# Q4 2022 Earnings Call

## Company Participants

- Andrew Kirk, Director of Investor Relations
- Marty Lyons, President and CEO
- Megan McPhail, Manager of Investor Relations
- Michael Moehn, Chief Financial Officer, Executive Vice President

## Other Participants

- JeremyTonet, Analyst, JP Morgan
- Julien Dumoulin-Smith, Analyst, Bank of America
- Nicholas Campanella, Analyst, Credit Suisse

## Presentation

### Operator

Greetings and welcome to Ameren Corporation's Fourth Quarter 2022 Earnings Conference Call. At this time, all participants are in a listen-only mode. (Operator Instruction) As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host for today's call. Andrew Kirk, Director of Investor Relations for Ameren Corporation. Thank you, Mr. Kirk. You may begin.

### Andrew Kirk {BIO 20578297 <GO>}

Thank you, and good morning. On the call with me today are Marty Lyons, our President and Chief Executive Officer; and Michael Moehn, our Senior Executive Vice President and Chief Financial Officer; as well as other members of the Ameren management team. This call contains times sensitive data that is accurate only as of the date of today's live broadcast and redistribution of this broadcast is prohibited. We have posted a presentation on the amereninvestors.com homepage that will be referenced by our speakers. As noted on Page 2 of the presentation, comments made during this conference call may contain statements about future expectations, plans, projections, financial performance and similar matters, which are commonly referred to as forward-looking statements. Please refer to the forward-looking statements section in the news release we issued yesterday, as well as our SEC filings. For more information about various factors that could cause actual results to differ materially from those anticipated.

Now here's Marty, who will start on Page 4.

## Marty Lyons {BIO 4938648 <GO>}

Thanks, Andrew, and welcome back. We're thrilled that you're healthy again and here with us for this call and ready to fully engage with our investors and the analysts. Good morning, everyone, and thank you for joining us today as we reflect on our 2022 performance and look ahead to 2023 and beyond. I'd like to start by expressing appreciation for the Ameren team's dedication and hard work over the last year. In 2022, we continue to successfully execute our long term strategy as shown on page 4, which is delivering strong results today while laying a strong foundation for the future.

Turn on Page 5, are some exciting strategic achievements from the past year for Ameren, our customers, shareholders, the environment and the industry as a whole. Let me touch on a few key accomplishments. We made $3.4 billion of infrastructure investments in 2022, the resulted in a more reliable, resilient, secure and cleaner energy grid as well as contributed to strong growth at all of our business segments. For example, as part of our Ameren Missouri Smart Energy Plan over 400 smart switches were installed to reduce outages from hours to minutes and even seconds and 34 substations were upgraded or built new to better serve communities. In addition, over 300,000 smart meters were installed for our Missouri customers enabling better visibility into their energy usage. In Illinois, our customers are benefiting from the replacement of more than 3,000 electric polls, 64 miles of coupled steel distribution pipelines and 24 miles of gas transmission pipelines.

Further, our transmission business placed in service 19 new or upgraded transmission substations and approximately 200 miles of new or upgraded transmission lines. These are just a few of the many projects completed in 2022. As a result of these and similar investments, I'm proud to say that Ameren's most recent system average interruption frequency reliability scores have ranked in the top quartile of our industry. We also had several achievements on the regulatory and legislative front.

In February, new Ameren Missouri Electric Service rates took effect as a result of our 2021 rate review which was constructively settled. In June, we filed a change to our Integrated Resource Plan, accelerating our planned clean energy investments, carbon emission reduction goals and our plan to achieve net zero by 2045, while thoughtfully considering customer affordability and energy grid reliability. In July, our pipeline of investments were significantly enhanced when the Midcontinent Independent System Operator or MISO approved a portfolio of long-range transmission projects including significant projects in our operating footprint.

And in August, Senate Bill 745 was enacted in Missouri extending the constructive Smart Energy Plan legislation that became law in 2018 out through 2028 with possible extension to 2033. I am pleased to say that as a result of these developments, in 2022 we were able to increase our 10-year investment opportunity pipeline from $40 billion to $48 billion. Further in our Ameren Illinois Electric Distribution business in September, the Illinois Commerce Commission or ICC approved constructive performance metrics, which paved the way for our multi year rate plan filing this January. And finally at the federal level, passage of the Inflation Reduction Act will support the clean energy transition, reducing the cost of related infrastructure investments for both our customers in both Missouri and Illinois.

I would like to express appreciation for all the hard work of the entire Ameren team to advance these important achievements. At the same time across a Ameren, we are all working to keep customer bills as low as possible while investing to ensure we provide safe, reliable and cleaner energy for our customers. We remain laser focused on disciplined cost management, practicing, continuous improvement and optimizing our operating performance as we transform our business.

In 2022, we continued our transition to a cleaner energy generation portfolio, and as planned in December, we retired our oldest and least efficient coal fired plant, the Meramec Energy Center. Thank you to all of our co-workers who have worked at Meramec providing reliable energy over the past several decades. We recognize that our customers depend on us every day to supply the energy that supports their daily lives and as such, we have kept them at the center of our strategy. We are honored that in 2022 and for the third consecutive year our residential customers have recognized Ameren with a top quartile overall customer satisfaction ranking among large electric utility providers in the Midwest.

In addition, Ameren Missouri ranked number one in business customer satisfaction. And finally, for our shareholders, yesterday we announced 2022 earnings of $4.14 per share compared to earnings of $3.84 per share in 2021. This result was at the high end of our earnings per share guidance range. The strong execution of our strategy in 2022 reflect strategic alignment across all of our business segments. We are staying focused on optimizing our operations and safely completing billions of dollars of value adding projects to deliver significant value to our customers, communities, shareholders and the environment.

Turning now to Page 6. Here you can see we have delivered consistent superior value to our shareholders for nearly a decade. Since 2013, our weather normalized core earnings per share have risen 92% at an approximate 7.5% compound annual growth rate, while our annual dividends paid per share have increased approximately 48% over the same time period. This drove a strong total return of nearly 226% for our shareholders from 2013 to 2022, which was significantly above our utility peer average. While I am very pleased with our track record of strong and consistent performance, rest assured that we are not letting up. Our team will remain focused on enhancing performance in 2023 and in the years ahead so that we can continue to deliver superior value to our customers, communities and shareholders.

Turning to Page 7. This page summarizes our strong sustainability value proposition and focus on environmental, social, governance and sustainable growth goals and reflects the way we integrate our sustainability values into our normal course of business. Beginning with environmental stewardship, last June we announced an acceleration of our transformational Generation Resource Plan now aiming to achieve net zero Scope 1 and 2 carbon emissions by 2045 across all of our operations in Missouri and Illinois, which is consistent with the objectives of the Paris Agreement and limiting global temperature rise to 1.5 degrees Celsius.

This plan also advances our interim greenhouse gas emission reduction targets to 60% and 85% below 2005 levels by 2030 and 2040 respectively. As mentioned in 2022, we were assigned certain projects as part of the Tranche 1 project portfolio to prospectively, build and operate significant transmission investments in MISO territory. These, as well as other transmission investments will provide our region access to a diverse mix of energy resources and are an important step forward to support a smooth clean energy transition. We also have a strong long-term commitment to our customers and communities to be socially responsible and economically impactful. One example is our effort to drive inclusive economic growth at Ameren and in our communities. In 2022, we spent approximately $1.1 billion with diverse suppliers, including minority, women and veteran owned businesses, a 22% increase over 2021.

Because of actions like this, in May we were honored to be recognized again by Diversity Inc as number one on the nation's top utilities list for diversity, equity and inclusion. This is the 14th consecutive year, we have been named to this distinguished list. I am also very pleased to say that Ameren was named a top company for ESG for the third consecutive year.

In addition, we continue to support many nonprofit organizations in the communities we serve, including programs focused on DE&I to which we have made a $10 million contribution commitment by 2025. Moving to governance, our strong corporate governance is led by a diverse Board of Directors focused on strong oversight of our sustainability efforts. In 2022, we named our first combined Chief Sustainability, Diversity and Philanthropy Officer to further optimize our initiatives and our executive compensation practices include performance metrics that are tied to diversity equity inclusion and progress toward a clean energy future for all.

Finally, this slide summarizes our very strong sustainable growth proposition, which we believe remains among the best in the industry. Today, we published our updated sustainability investor presentation called Leading the Way to a Sustainable Energy Future, which is available at amereninvestors.com. It demonstrates how we have been effectively integrating our sustainability values and practices into our corporate strategy. I encourage you to take some time to read more about our strong sustainability value proposition.

Moving to Page 8. We turn our focus to the current year. We expect 2023 to be another busy year and we are excited about a number of strategic objectives. Notably, we will maintain our focus on significant infrastructure investment for the benefit of our customers. We expect to invest approximately $3.5 billion in electric, natural gas and transmission infrastructure to bolster safety, security, reliability, resiliency and further the clean energy transition in a responsible fashion. And as the nation's clean energy transition continues, we plan to help develop the needed transmission investment by submitting bids for the MISO Tranche 1 competitive Long-Range Transmission Projects, as well as support analysis of potential Tranche 2 projects.

We have an active regulatory calendar this year. We look to constructively conclude our Ameren Missouri Electric Rate Review, Ameren Illinois Electric Multi-Year Rate Plan and Ameren Illinois Natural Gas Rate Review. We will also work to successfully advocate for certificates of convenience and necessity for future renewable generation at Ameren Missouri. And our next Ameren Missouri Integrated Resource Plan will be filed in September, which will include a comprehensive update of assumptions, including changes driven by the Inflation Reduction Act enacted last year.

Finally, we are focused on maintaining disciplined cost management with the expectation of holding operations and maintenance expenses flat in 2023 relative to 2022.

Moving now to Page 9. Yesterday afternoon, we announced that we expect our 2023 earnings to be in a range of $4.25 to $4.45 per share. Based on the midpoint of the range this represents 7% earnings per share growth compared to the midpoint of our original 2022 guidance range of $4.05 per share. Michael will provide you with more details on our 2023 guidance a bit later. Building on the strong execution of our strategy and our robust earnings growth over the past several years, we expect to deliver 6% to 8% compound annual earnings per share growth from 2023 through 2027, using the midpoint of our 2023 guidance $4.35 per share, as the base. Our dividend is another important element of our strong total shareholder return proposition. Last week Ameren's Board of Directors approved a quarterly dividend increase of approximately 7%, resulting in an annualized dividend rate of $2.52 per share. This represents our third consecutive year of approximately 7% dividend growth and the increase reflects confidence by Ameren's Board of Directors in our business outlook and management's ability to execute our strategy.

Looking ahead, we expect Ameren's future dividend growth to be in line with our long term earnings per share growth expectations and within a payout ratio range of 55% to 70%. We expect our weather normalized dividend payout ratio in 2023 to be approximately 58%. I have full confidence in our team as we look ahead.

Turning to Page 10. The strong long term earnings growth I just discussed is primarily the result of rate base growth driven by investment in energy infrastructure under constructive regulatory frameworks. Today, we are rolling forward our Five Year Investment Plan and as you can see, we expect to grow our rate base at an approximate 8% compound annual rate for the 2022 through 2027 period. Our robust capital plan of approximately $19.7 billion over the next five years will deliver significant value to our customers and the communities we serve. Our plan includes strategically allocating capital to all four of our business segments and importantly, includes investment in assigned MISO Long-Range Transmission Planning Projects of approximately $800 million and Renewable Energy Projects of approximately $2.5 billion through 2027.

Finally, we remain focused on disciplined cost management to keep customer bills as low as possible and improved earn returns in all of our businesses. Moving to Page 11. As we look to the future, our five year plan is not only focused on delivering strong results through 2027, but it is also designed to position Ameren for success over the next decade and beyond. The right side of this page shows that our allocation of capital is expected to grow our electric and natural gas energy delivery investments to be 81% of our rate base by the end of 2027.

Incorporating renewable investment opportunities from our latest IRP we expect our rate base from renewable generation to grow to 11% and for coal fired generation to decline to just 3% of rate base by the end of 2027. In light of the Rush Island and Sioux energy centers approaching retirement by 2025 and 2030 respectively only approximately 3.5% of the capital expenditures in our five year plan are expected to be spent on coal related projects focusing on investments needed for safety, reliability and environmental compliance. The bottom-line is that we are taking steps today across the board to position Ameren to provide safe, reliable, affordable and cleaner energy for the long term.

Turning now to Page 12. Looking ahead, over the next decade, we have a robust pipeline of investment opportunities of $48 billion that will deliver significant value to all of our stakeholders by making our energy grid stronger, smarter and cleaner. Of course, our investment opportunities will also create thousands of jobs for our local economies maintaining constructive energy policies that support robust investment and energy infrastructure and a transition to a cleaner future in a responsible fashion we'll be critical to meeting our country's energy needs in the future and delivering on our customers expectations.

Moving now to Page 13. Our investment plans released today incorporate our intentions to invest in significant renewable resources as we execute the clean energy transition laid out in our Ameren Missouri Integrated Resource Plan. Our IRP lays out the most prudent approach to systematically invest in renewable energy generation to complement existing and planned dispatchable resources building a diverse, reliable, resilient and affordable system for our customers. We continue to work in earnest with developers to acquire renewable generation projects and expect to announce further agreements over the course of this year. We are pleased to say that last week, the Missouri PSC approved our Certificate of Convenience and Necessity for the 200 megawatt Huck Finn Solar Project. Construction of this facility is expected to create approximately 250 jobs and once in operation produce enough energy to power approximately 40,000 homes. We expect to Missouri PSC decision on the remaining pending Certificate of Convenience and Necessity for the 150 megawatt Boomtown Solar Project by April though the commission is under no deadline to issue a decision. We look forward to continuing to engage with stakeholders regarding our future generation needs and clean energy transition.

Moving to Slide 14. As we've discussed in the past, MISO completed a study outlining a potential roadmap of transmission projects through 2039. In July, MISO approved the first set of projects which includes $1.8 billion assigned to Ameren. Detailed design work and project planning for the assigned Tranche 1 projects are underway. MISO request for proposal on the remaining competitive projects have begun to be issued, and we expect a proposal and evaluation process to take place over the course of 2023 and 2024.

Looking ahead to Tranche 2 analysis of potential projects is underway and will continue for the remainder of the year. MISO anticipates the Tranche 2 portfolio of projects will be approved in the first half of 2024. Moving to Page 15. As noted earlier, we remain relentlessly focused on continuous improvement and disciplined cost management. Ongoing initiatives include the automation and optimization of numerous processes, leveraging the benefits from significant past and future investments in digital technologies and grid modernization.

Additionally, in 2022, we extended most of our collective bargaining unit labor agreements out through mid to late 2026 for nearly all Ameren union represented employees, which will provide predictability in our labor costs in the coming years. In 2023, we expect our operations and maintenance expenses to be flat with 2022, and we are targeting flat operations and maintenance expenses through 2027.

Moving to Page 16. To sum up our value proposition, we remain firmly convinced that the execution of our strategy in 2023 and beyond will continue to deliver superior value to our customers, shareholders and the environment. We believe our expectation of 6% to 8% compound annual earnings growth from 2023 through 2027 driven by strong rate base growth compares very favorably with our regulated utility peers. I am confident in our ability to execute our strategy and investment plans across all four of our business segments as we have an experienced and dedicated team with a track record of execution that has positioned us well for future success. Further, our shares continue to offer investors an attractive dividend in the strong earnings growth expectations we outlined today, position us well for future dividend growth. Simply put, we believe this results in a very attractive total return opportunity for shareholders.

Again, thank you all for joining us today and I will now turn the call over to Michael.

## Michael Moehn {BIO 5263599 <GO>}

Thanks, Marty, and good morning, everyone. Turning now to Page 18 of our presentation. Yesterday, we reported 2022 earnings of $4.14 per share compared to earnings of $3.84 per share in 2021, an increase of approximately 8%. This page summarizes key drivers impacting earnings at each segment. I would note in the fourth quarter, we benefited from colder than normal weather, as well as an improved market conditions related to the cash surrender value of our company owned life insurance investments, which contributed to 2022 earnings results at the top end of the earnings per share guidance range that we outlined on our third quarter call.

We've also included on this page the year-over-year weather normalized sales trends for Ameren Missouri. Weather normalized kilowatt hour sales to Illinois residential and industrial customers were down approximately 1.5% and 1% year-over-year, respectively. And weather normalized kilowatt hour sales to Illinois commercial customers increased by approximately 0.5%. Recall that changes in electric sales in Illinois, no matter the cause do not affect our earnings since we have full revenue decoupling.

Moving to Page 19 of the presentation. Here we provide an overview of our $19.7 billion of planned capital expenditures for the 2023 through 2027 period by business segment that supports the approximately 8% projected compound annual rate base growth. We've incorporated an incremental $2.4 billion compared to the $17.3 billion five year plan for 2022 through 2026 that we laid out last February. The plan includes investments related to assigned MISO Long-Range Transmission Projects, as well as Renewable Energy Generation investments aligned with our 2022 Missouri Integrated Resource Plan.

As you can see on the right side of this page, we are allocating capital consistent with the allowed return equity under each regulatory framework. Turning to Page 20. We outline here the expected funding sources for the infrastructure investments noted on the prior page. We expect continued growth in cash from operations as investments are reflected in customer rates. We also expect to generate significant tax deferrals. The tax deferrals are driven primarily by the timing differences between financial statement depreciation reflected in customer rates and accelerated depreciation for tax purposes. From a financing perspective, we expect to continue to issue long-term debt to fund a portion of our cash requirements. We also plan to continue to use newly issued shares from our dividend reinvestment and employee benefits plans over the five year guidance period. We expect this to provide equity funding of approximately $100 million annually.

In order for us to maintain a strong balance sheet while we fund our robust infrastructure plan, we expect incremental equity issuances of approximately $300 million in 2023 and $500 million each year from 2024 through 2027. The $300 million of equity needs outlined for 2023 have been fulfilled through forward sales agreements under our at the market equity distribution program, which we expect to settle by the end of this year. All of these actions are expected to enable us to support our consolidated capitalization target of approximately 45% equity. And lastly, the bottom of Page 20 shows our pension and OPEB obligations were well funded at the end of 2022. Constructive regulatory mechanisms are in place for recovery of associated costs, including a tracker at Ameren Missouri and formula rates in Ameren Illinois Electric Distribution and Ameren Transmission.

Moving to Page 21 of our presentation. I would now like to discuss key drivers impacting our 2023 earnings guidance. We expect 2023 diluted earnings per share to be in the range of $4.25 per share to $4.45 per share. On this page and next we have listed key earnings drivers and assumptions behind our 2023 earnings guidance broken down by segment as compared to the 2022 results. I would note consistent with past practice, our 2023 earnings guidance does not include any expectation of COLI gains or losses.

Beginning with Ameren Missouri earnings are expected to rise in 2023. New electric service rates effective July1, 2023 are expected to increase earnings. The earnings comparisons is also expected to be favorably impacted by higher investments in infrastructure that are eligible for PISA primarily during the first half of 2023 before rates are reset. We expect to return to normal weather in 2023 while decreasing our Missouri earnings by approximately $0.14 compared to 2022 results.

Further, we expect higher interest expense largely driven by higher long-term debt outstanding. And we expect to recognize earnings related to energy efficiency performance incentives from a single plan year in 2023. Moving on earnings from our FERC-regulated electric transmission activities are expected to benefit from additional investments in Ameren Illinois and ATXI projects made under forward-looking Formula Ratemaking.

Turning to Page 22. For Ameren Illinois Electric Distribution earnings are expected to benefit in 2023 compared to 2022 from additional infrastructure investments made under Illinois performance based rate making. We also expect higher earnings in Ameren Illinois Electric Distribution from a higher allowed return equity due to the expected higher 30-year treasury rates. Our guidance incorporates in ROE at 9.55% using a forecasted 3.75%, 2023 average yield for the 30-year treasury bond, which is higher than the allowed ROE of 8.9% in 2022. The allowed ROE is applied to year end rate base. For Ameren Illinois Natural Gas earnings will benefit from infrastructure investments qualifying for rider treatment, which are expected in partially offset by higher depreciation expense.

Moving now to Ameren wide drivers and assumptions, we expect increased common shares outstanding to unfavorably impact earnings per share by $0.08 and we expect higher interest expense in the Ameren Parent. Of course, in 2023, we will seek to manage all of our businesses to earn as close to our allowed returns as possible, while being mindful of operating and other business needs.

I'd also like to take a moment to discuss our retail electric sales outlook. We expect weather normalized Missouri kilowatt hour sales to be in the range of flat to up approximately 0.5%

compounded annually over a five year plan excluding the effects of MEEIA energy efficiency plans using 2022 as the base year. We exclude MEEIA effects because the plan provides rate recovery to ensure that earnings are not affected by reduced electric sales resulting from our energy efficiency efforts.

Turning to Illinois, we expect our weather normalized kilowatt hour sales including energy efficiency to be relatively flat over our five year plan. Turning to Page 23, our Missouri Regulatory matters, in August we filed for a $316 million electric revenue increase with the Missouri Public Service Commission. The request includes a 10.2% return on equity, a 51.9% equity ratio and in December 31, 2022, estimated rate base of $11.6 billion.

In January, the Missouri Public Service Commission staff and other intervenors filed rebuttal testimony. Missouri PSC staff recommended a $199 million revenue increase including a return-on-equity range of 9.34% to 9.84% and an equity ratio of 51.84% based on the Missouri Capital structure at September 30, 2022. The equity ratio will be updated to use the capital structure as of December 31, 2022. The difference between a request in the Missouri PSC staff recognition is primarily driven by return on equity and treatment of the High Prairie and Rush Island energy centers. Both of our request and staffs recommendation will be trued up through December 31, 2022.

As always, we will seek to work-through these and other differences with intervenors as we work through the proceedings. Evidentiary hearings are scheduled to begin in April and a decision from the Missouri PSC is expected by June 2023 with rates effective by July 1, 2023. Turning to Page 24, for details on Illinois Electric matters. In January, Ameren Illinois Electric Distribution filed its first multi year rate plan for 40:17 MYRP with the ICC. The MYRP includes a great plan that lays out our Electric Distribution investment plans for Illinois and supports our annual revenue increase request for the next four years. Our request for $175 million revenue increase in 2024 is based on an average rate base, a $4.3 billion a return-on-equity of 10.5% and an equity ratio of just under54%. You can find additional key components of our MYRP on this slide. The base return on equity will be adjusted up or down annually based on seven performance metrics focused heavily on reliability and peak load reduction. Importantly, our capital expenditure plans for the coming years are expected to drive improvements in many of the areas of focus for these performance metrics.

In annual revenue requirement up will take place each year with a 105% cap on actual costs compared to the revenue requirement approved in the MYRP. However, many variable items such as changes in purchased power costs, interest rates, changes in taxes and large storm restoration costs are excluded from this camp. We expect the ICC decision on the MYRP by December 2023 with new rates effective in January 2024. Additionally, as part of the Illinois Energy Transition legislation in June, Ameren Illinois filed transportation beneficial electrification plan. The plan proposes spend $27 million to provide incentives rates in programs to encourage electric vehicle utilization and infrastructure development across the Ameren Illinois service territory through 2025. This is being done in support of the governor's goal of $1 million electric vehicles on the road by 2030. We expect the ICC order on the Transportation Electrification filing by the end of March 2023. Moving to Page 25, we recently concluded our formula rate review of Ameren Electric Distribution.

In December, the ICC approved a $61 million rate increase as part of its annual performance based rate update. New rates became effective in January. Major investments included in this request for the installation of outage avoidance and detection technology integration of storm hardening, equipment and the implementation of new technology to improve communication with our customers. Since implementing performance base rate making in 2012, liabilities increased by approximately 20% and the equivalent over 1,700 jobs have been created. We look-forward to the new performance based rate making under the MYRP, which will also allow us the opportunity to improve our returns in exchange for meaningful improvements for the benefit of our customers.

Finally, on January, Ameren Illinois Natural Gas requested a $160 million revenue increase from the ICC based on a 10.7% return on equity and approximately 54% equity ratio and $2.9 billion rate base using our future 2024 test year. This requested increase includes approximately $77 million that would otherwise were recovered in 2024 and QIP and other writers. And ICC decision is required by late November 2023 with rates expected to be effective in early December 2023. You can see, we have an active regulatory calendar ahead of us. We've developed strong relationships with our stakeholders and long track record, our constructive result that sure investments are truly making a difference in the lives of our customers.

On Page 26, we provide an update regarding the Inflation Reduction Act. As we sit here today, we do not expect the corporate minimum tax or CMT to apply in 2023 or 2024, we continue to model the CMT and it's possible it could impact 2025 and beyond. We weighed additional guidance from treasury, which we expect to provide more further clarity. Again, these potential incremental annual cash tax payments are not expected to be material. These estimates are of course subject to the amount and timing of capital expenditures being placed in service or retired timing of rate reviews and additional guidance that may be issued by the IRS or Department of Treasury among other items.

Finally, moving to Page 27, I'll emphasize again, we have a strong team, and are well positioned to continue executing our plan. We delivered strong earnings growth in 2022 and we expect to deliver strong earnings growth in 2023 as we continue to successfully execute our strategy. As we look-ahead, we expect 6.8% compound earnings per share growth on 2023 to 2027, driven by robust rate base growth and disciplined cost management. We believe this growth will compare favorably with the growth of our peers. Further, Ameren shares continue to offer investors an attractive dividend. In total, we have an attractive total shareholder return story that compares very favorably to our peers. That concludes our prepared remarks. We now invite your questions.

# Questions And Answers

## Operator

(Operator Instruction) Our first question comes from the line of Nicholas Campanella with Credit Suisse. Please proceed with your question.

## Q - Nicholas Campanella {BIO 20250003 <GO>}

Hey, everyone thanks for all the info today. And Andrew, welcome back really, really happy to hear your voice.

## A - Andrew Kirk {BIO 20578297 <GO>}

I appreciate.

## Q - Nicholas Campanella {BIO 20250003 <GO>}

Absolutely. Yes. So, I guess just on the Missouri rate case you did have some differences here rate base for staff. But, Just wanted to get a sense of your overall appetite to settle this case if that's still a possibility just thinking back to how prior cases have gone. Thank you.

## A - Marty Lyons {BIO 4938648 <GO>}

Yes Nichol. This is Marty Lyons. Good morning. Thanks for the question. Yes, look, as we go into each case we certainly are hopeful of being able to reach a constructive settlement and as we talked about many times, we have a good history of working with stakeholders in Missouri and reaching constructive settlements. We outlined where we are in the case today in our prepared materials you saw in the slide deck and we outlined some of the issues that. Divide us today. Mainly, and some of the traditional areas like ROE, but also on a couple of issues like High Prairie and Rush Island energy centers where there are some differences between us and the staff in particular. Importantly, all of us will be updating our cases based on year end rate base as well as other true-up items that go through December 31. So you mentioned some of the differences in rate base, really those are just timing differences between the staffs rate base, which was as of June 30 in the company filed position, which projected through December 31. But all of those things are going to be trued up here in the coming days up through December 31. So importantly some dates that we highlighted final reconciliation of the parties positions will be due March 30 that comes after surrebuttal testimony, which is filed March 13, and then evidentiary hearings if those are needed would start on April 3. So, traditionally the best time to be able to reach a constructive settlement given where this rate case is this rate review would be end of March or April in terms of when you might be able to really reach a constructive settlement with the parties.

## Q - Nicholas Campanella {BIO 20250003 <GO>}

That's helpful. I appreciate that and then just on the equity financing, recognizing that you did raise CapEx in this new five year plan, you do have some sizable needs here in the out years and I know you recently last quarter also said that you're increasing the ATM to $1 billion for 2024 and beyond. But can you just help us understand, with the equity in the plan. Just your preferred source of funding that or sourcing it rather..

## A - Michael Moehn {BIO 5263599 <GO>}

Yes you bet Nick, good morning. This is Michael a couple of things I'll get specific question. I mean again, I think as we've talked over-time in. We do believe our balance sheet really provide us a position of strength here, we worked hard to continue to conservatively manage it. I think we like our ratings, where they are BAA1, BBB plus. We obviously have more margin S&P than we do and these we've talked about that from time-to-time. We continue to target this capitalization ratio of close to 45%, which I think again it served us well in these various regulatory proceedings and making sure remain-- maintain these balance sheets appropriately the subsidiaries. In terms of what we need here, you're right, I mean, $2.4 billion of incremental capital I think what we continued message along the year, as we thought about any increases in capital associated with these opportunities around ORTP or the renewables that we should continue to think about our balance sheet in a similar fashion. I think that's what we're doing here, we're laying out this incremental really $800 million of equity. There's some obviously retained earnings and there as well, kind of get kind of get you back to that same sort of capitalization ratio. The ATM has served us well. Up to this point, I mean we're taking care of all of our needs for '23 net we're sold forward in '23, so we're really finished with that $300 million we started to sell forward into '24. You're right, we did increase beyond the capacity of the ATM, we'll have to continue to evaluate that over-time as we would run into any limits there, but again, it's a really efficient way for us to issue capita. We think it's a manageable amount. If you look at it relative to our total market capitalization. So we feel comfortable with it and again I think that it provides us quite a bit of strength here as we just think about the overall funding that we need over the course of the next five years.

## Q - Nicholas Campanella {BIO 20250003 <GO>}

I appreciate the color. I'll get back-in the queue. Thank you.

## Operator

Our next question comes from Jeremy Tonet with JP Morgan. Please proceed with your question.

## Q - JeremyTonet

Hi, good morning.

## A - Megan McPhail

Good morning, Jeremy.

## Q - JeremyTonet

Just wanted to start-off with I guess rate base CAGR as it is the 8% as you laid out there and the $2.5 billion figure. Just wondering what are the IRP assumptions, your CapEx plan update that underpin the $2.5 billion there in. What does this imply for company ownership of resources versus PPA and how do you think --how do you view the overall line of sight here and when do you expect to kind of get final, the commission decisions on all resources.

## A - Marty Lyons {BIO 4938648 <GO>}

Yes, good morning Jeremy, this is Marty. There is a few questions I think embedded in that question, so I'll I'll start and perhaps Michael would want to add-on. First of all the capital expenditures that we've put into the plan in Missouri for the IRP really tied to the plan that we laid out in the IRP. So if you go back and you look at that overall timeline. We plan to add 800

MW through 2025 and then another 2000 MW of renewables between 2026 and 2030 and if you just do some simple math there, it's about 400 MW Per year. So you end-up with about 1,600 MW overall over a five year period.

And again, we've put in about $2.5 billion as an estimate for that. So that's how it lines up. We were pleased to have the commission, Missouri Public Service Commission approved the Huxian project, which was a 200 MW solar project we proposed. They approved that one recently as CCN and of course we've got the Boomtown project, which was 150 MW solar project before them now and awaiting the decision and we continue to work with developers on additional renewable projects to really fill out that plan that we have under the IRP, which we think is absolutely the most prudent way to move forward to provide our customers that reliable, affordable and cleaner energy that they're seeking. Now back to the overall CapEx plan. What you'll notice is we've got a $19.7 billion overall capital expenditure plan for '23 to '27. That compares to the one we had previously, which was '22, '26, we had $17.3 billion, so we've added about $2.4 billion overall, as we move from our prior plan to this one.

In a Missouri in particular I'd point out that we previously had $8.9 billion of planned expenditures moving now to $10.4 billion, which is about a $1.5 billion overall addition. So, we've embedded the expectation of those renewable projects getting done in the overall $10.4 billion. But, I would say we've taken at a measured approach to opening our overall capital expenditure plan, which gives us great confidence in our ability to achieve it. Again, we've already had one renewable project to prove. We've got a strong pipeline of capital expenditure opportunity over the next 10 years as we've talked about $48 billion. You have a lot of confidence in our ability to execute not only the $10.4 billion plan for Missouri, but the overall $19.7 billion plan we've laid out today.

## A - Michael Moehn {BIO 5263599 <GO>}

The only thing Jeremy I might add to that. Marty just gave a really comprehensive answer is, just specifically the pipeline to renewables itself and I love the team continues to do a lot of really hard work, there's some active RFPs, they continue to have open and continue to have a lot of conversations with developers about these projects. I think you had something embedded in there about how do we think about maybe PPAs versus ownership. Again, we believe that ownership is in the best interest of our customers for the long-term, and that's really where our focus has been it's certainly evidenced by what we did with wind projects certainly proposing with the two renewable solar projects that Marty spoke about.

So I'd say, an active pipeline and I think obviously the supply-chain issues, have been well-publicized. I think we continue to work through those and feel good about the projects we have out there and it's going to continue to be a lot of focus and effort over the coming years.

## Q - JeremyTonet

Got it, that's very helpful there. Thanks. And then moving I guess to MISO here, what are your current thoughts on potential MISO long-range transmission planning Tranche to spend given MISO seems to be modeling more aggressive assumptions in light of IRA. So, wondering your thoughts on the outlook there.

## A - Marty Lyons {BIO 4938648 <GO>}

Yes. I would say with respect to Tranche 2 were certainly actively engaged with other stakeholders with MISO and modeling out. The benefits of potential projects that would come out of Tranche 2, our overall expectation as we sit here today, is that the overall portfolio of projects that MISO would approve as part of Tranche 2, will be larger than the overall size of the projects that were approved as part of Tranche1. But I think it'd be premature to comment on specifically which projects might land in our service territory or be assigned specifically to us. But rest assured, we'll be working with other stakeholders to model the the transmission projects that we think would be best for customers and the reliability of the system overall. And two obviously effectuate the clean-energy transition, and we do expect that as we said in our prepared remarks, MISO to make some final determination early next year.

## Q - JeremyTonet

Got it. Very helpful. And then just kind of tying this together. You've raised CapEx you raised rate base growth a little bit here, I'm just wondering what you think this could mean for EPS, you don't have the 30year. I guess bringing fluctuations in the way that it was in the past though as you kind of look at your EPS CAGR outlook, do you see any bias within the range towards higher parts given. This step-up in CapEx and rate base here, rate base growth.

## A - Michael Moehn {BIO 5263599 <GO>}

Yes, Jeremy. I mean I think as you know. I mean our past practice, really has not been to sort of speculate where will be within that range. I think, I'll point to where we have achieved results. Obviously, historically we've been close to 7.5% CAGR since about 2013. So that sort of speak by itself, obviously, we did raise the rate base growth from 7% to 8%. I mean, and again, as you think about that range over time. It drives about a 45% range, that's 6% to 8% over that kind of five year period. And obviously there are some drivers as you pointed out in terms of just outcomes in the multi year rate plan earn versus allowed ROEs financing assumptions, et-cetera. But again, what sort of a past speak for itself. at the moment. And Jeremy, I just I'd just reiterate what I said, we feel very confident in our ability to be able to execute that $19.7 billion CapEx plan, which gives us confidence in our ability to execute that 8% rate base growth plan and that underscores our confidence in the 6% to 8% EPS CAGR that we've outlined today.

## Q - JeremyTonet

Got it that's helpful. I'll leave it there. And Andrew, really great to hear you on the call. Thanks.

## A - Andrew Kirk {BIO 20578297 <GO>}

Thanks, Jeremy. I appreciate, Glenn. Glad to hear you too.

## Operator

(Operator Instruction). Our next question comes from Julien Dumoulin-Smith with Bank of America. Please proceed with your question.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Hey, good morning. Thanks for the time. I appreciate the comments as far, maybe to follow-up on next question earlier. Just with respect to Illinois and prospects for settling here and any further elaboration around the new contact there, just as you step into this. I just want to understand, does this need to be sort of fully litigated and fully fleshed out to establish more of a record given the context of some shift in the compact here. And again, that's a question specifically directed at both the electric and the gas.

## A - Marty Lyons {BIO 4938648 <GO>}

Yes, Julien, this is Marty. Hey, great to hear from you. Yes. I think your intuition is probably right there, especially as it relates to the multi year rate plan. No, I think it's hard to speculate if ever we have the opportunity to really enter into constructive settlement with stakeholders we're certainly going to be interested in having that dialog with stakeholders. I think it's just very early in this multi year rate plan filing. Obviously, we haven't seen any staff or intervener direct testimony, we won't see that till May and really premature to know whether it's something that could be constructively settled or not. I will note that in Illinois, there hasn't been that history of overall global settlements that we've had in Missouri. But we'll certainly be looking at after we get testimony to work with stakeholders to resolve differences narrowed the issues. And if we can constructively settled and that would hold true for the gas case as well.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Well, hope through as and you probably want to worked through a fully litigated case here.

## A - Michael Moehn {BIO 5263599 <GO>}

No. I guess what I was saying there is, we're always going to be wanting to work with stakeholders once we see the differences to narrow those differences certainly correct any errors and really narrowed the issues. And if we can reach a global settlement and put that before the commission will seek to do that. Yes, I was just saying with respect to the electric distribution part of the business given the newness of this framework. And in fact, we haven't seen any testimony really premature to say whether that's something that has a high degree of probability.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Yes. All right, thank you for clarifying that. It actually as it pertains the QIP here, just new framework on the electric side and that's largely established at this point, pending implementation. But a QIP and its subsequent forms or iterations remains a little bit outstanding. Can you elaborate what your thoughts are and perhaps going back weather it legislatively or otherwise at this point to get something new. Again, I'll leave it open-ended on what that might look like, I know we've talked about this in the past at times, but is there a window today to revisit that conversation, perhaps in the slide form.

## A - Marty Lyons {BIO 4938648 <GO>}

Yes. Julien, this is Marty. Again, look we haven't given up on some sort of replacement for QIP and really because the QIP is in our (inaudible ) a really great rider for our customers really allowed us to make some investments to bolster the safety and reliability of the gas system and I would say our focus right now is really though on the gas case that you and I just discussed and really looking to get a constructive resolution of that case. As the overall gas regulatory environment, even without QIP is solid with forward test years revenue decoupling, bad debt riders et-cetera. So we believe that going forward without the QIP, we'd need to be thoughtful about the timing of rate reviews, but they do use forward test years, which I think is very important to think about and you would be thoughtful about the timing of capital expenditures to replace aging equipment, et-cetera.

So we do think the regulatory environment without QIP is something we can manage around, we can still invest, we can earn good returns, but we will look for windows of opportunity to look for something to replace the QIP, I'll leave the door open, like you did in terms of what form that may take. But right now our focus is on that gas case.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Yes. Thanks. And then sorry, quick clarification from earlier Boomtown just is there any different about this, let's say, relative (inaudible) or something like that might standout in terms of that approval process. Obviously the timing here being a little different in terms of the duration to the CCF.

## A - Marty Lyons {BIO 4938648 <GO>}

Yes. I think one of the differences, Julien is the Huxian project was proposed to be for compliance with the renewable energy standard that we have in Missouri. And it was approved as such the Boomtown project is really being proposed twofold one for customers, especially large industrial commercial customers that are looking for renewable energy as part of consumer program for them and as well as part of our transition under the IRP, but it's not being proposed for specific compliance with the renewable energy standard. And so that's a distinguishing fact between the two.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Wonderful. Thank you guys. And Andrew, I echo the sentiments.

## A - Marty Lyons {BIO 4938648 <GO>}

Thanks, Julie. Appreciate it.

## A - Andrew Kirk {BIO 20578297 <GO>}

Thank you, Gillian.

## Operator

We have reached the end-of-the question-and-answer session. I would now like to turn the call-back to Marty Lyons for closing comments.

## A - Marty Lyons {BIO 4938648 <GO>}

Well, thank you all for joining us today. As you heard, we had a very strong 2022 and we really remain focused on delivering again in 2023 and beyond for our customers, for our communities and for our shareholders. So would that be safe and we look-forward to seeing many of you over the coming months.

## Operator

This concludes today's conference. You may disconnect your lines at this time and we thank you for your participation.