

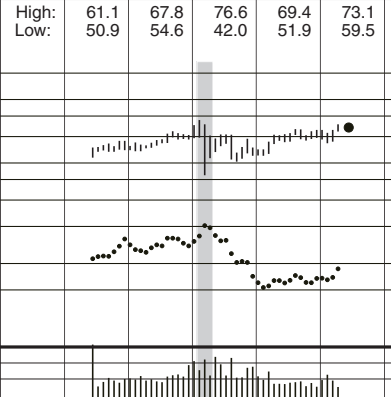
EVERGY, INC. NYSE-EVRG

RECENT PRICE **70.57** P/E RATIO **20.2** (Trailing: 20.0 Median: NMF) RELATIVE P/E RATIO **1.21** DIV'D YLD **3.4%**

VALUE LINE

TIMELINESS 5 Lowered 4/29/22
SAFETY 2 New 9/14/18
TECHNICAL 3 Lowered 6/10/22
BETA .90 (1.00 = Market)

LEGENDS
 - - - Relative Price Strength
 Options: Yes
 Shaded area indicates recession



18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$60-\$87 \$74 (5%)

2025-27 PROJECTIONS
 Ann'l Total Return
 High Price Gain Ann'l Total Return
 Low 70 (+35%) 11%
 4%

Institutional Decisions
 3Q2021 4Q2021 1Q2022
 to Buy 262 308 284
 to Sell 240 237 270
 Hld's(000) 204443 206094 196288
 Percent shares traded 36 24 12

Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.

CAPITAL STRUCTURE as of 3/31/22
 Total Debt \$11565 mill. Due in 5 Yrs \$4388.2 mill.
 LT Debt \$9247.1 mill. LT Interest \$330.2 mill.
 Incl. \$40.9 mill. finance leases.
 (LT interest earned: 3.8x)

Leases, Uncapitalized Annual rentals \$18.8 mill.

Pension Assets-12/21 \$1714.7 mill.
Oblig \$2561.7 mill.

Pfd Stock None

Common Stock 229,478,276 shs. as of 4/29/22
MARKET CAP: \$16 billion (Large Cap)

| ELECTRIC OPERATING STATISTICS | | | |
|--------------------------------|------|------|------|
| | 2019 | 2020 | 2021 |
| % Change Retail Sales (KWH) | NA | -3.9 | +3.1 |
| Avg. Indust. Use (MWH) | NA | NA | NA |
| Avg. Indust. Revs. per KWH (c) | 7.25 | 7.14 | 6.94 |
| Capacity at Peak (Mw) | NA | NA | NA |
| Peak Load, Summer (Mw) | NA | NA | NA |
| Annual Load Factor (%) | NA | NA | NA |
| % Change Customers (yr-end) | NA | NA | NA |

Fixed Charge Cov. (%) 305 286 350

| ANNUAL RATES | | | |
|--------------|--------------|-------------|--------------------------|
| | Past 10 Yrs. | Past 5 Yrs. | Est'd '19-'21 to '25-'27 |
| Revenues | -- | -- | 2.5% |
| "Cash Flow" | -- | -- | 5.0% |
| Earnings | -- | -- | 7.5% |
| Dividends | -- | -- | 7.0% |
| Book Value | -- | -- | 3.5% |

| Cal-endar | QUARTERLY REVENUES (\$ mill.) | | | | Full Year |
|-----------|-------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2019 | 1217 | 1222 | 1578 | 1131 | 5148 |
| 2020 | 1117 | 1185 | 1517 | 1094 | 4913 |
| 2021 | 1612 | 1236 | 1617 | 1122 | 5587 |
| 2022 | 1224 | 1276 | 1650 | 1150 | 5300 |
| 2023 | 1250 | 1300 | 1700 | 1200 | 5450 |

| Cal-endar | EARNINGS PER SHARE A | | | | Full Year |
|-----------|----------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2019 | .39 | .57 | 1.56 | .28 | 2.79 |
| 2020 | .31 | .59 | 1.60 | .22 | 2.72 |
| 2021 | .84 | .81 | 1.95 | .23 | 3.83 |
| 2022 | .53 | .72 | 1.95 | .30 | 3.50 |
| 2023 | .60 | .80 | 2.05 | .30 | 3.75 |

| Cal-endar | QUARTERLY DIVIDENDS PAID B | | | | Full Year |
|-----------|----------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2018 | .40 | .40 | .46 | .475 | 1.74 |
| 2019 | .475 | .475 | .475 | .505 | 1.93 |
| 2020 | .505 | .505 | .505 | .535 | 2.05 |
| 2021 | .535 | .535 | .535 | .5725 | 2.18 |
| 2022 | .5725 | | | | |

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | © VALUE LINE PUB. LLC | 25-27 |
|------------------------|------|------|------|------|------|------|--------|--------|--------|--------|---------------------------------------|--------|------------------------|--------|
| Revenues per sh | -- | -- | -- | -- | -- | -- | 16.75 | 22.71 | 21.66 | 24.36 | 23.05 | 23.70 | Revenues per sh | 26.50 |
| "Cash Flow" per sh | -- | -- | -- | -- | -- | -- | 4.89 | 7.18 | 7.06 | 8.18 | 7.95 | 8.40 | "Cash Flow" per sh | 10.00 |
| Earnings per sh A | -- | -- | -- | -- | -- | -- | 2.50 | 2.79 | 2.72 | 3.83 | 3.50 | 3.75 | Earnings per sh A | 4.75 |
| Div'd Decl'd per sh B | -- | -- | -- | -- | -- | -- | 1.74 | 1.93 | 2.05 | 2.18 | 2.33 | 2.48 | Div'd Decl'd per sh B | 3.05 |
| Cap'l Spending per sh | -- | -- | -- | -- | -- | -- | 4.19 | 5.34 | 6.88 | 8.60 | 8.60 | 9.20 | Cap'l Spending per sh | 9.50 |
| Book Value per sh C | -- | -- | -- | -- | -- | -- | 39.28 | 37.82 | 38.50 | 40.32 | 41.35 | 42.65 | Book Value per sh C | 47.25 |
| Common Shs Outst'g D | -- | -- | -- | -- | -- | -- | 255.33 | 226.64 | 226.84 | 229.30 | 230.00 | 230.00 | Common Shs Outst'g D | 230.00 |
| Avg Ann'l P/E Ratio | -- | -- | -- | -- | -- | -- | 22.7 | 21.8 | 21.7 | 16.2 | Bold figures are Value Line estimates | | Avg Ann'l P/E Ratio | 17.5 |
| Relative P/E Ratio | -- | -- | -- | -- | -- | -- | 1.23 | 1.16 | 1.11 | .87 | | | Relative P/E Ratio | .95 |
| Avg Ann'l Div'd Yield | -- | -- | -- | -- | -- | -- | 3.1% | 3.2% | 3.5% | 3.5% | | | Avg Ann'l Div'd Yield | 3.7% |
| Revenues (\$mill) | -- | -- | -- | -- | -- | -- | 4275.9 | 5147.8 | 4913.4 | 5586.7 | 5300 | 5450 | Revenues (\$mill) | 6100 |
| Net Profit (\$mill) | -- | -- | -- | -- | -- | -- | 535.8 | 669.9 | 618.3 | 879.7 | 820 | 880 | Net Profit (\$mill) | 1115 |
| Income Tax Rate | -- | -- | -- | -- | -- | -- | 9.8% | 12.6% | 14.1% | 11.7% | 9.0% | 9.0% | Income Tax Rate | 9.0% |
| AFUDC % to Net Profit | -- | -- | -- | -- | -- | -- | 2.5% | 2.5% | 5.5% | 5.0% | 5.0% | 6.0% | AFUDC % to Net Profit | 5.0% |
| Long-Term Debt Ratio | -- | -- | -- | -- | -- | -- | 40.0% | 50.6% | 51.3% | 50.1% | 51.5% | 51.5% | Long-Term Debt Ratio | 53.5% |
| Common Equity Ratio | -- | -- | -- | -- | -- | -- | 60.0% | 49.4% | 48.7% | 49.9% | 48.5% | 48.5% | Common Equity Ratio | 46.5% |
| Total Capital (\$mill) | -- | -- | -- | -- | -- | -- | 16716 | 17337 | 17924 | 18542 | 19675 | 20175 | Total Capital (\$mill) | 23400 |
| Net Plant (\$mill) | -- | -- | -- | -- | -- | -- | 18952 | 19346 | 20106 | 21150 | 22100 | 23150 | Net Plant (\$mill) | 26300 |
| Return on Total Cap'l | -- | -- | -- | -- | -- | -- | 4.0% | 4.8% | 4.5% | 5.7% | 5.0% | 5.5% | Return on Total Cap'l | 6.0% |
| Return on Shr. Equity | -- | -- | -- | -- | -- | -- | 5.3% | 7.8% | 7.1% | 9.5% | 8.5% | 9.0% | Return on Shr. Equity | 10.0% |
| Return on Com Equity E | -- | -- | -- | -- | -- | -- | 5.3% | 7.8% | 7.1% | 9.5% | 8.5% | 9.0% | Return on Com Equity E | 10.0% |
| Retained to Com Eq | -- | -- | -- | -- | -- | -- | .6% | 2.4% | 1.8% | 4.1% | 3.0% | 3.0% | Retained to Com Eq | 3.5% |
| All Div'ds to Net Prof | -- | -- | -- | -- | -- | -- | 89% | 69% | 75% | 57% | 65% | 65% | All Div'ds to Net Prof | 63% |

BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries (now doing business under the Evergy name), provides electric service to 1.6 million customers in Kansas and Missouri, including the greater Kansas City area. Electric revenue breakdown: residential, 34%; commercial, 30%; industrial, 11%; wholesale,

13%; other, 12%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 28% of revenues. '21 reported deprec. rate: 3%. Has 4,900 employees. Chairman: Mark A. Ruelle. President & CEO: David A. Campbell. COO: Kevin E. Bryant. Inc.: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Tel.: 816-556-2200. Internet: www.evergy.com.

Evergy's utilities in Missouri have rate cases pending. Missouri Metro filed for an increase of \$43.9 million (5.2%) and Missouri West requested a hike of \$27.7 million (3.8%). Each utility is seeking a 10% allowed return on equity, based on common-equity ratios of 51.2% and 51.8% for Missouri Metro and Missouri West, respectively. The utilities are seeking to place capital spending in the rate base and recover higher property taxes. These are Evergy's first general rate cases since the company was formed four years ago. The company will try to reach settlement on the applications. New tariffs are expected to take effect on December 6th, so this will have little effect on earnings this year.

Another regulatory matter is pending in Kansas. Missouri West is seeking approval to issue securitized bonds to recover about \$300 million of extraordinary gas and power costs that resulted from a cold spell in February of 2021. An order is expected by October. Evergy's utilities in Kansas plan to file rate cases in 2023.

Earnings will probably decline in 2022, due partly to a tough March-

quarter comparison. Last year, the aforementioned cold spell benefited Evergy's energy-marketing subsidiary. This raised pretax profits by \$86.6 million in the first period of 2021. Our estimate of \$3.50 a share is within management's targeted range (on a GAAP basis) of \$3.38-\$3.58. So far, the service area's economy still appears to be healthy. The company is benefiting from investment in its transmission system, too.

We estimate a solid earnings increase in 2023. Rate relief in Missouri should be the key factor. Our estimate of \$3.75 a share would provide 7% growth over the estimated 2022 tally. Evergy's goal for annual profit growth is 6%-8%.

The dividend yield of this untimely stock is about equal to the utility average. Total return potential is subpar for the next 18 months and for the 3- to 5-year period. Note that a standstill agreement with two investors has expired now that Evergy has held its annual meeting. This adds some speculative interest to this stock. However, we advise against buying the equity solely in the hope of a deal.

Paul E. Debbas, CFA June 10, 2022

(A) Diluted earnings. '19 EPS don't sum to full-year total due to rounding. Next earnings report due early August. (B) Dividends paid in mid-March, June, September, and December.

Dividend reinvestment plan available. (C) Incl. intangibles. In '21: \$4,327.7 mill., \$18.87/sh. (D) In millions. (E) Rate base: Original cost depreciated. Rate allowed on common

equity in Missouri in '18: none specified; in Kansas in '18: 9.3%; earned on average common equity, '21: 9.8%. Regulatory Climate: Average.

| Company's Financial Strength | | B++ |
|------------------------------|--|-----|
| Stock's Price Stability | | 80 |
| Price Growth Persistence | | NMF |
| Earnings Predictability | | NMF |

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