

Renewed, Reliable and Resilient

Second-Quarter Financial Results
August 6, 2025

PINNACLE WEST
CAPITAL CORPORATION



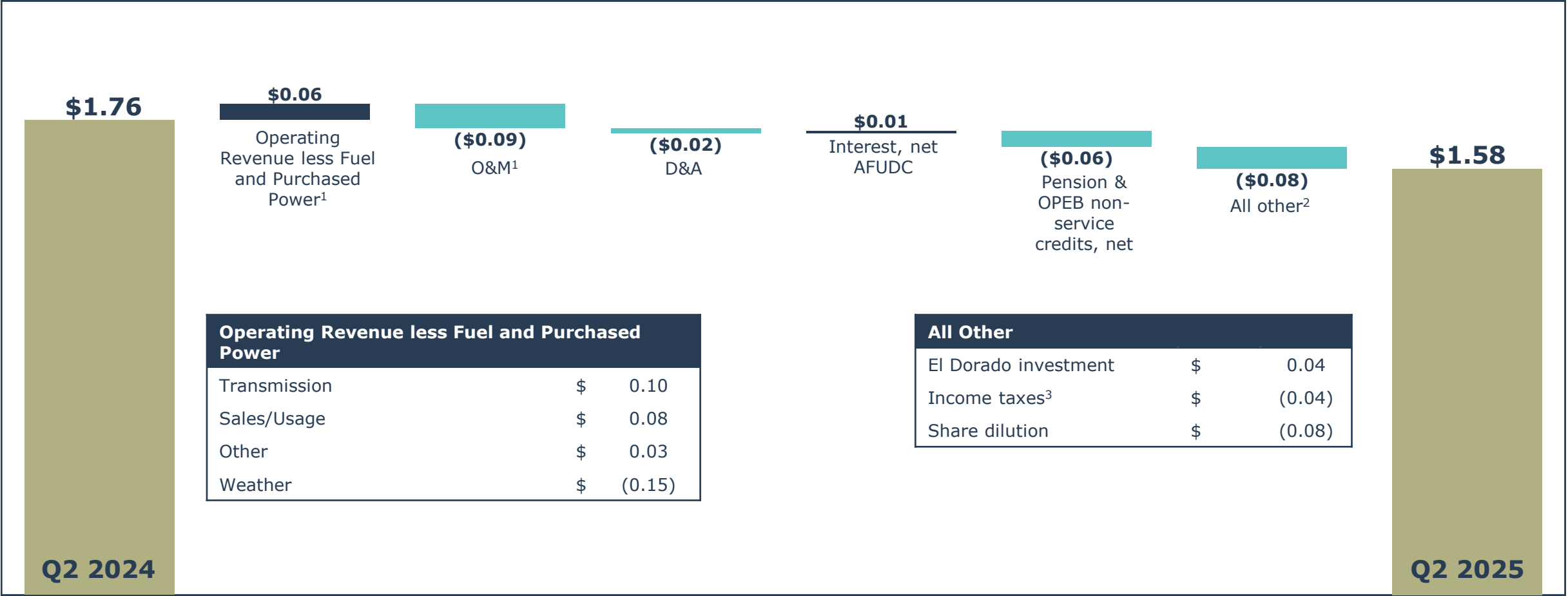
Forward Looking Statements

This presentation contains forward-looking statements based on current expectations, including statements regarding our earnings guidance and financial outlook and goals. These forward-looking statements are often identified by words such as "estimate," "predict," "may," "believe," "plan," "expect," "require," "intend," "assume," "project," "anticipate," "goal," "seek," "strategy," "likely," "should," "will," "could," and similar words. Because actual results may differ materially from expectations, we caution you not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from outcomes currently expected or sought by Pinnacle West or APS. These factors include, but are not limited to: uncertainties associated with the current and future economic environment, including economic growth rates, labor market conditions, tariffs, inflation, supply chain delays, increased expenses, volatile capital markets, or other unpredictable effects; current and future economic conditions in Arizona, such as the housing market and overall business and regulatory environment; our ability to manage capital expenditures and operations and maintenance costs while maintaining reliability and customer service levels; the direct or indirect effect on our facilities or business from cybersecurity threats or occurrences; variations in demand for electricity, including those due to weather, seasonality (including large increases in ambient temperatures), the general economy or social conditions, customer, and sales growth (or decline), the effects of energy conservation measures and distributed generation, and technological advancements; the potential effects of climate change on our electric system, including as a result of weather extremes such as prolonged drought and high temperature variations in the area where APS conducts its business; power plant and transmission system performance and outages; competition in retail and wholesale power markets; regulatory and judicial decisions, developments, and proceedings; new legislation, ballot initiatives and regulation or interpretations of existing legislation or regulations, including those relating to tax, environmental requirements, regulatory and energy policy, nuclear plant operations and potential deregulation of retail electric markets; fuel and water supply availability; our ability to achieve timely and adequate rate recovery of our costs through our rates and adjustor recovery mechanisms, including returns on and of debt and equity capital investment; the ability of APS to meet renewable energy and energy efficiency mandates and recover related costs; the ability of APS to achieve its clean energy goal to be carbon-neutral by 2050 and, if this goal is achieved, the impact of such achievement on APS, its customers, and its business, financial condition, and results of operations; risks inherent in the operation of nuclear facilities, including spent fuel disposal uncertainty; data security breaches, terrorist attack, physical attack, severe storms, or other catastrophic events, such as fires, explosions, pandemic health events or similar occurrences; the development of new technologies which may affect electric sales or delivery, including as a result of delays in the development and application of new technologies; the cost of debt, including increased cost as a result of rising interest rates, and equity capital and our ability to access capital markets when required; environmental, economic, and other concerns surrounding coal-fired generation, including regulation of greenhouse gas emissions; volatile fuel and purchased power costs; the investment performance of the assets of our nuclear decommissioning trust, captive insurance cell, coal mine reclamation escrow, pension, and other postretirement benefit plans and the resulting impact on future funding requirements; the liquidity of wholesale power markets and the use of derivative contracts in our business; potential shortfalls in insurance coverage; new accounting requirements or new interpretations of existing requirements; generation, transmission and distribution facilities and system conditions and operating costs; our ability to meet the anticipated future need for additional generation and associated transmission facilities in our region; the willingness or ability of counterparties, power plant participants and power plant landowners to meet contractual or other obligations or extend the rights for continued power plant operations; and restrictions on dividends or other provisions in our credit agreements and ACC orders. These and other factors are discussed in the most recent Pinnacle West/APS Form 10-K along with other public filings with the Securities and Exchange Commission, which you should review carefully before placing any reliance on our financial statements, disclosures or earnings outlook. Neither Pinnacle West nor APS assumes any obligation to update these statements, even if our internal estimates change, except as required by law.

In this presentation, references to net income and earnings per share (EPS) refer to amounts attributable to common shareholders.

Second-Quarter results

Q2 2025 vs Q2 2024



¹ Includes costs and offsetting operating revenues associated with renewable energy and demand side management programs, see slide 24 for more information.

² All other includes share dilution, other taxes, income taxes, other, net and rounding.

³ Income taxes are negatively impacted this quarter due to the one-time benefit recognized in Q2 2024 related to the Los Alamitos ITC purchase and the timing of when other on-going permanent tax items and credits are recognized through the effective tax rate.

2025 EPS guidance

Key Factors and Assumptions (as of August 6, 2025)	2025
Adjusted gross margin (operating revenues, net of fuel and purchased power expenses, x/RES,DSM,CCT) ¹ <ul style="list-style-type: none"> Retail customer growth of 1.5%-2.5% Weather-normalized retail electricity sales growth of 4.0%-6.0% <ul style="list-style-type: none"> Includes 3.0%-5.0% contribution to sales growth of new large manufacturing facilities and several large data centers Assumes normal weather 	\$3.13 – \$3.19 billion
Adjusted operating and maintenance expense (O&M x/RES,DSM,CCT) ¹	\$965 – \$985 million
Other operating expenses (depreciation and amortization, and taxes other than income taxes)	\$1.16 – \$1.18 billion
Other income (pension and other post-retirement non-service credits, other income and other expense)	\$0 – \$6 million
Interest expense , net of allowance for borrowed and equity funds used during construction (Total AFUDC ~\$120 million)	\$350 – \$370 million
Net income attributable to noncontrolling interests	\$17 million
Effective tax rate	13.25% – 13.75%
Average diluted common shares outstanding	122.3 million
EPS Guidance	\$4.40 – \$4.60



¹ Excludes costs and offsetting operating revenues associated with renewable energy and demand side management programs. For reconciliation, see slide 24.

Key drivers & assumptions for 2025 EPS guidance

2025 EPS guidance of \$4.40-\$4.60 key drivers¹

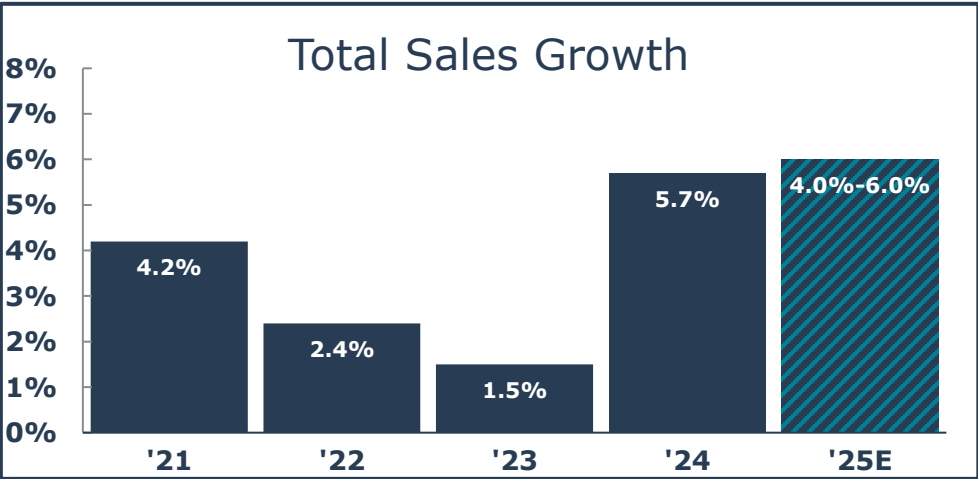
↑ Retail customer growth of 1.5%-2.5%	↓ Depreciation, amortization and property taxes due to higher plant in service
↑ Weather-normalized retail electricity sales growth of 4%-6% (includes 3%-5% from large C&I)	↓ 2025 normal weather
↑ Transmission revenue	↓ Financing costs (debt & equity)
↑ Operations and maintenance	↓ Pension/OPEB non-service costs ²
	↓ 2024 BCE gain on sale

¹ Arrows represent expected comparative year-over-year impact of each driver on earnings.

² Primarily due to roll-off of positive amortization of prior service credits.

Long-term guidance and key drivers^{1,2}

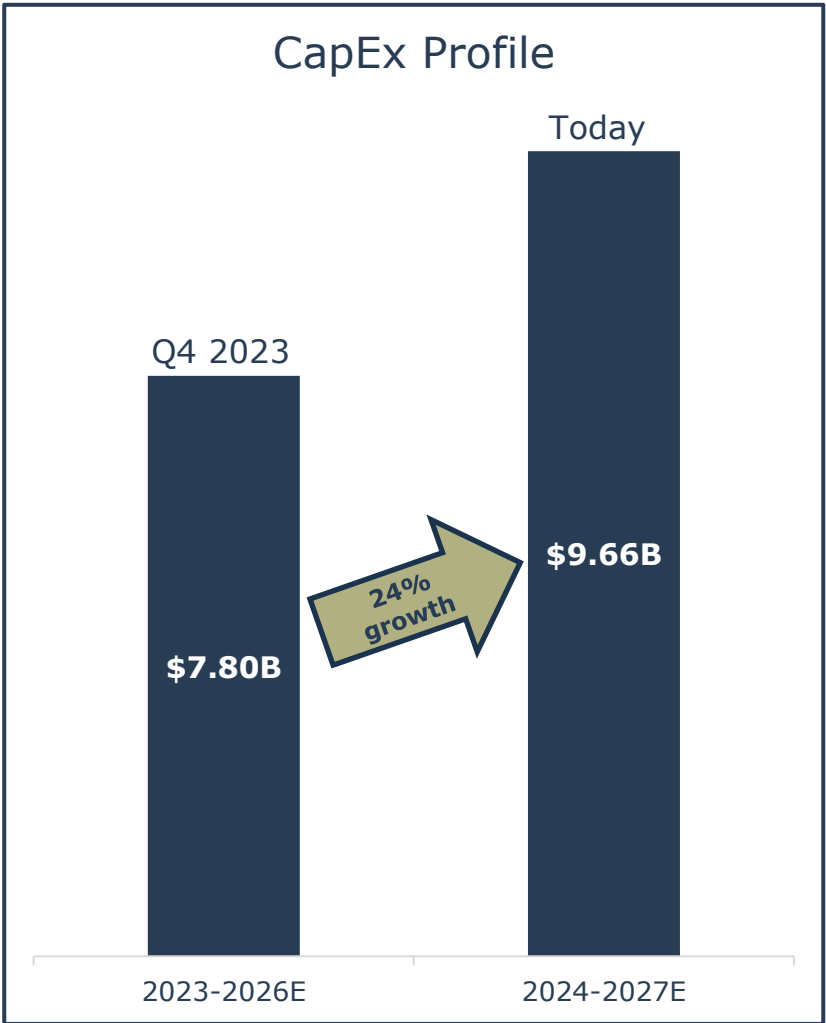
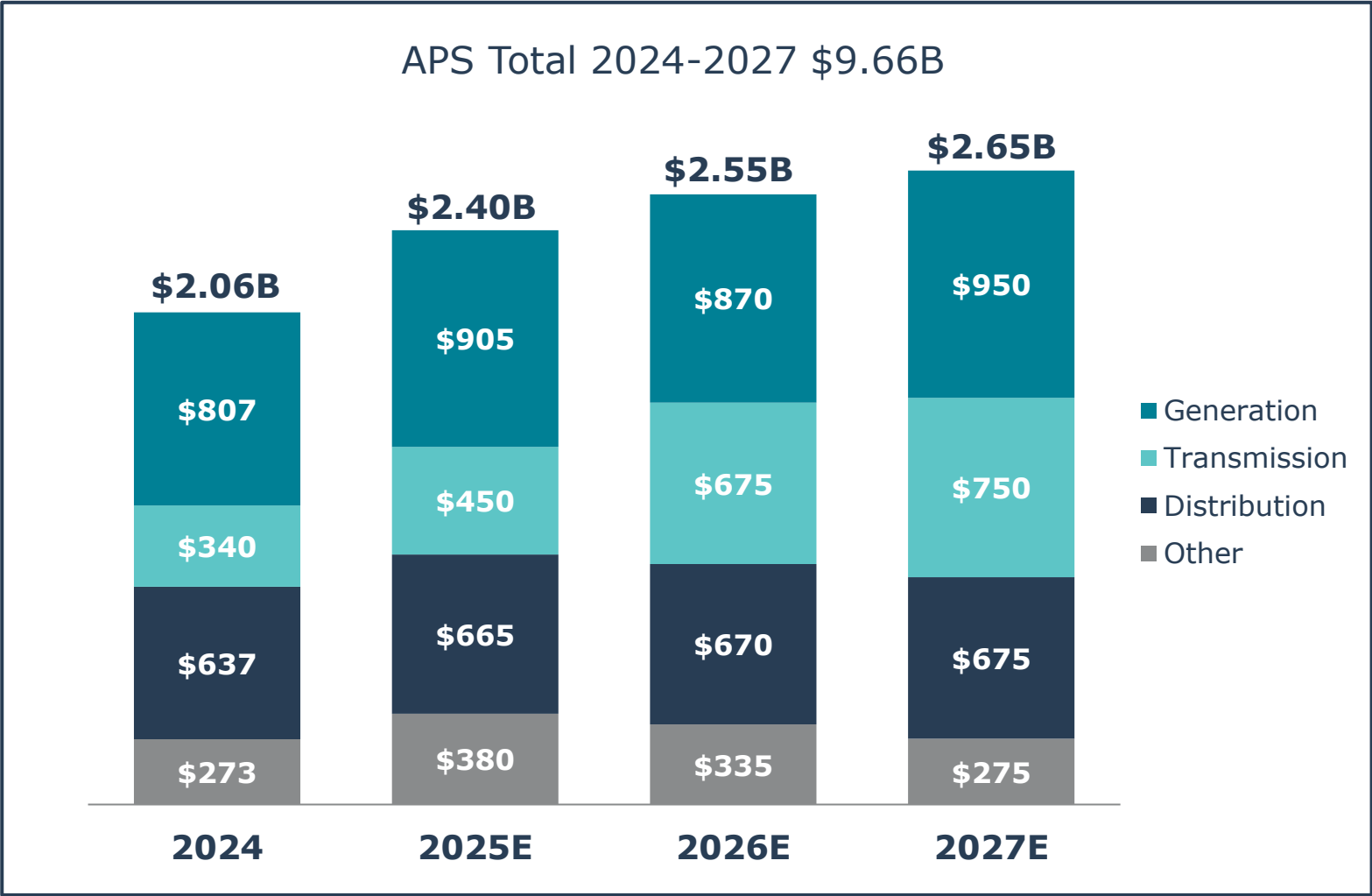
- Long-term EPS growth target of 5%-7% off original 2024 midpoint
- Retail customer growth of 1.5%-2.5%
- Weather-normalized retail electricity sales growth of 4%-6% (includes 3%-5% from large C&I customers)



¹ Long-term EPS growth target based on the Company's current weather normalized compound annual growth rate projections from 2024-2028.

² Forecasted guidance range through 2027.

Capital plan to support reliability and continued growth within our service territory



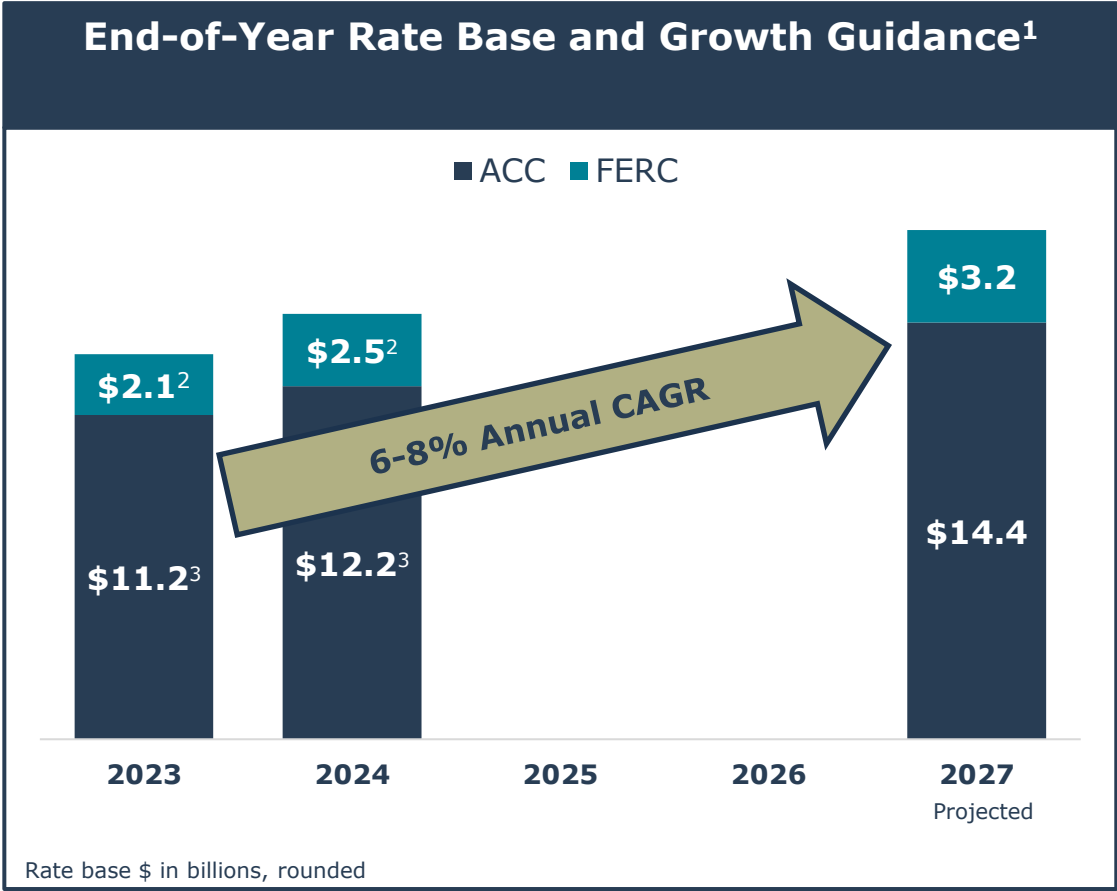
Source: 2025-2027 as disclosed in the Second Quarter 2025 Form 10-Q

Rate Base growing within our service territory

Current Approved Rate Base and Test Year Detail		
	ACC	FERC
Rate Effective Date	03/08/2024	06/01/2025
Test Year Ended	6/30/2022 ¹	12/31/2024
Equity Layer	51.93%	52.28%
Allowed ROE	9.55%	10.75%
Rate Base	\$10.36B ²	\$2.47B

Generation spend through System Reliability Benefit Surcharge and transmission spend expected to total ~40% of tracked capital from 2024-2027 and help reduce regulatory lag

¹ Adjusted to include post-test year plant in service through 06/30/2023.
² Rate Base excludes \$215M approved through Joint Resolution in Case No. E-01345A-19-0236.



¹ Guidance excludes CWIP amounts of \$1.7B in 2023 and \$3.0B-\$3.5B in 2027.
² Derived from APS annual update of formula transmission service rates.
³ Represents unadjusted ACC jurisdictional rate base consistent with regulatory filings.

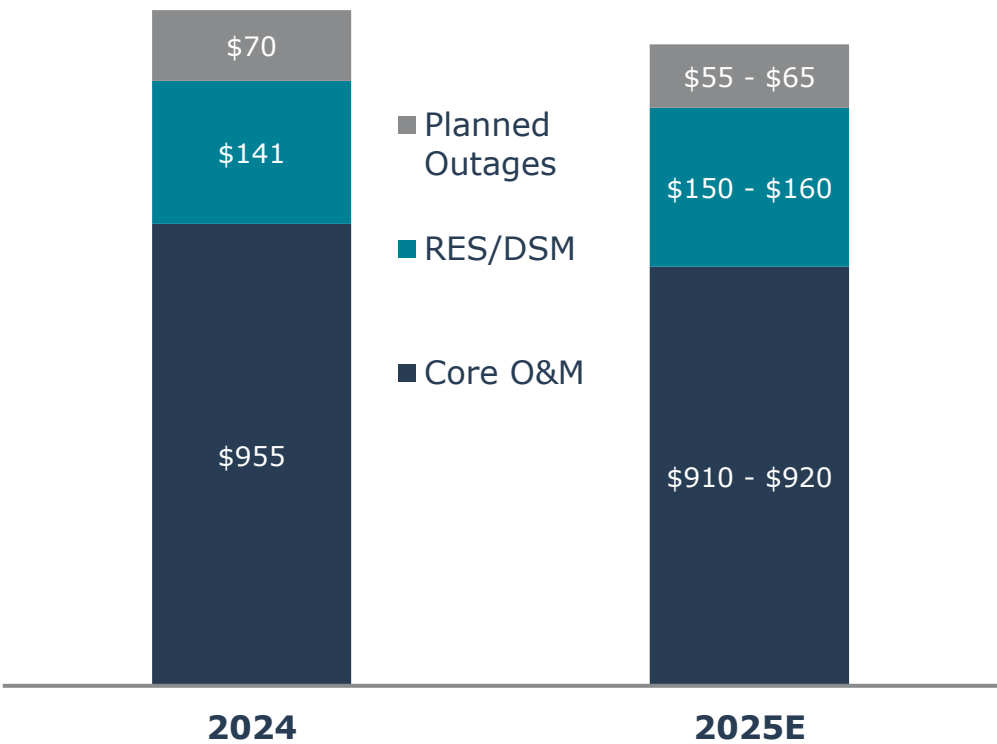
We are focused on cost control and customer affordability

Operations & Maintenance Guidance

- Reduced year-over-year core O&M excluding planned outages
- Completed planned major outage in Q1 at Four Corners Unit 4
- Lean culture and declining O&M per MWh goal

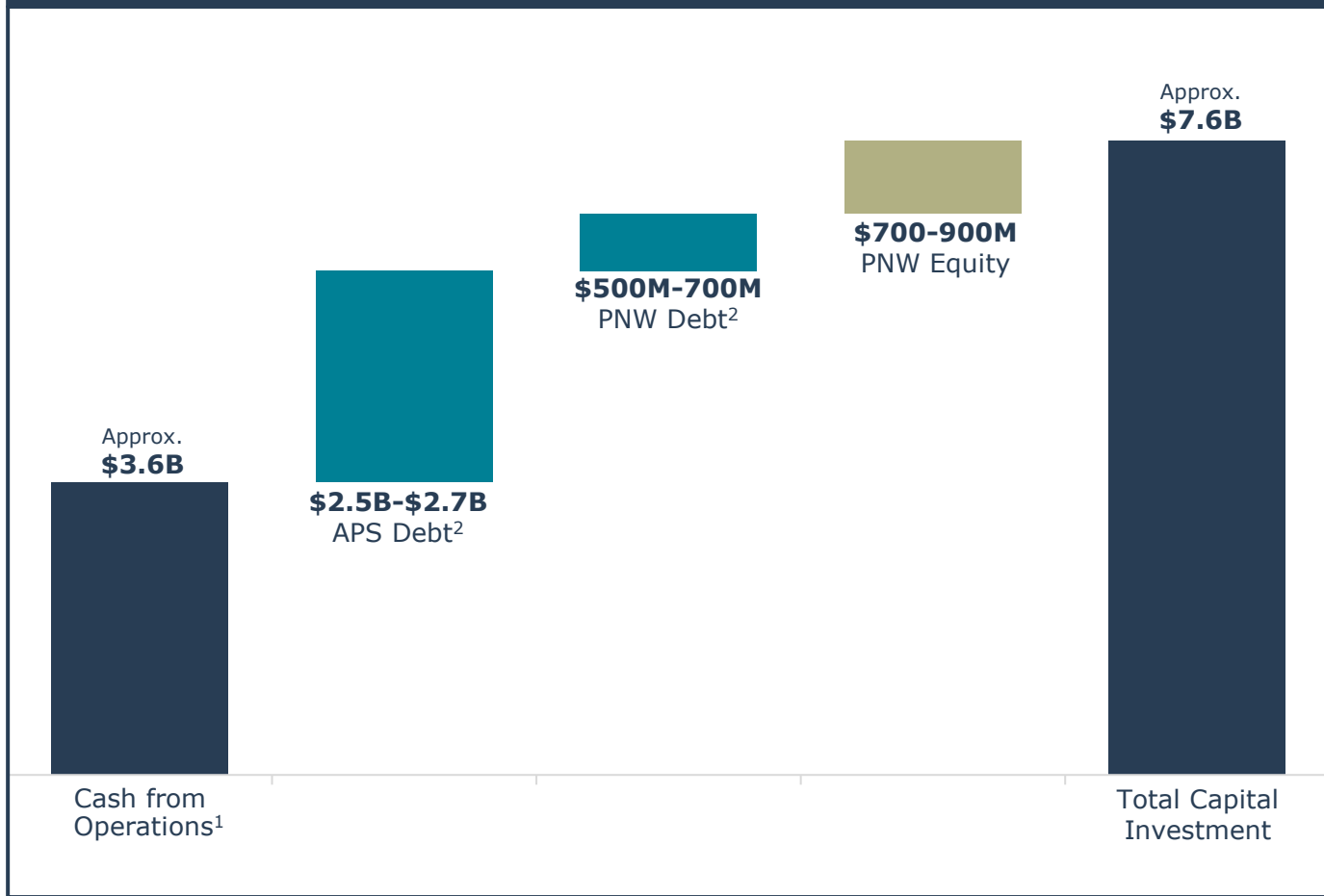


O&M Guidance (millions)



Optimized financing plan to support balanced capital structure

2025-2027 Financing Plan



¹ Cash from operations is net of shareholder dividends.

² APS and PNW debt issuance is net of maturities.

Funding Strategy

- External equity to support balanced APS capital structure and expanded, accretive capital investment
 - Equity needs < prior targeted 40% of new capital
- Financing plan consistent with balance sheet targets
- In May 2025 PNW issued \$800M unsecured bonds; proceeds used to pay off \$500M PNW 2025 maturity and \$300M APS 2025 maturity

Completed Equity

Feb. 2024 Forward Sale	Priced	Settled
Dec. 2024 Partial Settlement	\$725M	\$345M
Forward ATM Program (\$900M)	Priced	Settled
ATM Program	\$100M	\$0

ATM program: PNW may sell up to \$900M of common stock

We are focused on maintaining healthy credit ratings to support affordable growth¹

	Corporate Ratings	Senior Unsecured Ratings	Short-Term Ratings	Outlook
APS				
Moody's	Baa1	Baa1	P-2	Stable
S&P	BBB+	BBB+	A-2	Stable
Fitch	BBB+	A-	F2	Stable
Pinnacle West				
Moody's	Baa2	Baa2	P-2	Stable
S&P	BBB+	BBB	A-2	Stable
Fitch	BBB	BBB	F3	Stable

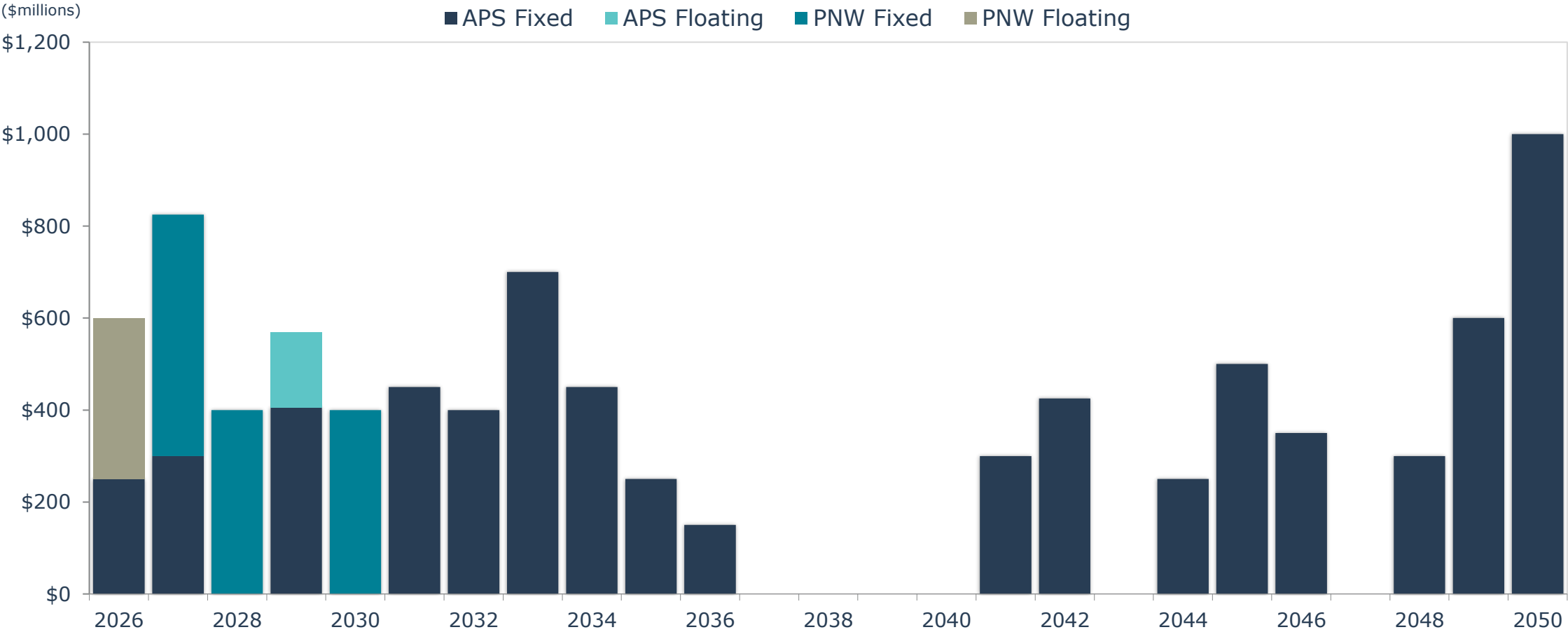
Balance Sheet Targets

- Solid investment-grade credit ratings
- APS equity layer >50%
- PNW FFO/Debt range of 14%-16%



¹ We are disclosing credit ratings to enhance understanding of our sources of liquidity and the effects of our ratings on our costs of funds. Ratings are as of July 28, 2025.

Debt maturity profile shows well managed and stable financing plan



As of June 30, 2025



Appendix

PINNACLE WEST
CAPITAL CORPORATION

2025 APS rate case application

Overview of rate request (\$ in millions) key components

Rate Base Growth	\$208
12 months Post-test Year Plant	\$82
Fair Value Increment	\$101
WACC (7.63%)	\$129
Other (Base fuel, depreciation study, etc.)	<u>\$143</u>
Total Revenue Requirement	\$662
Adjustor Transfers	<u>\$(82)</u>
Net Revenue Increase	\$580
Customer Net Revenue Impact on Day 1	13.99%

Additional details

- APS has requested rates become effective in the second half of 2026
- Docket number: E-01345A-25-0105
- Additional details, including filing, can be found at <http://www.pinnaclewest.com/investors>

Numbers may not foot due to rounding.

2025 APS rate case application

Overview of rate request (\$ in millions) key components	
Test Year Ended December 31, 2024	
Total Rate Base - Adjusted	\$15.3B
ACC Rate Base - Adjusted	\$12.5B
Embedded Long-Term Cost of Debt	4.26%
Allowed Return on Equity	10.70%
ROE Band for Formula Rate	+/- 20bps
Capital Structure	
Long-Term Debt	47.65%
Common Equity	52.35%
Base Fuel Rate (¢/kWh)	4.3881¢/kWh
Post-Test Year Plant period	12 months
Proposed rate design modifications	
<ul style="list-style-type: none">• Direct assignment of generation costs to ensure extra high load factor customers pay for the resources they require• Align rates with costs to move classes closer to their cost of service which supports small and medium sized businesses• Ensure growth pays for growth and offers significant customer protections	

2025 APS rate case application

Formula Rate Adjustment Mechanism (FRAM) proposal

- Historic test year, with authorized ROE and capital structure approved in most recent rate case
- Inclusion of 12 months projected plant
- System Reliability Benefit costs transferred into each formula reset
- No rate adjustment if actual ROE falls within +/- 20 bps of authorized ROE
- Revenue surplus/deficiency allocated based on ACC jurisdictional cost of service results

FRAM proposed schedule

ACC filing of Annual Update	On or before July 31
Last day for data requests and to submit informal challenge(s)	August 12
Last day for Company responses to informal challenge(s)	August 26
Informal challenge(s) resolution deadline	August 31
Rate effective date	First September billing cycle
Last day for data requests and to submit formal challenge(s)	September 22
Last day for Company responses to formal challenge(s)	October 6
Staff Report (if no hearing)	October 31
Commission Decision	December 1

SRB will expand our capacity to self-build generation to meet customer need with reduced lag



System Reliability Benefit Surcharge Key Features

- Projects that compete on cost and reliability from All-Source Request for Proposals
- Determines prudence of new generation between general rate cases
- Included in rates approximately 180 days after in service with Commission approval
- Recovery at prevailing WACC less 100bps until future rate case
- Traditional AFUDC treatment until asset is in service

Continued Progress on Potential SRB Opportunities

<u>Proposed Project</u>	<u>MWs</u>	<u>Est. In-Service</u>	<u>Status</u>
Sundance Expansion	90	2026	In Construction
Ironwood Solar	168	2026	In Construction
Redhawk Expansion	397	2028	Contracted

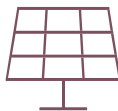
Transmission expansion will drive increased capital investment



Increase
resiliency



Support
customer
growth



Access to
markets

Making progress on multiple strategic transmission opportunities as part of 2025-2027 capital expenditure plan

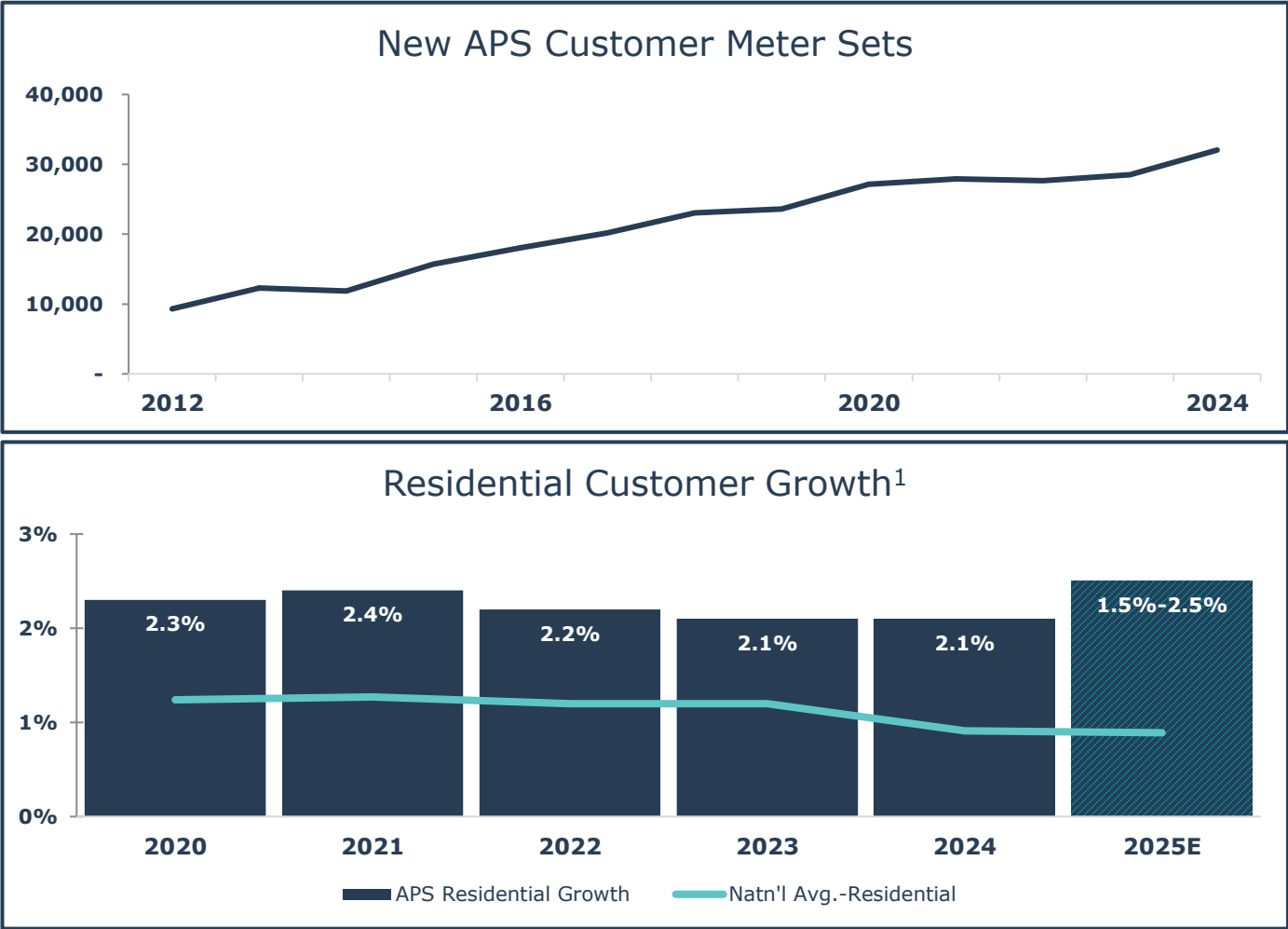
<u>Line</u>	<u>Length (miles)</u>	<u>Voltage</u>	<u>Status</u>	<u>Est. In- Service</u>
Sundance to Milligan	22	230 kV	Siting in progress	2027
Ocotillo to Pinnacle Peak	25	230 kV	Siting in progress	2029
Panda to Freedom	40	230 kV	Siting in progress	2029
Jojoba to Rudd	25	500 kV	Siting in progress	2030

Source: APS 2024-2033 Ten Year Transmission System Plan

Arizona continues to be an attractive service territory with strong customer growth

Arizona economy continues to be robust and attractive

- Phoenix housing is affordable compared to major cities in the region
- U.S. Census ranked Maricopa County third among U.S. counties for growth
- Phoenix is ranked #1 out of 15 top growth markets for manufacturing by Newmark Group, a global real estate firm
- Arizona State University ranked #1 in Innovation for 10th straight year by U.S. News and World Report
- Phoenix remains #1 as best positioned industrial real estate market by Commercial Café Report

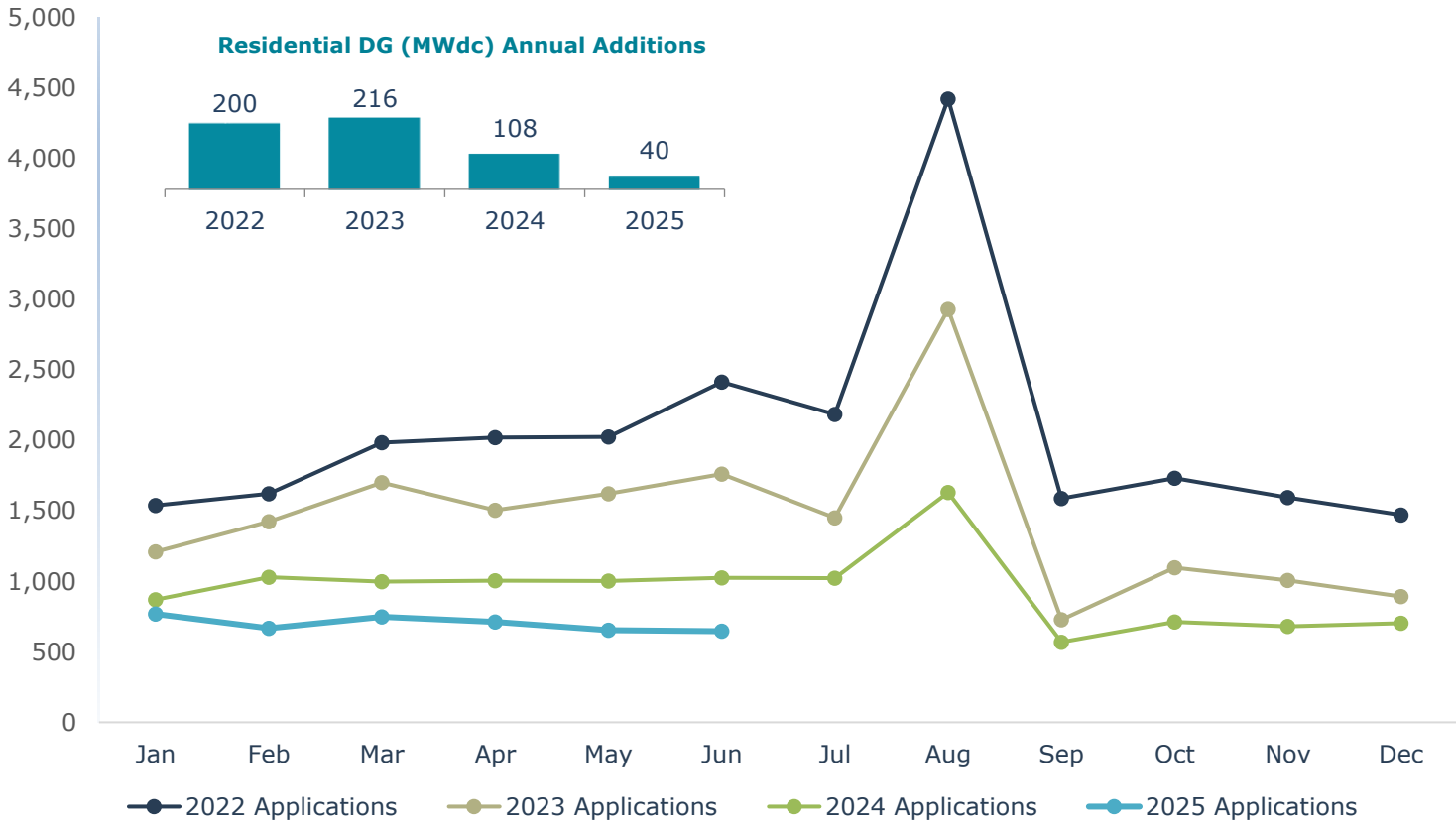


¹ National average from 2024 Itron Annual Energy Survey Report.

Arizona's commercial and industrial growth is diverse



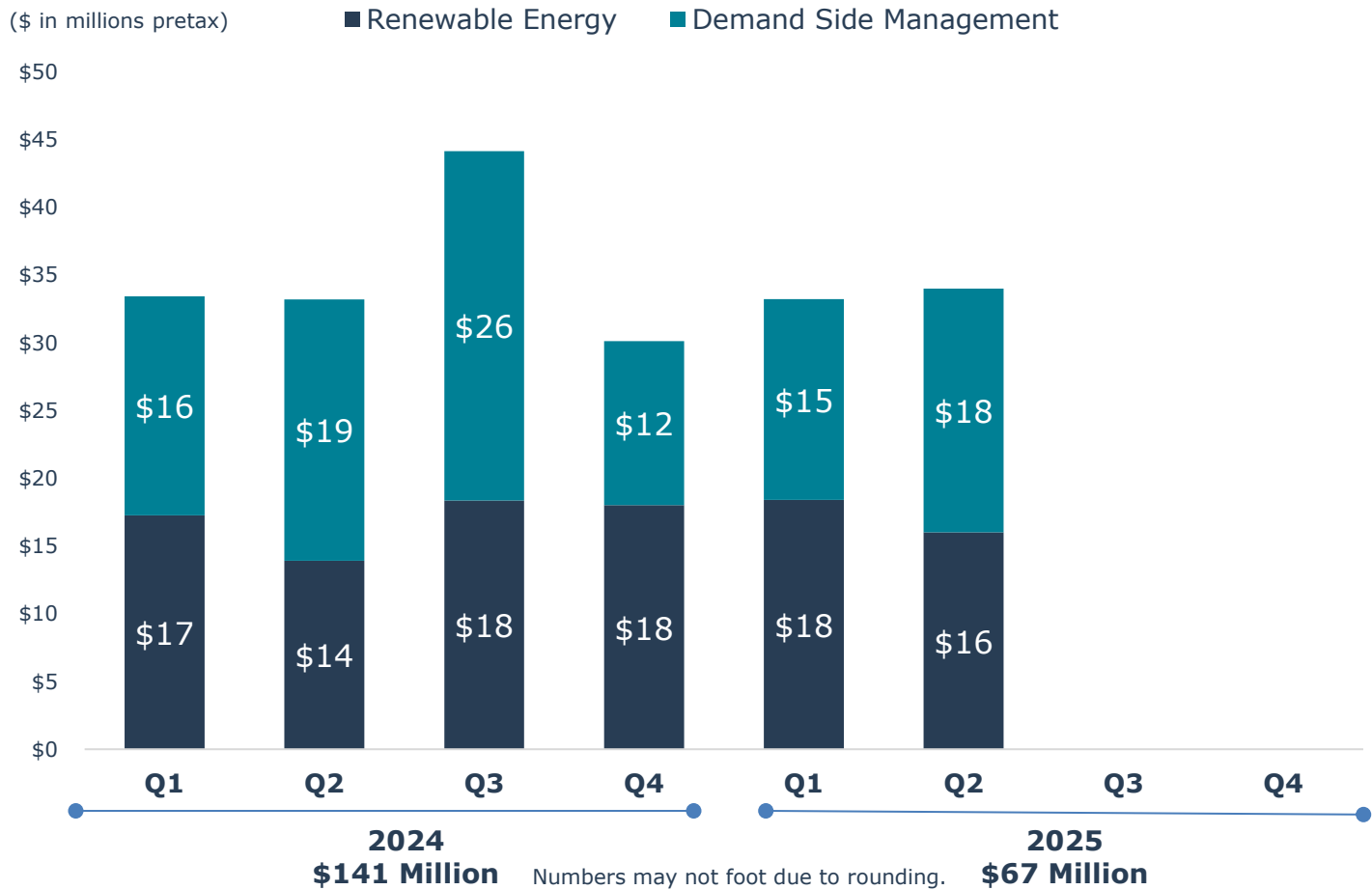
Residential PV Applications



Monthly data equals applications received minus cancelled applications. As of June 30, 2025, approximately 188,955 residential grid-tied solar photovoltaic (PV) systems have been installed in APS's service territory, totaling approximately 1,696 MWdc of installed capacity. Excludes APS Solar Partner Program, APS Solar Communities, and Flagstaff Community Partnership Program.

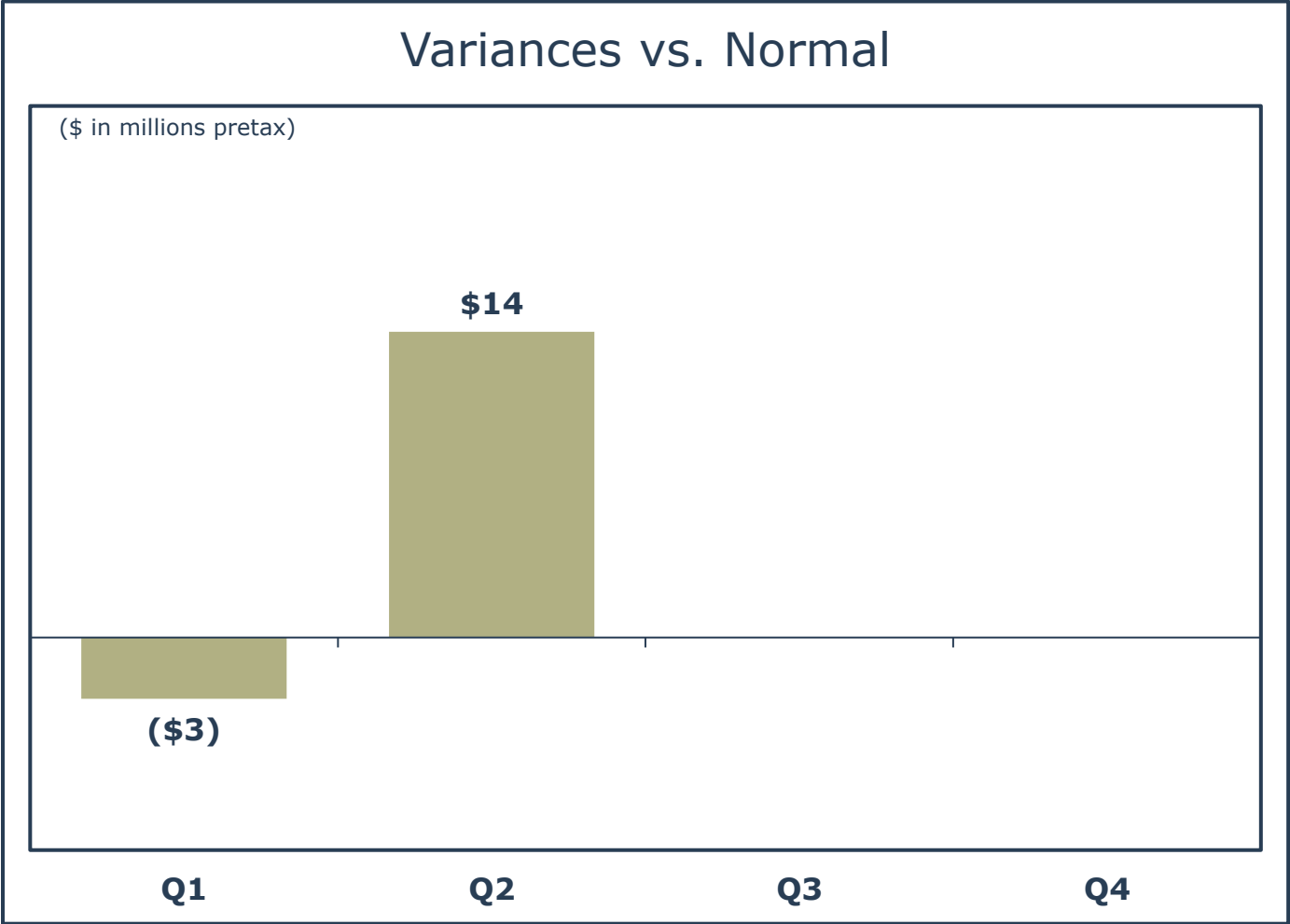
Note: www.arizonagoessolar.org logs total residential application volume, including cancellations.

Renewable Energy & Demand Side Management expenses¹



¹ Renewable Energy and Demand Side Management expenses are substantially offset by adjustment mechanisms.

2025 gross margin effects of weather



2025 Total Weather Impact: \$12 Million

All periods recalculated to current 10-year rolling average (2014 – 2023). Numbers may not foot due to rounding.

2025 Planned Outage Schedule

Coal, Nuclear and Large Gas Planned Outages

Q1

Plant	Unit	Actual Duration in Days
Redhawk	CC2	60
Four Corners	4	72

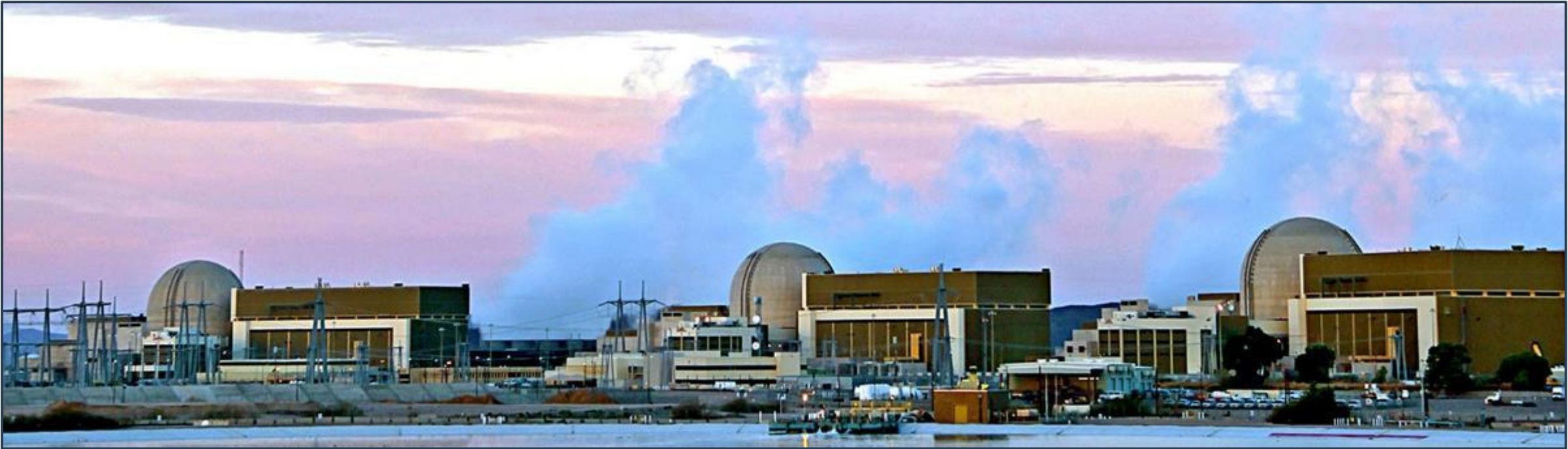
Q2

Plant	Unit	Actual Duration in Days
Palo Verde ¹	1	42
Four Corners	4	12

¹ Outage began at end of Q1

Q4

Plant	Unit	Estimated Duration in Days
Palo Verde	3	36



Non-GAAP Measure Reconciliation

	2024 Actual ³	2025 Guidance ³
Operating revenues ¹	\$5.12 billion	\$5.22 - \$5.32 billion
Fuel and purchased power expenses ¹	\$1.82 billion	\$1.93 - \$1.97 billion
Gross Margin	\$3.30 billion	\$3.29 - \$3.35 billion
Adjustments:		
Renewable energy and demand side management programs ²	\$149 million	\$150 - \$160 million
Adjusted gross margin	\$3.15 billion	\$3.13 - \$3.19 billion
Operations and maintenance¹	\$1.17 billion	\$1.12 - \$1.14 billion
Adjustments:		
Renewable energy and demand side management programs ²	\$141 million	\$150 - \$160 million
Adjusted operations and maintenance	\$1.02 billion	\$965 - \$985 million

¹ Line items from Consolidated Statements of Income.

² Includes \$3.3M for CCT (Coal Community Transition) in 2024 which is recovered through REAC (Renewable Energy Adjustment Charge).


³ Numbers may not foot due to rounding.

2025 Key Regulatory Dates

Case/Docket #	Q1	Q2	Q3	Q4
2025 Rate Case E-01345A-25-0105:		Notice of Intent filed May 15 Application filed June 13	ACC Letter of Sufficiency filed July 14	
Power Supply Adjustor (PSA) E-01345A-22-0144:	2025 PSA rate reset effective March 1			PSA reset to be filed Nov. 26
Transmission Cost Adjustor E-01345A-22-0144:		Filed May 15; effective June 1		
Lost Fixed Cost Recovery E-01345A-25-XXXX:			2025 LFCR filed July 31	2025 LFCR effective Nov. 1 (if approved)
ACC Inquiry Into Nuclear Issues E-00000A-25-0026:		ACC Nuclear Issues Workshop held May 21		
Resource Comparison Proxy E-01345A-24-0095:		Updated RCP calculation filed May 1	RCP Update effective Sep. 1	
Test Year Rules (Regulatory Lag) AU-00000A-23-0012:	ACC adopted Formula Rates Policy Statement Dec. 13, 2024			
2025 Summer Preparedness AU-99999A-25-0004:		2025 Summer Preparedness Workshop held Apr. 24		
2026 RES Implementation Plan E-01345A-25-XXXX:			2026 RES plan filed July 1	
2026 DSM Implementation Plan E-01345A-25-XXXX:		2026 DSM Plan 120-day extension request granted		
ACC Inquiry Into Natural Gas Infrastructure G-00000A-25-0029:			Workshop scheduled August 26	


Wildfire Mitigation

Our current practices are comprehensive and multi-faceted:




Vegetation management

- Comprehensive right-of-way clearance on maintained cycles
- Defensible space around poles (DSAP)
- Hazard tree program




Grid hardening investments

- Ongoing distribution system upgrades
- Mesh pole wrapping
- Expulsion limiting fuses
- Steel poles (if truck accessible)




Asset inspection

- Enhanced line patrols
- Technology deployments
 - Drone use
 - Infra-red scans




Monitoring and awareness

- Dedicated team of meteorologists
- Advanced fire modeling software
- Cameras and weather stations
- Federal & state agency partnerships




Operational mitigations

- Non-reclosing strategy
- Public outreach program
- Red Flag Warning protocols
- Public Safety Power Shutoff (PSPS)



Internal: 18-person **fire mitigation department** engages across entire APS organization to plan and implement initiatives

External: Member of multiple **fire mitigation industry associations**



Independent **third-party reviews** of APS wildfire mitigation plan

Consolidated Statistics

	3 Months Ended June 30,			6 Months Ended June 30,		
	2025	2024	Incr (Decr)	2025	2024	Incr (Decr)
ELECTRIC OPERATING REVENUES (Dollars in Millions)						
Retail						
Residential	\$ 652	\$ 658	\$ (6)	\$ 1,101	\$ 1,091	\$ 10
Business	654	610	44	1,179	1,071	108
Total Retail	1,306	1,268	38	2,279*	2,162	117
Sales for Resale (Wholesale)	18	10	8	43	37	6
Transmission for Others	32	28	4	58	55	2
Other Miscellaneous Services	3	3	(0)	11	6	5
Total Operating Revenues	\$ 1,359	\$ 1,309	\$ 50	\$ 2,391	\$ 2,261	\$ 130
ELECTRIC SALES (GWH)						
Retail						
Residential	3,688	3,805	(118)	6,356	6,572	(216)
Business	4,840	4,536	303	8,878	8,346	532
Total Retail Sales	8,527	8,342	186	15,234	14,918	316
Sales for Resale (Wholesale)	904	788	115	1,991	1,688	302
Total Electric Sales	9,431	9,130	301	17,225	16,606	618
RETAIL SALES (GWH) - WEATHER NORMALIZED						
Residential	3,576	3,509	67	6,280	6,276	4
Business	4,818	4,466	352	8,847	8,293	554
Total Retail Sales	8,394	7,975	418	15,126	14,569	557
Retail sales (GWH) (% over prior year)	5.2%	5.5%		3.8%	5.6%	
AVERAGE ELECTRIC CUSTOMERS						
Retail Customers						
Residential	1,282,226	1,250,437	31,788	1,279,520	1,248,639	30,881
Business	145,834	143,611	2,223	145,489	143,644	1,845
Total Retail	1,428,060	1,394,048	34,011	1,425,009	1,392,283	32,726
Wholesale Customers	60	60	(0)	57	59	(3)
Total Customers	1,428,120	1,394,109	34,011	1,425,065	1,392,342	32,723
Total Customer Growth (% over prior year)	2.4%	2.1%		2.4%	2.0%	
RETAIL USAGE - WEATHER NORMALIZED (KWh/Average Customer)						
Residential	2,789	2,806	(17)	4,908	5,026	(119)
Business	33,034	31,098	1,936	60,806	57,731	3,075

* Includes reduction of accrued unbilled revenues in January 2025.
Numbers may not foot due to rounding.

Consolidated Statistics

	3 Months Ended June 30,			6 Months Ended June 30,		
	2025	2024	Incr (Decr)	2025	2024	Incr (Decr)
ENERGY SOURCES (GWH)						
Generation Production						
Nuclear	2,139	2,192	(53)	4,647	4,741	(94)
Coal	1,448	1,502	(53)	2,549	3,491	(942)
Gas, Oil and Other	2,208	1,960	248	4,430	3,370	1,060
Renewables	295	354	(59)	475	584	(110)
Total Generation Production	6,091	6,007	83	12,101	12,187	(86)
Purchased Power						
Conventional	1,550	1,818	(268)	2,262	2,439	(176)
Resales	248	258	(10)	288	298	(10)
Renewables	1,922	1,222	700	3,414	2,050	1,364
Total Purchased Power	3,720	3,298	422	5,965	4,787	1,177
Total Energy Sources	9,811	9,306	506	18,066	16,974	1,092

POWER PLANT PERFORMANCE

Capacity Factors - Owned						
Nuclear	86%	88%	(1)%	93%	95%	(1)%
Coal	50%	51%	(1)%	43%	59%	(15)%
Gas, Oil and Other	28%	25%	3%	28%	21%	6%
Solar	33%	43%	(10)%	26%	36%	(9)%
System Average	43%	42%	0%	42%	43%	(1)%

	3 Months Ended June 30,			6 Months Ended June 30,		
	2025	2024	Incr (Decr)	2025	2024	Incr (Decr)
WEATHER INDICATORS - RESIDENTIAL						
Actual						
Cooling Degree-Days	548	648	(100)	548	648	(100)
Heating Degree-Days	10	20	(10)	416	496	(80)
Average Humidity	17%	17%	0%	17%	17%	0%
10-Year Averages (2014 - 2023)						
Cooling Degree-Days	509	509	-	509	509	-
Heating Degree-Days	3	3	-	449	449	-
Average Humidity	17%	17%	-	17%	17%	-

Numbers may not foot due to rounding.