

Reconciliation of non-GAAP Financial Measures to GAAP

This sustainability report contains financial measures, non-GAAP income and non-GAAP diluted earnings per share (non-GAAP EPS), that are not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). Management believes that presenting these non-GAAP financial measures enhances an investor's understanding of the company's overall financial performance by providing them with an additional meaningful and relevant comparison of current results across periods. The adjustments made in these non-GAAP financial measures exclude items that management believes do not most accurately reflect the company's fundamental business performance. These excluded items are reflected in the reconciliation tables below. Non-GAAP financial measures should not be considered as an alternative to the Company's reported results prepared in accordance with GAAP. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

Adjusted EPS includes net income from the company's Electric and Natural Gas segments, as well as after tax Corporate and Other operating income and an allocation of corporate overhead based upon Electric's and Natural Gas's relative earnings contribution. Corporate overhead consists primarily of interest expense, preferred stock dividend requirements, and other items directly attributable to the parent along with the associated income taxes. It is also adjusted for certain factors to reflect what we consider to be our fundamental business performance. Please see below for the adjustments to non-GAAP EPS in 2022, 2021, 2020 and 2019. Beginning in 2022, CenterPoint Energy no longer separates utility and midstream operations and reports on a consolidated non-GAAP EPS basis.

Reconciliation of Consolidated income (loss) available to common shareholders and diluted earnings (loss) per share (GAAP) to non-GAAP income and non-GAAP diluted earnings per share

	Year-to-Date Ended December 31, 2022	
	Dollars in millions	Diluted EPS ⁽¹⁾
Consolidated income (loss) available to common shareholders and diluted EPS	\$ 1,008	\$ 1.59
ZENS-related mark-to-market (gains) losses:		
Equity securities (net of taxes of \$66) ⁽²⁾⁽³⁾	247	0.39
Indexed debt securities (net of taxes of \$68) ⁽²⁾	(256)	(0.40)
Midstream-related earnings (net of taxes of \$2) ⁽²⁾⁽⁴⁾	(46)	(0.07)
Impacts associated with mergers and divestitures (net of taxes of \$165) ⁽²⁾⁽⁵⁾	(80)	(0.13)
Consolidated on a non-GAAP basis	\$ 873	\$ 1.38

1) Quarterly diluted EPS on both a GAAP and non-GAAP basis are based on the weighted average number of shares of common stock outstanding during the quarter, and the sum of the quarters may not equal year-to-date diluted EPS.

2) Taxes are computed based on the impact removing such item would have on tax expense.

3) Comprised of common stock of AT&T Inc., Charter Communications, Inc., and Warner Bros. Discovery, Inc.

4) Includes earnings and expenses related to ownership and disposal of Energy Transfer LP units, a corresponding amount of debt related to the units and an allocation of associated corporate overhead. Includes costs associated with early extinguishment of \$600 million debt at CenterPoint Energy, Inc. of approximately \$35 million, net of taxes.

5) Includes a settlement charge of \$35 million, net of tax, related to CenterPoint Energy pension plan's purchase of a group annuity contract in December 2022 to transfer benefit obligations of CenterPoint Energy's previously divested businesses to an insurance company.

	Year-to-Date Ended December 31, 2021							
	Utility Operations		Midstream Investments		Corporate and Other ⁽⁷⁾		Consolidated	
	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾	Dollars in millions	Diluted EPS ⁽¹⁾
Consolidated income (loss) available to common shareholders and diluted EPS	\$ 878	\$ 1.44	\$ 818	\$ 1.34	\$ (305)	\$ (0.50)	\$ 1,391	\$ 2.28
ZENS-related mark-to-market (gains) losses:								
Equity securities (net of taxes of \$11) ⁽²⁾⁽³⁾	—	—	—	—	40	0.07	40	0.07
Indexed debt securities (net of taxes of \$11) ⁽²⁾	—	—	—	—	(39)	(0.06)	(39)	(0.06)
Impacts associated with gas LDC sales (net of taxes of \$2, \$3)⁽²⁾⁽⁴⁾	(4)	(0.01)	—	—	5	0.01	1	—
Cost associated with the early extinguishment of debt (net of taxes of \$7)⁽²⁾	—	—	—	—	27	0.04	27	0.04
Impacts associated with Enable & Energy Transfer merger:								
Gain at merger close, net of transaction costs (net of taxes of \$134 and \$0) ⁽²⁾	—	—	(546)	(0.90)	(1)	—	(547)	(0.90)
Loss on equity securities (net of taxes of \$24) ⁽²⁾⁽⁵⁾	—	—	—	—	98	0.16	98	0.16
Costs associated with the early extinguishment of debt (net of taxes of \$1) ⁽²⁾	—	—	—	—	6	0.01	6	0.01
Impacts associated with other mergers and divestitures (net of taxes of \$2, \$13)⁽²⁾⁽⁶⁾	4	0.01	—	—	20	0.03	24	0.04
Corporate and Other Allocation	(105)	(0.17)	(44)	(0.07)	149	0.24	—	—
Consolidated on a non-GAAP basis	<u>\$ 773</u>	<u>\$ 1.27</u>	<u>\$ 228</u>	<u>\$ 0.37</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,001</u>	<u>\$ 1.64</u>

- 1) Quarterly diluted EPS on both a GAAP and non-GAAP basis are based on the weighted average number of shares of common stock outstanding during the quarter, and the sum of the quarters may not equal year-to-date diluted EPS. EPS figures for Utility Operations, Corporate and Other and Discontinued Operations are non-GAAP financial measures.
- 2) Taxes are computed based on the impact removing such item would have on tax expense.
- 3) Comprised of common stock of AT&T Inc. and Charter Communications, Inc.
- 4) Includes gain from remeasurement of state deferred taxes, costs to achieve the sales and costs associated with the early extinguishment of debt.
- 5) Comprised of Energy Transfer LP common and Series G preferred units.
- 6) Includes impacts associated with the Vectren merger and the sales of Infrastructure Services (CIS) and Mobile Energy Solutions (MES).
- 7) The Corporate and Other allocation includes after tax Corporate and Other operating income, earnings from the Midstream preferred distributions net of an associated amount of debt, and an allocation of corporate overhead based upon Utility's and Midstream's relative earnings contribution. Corporate overhead consists primarily of interest expense, preferred stock dividend requirements, and other items directly attributable to the parent along with the associated income taxes..

	Year-to-Date Ended December 31, 2020									
	Utility Operations		Midstream Investments (Disc. Operations)		Corporate and Other ⁽⁶⁾		CES ⁽¹⁾ & CIS ⁽²⁾ (Disc. Operations)		Consolidated	
	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾
Consolidated income (loss) available to common shareholders and diluted EPS ⁽³⁾	\$ 508	\$ 0.95	\$ (1,074)	\$ (2.02)	\$ (201)	\$ (0.38)	\$ (182)	\$ (0.34)	\$ (949)	\$ (1.79)
Timing effects impacting CES ⁽¹⁾ :										
Mark-to-market (gains) losses (net of taxes of \$3) ⁽⁴⁾	—	—	—	—	—	—	(10)	(0.02)	(10)	(0.02)
ZENS-related mark-to-market (gains) losses:										

Year-to-Date Ended December 31, 2020										
	Utility Operations		Midstream Investments (Disc. Operations)		Corporate and Other ⁽⁶⁾		CES ⁽¹⁾ & CIS ⁽²⁾ (Disc. Operations)		Consolidated	
	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾
Equity securities (net of taxes of \$11) ⁽⁴⁾⁽⁵⁾	—	—	—	—	(38)	(0.07)	—	—	(38)	(0.07)
Indexed debt securities (net of taxes of \$13) ⁽⁴⁾	—	—	—	—	47	0.09	—	—	47	0.09
Impacts associated with the Vectren merger (net of taxes of \$1, \$3)⁽⁴⁾	3	0.01	—	—	12	0.02	—	—	15	0.03
Impacts associated with BREC activities and Severance costs (net of taxes of \$4, \$0)⁽⁴⁾	14	0.03	—	—	3	—	—	—	17	0.03
Impacts associated with the sales of CES⁽¹⁾ and CIS⁽²⁾ (net of taxes of \$10)⁽⁴⁾	—	—	—	—	—	—	217	0.41	217	0.41
Impacts associated with Series C preferred stock										
Preferred stock dividend requirement and amortization of beneficial conversion feature	—	—	—	—	58	0.11	—	—	58	0.11
Impact of increased share count on EPS if issued as common stock	—	(0.06)	—	0.12	—	0.01	—	—	—	0.07
Total Series C impacts	—	(0.06)	—	0.12	58	0.12	—	—	58	0.18
Losses on impairment (net of taxes of \$0, \$408)⁽⁴⁾	185	0.33	1,269	2.25	—	—	—	—	1,454	2.58
Corporate and Other Allocation	(48)	(0.09)	(64)	(0.12)	119	0.22	(7)	(0.01)	—	—
Consolidated on a non-GAAP basis	662	1.17	131	0.23	—	—	18	0.04	811	1.44
Exclusion of CES⁽¹⁾ and CIS⁽²⁾ Discontinued Operations⁽⁷⁾	—	—	—	—	—	—	(18)	(0.04)	(18)	(0.04)
Consolidated on a non-GAAP basis, excluding CES⁽¹⁾ and CIS⁽²⁾	\$ 662	\$ 1.17	\$ 131	\$ 0.23	\$ —	\$ —	\$ —	\$ —	\$ 793	\$ 1.40

(1) Energy Services segment

(2) Infrastructure Services segment

(3) Quarterly diluted EPS on both a GAAP and non-GAAP basis are based on the weighted average number of shares of common stock outstanding during the quarter, and the sum of the quarters may not equal year-to-date diluted EPS. EPS figures for Utility Operations, Corporate and Other, and Discontinued Operations are non-GAAP financial measures.

(4) Taxes are computed based on the impact removing such item would have on tax expense

(5) Comprised of common stock of AT&T Inc. and Charter Communications, Inc.

(6) The Corporate and Other allocation includes after tax Corporate and Other operating income, earnings from the Midstream preferred distributions net of an associated amount of debt, and an allocation of corporate overhead based upon Utility's and Midstream's relative earnings contribution. Corporate overhead consists primarily of interest expense, preferred stock dividend requirements, and other items directly attributable to the parent along with the associated income taxes.

(7) Results related to Energy Services and Infrastructure Services discontinued operations are excluded from the company's non-GAAP results

Year-to-Date Ended December 31, 2019											
	Utility Operations		Midstream Investments (Disc. Operations)		Corporate and Other ⁽⁶⁾		CES ⁽¹⁾ & CIS ⁽²⁾ (Disc. Operations)		Consolidated		
	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	Dollars in millions	Diluted EPS ⁽³⁾	
Consolidated income (loss) available to common shareholders and diluted EPS	\$ 670	\$ 1.32	\$ 131	\$ 0.26	\$ (236)	\$ (0.46)	\$ 109	\$ 0.21	\$ 674	\$ 1.33	
Timing effects impacting CES⁽¹⁾:											
Mark-to-market (gains) losses (net of taxes of \$9) ⁽⁴⁾	—	—	—	—	—	—	(30)	(0.027)	(30)	(0.07)	
ZENS-related mark-to-market (gains) losses:											
Marketable securities (net of taxes of \$59) ⁽⁴⁾⁽⁵⁾	—	—	—	—	(223)	(0.44)	—	—	(223)	(0.44)	
Indexed debt securities (net of taxes of \$61) ⁽⁴⁾	—	—	—	—	231	0.46	—	—	231	0.46	
Impacts associated with the Vectren merger											
Merger impacts other than the increase in share count (net of taxes \$17, \$19, \$4) ⁽⁴⁾	69	0.14	—	—	79	0.15	15	0.04	163	0.33	
Impact of increase share count on EPS	—	0.02	—	—	—	—	—	—	—	0.02	
Total merger impacts	69	0.16	—	—	79	0.15	15	0.04	163	0.35	
Losses on impairment (net of taxes of \$11, \$3)⁽⁴⁾	—	—	35	0.07	—	—	45	0.09	80	0.16	
Corporate and Other Allocation	(85)	(0.17)	(21)	(0.04)	149	0.29	(43)	(0.08)	—	—	
Exclusion of Discontinued Operations⁽⁷⁾	—	—	—	—	—	—	(96)	(0.19)	(96)	(0.19)	
Consolidated on a guidance basis	\$ 654	\$ 1.31	\$ 145	\$ 0.29	\$ —	\$ —	\$ —	\$ —	\$ 799	\$ 1.60	

(1) Energy Services segment

(2) Infrastructure Services segment

(3) Quarterly diluted EPS on both a GAAP and guidance basis are based on the weighted average number of shares of common stock outstanding during the quarter, and the sum of the quarters may not equal year-to-date diluted EPS

(4) Taxes are computed based on the impact removing such item would have on tax expense

(5) Comprised of common stock of AT&T Inc. and Charter Communications, Inc.

(6) Corporate and Other, plus income allocated to preferred shareholders

(7) Results related to discontinued operations are excluded from the company's guidance basis results