

Atmos Energy Corporation
Financial Highlights (Unaudited)

Statements of Income

(000s except per share)

	Three Months Ended March 31	
	2020	2019
Operating revenues		
Distribution segment	\$ 933,005	\$ 1,057,889
Pipeline and storage segment	146,237	135,650
Intersegment eliminations	<u>(101,577)</u>	<u>(98,894)</u>
	977,665	1,094,645
Purchased gas cost		
Distribution segment	418,935	570,348
Pipeline and storage segment	202	(90)
Intersegment eliminations	<u>(101,254)</u>	<u>(98,582)</u>
	317,883	471,676
Operation and maintenance expense	147,824	149,427
Depreciation and amortization	105,916	96,772
Taxes, other than income	74,604	79,093
Operating income	331,438	297,677
Other non-operating income (expense)	(2,989)	4,232
Interest charges	<u>22,171</u>	<u>26,949</u>
Income before income taxes	306,278	274,960
Income tax expense	<u>66,632</u>	<u>60,072</u>
Net income	<u>\$ 239,646</u>	<u>\$ 214,888</u>
Basic net income per share	<u>\$ 1.95</u>	<u>\$ 1.83</u>
Diluted net income per share	<u>\$ 1.95</u>	<u>\$ 1.82</u>
Cash dividends per share	<u>\$ 0.575</u>	<u>\$ 0.525</u>
Basic weighted average shares outstanding	<u>122,916</u>	<u>117,581</u>
Diluted weighted average shares outstanding	<u>122,997</u>	<u>117,756</u>

Three Months Ended March 31

	2020	2019
Summary Net Income by Segment (000s)		
Distribution	\$ 187,064	\$ 172,193
Pipeline and storage	<u>52,582</u>	<u>42,695</u>
Net income	<u>\$ 239,646</u>	<u>\$ 214,888</u>

Atmos Energy Corporation
Financial Highlights, continued (Unaudited)

Statements of Income

(000s except per share)

	Six Months Ended March 31	
	2020	2019
Operating revenues		
Distribution segment	\$ 1,761,509	\$ 1,896,724
Pipeline and storage segment	294,413	270,120
Intersegment eliminations	(202,694)	(194,417)
	<u>1,853,228</u>	<u>1,972,427</u>
Purchased gas cost		
Distribution segment	816,493	1,008,080
Pipeline and storage segment	301	(448)
Intersegment eliminations	(202,043)	(193,791)
	<u>614,751</u>	<u>813,841</u>
Operation and maintenance expense	300,069	288,027
Depreciation and amortization	210,978	192,837
Taxes, other than income	143,211	143,581
Operating income	<u>584,219</u>	<u>534,141</u>
Other non-operating income (expense)	1,898	(3,491)
Interest charges	49,400	54,798
Income before income taxes	<u>536,717</u>	<u>475,852</u>
Income tax expense	<u>118,398</u>	<u>103,318</u>
Net income	<u>\$ 418,319</u>	<u>\$ 372,534</u>
Basic net income per share	<u>\$ 3.43</u>	<u>\$ 3.22</u>
Diluted net income per share	<u>\$ 3.42</u>	<u>\$ 3.21</u>
Cash dividends per share	<u>\$ 1.15</u>	<u>\$ 1.05</u>
Basic weighted average shares outstanding	<u>122,015</u>	<u>115,690</u>
Diluted weighted average shares outstanding	<u>122,179</u>	<u>115,794</u>

Six Months Ended March 31

	2020	2019
Summary Net Income by Segment (000s)		
Distribution	\$ 316,821	\$ 286,578
Pipeline and storage	101,498	85,956
Net income	<u>\$ 418,319</u>	<u>\$ 372,534</u>

Atmos Energy Corporation
Financial Highlights, continued (Unaudited)

Condensed Balance Sheets (000s)	March 31, 2020	September 30, 2019
Net property, plant and equipment	\$ 12,548,240	\$ 11,787,669
Cash and cash equivalents	320,099	24,550
Accounts receivable, net	377,817	230,571
Gas stored underground	68,061	130,138
Other current assets	63,584	72,772
Total current assets	829,561	458,031
Goodwill	730,706	730,706
Deferred charges and other assets	607,891	391,213
	<u>\$ 14,716,398</u>	<u>\$ 13,367,619</u>
Shareholders' equity	\$ 6,304,415	\$ 5,750,223
Long-term debt	4,328,866	3,529,452
Total capitalization	10,633,281	9,279,675
Accounts payable and accrued liabilities	190,088	265,024
Other current liabilities	543,248	479,501
Short-term debt	199,923	464,915
Current maturities of long-term debt	131	—
Total current liabilities	933,390	1,209,440
Deferred income taxes	1,421,779	1,300,015
Regulatory excess deferred taxes	694,433	705,101
Deferred credits and other liabilities	1,033,515	873,388
	<u>\$ 14,716,398</u>	<u>\$ 13,367,619</u>

Atmos Energy Corporation
Financial Highlights, continued (Unaudited)

Condensed Statements of Cash Flows

(000s)

Six Months Ended March 31

Cash flows from operating activities

	2020	2019
Net income	\$ 418,319	\$ 372,534
Depreciation and amortization	210,978	192,837
Deferred income taxes	110,664	96,885
Other	7,144	5,334
Changes in assets and liabilities	<u>(113,330)</u>	<u>(106,761)</u>
Net cash provided by operating activities	633,775	560,829

Cash flows from investing activities

Capital expenditures	(994,737)	(777,586)
Proceeds from the sale of discontinued operations	—	4,000
Debt and equity securities activities, net	(1,131)	777
Other, net	<u>4,631</u>	<u>4,388</u>
Net cash used in investing activities	(991,237)	(768,421)

Cash flows from financing activities

Net decrease in short-term debt	(264,992)	(575,780)
Proceeds from issuance of long-term debt, net of premium/discount	799,450	1,045,221
Net proceeds from equity offering	258,047	494,085
Issuance of common stock through stock purchase and employee retirement plans	8,321	10,344
Settlement of interest rate swaps	—	(90,141)
Repayment of long-term debt	—	(450,000)
Cash dividends paid	(140,077)	(120,328)
Debt issuance costs	<u>(7,738)</u>	<u>(11,227)</u>

Net cash provided by financing activities

Net increase in cash and cash equivalents	295,549	94,582
Cash and cash equivalents at beginning of period	<u>24,550</u>	<u>13,771</u>
Cash and cash equivalents at end of period	<u>\$ 320,099</u>	<u>\$ 108,353</u>

Statistics	Three Months Ended March 31		Six Months Ended March 31	
	2020	2019	2020	2019
Consolidated distribution throughput (MMcf as metered)	163,870	185,432	303,428	328,178
Consolidated pipeline and storage transportation volumes (MMcf)	143,465	165,369	299,994	335,896
Distribution meters in service	3,312,616	3,279,005	3,312,616	3,279,005
Distribution average cost of gas	\$ 3.51	\$ 4.10	\$ 3.74	\$ 4.18

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