



## News

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### **WEC Energy Group posts strong 2019 results**

MILWAUKEE - WEC Energy Group (NYSE: WEC) today reported net income of \$1.13 billion, or \$3.58 per share, for 2019. This compares to earnings of \$1.06 billion, or \$3.34 per share, for 2018.

For the fourth quarter of 2019, WEC Energy Group recorded net income of \$243.9 million, or 77 cents per share. This compares to earnings of \$205.0 million, or 65 cents per share, for the fourth quarter of 2018.

“From network reliability to customer satisfaction to earnings and dividend growth, the company continues to perform at a high level,” said Gale Klappa, executive chairman. “And we’re poised for progress in 2020 as we work to deliver a clean energy future that is safe, reliable and affordable.”

During the fourth quarter of 2019, two WEC Energy Group utilities — We Energies and Wisconsin Public Service — were honored for superior reliability of their electric delivery networks. This is the ninth consecutive year that We Energies has been named best in the Midwest and the first time Wisconsin Public Service has been recognized.

For the full year, retail deliveries of electricity — excluding the iron ore mine in Michigan’s Upper Peninsula — decreased by 2.8 percent. Residential electricity use declined by 2.5 percent. Electricity consumption by small commercial and industrial customers also was 2.5 percent lower.

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Electricity use by large commercial and industrial customers — excluding the iron ore mine — decreased by 3.5 percent during 2019.

On a weather-normal basis for 2019, retail deliveries of electricity — excluding the iron ore mine — fell by 1.7 percent.

Natural gas deliveries in Wisconsin, excluding gas used for power generation, rose by 2.6 percent during 2019. On a weather-normal basis, natural gas deliveries grew by 1.8 percent during the year.

At the end of 2019, WEC Energy Group utilities were serving approximately 10,000 more electric and 14,000 more natural gas customers than at the same time a year ago.

“Today, we are also reaffirming the company’s 2020 earnings guidance. We expect earnings to be in a range of \$3.71 to \$3.75 per share — in line with our long-term objective of growing earnings at a rate of 5 to 7 percent annually,” Klappa said.

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, Thursday, Jan. 30. The call will review 2019 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 877-683-2228 up to 15 minutes before it begins. The number for international callers is 647-689-5446. The conference ID is 6776886.

Conference call access also is available at [wecenergygroup.com](http://wecenergygroup.com). Under ‘Webcasts,’ select ‘Q4/2019 Earnings.’ In conjunction with this earnings announcement, WEC Energy Group will post on its website a package of detailed financial information on its 2019 performance. The materials will be available at 6:30 a.m. Central time, Thursday, Jan. 30.

### **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 Feb. 13, 2020. Domestic callers should dial 800-585-8367. International callers should dial 416-621-4642. The replay conference ID is 6776886.

*WEC Energy Group (NYSE: WEC), based in Milwaukee, is one of the nation's premier energy companies, serving 4.5 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. The company's other major subsidiary, We Power, designs, builds and owns electric generating plants.*

*WEC Energy Group ([wecenergygroup.com](http://wecenergygroup.com)) is a Fortune 500 company and a component of the S&P 500. The company has approximately 45,000 stockholders of record, 7,500 employees and \$35 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 as well as earnings and dividend growth rates. 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; varying weather conditions; continued industry restructuring and consolidation; continued adoption of distributed generation by the company's customers; energy conservation efforts; the company's ability to successfully acquire and/or dispose of assets and projects; cyber-security threats 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; the impact of tax reform and any other legislative and regulatory changes, including changes to environmental standards; political developments; current and future litigation and regulatory investigations; changes in accounting standards; the financial performance of American Transmission Co. 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 Dec. 31, 2018, and in subsequent reports filed with the Securities and Exchange Commission. The company expressly disclaims any obligation to publicly update or revise any forward-looking information.

*Tables follow*

**WEC ENERGY GROUP, INC.**

<b>CONSOLIDATED INCOME STATEMENTS (Unaudited)</b>	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<i>(in millions, except per share amounts)</i>				
<b>Operating revenues</b>	<b>\$ 1,947.5</b>	<b>\$ 2,076.8</b>	<b>\$ 7,523.1</b>	<b>\$ 7,679.5</b>
<b>Operating expenses</b>				
Cost of sales	693.0	854.0	2,678.8	2,897.9
Other operation and maintenance	601.4	667.8	2,184.8	2,270.5
Depreciation and amortization	236.2	217.7	926.3	845.8
Property and revenue taxes	53.8	47.5	201.8	196.9
<b>Total operating expenses</b>	<b>1,584.4</b>	<b>1,787.0</b>	<b>5,991.7</b>	<b>6,211.1</b>
<b>Operating income</b>	<b>363.1</b>	<b>289.8</b>	<b>1,531.4</b>	<b>1,468.4</b>
Equity in earnings of transmission affiliates	15.9	41.5	127.6	136.7
Other income, net	25.9	5.3	102.2	70.3
Interest expense	127.2	117.9	501.5	445.1
<b>Other expense</b>	<b>(85.4)</b>	<b>(71.1)</b>	<b>(271.7)</b>	<b>(238.1)</b>
Income before income taxes	277.7	218.7	1,259.7	1,230.3
Income tax expense	33.5	13.4	125.0	169.8
<b>Net income</b>	<b>244.2</b>	<b>205.3</b>	<b>1,134.7</b>	<b>1,060.5</b>
Preferred stock dividends of subsidiary	0.3	0.3	1.2	1.2
Net loss attributed to noncontrolling interests	—	—	0.5	—
<b>Net income attributed to common shareholders</b>	<b>\$ 243.9</b>	<b>\$ 205.0</b>	<b>\$ 1,134.0</b>	<b>\$ 1,059.3</b>
<b>Earnings per share</b>				
Basic	\$ 0.77	\$ 0.65	\$ 3.60	\$ 3.36
Diluted	\$ 0.77	\$ 0.65	\$ 3.58	\$ 3.34
<b>Weighted average common shares outstanding</b>				
Basic	315.4	315.5	315.4	315.5
Diluted	316.7	316.9	316.7	316.9
<b>Dividends per share of common stock</b>	<b>\$ 0.5900</b>	<b>\$ 0.5525</b>	<b>\$ 2.3600</b>	<b>\$ 2.2095</b>

**WEC ENERGY GROUP, INC.**

<b>CONSOLIDATED BALANCE SHEETS (Unaudited)</b> <i>(in millions, except share and per share amounts)</i>	<b>December 31,</b> <b>2019</b>	<b>December 31,</b> <b>2018</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 37.5	\$ 84.5
Accounts receivable and unbilled revenues, net of reserves of \$140.0 and \$149.2, respectively	1,176.5	1,280.9
Materials, supplies, and inventories	549.8	548.2
Prepayments	261.8	256.8
Other	68.0	77.2
<b>Current assets</b>	<b>2,093.6</b>	<b>2,247.6</b>
<b>Long-term assets</b>		
Property, plant, and equipment, net of accumulated depreciation and amortization of \$8,878.7 and \$8,636.6, respectively	23,620.1	22,000.9
Regulatory assets	3,506.7	3,805.1
Equity investment in transmission affiliates	1,720.8	1,665.3
Goodwill	3,052.8	3,052.8
Other	957.8	704.1
<b>Long-term assets</b>	<b>32,858.2</b>	<b>31,228.2</b>
<b>Total assets</b>	<b>\$ 34,951.8</b>	<b>\$ 33,475.8</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term debt	\$ 830.8	\$ 1,440.1
Current portion of long-term debt	693.2	365.0
Accounts payable	908.1	876.4
Accrued payroll and benefits	199.8	185.4
Other	550.8	464.8
<b>Current liabilities</b>	<b>3,182.7</b>	<b>3,331.7</b>
<b>Long-term liabilities</b>		
Long-term debt	11,211.0	9,994.0
Deferred income taxes	3,769.3	3,388.1
Deferred revenue, net	497.1	520.4
Regulatory liabilities	3,992.8	4,251.6
Environmental remediation liabilities	589.2	616.4
Pension and OPEB obligations	326.2	422.8
Other	1,128.9	1,108.1
<b>Long-term liabilities</b>	<b>21,514.5</b>	<b>20,301.4</b>
Commitments and contingencies		
<b>Common shareholders' equity</b>		
Common stock – \$0.01 par value; 325,000,000 shares authorized; 315,434,531 and 315,523,192 shares outstanding, respectively	3.2	3.2
Additional paid in capital	4,186.6	4,250.1
Retained earnings	5,927.7	5,538.2
Accumulated other comprehensive loss	(4.1)	(2.6)
<b>Common shareholders' equity</b>	<b>10,113.4</b>	<b>9,788.9</b>
Preferred stock of subsidiary	30.4	30.4
Noncontrolling interests	110.8	23.4
<b>Total liabilities and equity</b>	<b>\$ 34,951.8</b>	<b>\$ 33,475.8</b>

**WEC ENERGY GROUP, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

<i>(in millions)</i>	Year Ended	
	December 31	
	2019	2018
<b>Operating activities</b>		
Net income	\$ 1,134.7	\$ 1,060.5
Reconciliation to cash provided by operating activities		
Depreciation and amortization	926.3	845.8
Deferred income taxes and investment tax credits, net	162.9	297.3
Contributions and payments related to pension and OPEB plans	(65.9)	(77.6)
Equity income in transmission affiliates, net of distributions	(2.9)	(18.6)
Change in –		
Accounts receivable and unbilled revenues	98.2	23.5
Materials, supplies, and inventories	(1.5)	(8.8)
Other current assets	(7.1)	(10.0)
Accounts payable	1.5	110.6
Other current liabilities	78.7	(67.6)
Other, net	20.6	290.4
<b>Net cash provided by operating activities</b>	<b>2,345.5</b>	<b>2,445.5</b>
<b>Investing activities</b>		
Capital expenditures	(2,260.8)	(2,115.7)
Acquisition of Upstream Wind Energy LLC, net of cash and restricted cash acquired of \$9.2	(268.2)	—
Acquisition of Bishop Hill III Wind Energy Center, net of restricted cash acquired of \$4.5	—	(162.9)
Acquisition of Forward Wind Energy Center	—	(77.1)
Acquisition of Coyote Ridge Wind Farm	—	(61.4)
Capital contributions to transmission affiliates	(52.6)	(53.5)
Proceeds from the sale of assets and businesses	37.6	12.1
Proceeds from the sale of investments held in rabbi trust	0.2	118.6
Purchase of investments held in rabbi trust	—	(65.0)
Reimbursement for American Transmission Company LLC's construction costs	32.4	—
Other, net	16.5	20.5
<b>Net cash used in investing activities</b>	<b>(2,494.9)</b>	<b>(2,384.4)</b>
<b>Financing activities</b>		
Exercise of stock options	67.0	29.1
Purchase of common stock	(140.1)	(72.4)
Dividends paid on common stock	(744.5)	(697.3)
Issuance of long-term debt	1,895.0	1,740.0
Retirement of long-term debt	(360.1)	(953.3)
Change in short-term debt	(609.3)	(4.5)
Other, net	(22.4)	(15.2)
<b>Net cash provided by financing activities</b>	<b>85.6</b>	<b>26.4</b>
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>(63.8)</b>	<b>87.5</b>
Cash, cash equivalents, and restricted cash at beginning of year	146.1	58.6
<b>Cash, cash equivalents, and restricted cash at end of year</b>	<b>\$ 82.3</b>	<b>\$ 146.1</b>