

# Evergy Affirms Board and Management's Focus on Delivering Long-Term Value Creation and Serving Stakeholders' Best Interests

## *Updates Stakeholders Regarding Dialogue with Elliott Management*

KANSAS CITY, Mo. (Jan 21, 2020) – Evergy, Inc. (NYSE: EVRG), a vertically integrated, regulated, investor-owned electric utility created by the merger of Westar Energy and Great Plains Energy in June of 2018, today issued the following statement regarding the dialogue the Company has had with Elliott Management Corporation (Elliott):

*In October 2019, we were approached by Elliott, which proposed two alternative paths for the Company to consider:*

- Evergy should immediately initiate a process to explore the sale of the Company or some other business combination;
- Evergy should significantly increase its capex over the Company's current plan, cut investments in operations and maintenance (O&M) to help offset this increase, and halt its existing share repurchase program.

*Since October, we have engaged in good faith with Elliott to fully understand and evaluate their proposals. As a part of this process, we have engaged Morgan Stanley as financial advisor and Morgan, Lewis & Bockius LLP as legal counsel to assist management and the Board with an evaluation of Elliott's proposals and our strategic plan.*

*We are open to evaluating opportunities that may create greater value and recognize that Elliott has different views regarding our strategic plan. At the same time, there are various considerations that we believe are important when evaluating the conclusions that Elliott has asserted in its letter.*

*As expressed to Elliott, we are confident in our ability to deliver long-term growth and shareholder value creation through the execution of our strategic plan. This plan includes maximizing operational savings from our 2018 merger, the share repurchase program we committed to when this merger was completed, paying a competitive dividend and making capital investment that will drive value.*

- We are executing on our operating plan and are achieving substantial cost savings. We are on track to exceed the \$550 million of cumulative net cost savings targeted through 2023 in connection with the merger. These savings include \$110 million of savings in 2019 alone – \$80 million above our 2018 target. Notably, these savings are being achieved while protecting jobs; there have been no involuntary layoffs at the Company.
- Merger savings, share repurchases, dividends and infrastructure investments are contributing to sustainable earnings growth and competitive shareholder returns. At this time, given the regulatory considerations in Missouri and Kansas, we believe the greatest return opportunities for Evergy's capital beyond our current investment plan are share repurchases and growing the Company's dividend. Together with the Company's merger savings and incremental infrastructure investments utilizing plant in-service accounting in Missouri, we expect to deliver compounded annual earnings growth of 5% to 7% through 2023.
- Evergy's third quarter results demonstrate the strength of the Company and the value opportunity we offer to Evergy shareholders. We delivered another solid quarter, despite regulatory headwinds. Our confidence in the business and our financial strength is reflected in the confirmation of our 2019 adjusted EPS guidance of \$2.80 to \$3.00 and the 6.3% increase to our dividend, also consistent with our long-term guidance.

*We remain open to continuing our dialogue with Elliott. As we consider any opportunity, we are resolute in our commitment to serving the best interests of all Evergy stakeholders, including our shareholders, employees, customers and the communities we serve.*

*The support of our regulators is very important, and we will maintain an open, collaborative dialogue with them as we –*

*and they – consider Elliott's views.*

Morgan Stanley is acting as financial advisor and Morgan, Lewis & Bockius LLP is acting as legal advisor to the Company.

About Evergy, Inc.

Evergy, Inc. (NYSE: EVRG) provides clean, safe and reliable energy to 1.6 million customers in Kansas and Missouri. The 2018 combination of Kansas City Power and Light Company and Westar Energy to form Evergy created a leading energy company that provides value to shareholders and a stronger company for customers.

Evergy's mission is to empower a better future. Today, half the power supplied to homes and businesses by Evergy comes from emission-free sources, creating more reliable energy with less impact to the environment. We will continue to innovate and adopt new technologies that give our customers better ways to manage their energy use.

For more information about Evergy, Inc., visit us at [www.evergy.com](http://www.evergy.com).

#### CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this press release that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements relating to the expected financial and operational benefits of the merger of Great Plains Energy Incorporated (Great Plains Energy) and Evergy Kansas Central, Inc. that resulted in the creation of Evergy, Inc. (including cost savings, operational efficiencies, and the impact of the merger on earnings per share), cost estimates of capital projects, dividend growth, share repurchases, balance sheet and credit ratings, rebates to customers, the outcome of regulatory and legal proceedings, employee issues, capital investments and their impact on driving shareholder value, the execution of our strategic plan and its impact on driving long-term growth and shareholder value, and other matters affecting future operations, as well as statements that are generally accompanied by words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "seeks," "intends," "proposed," "projects," "planned," "outlook," "remain confident," "goal," "will," or other words of similar meaning. As forward-looking statements, these statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Evergy, Inc., Evergy Kansas Central, Inc. and Evergy Metro, Inc. (collectively, the Evergy Companies) are providing a number of important risks, uncertainties, and other factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include, but are not limited to: future economic conditions and any related impact on sales, prices and costs; prices and availability of electricity in wholesale markets; market perception of the energy industry and the Evergy Companies; changes in business strategy or operations; the impact of unpredictable federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudence of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations and independent system operators; the impact of climate change, including reduced demand for coal-based energy because of actual or perceived climate impacts and the development of alternate energy sources; financial market conditions and performance, including changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; the transition to a replacement for the LIBOR benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts, including cyber terrorism; ability to carry out marketing and sales plans; weather conditions, including weather-related damage and the impact on sales, prices and costs; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; the inherent uncertainties in estimating the effects of weather, economic conditions, climate change and other factors on customer consumption and financial results; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; workforce risks, including those related to increased costs of, or changes in, retirement, health care and other benefits; the possibility that the expected value creation from the merger will not be realized, or will not be realized within the expected time period; difficulties related to the integration, including the diversion of management time; difficulties in maintaining relationships with customers, employees, regulators or suppliers; disruption related to the rebranding of the Evergy Companies, including the impact of the rebranding on customers making timely payments; and other risks and uncertainties; and risks, disruption, costs, and uncertainties caused by or related to the actions of activist shareholders.

This list of factors is not all-inclusive because it is not possible to predict all factors. Part II, Item 1A, Risk Factors included in the Evergy Companies' combined Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, together with the risk factors included in the Evergy Companies' combined 2018 Annual Report on Form 10-K under Part I, Item 1A, should be carefully read for further understanding of potential risks for the Evergy Companies. Reports filed by the Evergy Companies with the Securities and Exchange Commission should also be read for more information regarding risk factors. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by applicable law.

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