



## **Q3 2025 Earnings Transcript – October 23, 2025**

### **Ben Vallejo – Director of Investor Relations**

Good morning, and welcome to CenterPoint's Q3 2025 Earnings Conference Call. Jason Wells, our CEO; and Chris Foster, our CFO, will discuss the company's third quarter results. Management will discuss certain topics that will contain projections and other forward-looking information and statements that are currently based on management's beliefs, assumptions and information currently available to management. These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially based on various factors as noted in our Form 10-Q and other SEC filings as well as our earnings materials. We undertake no obligation to revise or update publicly any forward-looking statement other than as required under applicable securities laws.

We reported diluted earnings per share of \$0.45 for the third quarter of 2025 on a GAAP basis. Management will be discussing certain non-GAAP measures on today's call. When providing guidance, we use the non-GAAP EPS measure of diluted adjusted earnings per share on a consolidated basis referred to as non-GAAP EPS. For information on our guidance methodology and reconciliation of the non-GAAP measures used in providing guidance, please refer to our earnings news release and presentation on our website. We use our website to announce material information.



This call is being recorded. Information on how to access the replay can be found on our website.

Now I'd like to turn the call over to Jason.

### **Jason Wells – President & CEO**

Thank you, Ben, and good morning, everyone. On today's call, I'd like to address 3 key focus areas for the quarter. First, I will briefly touch on the 10-year financial plan update we introduced just weeks ago. Second, I will walk through our strong third quarter financial results. And, lastly, I'll discuss our announcement from earlier this week regarding the sale of our Ohio Gas LDC.

Last month, we introduced an ambitious 10-year plan focused on supporting economic development, delivering strong customer outcomes, reducing O&M through operational efficiency, and driving value for our investors. Our capital investment plan of at least \$65 billion is supported by some of the fastest-growing demand for energy anywhere in the country. Importantly, we also have visibility to at least \$10 billion of incremental capital investment opportunities over the course of the plan, particularly in Texas, given the dramatic growth the communities we serve continue to experience. Specifically, in our Houston Electric Service territory, we forecast peak oil demand to



increase by 10 gigawatts in 2031. This forecasted growth would represent a nearly 50% increase in peak demand over the next six years.

Additionally, through the middle of the next decade, we estimate the electric load demand on our system will double to approximately 42 gigawatts. This level of demand will continue to support a strong investment profile. Our capital investment plan through 2030 drives a projected rate base CAGR of over 11% through the end of the decade and a potential for double-digit rate base growth through the middle of the next decade.

The Greater Houston area is thriving, powered by what we believe is the most diverse set of growth drivers in the sector. It is not relying on any single industry, and the results speak for themselves. This growth isn't aspirational. It's already here. Notably, throughput in our Houston electric business were up 9% year-to-date. This strong growth is anchored by our surge in industrial customer class throughput, which are up over 17% quarter-over-quarter and up over 11% year-to-date. This incredible growth provides a solid foundation for our earnings guidance. Specifically, we have strong conviction in our ability to achieve non-GAAP EPS at the mid to high end of our 7% to 9% annual growth guidance from 2026 through 2028 and 79% annually thereafter through 2035.



I continue to believe we have one of the most differentiated plants in the industry because of our unique combination of the diversity and pace of electric demand growth, a de-risked regulatory and financing profile, and our ability to continue investing affordably for the benefit of our customers. These attributes set us apart from our peers and enable us to continue to deliver value for all our stakeholders over the next decade and beyond.

Now moving to our strong third quarter financial results. This morning, we reported non-GAAP EPS of \$0.50 for the third quarter, representing a 60% increase over the same period last year. As we signaled last quarter, 2025 earnings reflect a more back-end weighted profile for the year, consistent with our return to traditional capital recovery mechanisms now that the bulk of our rate case activity is behind us. I'll let Chris cover the details in his section, but we remain well positioned to execute on our recently increased 2025 non-GAAP EPS guidance.

As such, we are reiterating our full-year 2025 non-GAAP EPS guidance range of \$1.75 to \$1.77, which would represent 9% growth over 2024 delivered results of \$1.62 per share. Additionally, we are also reiterating our 2026 non-GAAP earnings guidance we initiated a few weeks ago. As a reminder, we are targeting at least the midpoint of \$1.89 to \$1.91 per share. At the midpoint, this range would represent an 8% increase over the midpoint of our 2025 non-GAAP EPS guidance range. Further, we continue to expect to



grow non-GAAP EPS at the mid to high end of our 7% and 9% long-term annual guidance range from 2026 through 2028 and 7% to 9% annually through 2035. As a reminder, our guidance is based on actual delivered results as we continue to execute and deliver value for our shareholders each and every year.

I'd now like to discuss the recent announcement regarding the sale of our Ohio Gas LLC. Earlier this week, we announced the signing of our Ohio Gas LDC transaction, which is expected to generate approximately \$2.6 billion in gross proceeds, representing a significant milestone in executing our 10-year financial plan. The strong valuation of approximately 1.9 times 2024 rate base underscores the exceptional demand for US natural gas LDCs. This outcome once again demonstrates our ability to efficiently finance our growth investments, this time by recycling the transaction proceeds of a high-quality business at nearly 2 times book value and reallocating capital into our remaining portfolio at 1 times book value.

The after-tax net cash proceeds of approximately \$2.4 billion will be redeployed into higher growth jurisdictions to efficiently fund our capital investment plan. Importantly, the proceeds should also provide additional flexibility and funding for future incremental capital investments. The transaction is expected to close in the fourth quarter of 2026. Chris will go into the details of the transaction, including the structure, which will allow us to more



smoothly redeploy capital while maintaining a strong earnings profile.

It has been a privilege to serve the customers and communities in our Ohio Gas business, and we are committed to a smooth transition for our customers. This is a tremendous business with fantastic employees, and we know they will continue to provide great service to the 335,000 metered customers in Ohio.

This transaction reflects our continued commitment to disciplined capital allocation as we seek to further enable growth, especially in Texas, and long-term value creation for all stakeholders. Our growing capital investment opportunities are supported by accelerating and diverse set of load growth drivers. This, coupled with our ability to efficiently finance our plan, continues to support our conviction that we have one of the most tangible long-term growth plans in the industry.

And with that, I'll hand it over to Chris.

**Chris Foster – CFO**

Thanks, Jason. This morning, I will address four key areas of focus. First, I will review the details of our third quarter results. Second, I'll discuss the transaction structure of the



recently announced sale of our Ohio Gas LDC. Third, I'll highlight our progress on the execution of our 2025 capital investment plan. And, lastly, I'll provide an update on where we ended the third quarter with respect to the balance sheet.

Let's now move to the financial results shown on slide 5. On a GAAP EPS basis, we reported \$0.45 for the third quarter of 2025. On a non-GAAP EPS basis, we reported \$0.50 for the third quarter of 2025 compared to \$0.31 in the third quarter of 2024. Our non-GAAP results remove \$0.03 of charges, primarily consisting of tax true-ups related to the sale of our Louisiana and Mississippi businesses, and transaction costs in connection with our announced Ohio Gas LDC sale. In addition, it removes \$0.02 related to our temporary generation units as these units are no longer part of our rate regulated business. These strong results give us confidence in meeting our positively revised 2025 non-GAAP EPS guidance of \$1.75 to \$1.77.

Now, taking a closer look at the drivers of our third quarter earnings. Growth and rate recovery, when netted with depreciation and other taxes, were a favorable variance of \$0.07 when compared to the same quarter of last year. This positive variance underscores the strength of our interim capital tracker mechanisms, which continue to support the efficient recovery of our investments. We expect these tailwinds to continue driving earnings through the remainder of the year.



During the quarter, we filed for our second set of interim capital recovery trackers at Houston Electric, the TCOS and DCRF mechanisms, which support the timely recovery of transmission and distribution investments, respectively. Our TCOS filing, which included a \$15 million annual revenue requirement increase, was approved and reflected in customer rates on October 10. Our DCRF filing, which includes a \$55 million annual revenue increase, is on the PUCT open meeting agenda for later today, with updated rates expected to take effect in December.

Weather and usage were \$0.01 favorable when compared to the comparable quarter last year, driven by fewer outages across our Houston Electric service territory related to storm activity. O&M was \$0.12 favorable compared to the third quarter of 2024. This significant improvement in O&M is primarily driven by last August vegetation management and other storm-related costs where we spent approximately \$100 million to accelerate work and improve customer outcomes. Additionally, we had \$0.03 of favorability in other, which is primarily driven by an income tax remeasurement. This reflects our continued efforts to optimize our tax structure to align with the evolving composition of our portfolio, which, after the closing of our Ohio transaction, will skew more heavily towards Texas. These favorable drivers were partially offset by \$0.04 of higher interest expense and financing costs, primarily due to incremental debt issuances since the third quarter of 2024.



Next, I'll go through the details of our recently announced Ohio Gas LDC sale. As many of you may have seen, earlier this week, we announced the sale of our Ohio Gas LDC, which is expected to generate growth sale proceeds of approximately \$2.62 billion, garnering a multiple of nearly 1.9 times 2024 year-end rate base. We anticipate total net proceeds of roughly \$2.4 billion after taxes and transaction costs. This is an outstanding outcome. This result exceeds what was contemplated in our financing plans, underscoring the conservative approach we take to our planning process. As such, the transaction will be accretive to both our plan and alternative financing sources.

In the near term, these proceeds will serve to further strengthen our balance sheet. And over the long term, as Jason alluded to, this transaction will allow for greater financing flexibility and may enable us to fund incremental capital investments with less equity than the 47% rule of thumb we provided at our September investor update. Transaction proceeds will be redeployed into higher growth jurisdictions to support near-term capital investments in our Texas electric and gas businesses. Notably, after the close of this transaction, Texas will represent 70% of our investment portfolio.

In connection with the transaction, we will enter into a one-year seller's note with a 6.5% annual coupon, which will help support earnings in 2027. As a reminder, last quarter, we announced an increase to our 2025 investment plan as we continue to make targeted



system enhancements. These incremental investments will help partially offset the loss of Ohio investment upon the close of the sale. The transaction is expected to close in the fourth quarter of 2026, aligning with our financing plan and long-term value creation goals.

Next, I'll touch on our capital investment plan execution through the third quarter as shown here on slide 7. For the quarter, we are right on track to meet our positively revised 2025 capital investment target of \$5.3 billion. In the third quarter, we invested \$1.3 billion of base work for the benefit of our customers and communities, which, combined with the \$2.4 billion we invested in the first half of the year, represents approximately 70% of our total year target. In short, we remain well positioned to achieve our investment targets for 2025.

Now, moving to an update on our balance sheet and credit metrics. As of the end of the quarter, our trailing 12-month adjusted FFO-to-debt ratio based on the Moody's rating methodology was 14% when removing transitory storm-related impacts. We anticipate these credit metrics could be further improved by early next year as we expect to issue securitization bonds in connection with Hurricane Beryl in the first quarter of 2026. We continue to target 100 to 150 basis points above our Moody's downgrade threshold of 13% as we remain laser focused on efficiently financing our robust capital investment plan.



Earlier this month, we once again illustrated our commitment to a strong balance sheet through our \$700 million junior subordinated note issuance, which provides 50% equity credit. Our common equity guide through 2030 remains unchanged at \$2.75 billion. As a reminder, we have de-risked over \$1 billion of these equity needs through the forward sales we executed earlier this year. And we do not anticipate common equity needs beyond those forward sales from now through 2027.

We believe we are well-positioned to execute the remainder of the year and beyond, and we are reaffirming our 2025 non-GAAP EPS guidance range of \$1.75 to \$1.77, which equates to 9% growth at the midpoint from our delivered 2024 non-GAAP EPS of \$1.62. Additionally, we are also reiterating our 2026 non-GAAP earnings guidance we initiated a few weeks ago at our investor update from the midpoint of our new and higher 2025 range. For 2026, we are targeting at least the midpoint of \$1.89 to \$1.91. At the midpoint, this would represent an 8% increase over the midpoint of our 2025 non-GAAP EPS guidance range.

Looking ahead, we expect to grow non-GAAP EPS at the mid to high end of our 7% to 9% range from 2026 through 2028. After 2028, we will target growing earnings annually at 7% to 9% through 2035. We look forward to executing our plan that delivers on the most diverse growth drivers in the country, fueling economic development for years to come.



And with that, I'll now turn the call back over to Jason.

**Jason Wells – President & CEO**

Thank you, Chris. I'm proud of the team's continued execution over the past quarter and the results that firmly put us on track to deliver our guidance this year. This management team will work to not only execute the ambitious targets we set forth in our new industry-leading, 10-year plan, but we will also work to enhance the plan for the benefit of all of our stakeholders.

**Ben Vallejo – Director of Investor Relations**

Thanks, Jason. Operator, I'd now like to turn it over to Q&A.

**Question & Answer**

**Operator:** At this time, we will begin taking questions. [Operator Instructions] Our first question comes from Nick Campanella of Barclays.

Q:

**Nick Campanella;**



Hey. Good morning. Thanks for all the disclosures. I just wanted to ask, Chris, you talked a little bit about it in your prepared remarks on balance sheet capacity here from the Ohio transaction. How are you kind of viewing it on like an FFO-to-debt improvement basis versus the plan? You mentioned financing maybe less than the 47% equity assumption. Is that now 30% or 15%? Is there any kind of way to further quantify that? Thanks.

A:

**Chris Foster – CFO :**

Sure. Hi, Nick. If I could just maybe take a step back. As you look at the transaction, there's really a couple of things going on. One is, over time, you've seen us continue down this path of increasing really the focus on the portfolio where we're reducing also earnings and cash lag where we can. So, maybe that kind of goes to your FFO-to-debt point. As you look at the total outcome, as we do sources and uses, you'll probably see us initially step into reducing the OpCo debt that's there. So, that's roughly \$800 million if you base it on a year-end 2026 rate base of \$1.6 billion. And then as we looked at our plan overall, you're probably looking on the order of \$400 million of benefit net to plan.

So, ultimately, what this puts us in a position to do, as you can imagine, is we'll evaluate both the improvement to the balance sheet here in the near term. And then as we go forward, it



could allow us to deploy additional CapEx to the plan in an accretive way.

**Nick Campanella;**

Okay, Great. Appreciate it. And then just maybe on the deal, just any update on how local feedback has been on the ground and reception to the deal from state leadership since it was announced?

A:

**Jason Wells – President & CEO**

Yeah. Good morning, Nick. It's Jason. Reception has been great so far, very supportive. Don't anticipate any challenges and, obviously, going to work with our counterparty to successfully transition this business and, you know, continue the track record of great service in Ohio.

**Nick Campanella;**

Great. Thanks a lot.

**Operator:** Thank you. Our next question is from Steve Fleishman with Wolfe Research.

Your line is now open.



Q:

**Steve Fleishman**

Q:

Hi. Good morning. Just maybe, Jason or Chris, more color on the sales growth in Texas, which obviously that's very strong. You know, just what sectors are driving the industrial sales so much higher this year?

A:

**Jason Wells – President & CEO**

Hey. Good morning, Steve. Thanks for the question. You know, I think the throughput growth quarter-over-quarter, year-over-year really reflects the diversity of drivers that we have here in the Greater Houston area. You know, we've already connected this year alone over half a gig of data center activity. Much of that is on the transmission, sort of industrial rates side. You know, we continue to see very strong demand from energy refining, processing, and exports. And I think what we really saw as a differentiator this quarter was the increase in activity at the Port of Houston. You know, it's the largest port by waterborne tonnage in the world. And we saw about an 18% increase quarter-over-quarter in exports. So, it's really just a diversity of drivers. You know, this isn't growth that we're anticipating coming down the line. This is growth across a number of different industries that we're



experiencing today.

Q:

**Steve Fleishman**

Okay. Great. That's helpful. And then just any update on prospects of data center activity in Indiana? And I don't know if you want to share any thoughts on how you're feeling about the regulatory environment in Indiana. I know you don't have any cases there right now, but just thoughts there.

A:

**Jason Wells – President & CEO**

Yeah, we continue to actively work on data center opportunities in Indiana. We feel well-positioned to deliver on that. As we've talked about in the past, I think we're pretty uniquely positioned in the fact that we've got excess capacity today on the system that allows us to move quickly. It's an area that is very constructive, both from a cost of – and availability of land, water, etcetera. And, you know, we've just brought online our simple cycle plant that was built to be easily converted to combined cycle that would allow us to efficiently increase the level of capacity available. So, you know, we continue to feel good about the prospects of bringing data center activity to Southwest Indiana.



You know, stepping back on kind of our broader base, as you know, we are all focused on affordability of our service out there. We, like many of the other Indiana utilities, had a fairly significant step-up in rates last year as a result of long-term trend of closing some very old generating facilities. As we project forward, though, we don't – we see our rates growing in line with inflation over the remainder of this decade. You know, we've taken some steps to help kind of mitigate the impact. We've canceled about \$1 billion of renewable projects. And we'll push out the retirement of our third and final coal facility a few more years.

And so, I think at the end of the day, we, like other utilities, are taking proactive steps to make sure that we moderate the pace of rate increases but working constructively to bring economic development activity to the state. And I think that's very much aligned with the state leadership goals.

**Steve Fleishman**

Okay. Great. Thank you.

**Operator:** Thank you. Our next question is from Jeremy Tonet with JPMorgan Securities. Your line is now open.



Q:

**Jeremy Tonet**

Hi. Good morning. Chris, thanks for the comments there on the asset sale. I was just wondering if you might be able to expand a little bit more. Sounds like a nice credit accretive properties to the final deal terms versus expectations. I'm just wondering if you could expand a bit more, I guess, on whether you see this being accretive to the earnings over time or any thoughts on that side.

Q:

**Chris Foster – CFO :**

Sure. I think, Jeremy, that a couple of ways to look at this, we do see it as directly beneficial to the financing plan, as I mentioned, and helpful from an earnings standpoint, too. A thing to keep in mind is as we looked at the sale here of Ohio specifically from a – as we reallocate spend, we're going to be in a situation where we're experiencing 25% to 30% less cash lag just on a historical basis. So, I think that's certainly helpful as well. Going forward, we'll be now putting those dollars to work, as Jason mentioned, certainly heavily in our Texas gas and electric business, including in a set of type of gas project that we're excited about really for years to come where it really is a great business, as you know, coming out of the rate case last year there. So, I think well-positioned both financing wise and from an earnings standpoint.



Keep in mind, I alluded to this in my prepared remarks, but I would just emphasize here, too, as we're stepping into making sure that – if we were managing any otherwise earnings impact, we've already deployed about \$500 million this year that we expressed in our plan. And keep in mind, as I mentioned earlier, this is about \$1.6 billion of year-end 2026 rate base. So, you should assume that we're also going to accelerate another roughly \$1 billion in 2026. That means, net here, we're going to fully replace that rate base by the beginning of 2027. So, overall, positions us well going forward.

Q:

**Jeremy Tonet**

That's very helpful. Thanks. And just one more, I guess, on the seller's note as you guys are receiving in the deal, as far as you know, how you think about how that helps facilitate the plan and what value, I guess, that brings to CenterPoint here, being able to layer that in and, you know, how that allows you, I guess, to manage earnings going forward. But it sounds like the capital plan, as you said, really is a big offset there.

A:

**Chris Foster – CFO :**

Yeah. Certainly from a capital allocation plan, we've been pre-funding thoughtfully. What I



would say on the seller note is it's a pretty straightforward instrument there where we'll have that opportunity for the second year for 2027, having that 6.5% coupon associated with it on just over \$1 billion. And so, allows us again to have good clarity. It also settles on a quarterly basis, I think, which is nice, too, so there's no real lag there. So, straightforward instrument, one that is a helpful component of the plan as well.

### **Jeremy Tonet**

Got it, I'll leave it there. Thank you.

**Operator:** Thank you. Our last question comes from the line of Julien Dumoulin-Smith with Jeffries. Your line is now open.

Q:

### **Julien Dumoulin-Smith**

Hey. Good morning, team. Thank you, guys very much. I appreciate it. Hey. Good morning. Jason, quickly, a couple of things to follow up on. First off, I know you've alluded to it a few weeks ago here, but how do you think about the AMI and rollout and the timeline on that front? I mean, certainly, it seems like this is a multiyear project here. But, certainly, within the scope of the five-year plan, how do you think about the cadence of that rolling in? When



do we start to get some visibility around that and contributions?

A:

**Jason Wells – President & CEO**

Hey, Julien. Thanks for the question. You know, the – this next generation of AMI investments really will start to fall into the plan in 2026, maybe taking a step back for a second, you know, as we release the new \$65 billion, 10- year CapEx plan we identified, more than \$10 billion of upside. I would consider one of these projects as one of the upside opportunities to that plan. I think coming back to the timing, the most important thing that we can do is run a pilot in 2026 to prove the use case and benefits for our customers. And then I would really look at that once we have that pilot in hand, making a filing with the PUCT and really starting to kind of work this project in earnest beginning in 2027 and beyond.

I think there are very real benefits for our customers. As we've talked about in the past, you know, when we experienced Winter Storm Uri, because of the generation of meters we had at the time, we could not use those meters for load shed related activities. Instead, we had to shed load at the circuit level. You know, this next generation of smart meters would allow us to do that at the home and I think would allow us to be much more targeted and allow for even more rolling of power if an event like Winter Storm Uri was to occur again. So, a



number of benefits to our customers. We need to prove those out with a pilot in 2026, and then look towards more fulsome deployment beginning in 2027.

Q:

**Julien Dumoulin-Smith**

Excellent. Thank you for that. And then if I could pivot in a slightly different direction, obviously, kudos on the transaction here. The other item, if I were to think about like was not included in the formal guidance on cash flows is mobile gen. I perceive that the economics and price points there continue to improve, as evidenced by some of the folks out there like Fermi talking about this. But how would you characterize today where you are around that and the opportunities that exist? More longer term, obviously, is that it's less committed in terms of the existing units and your exposure to some of that improved market pricing.

A:

**Jason Wells – President & CEO**

Yeah, there's really two aspects to that, Julien. You know, there's – first, we've got what we call medium-sized units, just a little bit larger than 5 megawatts apiece, 5 units, 5 megawatts apiece that, you know, currently we have the ability to market and are actively



doing that. The market for those units remains very strong and would be a potential cash flow tailwind in the plan. On a larger basis, we have 15 units that are roughly, going to call them, 30 megawatts apiece that are now actively supporting the grid outside of San Antonio until either kind of late 2026, early 2027 at the latest, at which time then we'll be able to remarket those units.

As you said, the market remains strong. If anything, it's improving modestly. That will become a cash flow tailwind. We can release those units from the support of the ERCOT rate in San Antonio and remarket those again, you know, probably likely around spring of 2027. So, you know, we continue to work with brokers, third parties to keep a pulse on the market and think about how we can kind of de-risk and take advantage of this growth. But, obviously, more to come here as the quarters unfold and as we get closer to those – the release of those units.

Q:

**Julien Dumoulin-Smith**

Excellent. Sorry. One final detail here. So, that's your peers in the state, your peer gas utilities in the state we're talking a good bit about this. I know that you all in the interim have up even more gas investments in your plan a few weeks ago. Is the scope of the



contribution from that legislation fully included in the plan? And to what extent is there anything else that we should be considering here, given your expanded investment in gas in recent weeks?

A:

**Jason Wells – President & CEO**

Yeah, we think that was a very constructive piece of legislation to help sort of reduce regulatory lag. What I would say is the benefit of that legislation is incorporated in the plan that we released with respect to the investments that we have identified as we continue to look at enhancing the plan and we've alluded to the \$10 billion plus.

Outside, there is opportunity as we gas-related capital in that the plan to be enhanced further with the benefit of that legislation. So, you know, partially in the plan has the opportunity to be improved as we put more capital in.

**Julien Dumoulin-Smith**

Got it. All right. We'll stay tuned there. All right. I'll leave it there. Thank you, guys, very much. Have a great day, guys.



**Jason Wells – President & CEO**

You too. Thanks Julien

**Ben Vallejo – Director of Investor Relations**

Thanks, Jason. Operator, this concludes our call. Thank you all for joining.

**Operator:** This concludes CenterPoint Energy's third quarter 2025 earnings conference call.

Thank you for your participation.

**Forward-Looking Statements**

This document contains “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. All statements other than statements of historical fact included in this document are forward-looking statements made in good faith by CenterPoint Energy, Inc. (“CenterPoint” or the “Company”) and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements concerning CenterPoint’s expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings and guidance, growth, costs, prospects, capital investments or performance or underlying assumptions and other statements that are not historical facts. You should not place undue reliance on forward-looking statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “target,” “will,” or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

Examples of forward-looking statements in this document include statements about CenterPoint’s new and previous 10-year capital investment plans and the projects and programs therein (which include Houston Electric’s Greater Houston Resiliency Initiative (“GHRI”) and System Resiliency Plan (“SRP”), the Texas Gas Transmission Pipeline project, the Houston Downtown Revitalization project, and plans and programs relating to electric transmission, generation, resiliency, reliability, safety, gas meter upgrades, and pipeline modernization), including the timing, execution, financing, costs, affordability, and anticipated benefits thereof, regulatory matters relating thereto, and related matters, other capital investments and opportunities therefor (including with respect to incremental capital opportunities, deployment of capital, execution, financing and timing of such projects, and anticipated benefits related thereto), future earnings and guidance, CenterPoint’s goals regarding the resiliency, reliability, and safety of our electric and gas systems, CenterPoint’s long-term growth rate and plans related thereto, dividend growth and payouts, customer charges and rate affordability, operations and maintenance expense reductions, the announced sale of our Ohio natural gas LDC business (including with respect to timing, anticipated benefits, and related matters, such as the Seller’s Note), the timing of, projections for, and anticipated benefits from the settlement of, rate cases for CenterPoint and its subsidiaries, CenterPoint’s recovery through interim capital trackers and the timing thereof, base rate growth and population growth in CenterPoint’s service territories, CenterPoint’s ability to support economic growth, meet customer needs and improve customer experiences, Houston Electric’s release of its 15 large 27 megawatt (“MW”) to 32 MW temporary emergency electric facilities (“TEEEF”) units to the San Antonio area and its ability to complete one or more other future transactions involving various sizes of TEEEF units (including with respect to timing, filings related thereto, corresponding reductions in Houston Electric’s TEEEF fleet capacity, anticipated benefits including with respect to rates, expected market demand for the units, and related matters), the timing and extent of CenterPoint’s recovery of costs and investments (including restoration costs for



Hurricane Beryl), electric demand growth in CenterPoint's service territories (including forecasts and the drivers thereof, capital investment opportunities related thereto and our ability to attract them, the timing of investments related thereto, and anticipated benefits of such growth), financing plans (including in relation to operating cash flow, capital recycling, and the need for, timing of, and anticipated benefits of any future equity or debt issuances, forward sales, and securitization, credit metrics and parent level debt), generation plans and projects, including the timing, costs, and anticipated benefits thereof, preparation for weather conditions, CenterPoint's 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 ("ZENS") and impacts of the maturity of ZENS, CenterPoint's credit health, tax structure, balance sheet strength, future financial performance and results of operations, value creation, opportunities and expectations. We have based our forward-looking statements on our management's beliefs and assumptions based

on information currently available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements. Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking information include, but are not limited to, risks and uncertainties relating to: (1) the business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses involving CenterPoint or its industry, including the ability to successfully complete such strategies, initiatives, transactions or plans on the timelines we expect or at all, such as the announced sale of our Ohio natural gas LDC business or the completed sale of our Louisiana and Mississippi natural gas LDC businesses, which we cannot assure you will have the anticipated benefits to us; (2) industrial, commercial and residential growth in CenterPoint's service territories and changes in market demand, including in relation to the expansion of data centers, energy refining and export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics, as well as the effects of energy efficiency measures and demographic patterns, and our ability to appropriately estimate and effectively manage such demand and the business opportunities relating to such matters; (3) CenterPoint's ability to fund and invest planned capital, and the timely recovery of its investments, including those related to CenterPoint's 10-year capital plan; (4) the ability to timely manage and execute CenterPoint's planned capital projects, including those contemplated by CenterPoint's 10-year capital plan, obtain the anticipated benefits of such projects, complete such projects within budget and manage costs and impacts of such projects on customer affordability; (5) our ability to successfully construct, operate, repair, maintain and restart electric generating facilities, natural gas facilities, TEEEF and electric transmission facilities; (6) the timing and success of, and our ability to obtain approval for matters relating to, Houston Electric's release of its large TEEEF units to the San Antonio area, reduction of its TEEEF fleet capacity and reduction of rates to reflect the removal of the large TEEEF units from Houston Electric's TEEEF fleet, as well as our ability to complete one or more other future transactions involving various sizes of TEEEF units on acceptable terms and conditions within the anticipated timeframe; (7) financial market and general economic conditions, including access to debt and equity capital, economic uncertainty and volatility, inflation, potential for recession, interest rates, and their effect on sales, prices and costs; (8) disruptions to the global supply chain and volatility in commodity prices, including resulting from tariffs, trade agreements, retaliatory trade measures or changes in trade relationships; (9) actions by credit rating agencies, including any potential downgrades to credit ratings; (10) the timing and impact of regulatory proceedings and actions and legal proceedings, including those related to, among other things, Hurricane Beryl, Houston Electric's TEEEF units and the February 2021 winter storm event, and requested or favorable adjustments to rates and approval of other requested items as part of base rate proceedings or interim rate mechanisms; (11) federal, state and local legislative, executive, regulatory and political actions or developments, including any actions resulting from Hurricane Beryl, pipeline integrity and safety and changes in regulation, legislation and governmental actions pertaining to trade (including tariffs, bans, retaliatory trade measures taken against the United States or related government action), tax legislation (including effects of the One Big Beautiful Bill Act, Executive Order 14315, and the Inflation Reduction Act), the implementation of budget and spending cuts to federal government agencies and programs, effects of government shutdowns, and developments related to the environment; (12) the impact of public health threats; (13) weather variations and other natural phenomena, including severe weather events, and CenterPoint's ability to mitigate weather impacts, including the approval and timing of securitization issuances; (14) the impact of potential wildfires; (15) changes in business plans; (16) advances in, our ability to timely adopt, develop and deploy, artificial intelligence; (17) the availability of, prices for and our ability to procure materials, supplies or services and scarcity of and changes in labor for current and future projects and operations and maintenance costs, and CenterPoint's ability to control such costs and impacts on the affordability of rates; (18) CenterPoint's ability to timely obtain and maintain necessary licenses and permits from local, federal and other regulatory authorities on acceptable terms and resolve third-party challenges to such licenses or permits, as applicable; (19) CenterPoint's ability to execute on its strategy, initiatives, targets and goals, including its net zero and greenhouse gas emissions reduction goals and operations and maintenance goals; and (20) other factors discussed in CenterPoint's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and CenterPoint's Quarterly Report on Form 10-Q for the quarters ended March 31, 2025, June 30, 2025 and September 30, 2025, including under "Risk Factors," "Cautionary Statements Regarding Forward-Looking Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings" in such reports and in other filings with the Securities and Exchange Commission ("SEC") by CenterPoint, which can be found at [www.centerpointenergy.com](http://www.centerpointenergy.com) on the Investor Relations page or on the SEC website at [www.sec.gov](http://www.sec.gov).



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### **Use of Non-GAAP Financial Measures**

In this document, CenterPoint presents, based on net income (loss), diluted earnings (loss) per share, and net cash provided by operating activities to total debt, net, and gross margin to total debt, net, the following financial measures which are not generally accepted accounting principles (“GAAP”) financial measures: non-GAAP income, non-GAAP diluted earnings per share (“non-GAAP EPS”), as well as non-GAAP funds from operations / non-GAAP rating agency adjusted debt (Moody’s and S&P) (“FFO/Debt”). Generally, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure.

Non-GAAP EPS guidance and non-GAAP EPS excludes: (a) Earnings or losses from the change in value of ZENS and related securities, (b) Gain, losses and impact, including related expenses, associated with mergers and divestitures, such as the divestiture of our Louisiana and Mississippi natural gas LDC businesses and the announced sale of our Ohio natural gas LDC business, and (c) With respect to non-GAAP EPS guidance and 2025 non-GAAP EPS, impacts related to TEEEF once they are no longer part of our rate-regulated business. In providing non-GAAP EPS guidance and non-GAAP EPS, CenterPoint Energy does not consider the items noted above and other potential impacts such as changes in accounting standards, impairments, or other unusual items, which could have a material impact on GAAP reported results for the applicable guidance period. The non-GAAP EPS guidance ranges also consider assumptions for certain significant variables that may impact earnings, such as customer growth and usage including normal weather, throughput, recovery of capital invested, effective tax rates, financing activities and related interest rates, and regulatory and judicial proceedings. To the extent actual results deviate from these assumptions, the non-GAAP EPS guidance range for any particular year may not be met, or the projected annual non-GAAP EPS growth rate may change. CenterPoint is unable to present a quantitative reconciliation of forward-looking non-GAAP diluted earnings per share without unreasonable effort because changes in the value of ZENS and related securities, future impairments, and other unusual items are not estimable and are difficult to predict due to various factors outside of management’s control.

Funds from operations (Moody’s) excludes from net cash provided by operating activities accounts receivable and unbilled revenues, net, inventory, taxes receivable, accounts payable, and other current assets and liabilities, and includes certain adjustments consistent with Moody’s methodology, including adjustments related to operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (Moody’s) adds to Total Debt, net certain adjustments consistent with Moody’s methodology, including operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions and further adjustments related to Winter Storm Uri debt as well as CEHE storm related costs.

Funds from operations (S&P) excludes from gross margin, O&M, taxes and other, cash interest paid and cash taxes paid, and includes certain adjustments consistent with S&P’s methodology, including adjustments related to operating lease costs, stock dividends, nonrecurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (S&P) adds to Total Debt, net certain adjustments consistent with S&P’s methodology, including adjustments related to Winter Storm Uri related debt and CEHE storm related debt.

A reconciliation of net income (loss) and diluted earnings (loss) per share to the basis used in providing guidance, as well as a reconciliation of net cash provided by operating activities / total debt, net (and gross margin to total debt, net) to FFO/Debt provided in the appendix of CenterPoint’s slide presentation used to present its third quarter earnings information.

Management evaluates the Company’s financial performance in part based on non-GAAP income, non-GAAP EPS and long-term FFO/Debt. Management believes that presenting these non-GAAP financial measures enhances an investor’s understanding of CenterPoint’s overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future 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, where applicable. CenterPoint’s non-GAAP income, non-GAAP EPS and FFO/Debt financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income (loss), diluted earnings (loss) per share, net cash provided by operating activities to total debt, net and gross margin to total debt, net, which, respectively, are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

### **Net Zero Disclaimer**



CenterPoint's **Scope 1** greenhouse gas ("GHG") emissions estimates are calculated from GHG emissions that directly come from its operations. CenterPoint's **Scope 2** GHG emissions estimates are calculated from GHG emissions that indirectly come from its energy usage, but because Texas is in an unregulated market, its Scope 2 GHG emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and exclude GHG emissions related to purchased power between 2024E2026E. CenterPoint's **Scope 3** GHG emissions estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the GHG emissions of transport customers and GHG emissions related to upstream extraction. CenterPoint's analysis and plan for execution to achieve its Net Zero GHG emissions (Scope 1 and certain Scope 2) by 2035 goals and its 20-30% reduction in Scope 3 GHG emissions by 2035 as compared to 2021 levels goal require it to make a number of assumptions. These goals and underlying assumptions involve risks and uncertainties and are not guarantees. Should one or more of these underlying assumptions require

updating, CenterPoint's actual results and ability to make progress towards and achieve its Net Zero and GHG emissions reduction goals and the timing thereof could differ materially from its expectations. Certain of the assumptions that could impact its ability to

make progress towards and meet its Net Zero and GHG emissions reduction goals and the timing thereof include, but are not limited to: GHG emission levels, service territory size and capacity needs remaining in line with company expectations (including with respect to demand for our services); the ability to appropriately estimate and effectively manage business opportunities from new customers and load growth resulting from, among other things, expansion of data centers, energy refining and export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics in our service territories; regulatory approvals related to Indiana Electric's generation transition plan and CenterPoint's ability to obtain such approvals; impacts on affordability of customer rates; customer demand for GHG emissions free or lower GHG emissions energy; impacts of regulations, executive action or legislation, including those related to the environment and tax matters (including the effects of the OBBBA, Executive Order 14315 and the IRA and any further changes to or the repeal of the IRA); impacts of future carbon pricing regulation or legislation; price, availability and regulation of carbon offsets; price of fuel, such as natural gas; cost of energy generation technologies, such as wind and solar, natural gas and storage solutions; adoption of alternative energy by the public, including adoption of electric vehicles; rate of technology innovation with regards to alternative energy resources; CenterPoint's ability to implement its modernization plans for its pipelines and facilities; the ability to complete and timely implement generation alternatives to Indiana Electric's coal generation and retirement or fuel conversion dates of Indiana Electric's coal facilities by 2035; the ability to construct and/or permit new natural gas pipelines; the availability of, prices for and CenterPoint's ability to procure materials, supplies or services and scarcity of and changes in labor for current and future projects, and operations and maintenance costs, and CenterPoint's ability to control such costs and the impacts on the affordability of its rates; any project cancellations, construction delays or overruns (including as a result of tariffs, legislation, bans, potential retaliatory trade measures taken against the United States or related governmental action) and the ability to appropriately estimate costs of new generation; impact of any supply chain disruptions; changes in applicable standards, metrics, methodologies or frameworks; and enhancement of energy efficiencies.