WEC Energy Group, Inc.

2023 Second Quarter Earnings

Released August 1, 2023

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WEC Energy Group

News

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August 1, 2023

WEC Energy Group reports second-quarter results

MILWAUKEE – WEC Energy Group (NYSE: WEC) today reported net income of $289.7 million, or 92 cents per share, for the second quarter of 2023 – up from $287.5 million, or 91 cents per share, in last year's second quarter.

For the first six months of 2023, the company recorded net income of $797.2 million, or $2.52 per share – down from $853.4 million, or $2.70 per share, in the corresponding period a year ago.

Consolidated revenues totaled $4.7 billion for the first six months of 2023, down $317.9 million from revenues in the first half of 2022.

“After a down first quarter marked by one of the warmest winters on record, we delivered solid results in the second quarter. And we’re firmly on track for a strong 2023,” said Gale Klappa, executive chairman. “We’re focused on the fundamentals of our business – financial discipline, operating efficiency and customer satisfaction.”

Retail deliveries of electricity – excluding the iron ore mine in Michigan’s Upper Peninsula – were down by 3.0 percent in the second quarter of 2023, compared to the second quarter last year.

Electricity consumption by small commercial and industrial customers was 0.1 percent higher. Electricity use by large commercial and industrial customers – excluding the iron ore mine – declined by 3.2 percent.

Residential electricity use fell by 6.4 percent.

On a weather-normal basis, retail deliveries of electricity during the second quarter of this year – excluding the iron ore mine – decreased by 0.6 percent.

The company is reaffirming its 2023 annual earnings guidance of $4.58 to $4.62 per share, assuming normal weather for the remainder of the year.

Earnings per share listed in this news release are on a fully diluted basis.

Conference call

A conference call is scheduled for 1 p.m. Central time, Tuesday, Aug. 1. The call will review 2023 second-quarter earnings and the company's outlook for the future.

All interested parties, including stockholders, news media and the general public, are invited to listen. Access the call at 888-330-2443 up to 15 minutes before it begins. The number for international callers is 240-789-2728. The conference ID is 3088105.

Conference call access also is available at wecenergygroup.com. Under 'Webcasts,' select 'Q2 Earnings.' In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its second-quarter performance. The materials will be available at 6:30 a.m. Central time, Tuesday, Aug. 1.

Replay

A replay will be available on the website and by phone. Access to the webcast replay will be available on the website about two hours after the call. Access to a phone replay also will be available approximately two hours after the call and remain accessible through Aug. 15, 2023. Domestic callers should dial 800-770-2030. International callers should dial 647-362-9199. The replay conference ID is 3088105.

WEC Energy Group (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving nearly 4.7 million customers in Wisconsin, Illinois, Michigan and Minnesota.

The company's principal utilities are We Energies, Wisconsin Public Service, Peoples Gas, North Shore Gas, Michigan Gas Utilities, Minnesota Energy Resources and Upper Michigan Energy Resources. Another major subsidiary, We Power, designs, builds and owns electric generating plants. In addition, WEC Infrastructure LLC owns a growing fleet of renewable generation facilities in states ranging from South Dakota to Texas.

WEC Energy Group (wecenergygroup.com) is a Fortune 500 company and a component of the S&P 500. The company has approximately 37,000 stockholders of record, 7,000 employees and $43 billion of assets.

Forward-looking statements

Certain statements contained in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based upon management's current expectations and are subject to risks and uncertainties that could cause our actual results to differ materially from those contemplated in the statements. Readers are cautioned not to place undue reliance on these statements. Forward-looking statements include, among other things, statements concerning management's expectations and projections regarding earnings and future

results. In some cases, forward-looking statements may be identified by reference to a future period or periods or by the use of forward-looking terminology such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “guidance,” “intends,” “may,” “objectives,” “plans,” “possible,” “potential,” “projects,” “should,” “targets,” “will” or similar terms or variations of these terms.

Factors that could cause actual results to differ materially from those contemplated in any forward-looking statements include, but are not limited to: general economic conditions, including business and competitive conditions in the company’s service territories; timing, resolution and impact of rate cases and other regulatory decisions; the company’s ability to continue to successfully integrate the operations of its subsidiaries; availability of the company’s generating facilities and/or distribution systems; unanticipated changes in fuel and purchased power costs; key personnel changes; unusual, varying or severe weather conditions; continued industry restructuring and consolidation; continued advances in, and adoption of, new technologies that produce power or reduce power consumption; energy and environmental conservation efforts; natural gas reduction or electrification initiatives, mandates and other efforts to reduce the use of natural gas; the company’s ability to successfully acquire and/or dispose of assets and projects and to execute on its capital plan; terrorist, physical or cyber-security threats or attacks and data security breaches; construction risks; equity and bond market fluctuations; changes in the company’s and its subsidiaries’ ability to access the capital markets; changes in tax legislation or our ability to use certain tax benefits and carryforwards; federal, state, and local legislative and regulatory changes, including changes to environmental standards, the enforcement of these laws and regulations and changes in the interpretation of regulations by regulatory agencies; supply chain disruptions; inflation; political or geopolitical developments, including impacts on the global economy, supply chain and fuel prices, generally, from the ongoing conflict between Russia and Ukraine; the impact from any health crises, including epidemics and pandemics; current and future litigation and regulatory investigations, proceedings or inquiries; changes in accounting standards; the financial performance of American Transmission Company as well as projects in which the company’s energy infrastructure business invests; the ability of the company to obtain additional generating capacity at competitive prices; goodwill and its possible impairment; and other factors described under the heading “Factors Affecting Results, Liquidity and Capital Resources” in Management’s Discussion and Analysis of Financial Condition and Results of Operations and under the headings “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” contained in the company’s Form 10-K for the year ended December 31, 2022, and in subsequent reports filed with the Securities and Exchange Commission. Except as may be required by law, the company expressly disclaims any obligation to publicly update or revise any forward-looking information.

Tables follow

CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited)	Three Months Ended June 30		Six Months Ended June 30	
(in millions, except per share amounts)	2023	2022	2023	2022
Operating revenues	**$ 1,830.0**	$ 2,127.9	**$ 4,718.1**	$ 5,036.0
Operating expenses				
Cost of sales	**533.0**	935.0	**1,842.7**	2,318.4
Other operation and maintenance	**496.0**	449.0	**1,030.0**	903.4
Depreciation and amortization	**313.9**	279.6	**619.4**	557.7
Property and revenue taxes	**61.8**	56.1	**131.4**	116.9
Total operating expenses	**1,404.7**	1,719.7	**3,623.5**	3,896.4
Operating income	**425.3**	408.2	**1,094.6**	1,139.6
Equity in earnings of transmission affiliates	**43.6**	43.0	**87.4**	84.7
Other income, net	**48.3**	19.8	**89.1**	59.4
Interest expense	**178.7**	119.8	**350.9**	237.4
Other expense	**(86.8)**	(57.0)	**(174.4)**	(93.3)
Income before income taxes	**338.5**	351.2	**920.2**	1,046.3
Income tax expense	**48.5**	63.4	**122.6**	190.5
Net income	**290.0**	287.8	**797.6**	855.8
Preferred stock dividends of subsidiary	**0.3**	0.3	**0.6**	0.6
Net loss (income) attributed to noncontrolling interests	**—**	—	**0.2**	(1.8)
Net income attributed to common shareholders	**$ 289.7**	$ 287.5	**$ 797.2**	$ 853.4
Earnings per share				
Basic	**$ 0.92**	$ 0.91	**$ 2.53**	$ 2.71
Diluted	**$ 0.92**	$ 0.91	**$ 2.52**	$ 2.70
Weighted average common shares outstanding				
Basic	**315.4**	315.4	**315.4**	315.4
Diluted	**315.9**	316.2	**315.9**	316.2
Dividends per share of common stock	**$ 0.7800**	$ 0.7275	**$ 1.5600**	$ 1.4550

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) *(in millions, except share and per share amounts)*	June 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	**$ 54.7**	$ 28.9
Accounts receivable and unbilled revenues, net of reserves of $178.7 and $199.3, respectively	**1,315.1**	1,818.4
Materials, supplies, and inventories	**603.7**	807.1
Prepaid taxes	**215.1**	201.8
Other prepayments	**42.8**	69.8
Collateral on deposit	**151.3**	122.4
Other	**74.9**	139.3
Current assets	**2,457.6**	3,187.7
Long-term assets		
Property, plant, and equipment, net of accumulated depreciation and amortization of $10,717.0 and $10,383.8, respectively	**31,010.4**	29,113.8
Regulatory assets (June 30, 2023 and December 31, 2022 include $89.5 and $92.4, respectively, related to WEPCo Environmental Trust Finance I, LLC)	**3,238.9**	3,264.6
Equity investment in transmission affiliates	**1,955.9**	1,909.2
Goodwill	**3,052.8**	3,052.8
Pension and OPEB assets	**951.0**	916.7
Other	**352.7**	427.3
Long-term assets	**40,561.7**	38,684.4
Total assets	**$ 43,019.3**	$ 41,872.1
Liabilities and Equity		
Current liabilities		
Short-term debt	**$ 1,090.3**	$ 1,647.1
Current portion of long-term debt (June 30, 2023 and December 31, 2022 include $9.0 and $8.9, respectively, related to WEPCo Environmental Trust Finance I, LLC)	**1,377.5**	881.2
Accounts payable	**748.5**	1,198.1
Other	**880.6**	884.6
Current liabilities	**4,096.9**	4,611.0
Long-term liabilities		
Long-term debt (June 30, 2023 and December 31, 2022 include $89.7 and $94.1, respectively, related to WEPCo Environmental Trust Finance I, LLC)	**15,608.3**	14,766.2
Deferred income taxes	**4,774.0**	4,625.6
Deferred revenue, net	**363.5**	370.7
Regulatory liabilities	**3,712.9**	3,735.5
Intangible liabilities	**621.6**	335.4
Asset retirement obligations	**502.9**	479.3
Environmental remediation liabilities	**475.8**	499.6
Other	**832.0**	832.2
Long-term liabilities	**26,891.0**	25,644.5
Commitments and contingencies		
Common shareholders' equity		
Common stock – $0.01 par value; 325,000,000 shares authorized; 315,434,531 shares outstanding	**3.2**	3.2
Additional paid in capital	**4,114.7**	4,115.2
Retained earnings	**7,570.4**	7,265.3
Accumulated other comprehensive loss	**(6.9)**	(6.8)
Common shareholders' equity	**11,681.4**	11,376.9
Preferred stock of subsidiary	**30.4**	30.4
Noncontrolling interests	**319.6**	209.3
Total liabilities and equity	**$ 43,019.3**	$ 41,872.1

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)	Six Months Ended June 30	
(in millions)	**2023**	**2022**
Operating activities		
Net income	**$ 797.6**	$ 855.8
Reconciliation to cash provided by operating activities		
Depreciation and amortization	**619.4**	557.7
Deferred income taxes and ITCs, net	**113.4**	163.2
Contributions and payments related to pension and OPEB plans	**(9.2)**	(8.6)
Equity income in transmission affiliates, net of distributions	**(13.4)**	(17.5)
Change in –		
Accounts receivable and unbilled revenues, net	**529.5**	36.3
Materials, supplies, and inventories	**213.3**	63.6
Collateral on deposit	**(28.9)**	0.1
Amounts recoverable from customers	**33.7**	(31.9)
Other current assets	**16.2**	23.4
Accounts payable	**(388.4)**	1.5
Temporary LIFO liquidation credit	**2.1**	107.6
Collateral received	**—**	85.0
Other current liabilities	**(41.9)**	43.4
Other, net	**(89.1)**	(117.0)
Net cash provided by operating activities	**1,754.3**	1,762.6
Investing activities		
Capital expenditures	**(1,073.7)**	(1,028.8)
Acquisition of Whitewater Cogeneration Facility	**(76.0)**	—
Acquisition of Sapphire Sky Wind Energy LLC, net of cash acquired of $0.3	**(442.6)**	—
Acquisition of Samson I Solar Energy Center LLC, net of cash acquired of $5.2	**(249.4)**	—
Acquisition of Red Barn Wind Park	**(143.8)**	—
Acquisition of West Riverside Energy Center	**(95.3)**	—
Capital contributions to transmission affiliates	**(33.3)**	(30.3)
Proceeds from the sale of assets	**30.4**	65.0
Proceeds from the sale of investments held in rabbi trust	**10.4**	15.4
Payments for American Transmission Company LLC's construction costs that will be reimbursed	**(19.1)**	(11.2)
Insurance proceeds received for property damage	**—**	41.3
Other, net	**(9.0)**	11.1
Net cash used in investing activities	**(2,101.4)**	(937.5)
Financing activities		
Exercise of stock options	**2.3**	23.0
Purchase of common stock	**(9.5)**	(48.4)
Dividends paid on common stock	**(492.1)**	(459.0)
Issuance of long-term debt	**1,450.0**	—
Retirement of long-term debt	**(76.8)**	(49.1)
Change in commercial paper	**(556.6)**	(269.3)
Payments for debt issuance costs	**(9.6)**	(0.8)
Other, net	**(2.7)**	(4.1)
Net cash provided by (used in) financing activities	**305.0**	(807.7)
Net change in cash, cash equivalents, and restricted cash	**(42.1)**	17.4
Cash, cash equivalents, and restricted cash at beginning of period	**182.2**	87.5
Cash, cash equivalents, and restricted cash at end of period	**$ 140.1**	$ 104.9

Summary of Regulated Operation and Maintenance Expense

Wisconsin Segment

	Three Months Ended June 30		
(in millions)	**2023**	**2022**	**B (W)**
Operation and maintenance not included in the line items below	**$ 134.3**	$ 172.0	$ 37.7
Transmission [1]	**131.6**	107.4	(24.2)
Regulatory amortizations and other pass through expenses [2]	**51.2**	36.6	(14.6)
We Power [3]	**35.5**	27.3	(8.2)
Earnings sharing mechanisms [4]	**(0.8)**	(5.4)	(4.6)
Total other operation and maintenance	**$ 351.8**	$ 337.9	$ (13.9)

[1] Represents transmission expense that our electric utilities are authorized to collect in rates. The Public Service Commission of Wisconsin (PSCW) has approved escrow accounting for American Transmission Company LLC and Midcontinent Independent System Operator Inc. network transmission expenses for Wisconsin Electric Power Company (WE) and Wisconsin Public Service Corporation (WPS). As a result, WE and WPS defer as a regulatory asset or liability, the difference between actual transmission costs and those included in rates until recovery or refund is authorized in a future rate proceeding. During the second quarter of 2023 and 2022, $127.9 million and $130.1 million, respectively, of costs were billed to our electric utilities by transmission providers.

During the second quarter of 2022, WE and WPS amortized $20.3 million of the regulatory liabilities associated with their transmission escrows to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases. This amortization drove the lower transmission expense during the second quarter of 2022.

[2] Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income. Effective January 1, 2023, the PSCW approved escrow accounting for pension and OPEB costs as well as certain costs associated with our jointly-owned Columbia plant. As a result, our Wisconsin utilities defer as a regulatory asset or liability, the difference between these actual costs and those included in rates until recovery or refund is authorized in a future rate proceeding.

[3] Represents costs associated with the W.E. Power, LLC (We Power) generation units, including operating and maintenance costs recognized by WE. During the second quarter of 2023 and 2022, $35.8 million and $26.1 million, respectively, of costs were billed to or incurred by WE related to the We Power generation units, with the difference in costs billed or incurred and expenses recognized, either deferred or deducted from the regulatory asset.

[4] For the second quarter of 2022, this amount represented amortization of a certain portion of WPS's regulatory liability associated with its 2020 earnings sharing mechanism to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases.

Illinois Segment

	Three Months Ended June 30		
(in millions)	**2023**	**2022**	**B (W)**
Operation and maintenance not included in the line items below	**$ 87.8**	$ 53.3	$ (34.5)
Riders [1]	**17.5**	26.4	8.9
Regulatory amortizations [1]	**—**	(0.6)	(0.6)
Total other operation and maintenance	**$ 105.3**	$ 79.1	$ (26.2)

[1] These riders and regulatory amortizations are substantially offset in margins and therefore do not have a significant impact on net income.

Other States Segment

	Three Months Ended June 30		
(in millions)	**2023**	**2022**	**B (W)**
Operation and maintenance not included in line item below	**$ 18.4**	$ 18.9	$ 0.5
Regulatory amortizations and other pass through expenses [1]	**3.4**	4.0	0.6
Total other operation and maintenance	**$ 21.8**	$ 22.9	$ 1.1

[1] Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income.

Summary of Other Operation and Maintenance Expense - YTD

Wisconsin Segment

	Six Months Ended June 30		
(in millions)	**2023**	**2022**	**B (W)**
Operation and maintenance not included in the line items below	**$ 289.3**	$ 318.7	$ 29.4
Transmission [1]	**269.7**	215.3	(54.4)
Regulatory amortizations and other pass through expenses [2]	**104.3**	72.4	(31.9)
We Power [3]	**71.0**	54.9	(16.1)
Earnings sharing mechanisms [4]	**(1.7)**	(10.8)	(9.1)
Total other operation and maintenance	**$ 732.6**	$ 650.5	$ (82.1)

[1] Represents transmission expense that our electric utilities are authorized to collect in rates. The Public Service Commission of Wisconsin (PSCW) has approved escrow accounting for American Transmission Company LLC and Midcontinent Independent System Operator Inc. network transmission expenses for Wisconsin Electric Power Company (WE) and Wisconsin Public Service Corporation (WPS). As a result, WE and WPS defer as a regulatory asset or liability, the difference between actual transmission costs and those included in rates until recovery or refund is authorized in a future rate proceeding. During the six months ended June 30, 2023 and 2022, $255.2 million and $256.6 million, respectively, of costs were billed to our electric utilities by transmission providers.

During the six months ended June 30, 2022, WE and WPS amortized $40.5 million of the regulatory liabilities associated with their transmission escrows to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases. This amortization drove the lower transmission expense during the six months ended June 30, 2022.

[2] Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income. Effective January 1, 2023, the PSCW approved escrow accounting for pension and OPEB costs as well as certain costs associated with our jointly-owned Columbia plant. As a result, our Wisconsin utilities defer as a regulatory asset or liability, the difference between these actual costs and those included in rates until recovery or refund is authorized in a future rate proceeding.

[3] Represents costs associated with the W.E. Power, LLC (We Power) generation units, including operating and maintenance costs recognized by WE. During the six months ended June 30, 2023 and 2022, $62.4 million and $50.9 million, respectively, of costs were billed to or incurred by WE related to the We Power generation units, with the difference in costs billed or incurred and expenses recognized, either deferred or deducted from the regulatory asset.

[4] For the six months ended June 30, 2022, this amount represented amortization of a certain portion of WPS's regulatory liability associated with its 2020 earnings sharing mechanism to offset certain 2022 revenue deficiencies, as approved by the PSCW in order to forego filing for 2022 base rate increases.

Illinois Segment

	Six Months Ended June 30		
(in millions)	**2023**	**2022**	**B (W)**
Operation and maintenance not included in the line items below	**$ 158.5**	$ 123.8	$ (34.7)
Riders [1]	**60.7**	69.9	9.2
Regulatory amortizations [1]	**(0.2)**	(1.0)	(0.8)
Total other operation and maintenance	**$ 219.0**	$ 192.7	$ (26.3)

[1] These riders and regulatory amortizations are substantially offset in margins and therefore do not have a significant impact on net income.

Other States Segment

	Six Months Ended June 30		
(in millions)	**2023**	**2022**	**B (W)**
Operation and maintenance not included in line item below	**$ 34.9**	$ 36.3	$ 1.4
Regulatory amortizations and other pass through expenses [1]	**11.6**	11.2	(0.4)
Total other operation and maintenance	**$ 46.5**	$ 47.5	$ 1.0

[1] Regulatory amortizations and other pass through expenses are substantially offset in margins and therefore do not have a significant impact on net income.

SECOND QUARTER 2023 AND 2022 WEATHER AND VOLUMES Weather — Degree Days	2023	2022	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (911 Normal)	**758**	840	(9.8)%
Cooling (171 Normal)	**158**	259	(39.0)%
Wisconsin Public Service [2]			
Heating (950 Normal)	**873**	908	(3.9)%
Cooling (148 Normal)	**174**	249	(30.1)%
Upper Michigan Energy Resources [3]			
Heating (1,188 Normal)	**1,118**	1,232	(9.3)%
Cooling (83 Normal)	**108**	115	(6.1)%
Peoples Gas and North Shore Gas [4]			
Heating (725 Normal)	**601**	722	(16.8)%
Minnesota Energy Resources [5]			
Heating (956 Normal)	**877**	1,112	(21.1)%
Michigan Gas [5]			
Heating (782 Normal)	**748**	796	(6.0)%

(1) Normal degree days are based on a 20-year moving average of monthly temperatures from Mitchell International Airport in Milwaukee, Wisconsin.
(2) Normal degree days are based on a 20-year moving average of monthly temperatures from the Green Bay, Wisconsin weather station.
(3) Normal degree days are based on a 20-year moving average of monthly temperatures from the Iron Mountain, Michigan weather station.
(4) Normal degree days are based on a 12-year moving average of monthly temperatures from Chicago's O'Hare Airport.
(5) Normal degree days for Minnesota Energy Resources and Michigan Gas are based on a 20-year moving average and 15-year moving average, respectively, of monthly temperatures from various weather stations throughout their respective service territories.

ELECTRIC UTILITY OPERATIONS – SECOND QUARTER *(in thousands)*	MWh 2023	2022	Change
Customer class			
Residential	**2,486.9**	2,657.1	(6.4)%
Small commercial and industrial [1]	**3,108.4**	3,106.5	0.1 %
Large commercial and industrial [1]	**2,999.9**	2,988.4	0.4 %
Other	**25.6**	28.9	(11.4)%
Total retail [1]	**8,620.8**	8,780.9	(1.8)%
Wholesale	**446.5**	639.4	(30.2)%
Resale	**962.3**	855.4	12.5 %
Total MWh sales [1]	**10,029.6**	10,275.7	(2.4)%

(1) Includes distribution sales for customers who have purchased power from an alternative electric supplier in Michigan.

GAS UTILITY OPERATIONS – SECOND QUARTER	Therms											
	2023				2022				Change			
(in millions)	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**150.2**	**117.1**	**43.6**	**310.9**	175.9	145.2	52.6	373.7	(14.6)%	(19.4)%	(17.1)%	(16.8)%
Commercial/industrial	**107.2**	**41.3**	**28.0**	**176.5**	106.4	52.5	37.8	196.7	0.8 %	(21.3)%	(25.9)%	(10.3)%
Total retail	**257.4**	**158.4**	**71.6**	**487.4**	282.3	197.7	90.4	570.4	(8.8)%	(19.9)%	(20.8)%	(14.6)%
Transportation	**292.2**	**128.4**	**178.8**	**599.4**	321.0	133.9	164.9	619.8	(9.0)%	(4.1)%	8.4 %	(3.3)%
Total sales in therms	**549.6**	**286.8**	**250.4**	**1,086.8**	603.3	331.6	255.3	1,190.2	(8.9)%	(13.5)%	(1.9)%	(8.7)%

SECOND QUARTER YTD 2023 AND 2022 WEATHER AND VOLUMES Weather — Degree Days	2023	2022	Change
Wisconsin Gas and Wisconsin Electric [1]			
Heating (4,194 Normal)	**3,591**	4,165	(13.8)%
Cooling (171 Normal)	**158**	259	(39.0)%
Wisconsin Public Service [2]			
Heating (4,617 Normal)	**4,229**	4,751	(11.0)%
Cooling (148 Normal)	**174**	249	(30.1)%
Upper Michigan Energy Resources [3]			
Heating (5,178 Normal)	**4,756**	5,571	(14.6)%
Cooling (83 Normal)	**108**	115	(6.1)%
Peoples Gas and North Shore Gas [4]			
Heating (3,844 Normal)	**3,320**	3,931	(15.5)%
Minnesota Energy Resources [5]			
Heating (4,914 Normal)	**4,759**	5,424	(12.3)%
Michigan Gas [5]			
Heating (3,970 Normal)	**3,486**	4,030	(13.5)%

(1) Normal degree days are based on a 20-year moving average of monthly temperatures from Mitchell International Airport in Milwaukee, Wisconsin.
(2) Normal degree days are based on a 20-year moving average of monthly temperatures from the Green Bay, Wisconsin weather station.
(3) Normal degree days are based on a 20-year moving average of monthly temperatures from the Iron Mountain, Michigan weather station.
(4) Normal degree days are based on a 12-year moving average of monthly temperatures from Chicago's O'Hare Airport.
(5) Normal degree days for Minnesota Energy Resources and Michigan Gas are based on a 20-year moving average and 15-year moving average, respectively, of monthly temperatures from various weather stations throughout their respective service territories.

ELECTRIC UTILITY OPERATIONS – SECOND QUARTER YTD	MWh		
(in thousands)	2023	2022	Change
Customer class			
Residential	**5,166.3**	5,501.1	(6.1)%
Small commercial and industrial [1]	**6,203.5**	6,312.1	(1.7)%
Large commercial and industrial [1]	**5,908.2**	5,970.5	(1.0)%
Other	**63.1**	69.1	(8.7)%
Total retail [1]	**17,341.1**	17,852.8	(2.9)%
Wholesale	**921.0**	1,357.9	(32.2)%
Resale	**2,221.3**	2,094.2	6.1 %
Total MWh sales [1]	**20,483.4**	21,304.9	(3.9)%

(1) Includes distribution sales for customers who have purchased power from an alternative electric supplier in Michigan.

GAS UTILITY OPERATIONS – SECOND QUARTER YTD	Therms											
	2023				2022				Change			
(in millions)	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total	Wisconsin	Illinois	Other States	Total
Customer class												
Residential	**644.1**	**491.0**	**189.2**	**1,324.3**	741.2	575.0	224.6	1,540.8	(13.1)%	(14.6)%	(15.8)%	(14.1)%
Commercial/industrial	**405.7**	**192.4**	**120.8**	**718.9**	452.6	225.4	140.8	818.8	(10.4)%	(14.6)%	(14.2)%	(12.2)%
Total retail	**1,049.8**	**683.4**	**310.0**	**2,043.2**	1,193.8	800.4	365.4	2,359.6	(12.1)%	(14.6)%	(15.2)%	(13.4)%
Transportation	**701.0**	**434.5**	**398.4**	**1,533.9**	767.6	492.6	425.9	1,686.1	(8.7)%	(11.8)%	(6.5)%	(9.0)%
Total sales in therms	**1,750.8**	**1,117.9**	**708.4**	**3,577.1**	1,961.4	1,293.0	791.3	4,045.7	(10.7)%	(13.5)%	(10.5)%	(11.6)%

RETAIL ELECTRIC SALES VOLUME INFORMATION
SECOND QUARTER

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended June 30		Annual
	2023 Actual vs. 2022 Actual	2023 Normalized vs. 2022 Normalized [1]	2023 Forecast vs. 2022 Normalized [1], [2]
Residential	(6.4)%	— %	— %
Small commercial/industrial	0.1 %	1.4 %	0.2 %
Large commercial/industrial (ex. mine)	(3.2)%	(3.1)%	(0.2)%
Total large commercial/industrial	0.4 %	0.5 %	0.8 %
Total retail sales volumes	(1.8)%	0.6 %	0.3 %
Total retail sales volumes (ex. mine)	(3.0)%	(0.6)%	— %

RETAIL ELECTRIC SALES VOLUME INFORMATION
SECOND QUARTER YTD

DELIVERED ELECTRIC VOLUMES – TOTAL WISCONSIN SEGMENT	Six Months Ended June 30		Annual
	2023 Actual vs. 2022 Actual	2023 Normalized vs. 2022 Normalized [1]	2023 Forecast vs. 2022 Normalized [1], [2]
Residential	(6.1)%	(0.2)%	— %
Small commercial/industrial	(1.7)%	— %	0.2 %
Large commercial/industrial (ex. mine)	(3.6)%	(3.5)%	(0.2)%
Total large commercial/industrial	(1.0)%	(1.0)%	0.8 %
Total retail sales volumes	(2.9)%	(0.4)%	0.3 %
Total retail sales volumes (ex. mine)	(3.7)%	(1.2)%	— %

[1] Normalized — 20 year average weather adjusted
[2] Actual results may differ materially from these forecasts because of seasonal, economic, and other factors.

RETAIL NATURAL GAS SALES VOLUME INFORMATION
SECOND QUARTER

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Three Months Ended June 30		Annual
	2023 Actual vs. 2022 Actual	2023 Normalized vs. 2022 Normalized [1]	2023 Forecast vs. 2022 Normalized [1], [2]
Residential	(14.6)%	(8.4)%	0.6 %
Total commercial/industrial	0.7 %	5.0 %	— %
Total retail sales volumes	(8.8)%	(3.4)%	0.4 %
Transport (w/o power generation)	(2.5)%	(2.1)%	— %
Total sales volumes (w/o power generation)	(5.6)%	(2.7)%	0.2 %

RETAIL NATURAL GAS SALES VOLUME INFORMATION
SECOND QUARTER YTD

DELIVERED NATURAL GAS VOLUMES – TOTAL WISCONSIN SEGMENT	Six Months Ended June 30		Annual
	2023 Actual vs. 2022 Actual	2023 Normalized vs. 2022 Normalized [1]	2023 Forecast vs. 2022 Normalized [1], [2]
Residential	(13.1)%	(1.4)%	0.6 %
Total commercial/industrial	(10.4)%	(0.8)%	— %
Total retail sales volumes	(12.1)%	(1.2)%	0.4 %
Transport (w/o power generation)	(4.0)%	(2.1)%	— %
Total sales volumes (w/o power generation)	(9.0)%	(1.5)%	0.2 %

[1] Normalized — 20 year average weather adjusted
[2] Actual results may differ materially from these forecasts because of seasonal, economic, and other factors.

OTHER FINANCIAL INFORMATION
SIX MONTHS ENDED JUNE 30, 2023 AND 2022

EBIT and EBITDA	**2023**	**2022**
(in millions)	**Actual**	**Actual**
Net income attributed to common shareholders	**$ 797.2**	$ 853.4
Income tax expense	**122.6**	190.5
Interest expense	**350.9**	237.4
EBIT	**1,270.7**	1,281.3
Depreciation and amortization	**619.4**	557.7
EBITDA	**$ 1,890.1**	$ 1,839.0

Capitalization Structure	**June 30, 2023**	
(in millions)	**Actual**	**Adjusted** [1]
Common shareholders' equity	**$ 11,681.4**	$ 11,931.4
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current portion)	**16,985.8**	16,735.8
Short-term debt	**1,090.3**	1,090.3
Total capitalization	**$ 29,787.9**	$ 29,787.9
Total debt	**$ 18,076.1**	$ 17,826.1
Ratio of debt to total capitalization	**60.7 %**	59.8 %

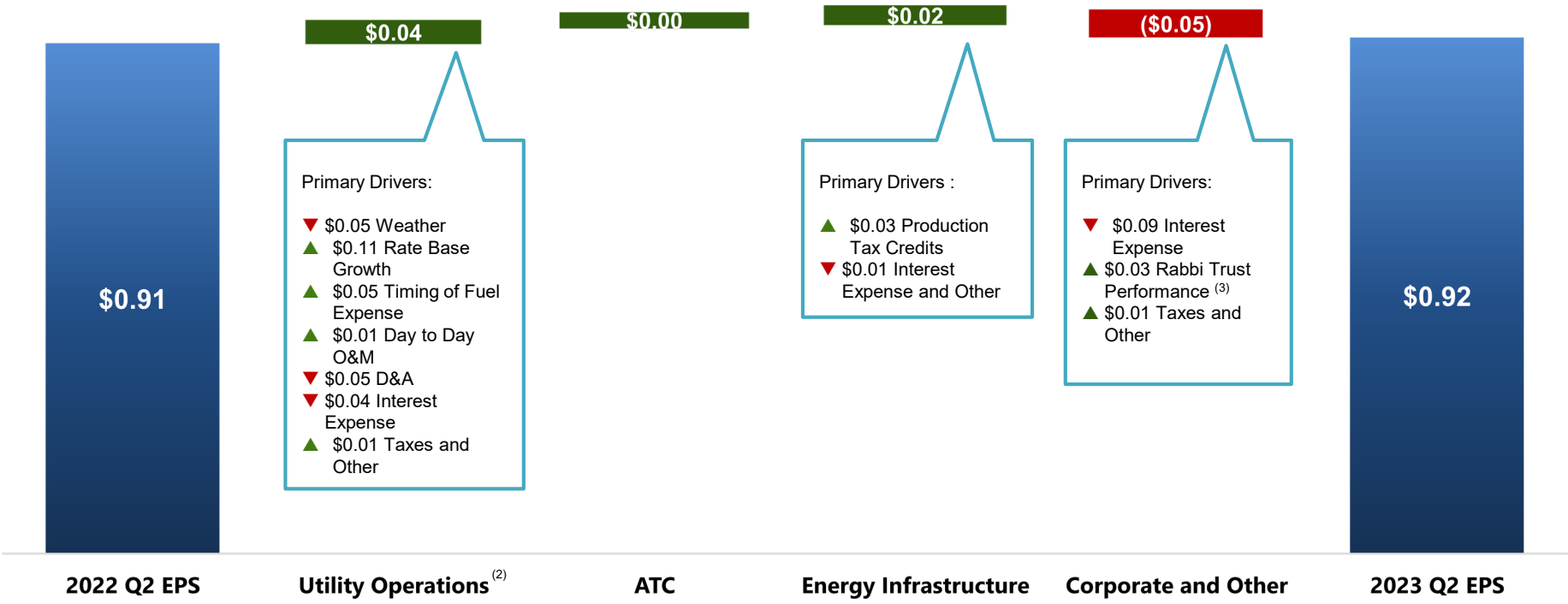
Capitalization Structure	**December 31, 2022**	
(in millions)	**Actual**	**Adjusted** [1]
Common shareholders' equity	**$ 11,376.9**	$ 11,626.9
Preferred stock of subsidiary	**30.4**	30.4
Long-term debt (including current portion)	**15,647.4**	15,397.4
Short-term debt	**1,647.1**	1,647.1
Total capitalization	**$ 28,701.8**	$ 28,701.8
Total debt	**$ 17,294.5**	$ 17,044.5
Ratio of debt to total capitalization	**60.3 %**	59.4 %

(1) Included in long-term debt on our Consolidated Balance Sheets as of June 30, 2023 and December 31, 2022, is $500.0 million principal amount of WEC Energy Group's 2007 Junior Subordinated Notes due 2067. The adjusted presentation attributes $250.0 million of the Junior Notes to common shareholders' equity and $250.0 million to long-term debt, similar to how the majority of rating agencies treat them.

CREDIT RATINGS

	S & P	Moody's	Fitch
WEC Energy Group, Inc.			
Senior unsecured debt	BBB+	Baa1	BBB+
Commercial paper	A-2	P-2	F2
Junior subordinated notes	BBB	Baa2	BBB-
Wisconsin Electric			
Senior unsecured debt	A-	A2	A+
Commercial paper	A-2	P-1	F1
Wisconsin Public Service			
Senior unsecured debt	A-	A2	A+
Commercial paper	A-2	P-1	F1
Wisconsin Gas			
Senior unsecured debt	A	A3	A
Commercial paper	A-1	P-2	F2
Peoples Gas Light & Coke			
Senior secured debt	N/A	Aa3	A+
Commercial paper	A-2	P-1	F2
Elm Road Generating Station Supercritical, LLC			
Senior secured debt	A-	A2	A+
Integrys Holding, Inc.			
Senior unsecured debt	BBB+	Baa1	BBB+
Junior subordinated notes	BBB	Baa2	BBB-

Quarterly EPS Earnings Drivers[1]



(1) All amounts (other than actual quarter-end EPS results and tax items) are presented on an after tax basis assuming a statutory effective tax rate.
(2) Includes aggregate results across our Wisconsin (+$0.12), Illinois (-$0.08), and Other States ($0.00) segments.
(3) Higher O&M expense related to deferred compensation liabilities at the utilities substantially offsets favorable Rabbi Trust performance and vice versa.