

**Atmos Energy Corporation**  
**Financial Highlights (Unaudited)**

Statements of Income (000s except per share)	Three Months Ended December 31	
	2018	2017
Operating revenues		
Distribution segment	\$ 838,835	\$ 860,792
Pipeline and storage segment	134,470	126,463
Intersegment eliminations	(95,523)	(98,063)
	<u>877,782</u>	<u>889,192</u>
Purchased gas cost		
Distribution segment	437,732	463,758
Pipeline and storage segment	(358)	912
Intersegment eliminations	(95,209)	(97,753)
	<u>342,165</u>	<u>366,917</u>
Contribution margin	<u>535,617</u>	<u>522,275</u>
Operation and maintenance expense	138,600	129,045
Depreciation and amortization	96,065	88,374
Taxes, other than income	64,488	62,773
Total operating expenses	<u>299,153</u>	<u>280,192</u>
Operating income	236,464	242,083
Miscellaneous expense	(7,723)	(2,557)
Interest charges	27,849	31,509
Income before income taxes	<u>200,892</u>	<u>208,017</u>
Income tax expense (benefit)	43,246	(106,115)
Net income	<u>\$ 157,646</u>	<u>\$ 314,132</u>
Basic net income per share	<u>\$ 1.38</u>	<u>\$ 2.89</u>
Diluted net income per share	<u>\$ 1.38</u>	<u>\$ 2.89</u>
Cash dividends per share	<u>\$ 0.525</u>	<u>\$ 0.485</u>
Basic weighted average shares outstanding	<u>113,800</u>	<u>108,564</u>
Diluted weighted average shares outstanding	<u>113,832</u>	<u>108,564</u>

Summary Net Income by Segment (000s)	Three Months Ended December 31	
	2018	2017
Distribution	\$ 114,385	\$ 249,099
Pipeline and storage	43,261	65,033
Net income	<u>\$ 157,646</u>	<u>\$ 314,132</u>

**Atmos Energy Corporation**  
**Financial Highlights, continued (Unaudited)**

<u>Condensed Balance Sheets</u> (000s)	December 31, 2018	September 30, 2018
Net property, plant and equipment	\$ 10,698,229	\$ 10,371,147
Cash and cash equivalents	218,197	13,771
Accounts receivable, net	478,373	253,295
Gas stored underground	146,552	165,732
Other current assets	69,616	46,055
Total current assets	912,738	478,853
Goodwill	730,419	730,419
Deferred charges and other assets	274,403	294,018
	<u>\$ 12,615,789</u>	<u>\$ 11,874,437</u>
Shareholders' equity	\$ 5,348,195	\$ 4,769,951
Long-term debt	3,084,779	2,493,665
Total capitalization	8,432,974	7,263,616
Accounts payable and accrued liabilities	301,734	217,283
Other current liabilities	578,764	547,068
Short-term debt	—	575,780
Current maturities of long-term debt	575,000	575,000
Total current liabilities	1,455,498	1,915,131
Deferred income taxes	1,191,824	1,154,067
Regulatory excess deferred taxes	717,758	739,670
Deferred credits and other liabilities	817,735	801,953
	<u>\$ 12,615,789</u>	<u>\$ 11,874,437</u>

**Atmos Energy Corporation**  
**Financial Highlights, continued (Unaudited)**

Condensed Statements of Cash Flows (000s)	Three Months Ended December 31	
	2018	2017
<b>Cash flows from operating activities</b>		
Net income	\$ 157,646	\$ 314,132
Depreciation and amortization	96,065	88,374
Deferred income taxes	40,339	53,149
One-time income tax benefit	—	(161,884)
Other	6,231	6,915
Changes in assets and liabilities	(135,597)	(127,448)
Net cash provided by operating activities	164,684	173,238
<b>Cash flows from investing activities</b>		
Capital expenditures	(416,404)	(383,238)
Debt and equity securities activities, net	(963)	(135)
Other, net	2,074	2,001
Net cash used in investing activities	(415,293)	(381,372)
<b>Cash flows from financing activities</b>		
Net decrease in short-term debt	(575,780)	(110,929)
Proceeds from issuance of long-term debt, net of premium/discount	596,994	—
Net proceeds from equity offering	494,734	395,099
Issuance of common stock through stock purchase and employee retirement plans	4,241	5,660
Cash dividends paid	(58,722)	(51,837)
Debt issuance costs	(6,432)	—
Other	—	(1,518)
Net cash provided by financing activities	455,035	236,475
Net increase in cash and cash equivalents	204,426	28,341
Cash and cash equivalents at beginning of period	13,771	26,409
Cash and cash equivalents at end of period	\$ 218,197	\$ 54,750

Statistics	Three Months Ended December 31	
	2018	2017
Consolidated distribution throughput (MMcf as metered)	142,746	124,357
Consolidated pipeline and storage transportation volumes (MMcf)	170,527	155,105
Distribution meters in service	3,272,020	3,236,524
Distribution average cost of gas	\$ 4.30	\$ 5.37

###