

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

<u>Statements of Income</u> (000s except per share)	Year Ended September 30	
	2018	2017
Operating revenues		
Distribution segment	\$ 3,003,047	\$ 2,649,175
Pipeline and storage segment	507,713	457,030
Intersegment eliminations	(395,214)	(346,470)
	<u>3,115,546</u>	<u>2,759,735</u>
Purchased gas cost		
Distribution segment	1,559,836	1,269,456
Pipeline and storage segment	1,978	2,506
Intersegment eliminations	(393,966)	(346,426)
	<u>1,167,848</u>	<u>925,536</u>
Contribution margin	1,947,698	1,834,199
Operation and maintenance expense	599,595	546,798
Depreciation and amortization	361,083	319,448
Taxes, other than income	263,886	240,407
Total operating expenses	<u>1,224,564</u>	<u>1,106,653</u>
Operating income	723,134	727,546
Miscellaneous expense	(5,344)	(3,270)
Interest charges	106,646	120,182
Income from continuing operations before income taxes	<u>611,144</u>	<u>604,094</u>
Income tax expense	8,080	221,383
Income from continuing operations	603,064	382,711
Income from discontinued operations, net of tax	—	10,994
Gain on sale of discontinued operations, net of tax	—	2,716
Net income	<u>\$ 603,064</u>	<u>\$ 396,421</u>
Basic and diluted earnings per share		
Income per share from continuing operations	\$ 5.43	\$ 3.60
Income per share from discontinued operations	—	0.13
Net income per share - basic and diluted	<u>\$ 5.43</u>	<u>\$ 3.73</u>
Cash dividends per share	<u>\$ 1.94</u>	<u>\$ 1.80</u>
Basic and diluted weighted average shares outstanding	<u>111,012</u>	<u>106,100</u>

Summary Net Income by Segment (000s)	Year Ended September 30	
	2018	2017
Distribution	\$ 442,966	\$ 268,369
Pipeline and storage	160,098	114,342
Net income from continuing operations	603,064	382,711
Net income from discontinued operations	—	13,710
Net income	<u>\$ 603,064</u>	<u>\$ 396,421</u>

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

<u>Statements of Income</u> (000s except per share)	Three Months Ended September 30	
	2018	2017
Operating revenues		
Distribution segment	\$ 407,476	\$ 437,918
Pipeline and storage segment	132,662	117,823
Intersegment eliminations	(95,438)	(90,861)
	<u>444,700</u>	<u>464,880</u>
Purchased gas cost		
Distribution segment	138,138	163,247
Pipeline and storage segment	72	175
Intersegment eliminations	(95,125)	(90,861)
	<u>43,085</u>	<u>72,561</u>
Contribution margin	401,615	392,319
Operation and maintenance expense	163,880	160,931
Depreciation and amortization	92,657	84,800
Taxes, other than income	55,486	54,796
Total operating expenses	<u>312,023</u>	<u>300,527</u>
Operating income	89,592	91,792
Miscellaneous expense	(1,053)	(2,820)
Interest charges	24,484	33,710
Income before income taxes	64,055	55,262
Income tax expense	25,308	19,409
Net income	<u>\$ 38,747</u>	<u>\$ 35,853</u>
Basic and diluted net income per share	<u>\$ 0.35</u>	<u>\$ 0.34</u>
Cash dividends per share	<u>\$ 0.485</u>	<u>\$ 0.450</u>
Basic and diluted weighted average shares outstanding	<u>111,926</u>	<u>106,814</u>

Summary Net Income by Segment (000s)	Three Months Ended September 30	
	2018	2017
Distribution	\$ 13,280	\$ 15,346
Pipeline and storage	25,467	20,507
Net income	<u>\$ 38,747</u>	<u>\$ 35,853</u>

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

Condensed Balance Sheets (000s)	September 30, <u>2018</u>	September 30, <u>2017</u>
Net property, plant and equipment	\$ 10,371,147	\$ 9,259,182
Cash and cash equivalents	13,771	26,409
Accounts receivable, net	253,295	222,263
Gas stored underground	165,732	184,653
Other current assets	<u>46,055</u>	<u>106,321</u>
Total current assets	478,853	539,646
Goodwill	730,419	730,132
Deferred charges and other assets	<u>294,018</u>	<u>220,636</u>
	<u>\$ 11,874,437</u>	<u>\$ 10,749,596</u>
Shareholders' equity	\$ 4,769,951	\$ 3,898,666
Long-term debt	<u>2,493,665</u>	<u>3,067,045</u>
Total capitalization	7,263,616	6,965,711
Accounts payable and accrued liabilities	217,283	233,050
Other current liabilities	547,068	332,648
Short-term debt	575,780	447,745
Current maturities of long-term debt	<u>575,000</u>	<u>—</u>
Total current liabilities	1,915,131	1,013,443
Deferred income taxes	1,154,067	1,878,699
Regulatory excess deferred taxes	739,670	—
Deferred credits and other liabilities	<u>801,953</u>	<u>891,743</u>
	<u>\$ 11,874,437</u>	<u>\$ 10,749,596</u>

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

<u>Condensed Statements of Cash Flows</u> (000s)	Year Ended September 30	
	2018	2017
<b>Cash flows from operating activities</b>		
Net income	\$ 603,064	\$ 396,421
Depreciation and amortization	361,083	319,633
Deferred income taxes	158,271	227,183
One-time income tax benefit	(158,782)	—
Gain on sale of discontinued operations	—	(12,931)
Discontinued cash flow hedging for commodity contracts	—	(10,579)
Other	26,165	20,630
Changes in assets and liabilities	134,861	(73,267)
Net cash provided by operating activities	1,124,662	867,090
<b>Cash flows from investing activities</b>		
Capital expenditures	(1,467,591)	(1,137,089)
Acquisition	—	(86,128)
Proceeds from the sale of discontinued operations	3,000	140,253
Available-for-sale securities activities, net	(8,325)	(12,473)
Use tax refund	790	29,790
Other, net	8,560	9,341
Net cash used in investing activities	(1,463,566)	(1,056,306)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term debt	128,035	(382,066)
Proceeds from issuance of long-term debt, net of premium/discount	—	884,911
Net proceeds from equity offering	395,092	98,755
Issuance of common stock through stock purchase and employee retirement plans	19,563	26,523
Settlement of interest rate agreements	—	(36,996)
Interest rate agreements cash collateral	—	25,670
Repayment of long-term debt	—	(250,000)
Cash dividends paid	(214,906)	(191,931)
Debt issuance costs	—	(6,775)
Other	(1,518)	—
Net cash provided by financing activities	326,266	168,091
Net decrease in cash and cash equivalents	(12,638)	(21,125)
Cash and cash equivalents at beginning of period	26,409	47,534
Cash and cash equivalents at end of period	\$ 13,771	\$ 26,409

Statistics	Three Months Ended September 30		Year Ended September 30	
	2018	2017	2018	2017
Consolidated distribution throughput (MMcf as metered)	64,600	63,810	451,383	388,365
Consolidated pipeline and storage transportation volumes (MMcf)	179,444	171,029	663,900	596,179
Distribution meters in service	3,256,336	3,221,405	3,256,336	3,221,405
Distribution average cost of gas	\$ 4.44	\$ 5.16	\$ 5.19	\$ 5.14