



Q3 2026 Earnings Call Script – October 27, 2026

Ben Vallejo – VP of Investor Relations and Corporate Planning

Good morning and welcome to CenterPoint's Q3 2026 earnings conference call. Jason Wells, our Chair and CEO, and Chris Foster, our CFO, will discuss the Company's third quarter 2026 results.

Management will discuss certain topics that will contain projections and other forward-looking information and statements that are 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, other SEC filings and 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 \$0.50 per diluted share for the third quarter of 2026 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 it over to Jason.

Jason Wells – President & CEO

Thank you, Ben and good morning, everyone.

On today's call, I would like to address three key areas of focus for the quarter:

First, I will briefly touch on our strong third quarter financial results and the increase to our 2026 non-GAAP EPS guidance range we announced this morning.

Second, I will discuss how the accelerating and diverse customer-driven growth in our Houston Electric service territory is driving the \$4 billion increase to our capital investment plan and the acceleration of another \$1.5 billion into the first five years of our plan. And with more growth expected, today's increase reflects only a portion of the opportunity in front of us, as we continue to see at least \$10 billion of additional investment opportunities through 2035.

And finally, I will discuss how the strength and visibility of growth across our service territories gives us the confidence to extend our long-term earnings outlook. We now expect to deliver non-GAAP EPS growth at the mid-to-high end of our 7% to 9% annual range for another two years, through 2030. I will also cover our 2027 non-GAAP EPS guidance of \$2.07 to \$2.09, representing 9% growth at the midpoint from our increased 2026 guidance.



I will start with our strong third quarter financial results. This morning, we reported third quarter 2026 non-GAAP EPS of \$0.53. Our continued strong execution brings us to nearly 80% of the midpoint of our original full-year guidance range of \$1.89 to \$1.91.

Our outstanding year-to-date results gives us greater confidence and visibility to raise our 2026 non-GAAP EPS guidance range to \$1.90 to \$1.92.

At the midpoint, this new and higher range would represent nearly 9% growth from our 2025 delivered results and would mark the fifth year of more than 8% growth since 2020. It also resets our earnings base higher, from which we intend to compound future growth as we seek to create durable value for investors year after year.

I'd now like to turn to the accelerating and diverse customer growth that is driving today's announced \$4 billion increase to our capital investment plan and the acceleration of an additional \$1.5 billion of investments.

Greater Houston's growth continues to accelerate, demonstrated by the approximately 14 gigawatts of customer demand we submitted as eligible load for ERCOT's Batch Zero process.

As we continue to work with stakeholders on our Batch Zero submissions, we remain highly confident in the 10 gigawatts of baseload demand we outlined on our previous call and we now expect approximately two gigawatts to remain as studied load. Combined with our



smaller transmission and distribution customers' growth, we expect to energize at least 14 gigawatts by the end of 2030.

This incredible demand is creating a powerful multiplier effect, as large industrial expansions drive broader commercial growth across our service territory. Notably, industrial and commercial leasing activity in the Houston area is up more than 30% from last year. We are seeing that momentum firsthand, with nearly one gigawatt of distribution-level load requests received in the last year.

Houston Electric's more than 10 gigawatts of existing system capacity helped attract this demand by enabling fast, efficient and cost-effective interconnections, giving Greater Houston a compelling speed-to-market advantage over competing regions across the country.

This growth strengthens the regional economy while also supporting customer affordability. Notably, the at least 14 gigawatts of demand anticipated through the end of the decade are expected to generate \$5 billion in customer savings across Texas over the next 10 years.

Serving this growth absorbs the capacity that helped attract it. To replenish that capacity and sustain the region's competitive advantage for the next wave of demand, earlier this year we began an internal transmission study focused on increasing load-serving capacity in three key areas:

1. Import transmission capacity



2. System stability, and
3. Intraregional transmission capacity.

To date, that work has identified more than a dozen projects across these three areas required to add incremental load-serving capacity. This capacity is needed in the near term, as we already have requests for significant additional demand that we anticipate submitting in Batch One next year.

Together, these projects represent approximately \$5.5 billion of investments in two categories:

1. \$4 billion for newly identified projects not previously included in our 10-year plan;
and
2. \$1.5 billion of projects accelerated from the back half of the plan into the first five years, through 2030.

We will efficiently fund this growth with a modest \$1.6 billion increase to our equity financing guide, below our 47% rule of thumb for financing incremental investments. Chris will cover the timing of our capital investment and equity financing needs, including opportunities to reduce the amount of equity financing in his section.



Combined with this efficient financing, the increased and accelerated investments will strengthen the earnings power of the company and are expected to drive an enterprise rate base CAGR of more than 14% through the end of the decade.

We will continue to advance our transmission study to identify the additional infrastructure needed to meet the region's accelerating growth, which will likely inform additional incremental investments.

Beyond today's \$4 billion increase, we continue to see at least \$10 billion of additional investment opportunities through 2035, driven by three categories:

1. First, additional transmission infrastructure to support Greater Houston's accelerating customer demand. As we continue to advance our transmission study process, that will likely inform incremental investments needed to enable the next phase of growth in Greater Houston. We expect to be in a position to share our next update in this process in the first half of next year.
2. Second, along these growth investments, we will advance additional resiliency initiatives that build on Houston Electric's nearly 40% reliability improvement over the past several years. We expect greater visibility into these incremental investments in the second half of next year and are targeting filing our next System Resiliency Plan by the end of 2027.



3. Third, we continue to see large load opportunities in Indiana, where we anticipate signing a deal with a large load customer by the end of the year.

These incremental opportunities, combined with the investments announced today, reinforce our confidence in delivering sustained double-digit rate base growth over the course of our 10-year plan while supporting long-term reliability, resiliency and economic competitiveness across our service territories.

In closing, we continue to believe that we have one of the most customer-driven and durable long-term growth plans in the industry.

The scale and pace of the customer-driven growth in Greater Houston is already driving today's announced \$4 billion increase in our capital investment plan and reinforcing the long-term earnings power of our company. These needed investments provide the visibility to extend our expectation for non-GAAP EPS growth at the mid-to-high end of our 7% to 9% annual guidance range through 2030.

The opportunity extends well beyond today's plan update. We continue to see at least \$10 billion of additional capital investment opportunities through 2035, supporting economic growth, customer affordability, and safe, and reliable service in the communities we serve.

With that, I will now turn it over to Chris to cover the financials in more detail.



Chris Foster – CFO

Thanks, Jason.

This morning, I will cover four areas of focus.

First, I will walk through our strong third quarter results, which bring us to nearly 80% of our full-year guidance and support raising our 2026 non-GAAP EPS guidance range from \$1.89 to \$1.91 to \$1.90 to \$1.92, as well as our extended outlook to grow at the mid-to-high end of our 7% to 9% range through 2030.

Second, I will detail the customer-driven \$4 billion increase to our 10-year capital plan, from \$66.7 billion to \$70.7 billion through 2035, and the \$1.5 billion of accelerated investment that together drive an enterprise rate base CAGR of more than 14% through 2030.

Third, I will discuss our updated financing plan, including a modest \$1.6 billion increase in equity financing to fund 40% of the \$4 billion capital plan increase to support strong credit metrics, a healthy balance sheet and a pathway to higher long-term growth.

And finally, I will provide a brief regulatory update, including progress on timely recovery of our investments through our interim capital trackers.

Starting with our third quarter results on Slide 4.

On a GAAP EPS basis, we reported 50 cents for the third quarter of 2026. On a non-GAAP EPS basis, we reported 53 cents for the quarter.



Our non-GAAP results exclude the impacts of our temporary generation units, which are no longer part of our regulated utility business. We are actively marketing these units for sublease or sale, and any resulting gain will also be excluded from our non-GAAP results.

Now, taking a closer look at the drivers of our strong third quarter results. Compared to the third quarter of 2025, growth and rate recovery contributed 9 cents of favorability, driven by a full quarter of updated rates from interim filings that became effective in June.

Weather and usage were 3 cents favorable, driven by hotter weather and higher usage across our Texas and Indiana service territories.

O&M was flat for the quarter, and we remain on track to reduce O&M by 1% to 2% from the prior year. Year to date, we have already achieved a 1% reduction as we continue to take costs out of the businesses for the benefit of all stakeholders.

Other items were 5 cents unfavorable, primarily due to a one-time deferred income tax remeasurement benefit recorded last year as part of our efforts to optimize our tax structure.

Higher financing costs were 4 cents unfavorable: 3 cents from approximately \$3 billion of new debt issuances, net of maturities, and 1 cent of dilution from modest equity financing. We have also now completed our financing needs for the year.

These results bring us to nearly 80% of our original full-year guidance and give us confidence in delivering our increased 2026 non-GAAP EPS guidance range of \$1.90 to \$1.92, nearly 9% growth at the midpoint over our 2025 results.



Supported by the incremental investments I will detail in a moment, we now expect to grow non-GAAP EPS at the mid-to-high end of our 7% to 9% annual range through 2030, and 7% to 9% annually through 2035. Our 2027 non-GAAP EPS guidance of \$2.07 to \$2.09, or 9% growth at the midpoint, reflects that momentum.

Turning now to our capital plan, which reflects a \$4 billion increase and \$1.5 billion of accelerated investment to serve the customer growth already underway.

As Jason outlined, we are increasing our 10-year capital investment plan by \$4 billion to \$70.7 billion. Combined with our earlier 2026 updates, we have now increased the plan by \$5.7 billion, or nearly 9%, since our 2025 Investor Day. We are also accelerating \$1.5 billion of projects originally planned for after 2030 to prepare the system for diverse customer demand. Approximately 85% of the initial projects identified in our transmission study are brownfield projects within existing rights-of-way, providing a more straightforward path to expanding system capacity.

We will begin deploying this capital in 2027 and scale investment in the years that follow, deploying \$4.5 billion of the incremental and accelerated investments by the end of 2030 and driving an enterprise rate base CAGR of more than 14% through 2030. We expect to efficiently recover these investments through our existing transmission and distribution capital trackers.



Importantly, this is just the initial phase. As our transmission studies continue, we expect future capital updates as we build the system needed to meet the unprecedented demand growth across the Greater Houston Area.

Turning briefly to 2026 capital execution, we invested \$4.1 billion through the third quarter for the benefit of our customers and communities.

We expect full-year capital investment to come in modestly below our \$6.8 billion target due solely to project timing, which we expect to recover in the first quarter of 2027.

Turning now to how we will fund the incremental investments announced today.

We are increasing our remaining 10-year equity financing guide by \$1.6 billion to \$4.5 billion, well below our previously communicated 47% funding guide for incremental capital investment.

We expect to issue approximately \$4 billion from 2027 through 2030, including \$500 million to \$700 million of common equity in 2027.

Across the \$5.7 billion of capital plan increases announced this year, incremental equity represents only about 25% of the funding requirement, demonstrating the efficiency of our financing plan.

As a reminder, cash flow benefits from Treasury's Corporate Alternative Minimum Tax clarification enabled us to increase our capital plan earlier this year without additional equity financing.



Looking ahead, we see additional financing tailwinds that we believe could either (1) reduce our updated equity guide or (2) fund incremental capital investment at amounts less than our 47% equity rule of thumb. I'll highlight a few examples.

First, a sublease of our temporary generation units could provide cash flow tailwinds through 2029, while a sale could generate upfront proceeds to reinvest immediately in our regulated businesses.

Second, we will continue to evaluate our portfolio and financing needs to efficiently fund both our current plan and future opportunities. The recently completed sale of our Ohio Gas LDC business reflects our continued focus on optimizing our portfolio and allocating capital efficiently across our jurisdictions.

And third, we continue to work with stakeholders to reduce regulatory lag and secure more timely recovery of our investments, supporting efficient financing for customer-driven growth.

Building on our financing plan, I want to touch on our credit metrics and balance sheet.

At the end of the third quarter, our adjusted FFO-to-debt ratio under Moody's methodology was 13.7%. Two developments since quarter-end should further strengthen this metric.



First, we completed the sale of our Ohio Gas LDC on October 1st, receiving approximately \$1.4 billion in proceeds. Had those proceeds been reflected in our trailing twelve-month metrics, our adjusted FFO-to-debt ratio would have improved by approximately 50 basis points.

Second, earlier this month, we filed for a refund of previously paid corporate alternative minimum tax, following clarification this year that we are not subject to that tax. We expect the refund to improve our full-year 2026 credit metrics by an additional 60 basis points.

Neither benefit is reflected in our trailing twelve-month metrics. Together, they reinforce our confidence in ending the year toward the higher end of our targeted 100 to 150 basis point cushion above the Moody's downgrade threshold.

And following Moody's revision of our outlook to stable, we now have stable outlooks across all rating agencies, reflecting our strengthened financial position.

Lastly, turning to regulatory matters, our frameworks across our service territories continue to support timely, efficient recovery of our customer-driven investments, as reflected in this quarter's updates.

At Houston Electric, we filed our second distribution capital tracker, or DCRF, requesting a \$73 million revenue requirement increase. Interim rates were approved and implemented at the end of September, with a final order expected this month.



In addition, we filed our second transmission capital tracker, or TCOS, in August and have since received a final order approving a \$29 million revenue requirement increase, which is now reflected in customer rates.

Outside of Texas, we expect to file a three-year forward-looking rate case for Minnesota Gas within the next week, reflecting investments to modernize our system through pipeline and gas meter replacement and provide safer, more reliable service for our customers.

In December, we plan to file a combined rate case for our North and South Indiana Gas service territories. And as previously communicated, we expect this approach to result in a bill decrease for a significant number of our residential customers.

Across all our service territories, we remain laser-focused on keeping our service affordable for customers.

In summary, our strong year-to-date execution supports our increased 2026 non-GAAP EPS guidance of \$1.90 to \$1.92 and reinforces our confidence in the outlook ahead.

The \$4 billion increase to our capital plan and \$1.5 billion of accelerated investments position us to serve the customer demand already here and drive enterprise rate base growth of more than 14% through 2030.

Our disciplined financing plan funds this growth efficiently while preserving our long-term balance sheet strength. Together, these support our 2027 non-GAAP EPS guidance of



\$2.07 to \$2.09 and our expectation to grow at the mid-to-high end of our 7% to 9% annual range through 2030, and 7% to 9% annually through 2035.

Our strong execution, disciplined financing, and clear growth visibility position us to deliver sustained earnings growth and create durable value for all our stakeholders. With that, I'll turn the call back to Jason.

Jason Wells – President & CEO

Thank you, Chris.

In closing, our strong year-to-date execution gives us confidence in delivering our increased 2026 non-GAAP EPS guidance, putting us on track for a fifth year of more than 8% growth since 2020, and our 2027 guidance of \$2.07 to \$2.09 builds on that momentum.

That momentum is being matched by growth that is already here. Unprecedented customer demand in Greater Houston is already requiring a \$4 billion increase to our capital investment plan and \$1.5 billion of accelerated investment, efficiently funded and driving enterprise rate base growth of more than 14% through 2030.

And there is more to come. With a line of sight to at least \$10 billion of additional customer driven investment through 2035, today's update captures just a portion of the opportunity in front of us.



The strength of this growth gives us the confidence in our ability to deliver non-GAAP EPS growth at the mid-to-high end of our 7% to 9% range through 2030, and 7% to 9% annually through 2035, through investments that strengthen reliability, support affordability and power economic development across our service territories for the benefit of our customers.

Ben Vallejo – VP of Investor Relations

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

Question & Answer

Operator: Thank you. At this time, we will begin the question-and-answer session. We'll pause for a moment while we compile our Q&A roster. Our first question comes from Shar Pourreza with Wells Fargo Securities. Your line is open.

Q: Shar Pourreza:

Hey, guys, good morning.

A: Jason Wells – President and CEO:



Good morning, Shar

Q: Shar Pourreza:

A pretty solid update. Just first off, just want to reconcile the updated rate base growth and the EPS CAGR. Rough math, the equity piece is like 200 basis points of dilution. I guess, what's driving the other 300 bps of delta between rate base growth and EPS growth? And could any of that delta kind of reverse as we're going through the plan? Thanks.

A: Jason Wells – President and CEO:

Yeah, Thanks, Shar, for the question. Yeah, obviously, as we've reported today, our focus is delivering consistent and durable financial results. I think the 14% rate base growth through the end of the decade provides, as you're pointed out, incredibly strong support for the extension of our guide to the mid-to-high end of our range through 2030. Clearly, there's going to be a modest amount of equity dilution as you mentioned, but we've historically been able to convert that rate base growth into earnings growth with about a 200-basis point delta. So, this gives us



incredibly strong foundation for continued strong delivery of EPS results through the end of the decade.

Q: Shar Pourreza:

Got it. Perfect. And then just lastly on funding, I mean, obviously you're talking about the equity dilution a little bit, and you do have a good amount of equity. You've added some through 2030, but your CapEx needs to keep going higher. I mean, that's the key message on the call today. And it seems like you're potentially signaling new deals prospectively. As we think about sort of the remaining footprint, is there kind of any OpCos, Jason, that present substantial dyssynergies in a sale, or is the entire footprint outside of Texas potential opportunities for you? Thanks.

A: Jason Wells – President and CEO:

Yeah, thanks, Shar. I think what's important here is just the explosive growth, in particular; the Greater Houston region is experiencing. As we talked about today with the transmission



update, this only helps us serve about half the capacity that we are currently anticipating in our Batch 1 request. So, there's clearly more tailwinds from a CapEx standpoint.

As we've got a track record here of doing, we're going to focus hard on raising whatever the equity needs are efficiently. That may include portfolio optimization, among the other things that Chris mentioned in his prepared remarks. As it relates to synergies, I think we've got a great track record of leaning in and addressing any synergies that may result from a transaction. I'd expect us to do the same moving forward. So, our focus is on enabling this incredible and explosive growth that we're experiencing and doing so efficiently for our shareholders.

Q: Shar Pourreza:

Got it. Perfect. Thank you, guys. See you in a couple of weeks.

Operator: Thank you. One moment for our next question. Our next question comes from Nick Campanella with Barclays. Your line is open.



Q: Nick Campanella:

Hey, good morning. Thanks for takin my questions.

A: Jason Wells – President and CEO:

Good morning.

Q: Nick Campanella:

Hey morning. I just wanted to ask, you kind of said that you still expect an Indiana large load customer by end of the year. Can you just remind us what the size of that could be, whether that's going to get absorbed with current system capacity or new build, and then just regulatory strategy as well? Thanks.

A: Jason Wells – President and CEO:



Yeah, thanks, Nick, for the question. I continue to be very pleased with our progress. I think, most importantly, we want to bring economic development to that region. It's been nearly 25 years since a large industrial customer has relocated to that region. And so, our focus is really delivering that economic kind of opportunity for the community that we have the privilege to serve up there.

As it relates to the size, as we've talked about in previous calls, the team's done great work to free up about 700 megawatts of existing capacity in our system. And with some modest transmission upgrades, conversion of our simple-cycle plant, we have the ability to scale to about 1.4 gigawatts, with very modest levels of investment. Our focus is, again, on delivering that economic win, utilizing that capacity.

In particular, what I would say is, and I've suggested this on previous calls, what we continue to see is that many of the large hyperscalers are long shifts and short power. So, having 700 megawatts that is readily available is incredibly attractive. We're looking to secure that and then grow from there in the region.

If the total demand is at 1.4 gigawatts or less, there's no reason for us to sort of complicate this with a generation company type approach. However, we continue to see strong interest in that



region. If it exceeds that 1.4 gigawatts and we're building incremental generation, I think it's a great way to isolate those new incremental assets. And so, in that case, we would pursue a GenCo. Our focus is on continuing to make progress. We feel optimistic around our ability to secure an economic win for the community by the end of this year, and then over time grow this for the benefit of all stakeholders in that region.

Q; Nick Campanella:

Hey, thanks for that. Very clear. And then, on the \$4.5 billion raised to the five-year plan, just how much of that is falling under kind of current tracker mechanisms or requires like a more formal rate process? And just acknowledge you kind of talked through ROE lag and improvement of lag as something that could decrease equity needs on the other side. Are you going to be lagging the plan now because you're investing so much capital? And is there a window or anything that we could look forward to that could change that? Thanks

A: Chris Foster – CFO:



Sure, Nick. Good morning. The simple way to think about this is the CapEx additions, nearly all are inclusive of capital tracker mechanisms that are recoverable, nearly all of them twice a year. So, you're going to experience very limited lag there from the CapEx additions we reference in the plan today. It's part of kind of, as you step back, the beauty of a lot of the current states that we operate in where well over 80% of our recoveries are do come through these capital tracker mechanisms. They're highly efficient and more affordable for our customers.

Q: Nick Campanella:

Thank you.

Operator: One moment for our next question. Our next question comes from Steve Fleishman with Wolfe Research. Your line is open.

Q: Steve Fleishman:



Yeah, hi. Good morning. Thanks. So just on the transmission that's been added to the plan, is this all lower-voltage transmission, i.e., not additional 765? And just maybe the latest, I know you guys were not in the first round of 765 kV, just late thoughts on kind of your plans there, which I think kick off next year.

A: Jason Wells – President and CEO:

Yeah, good morning, Steve. That's exactly right. The transmission that we announced today is lower voltage: 345 kV, 138 kV. Importantly, what we highlighted in Chris' prepared remarks is about 85% of this work is Brownfield. I think this is really kind of a hidden asset of the company that can't be understated. We've got significant right-of-way and opportunity to utilize existing assets, which minimizes any disruptions to the communities we serve. It allows us to build faster, and it really gives us our competitive advantage on the speed-to-power basis.

Equally, and I think this has been a unique strategy for the company, every time that we took a planned outage on our transmission system, we'd use that to reconduct and expand capacity.



And this is why, again, we have the ability to track these large loads and interconnect them more favorably than anywhere else in the country.

So, I don't look at this transmission announcement today as one that is disruptive with respect to the ongoing conversation around landowner rights. I think as we look forward, you mentioned that we do plan in the first half of next year to file for 765. We outlined earlier this year our 10 commitments to Texans around responsible development. Our commitment is to work proactively with these landowners to find optimal routes that respect the history of their property, minimizing disruptions to the communities we serve, making sure that we are doing so utilizing as much as possible local resources.

And so, I think this commitment will help us as the state continues to look at ways to balance obviously an incredibly important part of landowner rights with the need to continue this Texas economic miracle. And we look forward to working with all stakeholders proactively next year as we file for those 765 submissions.

Q: Steve Fleishman:



Okay. And then, just on the change in your load plan, it looks like you had some come out of the Batch Zero studied and go development. Is that just some of the customers that kind of just did not necessarily feel like they were going to make the cut there?

A: Jason Wells – President and CEO:

Yeah, yeah, we were very disciplined in terms of what we put forward overall base in Batch Zero. As you know, we continue to say we're incredibly confident about the 10 gigawatts of baseload. There were approximately 2 gigawatts of studied load that, as the state was conducting its audit process, as those customers were finalizing all of their details, they've decided to withdraw their investment. I think what's important here, though, is we continue to see and have a high degree of confidence in the 10 gigawatts of baseload. We're seeing, as we highlighted, more distribution growth than we have ever experienced before. That more than offsets what fell out of studied load.

And I would tell you today, the early work that we're doing on Batch 1 submissions is already trending to be higher than what we submitted in Batch Zero. So, I wouldn't look at this as anything other than the process of working for the state. The state really only wants to advance projects that are going to be good partners in their communities, advance economic interests in



an appropriate way. And I think that's what we have found as we work through the Batch Zero process. So the process is working as designed.

Q: Steve Fleishman:

Okay. One more question, just going back to Shar's first question. The differential between the 14% rate base growth and the earnings growth target. So you mentioned 200 basis points equity, maybe it's a little more in the near term, I don't know, but just, is there any other kind of financial factors there, or just general kind of conservatism across you plan to kind of reconcile that?

A: Jason Wells – President and CEO:

It's definitely more of the latter. Really, again, we're building a plan that we can consistently deliver and enhance for the benefit of our stakeholders. I think what's important here, and as you think about the reconciliation between the rate-based growth and the EPS guide, we have consistently built a track record where we rate, rebase future earnings off of the higher delivered earnings, so much so that that has been a 15% increase in the earnings power to date as a result of that positive rebasing for outperformance. This gives us the ability to make sure that we deliver. And as we deliver, there is a compounding element to our stakeholders over time.



Q: Steve Fleishman:

Great. Thank you.

Operator: One moment for our next question. Our next question comes from Julin Dumoulin-Smith with Jefferies. Your line is open.

Q: Julien Dumoulin- Smith:

Hey, good morning, team. Nicely done.

A: Jason Wells – President and CEO:

Good morning, Julien.

Q: Julien Dumoulin-Smith:



Hey, thank you. Maybe just rewinding back to where we started on this financing front, just to ask, how do you think about addressing potentially with equity alternatives here the 1.6 of equity you talk about here? I mean, you guys have a very effective track record of chipping away at that over time. And while I'll acknowledge at the outset, this is a fairly low ratio of incremental equity versus CapEx even at the outset here. How do you think about what is and what is not included in terms of levers against 1.6? Just, I know you have a number of tools that you've alluded to even in the prepared remarks. Are any of those that you've already highlighted not included against that 1.6? And then, more to the point, how do you think about incremental asset sales and/or other tools that you haven't alluded to, maybe like MobileGen, et cetera?

A: Chris Foster – CFO:

Good morning, Julien. Sure, happy to hit that for you and happy to walk through a few things that are not reflected in the updated plan today. First out of the gate would be the opportunity associated with the temporary generation units. Recall that those would return to the company by the end of calendar Q1 next year. So, there you've got the opportunity for an ongoing cash flow stream from an ongoing sublease or of an upfront opportunity to then reinvest if we were to just transact them fully. So, we are in active conversations there on those now.



Second would be the customer demand charges. Jason reference that the interest that we're already seeing in Batch 1 has the opportunity to exceed what we had in Batch Zero, right? And recall that with those opportunities come demand charges of roughly \$6 million per gigawatt per year. So also not included in plan.

The third I would point out, you mentioned it yourself, is portfolio optimization. We're going to continue to evaluate those opportunities. They are highly efficient for our customers and stakeholders, as we've executed those in the past. We continue to be supportive of running excellent businesses, but you saw recently the benefits from the Ohio close as well.

And then finally, we also consistently evaluate opportunities to reduce cash lag as well associated with the financing from regulatory improvements that we can make either through or rate cases or potential legislative opportunities. So those are the four I would highlight for you.

Q; Julien Dumoulin-Smith:

Got it. And then just can you unveil a little bit more as to how you think about what the prospects are from Batch 1 here on and the additional transmission study. If I'm hearing you



right, it could be a pretty substantive further expansion of your transmission system, and you could get some details here as soon as the first half of '27. I just want to make sure I'm putting the pieces together correctly here.

A: Jason Wells – President and CEO:

Yeah, Julien, you've got that right. I think there's really two things to focus on here. So as I mentioned, the transmission study that we announce today only represents about half of the needed capacity that we anticipate for Batch1, and we are early in the Batch 1 process. So in the first half of next year, we will update the transmission study again for incremental capacity. At the same time, we're continuing to work with customers, and so I would expect Batch 1 to grow from where we are today. And that could also provide a further tailwind for even more incremental transmission beyond this time horizon of the first half of the year.

What we're seeing, there's really a number of trends that I can't kind of understate enough that are driving this economic growth. As global trade and traditional energy refining capacity are getting redefined globally, Houston is one of the best places in the world to take advantage of this. We've got the largest port by tonnage in the US. That port is expanding. We have a stat



that is focused on facilitating economic development. And so we are seeing tremendous growth on the advanced manufacturing, traditional energy, data center front.

On the data center front in particular, as much of the focus there starts to trend towards inferencing and cloud. There's no better spot than Houston. It's the fourth-largest city, soon to be the third, youngest population of any major city, home to the second most Fortune 500 companies. It is the ideal spot when you think about inferencing and cloud computing being a long-term trend beyond training.

And so again, I'll say that we've got to close that gap on what we already see in Batch 1. We'll provide that transmission update first half of next year. We'll continue to likely see an increase in Batch 1 demand, which will necessitate even more transmission construction beyond that, that update the first half of the year.

Q: Julien Dumoulin-Smith:

Excellent. Got it. And just to clarify, you made a comment earlier about 1 gigawatt of distribution load. Again, we don't often focus on this. Do you want to elaborate a little bit on



what you're seeing on that front in terms of potentially seeing new, quote-unquote, large loads or data center loads specifically manifest through distribution requests and what that means for your margins? Because you guys provided that ration earlier about what that could mean for your revenue requirement, but I imagine it might be a little bit more outsized on that front and how that could change, right? We're hearing more about this. This is the first I've heard across companies on this.

A: Jason Wells – President and CEO:

Yeah, I think this is an incredibly exciting time. So much of the industry has been focused at the transmission level, and I think we are seeing a fundamentally different trend at the distribution level. We've always benefited from about 2% population growth. That continues to be a solid foundation for that distribution growth.

What we are seeing, and one of the things that we tried to highlight, is this sort of carry-over effect from the large load development, particularly on the commercial warehouse side. We set a record here in Houston in the third quarter for leasing of new commercial warehouses, up 30%



this past quarter alone, and we don't see that trend slowing down. In addition, we continue to see advanced manufacturing at that sub-75-megawatt level. We're seeing significant interest in distributed and more modular distribution-level data centers for inference. The totality of this economic activity, beyond just the first-order customer, but their second and third-order sort of

suppliers and an associated sort of ecosystem, is what's really fundamentally driving this acceleration at the distribution level. And as you said, the distribution rates do provide a different economic opportunity from an earnings standpoint than transmission.

Q: Julien Dumoulin-Smith:

Excellent. All right. Thanks guys. Cheers. Nicely done.

Operator: One moment for our next question. Our next question comes from Jeremy Tonet with JPMorgan Securities. Your line is open.

Q: Jeremy Tonet:



Hi, good morning.

A: Chris Foster – CFO:

Good morning.

A: Jason Wells – President and CEO:

Good morning.

Q: Jeremy Tonet:

Thanks for all the color today. Just wanted to kind of walk through the potential for higher interest rates here. How you see that impacting the business, particularly the HoldCo. Clearly with so much cushion between rate base CAGR and EPS CAGR, more than enough cushion there. But just wondering if you could talk to that broadly speaking as it relates to refinancing or anything else.



A: Chris Foster – CFO:

Sure. Happy to hit it. And you can imagine, I mean certainly the higher rates we're seeing are a bit of a headwind for the entire sector. But I think, I do think we're well positioned here in the near term. If you think about it, first we've only got about \$300 million of maturities in 2027. I also talked earlier about the benefits we've seen in terms of the Moody's upgrade on their outlook recently. And in fact, at CERC, we also had a specific upgrade there, which is going to reduce our borrowing costs. And that's an entity that's looking to raise \$500 Million to \$800 million every year as we go.

Then beyond that, I think you're going to see that we've talked about this earlier, but ongoing rate recovery through capital tracker mechanisms will help as we go. And then we're also going to continue to focus on taking costs out of the business. We did report today that we're on track to reduce that 1% to 2% that we talked about previously. And certainly, as macroeconomically we see these impacts, we're going to have to focus on our own business to keep costs affordable for our customers.

Q: Jeremy Tonet:



Got it. That's very helpful there. Yeah, and just wanted to kind of maybe pick up the last point there, with affordability. Again, not CenterPoint-specific, more industry-wide, but as it relates to increasing CapEx, just wondering, I guess, how the conversation might go with the stakeholder in the different states. You have the audit in Texas, Indiana a lot of focus on affordability, and just wondering, any thoughts you could share there as far as bill outlook and conversations there.

A: Jason Wells – President and CEO:

Yeah, the path to affordable rates is through growth. That is what, over decades in this industry, has helped sort of moderate the impact of investment. It just gives us the opportunity to socialize what are largely fixed costs over an ever-widening base. And I think each of the states we have the privilege to operate in understand that. Each of the states are extremely focused in helping facilitate economic growth, and so we work with local and state leaders to advance each of these interests.

I mean, I think the best possible representation of this is what we see here at Houston Electric, just given what has historically been outsized growth relative to the rest of the country. We



have been able to maintain effectively flat rates since 2014, in large part because of all of that incremental growth. And so, each of the states want to make sure that they're putting in place protections for residential customers. We fully support that. As we talked about, I think the process is working well here in Texas, as we've seen two of the steady load customers fall out. But what we've got is really a commitment from those that remain in Batch Zero to work effectively with their communities on all fronts, including putting downward pressure on utility rates.

Q: Jeremy Tonet:

Got it. That makes sense. Clearly, Houston has unique benefits there that help CenterPoint. Thank you.

Operator: One moment for our next question. Our next question comes from Richard Sunderland with Truist Securities. Your line is open.

Q: Richard Sunderland:



Hey, good morning. Thank you for the time today. I wanted to pick up the transmission update a little bit more. Thinking about that \$4 billion moving into the plan today, and then, if I'm following correctly, I guess that's only half of the Batch 1 need or the potential Batch 1 need. When you think about the 2027 CapEx update for that component specifically, does it scale ratably, or are there different, I don't know, Brownfield versus Greenfield considerations when you think about addressing more of that Batch 1 capacity need?

A: Jason Wells – President and CEO:

Yeah, I appreciate the question, and I wouldn't say that it necessarily scales ratably. It's clearly much more efficient to construct Brownfield. And there is going to be a need for New Greenfield import lines. But right now, we continue to work and think creatively around different assets that, maybe no-wires alternatives. We talked about some of the stability-related investments that we're making. I would expect to see increases there, particularly as we bring larger loads online. And so it's just really hard to create a rule of thumb, but what I would say is over time, as we exhaust what our current sort of Brownfield opportunities and we lean more into Greenfield, there will be an upward bias on future transmission CapEx revisions.

Q: Richard Sunderland:



Got it. That's helpful. And then regulatory lag, I guess, both on a cash recovery side and on an earnings basis as well. I know that's been one of the talking points you hit on in the script and in Q&A. Are there any either active efforts you have an eye to or kind of anticipate actions in the upcoming rate case filings, or I guess even legislative work in '27 on this front? Anything you'd highlight specifically right now?

A: Jason Wells – President and CEO:

Yeah, a couple of different things that I'd point out. We talked about filing a three-year rate case up in Minnesota that will allow us to effectively apply for forward test-year adjustments in each of the three years. Historically, when we were filing on or two-year cases, we always had a year where we had flat or no sort of revenue increase. And so, that's an example on a regulatory front.

On the legislative front, look, we're excited to work with all stakeholders around sort of consistent stakeholder engagement, that again balances sort of the rights of property owners with a need to build transmission to help facilitate and continue the Texas economic miracle. As part of working through maybe some of those changes on stakeholder engagement, I think it's important for the state to also revisit the potential for interim recovery of transmission-



related investments, right? We're moving to a point where a higher portion of our CapEx is going to be long-cycle work.

And if you couple that with the lower equity ratios that transmission and distribution utilities have here in Texas, that could put a potential strain on the balance sheet. And so I think it is in everybody's interest to think about interim recovery of transmission-related CapEx to make sure that we're growing responsibly and helping support again the continuation of this Texas economic miracle. So those are a couple of examples, both on the regulatory and legislative front. We'll continue to work with all stakeholders to minimize regulatory lag, whether it's earnings or cash.

Q: Richard Sunderland:

Very clear. Thank you.

Operator: One moment for our next question. Our next question comes from Anthony Crowdell with Mizuho. Your line is open.



Q: Anthony Crowdell:

Hey, good morning. Thanks for the update. Just, I guess one housekeeping question or housekeeping item. You talk about % rate base CAGR. Have you removed the Ohio LDC sale, or could that rate base CAGR be even greater, because you have that headwind to the sale?

A: Chris Foster – CFO:

Anthony, simple answer there is. We have removed the Ohio sale.

Q: Anthony Crowdell:

Great. And then I guess it's a follow-up from maybe the last two questions. You talk about the distribution opportunity, like Julien was really harping on. The transmission is going really

strong. How do you guys determine what segment to allocate CapEx to, given the strength across maybe all the platforms, including some of the gas? Like, how do you make that decision where you want to focus the CapEx or I don't want to say unlimited CapEx, but just



the opportunities are so great, you're able to spread it through all the different business segments.

A: Jason Wells – President and CEO:

Our job is really not to pick winners and losers. It's to facilitate this economic growth. I think more so than ever, customers have more opportunity to choose where they locate their business. And so if it's the distribution level or transmission level, we want to incentivize those customers to locate and grow their business here in the Greater Houston region.

So, we are advancing both the investments on the distribution system for capacity, as well as the transmission system for capacity. I don't see it as an either/or. I see it as our competitive advantage is our system capacity and removing quickly at the customer's pace to connect them. And so I really see sort of, again, stronger tailwinds for upward revisions to CapEx on the electric side. And I think we have found a really good rhythm on the gas side with respect to pipeline modernization.



There are a couple of opportunities on that front that are our customer's interests that we've talked about before, in particular, creating kind of a transmission loop around the Greater Houston region. But again, I really think that the CapEx upward bias is in electric, and it really comes from trying to facilitate economic development both at the distribution and transmission level.

Q: Anthony Crowdell:

Great. That's all I had. Thanks for taking my questions.

Operator: One moment for our next question. Our last question comes from Ross Fowler with Bank of America. Your line is open.

Q: Ross Fowler:

Good morning, guys. Thanks for taking my question here. We'll squeeze it in at the end. Most of my questions have been asked and answered. I just wanted to pick on a couple of things, ada



a couple of things. I think. Temporary generation, are you leaning any particular way, lease versus sale there? And can you remind us of the timing of that decision?

A: Chris Foster – CFO:

Sure, Ross. At this point, again, we're in some active conversations, so we're going to keep our alternatives open. Again, just that we have an existing sublease opportunity if we take that path. The other would just be an outright transaction. And in that case, you can imagine we would just have the benefit of the upfront cash to be able to redeploy into the business.

Timing-wise, again, these units are currently serving the San Antonio area and would be coming back to us by the end of March of 2027 is the way to think about that timing. So looking to either path we take, right, provide a cash tailwind to 2027, if not beyond.

Q: Ross Fowler:

Okay. Makes sense, Chris. And then just maybe following up a little bit on Julien and Steve's questions. Jason, you expressed a great degree of confidence in that 10 gigawatts and it's in



Batch Zero, and obviously that's going through the audit process at ERCOT now. We'll find out more on December 10th, so we're sort of close-dated to that. Can you kind of maybe tick off our checkbox why you have such confidence in that versus the audit parameters and the requirements that the audits have and what those projects have in sort of detail that gives you that degree of confidence?

A: Jason Wells – President and CEO:

Yeah, I mean, these are customers that we've been working with for the better part of a year, year and a half. The elements of the audit process were all elements that these customers were proactively pursuing independent of that audit. And so it was easy for them to pivot and provide evidence that they were going to be able to comply with the rules here.

Effectively, these are customer who had seen sort of the evolution in development of either data centers or advanced manufacturing facilities and were proactively adopting improved ways to work with communities that they operated in. And so in part, they were, I would say, ahead of the process. And so that's the reason they fully embraced the audit when it came out. And we



were able to quickly work with them to meet those requirements. It's what continues to give us the high degree of confidence.

Q: Ross Fowler:

Good, Jason. Makes sense. Thank you.

Operator: This concludes CenterPoint Energy's third quarter 2026 earnings call. Thank you for your participation. You may now disconnect.

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 news release or on the earnings conference call include statements about Houston Electric’s Greater Houston Resiliency Initiative (“GHRI”) and System Resiliency Plan (“SRP”) (including with respect to timing, filings related thereto, anticipated benefits, and related matters), the proposed sale of our Ohio natural gas LDC business (including with respect to timing, anticipated benefits, and related matters), Houston Electric’s release of its 15 large 27 megawatt (“MW”) to 32 MW 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), capital investments (including with respect to incremental capital opportunities, deployment of capital, financing of such projects, and anticipated benefits related thereto), the timing of, projections for, and anticipated benefits from the settlement of, rate cases for CenterPoint and its subsidiaries, the timing and extent of CenterPoint’s recovery, including with regards to its restoration costs for, among other things, the severe weather events in May 2024 (“May 2024 Storm Events”) and Hurricane Beryl, generation transition plans and projects, projects included in CenterPoint’s Natural Gas Innovation Plan and System Resiliency Plan, and projects included under its 10-year capital plan, electric demand growth in CenterPoint’s service territories (including our forecasts of, capital investment opportunities related to, the timing of investments related to, and anticipated benefits of such growth), the extent of anticipated benefits of the completed sale of our Louisiana and Mississippi natural gas LDC businesses, future earnings and guidance, including long-term growth rate, dividend growth, customer charges, operations and maintenance expense reductions, financing plans (including with respect to the restoration costs for the May 2024 Storm Events and Hurricane Beryl and the timing and anticipated

benefits of any future equity issuances, forward sales, securitization, credit metrics and parent level debt), the timing, funding, and anticipated benefits of our 10-year capital plan, the Company’s 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 (“ZENS”) and impacts of the maturity of ZENS, CenterPoint’s continued focus on credit, balance sheet strength, liquidity and credit ratings, tax planning opportunities, future financial performance and results of operations, including with respect to regulatory actions and recoverability of capital investments, customer rate affordability, value creation, opportunities and expectations, and expected customer growth. 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 our plan to sell 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 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 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 Houston Electric’s GHRI and SRP; (4) the ability to timely execute Houston Electric’s GHRI and SRP; (5) our ability to successfully construct, 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, 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, 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, the May 2024 Storm Events, 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, 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) 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; (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 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 and June 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 on the Investor Relations page or on the SEC website at www.sec.gov.

This document contains time sensitive information that is accurate as of the date hereof (unless otherwise specified as accurate as of another date). Some of the information in this document is unaudited and may be subject to change. We undertake no obligation to update the information presented herein except as required by law. Investors and others should note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and the Investor Relations page of our website. In the future, we will continue to use these channels to distribute material information about the Company and to communicate important information about the Company, key personnel, corporate initiatives, regulatory updates and other matters. Information that we post on our website could be deemed material; therefore, we encourage investors, the media, our customers, business partners and others interested in our Company to review the information we post on our website.

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.

2024 and 2025 non-GAAP EPS excluded and 2025 non-GAAP EPS guidance 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 (c) With respect to 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, impacts related to temporary emergency electric facilities ("TEEEF") once they are no longer part of our rate-regulated business. In providing 2024 and 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, CenterPoint 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 2025 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 2025 non-GAAP EPS guidance range 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, preferred 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 first 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 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 ability to procure resources needed to build at a reasonable cost, the lack of or scarcity of resources and labor, the lack of 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.