

Atmos Energy Corporation
Financial Highlights (Unaudited)

<u>Statements of Income</u> (000s except per share)	Three Months Ended March 31	
	2019	2018
Operating revenues		
Distribution segment	\$ 1,057,889	\$ 1,199,291
Pipeline and storage segment	135,650	120,955
Intersegment eliminations	(98,894)	(100,837)
	<u>1,094,645</u>	<u>1,219,409</u>
Purchased gas cost		
Distribution segment	570,348	727,053
Pipeline and storage segment	(90)	433
Intersegment eliminations	(98,582)	(100,526)
	<u>471,676</u>	<u>626,960</u>
Contribution Margin	622,969	592,449
Operation and maintenance expense	149,427	159,159
Depreciation and amortization	96,772	89,381
Taxes, other than income	79,093	73,007
Total operating expenses	<u>325,292</u>	<u>321,547</u>
Operating income	297,677	270,902
Other non-operating income (expense)	4,232	(2,167)
Interest charges	26,949	27,304
Income before income taxes	274,960	241,431
Income tax expense	60,072	62,439
Net income	<u>\$ 214,888</u>	<u>\$ 178,992</u>
Basic net income per share	<u>\$ 1.83</u>	<u>\$ 1.60</u>
Diluted net income per share	<u>\$ 1.82</u>	<u>\$ 1.60</u>
Cash dividends per share	<u>\$ 0.525</u>	<u>\$ 0.485</u>
Basic weighted average shares outstanding	<u>117,581</u>	<u>111,706</u>
Diluted weighted average shares outstanding	<u>117,756</u>	<u>111,706</u>

Summary Net Income by Segment (000s)	Three Months Ended March 31	
	2019	2018
Distribution	\$ 172,193	\$ 145,243
Pipeline and storage	42,695	33,749
Net income	<u>\$ 214,888</u>	<u>\$ 178,992</u>

Atmos Energy Corporation
Financial Highlights, continued (Unaudited)

<u>Statements of Income</u> (000s except per share)	Six Months Ended March 31	
	2019	2018
Operating revenues		
Distribution segment	\$ 1,896,724	\$ 2,060,083
Pipeline and storage segment	270,120	247,418
Intersegment eliminations	(194,417)	(198,900)
	<u>1,972,427</u>	<u>2,108,601</u>
Purchased gas cost		
Distribution segment	1,008,080	1,190,811
Pipeline and storage segment	(448)	1,345
Intersegment eliminations	(193,791)	(198,279)
	<u>813,841</u>	<u>993,877</u>
Contribution Margin	1,158,586	1,114,724
Operation and maintenance expense	288,027	288,204
Depreciation and amortization	192,837	177,755
Taxes, other than income	143,581	135,780
Total operating expenses	<u>624,445</u>	<u>601,739</u>
Operating income	534,141	512,985
Other non-operating expense	(3,491)	(4,724)
Interest charges	54,798	58,813
Income before income taxes	<u>475,852</u>	<u>449,448</u>
Income tax expense (benefit)	103,318	(43,676)
Net income	<u>\$ 372,534</u>	<u>\$ 493,124</u>
Basic net income per share	\$ 3.22	\$ 4.47
Diluted net income per share	\$ 3.21	\$ 4.47
Cash dividends per share	\$ 1.05	\$ 0.97
Basic weighted average shares outstanding	<u>115,690</u>	<u>110,135</u>
Diluted weighted average shares outstanding	<u>115,794</u>	<u>110,135</u>

Summary Net Income by Segment (000s)	Six Months Ended March 31	
	2019	2018
Distribution	\$ 286,578	\$ 394,342
Pipeline and storage	85,956	98,782
Net income	<u>\$ 372,534</u>	<u>\$ 493,124</u>

Atmos Energy Corporation
Financial Highlights, continued (Unaudited)

Condensed Balance Sheets (000s)	March 31, 2019	September 30, 2018
Net property, plant and equipment	\$ 10,971,734	\$ 10,371,147
Cash and cash equivalents	108,353	13,771
Accounts receivable, net	419,612	253,295
Gas stored underground	78,148	165,732
Other current assets	65,068	46,055
Total current assets	<u>671,181</u>	<u>478,853</u>
Goodwill	730,419	730,419
Deferred charges and other assets	301,616	294,018
	<u>\$ 12,674,950</u>	<u>\$ 11,874,437</u>
Shareholders' equity	\$ 5,508,101	\$ 4,769,951
Long-term debt	<u>3,528,713</u>	<u>2,493,665</u>
Total capitalization	9,036,814	7,263,616
Accounts payable and accrued liabilities	244,042	217,283
Other current liabilities	495,097	547,068
Short-term debt	—	575,780
Current maturities of long-term debt	<u>125,000</u>	<u>575,000</u>
Total current liabilities	864,139	1,915,131
Deferred income taxes	1,251,836	1,154,067
Regulatory excess deferred taxes	712,681	739,670
Deferred credits and other liabilities	809,480	801,953
	<u>\$ 12,674,950</u>	<u>\$ 11,874,437</u>

Atmos Energy Corporation
Financial Highlights, continued (Unaudited)

<u>Condensed Statements of Cash Flows</u> (000s)	Six Months Ended March 31	
	2019	2018
Cash flows from operating activities		
Net income	\$ 372,534	\$ 493,124
Depreciation and amortization	192,837	177,755
Deferred income taxes	96,885	116,023
One-time income tax benefit	—	(165,675)
Other	5,334	12,252
Changes in assets and liabilities	(106,761)	117,888
Net cash provided by operating activities	560,829	751,367
Cash flows from investing activities		
Capital expenditures	(777,586)	(693,978)
Proceeds from the sale of discontinued operations	4,000	3,000
Debt and equity securities activities, net	777	(1,175)
Other, net	4,388	4,009
Net cash used in investing activities	(768,421)	(688,144)
Cash flows from financing activities		
Net decrease in short-term debt	(575,780)	(318,143)
Proceeds from issuance of long-term debt, net of premium/discount	1,045,221	—
Net proceeds from equity offering	494,085	395,092
Issuance of common stock through stock purchase and employee retirement plans	10,344	11,902
Settlement of interest rate swaps	(90,141)	—
Repayment of long-term debt	(450,000)	—
Cash dividends paid	(120,328)	(105,891)
Debt issuance costs	(11,227)	—
Other	—	(1,518)
Net cash provided by (used in) financing activities	302,174	(18,558)
Net increase in cash and cash equivalents	94,582	44,665
Cash and cash equivalents at beginning of period	13,771	26,409
Cash and cash equivalents at end of period	\$ 108,353	\$ 71,074

Statistics	Three Months Ended March 31		Six Months Ended March 31	
	2019	2018	2019	2018
Consolidated distribution throughput (MMcf as metered)	185,432	179,978	328,178	304,335
Consolidated pipeline and storage transportation volumes (MMcf)	165,369	148,980	335,896	304,085
Distribution meters in service	3,279,005	3,245,012	3,279,005	3,245,012
Distribution average cost of gas	\$ 4.10	\$ 5.42	\$ 4.18	\$ 5.40

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