



Analyst Call to Review

Fiscal 2020 First Quarter Financial Results

February 5, 2020
9:00 a.m. Eastern

Q1 Fiscal 2020 Highlights

■ Financial Performance

- ✓ Diluted EPS of \$1.47
- ✓ 27% increase in capital spending to \$529 million; 86% allocated to safety and reliability spending
- ✓ Reaffirmed Fiscal 2020 EPS guidance range of \$4.58 - \$4.73
- ✓ 9.5% increase in fiscal 2020 indicated annual dividend to \$2.30 per diluted share - 36th consecutive year of rising dividends

■ Executed Our Regulatory Strategy

- ✓ \$59.2 million implemented as of February 4, 2020
- ✓ \$21.3 million currently in progress

■ Strong Balance Sheet

- ✓ \$259 million of equity issued; \$240 million available under forward agreements as of December 31, 2019
- ✓ \$500 million of 30-year and \$300 million of 10-year debt issuances in Q1
- ✓ Equity capitalization at 58.6% at December 31, 2019

Consolidated Financial Results

Fiscal 2020 – Q1

Net Income – Q1 Fiscal 2020 versus Q1 Fiscal 2019

<i>(\$millions, except EPS)</i>	Fiscal 2020 – Q1		Fiscal 2019 – Q1	
	Net Income	Diluted EPS*	Net Income	Diluted EPS*
<u>Segment Net Income</u>				
Distribution	\$ 130		\$ 115	
Pipeline & Storage	49		43	
Net Income	\$ 179	\$1.47	\$ 158	\$1.38

* Since Atmos Energy has non-vested share-based payments with a nonforfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.

Segment Operating Income Results

Quarter Ended 12/31 <i>(\$millions)</i>	2019	2018	Change
Distribution	180.3	169.4	10.9
Pipeline & Storage	72.5	67.0	5.5
Operating Income	\$ 252.8	\$ 236.4	\$ 16.4

Distribution Key Drivers

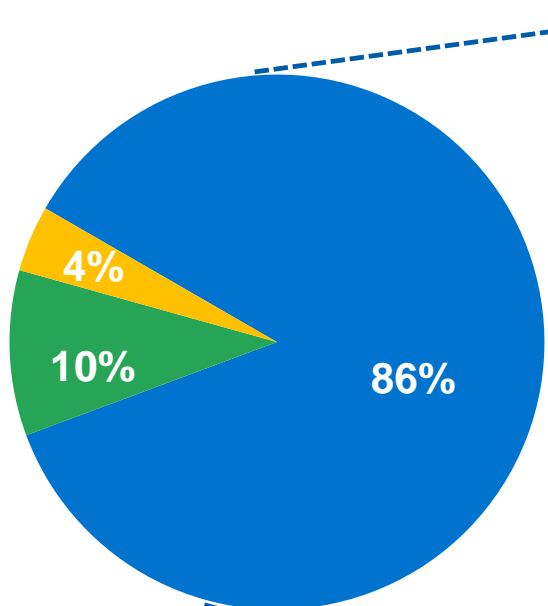
- **\$27.0MM** – Increase in rates
- **\$4.0MM** – Customer growth
- **(\$1.4MM)** – Lower consumption
- **\$8.6MM increase in O&M:**
 - ✓ Increased pipeline maintenance expense
 - ✓ Employee related expenses
- **\$6.4MM increase in D&A:**
 - ✓ Increased capital investments
- **\$4.0MM increase in taxes other:**
 - ✓ Increased capital investments

Pipeline & Storage Key Drivers

- **\$13.7MM** – Increase in rates
- **\$5.1MM increase in O&M:**
 - ✓ Well integrity costs
- **\$2.6MM increase in D&A:**
 - ✓ Increased capital investments

Capital Spending Mix

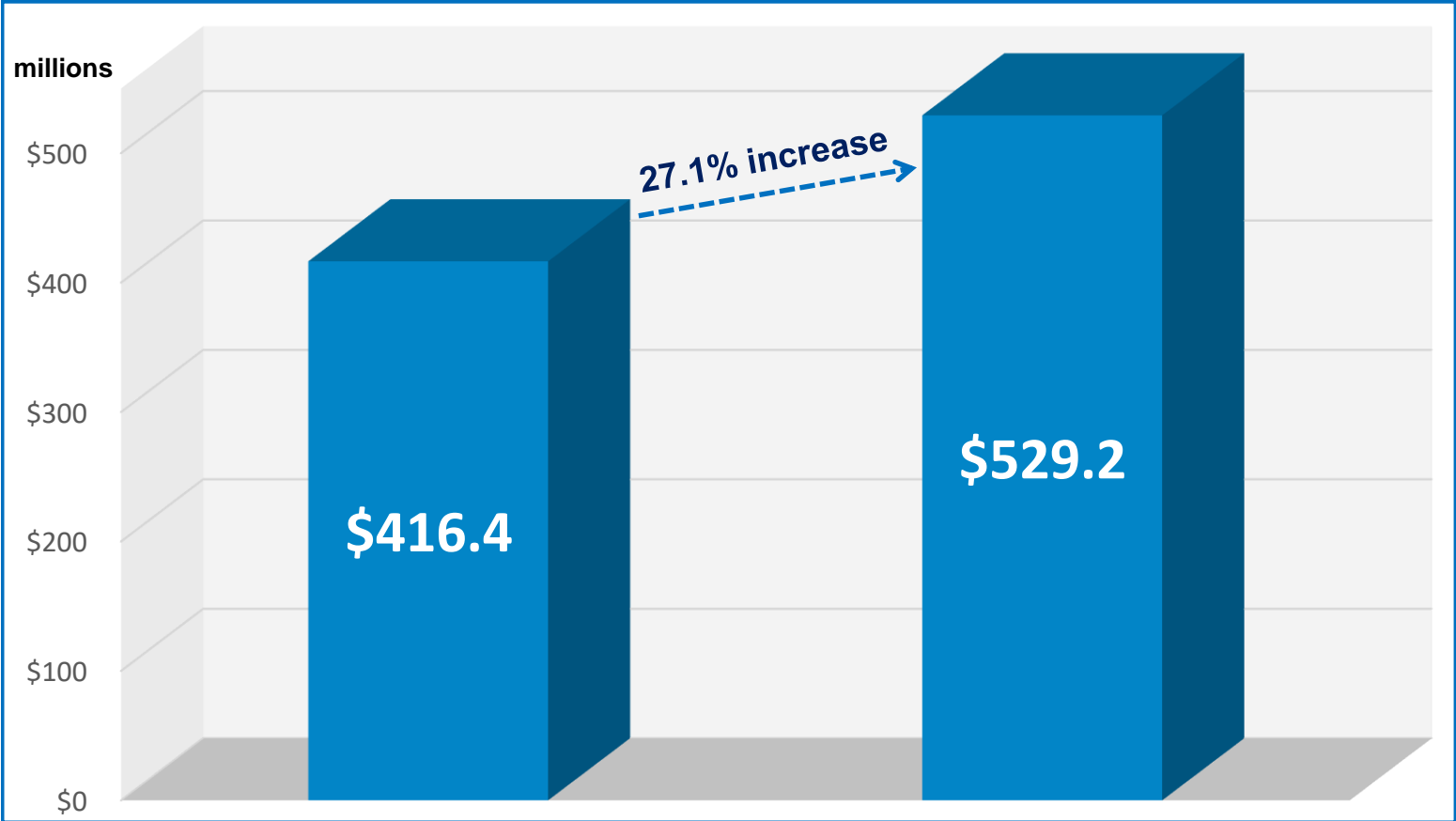
Safety & Reliability Investments Support Infrastructure Modernization



- Safety and Reliability
- Customer Expansion
- Other

<i>\$millions</i>	Fiscal 2020 Q1 CapEx
\$ 244	Repair and replace transmission and distribution pipelines
\$ 71	Service line replacement
\$ 52	Pipeline integrity management projects
\$ 36	Install & replace measurement & regulating equipment
\$ 31	Fortifications
\$ 21	Enhance storage and compression capabilities
\$ 455	Total Safety and Reliability Spending
\$ 529	Total Capital Spending

86% Spent On Safety and Reliability



Q1 FY19

Q1 FY20

Fiscal 2020 Q1 Financing Recap

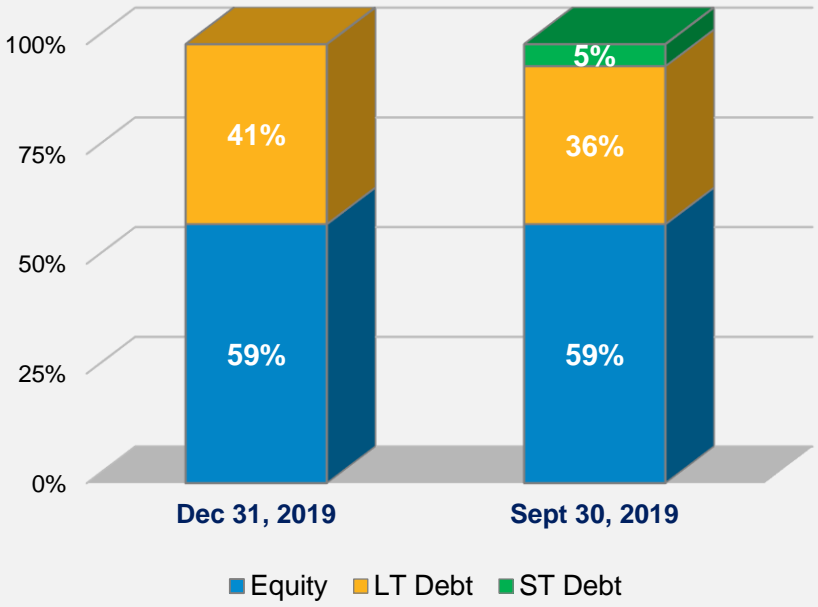
- \$1.1 billion of long-term financing issued through December 31, 2019
 - ✓ \$800 million in long-term debt issued in October 2019
 - ✓ \$300 million 2.625% 10-year senior notes
 - ✓ \$500 million 3.375% 30-year senior notes
 - ✓ \$259 million in settled equity forward arrangements

- Equity Forward Recap
 - ✓ \$36.8 million of equity priced in Fiscal Q1 2020
 - ✓ \$240 million available under forward agreements at December 31, 2019

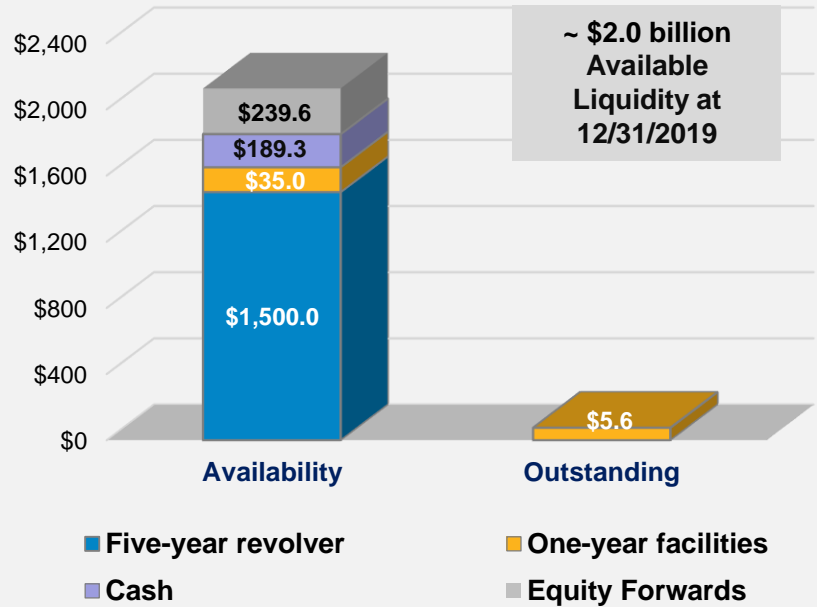
Maturity	Shares	Forward Share Price	Net Proceeds Available (\$MM) December 31, 2019
September 30, 2020	2,249,374	\$106.51	\$239.6

Capitalization and Liquidity Profile

Total Capitalization

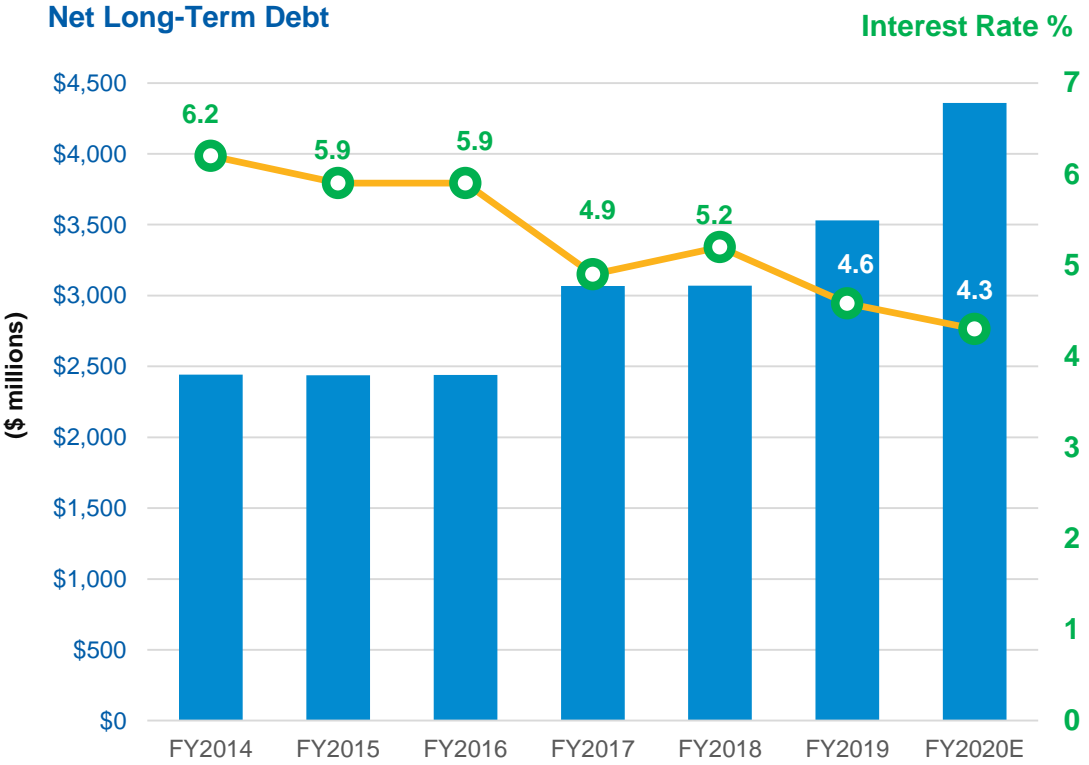


Liquidity Profile as of December 31, 2019



Strong Financial Foundation

Improved Weighted Average Cost of Long-Term Debt Credit Metrics Remain Strong

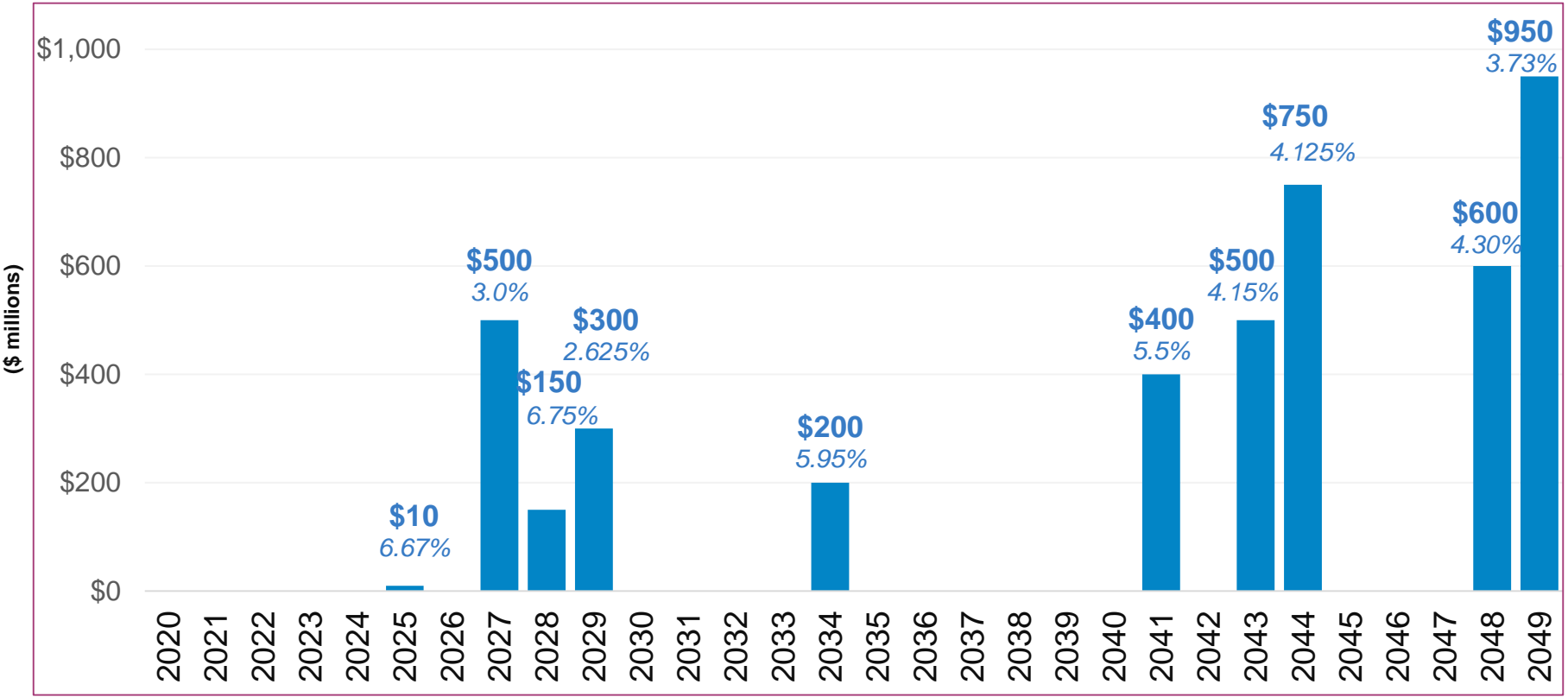


Strong Investment-Grade Credit Ratings CFO (Pre-WC) / Adj Debt - ~25%

	Moody's	Standard & Poor's
• Senior Unsecured	A1	A
• Commercial Paper	P-1	A-1
• Ratings Outlook	Stable	Stable

Strong Financial Foundation

Weighted Average Maturity ~22 Years



Fiscal 2020E Guidance

<i>(\$millions, except EPS)</i>	FY 2019	FY 2020E ²
Distribution	\$ 329	\$ 385 - 400
Pipeline & Storage	182	175 - 190
Total Net Income	\$ 511	\$ 560 - 590
Average Diluted Shares	117.5	122.3 - 124.7
Diluted EPS¹	\$ 4.35	\$ 4.58 - \$ 4.73
Capital Spending	\$ 1,693	\$ \$1,850 - \$1,950

¹ Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement.

² Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2020 significantly above or below this outlook.

Fiscal 2020E Guidance

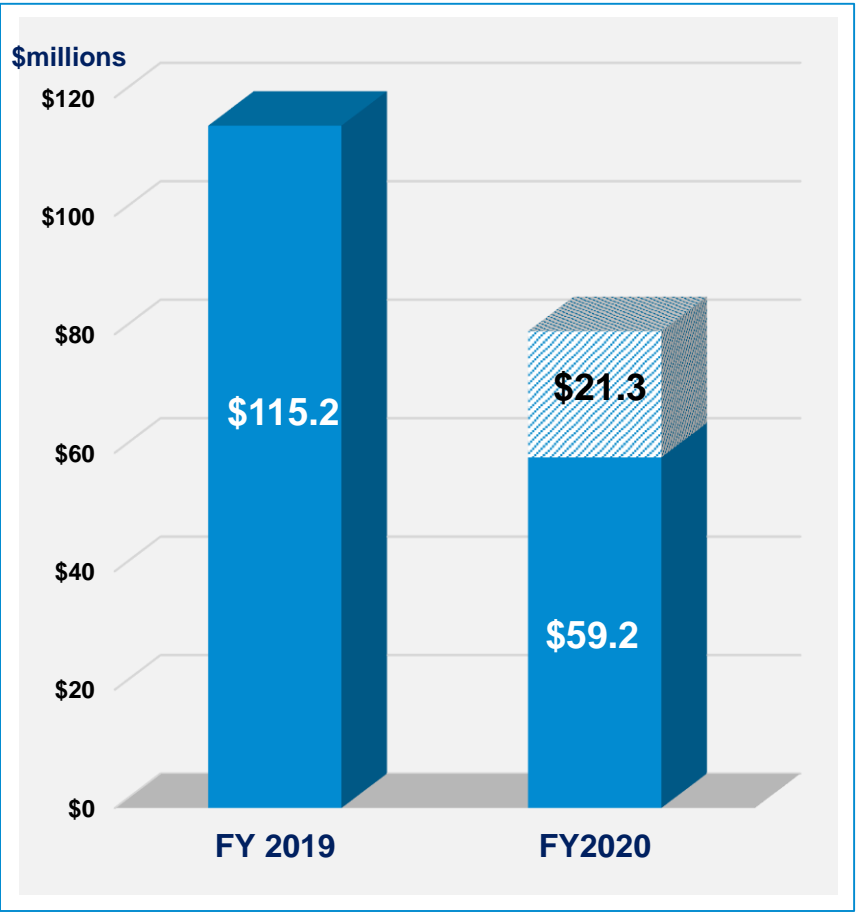
Selected Expenses (\$millions)	FY 2019	FY 2020E ¹
O&M	\$ 630	\$ 620 - 650
D&A	\$ 391	\$ 425 - 435
Interest	\$ 103	\$ 75 - 85
Income Tax	\$ 139	\$ 145 - 160
Effective Tax Rate	21.4%	20% - 22% ²

¹ Changes in events or other circumstances that the Company cannot currently anticipate could materially impact earnings and could result in earnings for fiscal 2019 significantly above or below this outlook.

² Excluding the amortization of excess deferred tax liabilities the effective rate is expected to be 23% - 25%

FY2020 Regulatory Accomplishments

Approved Annualized Operating Income Increases



Key Rate Activity Through 2/4/2020

- **\$59.2MM Completed– FY20**
 - ✓ \$ 34.4MM – Mid-Tex RRMs
 - ✓ \$ 7.6MM – Mississippi SIR
 - ✓ \$ 6.9MM – Mississippi SRF
 - ✓ \$ 4.9MM – West TX RRM
 - ✓ \$ 2.9MM – Kentucky PRP
 - ✓ \$ 2.1MM – Colorado SSIR

- **\$21.3MM in Progress**
 - ✓ \$ 17.1MM – Mid-Tex DARR
 - ✓ \$ 3.7MM – Kansas Rate Case

Mid-Tex Division

- **Mid-Tex City of Dallas: *Filed* Dallas Annual Rate Review (DARR) on January 15, 2020**
 - ✓ Requested an increase in annual operating income of \$17.1 million
 - ✓ Requested return on equity (ROE) of 9.8%; overall rate of return (ROR) of 7.83%
 - ✓ Requested capital structure of 40% debt / 60% equity
 - ✓ Requested system-wide rate base of \$3.5 billion
 - ✓ Serves approximately 232,000 customers
 - ✓ Test year ended September 30, 2019

- **Mid-Tex Cities: *Implemented* 2019 Annual Rate Review Mechanism (RRM) on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$34.4 million
 - ✓ Authorized ROE: 9.80%; ROR: 7.83%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized rate base: \$3.1 billion
 - ✓ Test year ending December 31, 2018

West Texas Division

- **West Texas Cities: *Implemented* 2018 Annual Rate Review Mechanism (RRM) on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$4.9 million
 - ✓ Authorized ROE: 9.8%; ROR: 7.83%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized rate base: \$591.5 million
 - ✓ Test year ending December 31, 2018

- **West Texas Triangle: *Filed* 2019 Statement of Intent (SOI) on September 27, 2019**
 - ✓ Requested an annual operating income decrease of \$0.2 million
 - ✓ Requested ROE: 9.8%; ROR: 7.71%
 - ✓ Requested capital structure: 40% debt / 60% equity
 - ✓ Requested rate base: \$37.4 million
 - ✓ Test year ending March 31, 2019

Mississippi Division

- **Mississippi: *Implemented* Annual System Integrity Rider (SIR) on November 1, 2019**

- ✓ Authorized an annual operating income increase of \$7.6 million
- ✓ Authorized ROR: 7.81%
- ✓ Authorized rate base: \$185.8 million
- ✓ Serves approximately 268,000 customers
- ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2019 - October 2020

- **Mississippi: *Implemented* Annual Stable Rate Filing (SRF) on November 1, 2019**

- ✓ Authorized an annual operating income increase of \$6.9 million
- ✓ Authorized ROR: 7.81%
- ✓ Authorized rate base: \$448.5 million
- ✓ Serves approximately 268,000 customers
- ✓ Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2019 - October 2020

Kentucky/Mid-States Division

- **Kentucky PRP Rate Filing: *Implemented* annual Pipe Replacement Program (PRP) filing on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$2.9 million
 - ✓ Authorized ROE of 9.65%; ROR of 7.49%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized rate base: \$27.3 million
 - ✓ Serves approximately 184,000 customers
 - ✓ Forward-looking test year ending September 2019

- **Virginia Rate Filing: *Implemented* New SAVE Infrastructure Program on October 1, 2019**
 - ✓ Authorized an annual operating income increase of \$0.1 million
 - ✓ Authorized ROE: 9.20%; ROR: 7.43%
 - ✓ Authorized capital structure: 42% debt / 58% equity
 - ✓ Authorized rate base: \$0.7 million
 - ✓ Serves approximately 24,000 customers

Colorado - Kansas Division

- **Colorado: *Implemented* System Safety and Integrity Rider (SSIR) on January 1, 2020**
 - ✓ Authorized a \$2.1 million increase in annual operating income
 - ✓ Authorized ROE: 9.45%; ROR: 7.55%
 - ✓ Authorized capital structure: 44% debt / 56% equity
 - ✓ Authorized Rate base value: \$56.5 million
 - ✓ Test year ended December 31, 2019

- **Kansas: *Filed* rate case with Annual Mechanism and Integrity Mechanism on June 28, 2019**
 - ✓ Requested a \$3.7 million increase in annual operating income
 - ✓ Requested ROE: 10.25%; ROR: 7.98%
 - ✓ Requested capital structure: 40% debt / 60% equity
 - ✓ Rate base value: \$248.7 million
 - ✓ Test year ended March 31, 2019

Key Regulatory Filings – Fiscal 2020E

Rate Filing Planned Timing

Q1 October → December	Q2 January → March	Q3 April → June	Q4 July → September
Mississippi – Implemented Stable Rate Filing (SRF) and System Integrity Rider (SIR) of \$14.5 million	Mid-Tex(Dallas) – Filed Dallas Annual Rate Review (DARR) in January 2020; new rates anticipated Q3 fiscal 2020	Mid-Tex and WTX Cities – Anticipate Rate Review Mechanism (RRM) filing in April 2020; new rates anticipated Q1 fiscal 2021	Mississippi – Anticipate Stable Rate Filing July 2020; new rates anticipated Q1 fiscal 2021
Colorado – Implemented Annual System Safety and Integrity Rider (SSIR) of \$2.1 million.	Atmos Pipeline Texas (APT) – Anticipate filing 2019 GRIP request in February 2020; new rates anticipated Q3 fiscal 2020	Louisiana – Anticipate filing Louisiana annual Rate Stabilization Clause in April 2020; new rates anticipated Q4 fiscal 2020	Kentucky – Anticipate PRP in August 2020; new rates anticipated Q1 fiscal 2021
Mid-Tex Cities – Implemented Rate Review Mechanism (RRM) of \$34.4 million.	Texas Environs Customers – Anticipate filing GRIP in February 2020; new rates anticipated Q3 fiscal 2020	Kentucky – Anticipate filing rate case in April 2020 new rates anticipated Q1 fiscal 2021	West Texas ALDC – Anticipate Rate Case in September 2020; new rates anticipated Q3 fiscal 2021
WTX Cities – Implemented Rate Review Mechanism (RRM) of \$4.9 million.	West Texas ALDC and Mid-Tex ATM – Anticipate filing annual GRIP request in February 2020; new rates anticipated Q3 fiscal 2020	Kansas – Anticipate GSRS Annual filing in May 2020; new rates anticipated Q1 fiscal 2021	Colorado – Anticipate filing rate case in September 2020; new rates anticipated Q3 fiscal 2021
Kentucky – Implemented PRP of \$2.9 million.	Mississippi – Anticipate filing System Integrity Rider (SIR) in March 2020; new rates anticipated Q1 fiscal 2021	Virginia – Anticipate SAVE Annual filing in June 2020; new rates anticipated Q1 fiscal 2021	
	West Texas Triangle – Anticipate filing GRIP in March 2020; new rates anticipated Q3 fiscal 2020		

Regulatory Summary

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ millions (1)	Requested Rate Base \$ millions	Authorized Rate of Return (1)	Requested Rate of Return	Authorized Return on Equity (1)	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 12/31/19
Atmos Pipeline-TX (GUD 10580)	8/1/17		\$ 13.0		\$ 1,767		8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP	5/7/19		\$ 49.2		\$ 2,388		8.87%		11.50%		47/53		NA
Mid-Tex - City of Dallas DARR	6/1/19	1/15/20	\$ 8.0	\$ 17.1	\$ 2,862	\$ 3,511	7.96%	7.83%	9.80%	9.80%	40/60		231,946
Mid-Tex Cities RRM	10/1/19		\$ 34.4		\$ 3,053		7.83%		9.80%		42/58		1,251,908
Mid-Tex ATM Cities SOI/GRIP (GUD 10779)	9/26/19		\$ 6.6		\$ 2,976		7.97%		9.80%		40/60		174,914
Mid-Tex Environs SOI/GRIP (GUD 10742)	6/4/19		\$ 2.4		\$ 2,976		7.97%		9.80%		40/60		71,899
West Texas Division SOI	4/1/14		\$ 8.4		\$ 324		2		2		2		NA
WTX Cities RRM	10/1/19		\$ 4.9		\$ 592		7.83%		9.80%		42/58		145,599
WTX ALDC GRIP	3,4 5/1/19		\$ 5.7		\$ 595		8.57%		10.50%		48/52		148,399
WTX Environs SOI/GRIP (GUI 10743)	6/4/19		\$ 1.0		\$ 593		7.97%		9.80%		40/60		24,415
Louisiana-LGS (U-34424)	7/1/19		\$ 7.1		\$ 469		7.79%		9.80%		42/58		289,396
Louisiana-Trans La (U-35106)	4/1/19		\$ 4.7		\$ 193		7.81%		9.80%		41/59		77,227
Mississippi SRF (2005-UN-0503)	11/1/19		\$ 6.9		\$ 449		7.81%		2		2		268,269

(See Next Page for Footnote Explanations)

Regulatory Summary (continued)

Jurisdictions	Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income \$ millions	Requested Operating Income \$ millions	Rate Base \$ millions (1)	Requested Rate Base \$ millions	Authorized Rate of Return (1)	Requested Rate of Return	Authorized Return on Equity (1)	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 12/31/19
Mississippi SIR (2015-UN-049)	11/1/19		\$ 7.6		\$ 186		7.81%		2		2		NA
Kentucky PRP (2019-00253)	10/1/19		\$ 2.9		\$ 27		7.49%		9.65%		42/58		NA
Kentucky (2018-00281)	5/7/19		\$ 3.4		\$ 425		7.49%		9.65%		42/58		184,440
Tennessee ARM (19-00067)	6/1/19		\$ 2.4		\$ 389		7.79%		9.80%		42/58		155,016
Kansas GSRS (18-ATMG-218-TAR)	4/23/19		\$ 1.6		\$ 26		2		2		2		137,346
Kansas (19-ATMG-525-RTS)		6/28/19		\$ 3.7		\$ 249		7.98%		10.25%		40/60	NA
Colorado (17AL-0429G)	5/3/18		\$ (0.2)		\$ 135		7.55%		9.45%		44/56		122,503
Colorado SSIR (19AL-0607G)	1/1/20		\$ 2.1		\$ 57		7.55%		9.45%		44/56		NA
Colorado GIS (18A-0765G)	4/1/19		\$ 0.1		\$ 0.6		7.55%		9.45%		44/56		NA
Virginia (PUR-2018-00013)	4/1/19		(\$ 0.4)		\$ 48		7.43%		9.20%		42/58		24,386
Virginia SAVE (PUR-2019-00054)	10/1/19		\$ 0.1		\$ 0.7		7.43%		9.20%		42/58		NA

1. Rate base, authorized rate of return and authorized return on equity presented in this table are those from the last base rate case for each jurisdiction. These rate bases, rates of return and returns on equity are not necessarily indicative of current or future rate bases, rates of return or returns on equity.

2. A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision.

3. GRIP filings are based on existing returns and the change in net utility plant investment.

4. Includes the cities of Amarillo, Lubbock, Dalhart and Channing.

Other: Annual Rate Filing Mechanisms allowed in Mid-Tex Cities RRM, Mid-Tex Dallas DARR, West Texas Cities RRM, Louisiana, Mississippi and Tennessee; Bad Debt Rider allowed in all jurisdictions except Colorado, Louisiana and Mississippi; WNA allowed in all jurisdictions except Colorado.

The matters discussed or incorporated by reference in this presentation may contain “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. All statements other than statements of historical fact included in this presentation are forward-looking statements made in good faith by the company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this presentation or in any of our other documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this presentation, including the risks relating to regulatory trends and decisions, our ability to continue to access the credit and capital markets and the other factors discussed in our reports filed with the Securities and Exchange Commission. These factors include the risks and uncertainties discussed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2019 and in subsequent filings with the Security and Exchange Commission. Although we believe these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Further, we will only update our annual earnings guidance through our quarterly and annual earnings releases. All estimated financial metrics for fiscal year 2020 and beyond that appear in this presentation are current as of February 4, 2020.