



AEP 3rd Quarter 2024 Earnings Presentation

November 6, 2024



“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

Darcy Reese, Vice President

Investor Relations
614-716-2614
dlreese@aep.com

Annie Pribisko, Director

Investor Relations
614-716-2646
acpribisko@aep.com

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materialize at the level anticipated, and (ii) during periods when the time lag between incurring costs and recovery is long and the costs are material, shifting demand for electricity, the impact of extreme weather conditions, natural disasters and catastrophic events such as storms, drought conditions and wildfires that pose significant risks including potential litigation and the inability to recover significant damages and restoration costs incurred, limitations or restrictions on the amounts and types of insurance available to cover losses that might arise in connection with natural disasters or operations, the cost of fuel and its transportation, the creditworthiness and performance of parties who supply and transport fuel and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to build or acquire generation (including from renewable sources), transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) to meet the demand for electricity at acceptable prices and terms, including favorable tax treatment, cost caps imposed by regulators and other operational commitments to regulatory commissions and customers for generation projects, and to recover all related costs, the disruption of AEP’s business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers caused by pandemics, natural disasters or other events, new legislation, litigation or government regulation, including changes to tax laws and regulations, oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery and/or profitability of generation plants and related assets, the impact of federal tax legislation on results of operations, financial condition, cash flows or credit ratings, the risks before, during and after generation of electricity associated with the fuels used or the byproducts and wastes of such fuels, including coal ash and spent nuclear fuel, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation or regulatory proceedings or investigation, the ability to efficiently manage operation and maintenance costs, prices and demand for power generated and sold at wholesale, changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for coal and other energy-related commodities, particularly changes in the price of natural gas, the impact of changing expectations and demands of customers, regulators, investors and stakeholders, including evolving expectations related to environmental, social and governance concerns, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, changes in the creditworthiness of the counterparties with contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, cybersecurity threats, labor strikes impacting material supply chains, global information technology disruptions and other catastrophic events, the ability to attract and retain requisite work force and key personnel.



Non-GAAP Financial Measures

AEP reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). AEP supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including operating earnings (non-GAAP) and FFO to Total Debt (non-GAAP). Operating earnings exclude certain gains and losses and other specified items, including mark-to-market adjustments from commodity hedging activities and other items as set forth in the reconciliation in the Appendix. FFO to Total Debt is adjusted for capital and operating leases, pension, capitalized interest, adjustments related to hybrid debt and changes in working capital. Operating earnings could differ from GAAP earnings for matters such as impairments, divestitures, or changes in accounting principles. AEP management is not able to forecast if any of these items will occur or any amounts that may be reported for future periods. Therefore, AEP is not able to provide a corresponding GAAP equivalent for earnings guidance. Reflecting special items recorded through the third quarter of 2024, the estimated earnings per share on a GAAP basis would be \$5.55 to \$5.65 per share.

This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of AEP's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentations. AEP has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and supplemental schedules to this presentation.



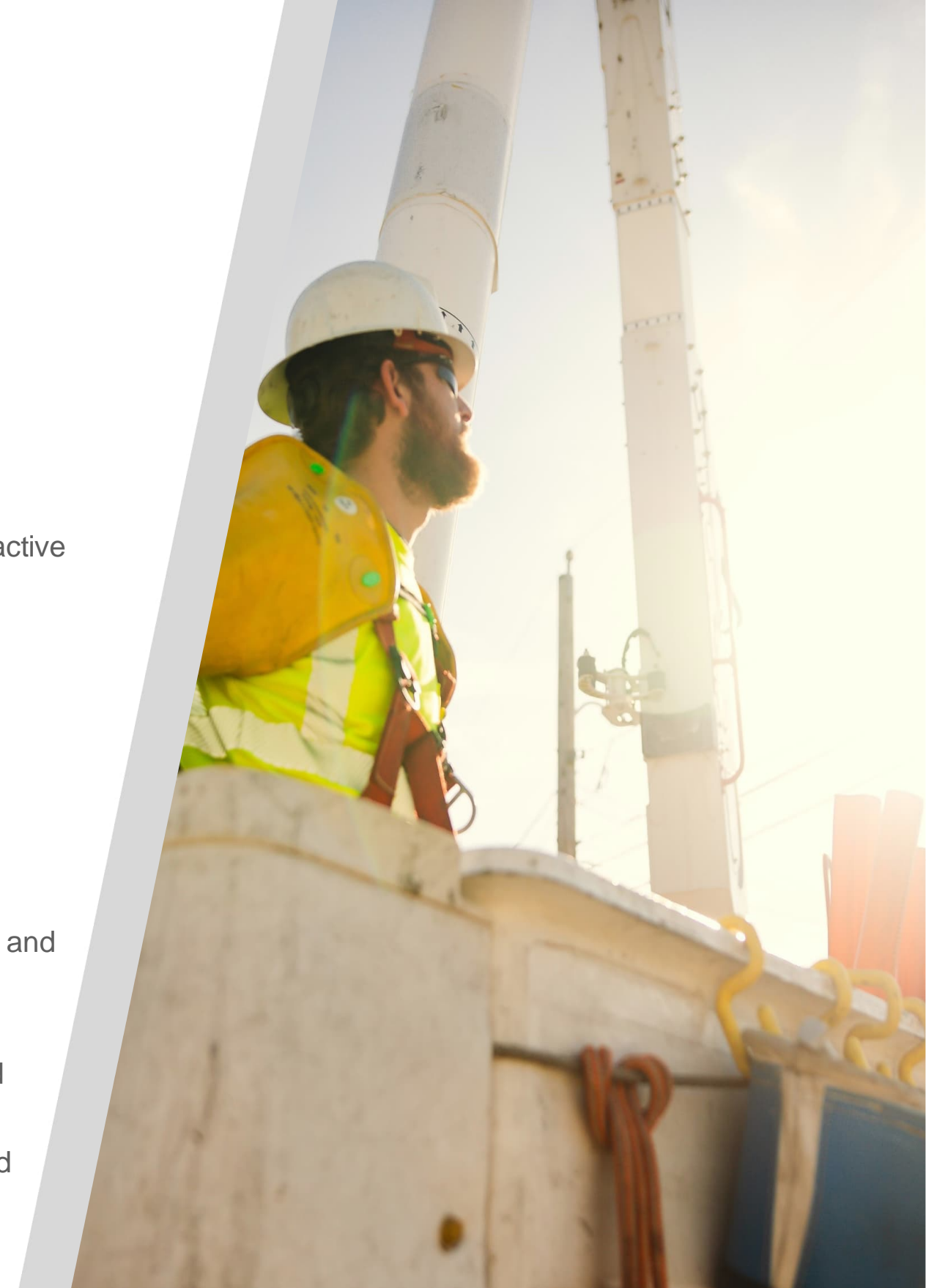
Business Highlights for 3rd Quarter 2024

3rd Quarter 2024 Results

- Reported 3rd quarter 2024 operating earnings of \$1.85 per share
- Narrowed 2024 operating earnings guidance range to \$5.58-\$5.68, maintained \$5.63 midpoint
- Realized commercial load growth of 7.9% in 3rd quarter and 10.1% YTD
- Committed to supporting large loads with fair cost allocation to all customers, evidenced through AEP's proactive filing at FERC and tariff filings in Indiana, Kentucky, Ohio and West Virginia
- Achieved positive regulatory developments:
 - ✓ Base case approved in AEP Texas
 - ✓ Base cases progressing in Oklahoma, Virginia and West Virginia
 - ✓ Formula rates updated in Arkansas and Louisiana
 - ✓ New RFPs filed in September 2024 to support load growth in I&M

Strategic Focus Areas and Outlook

- Execute strategy to drive stakeholder value as we focus on growth and financial strength, customer service, and regulatory integrity
- Introduce 2025 operating earnings guidance range of \$5.75-\$5.95
- Announce robust load additions of 20 GW supported by customer commitments through 2029; updated load forecasts for 2025-2027
- Unveil new long-term operating earnings growth rate of 6%-8% off 2025 base year, reinforced by a balanced \$54B 5-year capital plan, all while keeping customer rates affordable
- Maintain strong balance sheet with FFO/Debt in the targeted range of 14%-15%



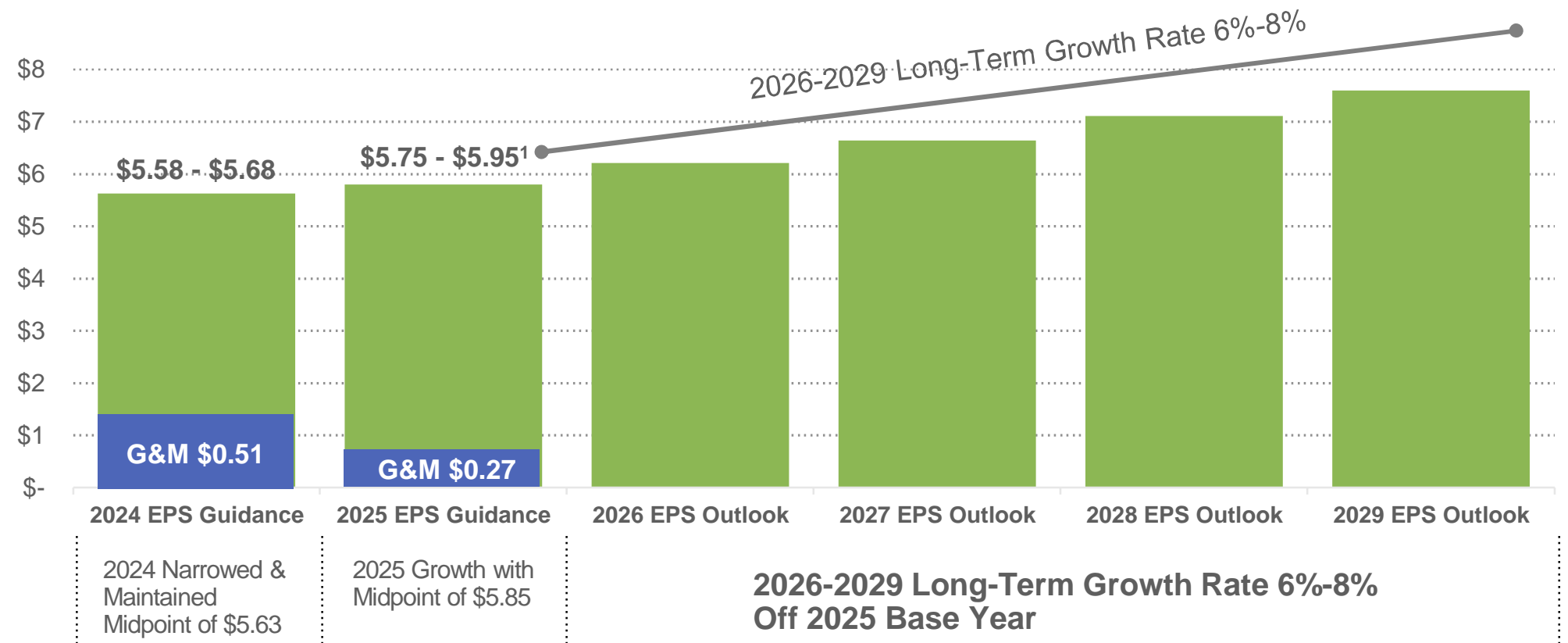


Investment Profile Driving Long-term EPS Growth Outlook

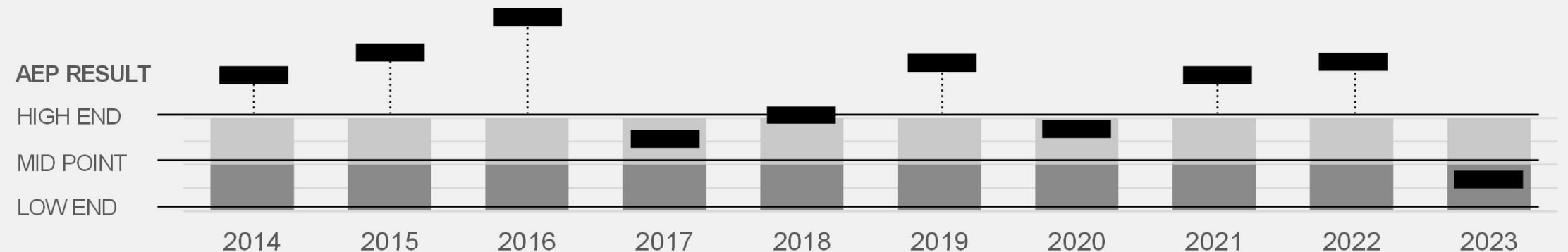
Investment growth in wires and regulated new generation investments drive attractive long-term returns

¹ AEP's earnings range in 2025 is expected to grow 4% off 2024. The foundation of AEP's 2025 range is based on robust growth in our regulated businesses. This range also reflects lower contributions from our Generation and Marketing (G&M) segment due to reduced scope of activities going forward in this segment, and lower retail and wholesale margins.

Operating EPS Guidance Range and Long-Term Growth Outlook



Consistently meeting or exceeding original EPS guidance





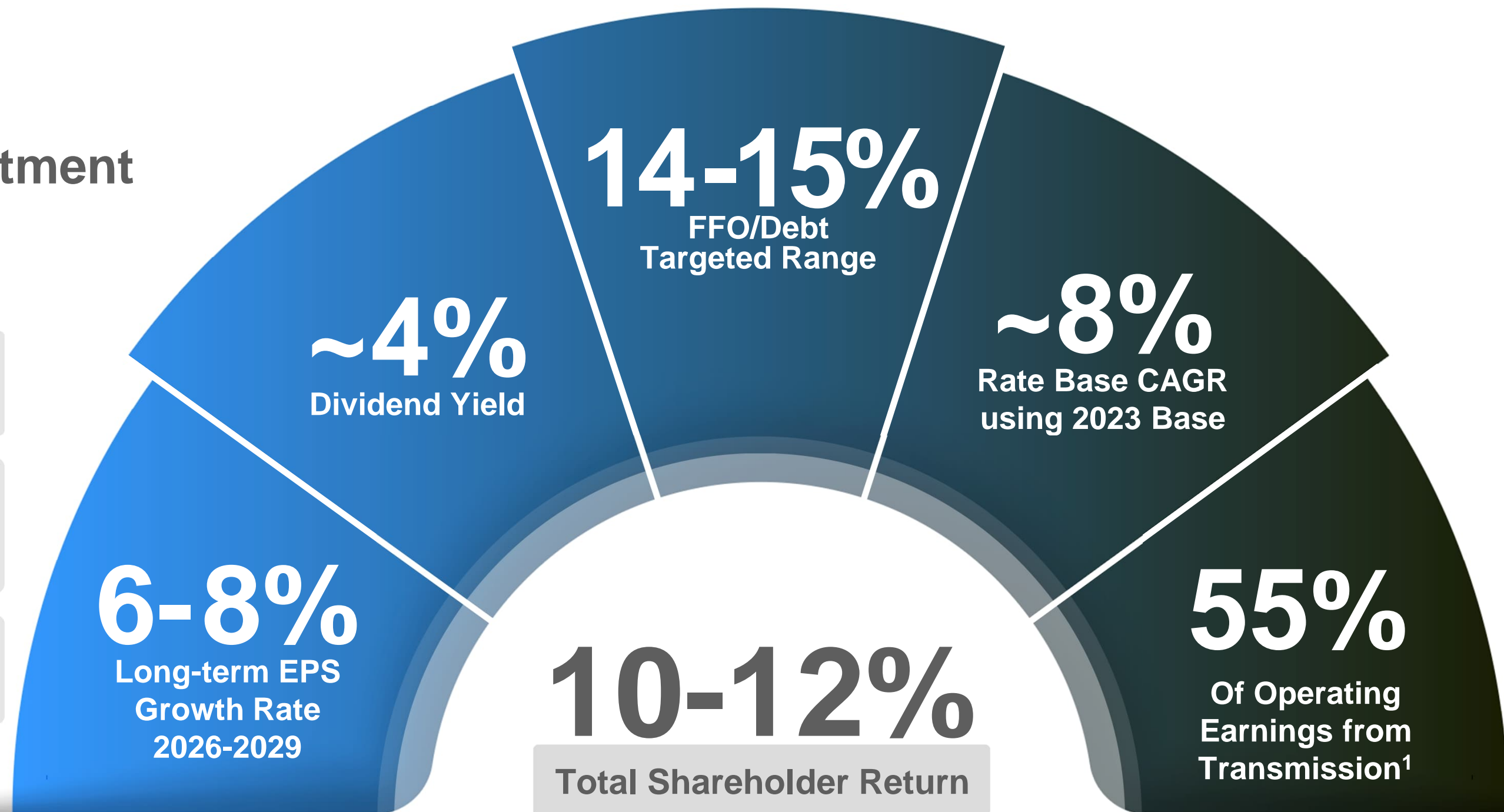
AEP Offers an Attractive Investment Opportunity

COMMITMENT TO:

HIGH GROWTH OPPORTUNITY INVESTMENTS SUPPORT FINANCIAL STRENGTH

BEST-IN-CLASS CUSTOMER SERVICE THROUGH INNOVATION AND PROCESS TRANSFORMATION

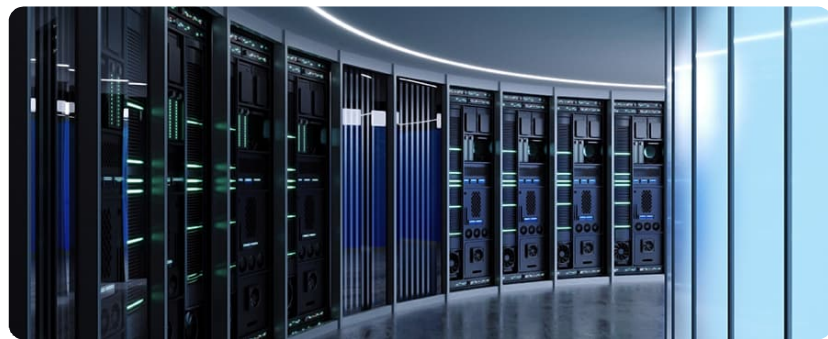
POSITIVE OUTCOMES ACHIEVED WITH REGULATORY INTEGRITY



¹ Includes AEP Transmission Holdco and transmission investments in AEP operating companies. Calculated using 2025E transmission earnings of \$3.20 as a percentage of the 2025 guidance midpoint of \$5.85.

Executing Our Strategy to Drive Value for Customers and Investors

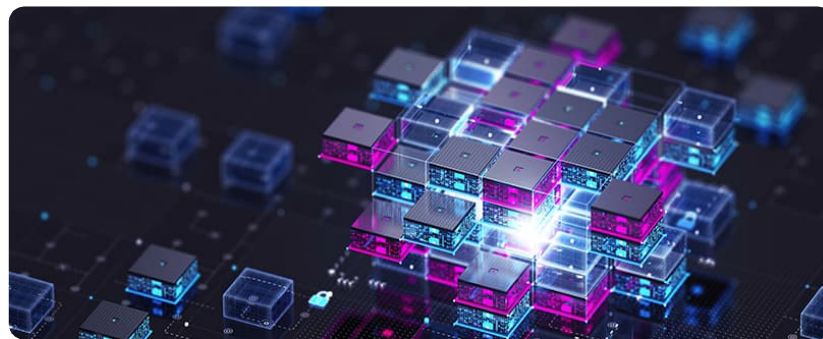
GROWTH & FINANCIAL STRENGTH



Strategically invest in growth opportunities to support financial strength:

- Meet robust customer demand
- Develop a modern and secure electric transmission grid and distribution system
- Diversify new generation to support resource adequacy and affordability

CUSTOMER SERVICE



- Innovate and leverage technology to enhance service
- Better meet our customers' energy needs through reliability and outage reductions
- Transform processes with a focus on efficiency and accountability

REGULATORY INTEGRITY



- Respect the preferences of regulators, policymakers and communities to achieve positive regulatory outcomes
- Work with key stakeholders to advance affordability, system reliability, resiliency and security
- Invest in local resources and communities



3rd Quarter 2024 Financial Update

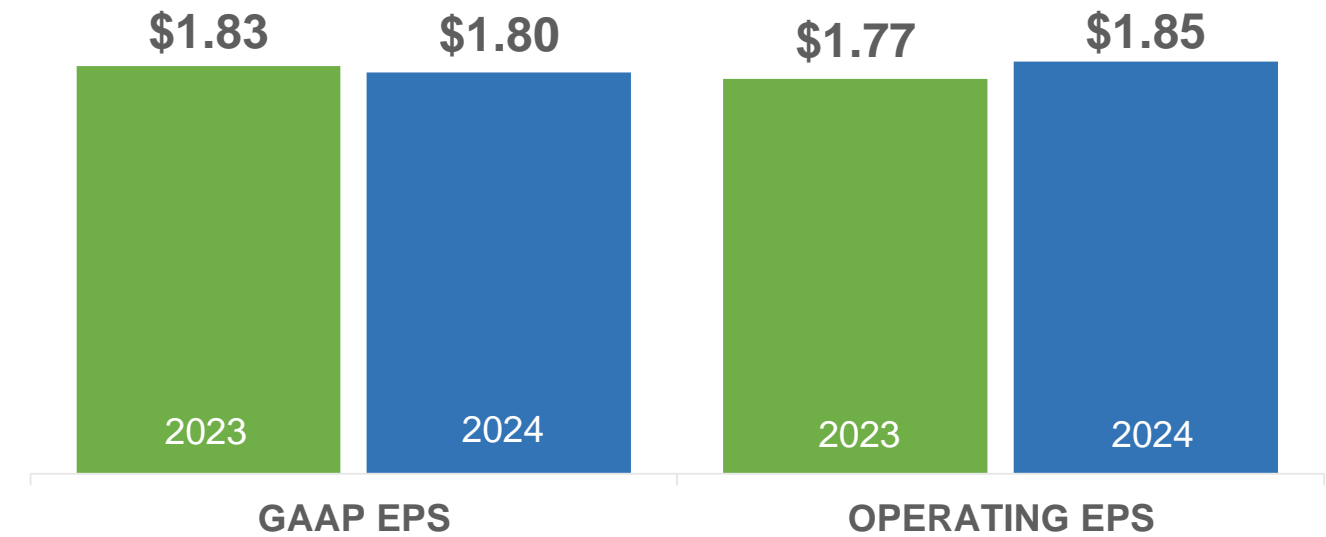
Narrowed 2024 operating earnings guidance range to \$5.58-\$5.68; maintained \$5.63 midpoint

Quarterly EPS is a stand-alone amount and not always additive to full year amount due to rounding.

Refer to Appendix for reconciliation between GAAP and Operating EPS.

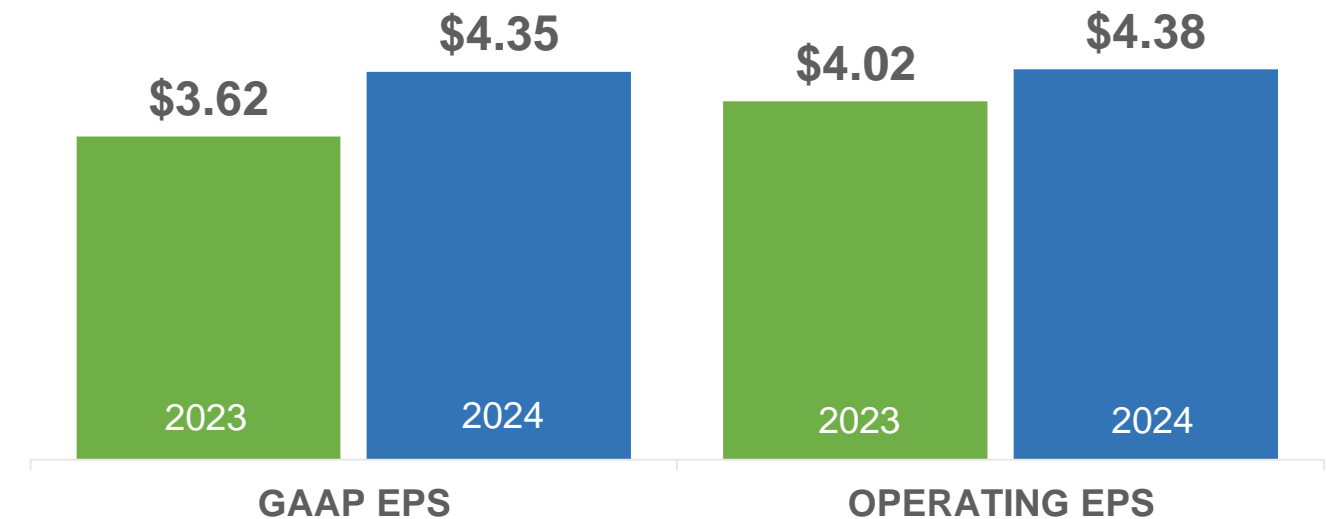
3rd QUARTER 2024

- Delivered third quarter GAAP earnings of \$1.80 per share or \$960M
- Delivered third quarter operating earnings of \$1.85 per share or \$985M



YTD 2024

- Delivered year-to-date GAAP earnings of \$4.35 per share or \$2.30B
- Delivered year-to-date operating earnings of \$4.38 per share or \$2.32B





3rd Quarter Operating Earnings Segment Detail

Key Drivers Q3-24 vs. Q3-23

Refer to Appendix for the related YTD 2024 Operating Earnings Segment Detail.

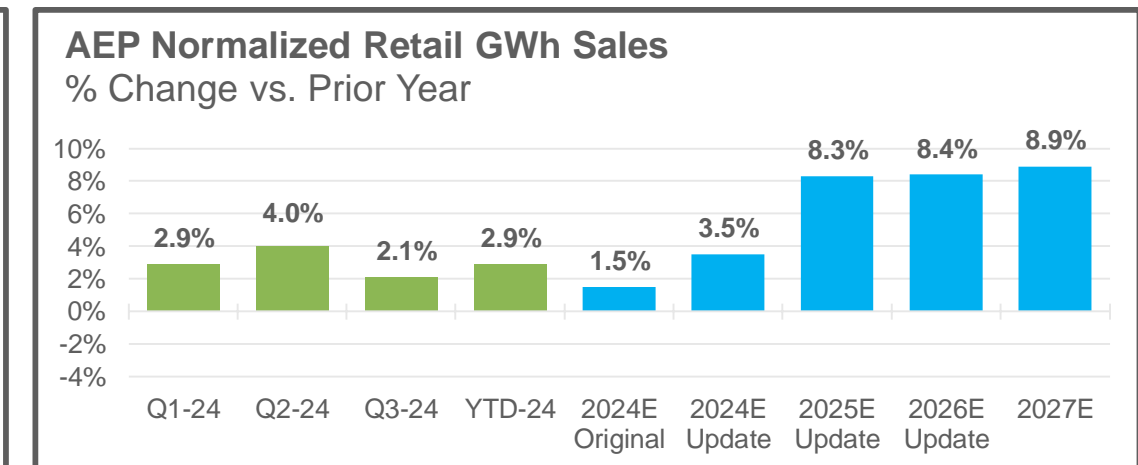
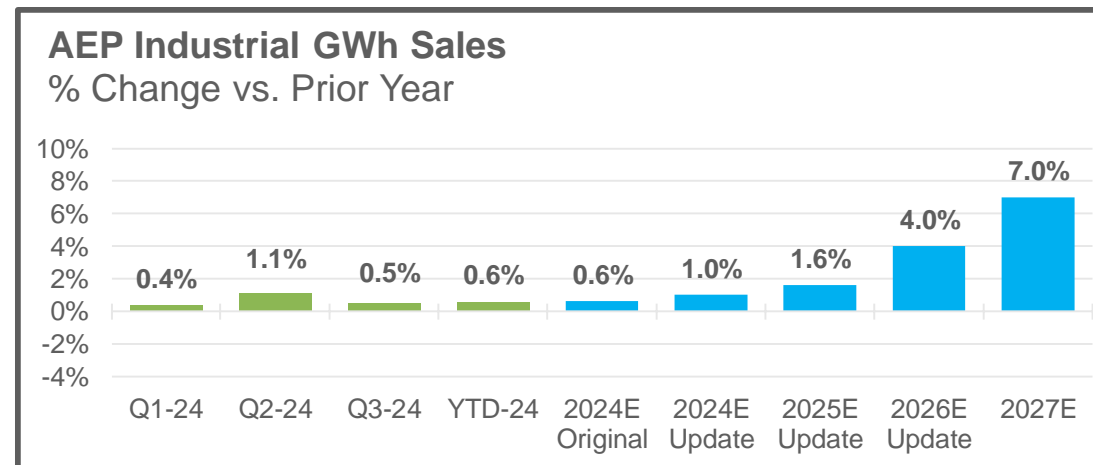
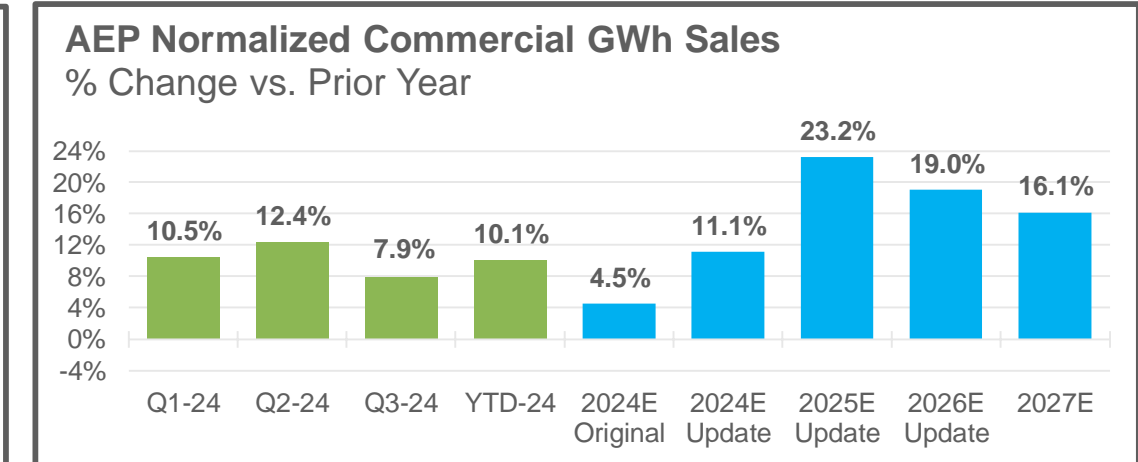
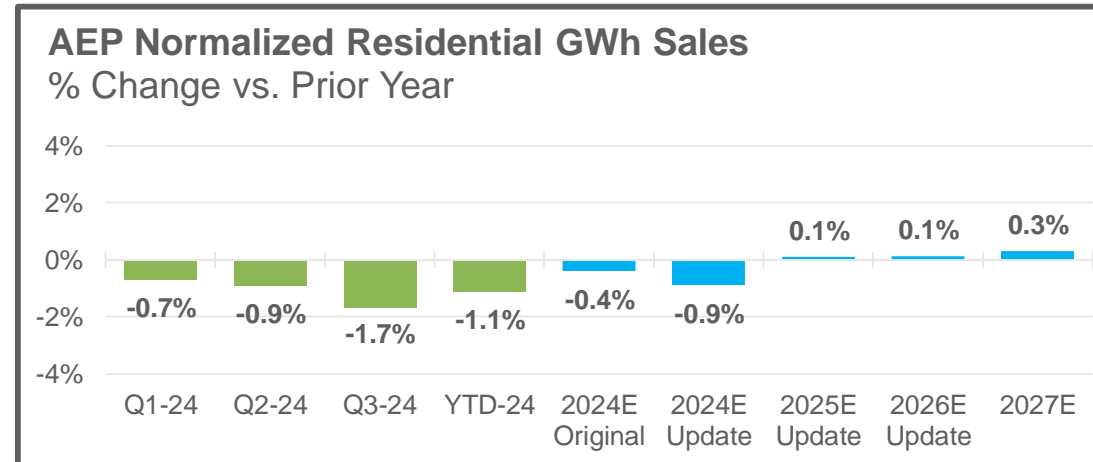




Load Growth Supports Financial Strength

Customer commitments for 20 GW of load through 2029 driven by data center demand and economic development with 2/3 from the commercial class and 1/3 from the industrial class

Load figures are billed retail sales excluding firm wholesale load.



Large Load Growth Benefits All Stakeholders



Investors: Load growth from data center and industrial customers driving incremental investments



Customers: Innovative tariff design to protect our customers and keep rates affordable



Communities: Build a reliable and affordable grid to support economic development



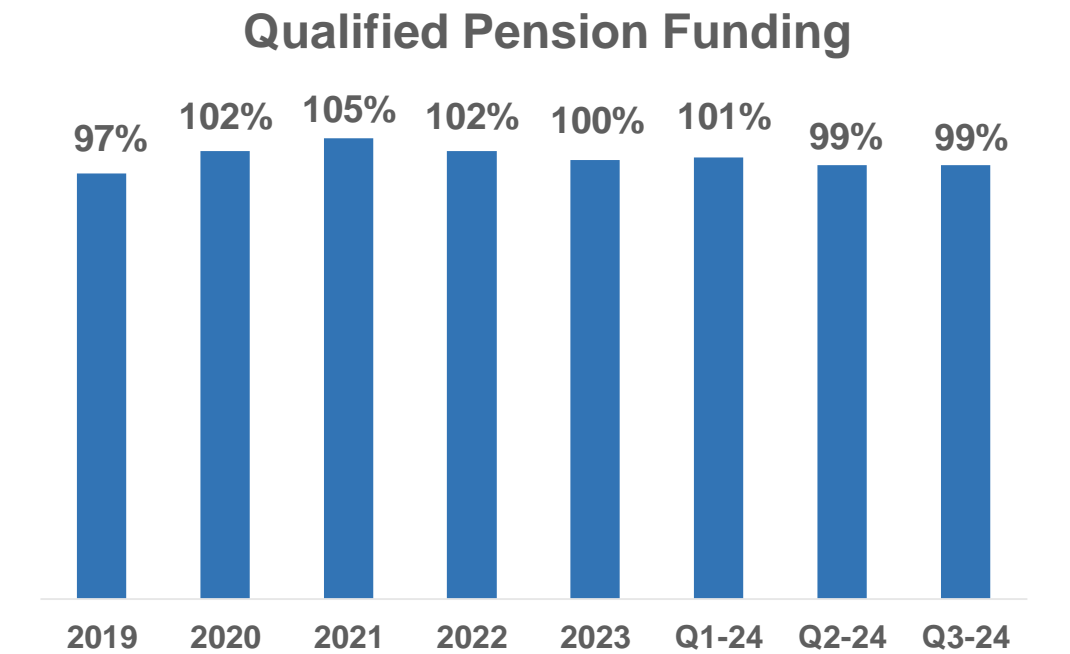
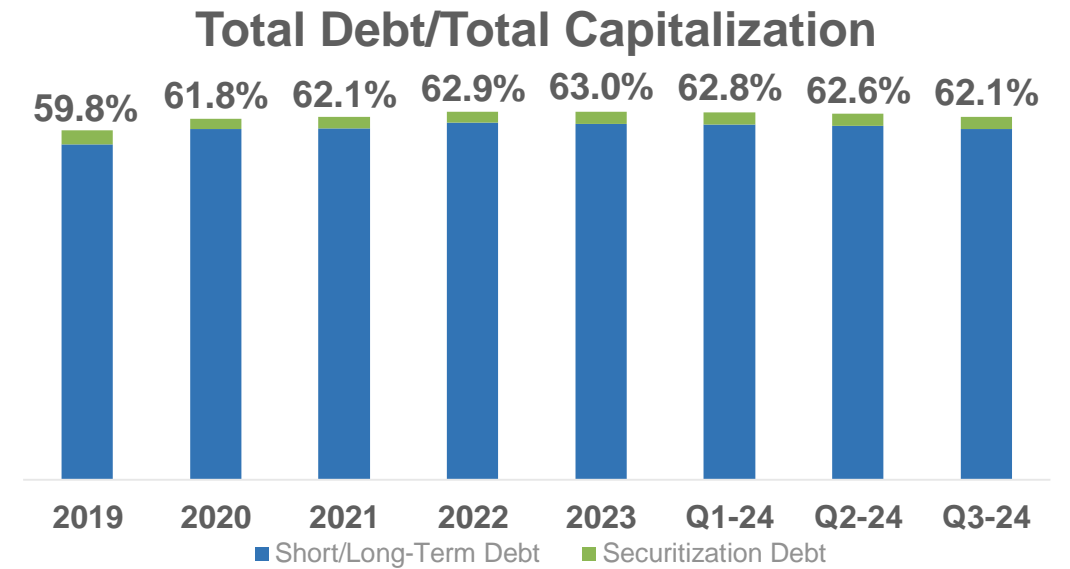
Capitalization and Liquidity

9/30/2024 FFO/Debt was 14.7% and within the targeted range

¹ Moody's view as calculated by AEP and may not include all adjustments that could be made by the rating agency. See Appendix for FFO/Debt calculation.

FFO to Total Debt (Trailing 12 Months) ¹	
9/30/2024	14.7%
Targeted Range	14%-15%

Liquidity Summary		
(\$ in millions)	9/30/2024 Actual	
	Amount	Maturity
Revolving Credit Facility	\$ 5,000	March 2029
Revolving Credit Facility	1,000	March 2027
Plus		
Cash & Cash Equivalents	246	
Less		
Commercial Paper Outstanding	(755)	
Net Available Liquidity	\$ 5,491	





Appendix

Financial Forecast

3rd Quarter 2024 Earnings Presentation
November 6, 2024



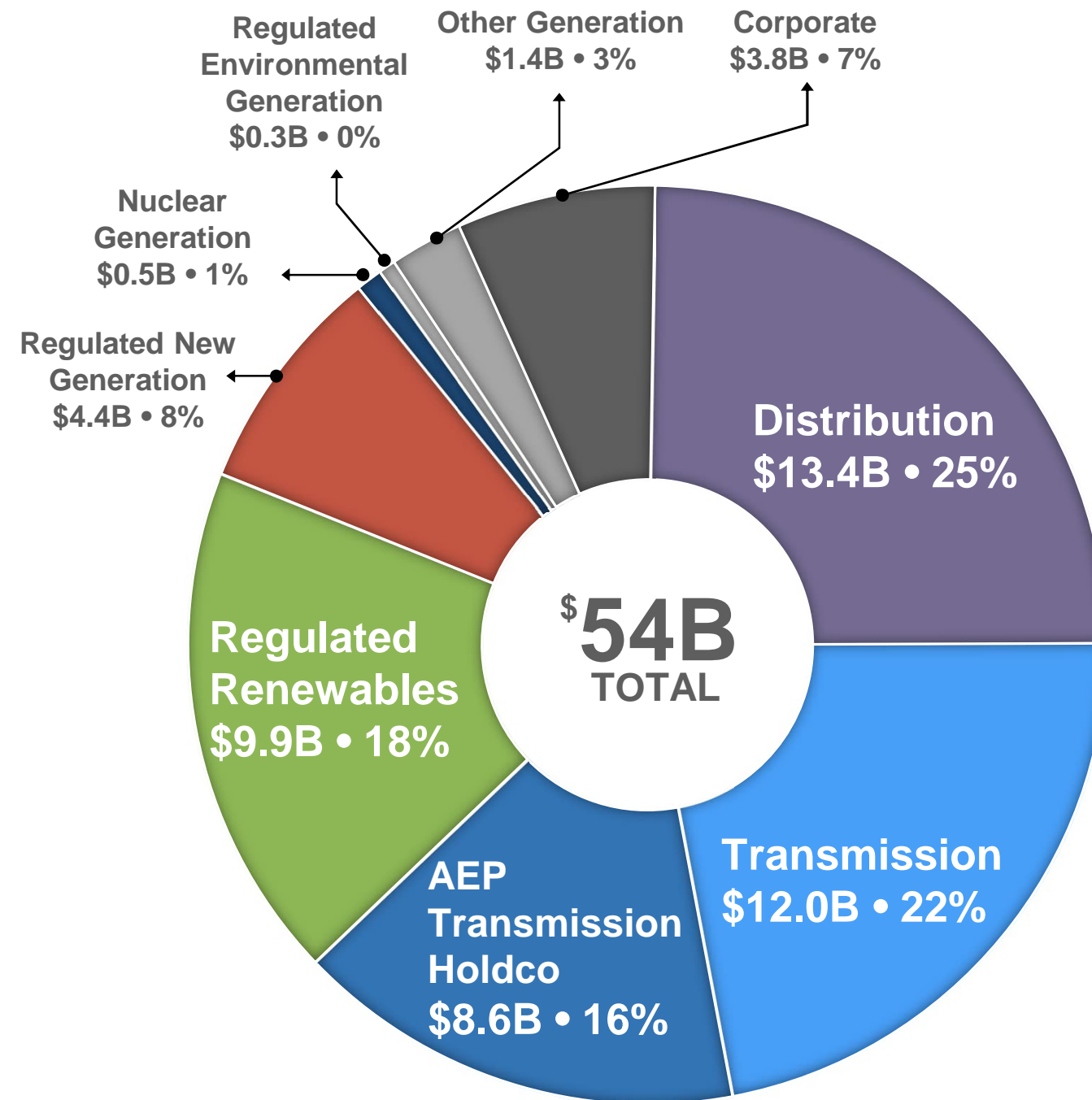


2025-2029 Capital Forecast of \$54B

The ability to quickly redeploy transmission and distribution investments ensures we deliver on our EPS growth commitments while mitigating customer bill impact

On a system average, we expect rates to go up by less than 3% annually over the forecasted period

Executing a balanced, flexible and robust capital plan to meet customer needs; approximately 85% of the capital plan being recovered through reduced lag mechanisms



100%
of capital allocated to regulated businesses

\$34B 63%
allocated to wires

\$14B 26%
allocated to regulated new generation including renewables

~8%
resulting rate base CAGR



Maintaining a Strong Balance Sheet Through Strategic Financing

Strong balance sheet with targeted FFO/Debt of 14%-15%; Debt to Capitalization of 62%-64%

¹ Subject to approval by the Board of Directors. The stated target payout ratio range is 55%-65% of operating earnings.

² Includes \$100M of DRP per year.

³ Could include equity-like instruments.

Actual cash flows will vary by company and jurisdiction based on regulatory outcomes.

FINANCING PLAN

\$ in millions	2025E-2029E
Cash from Operations	\$41,500
Less: Capital Investments	(54,400)
Less: Dividends ¹	(11,300)
Less: Other Investing Activities	(2,300)
Required Capital Market Needs	\$ (26,500)
Less: Securitization Amortization	(500)
Plus: Asset Monetization / Equity ²	5,350
Debt Capital Markets Needs (New)³	\$ (21,650)
Debt Maturities	(11,000)
Total Debt Capital Market Needs	\$ (32,650)

Appendix

Q3-24 Performance

3rd Quarter 2024 Earnings Presentation
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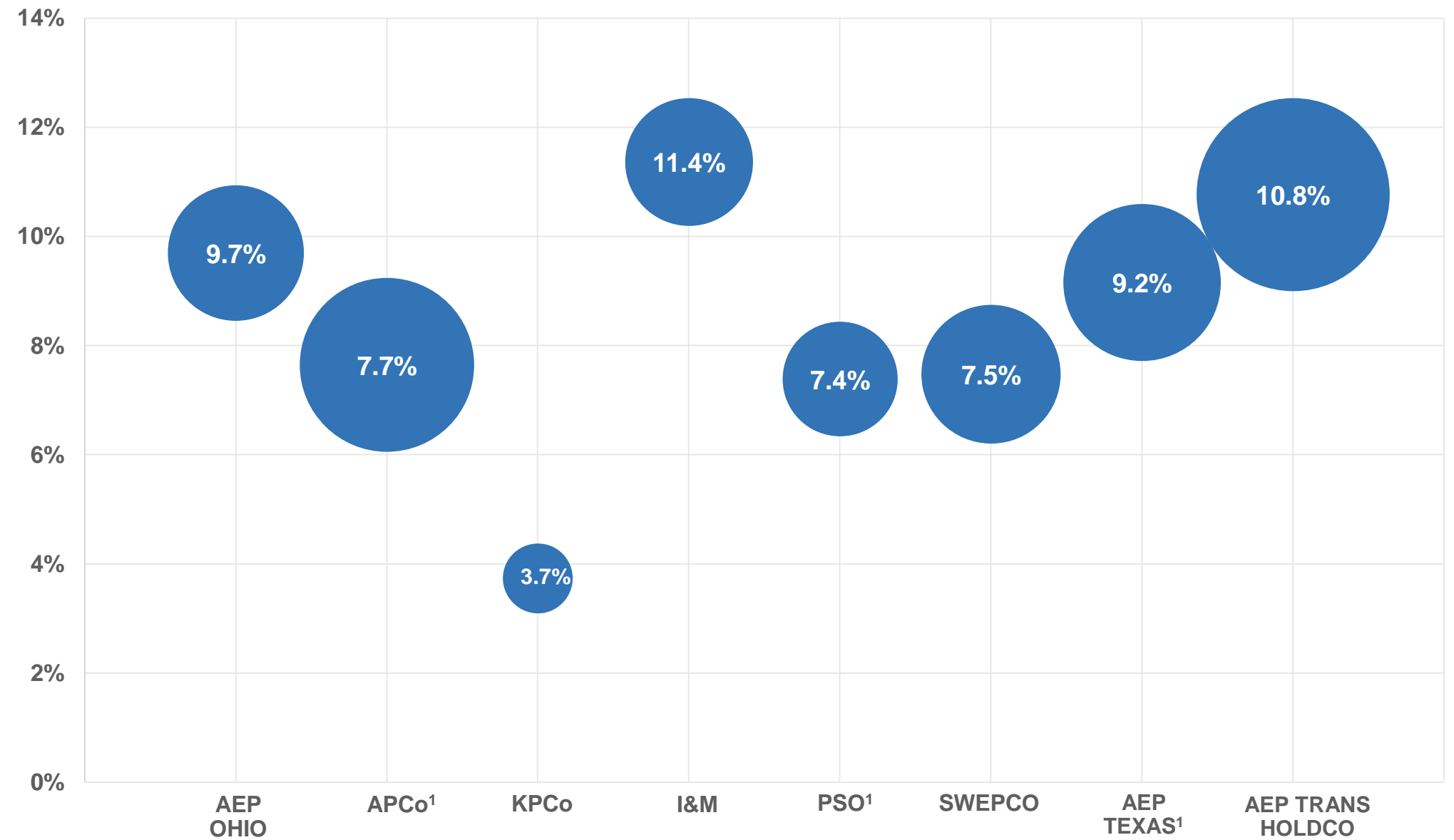
Regulated Returns

Regulated operations ROE as of 9/30/2024 of 9.0%

¹ Base rate cases pending/order recently received.

Sphere size is based on each company's relative equity balance.

Twelve Months Ended 9/30/2024 Earned ROE's
(non-GAAP operating earnings, not weather normalized)





Current Rate Case Activity

Achieve positive regulatory outcomes to advance affordability, system reliability, resiliency and security



AEP Texas

Docket #	56165
Filing Date	2/29/2024
Requested Rate Base	\$9.3B
Requested ROE	10.6%
Cap Structure	55%D / 45%E
Gross Revenue Increase	\$164M (Less \$34 M D&A)
Net Revenue Increase	\$130M
Test Year	9/30/2023
<u>Commission Order Summary</u>	
Unanimous Settlement Filed	7/25/2024
Commission Order	10/3/2024
Effective Date	10/1/2024
ROE	9.76%
Cap Structure	57.5%D / 42.5%E
Revenue Increase	\$70M



APCo – Virginia

Docket #	PUR-2024-00024
Filing Date	3/29/2024
Requested Rate Base	\$3.2B
Requested ROE	10.8%
Cap Structure	51.3%D / 48.7%E
Net Revenue Increase	\$82M
Test Year	12/31/2023
<u>Procedural Schedule</u>	
Expected Commission Order	Q4-24
Expected Effective Date	January 2025



APCo – West Virginia¹

Docket #	24-0854-E-42T
Filing Date	11/1/2024
Requested Rate Base	\$5.3B
Requested ROE	10.8%
Cap Structure	52%D / 48%E
Gross Revenue Increase	\$250M (Less \$62 D&A)
Net Revenue Increase	\$188M
Test Year	12/31/2023

¹ Filing also included a securitization option for customer rate mitigation.



PSO – Oklahoma

Docket #	PUD 2023-000086
Filing Date	1/31/2024
Requested Rate Base	\$4.5B
Requested ROE	10.8%
Cap Structure	48.9%D / 51.1%E
Gross Revenue Increase	\$185M (Less \$55M D&A)
Net Revenue Increase	\$130M
Test Year	8/31/2023
<u>Settlement Summary</u>	
Settlement Filed	10/01/2024
Expected Commission Order	Q4-24
Expected Effective Date	10/23/2024
ROE	9.5%
Cap Structure	48.9%D / 51.1%E
Net Revenue Increase	\$70M



FFO to Total Debt¹

FFO to Total Debt = 14.7%

\$6,381M FFO / \$43,569M
Adjusted Total Debt

¹ Moody's view as calculated by AEP and may not include all adjustments that could be made by the rating agency.

FFO Calculation (in millions)	12 Months Ended 9/30/2024
Cash Flow from Operations (GAAP)	\$ 6,414
Changes in Working Capital	(54)
Operating Lease Depreciation	123
Capitalized Interest	(126)
Junior Subordinated Debentures Interest	24
Funds Flow from Operations (FFO) (non-GAAP)	\$ 6,381

Total Debt Calculation (in millions)	As of 9/30/2024
Total Debt (incl. current maturities) (GAAP)	\$ 43,634
Junior Subordinated Debentures (50%)	(875)
Operating Leases	587
Finance Lease Obligations	180
Pension	43
Adjusted Total Debt (non-GAAP)	\$ 43,569



3rd Quarter Reconciliation of GAAP to Operating Earnings

Weighted average number of
shares outstanding: 520M
Q3-23 and 532M Q3-24

	\$ in millions			Earnings Per Share		
	Q3-23	Q3-24	Change	Q3-23	Q3-24	Change
Reported GAAP Earnings	\$ 954	\$ 960	\$ 6	\$ 1.83	\$ 1.80	\$ (0.03)
Non-Operating Items:						
SEC Contingency ¹	-	19	19	-	0.04	0.04
Mark-to-Market Impact of Commodity Hedging Activities ²	(30)	6	36	(0.06)	0.01	0.07
AEP Operating Earnings	\$ 924	\$ 985	\$ 61	\$ 1.77	\$ 1.85	\$ 0.08

¹ Items recorded mainly or entirely in the Corporate and Other segment.

² Items recorded across multiple segments.



YTD Reconciliation of GAAP to Operating Earnings

Weighted average number of shares outstanding: 517M YTD-23 and 529M YTD-24

¹ Items recorded mainly or entirely in the Vertically Integrated Utilities segment.

² Items recorded mainly or entirely in the Generation & Marketing segment.

³ Items recorded mainly or entirely in the Corporate and Other segment.


⁴ Items recorded across multiple segments.

	\$ in millions			Earnings Per Share		
	YTD-23	YTD-24	Change	YTD-23	YTD-24	Change
Reported GAAP Earnings	\$ 1,872	\$ 2,303	\$ 431	\$ 3.62	\$ 4.35	\$ 0.73
Non-Operating Items:						
Impact of Net Operating Losses Carryforward on Retail Rate Making ¹	-	(260)	(260)	-	(0.50)	(0.50)
Provision for Refund – Turk Plant ¹	-	126	126	-	0.24	0.24
Federal EPA Coal Combustion Residuals Rule ⁴	-	111	111	-	0.21	0.21
Severance Charges ⁴	-	94	94	-	0.18	0.18
Mark-to-Market Impact of Commodity Hedging Activities ⁴	173	(52)	(225)	0.34	(0.09)	(0.43)
Remeasurement of Excess ADIT Regulatory Liability ¹	-	(44)	(44)	-	(0.09)	(0.09)
SEC Contingency ³	-	19	19	-	0.04	0.04
Dolet Hills Plant Disallowance ¹	-	11	11	-	0.02	0.02
Sale of Distributed Resources Business ²	-	10	10	-	0.02	0.02
Sale of Unregulated Renewables ²	91	-	(91)	0.17	-	(0.17)
Kentucky Operations ³	(34)	-	34	(0.06)	-	0.06
Changes in Texas Legislation ⁴	(24)	-	24	(0.05)	-	0.05
AEP Operating Earnings	\$ 2,078	\$ 2,318	\$ 240	\$ 4.02	\$ 4.38	\$ 0.36




Vertically Integrated Utilities 3rd Quarter Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) Q3-24 vs. Q3-23
APCo ³	\$38
I&M	\$29
KPCo	\$13
PSO	\$(5)
SWEPCO	\$9
Total	\$84
Impact on EPS	 \$0.12

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	Q3-24 vs. Q3-23	Q3-24 vs. Normal
APCo ³	\$9	\$10
I&M	\$9	\$3
KPCo	\$4	\$5
PSO	\$(9)	-
SWEPCO	\$(10)	\$11
Total	\$3	\$29
Impact on EPS	-	 \$0.04

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) Q3-24 vs. Q3-23
APCo ³	0.2%
I&M	-
KPCo	(3.5)%
PSO	4.6%
SWEPCO	(4.6)%
Total	-
Impact on EPS ²	 \$0.01

¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales.


² Includes EPS impact of accrued revenues.

³ APCo also includes WPCo and KGPCo.





Vertically Integrated Utilities YTD Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) YTD-24 vs. YTD-23
APCo ³	\$82
I&M	\$9
KPCo	\$35
PSO	\$32
SWEPCO	\$17
Total	\$175
Impact on EPS	 \$0.25

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	YTD-24 vs. YTD-23	YTD-24 vs. Normal
APCo ³	\$50	\$(14)
I&M	\$23	\$(6)
KPCo	\$10	\$(2)
PSO	-	\$6
SWEPCO	\$8	\$27
Total	\$91	\$11
Impact on EPS	 \$0.14	 \$0.02

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) YTD-24 vs. YTD-23
APCo ³	(0.6)%
I&M	1.4%
KPCo	(0.7)%
PSO	2.3%
SWEPCO	(2.0)%
Total	0.1%
Impact on EPS ²	 \$0.05

¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales.


² Includes EPS impact of accrued revenues.

³ APCo also includes WPCo and KGPCo.




Transmission and Distribution Utilities 3rd Quarter Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) Q3-24 vs. Q3-23
AEP Ohio	\$25
AEP Texas	\$19
Total	\$44
Impact on EPS	 \$0.07

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	Q3-24 vs. Q3-23	Q3-24 vs. Normal
AEP Ohio	\$14	\$10
AEP Texas	\$(12)	\$2
Total	\$2	\$12
Impact on EPS	-	 \$0.02

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) Q3-24 vs. Q3-23
AEP Ohio	4.3%
AEP Texas	4.1%
Total	4.2%
Impact on EPS ²	 \$0.03


¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales.

² Includes EPS impact of accrued revenues.





Transmission and Distribution Utilities YTD Performance


RATE PERFORMANCE

	Rate Changes, net of offsets (\$ in millions) YTD-24 vs. YTD-23
AEP Ohio	\$26
AEP Texas	\$55
Total	\$81
Impact on EPS	 \$0.12

WEATHER IMPACT

	Weather Impact (\$ in millions)	
	YTD-24 vs. YTD-23	YTD-24 vs. Normal
AEP Ohio	\$44	\$5
AEP Texas	\$(10)	\$10
Total	\$34	\$15
Impact on EPS	 \$0.05	 \$0.02

RETAIL LOAD PERFORMANCE

	Retail Load ¹ (weather normalized) YTD-24 vs. YTD-23
AEP Ohio	5.5%
AEP Texas	6.6%
Total	6.0%
Impact on EPS ²	 \$0.01

¹ Includes load on a billed basis only, excludes firm wholesale load and accrued sales.

² Includes EPS impact of accrued revenues.

