at S&P
- ✓ **16% - 18% FFO/CFO to debt**
  - Peer average is ~15%
- ✓ **HoldCo debt to total debt is <25%**
  - Peer average is ~25%
- ✓ **No planned equity issuances**



Exceptional credit profile strengthens growth prospects and reduces risk

(1) Source: FactSet, represents closing share price and 2024 consensus estimates as of July 29, 2022.

(2) Moody's long-term issuer rating per FactSet.

# Debt Maturities



(\$ in millions)	2022	2023	2024	2025	2026	2027 and Beyond	Total
PPL Capital Funding	\$0	\$0	\$0	\$0	\$650	\$1,396	\$2,046
PPL Electric Utilities <sup>(1)</sup>	\$474	\$340	\$650	\$0	\$0	\$3,075	\$4,539
Louisville Gas & Electric <sup>(1)</sup>	\$0	\$0	\$0	\$300	\$90	\$1,634	\$2,024
Kentucky Utilities <sup>(1)</sup>	\$0	\$13	\$0	\$250	\$164	\$2,215	\$2,642
Rhode Island Energy <sup>(2)</sup>	\$14	\$1	\$1	\$1	\$0	\$1,499	\$1,516
<b>Total Debt Maturities<sup>(3)</sup></b>	<b>\$488</b>	<b>\$354</b>	<b>\$651</b>	<b>\$551</b>	<b>\$904</b>	<b>\$9,819</b>	<b>\$12,767</b>

Note: As of June 30, 2022.

(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) Amounts reflect sinking fund payments that are due annually until the bond's final maturity.

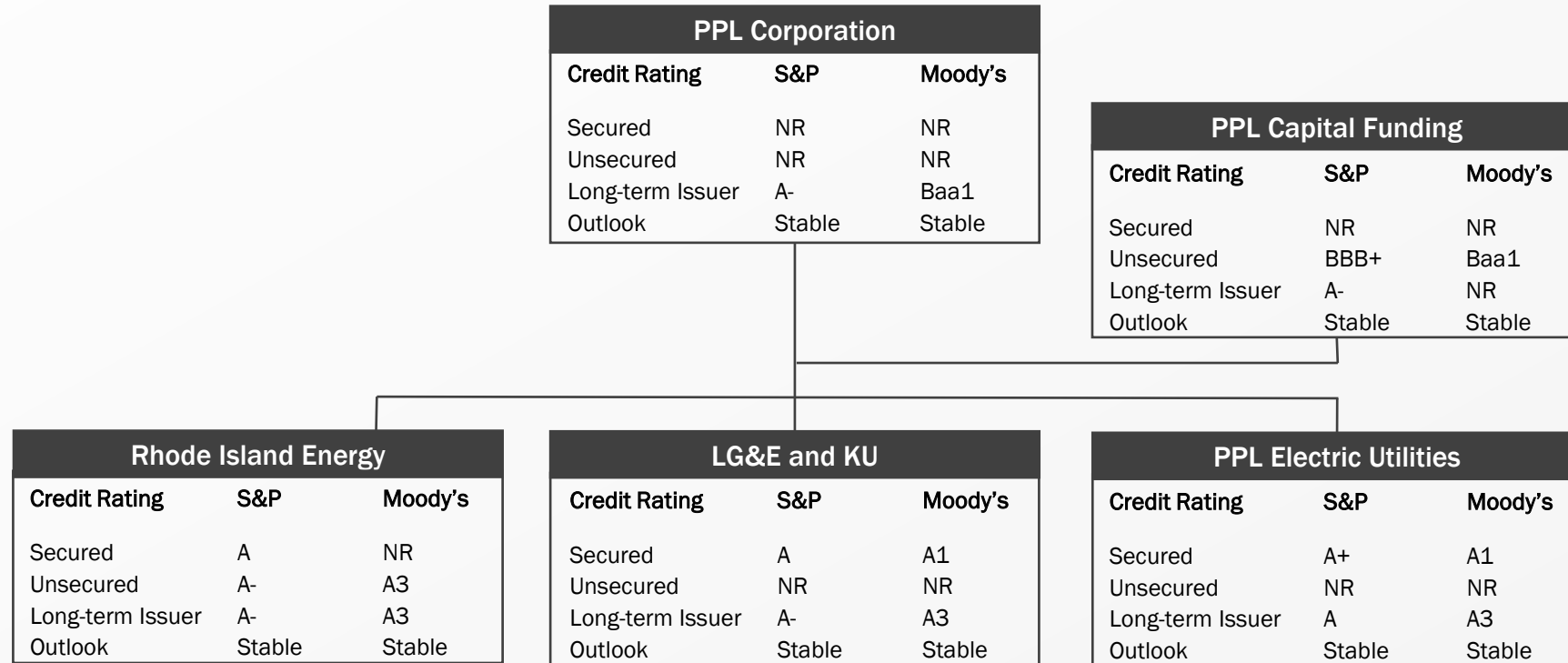
(3) Does not reflect unamortized debt issuance costs, unamortized premiums (discounts), and fair market valuation adjustments. At June 30, 2022, this represented a total amount of (\$113 million).

# 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	Dec-2026	\$1,250	\$0	\$256	\$994
	Bilateral Credit Facility	Mar-2023	100	0	0	100
	Uncommitted Credit Facility	Mar-2023	100	0	60	40
			<u>\$1,450</u>	<u>\$0</u>	<u>\$316</u>	<u>\$1,134</u>
PPL Electric Utilities	Syndicated Credit Facility	Dec-2026	\$650	\$0	\$1	\$649
Louisville Gas & Electric	Syndicated Credit Facility	Dec-2026	\$500	\$0	\$394	\$106
Kentucky Utilities	Syndicated Credit Facility	Dec-2026	\$400	\$0	\$338	\$62
	<b>Total Credit Facilities</b>		<u><b>\$3,000</b></u>	<u><b>\$0</b></u>	<u><b>\$1,050</b></u>	<u><b>\$1,950</b></u>

# PPL's Credit Ratings



Note: As of June 30, 2022.

# Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (\$ in millions)	2nd Quarter June 30, 2022					Year-to-Date June 30, 2022				
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total
<b>Reported Earnings</b> <sup>(1)</sup>	\$ 102	\$ 124	\$ (29)	\$ (78)	\$ 119	\$ 281	\$ 267	\$ (29)	\$ (127)	\$ 392
Less: Special Items (expense) benefit:										
Talen litigation costs, net of tax of (\$2), (\$1)				9	9				5	5
Strategic corporate initiatives, net of tax of \$1, \$3, \$2, \$4 <sup>(2)</sup>	(2)			(11)	(13)	(6)			(15)	(21)
Acquisition integration, net of tax of \$10, \$16, \$10, \$22 <sup>(3)</sup>			(38)	(61)	(99)			(38)	(82)	(120)
Solar panel impairment, net of tax of \$0									1	1
<b>Total Special Items</b>	(2)	-	(38)	(63)	(103)	(6)	-	(38)	(91)	(135)
<b>Earnings from Ongoing Operations</b>	<u>\$ 104</u>	<u>\$ 124</u>	<u>\$ 9</u>	<u>\$ (15)</u>	<u>\$ 222</u>	<u>\$ 287</u>	<u>\$ 267</u>	<u>\$ 9</u>	<u>\$ (36)</u>	<u>\$ 527</u>

After-Tax (Unaudited) (per share - diluted)	2nd Quarter June 30, 2022					Year-to-Date June 30, 2022				
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total
<b>Reported Earnings</b> <sup>(1)</sup>	\$ 0.14	\$ 0.17	\$ (0.04)	\$ (0.11)	\$ 0.16	\$ 0.38	\$ 0.36	\$ (0.04)	\$ (0.17)	\$ 0.53
Less: Special Items (expense) benefit:										
Talen litigation costs				0.01	0.01				0.01	0.01
Strategic corporate initiatives <sup>(2)</sup>				(0.02)	(0.02)	(0.01)			(0.02)	(0.03)
Acquisition integration <sup>(3)</sup>			(0.05)	(0.08)	(0.13)			(0.05)	(0.11)	(0.16)
<b>Total Special Items</b>	-	-	(0.05)	(0.09)	(0.14)	(0.01)	-	(0.05)	(0.12)	(0.18)
<b>Earnings from Ongoing Operations</b>	<u>\$ 0.14</u>	<u>\$ 0.17</u>	<u>\$ 0.01</u>	<u>\$ (0.02)</u>	<u>\$ 0.30</u>	<u>\$ 0.39</u>	<u>\$ 0.36</u>	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ 0.71</u>

(1) Reported Earnings represents Net Income.

(2) Represents costs primarily related to the acquisition of Rhode Island Energy and PPL's corporate centralization efforts.

(3) Represents costs related to the integration of Rhode Island Energy and certain costs associated with its acquisition and commitments made during the acquisition process, including costs related to arrearages forgiveness for low-income and protected residential customers and a write-down of regulatory assets as of the Acquisition date for National Grid's Gas Business Enablement (GBE) program.

# 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. <sup>(2)</sup>	Total	KY Reg.	PA Reg.	Corp. & Other	Disc. Ops. <sup>(2)</sup>	Total
<b>Reported Earnings</b> <sup>(1)</sup>	\$ 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
Transmission formula rate return on equity reduction, 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			(28)		(28)			(28)		(28)
Loss on early extinguishment of debt, net of tax of \$67, \$67			(255)		(255)			(255)		(255)
<b>Total Special Items</b>	-	(7)	(676)	555	(128)	4	(20)	(683)	(1,488)	(2,187)
<b>Earnings from Ongoing Operations</b>	\$ 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. <sup>(2)</sup>	Total	KY Reg.	PA Reg.	Corp. & Other	Disc. Ops. <sup>(2)</sup>	Total
<b>Reported Earnings</b> <sup>(1)</sup>	\$ 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				(1.94)	(1.94)
Talen litigation costs								(0.01)		(0.01)
Valuation allowance adjustment						0.01		(0.01)	0.01	0.01
Transmission formula rate return on equity reduction		(0.01)			(0.01)		(0.03)			(0.03)
U.K. tax rate change			(0.50)		(0.50)			(0.50)		(0.50)
Solar panel impairment			(0.04)		(0.04)			(0.04)		(0.04)
Loss on early extinguishment of debt			(0.33)		(0.33)			(0.33)		(0.33)
<b>Total Special Items</b>	-	(0.01)	(0.87)	0.72	(0.16)	0.01	(0.03)	(0.89)	(1.93)	(2.84)
<b>Earnings from Ongoing Operations</b>	\$ 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.

# Adjusted Gross Margins Summary



(Unaudited) (millions of dollars, except share data)	Three Months Ended June 30,			Per Share Diluted (after-tax)
	2022	2021	Change	
Kentucky Adjusted Gross Margins	\$ 567	\$ 489	\$ 78	\$ 0.08
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 213	\$ 211	\$ 2	\$ 0.00
Transmission	183	159	24	0.02
Total Pennsylvania Adjusted Gross Margins	\$ 396	\$ 370	\$ 26	\$ 0.02
Rhode Island Adjusted Gross Margins	\$ 70	\$ -	\$ 70	\$ 0.07

(Unaudited) (millions of dollars, except share data)	Six Months Ended June 30,			Per Share Diluted (after-tax)
	2022	2021	Change	
Kentucky Adjusted Gross Margins	\$ 1,226	\$ 1,059	\$ 167	\$ 0.17
Pennsylvania Adjusted Gross Margins				
Distribution	\$ 478	\$ 458	\$ 20	\$ 0.02
Transmission	366	315	51	0.05
Total Pennsylvania Adjusted Gross Margins	\$ 844	\$ 773	\$ 71	\$ 0.07
Rhode Island Adjusted Gross Margins	\$ 70	\$ -	\$ 70	\$ 0.07



# Reconciliation of Adjusted Gross Margins to Operating Income



(Unaudited) (millions of dollars)	Three Months Ended June 30, 2022					Six Months Ended June 30, 2022				
	KY Adjusted Gross Margins	PA Adjusted Gross Margins	RI Adjusted Gross Margins	Other	Operating Income	KY Adjusted Gross Margins	PA Adjusted Gross Margins	RI Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 883	\$ 676	\$ 128	\$ 9	\$ 1,696	\$ 1,887	\$ 1,451	\$ 128	\$ 12	\$ 3,478
Operating Expenses										
Fuel	229	-	-	-	229	441	-	-	-	441
Energy purchases	50	217	38	-	305	146	473	38	-	657
Other operation and maintenance	23	27	16	494	560	47	56	16	874	993
Depreciation	13	6	-	270	289	26	12	-	522	560
Taxes, other than income	1	30	4	35	70	1	66	4	59	130
Total Operating Expenses	316	280	58	799	1,453	661	607	58	1,455	2,781
Total	\$ 567	\$ 396	\$ 70	\$ (790)	\$ 243	\$ 1,226	\$ 844	\$ 70	\$ (1,443)	\$ 697

(Unaudited) (millions of dollars)	Three Months Ended June 30, 2021					Six Months Ended June 30, 2021				
	KY Adjusted Gross Margins	PA Adjusted Gross Margins	RI Adjusted Gross Margins	Other	Operating Income	KY Adjusted Gross Margins	PA Adjusted Gross Margins	RI 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

# Reconciliation of PPL's Earnings Forecast



After-Tax (Unaudited) (per share - diluted)	2022 Forecast Range		
	Midpoint	High	Low
<b>Estimate of Reported Earnings</b>	\$ 1.19	\$ 1.27	\$ 1.12
Less: Special Items (expense) benefit: <sup>(1)</sup>			
Talen litigation costs	0.01	0.01	0.01
Strategic corporate initiatives <sup>(2)</sup>	(0.03)	(0.03)	(0.03)
Acquisition integration <sup>(3)</sup>	(0.16)	(0.16)	(0.16)
<b>Total Special Items</b>	<u>(0.18)</u>	<u>(0.18)</u>	<u>(0.18)</u>
<b>Forecast of Earnings from Ongoing Operations</b>	<u>\$ 1.37</u>	<u>\$ 1.45</u>	<u>\$ 1.30</u>

(1) Reflects only special items recorded through June 30, 2022. PPL is not able to forecast special items for future periods.

(2) Represents costs primarily related to the acquisition of Rhode Island Energy and PPL's corporate centralization efforts.

(3) Represents costs related to the integration of Rhode Island Energy and certain costs associated with its acquisition and commitments made during the acquisition process, including costs related to arrearages forgiveness for low-income and protected residential customers and a write-down of regulatory assets as of the Acquisition date for National Grid's Gas Business Enablement (GBE) program.

# 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, supply chains and our businesses; the outcome of rate cases or other cost recovery or revenue proceedings; the direct and indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or threat of cyberattacks; capital market and economic conditions, including interest rates and inflation, and decisions regarding capital structure; 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 and approvals; 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 applicable 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" or "Ongoing Earnings" 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.

"Rhode Island Adjusted Gross Margins" is a single financial performance measure of the electricity transmission and distribution operations of the Rhode Island Regulated segment, as well as the Rhode Island Regulated segment's distribution and sale of natural gas. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance" (which are primarily energy efficiency and storm cost related) and "Taxes, other than income" (which is primarily gross earnings tax) on the Statements of Income. This measure represents the net revenues from Rhode Island 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.