

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

	Three Months Ended June 30	
	2017	2016
<u>Statements of Income</u>		
(000s except per share)		
Gross Profit:		
Distribution segment	\$ 296,293	\$ 277,336
Pipeline and storage segment	116,032	114,293
Intersegment eliminations	—	—
Gross profit	<u>412,325</u>	<u>391,629</u>
Operation and maintenance expense	128,690	131,388
Depreciation and amortization	80,023	72,880
Taxes, other than income	62,948	58,965
Total operating expenses	<u>271,661</u>	<u>263,233</u>
Operating income	140,664	128,396
Miscellaneous income (expense)	(289)	1,118
Interest charges	28,498	27,679
Income from continuing operations before income taxes	<u>111,877</u>	<u>101,835</u>
Income tax expense	<u>41,069</u>	<u>35,692</u>
Income from continuing operations	70,808	66,143
Income from discontinued operations, net of tax	—	5,050
Net Income	<u>\$ 70,808</u>	<u>\$ 71,193</u>
Basic and diluted net income per share		
Income per share from continuing operations	\$ 0.67	\$ 0.64
Income per share from discontinued operations	—	0.05
Net income per share - basic and diluted	<u>\$ 0.67</u>	<u>\$ 0.69</u>
Cash dividends per share	<u>\$ 0.45</u>	<u>\$ 0.42</u>
Basic and diluted weighted average shares outstanding	<u>106,364</u>	<u>103,750</u>

	Three Months Ended June 30	
	2017	2016
<u>Summary Net Income by Segment (000s)</u>		
Distribution	\$ 36,514	\$ 30,361
Pipeline and storage	34,294	35,782
Net income from continuing operations	70,808	66,143
Net income from discontinued operations	—	5,050
Net Income	<u>\$ 70,808</u>	<u>\$ 71,193</u>

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

<u>Statements of Income</u> (000s except per share)	Nine Months Ended June 30	
	2017	2016
Gross Profit:		
Distribution	\$ 1,105,048	\$ 1,024,244
Pipeline and Storage	336,876	314,496
Intersegment eliminations	(44)	—
Gross profit	<u>1,441,880</u>	<u>1,338,740</u>
Operation and maintenance expense	385,867	379,073
Depreciation and amortization	234,648	214,927
Taxes, other than income	185,611	171,959
Total operating expenses	<u>806,126</u>	<u>765,959</u>
Operating income	635,754	572,781
Miscellaneous expense	(450)	(90)
Interest charges	86,472	84,775
Income from continuing operations before income taxes	<u>548,832</u>	<u>487,916</u>
Income tax expense	201,974	177,224
Income from continuing operations	<u>346,858</u>	<u>310,692</u>
Income from discontinued operations, net of tax	10,994	5,172
Gain on sale of discontinued operations, net of tax	2,716	—
Net Income	<u>\$ 360,568</u>	<u>\$ 315,864</u>
Basic and diluted earnings per share		
Income per share from continuing operations	\$ 3.27	\$ 3.01
Income per share from discontinued operations	0.13	0.05
Net income per share - basic and diluted	<u>\$ 3.40</u>	<u>\$ 3.06</u>
Cash dividends per share	<u>\$ 1.35</u>	<u>\$ 1.26</u>
Basic and diluted weighted average shares outstanding	<u>105,862</u>	<u>103,137</u>

<u>Summary Net Income by Segment (000s)</u>	Nine Months Ended June 30	
	2017	2016
Distribution	\$ 253,023	\$ 219,377
Pipeline and Storage	93,835	91,315
Net income from continuing operations	<u>346,858</u>	<u>310,692</u>
Net income from discontinued operations	13,710	5,172
Net income	<u>\$ 360,568</u>	<u>\$ 315,864</u>

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

<u>Condensed Balance Sheets</u> (000s)	<u>June 30,</u> <u>2017</u>	<u>September 30,</u> <u>2016</u>
Net property, plant and equipment	\$ 8,924,381	\$ 8,268,606
Cash and cash equivalents	69,777	47,534
Accounts receivable, net	250,224	215,880
Gas stored underground	151,656	179,070
Current assets of disposal group classified as held for sale	—	151,117
Other current assets	62,725	88,085
Total current assets	<u>534,382</u>	<u>681,686</u>
Goodwill	729,673	726,962
Noncurrent assets of disposal group classified as held for sale	—	28,616
Deferred charges and other assets	310,339	305,019
	<u>\$ 10,498,775</u>	<u>\$ 10,010,889</u>
Shareholders' equity	\$ 3,901,710	\$ 3,463,059
Long-term debt	3,066,734	2,188,779
Total capitalization	<u>6,968,444</u>	<u>5,651,838</u>
Accounts payable and accrued liabilities	164,365	196,485
Current liabilities of disposal group classified as held for sale	—	72,900
Other current liabilities	322,721	439,085
Short-term debt	258,573	829,811
Current maturities of long-term debt	—	250,000
Total current liabilities	<u>745,659</u>	<u>1,788,281</u>
Deferred income taxes	1,853,564	1,603,056
Noncurrent liabilities of disposal group classified as held for sale	—	316
Deferred credits and other liabilities	931,108	967,398
	<u>\$ 10,498,775</u>	<u>\$ 10,010,889</u>

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

<u>Condensed Statements of Cash Flows</u> (000s)	Nine Months Ended June 30	
	2017	2016
<b>Cash flows from operating activities</b>		
Net income	\$ 360,568	\$ 315,864
Depreciation and amortization	234,833	216,670
Deferred income taxes	188,256	171,042
Gain on sale of discontinued operations	(12,931)	—
Discontinued cash flow hedging for natural gas marketing commodity contracts	(10,579)	—
Other	14,892	14,430
Changes in assets and liabilities	(29,478)	(88,060)
Net cash provided by operating activities	745,561	629,946
<b>Cash flows from investing activities</b>		
Capital expenditures	(812,148)	(789,688)
Acquisition	(86,128)	—
Proceeds from the sale of discontinued operations	140,253	—
Available-for-sale securities activities, net	(14,329)	558
Use tax refund	18,562	—
Other, net	6,435	5,731
Net cash used in investing activities	(747,355)	(783,399)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term debt	(571,238)	212,539
Proceeds from issuance of long-term debt, net of premium/discount	884,911	—
Net proceeds from equity offering	98,755	98,660
Issuance of common stock through stock purchase and employee retirement plans	22,673	26,500
Settlement of interest rate agreements	(36,996)	—
Interest rate agreements cash collateral	25,670	(16,330)
Repayment of long-term debt	(250,000)	—
Cash dividends paid	(143,075)	(130,363)
Debt issuance costs	(6,663)	—
Net cash provided by financing activities	24,037	191,006
Net increase in cash and cash equivalents	22,243	37,553
Cash and cash equivalents at beginning of period	47,534	28,653
Cash and cash equivalents at end of period	\$ 69,777	\$ 66,206

<u>Statistics</u>	Three Months Ended June 30		Nine Months Ended June 30	
	2017	2016	2017	2016
Consolidated distribution throughput (MMcf as metered)	76,281	69,456	324,555	330,968
Consolidated pipeline and storage transportation volumes (MMcf)	159,023	128,881	425,150	373,080
Distribution meters in service	3,213,853	3,179,726	3,213,853	3,179,726
Distribution average cost of gas	\$ 4.60	\$ 3.78	\$ 5.14	\$ 4.01

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