

Renewed, Reliable and Resilient

Second-Quarter 2024 Financial Results
August 1, 2024

PINNACLE WEST
CAPITAL CORPORATION

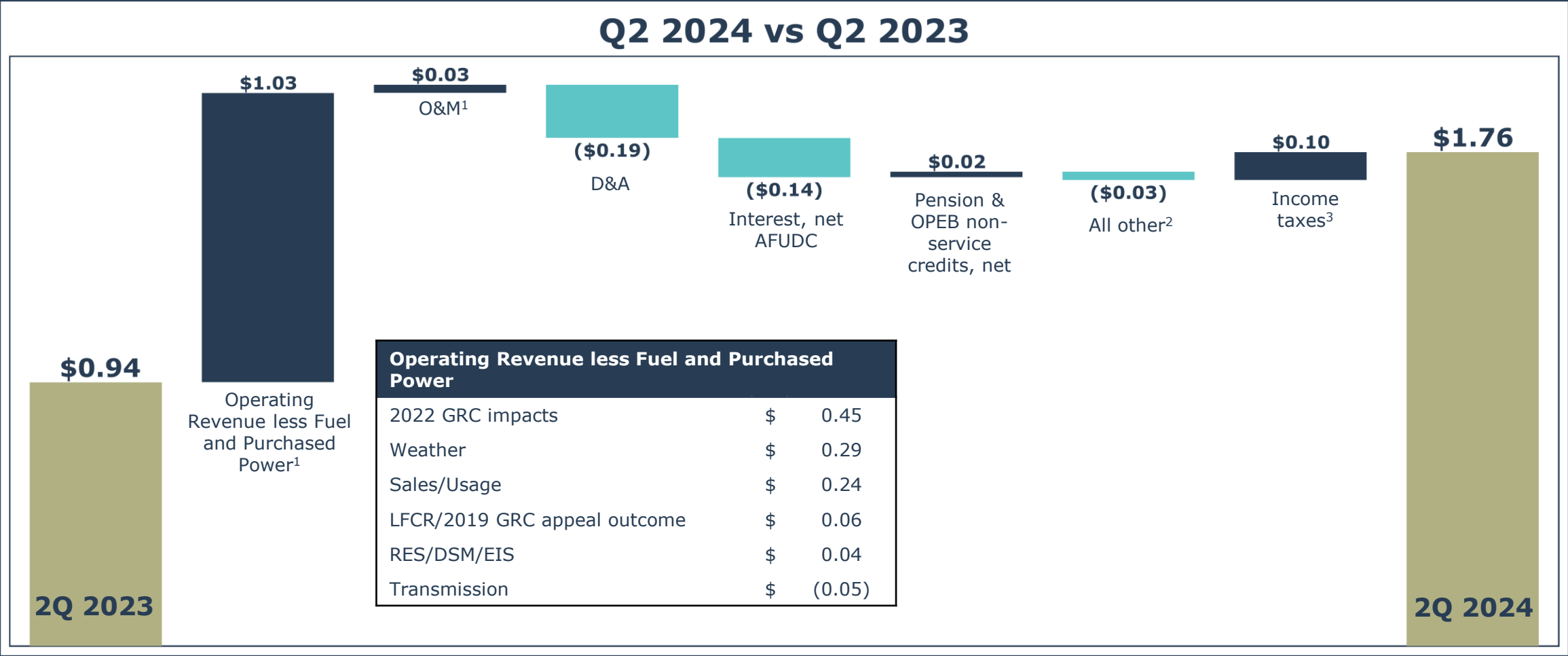


Forward Looking Statements

This presentation contains forward-looking statements based on current expectations, including statements regarding our earnings guidance and financial outlook and goals. These forward-looking statements are often identified by words such as "estimate," "predict," "may," "believe," "plan," "expect," "require," "intend," "assume," "project," "anticipate," "goal," "seek," "strategy," "likely," "should," "will," "could," and similar words. Because actual results may differ materially from expectations, we caution you not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from outcomes currently expected or sought by Pinnacle West or APS. These factors include, but are not limited to: uncertainties associated with the current and future economic environment, including economic growth rates, labor market conditions, inflation, supply chain delays, increased expenses, volatile capital markets, or other unpredictable effects; our ability to manage capital expenditures and operations and maintenance costs while maintaining reliability and customer service levels; variations in demand for electricity, including those due to weather, seasonality (including large increases in ambient temperatures), the general economy or social conditions, customer, and sales growth (or decline), the effects of energy conservation measures and distributed generation, and technological advancements; the potential effects of climate change on our electric system, including as a result of weather extremes such as prolonged drought and high temperature variations in the area where APS conducts its business; power plant and transmission system performance and outages; competition in retail and wholesale power markets; regulatory and judicial decisions, developments, and proceedings; new legislation, ballot initiatives and regulation or interpretations of existing legislation or regulations, including those relating to environmental requirements, regulatory and energy policy, nuclear plant operations and potential deregulation of retail electric markets; fuel and water supply availability; our ability to achieve timely and adequate rate recovery of our costs through our rates and adjustor recovery mechanisms, including returns on and of debt and equity capital investment; the ability of APS to meet renewable energy and energy efficiency mandates and recover related costs; the ability of APS to achieve its clean energy goals (including a goal by 2050 of 100% clean, carbon-free electricity) and, if these goals are achieved, the impact of such achievement on APS, its customers, and its business, financial condition, and results of operations; risks inherent in the operation of nuclear facilities, including spent fuel disposal uncertainty; current and future economic conditions in Arizona; the direct or indirect effect on our facilities or business from cybersecurity threats or intrusions, data security breaches, terrorist attack, physical attack, severe storms, or other catastrophic events, such as fires, explosions, pandemic health events or similar occurrences; the development of new technologies which may affect electric sales or delivery, including as a result of delays in the development and application of new technologies; the cost of debt, including increased cost as a result of rising interest rates, and equity capital and our ability to access capital markets when required; environmental, economic, and other concerns surrounding coal-fired generation, including regulation of greenhouse gas emissions; volatile fuel and purchased power costs; the investment performance of the assets of our nuclear decommissioning trust, pension, and other postretirement benefit plans and the resulting impact on future funding requirements; the liquidity of wholesale power markets and the use of derivative contracts in our business; potential shortfalls in insurance coverage; new accounting requirements or new interpretations of existing requirements; generation, transmission and distribution facilities and system conditions and operating costs; our ability to meet the anticipated future need for additional generation and associated transmission facilities in our region; the willingness or ability of our counterparties, power plant participants and power plant landowners to meet contractual or other obligations or extend the rights for continued power plant operations; and restrictions on dividends or other provisions in our credit agreements and ACC orders. These and other factors are discussed in the most recent Pinnacle West/APS Form 10-K along with other public filings with the Securities and Exchange Commission, which you should review carefully before placing any reliance on our financial statements, disclosures or earnings outlook. Neither Pinnacle West nor APS assumes any obligation to update these statements, even if our internal estimates change, except as required by law.

In this presentation, references to net income and earnings per share (EPS) refer to amounts attributable to common shareholders.

Second-Quarter results impacted by new rates and record June heat



¹ Includes costs and offsetting operating revenues associated with renewable energy and demand side management programs, see slide 21 for more information.

² All other includes other taxes, other, net and share dilution.

³ Income taxes are positively impacted this quarter due to the timing of when permanent tax items and credits are recognized through the effective tax rate.

2024 EPS guidance

| Key Factors and Assumptions (as of August 1, 2024) | 2024 |
|--|-------------------------|
| Adjusted gross margin (operating revenues, net of fuel and purchased power expenses, x/RES,DSM,CCT) ¹ | \$2.93 – \$3.00 billion |
| <ul style="list-style-type: none"> • Retail customer growth of 1.5%-2.5% • Weather-normalized retail electricity sales growth of 2.0%-4.0% <ul style="list-style-type: none"> • Includes 2.5%-3.5% contribution to sales growth of new large manufacturing facilities and several large data centers • Assumes normal weather | |
| Adjusted operating and maintenance expense (O&M x/RES,DSM,CCT) ¹ | \$940 – \$960 million |
| Other operating expenses (depreciation and amortization, and taxes other than income taxes) | \$1.09 – \$1.11 billion |
| Other income (pension and other post-retirement non-service credits, other income and other expense) | \$58 – \$64 million |
| Interest expense , net of allowance for borrowed and equity funds used during construction (Total AFUDC ~\$96 million) | \$320 – \$340 million |
| Net income attributable to noncontrolling interests | \$17 million |
| Effective tax rate | 13.75% – 14.25% |
| Average diluted common shares outstanding | 114.9 million |
| EPS Guidance | \$4.60 – \$4.80 |



¹ Excludes costs and offsetting operating revenues associated with renewable energy and demand side management programs. For reconciliation, see slide 21.

Key drivers & assumptions for 2024 EPS guidance

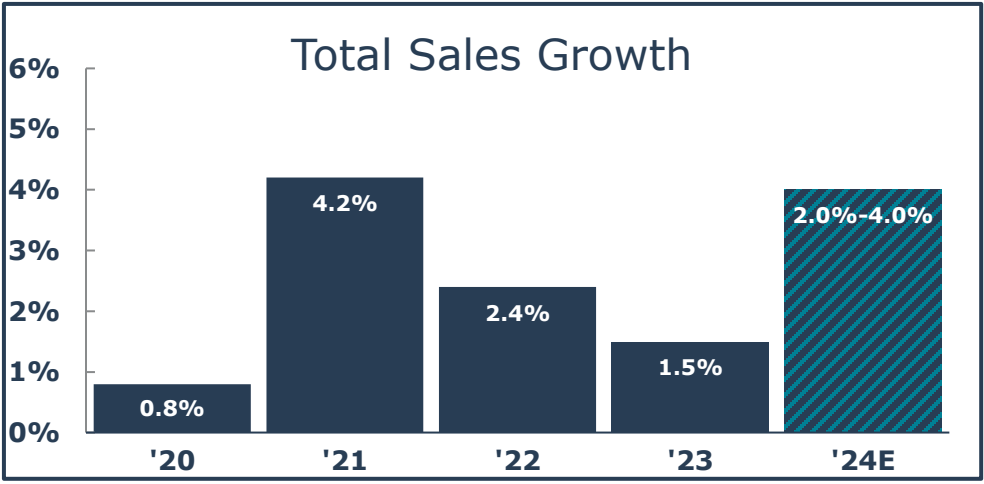
2024 EPS guidance of \$4.60-\$4.80 key drivers¹

| | |
|--|---|
| <p>↑ New rates in effect March 8, 2024</p> <p>↑ Retail customer growth of 1.5%-2.5%</p> <p>↑ Weather-normalized retail electricity sales growth of 2.0%-4.0% (includes 2.5%-3.5% from large C&I)</p> <p>↑ LFCR & 2019 GRC appeal outcome</p> <p>↑ BCE sale</p> | <p>↓ Depreciation, amortization and property taxes due to higher plant in service</p> <p>↓ 2024 normal weather</p> <p>↓ Financing costs</p> <p>↓ Operations and maintenance</p> |
|--|---|

¹ Arrows represent expected comparative year-over-year impact of each driver on earnings.

Long-term guidance and key drivers

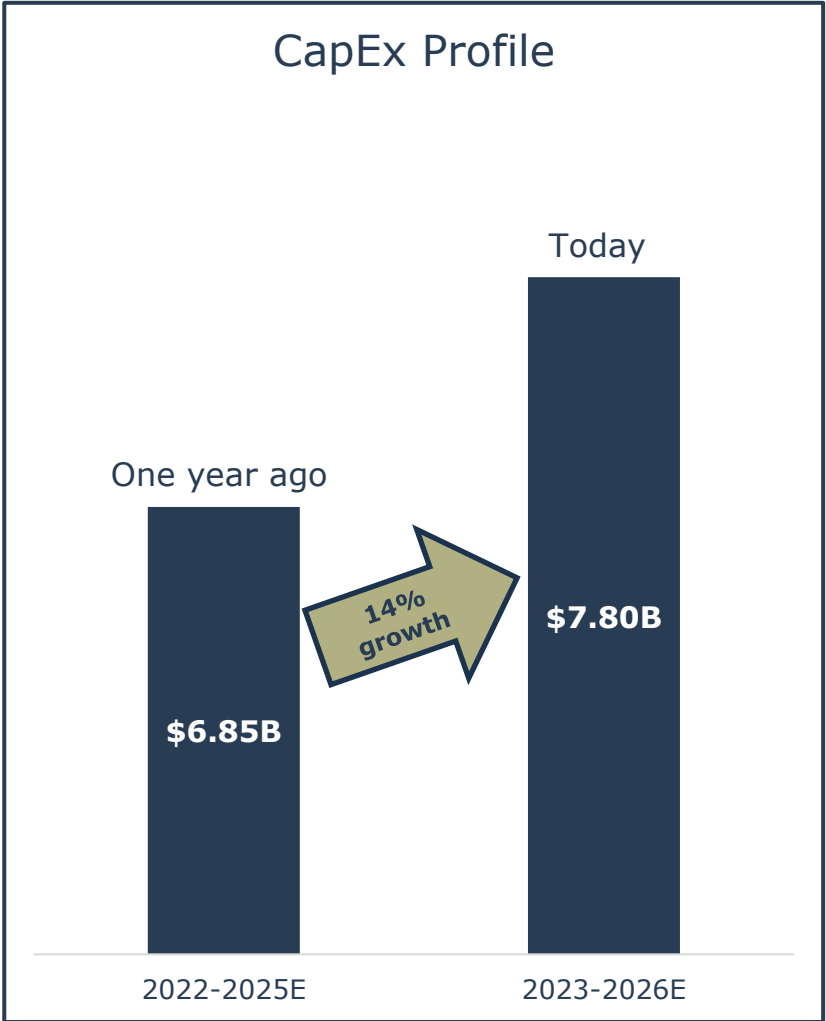
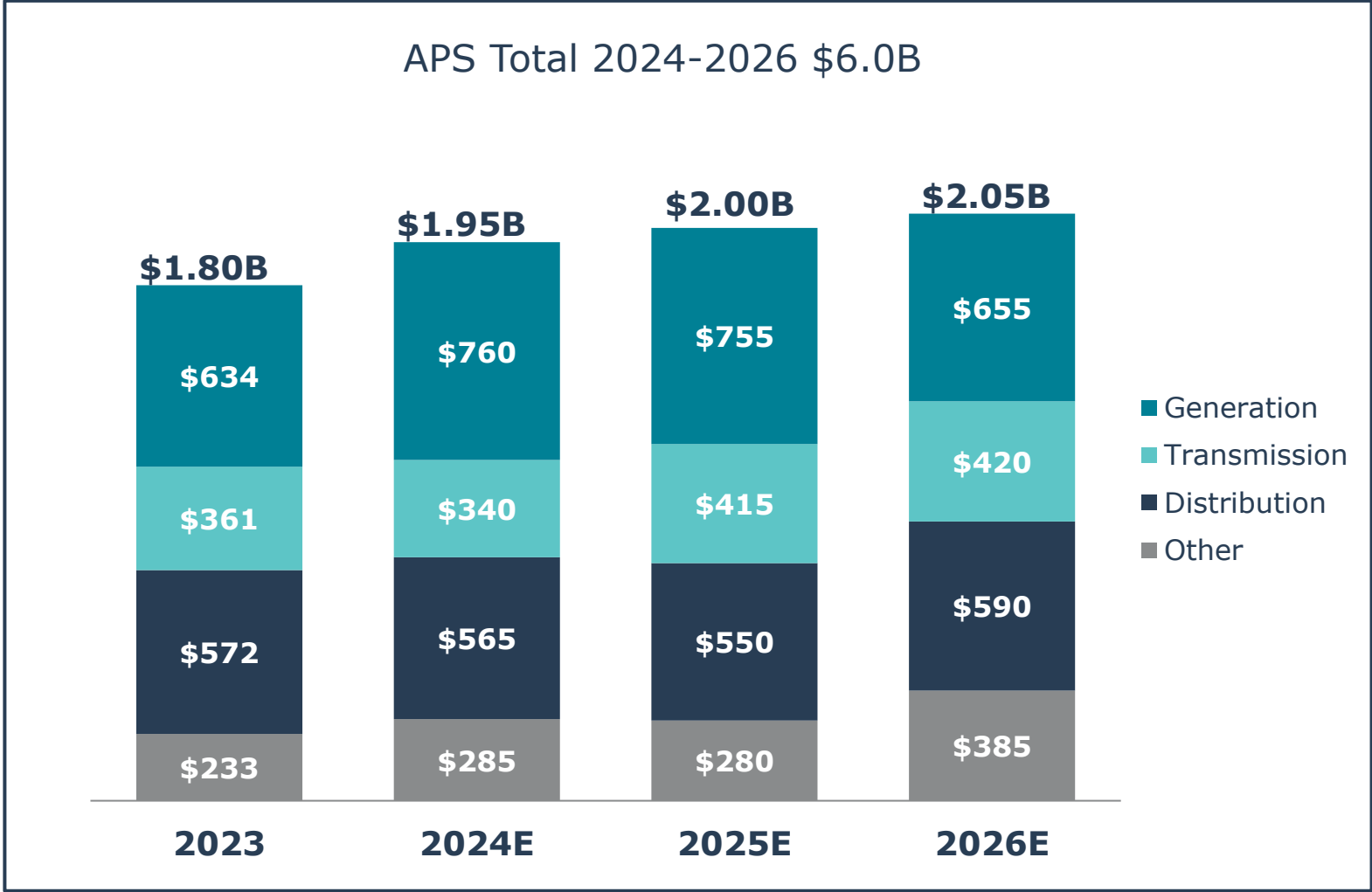
- Long-term EPS growth target of 5%-7% off 2024 midpoint
- Retail customer growth of 1.5%-2.5%
- Weather-normalized retail electricity sales growth of 4%-6% (includes 3%-5% from large C&I customers)



¹ Long-term EPS growth target based on the Company's current weather normalized compound annual growth rate projections from 2024-2028.

² Forecasted guidance range through 2026.

Capital plan to support reliability and continued growth within our service territory



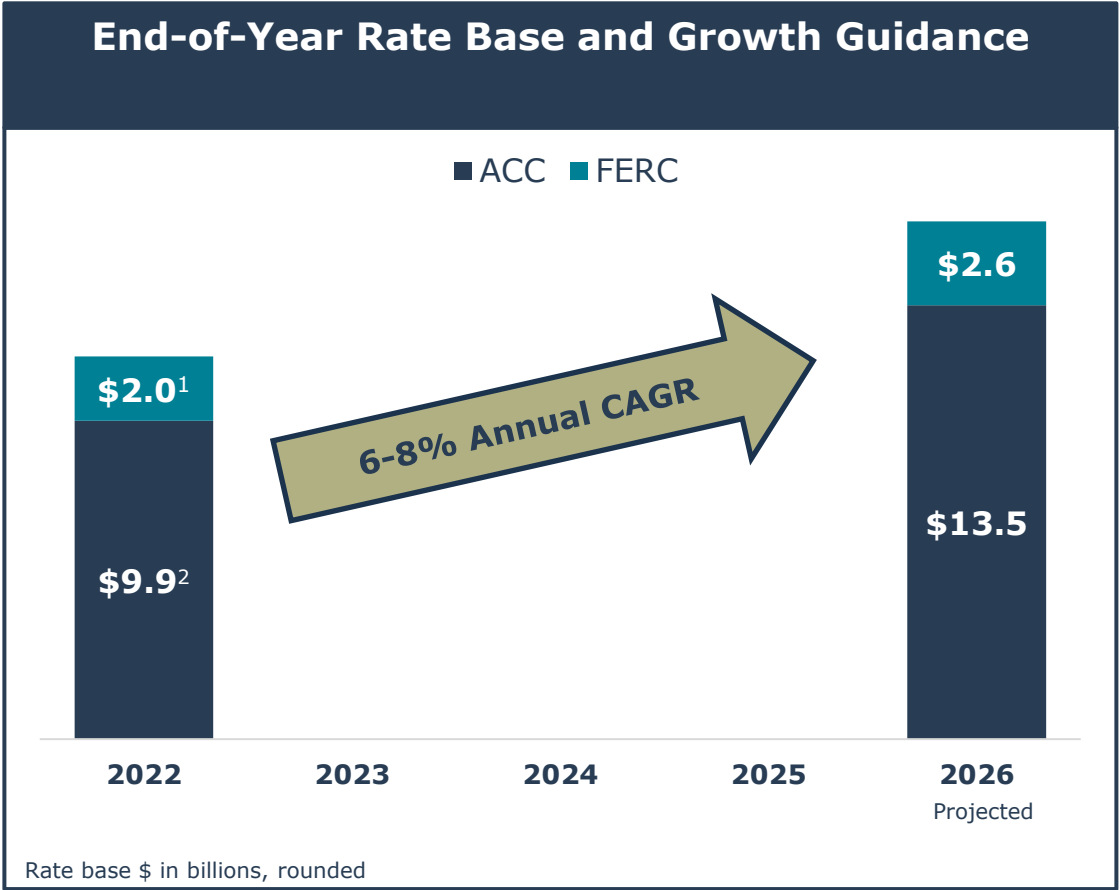
Source: 2024-2026 as disclosed in the Second Quarter 2024 Form 10-Q

Rate Base growing within our service territory

| Current Approved Rate Base and Test Year Detail | | |
|---|------------------------|------------|
| | ACC | FERC |
| Rate Effective Date | 03/08/2024 | 06/01/2024 |
| Test Year Ended | 6/30/2022 ¹ | 12/31/2023 |
| Equity Layer | 51.93% | 49.64% |
| Allowed ROE | 9.55% | 10.75% |
| Rate Base | \$10.36B ² | \$2.1B |

Generation spend through System Reliability Benefit Surcharge and transmission spend will total ~35% of tracked capital from 2024-2026 and help reduce regulatory lag

¹ Adjusted to include post-test year plant in service through 06/30/2023.
² Rate Base excludes \$215M approved through Joint Resolution in Case No. E-01345A-19-0236.



¹ Derived from APS annual update of formula transmission service rates.
² Represents unadjusted ACC jurisdictional rate base consistent with regulatory filings.

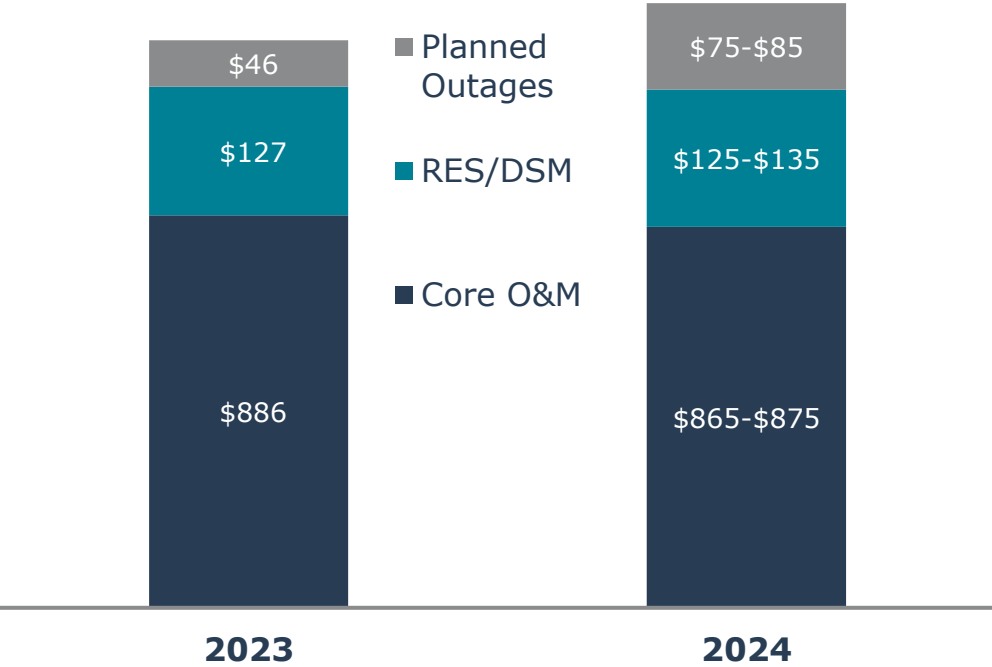
We are focused on cost control and customer affordability

Operations & Maintenance Guidance

- Reduced year-over-year core O&M excluding planned outages
- Final planned major outage in Q4 2024 at Four Corners Unit 5
 - Unit 4 final planned major outage in 2025
- Lean culture and declining O&M per MWh goal

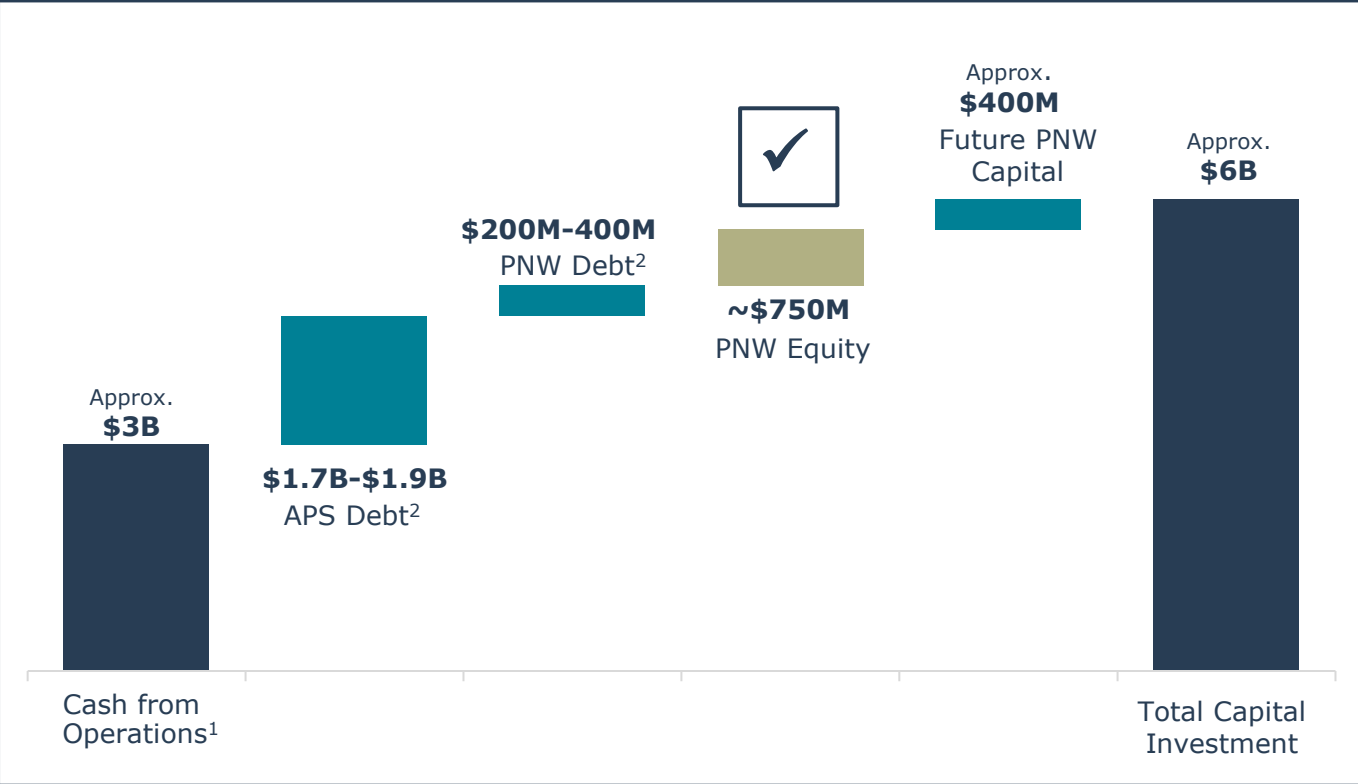


O&M Guidance (millions)



Optimized financing plan to support balanced capital structure

2024-2026 Financing Plan



¹ Cash from operations is net of shareholder dividends.
² APS and PNW debt issuance is net of maturities.

Funding Strategy

- Successfully raised ~\$750 million of external equity in a forward sale to support balanced APS capital structure and expanded, accretive investment
- Enhanced CapEx plan will require future financing matched to spend profile through 2026 (~40% of incremental CapEx in plan)
- Tools available for future PNW capital need include ATM and alternatives (e.g., hybrid securities)

We are focused on maintaining healthy credit ratings to support affordable growth¹

| | Corporate Ratings | Senior Unsecured Ratings | Short-Term Ratings | Outlook |
|----------------------|--------------------------|---------------------------------|---------------------------|----------------|
| APS | | | | |
| Moody's | Baa1 | Baa1 | P-2 | Stable |
| S&P | BBB+ | BBB+ | A-2 | Stable |
| Fitch | BBB+ | A- | F2 | Stable |
| Pinnacle West | | | | |
| Moody's | Baa2 | Baa2 | P-2 | Stable |
| S&P | BBB+ | BBB | A-2 | Stable |
| Fitch | BBB | BBB | F3 | Stable |

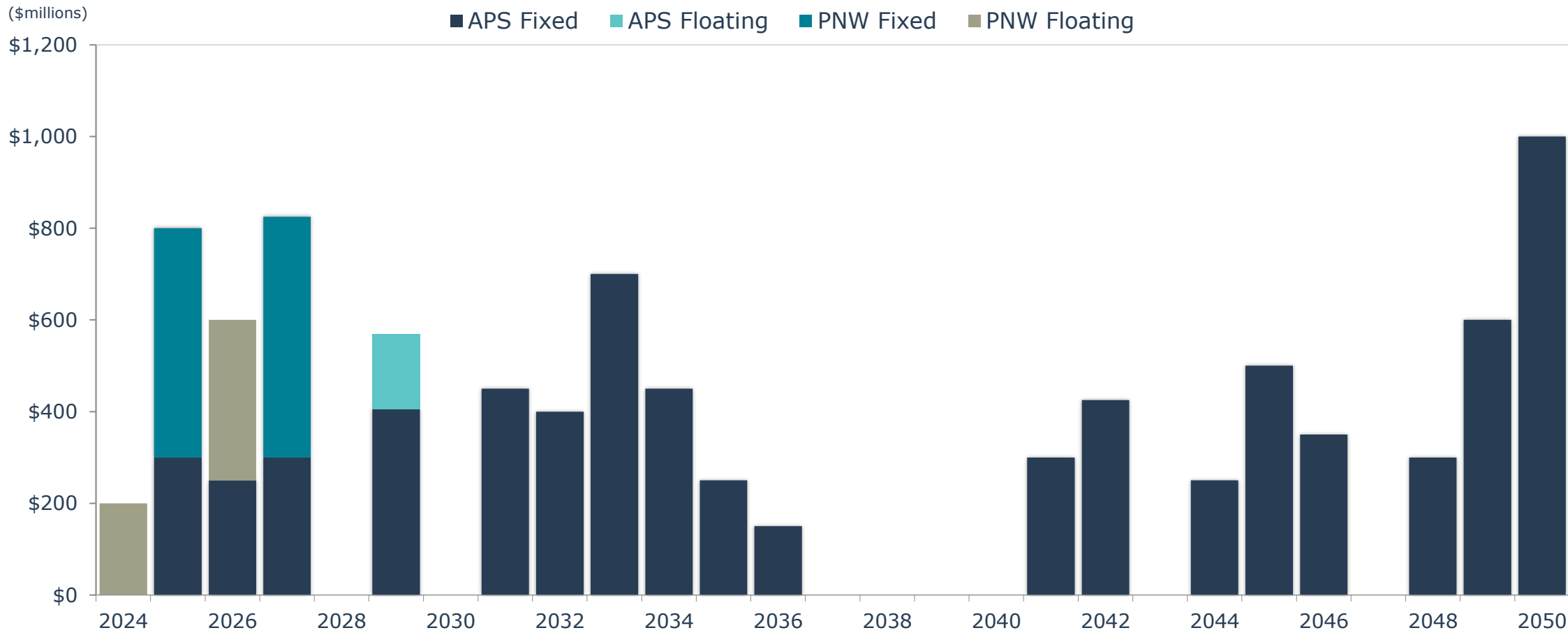
Balance Sheet Targets

- Solid investment-grade credit ratings
- APS equity layer >50%
- PNW FFO/Debt range of 14%-16%



¹ We are disclosing credit ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds. Ratings are as of July 23, 2024.

Debt maturity profile shows well managed and stable financing plan



As of June 30, 2024



Appendix

PINNACLE WEST
CAPITAL CORPORATION

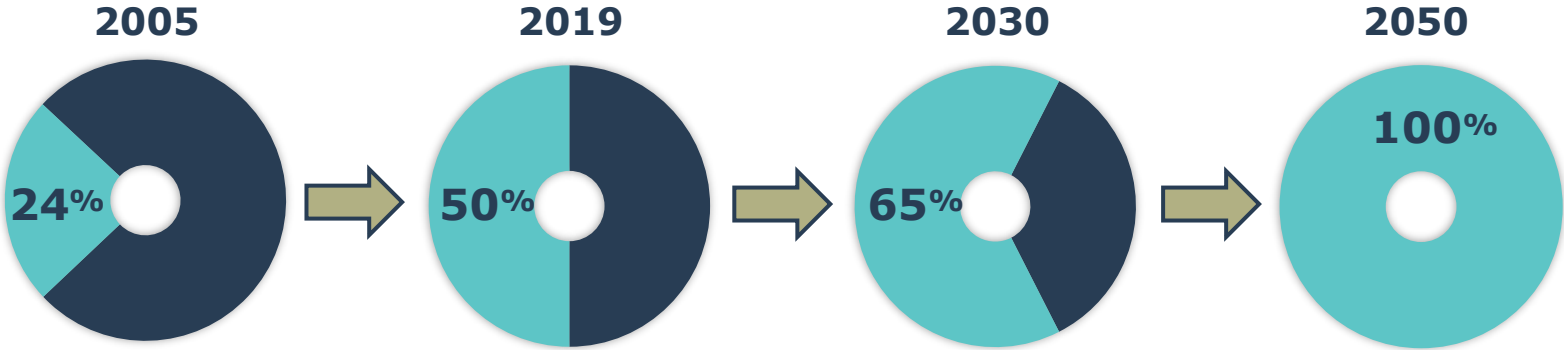
We are making progress towards our Clean Energy Commitment

Progress

- ➔ Since 2020, have contracted over 5,000 MW of clean energy and storage to be in service for APS customers by end of 2025
- ➔ Issued 2023 All-Source RFP for approximately 1,000 MW of reliable capacity, including at least 700 MW of renewable resources
- ➔ Successfully received approval of the System Reliability Benefit Surcharge that will expand our capacity to self-build generation to meet customer need with reduced lag



Pathway



SRB will expand our capacity to self build generation to meet customer need with reduced lag



System Reliability Benefit Surcharge Key Features

- Projects that compete on cost and reliability from All-Source Request for Proposals
- Determines prudence of new generation between general rate cases
- Included in rates approximately 180 days after in service with Commission approval
- Recovery at prevailing WACC less 100bps until future rate case
- Traditional AFUDC treatment until asset is in service

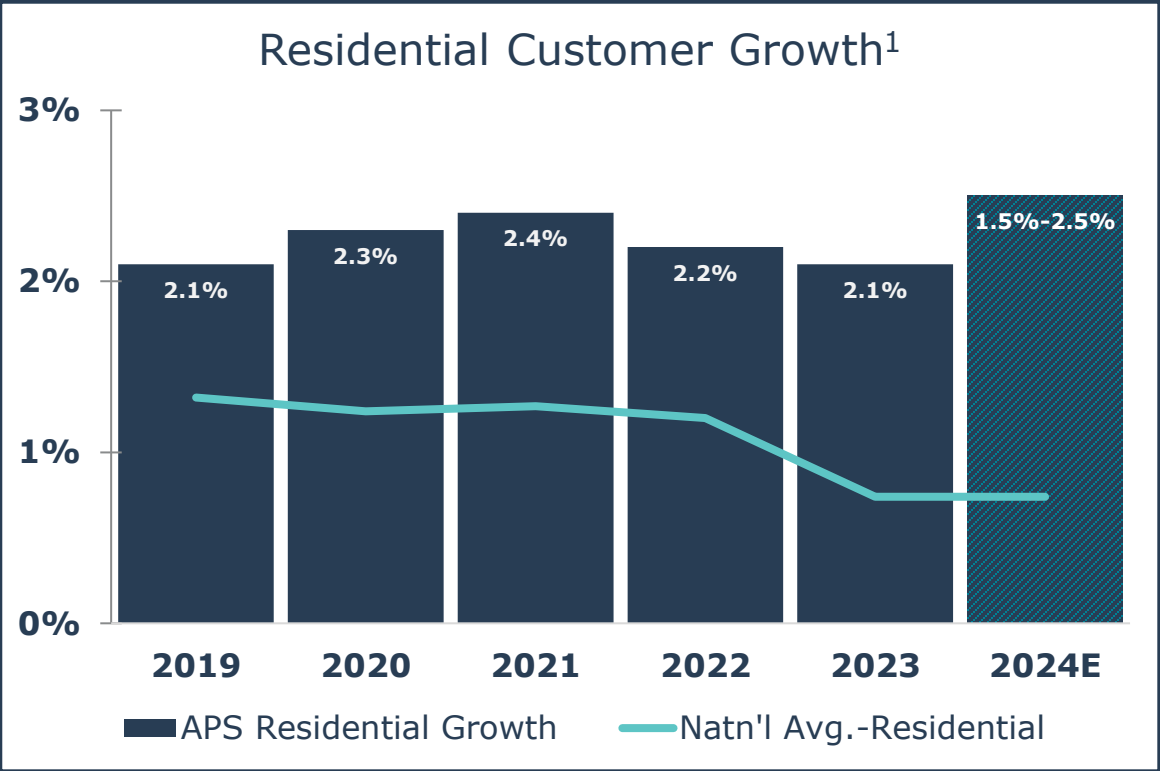
Continued Progress on Potential SRB Opportunities

| <u>Proposed Project</u> | <u>MWs</u> | <u>Est. In-Service</u> | <u>Status</u> |
|-------------------------|------------|------------------------|---------------|
| Agave BESS (Phase I) | 150 | 2026 | Contracted |
| Sundance Expansion | 90 | 2026 | Contracted |
| Ironwood Solar | 168 | 2026 | Contracted |
| Redhawk Expansion | 397 | 2028 | Negotiating |

Arizona continues to be an attractive service territory with strong customer growth

Arizona economy continues to be robust and attractive

- Maricopa County ranked #1 for economic development by Site Selection magazine
- In 2023, Maricopa County was the fourth fastest-growing county in the nation
- Phoenix housing is affordable compared to major cities in the region
- Phoenix is ranked #1 out of 15 top growth markets for manufacturing by Newmark Group, a global real estate firm
- Maricopa County leads the nation in attracting talent according to Lightcast, a global leader in labor market analytics



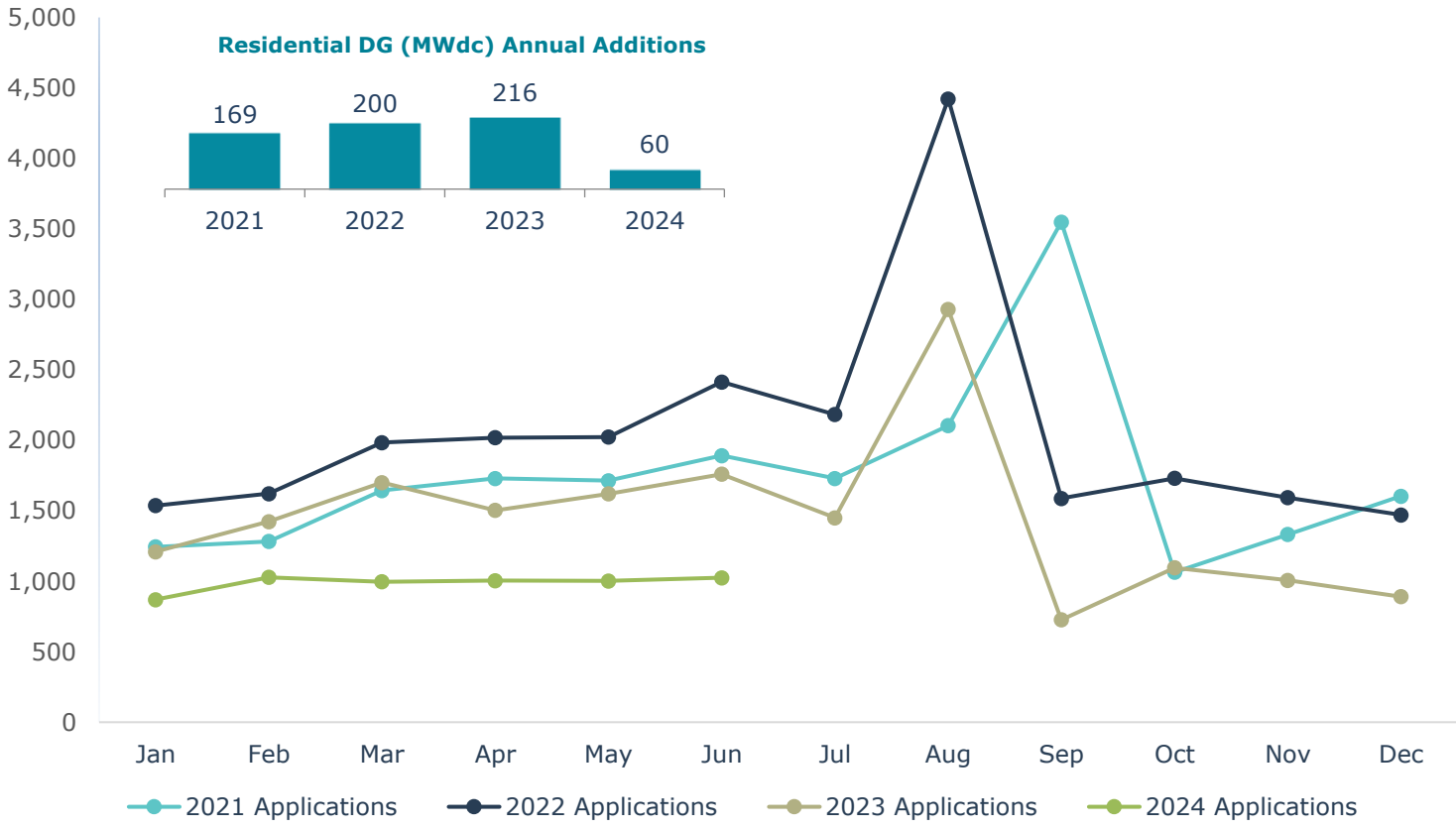
¹ National average from 2023 Itron Annual Energy Survey Report.

Arizona's commercial and industrial growth is diverse



Source: Arizona Commerce Authority

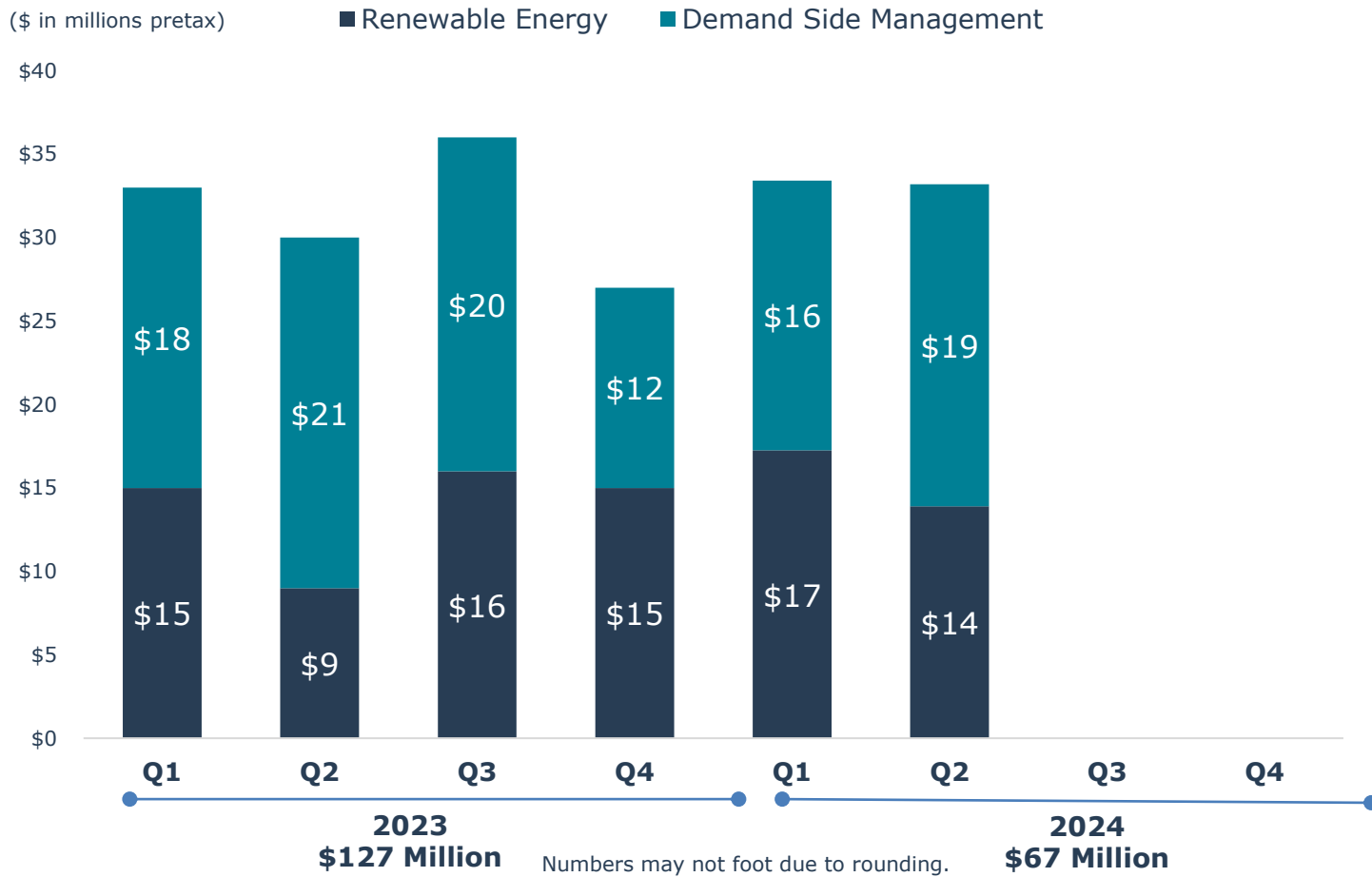
Residential PV Applications



¹ Monthly data equals applications received minus cancelled applications. As of June 30, 2024, approximately 180,649 residential grid-tied solar photovoltaic (PV) systems have been installed in APS's service territory, totaling approximately 1,608 MWdc of installed capacity. Excludes APS Solar Partner Program, APS Solar Communities, and Flagstaff Community Partnership Program.

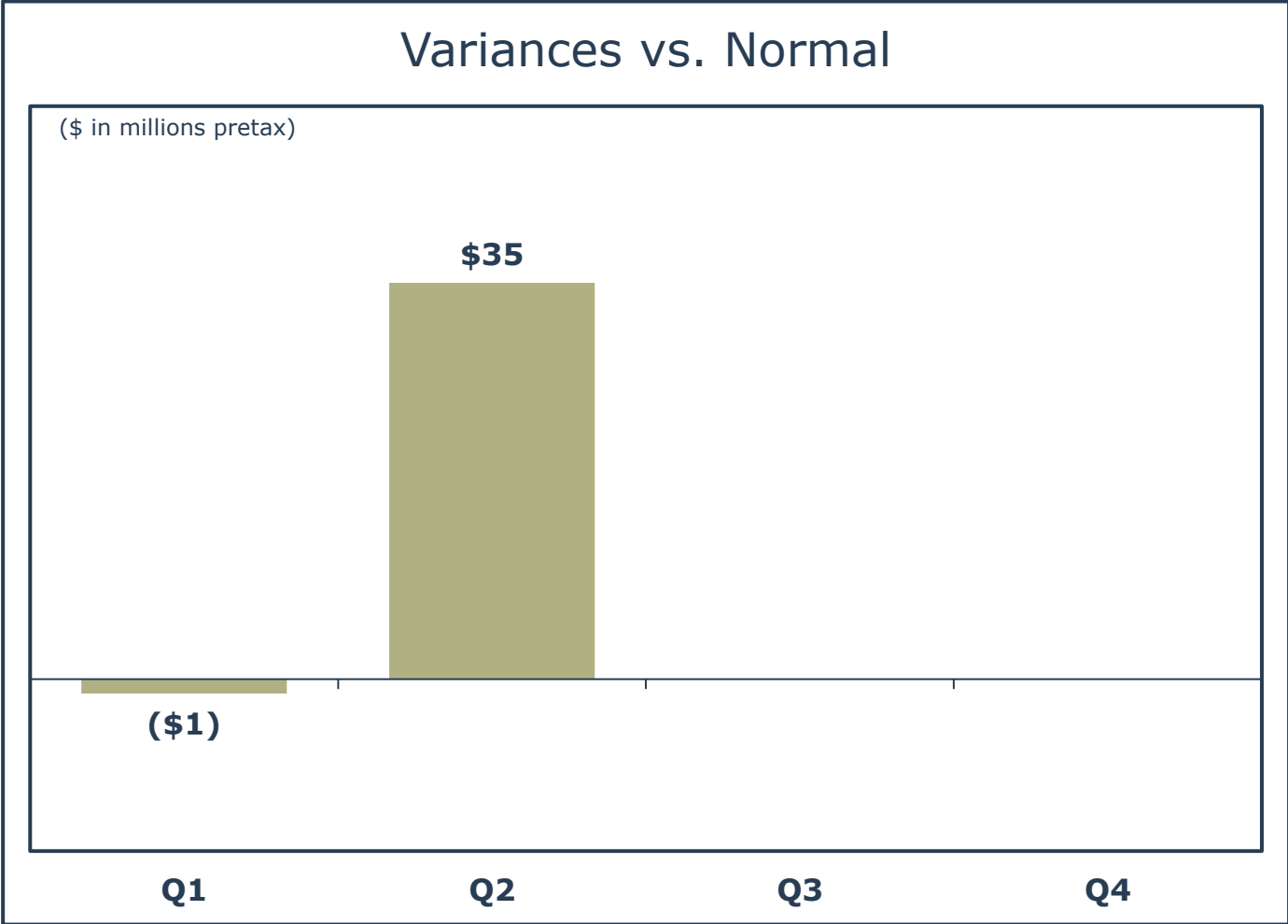
Note: www.arizonagoessolar.org logs total residential application volume, including cancellations.

Renewable Energy & Demand Side Management expenses¹



¹Renewable Energy and Demand Side Management expenses are substantially offset by adjustment mechanisms.

2024 gross margin effects of weather



2024 Total Weather Impact: \$33 Million

All periods recalculated to current 10-year rolling average (2013 - 2022). Numbers may not foot due to rounding.

2024 Planned Outage Schedule

Coal, Nuclear and Large Gas Planned Outages

| Q1 | | | Q2 | | | Q4 | | |
|--------------|------|-------------------------|--------------|------|-------------------------|--------------|------|----------------------------|
| Plant | Unit | Actual Duration in Days | Plant | Unit | Actual Duration in Days | Plant | Unit | Estimated Duration in Days |
| Redhawk | CC1 | 66 | West Phoenix | CC5 | 47 | Palo Verde | 2 | 36 |
| West Phoenix | CC5 | 71 | Palo Verde | 3 | 37 | Four Corners | 5 | 66 |



Non-GAAP Measure Reconciliation

| | 2023 Actuals ⁴ | 2024 Guidance ⁴ |
|---|---------------------------|--------------------------------|
| Operating revenues ¹ | \$4.70 billion | \$4.92 - \$5.02 billion |
| Fuel and purchased power expenses ¹ | \$1.79 billion | \$1.85 - \$1.89 billion |
| Gross Margin | \$2.90 billion | \$3.06 - \$3.13 billion |
| Adjustments: | | |
| Renewable energy and demand side management programs ² | \$129 million | \$125 - \$135 million |
| Adjusted gross margin | \$2.77 billion | \$2.93 - \$3.00 billion |
| Operations and maintenance^{1,3} | \$1.06 billion | \$1.07 - \$1.09 billion |
| Adjustments: | | |
| Renewable energy and demand side management programs ² | \$127 million | \$125 - \$135 million |
| Adjusted operations and maintenance | \$932 million | \$940 - \$960 million |

¹Line items from Consolidated Statements of Income.

²Includes \$3.3M for CCT (Coal Community Transition) in 2023 and \$3.3M in 2024 which is recovered through REAC (Renewable Energy Adjustment Charge).

³O&M per MWh was \$35/MWh in 2023.

⁴Numbers may not foot due to rounding.

2024 Key Regulatory Dates

| Case/Docket # | Q1 | Q2 | Q3 | Q4 |
|--|--------------------------------------|---|--|---|
| 2022 Rate Case: E-01345A-22-0144: | Rates effective March 8 | | Rate Case Limited Rehearing Direct Testimony Due Sep. 20 | Rate Case Limited Rehearing Rebuttal Testimony Due Oct. 18 Rate Case Limited Rehearing Begins Nov. 5 |
| Power Supply Adjustor (PSA) E-01345A-22-0014: | 2024 PSA rate (no change from 2023) | | | PSA application to be filed Nov. 27 |
| Transmission Cost Adjustor E-01345A-22-0014: | | Filed May 15; effective June 1 | | |
| Lost Fixed Cost Recovery E-01345A-23-0228: | | 2023 LFCR effective May 1 | 2024 LFCR filed July 31 | 2024 LFCR effective date Nov. 1 (if approved) |
| Resource Planning and Procurement: E-99999A-22-0046 | | | ACC IRP Workshop July 31 | Anticipated 2023 IRP acknowledgment |
| 2024 RES Implementation Plan E-01345A-23-0193: | | 2024 REAC-1 effective (if approved) | 2025 RES Plan filed July 1 | |
| Resource Comparison Proxy E-01345A-24-0095: | | Updated RCP Calculation filed May 1 | Effective Sep. 1 (if approved) | |
| Test Year Rules (Regulatory Lag) AU-00000A-23-0012: | Workshop held March 19 th | | | Workshop scheduled for Oct. 3 |
| 2024 Financing Application E-01345A-24-0089: | | Equity infusion and Long-term debt application filed April 19 | | |
| Redhawk Power Plant Expansion Project E-01345A-24-0156: | | | Redhawk CEC Hearing Begins Aug. 19 | |

Wildfire Mitigation

Our wildfire preparedness and mitigation strategy is comprehensive and multi-faceted:



Vegetation management

- Comprehensive right-of-way clearance & maintained cycles
- Defensible space around poles
- Hazard tree program (outside right-of-way)



Grid hardening investments

- Ongoing distribution system upgrades
- High-risk area fire standards
 - Mesh pole wrapping
 - Non-expulsion fuses
 - Steel poles (if truck accessible)



Asset inspection

- Enhanced line patrols
- Technology deployments
 - Drone use
 - Infra-red scans



Monitoring and awareness

- Dedicated team of meteorologists
- Cameras and weather stations
- Federal & state agency partnerships



Operational mitigations

- Non-reclosing strategy
- Public outreach program
- Red Flag Warning protocols
- Public Safety Power Shutoff



Internal: 12-person **fire mitigation department** engages across entire APS organization to plan and implement initiatives

External: Member of 19 **fire mitigation industry associations**



Independent **third-party reviews** of APS wildfire mitigation plan

Consolidated Statistics

| | 3 Months Ended June 30, | | | 6 Months Ended June 30, | | |
|--|-------------------------|----------|-------------|-------------------------|----------|-------------|
| | 2024 | 2023 | Incr (Decr) | 2024 | 2023 | Incr (Decr) |
| ELECTRIC OPERATING REVENUES (Dollars in Millions) | | | | | | |
| Retail | | | | | | |
| Residential | \$ 658 | \$ 542 | \$ 116 | \$ 1,091 | \$ 952 | \$ 139 |
| Business | 610 | 517 | 93 | 1,071 | 923 | 149 |
| Total Retail | 1,268 | 1,059 | 209 | 2,162 | 1,875 | 287 |
| Sales for Resale (Wholesale) | 10 | 27 | (17) | 37 | 123 | (86) |
| Transmission for Others | 28 | 33 | (6) | 55 | 65 | (10) |
| Other Miscellaneous Services | 3 | 2 | 1 | 6 | 4 | 2 |
| Total Operating Revenues | \$ 1,309 | \$ 1,122 | \$ 187 | \$ 2,261 | \$ 2,067 | \$ 194 |

| | | | | | | |
|------------------------------|-------|-------|-------|--------|--------|-------|
| ELECTRIC SALES (GWH) | | | | | | |
| Retail | | | | | | |
| Residential | 3,805 | 3,384 | 421 | 6,572 | 6,252 | 320 |
| Business | 4,536 | 4,028 | 508 | 8,346 | 7,481 | 865 |
| Total Retail Sales | 8,342 | 7,413 | 929 | 14,918 | 13,733 | 1,185 |
| Sales for Resale (Wholesale) | 1,587 | 955 | 632 | 2,487 | 2,001 | 486 |
| Total Electric Sales | 9,929 | 8,368 | 1,561 | 17,405 | 15,734 | 1,671 |

| | | | | | | |
|--|-------|-------|-----|--------|--------|-----|
| RETAIL SALES (GWH) - WEATHER NORMALIZED | | | | | | |
| Residential | 3,539 | 3,529 | 10 | 6,301 | 6,274 | 28 |
| Business | 4,478 | 4,072 | 406 | 8,308 | 7,555 | 753 |
| Total Retail Sales | 8,017 | 7,601 | 416 | 14,609 | 13,828 | 781 |
| Retail sales (GWH) (% over prior year) | 5.5% | 0.1% | | 5.6% | 1.7% | |

| | | | | | | |
|---|-----------|-----------|--------|-----------|-----------|--------|
| AVERAGE ELECTRIC CUSTOMERS | | | | | | |
| Retail Customers | | | | | | |
| Residential | 1,250,437 | 1,222,319 | 28,118 | 1,248,639 | 1,222,612 | 26,027 |
| Business | 143,611 | 142,438 | 1,173 | 143,644 | 142,431 | 1,213 |
| Total Retail | 1,394,048 | 1,364,757 | 29,291 | 1,392,283 | 1,365,044 | 27,239 |
| Wholesale Customers | 60 | 54 | 6 | 59 | 56 | 3 |
| Total Customers | 1,394,109 | 1,364,812 | 29,297 | 1,392,342 | 1,365,100 | 27,242 |
| Total Customer Growth (% over prior year) | 2.1% | 2.0% | | 2.0% | 2.0% | |

| | | | | | | |
|---|--------|--------|-------|--------|--------|-------|
| RETAIL USAGE - WEATHER NORMALIZED (KWh/Average Customer) | | | | | | |
| Residential | 2,830 | 2,887 | (57) | 5,046 | 5,131 | (85) |
| Business | 31,182 | 28,586 | 2,595 | 57,836 | 53,040 | 4,796 |

Consolidated Statistics

| | 3 Months Ended June 30, | | | 6 Months Ended June 30, | | |
|---|-------------------------|-------|-------------|-------------------------|--------|-------------|
| | 2024 | 2023 | Incr (Decr) | 2024 | 2023 | Incr (Decr) |
| ENERGY SOURCES (GWH) | | | | | | |
| Generation Production | | | | | | |
| Nuclear | 2,192 | 1,991 | 202 | 4,741 | 4,497 | 244 |
| Coal | 1,502 | 1,130 | 372 | 3,491 | 3,198 | 293 |
| Gas, Oil and Other | 1,960 | 2,044 | (84) | 3,370 | 3,829 | (459) |
| Renewables | 354 | 153 | 201 | 584 | 245 | 339 |
| Total Generation Production | 6,007 | 5,317 | 691 | 12,187 | 11,769 | 417 |
| Purchased Power | | | | | | |
| Conventional | 1,818 | 1,960 | (142) | 2,439 | 2,528 | (89) |
| Resales | 258 | 384 | (126) | 263 | 438 | (175) |
| Renewables | 1,215 | 797 | 418 | 2,039 | 1,415 | 624 |
| Total Purchased Power | 3,291 | 3,141 | 149 | 4,741 | 4,381 | 360 |
| Total Energy Sources | 9,298 | 8,458 | 840 | 16,927 | 16,150 | 777 |
| POWER PLANT PERFORMANCE | | | | | | |
| Capacity Factors - Owned | | | | | | |
| Nuclear | 88% | 80% | 8% | 95% | 90% | 4% |
| Coal | 51% | 38% | 13% | 59% | 54% | 5% |
| Gas, Oil and Other | 25% | 26% | (1)% | 21% | 24% | (3)% |
| Solar | 43% | 31% | 13% | 36% | 25% | 11% |
| System Average | 42% | 38% | 4% | 43% | 43% | 0% |
| | 3 Months Ended June 30, | | | 6 Months Ended June 30, | | |
| | 2024 | 2023 | Incr (Decr) | 2024 | 2023 | Incr (Decr) |
| WEATHER INDICATORS - RESIDENTIAL | | | | | | |
| Actual | | | | | | |
| Cooling Degree-Days | 648 | 424 | 224 | 648 | 424 | 224 |
| Heating Degree-Days | 20 | 17 | 3 | 496 | 700 | (204) |
| Average Humidity | 17% | 17% | 0% | 17% | 17% | 0% |
| 10-Year Averages (2013 - 2022) | | | | | | |
| Cooling Degree-Days | 525 | 525 | - | 525 | 525 | - |
| Heating Degree-Days | 2 | 2 | - | 440 | 440 | - |
| Average Humidity | 17% | 17% | - | 17% | 17% | - |