

Non-GAAP Financial Information

Non-GAAP Measures

Adjusted Earnings per Share (EPS)

Duke Energy's 2020 Sustainability Report references adjusted EPS for the year-to-date periods ended December 31, 2020, 2019 and 2018 of \$5.12, \$5.06 and \$4.72, respectively.

The non-GAAP financial measure, adjusted EPS, represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items. As discussed below, special items represent certain charges and credits, which management believes are not indicative of Duke Energy's ongoing performance. Management believes the presentation of adjusted EPS provides useful information to investors, as it provides them with an additional relevant comparison of Duke Energy's performance across periods. Management uses this non-GAAP financial measure for planning and forecasting and for reporting financial results to the Duke Energy Board of Directors, employees, stockholders, analysts and investors. Adjusted EPS is also used as a basis for employee incentive bonuses. The most directly comparable GAAP measure for adjusted EPS is reported basic EPS available to Duke Energy Corporation common stockholders.

Special items included in the periods presented include the following items, which management believes do not reflect ongoing costs:

- Gas Pipeline Investments represents costs related to the cancellation of the ACP pipeline and additional exit costs related to Constitution.
- Regulatory and Legislative Impacts in 2020 represents charges related to Duke Energy Carolinas and Duke Energy Progress coal combustion residuals settlement agreement and the partial settlements in the 2019 North Carolina rate cases. In 2018, the charges related to the Duke Energy Progress and Duke Energy Carolinas North Carolina rate case orders and the repeal of the South Carolina Base Load Review Act.
- Severance in 2020 represents the reversal of 2018 costs, which were deferred as a result of a partial settlement in the Duke Energy Carolinas and the Duke Energy Progress 2019 North Carolina rate cases. In 2018, severance charges relate to companywide initiatives, excluding merger integration, to standardize processes and systems, leverage technology and workforce optimization.
- Impairment Charges in 2019 represents a reduction of a prior year impairment at Citrus County CC and an other-than-temporary impairment (OTTI) on the remaining investment in Constitution. For 2018, it represents an impairment at Citrus County CC, a goodwill impairment at Commercial Renewables, and an OTTI of an investment in Constitution.
- Costs to Achieve Mergers represents charges that result from strategic acquisitions.
- Sale of Retired Plant represents the loss associated with selling Beckjord, a nonregulated generating facility in Ohio.
- Impacts of the Tax Act represents amounts recognized related to the Tax Act.

Duke Energy's adjusted EPS may not be comparable to a similarly titled measure of another company because other entities may not calculate the measure in the same manner.

The following table presents a reconciliation of reported EPS to adjusted EPS for 2020, 2019 and 2018:

(per share)	Years Ended December 31,		
	2020	2019	2018
GAAP Reported Earnings/EPS	\$1.72	\$5.06	\$3.76
Adjustments to Reported:			
Gas Pipeline Investments	2.32	–	–
Regulatory and Legislative Impacts	1.19	–	0.29
Severance	(0.10)	–	0.21
Impairment Charges	–	(0.01)	0.25
Sale of Retired Plant	–	–	0.12
Costs to Achieve Mergers	–	–	0.09
Impacts of the Tax Act	–	–	0.03
Discontinued Operations	(0.01)	0.01	(0.03)
Adjusted Diluted EPS	\$5.12	\$5.06	\$4.72

Adjusted EPS Guidance

Duke Energy's 2020 Sustainability Report references Duke Energy's forecasted 2021 adjusted EPS guidance range of \$5.00 to \$5.30 per share. The materials also reference a preliminary estimate of the 2021 adjusted EPS midpoint of approximately \$5.15. In addition, the materials reference the long-term range of 5 to 7 percent through 2025 off the midpoint of 2021 adjusted EPS guidance range of \$5.15. The forecasted adjusted EPS is a non-GAAP financial measure as it represents basic EPS available to Duke Energy Corporation common stockholders (GAAP reported EPS), adjusted for the per share impact of special items (as discussed under Adjusted EPS). Due to the forward-looking nature of this non-GAAP financial measure for future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project all special items for future periods, such as legal settlements, the impact of regulatory orders or asset impairments.