Analysts Call to Review Fiscal 2018 Second Quarter Financial Results

May 3, 2018

10:00 a.m. Eastern

Fiscal 2018 Highlights

- Solid Year to Date Results
  - Reaffirm FY2018 EPS guidance of $3.85-$4.05
  - Successful $400 million equity offering
- Federal Tax Reform
  - Reflected in revenues beginning in FYQ2
  - Reduced customer bills in Colorado, Kansas, Kentucky, and Texas
  - Recorded one-time benefit reflecting remeasurement of deferred tax liability
- Significant Regulatory Developments
  - Modified annual mechanisms for `80% of Texas distribution customers
  - Dallas Statement of Intent (SOI) settled
  - Established new comprehensive annual mechanism in Mississippi
  - Renewed infrastructure mechanism in Colorado
  - Enhanced GSRS mechanism in Kansas

Consolidated Financial Results – Fiscal 2018 Q2

Q2 Fiscal 2018 Net Income versus Q2 Fiscal 2017 Net Income

	Q2 Fiscal 2018		Q2 Fiscal 2017	
	(in $mm)	EPS[2]	(in $mm)	EPS[2]
Segment Net Income				
Distribution	$ 145		$ 131	
Pipeline & Storage	34		31	
Natural Gas Marketing	----		3	
Net Income	$ 179	$1.60	$ 165	$1.55
(Less) Discontinued Operations	-----	----	(3)	($0.03)
Net Income from Continuing Operations	**$ 179**	**$1.60**	**$ 162**	**$1.52**
Non-Cash Benefit from adoption of the TCJA	4	0.03	----	----
Adjusted Net Income from Continuing Operations[1]	**$ 175**	**$1.57**	**$ 162**	**$1.52**

[1] Adjusted Net Income and diluted EPS from Continuing Operations are non-GAAP measures defined as Net Income and diluted EPS from Continuing Operations before the one-time, non-cash income tax benefit resulting from the implementation of the Tax Cuts and Jobs Act of 2017 (TCJA).

[2] 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.

Consolidated Financial Results – Fiscal 2018 YTD

YTD Fiscal 2018 Net Income versus YTD Fiscal 2017 Net Income

	YTD Fiscal 2018		YTD Fiscal 2017	
	(in $mm)	EPS[2]	(in $mm)	EPS[2]
Segment Net Income				
Distribution	$ 394		$ 216	
Pipeline & Storage	99		60	
Natural Gas Marketing	----		14	
Net Income	$ 493	$4.47	$ 290	$2.74
(Less) Discontinued Operations	-----	----	(14)	($0.13)
Net Income from Continuing Operations	**$ 493**	**$4.47**	**$ 276**	**$2.61**
Non-Cash Benefit from adoption of the TCJA	166	1.50	----	----
Adjusted Net Income from Continuing Operations[1]	**$ 327**	**$2.97**	**$ 276**	**$2.61**

[1] Adjusted Net Income and diluted EPS from Continuing Operations are non-GAAP measures defined as Net Income and diluted EPS from Continuing Operations before the one-time, non-cash income tax benefit resulting from the implementation of the Tax Cuts and Jobs Act of 2017 (TCJA).

[2] 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 Financial Results – Fiscal 2018 Q2

Distribution

($ millions)	Quarter Ended 3/31 2018	2017	Change
Contribution Margin	$ 472.2	$ 449.4	$ 22.8
Operating Expenses			
Operation & Maintenance	132.0	103.7	28.3
Depreciation & Amortization	65.6	61.3	4.3
Taxes, other than Income	64.7	57.6	7.1
Operating Income	$ 209.9	$ 226.8	$ (16.9)

($ millions)	Six Months Ended 3/31 2018	2017	Change
Contribution Margin	$ 869.3	$ 808.8	$ 60.5
Operating Expenses			
Operation & Maintenance	235.7	196.4	39.3
Depreciation & Amortization	131.1	122.5	8.6
Taxes, other than Income	119.8	108.2	11.6
Operating Income	$ 382.7	$ 381.7	$ 1.0

Key Drivers

QTD:

- **$22.8MM contribution margin growth:**
  - **$27.6MM – Rate increases**
  - **$9.3MM – Net consumption**
  - **$4.3MM – Transportation**
  - **($26.2MM) – Impact of TCJA**
- **$28.3MM O&M increase:**
  - **~$23.0MM – Planned outage**
  - **$5.3MM – System maintenance & other**
- **D&A and taxes reflect increased capital investments**

YTD:

- **$60.5MM contribution margin growth:**
  - **$53.1MM – Rate increases**
  - **$15.0MM – Net consumption**
  - **$6.0MM – Transportation**
  - **($26.2MM) – Impact of TCJA**
- **$39.3MM O&M increase:**
  - **~$23.0MM – Planned outage**
  - **$16.3MM – System maintenance and other**
- **D&A and taxes reflect increased capital investments**

Segment Financial Results – Fiscal 2018 Q2

Pipeline & Storage

($ millions)	Quarter Ended 3/31 2018	2017	Change
Contribution Margin	$ 120.5	$ 111.2	$ 9.3
Operating Expenses			
Operation & Maintenance	29.4	28.5	0.9
Depreciation & Amortization	23.7	16.3	7.4
Taxes, other than Income	8.3	8.0	0.3
Operating Income	$ 59.1	$ 58.4	$ 0.7

($ millions)	Six Months Ended 3/31 2018	2017	Change
Contribution Margin	$ 246.1	$ 220.8	$ 25.3
Operating Expenses			
Operation & Maintenance	55.5	60.8	(5.3)
Depreciation & Amortization	46.7	32.1	14.6
Taxes, other than Income	16.0	14.5	1.5
Operating Income	$ 127.9	$ 113.4	$ 14.5

Key Drivers

QTD:

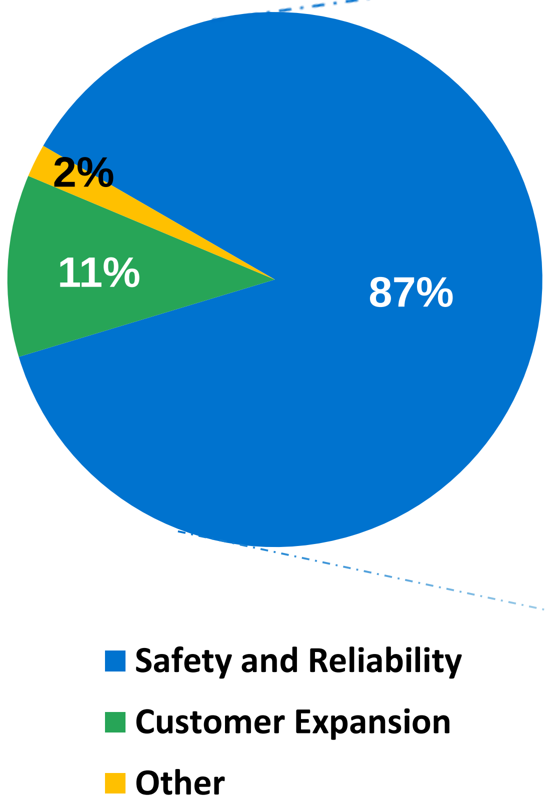
- $9.3MM contribution margin growth:
  - $16.5MM – Rate increases
  - $1.7MM – Thru-system activity
  - ($8.0MM) – Impact of TCJA
- $0.9MM O&M increase:
  - System maintenance & other
- D&A and taxes reflect increased capital investments

YTD:

- $25.3MM contribution margin growth:
  - $30.4MM – Rate increases
  - $3.1MM – Thru-system activity
  - ($8.0MM) – Impact of TCJA
- $5.3MM O&M decrease:
  - Timing of system maintenance and other
- D&A and taxes reflect increased capital investments

Capital Spending Mix

Safety & Reliability Investments Enable Modernization of Infrastructure

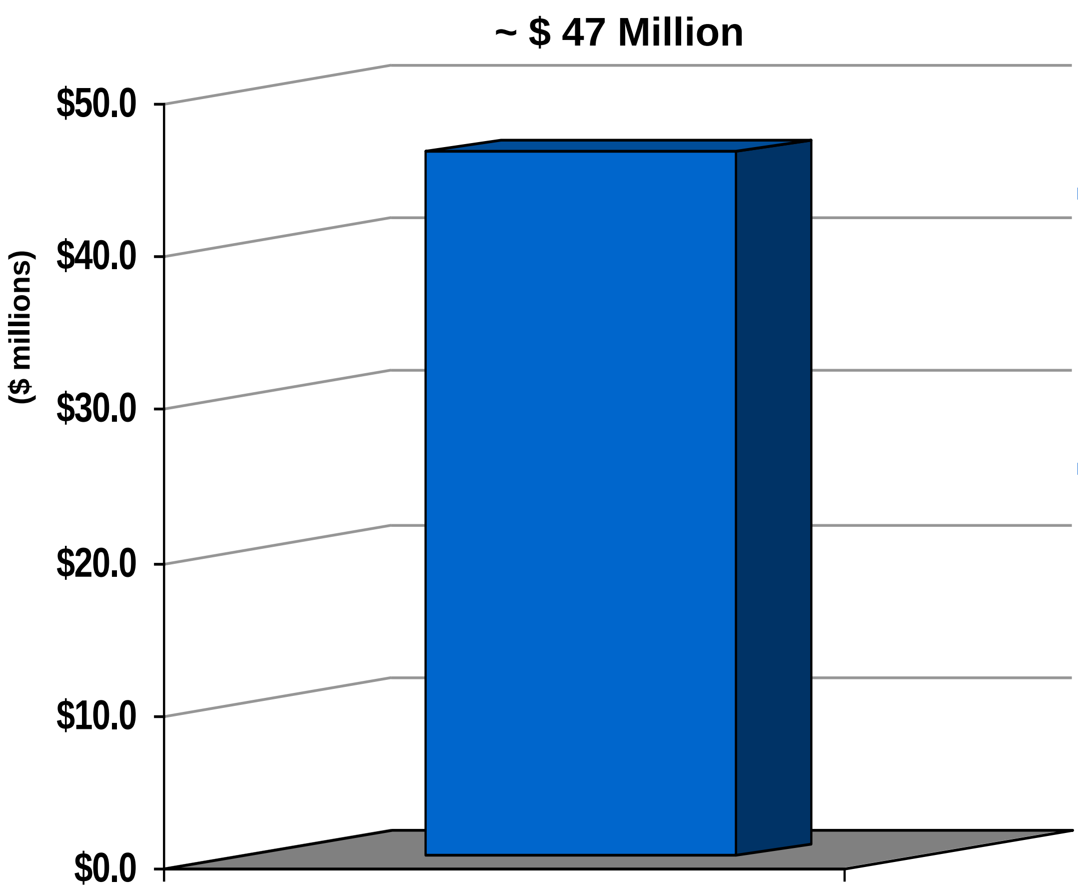


$ millions	FISCAL 2018 YTD CAPEX
$ 323	Repair and replace transmission and distribution pipelines
$ 78	Service line replacement
$ 60	Fortification
$ 59	Install & replace measurement & regulating equipment
$ 44	Enhance storage and compression capabilities
$ 39	Pipeline integrity management projects
$ 603	Total Safety and Reliability Spending
$ 694	**Total Capital Spending YTD**

As of May 2, 2018

Key Regulatory Developments - Fiscal 2018

Annualized Increases from Implemented Rate Activity



Key Rate Activity
Fiscal 2018 YTD

- **~$47MM Implemented**
  - **$29.0MM – APT GRIP**
  - **$ 8.9MM – Mississippi SRF/SGR/SIR**
  - **$ 5.6MM – Kentucky PRP**
  - **$ 2.2MM – Colorado SSIR**
- **$91.3MM in Progress**
  - **$42.2MM – APT GRIP**
  - **$28.0MM – Mid-Tex RRM**
  - **$ 8.0MM – Mississippi SIR**
  - **$ 6.8MM – Mid-Tex & West Texas GRIP**
  - **$ 4.8MM – Kentucky**
  - **$ 4.0MM – West Texas RRM**

As of May 2, 2018

Distribution Operations – Regulatory Update

Mid-Tex Division

- **Mid-Tex Cities:** *Filed* 2017 Annual Rate Review Mechanism (RRM) on April 3, 2018, requesting an increase in annual operating income of $28.0 million, based on a 21% statutory federal income tax rate
  - Requested ROE of 9.80 percent; overall return of 7.97 percent
  - Requested capital structure of 40 percent debt / 60 percent equity
  - Requested system-wide rate base of $2.6 billion
  - Serves about 1,168,000 customers
  - Test year ended December 31, 2017; new rates anticipated Q1 2019
- **Mid-Tex Environs:** *Filed* 2017 Gas Reliability Infrastructure Program (GRIP) on February 23, 2018, requesting an increase in annual operating income of $1.6 million, based on a 21% statutory federal income tax rate
  - Authorized ROE of 10.5 percent; overall return of 8.57 percent
  - Authorized actual capital structure: 48 percent debt / 52 percent equity
  - System-wide rate base: $2.5 billion
  - Serves about 59,000 customers
  - Test year ended December 31, 2017; new rates anticipated Q3 2018
- **Mid-Tex City of Dallas:** *Settled* Statement of Intent with the City of Dallas on February 14, 2018, authorizing an annual operating income increase of $0.1 million based on a 21% federal income tax rate
  - New rates implemented 2/15/2018
  - Updated Dallas Annual Rate Review (DARR) mechanism terms
    - ROE 9.8 percent
    - Capital structure based on 13-month average of actual long-term debt and equity
    - Test year ending September 30; new rates implemented June 1
  - Serves about 230,000 customers

Distribution Operations – Regulatory Update

Mid-Tex Division

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands (1)		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Mid-Tex - City of Dallas SOI		2/14/18		$0.1		2			2		2		2		NA
Mid-Tex Cities RRM		6/1/17	4/3/18	$ 36.2	$28.0	$2,362,937		$2,587,261	8.36%	7.97%	10.50%	9.80%	45/55	40/60	1,395,915
Appealed Mid-Tex Dallas DARR (GUD 10640)		12/5/17		$ 9.2		$ 2,268,403			8.38%		10.10%		41/59		230,245
Mid-Tex Environs GRIP	3	5/23/17	2/23/18	$ 1.6	$ 1.6	$ 2,204,407		$ 2,511,492	8.57%	8.57%	10.50%	10.50%	48/52	48/52	60,903

(1) Rate base for Mid-Tex Cities, Environs and Dallas represented on a “system-wide” basis
(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

Distribution Operations – Regulatory Update

West Texas Division

- **West Texas Cities:** *Filed* 2017 annual Rate Review Mechanism (RRM) on April 3, 2018, requesting an increase in annual operating income of $4.0 million, based on a 21% statutory federal income tax rate
  - Requested ROE of 9.80 percent; overall return of 7.97 percent
  - Requested capital structure of 40 percent debt / 60 percent equity
  - Requested system-wide rate base of $505.7 million
  - Serves about 137,000 customers
  - Test year ended December 31, 2017
  - New rates anticipated Q1 2019
- **West Texas Cities of Amarillo/Lubbock/Dalhart/Channing:** *Filed* 2017 Gas Reliability Infrastructure Program (GRIP) on February 23, 2018, requesting an increase in annual operating income of $4.4 million, based on a 21% statutory federal income tax rate
  - Based on return, depreciation and changes in taxes related to system-wide net investment change of $62.3 million from January 1, 2017 to December 31, 2017
  - Authorized ROE of 10.5 percent; overall return of 8.57 percent
  - Authorized actual capital structure: 48 percent debt / 52 percent equity
  - System-wide rate base: $507.8 million
  - Serves about 142,000 customers
  - Test year ended December 31, 2017
  - New rates anticipated Q3 2018

Distribution Operations – Regulatory Update

West Texas Division

- **West Texas Environs:** *Filed* 2017 Gas Reliability Infrastructure Program (GRIP) on February 23, 2018, requesting an increase in annual operating income of $0.8 million, based on a 21% statutory federal income tax rate
  - Based on return, depreciation and changes in taxes related to system-wide net investment change of $62.3 million from January 1, 2017 to December 31, 2017
  - Authorized ROE of 10.5 percent; overall return of 8.57 percent
  - Authorized actual capital structure: 48 percent debt / 52 percent equity
  - System-wide rate base: $507.8 million
  - Serves about 22,000 customers
  - Test year ended December 31, 2017
  - New rates anticipated Q3 2018

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands (1)		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
West Texas Division SOI		4/1/14		$ 8.4		$ 324,264			2		2		2		313,309
WTX Cities RRM		3/15/17	4/3/18	$ 4.3	$ 4.0	2		$505,692	2	7.97%	10.50%	9.80%	2	40/60	NA
WTX ALDC GRIP	3, 4	4/25/17	2/23/18	$ 4.7	$ 4.4	$ 476,665		$507,831	8.57%	8.57%	10.50%	10.50%	48/52	48/52	NA
WTX Environs GRIP	3	5/23/17	2/23/18	$ 0.9	$ 0.8	$ 476,665		$507,831	8.57%	8.57%	10.50%	10.50%	48/52	48/52	NA

(1) Rate base is represented on a “system-wide” basis
(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

Louisiana Division

- **Louisiana – LGS:** *Filed* annual Rate Stabilization Clause (RSC) on March 31, 2018, requesting a net decrease in annual operating income of $1.5 million, based on a 21% federal income tax rate
  - Authorized ROE of 9.80 percent; overall return of 7.55 percent
  - Capital structure: 44 percent debt / 56 percent equity
  - Requested rate base: $419 million
  - Serves about 277,000 customers
  - Test year ended December 31, 2017; new rates anticipated Q4 2018
- **Louisiana – TransLa:** *Filed* annual Rate Stabilization Clause (RSC) on December 22, 2017, requesting a decrease of $1.9 million in annual operating income, based on a 21% federal income tax rate
  - Authorized ROE of 9.80 percent; overall return of 7.26 percent
  - Capital structure: 49 percent debt / 51 percent equity
  - Authorized rate base: $169 million
  - Serves about 73,000 customers
  - Test year ended September 30, 2017; new rates anticipated Q3 2018

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Louisiana-LGS (U-34424)		9/20/17	3/31/18	$ 6.2	$ (1.5)	$ 385,435		419,080	7.43%	7.55%	9.80%	9.80%	47/53	44/56	285,023
Louisiana-Trans La (U-34714)		9/20/17	12/22/17	$ 4.4	$ (1.9)	$ 156,200		$169,120	7.50%	7.26%	9.80%	9.80%	47/53	49/51	76,687

Distribution Operations – Regulatory Update

Mississippi Division

Mississippi: *Filed* annual System Integrity Rider (SIR) on March 1, 2018, requesting a net increase in annual operating income of $8.0 million, based on a 21% federal income tax rate

- Authorized ROE of 9.92 percent; authorized overall return of 7.95 percent
- Authorized actual capital structure: 41 percent debt / 59 percent equity
- Requested rate base: $126.0 million
- Serves about 247,000 customers
- Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2018 - October 2019; new rates anticipated Q1 2019

Mississippi: *Approved* on December 5, 2017, based on a 35% federal income tax rate

- Annual Supplemental Growth Rider (SGR)
  - Annual increase in annual operating income of $1.2 million
  - Authorized ROE of 12.0 percent; authorized overall return of 8.7 percent
  - Authorized actual capital structure: 47.5 percent debt / 52.5 percent equity
  - Authorized rate base: $23.7 million
- Annual System Integrity Rider (SIR) & Annual Stable Rate Filing (SRF)
  - Annual increase for SIR of $7.7 million, no increase for SRF
  - SIR authorized rate base $70.1 million, SRF authorized rate base $378 million
  - SIR authorized ROE of 9.92 percent; authorized overall return of 7.60 percent
  - Authorized actual capital structure: 47.5 percent debt / 52.5 percent equity
  - Forward-looking components - PP&E, accumulated depreciation, accumulated deferred income taxes, depreciation and ad valorem taxes from November 2017 - October 2018

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Mississippi SRF (2005-UN-0503)		12/5/17		$ 0.0		$ 377,954			7.47%		9.67%		47/53		270,464
Mississippi SGR (2013-UN-023)		12/5/17		$ 1.2		$ 23,718			8.70%		12.00%		47/53		NA
Mississippi SIR (2015-UN-049)		12/5/17	3/1/18	$ 7.7	$ 8.0	$ 70,141		$125,982	7.60%	7.95%	9.92%	9.92%	47/53	41/59	NA

Distribution Operations – Regulatory Update

New Mississippi Regulatory Framework

	Current			Future Filings	
Attributes	**SGR**	**SIR**	**SRF**	**SIR**	**SRF**
Authorized ROE	12.00%	9.92%	9.67%	9.92%	9.92%
Authorized ROR	8.70%	7.60%	7.47%	7.60%	7.60%
Authorized Cap Structure Debt/Equity	47 / 53	47 / 53	47 / 53	Actual period-end cap structure	
Rate Base ($mm) (1) (2)	$23.7	$70.1	$378.0	$70.1	$401.7
Test Period	Nov 1, 2017 – Oct 31, 2018			Filing moved to 3/1 with rates effective 11/1	Filing moved to 7/1 with rates effective 11/1
Forward - Looking Components (PP&E, accum. depreciation, accum. deferred income tax, depreciation & ad valorem tax)	Currently apply			Continue to apply	

(1) SGR rate base will be combined into the SRF.
(2) Future SRF to include up to $5MM/year for new industrial projects and up to $5MM/year for new rural infrastructure.

Distribution Operations – Regulatory Update

Kentucky/Mid-States

- **Kentucky PRP Rate Filing:** *Approved* annual Pipe Replacement Program (PRP) filing on October 27, 2017, authorizing an annual operating increase of $5.6 million, based on a 35% federal income tax rate
  - Authorized ROE of 9.80 percent; Authorized ROR of 7.71 percent
  - Authorized capital structure: 51 percent debt / 49 percent equity
  - Authorized rate base: $80.6 million
  - Serves about 177,000 customers
  - Forward-looking test year ending September 2018
- **Kentucky Rate Filing:** *Filed* rate case on September 28, 2017, requesting an increase in annual operating income of $4.8 million, based on a 35% federal income tax rate
  - Requested ROE of 10.30 percent; Requested ROR of 7.73 percent
  - Requested capital structure: 47 percent debt / 53 percent equity
  - Requested rate base: $430 million
  - Serves about 176,000 customers
  - Forward-looking test year ending March 2019; new rates anticipated Q4 2018

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Kentucky (2017-00349)		8/15/16	9/28/17	$ 2.7	$ 4.8	$ 335,833		$ 430,095	1	7.73%	1	10.30%	1	47/53	182,940
Kentucky PRP (2017-00308)		10/27/17		$ 5.6		$ 80,574			7.71%		9.80%		51/49		NA
Tennessee ARM (17-00012)		6/1/17		$ 6.7		$ 302,953			7.49%		9.80%		47/53		149,464
Virginia (PUE-2015-00119)		10/1/17		$ 0.3		$ 47,581			1		1		1		24,321

(1) A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision

Distribution Operations – Regulatory Update

ATMOS energy

Colorado-Kansas Division

- **Colorado:** *Approved* rate case waiting final written order, approving a decrease in annual operating income of $0.2 million based on a 21% federal income tax rate
  - Authorized ROE of 9.45 percent; overall return of 7.55 percent
  - Authorized capital structure: 44 percent debt / 56 percent equity
  - Authorized rate base: $134.7 million
  - Authorized 5-year extension of the System Safety and Integrity Rider (SSIR) through 2023 (forward-looking, true-up, risk-based focused initially on specific materials)
  - Serves about 116,000 customers
  - Test year ended March 2017
- **Colorado:** *Approved* System Safety and Integrity Rider (SSIR) January 1, 2018, approving a net increase in annual operating income of $2.2 million, based on a 35% federal income tax rate
  - Authorized ROE of 9.60 percent; overall return of 7.82 percent
  - Authorized capital structure: 48 percent debt / 52 percent equity
  - Rate base value: $29.9 million
  - Serves about 111,000 customers
  - Test year ended December 31, 2018
- **Kansas:** *Approved* Gas Safety Reliability Surcharge filing (GSRS) February 27, 2018, approving a net increase in annual operating income of $0.8 million, based on a 35% federal income tax rate
  - Kansas legislature increased the per customer monthly surcharge from $0.40 to $0.80
  - Submitted final plan to accelerate pipe replacement per Order 343 in April 2018

As of May 2, 2018

Colorado-Kansas Division

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Kansas GSRS (18-ATMG-218-TAR)		2/27/18		$ 0.8		$ 213,078			1		1		1		136,159
Colorado (17AL-0429G)				$ (0.2)		$ 134,700			7.55%		9.45%		44/56		119,582
Colorado SSIR (17AL-0728G)		1/1/18		$ 2.2		$ 29,855			7.82%		9.60%		48/52		NA

(1) A rate base, rate of return, return on equity or debt/equity ratio was not included in the final decision

Pipeline and Storage - Regulatory Update

Atmos Pipeline - Texas

- **Atmos Pipeline - Texas:** *Filed* 2017 Gas Reliability Infrastructure Program (GRIP) on February 16, 2018, requesting an annual operating income increase of $42.2 million, based on a 21% statutory federal income tax rate
  - Authorized capital structure: 47.4 percent debt / 52.6 percent equity
  - Authorized ROE: 11.50 percent
  - Authorized ROR: 8.87 percent
  - Requested rate base: $2.12 billion
  - New rates anticipated Q3 2018
- **Atmos Pipeline - Texas:** *Approved* 2016 Gas Reliability Infrastructure Program (GRIP) on December 5, 2017, receiving an annual operating income increase of $29.0 million, based on a 35% federal income tax rate
  - Based on return, depreciation and changes in taxes related to net investment change of $169.0 million from October 1, 2016 to December 31, 2016
  - Authorized capital structure: 47.4 percent debt / 52.6 percent equity
  - Authorized ROE: 11.50 percent
  - Authorized ROR: 8.87 percent
  - Approved rate base: $1.89 billion

Jurisdiction		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Atmos Pipeline-TX (GUD 10580)		8/1/17		$ 13.0		$1,767,600			8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP		12/5/17	2/16/18	$ 29.0	$42.2	$1,888,492		$2,122,194	8.87%	8.87%	11.50%	11.50%	47/53	47/53	NA

Active & Anticipated Rate Filing Timeline Fiscal 2018E

Q1 October – December	Q2 January – March	Q3 April – June	Q4 July – September
Kansas – Filed $0.8 million Gas System Reliability Surcharge (GSRS) in November 2017; new rates effective Q2 fiscal 2018	Atmos Pipeline-Texas (APT) – Filed $42.2 million 2017 GRIP request in February 2018; new rates anticipated Q3 fiscal 2018	Mid-Tex and West Texas Cities – Filed Rate Revenue Mechanism (RRM) requests of $28.0 million for Mid-Tex and $4.0 million for West Texas Cities in April 2018; new rates anticipated Q1 fiscal 2019	**Kentucky – Anticipate Pipe Replacement Program (PRP) filing in August 2018; new rates anticipated Q1 fiscal 2019**
Colorado – Approved $2.2 million System Safety and Integrity Rider (SSIR); new rates effective January 1, 2018	Louisiana – Filed LGS annual Rate Stabilization Clause filing for ($1.5) million in March 2018; new rates anticipated Q4 fiscal 2018	**Tennessee – Anticipate filing annual mechanism in Spring 2018; new rates anticipated late fiscal 2018**	**Mississippi – Anticipate Stable Rate Filing (SRF) in July 2018; new rates anticipated Q1 fiscal 2019**
Louisiana – Filed ($1.9) million TransLa jurisdiction annual Rate Stabilization Clause filing in December 2017; new rates anticipated Q3 fiscal 2018	Texas Environs Customers – Filed annual GRIP requests for Mid-Tex of $1.6 million and West Texas for $0.8 million in February 2018; new rates anticipated Q3 fiscal 2018	**Virginia – Anticipate filing rate case in June 2018; new rates anticipated in fiscal 2019**	
Mississippi – Approved SGR, SIR & SRF for a total of $8.9 million	West Texas ALDC – Filed annual GRIP request for $4.4 million in February 2018; new rates anticipated Q3 fiscal 2018	**Texas Environs Customers- Anticipate filing a Statement of Intent in Q3 fiscal 2018; new rates anticipated in fiscal 2019**	
Atmos Pipeline – Texas (APT) – $29 million GRIP filing approved December 5, 2017	Mississippi – Filed $8.0 million System Integrity Rider (SIR) in March 2018; new rates anticipated Q1 fiscal 2019		

As of May 2, 2018

Federal Tax Reform - Financial Implications

- **Balance Sheet Re-Measurement Reduced Net Deferred Tax Liability By $904MM**
  - $738MM increase in regulatory liabilities; future reduction to customer bills
  - $166MM one-time, non-cash income tax benefit to the Company

- **Earnings and Cash Consequences of Tax Reform**
  - Supports our ability to grow earnings per share and dividends 6% - 8% annually
  - Accretive to Five Year Plan
    - FY 2022E EPS guidance increased to $5.00 - $5.40
  - Reduced cash flow drives manageable incremental financing need of $500MM - $600MM through FY 2022
    - Lower tax collections
    - Refund of regulatory liabilities to customers
  - Modest reduction in credit metrics still supports strong investment grade credit ratings

- **Key Tax Attributes**
  - $275MM federal net operating loss; cash tax benefit through mid-2020s
  - $10MM AMT credit carryforward to be received by 2022

Federal Tax Reform – Regulatory Progress

- **Colorado**
  - March 7, 2018 – The Commission approved a partial TCJA settlement in the pending rate case to reflect lower tax rate
  - April 11, 2018 – The Commission approved, subject to certain revisions regarding customer notification, a settlement in the statewide investigation on the tax impact of the TCJA. Rates, subject to true-up, will be implemented in June 2018
- **Kansas**
  - Accounting order issued to establish regulatory liability for tax reform effective January 1, 2018
  - March 27, 2018 – Commission unanimously approved settlement to implement new tax rates effective April 1; excess deferred taxes to be addressed in the next rate case
- **Kentucky**
  - Accounting order issued to establish regulatory liability for tax reform effective January 1, 2018
  - March 20, 2018 – Commission approved settlement to temporarily implement lower rates to reflect tax change until current rate case is resolved
- **Louisiana**
  - February 23, 2018 - Docket opened and accounting order entered to establish regulatory liability for tax reform effective January 1, 2018
- **Mississippi**
  - March 15, 2018 - Order issued to establish regulatory liability for tax reform effective January 1, 2018

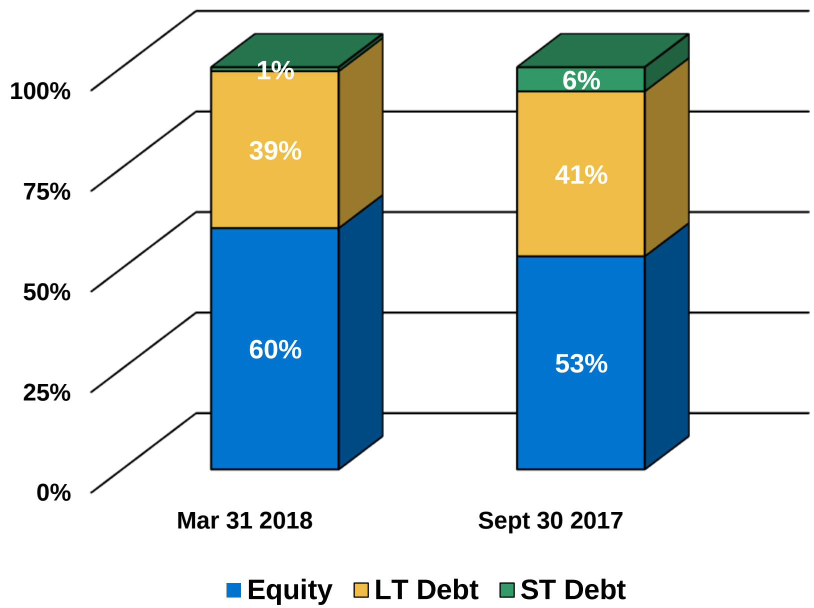
Federal Tax Reform – Regulatory Progress

- **Tennessee**
  - Accounting order issued to establish regulatory liability for tax reform effective January 1, 2018
- **Texas**
  - February 27, 2018 – Texas Railroad Commission (RRC) issued accounting order for jurisdictions it directly regulates
    - Established effective January 1, 2018 a separate regulatory liability for the difference in taxes included in rates
    - File administrative proceeding (GURA 104.111) by September 1, 2018 to reduce rates from lower taxes; refund period is 12 months from RRC approval
    - Excess deferred taxes to be addressed in next regulatory proceedings
  - Rates for all customer bills in Texas were adjusted for tax reform by April 1, 2018.
- **Virginia**
  - Accounting order issued to establish regulatory liability for tax reform effective January 1, 2018
  - TCJA changes, including excess DTL, will be processed through the next rate case anticipated to be filed in June 2018

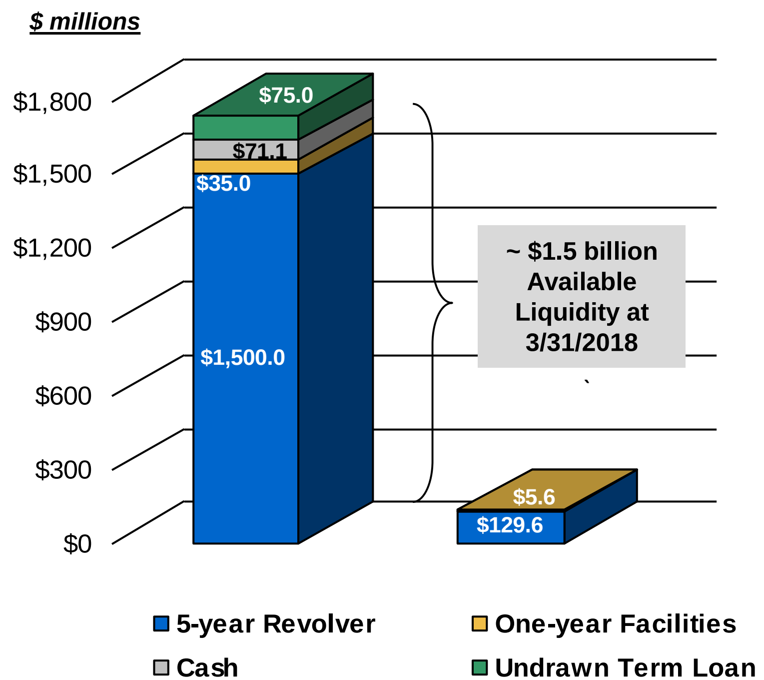
Strong Financial Foundation

Capitalization and Liquidity Profile

Total Capitalization at
March 31, 2018



Liquidity Profile as of
March 31, 2018



As of May 2, 2018

Consolidated Earnings Guidance – Fiscal 2018E

Atmos Energy expects 2018 fiscal year earnings from continuing operations to be in the range of $3.85 to $4.05 per diluted share

Earnings from Continuing Operations

($ millions, except EPS)	Fiscal 2018E[1]	
Distribution	$	285 – 300
Pipeline & Storage	$	135 – 150
Net Income	$	420 – 450
Avg. Diluted Shares		110 – 111
Earnings Per Share [2]	$	3.85 – 4.05

Selected Expenses from Continuing Operations

($ millions)	Fiscal 2018E[1]	
Operations & Maintenance Expense	$	570 – 600
Depreciation & Amortization Expense	$	350 – 370
Interest Expense	$	100 – 110
Income Tax Expense [3]	$	150 – 175

[1] Expected results for fiscal 2018 are from continuing operations. Changes in events or circumstances that the Company cannot currently anticipate could materially impact earnings, and could result in earnings for fiscal 2018 significantly above or below this outlook

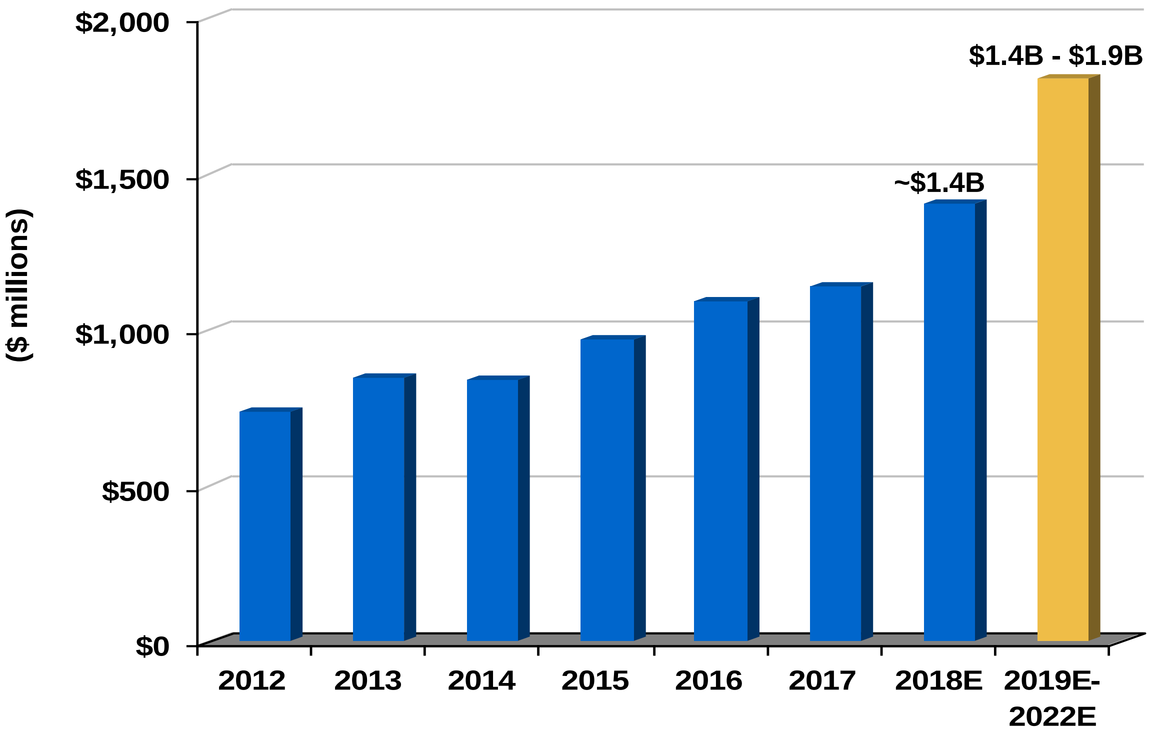
[2] Since Atmos Energy has non-vested share-based payments with a non-forfeitable right to dividends, there is a requirement to use the two-class method of computing earnings per share. As a result, EPS cannot be calculated directly from the income statement

[3] Effective Tax Rate is expected to be 26% to 28%, before the effect of the return of excess deferred tax liability and one-time income tax benefit

Capital Expenditures Drive Rate Base Growth

Consolidated 2018E Capital Expenditures Approximating $1.4 Billion

Over 95% of annual CAPEX begins to earn a return within 6 months from end of test year



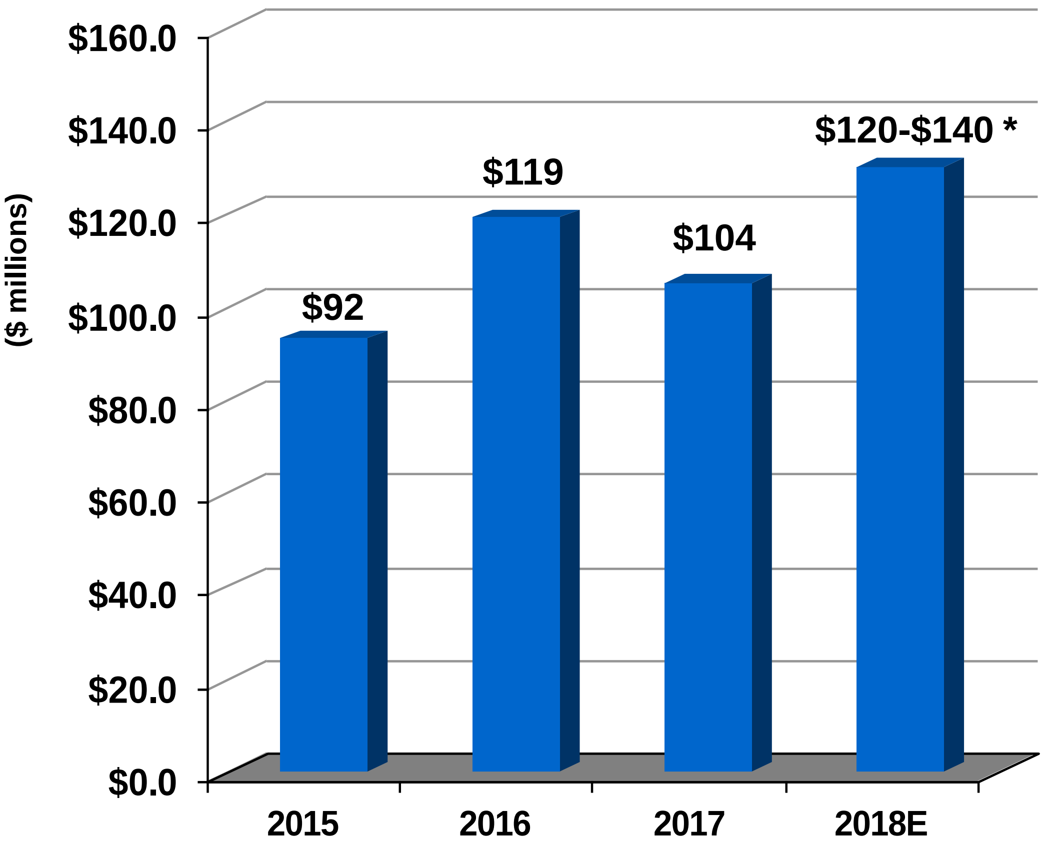
Fiscal 2018
Safety & Reliability ~$1.2B

- **System integrity**-replacement of pipe, leak repairs and cathodic protection
- **Pipeline integrity**-includes replacement of pipelines, installation of pigging facilities, and other state and federal integrity management compliance costs
- **Other system improvements**-system enhancements and AMI

As of May 2, 2018

Constructive Rate Outcomes Drive Operating Income Growth

Annualized Increases from Implemented Rate Activity

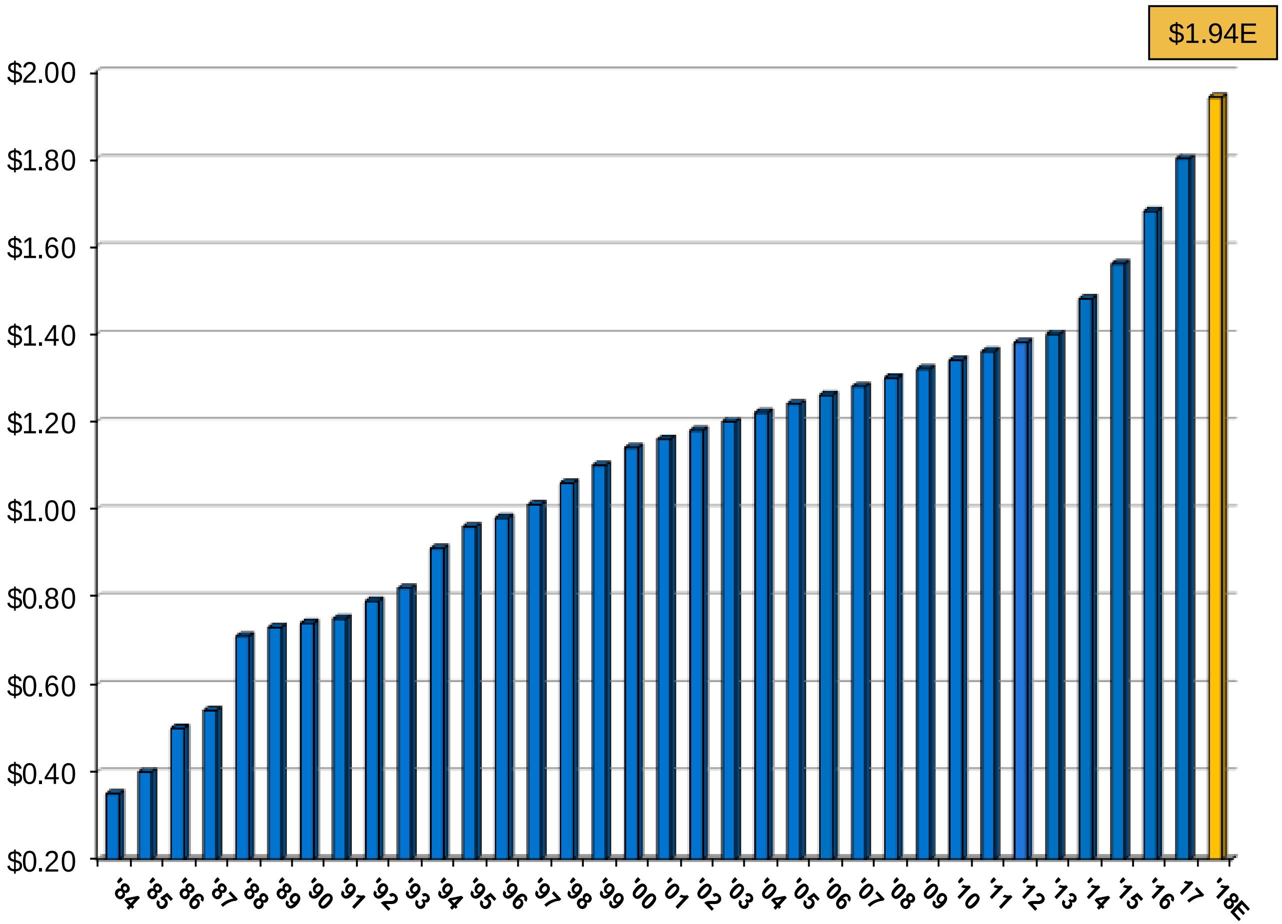


- Customers and investors benefit from fair and reasonable regulation
- Earning on over 95% of annual CAPEX within 6 months of test year-end
- Distribution features*:*
  - 97% Weather normalization stabilizes rates and margins
  - 76% Bad Debt Recovery insulates margins from the commodity portion of bad debt expense

**** Excludes the anticipated impact of the implementation of a 21% federal statutory rate due to TCJA.***

Consolidated Financial Results – Fiscal 2018E

34 Consecutive Years of Dividend Increases



Quarterly Dividend

- **On May 1, 2018, the Board of Directors declared a quarterly dividend of $0.485 per share**
- **138th consecutive quarterly dividend declared**
- **To be paid on June 4, 2018, to shareholders of record on May 21, 2018**
- **Indicated annual dividend increased 7.8% for fiscal 2018**

Note: Amounts are adjusted for mergers and acquisitions.

Forward Looking Statements

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 our Annual Report on Form 10-K for the fiscal year ended September 30, 2017. 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 2018 and beyond that appear in this presentation are current as of May 2, 2018.

Appendix

Regulatory and Recovery Mechanisms

ATMOS energy

~ 95% of Annual CapEx Begins to Earn a Return Within Six Months from End of Test Year

	Regulatory Mechanism		Recovery Method		Service Territory Detail			CapEx
Jurisdiction	Infrastructure Program	Deferral/ Forward-Looking	Annual Filing	General Case	Meters (thousands) @ 3/31/18	Rate Base ($ millions)	Rate Base % of Total	F2018E ($ millions)
Texas								
▪ Mid-Tex	8.209	✓	RRM/DARR/ GRIP	-	1,687	2,363	35	465 - 485
▪ Pipeline	GRIP	-	GRIP *	-	NA	1,888	27	375 - 450
▪ West Texas	8.209	✓	RRM/GRIP	-	313	477	7	95 - 105
Louisiana	RSC	✓	RSC	-	362	542	8	100 - 110
Mississippi	SIR	✓	SRF/SGR/SIR	-	271	472	7	90 - 100
Kentucky	PRP	✓	PRP	✓	183	416	6	70 - 80
Tennessee	-	✓	ARM	-	149	303	4	50 - 60
Kansas	GSRS	-	GSRS	✓	136	213	3	15 - 20
Colorado	SSIR	✓	SSIR	✓	120	165	2	20 - 25
Virginia	-	-	-	✓	24	48	1	6 - 8

* Requires a rate case every 5 years

Regulatory Activities

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands (1)		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Atmos Pipeline-TX (GUD 10580)		8/1/17		$ 13.0		$1,767,600			8.87%		11.50%		47/53		NA
Atmos Pipeline-TX GRIP		12/5/17	2/16/18	$ 29.0	$ 42.2	$1,888,492		$2,122,194	8.87%	8.87%	11.50%	11.50%	47/53	47/53	NA
Mid-Tex - City of Dallas SOI		2/14/18		$0.1		2			2		2		2		NA
Mid-Tex Cities RRM		6/1/17	4/3/18	$ 36.2	$ 28.0	$2,362,937	3	$2,587,261	8.36%	7.97%	10.50%	9.80%	45/55	40/60	1,395,915
Appealed Mid-Tex Dallas DARR (GUD 10640)		12/5/17		$ 9.2		$ 2,268,403	3		8.38%		10.10%		41/59		230,245
Mid-Tex Environs GRIP (GUD 10607)	5	5/23/17	2/23/18	$ 1.6	$ 1.6	$ 2,204,407	3	$ 2,511,492	8.57%	8.57%	10.50%	10.50%	48/52	48/52	60,903
West Texas Division SOI	4	4/1/14		$ 8.4		$ 324,264	3		2		2		2		313,309
West Texas Cities RRM		3/15/17	4/3/18	$ 4.3	$ 4.0	2		$ 505,692	2	7.97%	10.50%	9.80%	2	40/60	NA
WTX ALDC GRIP	5, 6	4/25/17	2/23/18	$ 4.7	$ 4.4	$ 476,665	3	$ 507,831	8.57%	8.57%	10.50%	10.50%	48/52	48/52	NA
WTX Environs GRIP (GUD 10608)	5	5/23/17	2/23/18	$ 0.9	$ 0.8	$ 476,665	3	$ 507,831	8.57%	8.57%	10.50%	10.50%	48/52	48/52	NA
Louisiana-LGS (U-34424)		9/20/17	3/31/18	$ 6.2	$ (1.5)	$ 385,435		$419,080	7.43%	7.55%	9.80%	9.80%	47/53	44/56	285,023
Louisiana-Trans La (U-34714)		9/20/17	12/22/17	$ 4.4	$ (1.9)	$ 156,200		$169,120	7.50%	7.26%	9.80%	9.80%	47/53	49/51	76,687

(See Next Page for Footnote Explanations)

Regulatory Activities *(continued)*

ATMOS energy

Jurisdictions		Effective Date of Last Rate Action	Date of Last Rate Filing (Pending)	Authorized Operating Income $ millions	Requested Operating Income $ millions	Rate Base $ thousands (1)		Requested Rate Base $ thousands	Authorized Rate of Return	Requested Rate of Return	Authorized Return on Equity	Requested Return on Equity	Authorized Debt/Equity Ratio	Requested Debt/Equity Ratio	Meters at 3/31/18
Mississippi SRF (2005-UN-0503)		12/5/17		$ 0.0		$ 377,954			7.47%		9.67%		47/53		270,464
Mississippi SGR (2013-UN-023)		12/5/17		$ 1.2		$ 23,718			8.70%		12.00%		47/53		NA
Mississippi SIR (2015-UN-049)		12/5/17	3/1/18	$ 7.7	$ 8.0	$ 70,141		$125,982	7.60%	7.95%	9.92%	9.92%	47/53	41/59	NA
Kentucky (2017-00349)		8/15/16	9/28/17	$ 2.7	$ 4.8	$ 335,833		$ 430,095	2	7.73%	2	10.30%	2	47/53	182,940
Kentucky PRP (2017-00308)		10/27/17		$ 5.6		$ 80,574			7.71%		9.80%		51/49		NA
Tennessee ARM (17-00012)		6/1/17		$ 6.7		$ 302,953			7.49%		9.80%		47/53		149,464
Kansas GSRS (18-ATMG-218-TAR)		2/27/18		$ 0.8		$ 213,078			2		2		2		136,159
Colorado (17AL-0429G)				$ (0.2)		$ 134,700			7.55%		9.45%		44/56		119,582
Colorado SSIR (17AL-0728G)		1/1/18		$ 2.2		$ 29,855			7.82%		9.60%		48/52		NA
Virginia (PUE-2015-00119)		10/1/17		$ 0.3		$ 47,581			2		2		2		24,321

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. Division rate base is represented on a 'system-wide' basis.
4. Parameters including Rate of Return, Return on Equity and Capital Structure were identified for GRIP filings.
5. GRIP filings are based on existing returns and the change in net utility plant investment.
6. 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.