



News

WEC Energy Group, Inc.

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July 31, 2024

WEC Energy Group reports second-quarter results

MILWAUKEE – WEC Energy Group (NYSE: WEC) today reported net income of \$211.3 million, or 67 cents per share, for the second quarter of 2024 — down from \$289.7 million, or 92 cents per share, in last year's second quarter.

For the first six months of 2024, the company recorded net income of \$833.6 million, or \$2.64 per share — up from \$797.2 million, or \$2.52 per share, in the corresponding period a year ago.

Consolidated revenues totaled \$4.5 billion, down \$265.9 million from the first half of 2023.

“Despite the warmest winter on record, we’re delivering solid results, and we’re firmly on track for a strong 2024,” said Scott Lauber, president and CEO. “We’re focused on the fundamentals of our business — financial discipline, customer satisfaction and operating efficiency.”

Retail deliveries of electricity — excluding the iron ore mine in Michigan’s Upper Peninsula — were up by 0.5 percent in the second quarter of 2024, compared to the second quarter last year.

Electricity consumption by small commercial and industrial customers was 0.3 percent higher. Electricity use by large commercial and industrial customers — excluding the iron ore mine — declined by 0.1 percent.

Residential electricity use rose by 1.4 percent.

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On a weather-normal basis, retail deliveries of electricity during the second quarter of this year – excluding the iron ore mine — decreased by 0.3 percent.

The company is reaffirming its 2024 earnings guidance of \$4.80 to \$4.90 per share. This assumes normal weather for the remainder of the year.

Earnings per share listed in this news release are on a fully diluted basis.

Conference call

A conference call is scheduled for 1 p.m. Central time, Wednesday, July 31. The call will review 2024 second-quarter earnings and the company's outlook for the future.

All interested parties, including stockholders, news media and the general public, are invited to listen. Access the call at 888-330-2443 up to 15 minutes before it begins. The number for international callers is 240-789-2728. The conference ID is 3088105.

Conference call access also is available at wecenergygroup.com. Under 'Webcasts,' select 'Q2 Earnings.' In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its second-quarter performance. The materials will be available at 6:30 a.m. Central time, Wednesday, July 31.

Replay

A replay will be available on the website and by phone. Access to the webcast replay will be available on the website about two hours after the call. Access to a phone replay also will be available approximately two hours after the call and remain accessible through Aug. 14, 2024. Domestic callers should dial 800-770-2030. International callers should dial 647-362-9199. The replay conference ID is 3088105.

WEC Energy Group (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving 4.7 million customers in Wisconsin, Illinois, Michigan and Minnesota.

The company's principal utilities are We Energies, Wisconsin Public Service, Peoples Gas, North Shore Gas, Michigan Gas Utilities, Minnesota Energy Resources and Upper Michigan Energy Resources. Another major subsidiary, We Power, designs, builds and owns electric generating plants. In addition, WEC Infrastructure LLC owns a growing fleet of renewable generation facilities in states ranging from South Dakota to Texas.

WEC Energy Group (wecenergygroup.com) is a Fortune 500 company and a component of the S&P 500. The company has approximately 35,000 stockholders of record, 7,000 employees and more than \$44 billion of assets.

Forward-looking statements

Certain statements contained in this press release are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based upon management’s current expectations and are subject to risks and uncertainties that could cause our actual results to differ materially from those contemplated in the statements. Readers are cautioned not to place undue reliance on these statements. Forward-looking statements include, among other things, statements concerning management’s expectations and projections regarding earnings, earnings growth rates, dividend payments and future results. In some cases, forward-looking statements may be identified by reference to a future period or periods or by the use of forward-looking terminology such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “guidance,” “intends,” “may,” “objectives,” “plans,” “possible,” “potential,” “projects,” “should,” “targets,” “will” or similar terms or variations of these terms.

Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements include, but are not limited to: general economic conditions, including business and competitive conditions in the company’s service territories; timing, resolution and impact of rate cases and other regulatory decisions; including rider reconciliations; the company’s ability to continue to successfully integrate the operations of its subsidiaries; availability of the company’s generating facilities and/or distribution systems; unanticipated changes in fuel and purchased power costs; key personnel changes; unusual, varying or severe weather conditions; continued industry restructuring and consolidation; continued advances in, and adoption of, new technologies that produce power or reduce power consumption; energy and environmental conservation efforts; electrification initiatives, mandates and other efforts to reduce the use of natural gas; the company’s ability to successfully acquire and/or dispose of assets and projects and to execute on its capital plan; terrorist, physical or cyber-security threats or attacks and data security breaches; construction risks; labor disruptions; equity and bond market fluctuations; changes in the company’s and its subsidiaries’ ability to access the capital markets; changes in tax legislation or our ability to use certain tax benefits and carryforwards; federal, state, and local legislative and regulatory changes, including changes in rate-setting policies or procedures and environmental standards, the enforcement of these laws and regulations or permit conditions and changes in the interpretation of regulations by regulatory agencies; supply chain disruptions; inflation; political or geopolitical developments, including impacts on the global economy, supply chain and fuel prices, generally, from ongoing, escalating, or expanding regional conflicts; the impact from any health crises, including epidemics and pandemics; current and future litigation and regulatory investigations, proceedings or inquiries; changes in accounting standards; the financial performance of the American Transmission Company as well as projects in which the company’s energy infrastructure business invests; the ability of the company to obtain additional generating capacity at competitive prices; goodwill and its possible impairment; and other factors described under the heading “Factors Affecting Results, Liquidity and Capital Resources” in Management’s Discussion and Analysis of Financial Condition and Results of Operations and under the headings “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” contained in the company’s Form 10-K for the year ended December 31, 2023, and in subsequent reports filed with the Securities and Exchange Commission. Except as may be required by law, the company expressly disclaims any obligation to publicly update or revise any forward-looking information.

Tables follow

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited) <i>(in millions, except per share amounts)</i>	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Operating revenues	\$ 1,772.0	\$ 1,830.0	\$ 4,452.2	\$ 4,718.1
Operating expenses				
Cost of sales	469.7	533.0	1,396.8	1,842.7
Other operation and maintenance	533.4	496.0	1,064.2	1,030.0
Depreciation and amortization	336.6	313.9	670.0	619.4
Property and revenue taxes	67.5	61.8	143.0	131.4
Total operating expenses	1,407.2	1,404.7	3,274.0	3,623.5
Operating income	364.8	425.3	1,178.2	1,094.6
Equity in earnings of transmission affiliates	46.8	43.6	91.6	87.4
Other income, net	40.6	48.3	84.7	89.1
Interest expense	200.6	178.7	392.6	350.9
Other expense	(113.2)	(86.8)	(216.3)	(174.4)
Income before income taxes	251.6	338.5	961.9	920.2
Income tax expense	41.6	48.5	129.3	122.6
Net income	210.0	290.0	832.6	797.6
Preferred stock dividends of subsidiary	0.3	0.3	0.6	0.6
Net loss attributed to noncontrolling interests	1.6	—	1.6	0.2
Net income attributed to common shareholders	\$ 211.3	\$ 289.7	\$ 833.6	\$ 797.2
Earnings per share				
Basic	\$ 0.67	\$ 0.92	\$ 2.64	\$ 2.53
Diluted	\$ 0.67	\$ 0.92	\$ 2.64	\$ 2.52
Weighted average common shares outstanding				
Basic	315.9	315.4	315.8	315.4
Diluted	316.2	315.9	316.1	315.9
Dividends per share of common stock	\$ 0.8350	\$ 0.7800	\$ 1.6700	\$ 1.5600

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) <i>(in millions, except share and per share amounts)</i>	June 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 224.0	\$ 42.9
Accounts receivable and unbilled revenues, net of reserves of \$166.9 and \$193.5, respectively	1,242.7	1,503.2
Materials, supplies, and inventories	695.8	775.2
Prepaid taxes	182.6	173.9
Other prepayments	52.6	76.8
Other	186.4	223.7
Current assets	2,584.1	2,795.7
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of \$11,263.4 and \$11,073.1, respectively	32,263.8	31,581.5
Regulatory assets (June 30, 2024 and December 31, 2023 include \$82.3 and \$85.9, respectively, related to WEPCo Environmental Trust Finance I, LLC)	3,393.1	3,249.8
Equity investment in transmission affiliates	2,055.8	2,005.9
Goodwill	3,052.8	3,052.8
Pension and OPEB assets	901.2	870.9
Other	331.4	383.1
Long-term assets	41,998.1	41,144.0
Total assets	\$ 44,582.2	\$ 43,939.7
Liabilities and Equity		
Current liabilities		
Short-term debt	\$ 761.3	\$ 2,020.9
Current portion of long-term debt (June 30, 2024 and December 31, 2023 include \$9.1 and \$9.0, respectively, related to WEPCo Environmental Trust Finance I, LLC)	1,157.4	1,264.2
Accounts payable	799.9	896.6
Customer credit balances	178.8	236.2
Other	594.2	696.9
Current liabilities	3,491.6	5,114.8
Long-term liabilities		
Long-term debt (June 30, 2024 and December 31, 2023 include \$80.9 and \$85.3, respectively, related to WEPCo Environmental Trust Finance I, LLC)	16,907.8	15,512.8
Deferred income taxes	5,265.4	4,918.5
Deferred revenue, net	345.5	356.4
Regulatory liabilities	3,834.7	3,697.7
Intangible liabilities	568.0	594.8
Environmental remediation liabilities	437.0	463.7
Asset retirement obligations	543.6	374.2
Other	794.2	835.3
Long-term liabilities	28,696.2	26,753.4
Commitments and contingencies		
Common shareholders' equity		
Common stock – \$0.01 par value; 650,000,000 shares authorized; 316,079,401 and 315,434,531 shares outstanding, respectively	3.2	3.2
Additional paid in capital	4,168.3	4,115.9
Retained earnings	7,919.2	7,612.8
Accumulated other comprehensive loss	(7.8)	(7.7)
Common shareholders' equity	12,082.9	11,724.2
Preferred stock of subsidiary	30.4	30.4
Noncontrolling interests	281.1	316.9
Total liabilities and equity	\$ 44,582.2	\$ 43,939.7

WEC ENERGY GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Six Months Ended	
<i>(in millions)</i>	June 30	
	2024	2023
Operating activities		
Net income	\$ 832.6	\$ 797.6
Reconciliation to cash provided by operating activities		
Depreciation and amortization	670.0	619.4
Deferred income taxes and ITCs, net	321.5	113.4
Contributions and payments related to pension and OPEB plans	(7.5)	(9.2)
Equity income in transmission affiliates, net of distributions	(19.6)	(13.4)
Change in –		
Accounts receivable and unbilled revenues, net	254.2	529.5
Materials, supplies, and inventories	79.4	213.3
Collateral on deposit	47.4	(28.9)
Amounts recoverable from customers	(17.0)	33.7
Other current assets	19.1	16.2
Accounts payable	(90.3)	(388.4)
Customer credit balances	(57.4)	(10.9)
Other current liabilities	(53.1)	(28.9)
Other, net	(78.3)	(89.1)
Net cash provided by operating activities	1,901.0	1,754.3
Investing activities		
Capital expenditures	(1,138.4)	(1,073.7)
Acquisition of West Riverside Energy Center	(98.2)	(95.3)
Acquisition of Whitewater Cogeneration Facility	—	(76.0)
Acquisition of Sapphire Sky Wind Energy LLC, net of cash acquired of \$0.3	—	(442.6)
Acquisition of Samson I Solar Energy Center LLC, net of cash acquired of \$5.2	—	(249.4)
Acquisition of Red Barn Wind Park	—	(143.8)
Capital contributions to transmission affiliates	(30.3)	(33.3)
Proceeds from the sale of assets	0.9	30.4
Proceeds from the sale of investments held in rabbi trust	14.8	10.4
Payments for American Transmission Company LLC's construction costs that will be reimbursed	(0.6)	(19.1)
Other, net	1.0	(9.0)
Net cash used in investing activities	(1,250.8)	(2,101.4)
Financing activities		
Exercise of stock options	4.7	2.3
Issuance of common stock	38.2	—
Purchase of common stock	(3.2)	(9.5)
Dividends paid on common stock	(527.2)	(492.1)
Issuance of long-term debt	2,074.2	1,450.0
Retirement of long-term debt	(785.4)	(76.8)
Change in commercial paper	(1,260.4)	(556.6)
Purchase of additional ownership interest in Samson I Solar Energy Center LLC from noncontrolling interest	(28.1)	—
Payments for debt extinguishment and issuance costs	(23.6)	(9.6)
Other, net	(1.7)	(2.7)
Net cash provided by (used in) financing activities	(512.5)	305.0
Net change in cash, cash equivalents, and restricted cash	137.7	(42.1)
Cash, cash equivalents, and restricted cash at beginning of period	165.2	182.2
Cash, cash equivalents, and restricted cash at end of period	\$ 302.9	\$ 140.1