



2025 Investor Update – September 29, 2025

Ben Vallejo – Director of Investor Relations & Corporate Planning

Good afternoon, everyone, and welcome to CenterPoint's 2025 investor update. Speaking on today's call will be various members of the CenterPoint management team, including:

1. Jason Wells, President and Chief Executive Officer
2. Jesus Soto, Executive Vice President and Chief Operating Officer
3. Jason Ryan, Executive Vice President of Regulatory Services and Government Affairs
4. Chris Foster, Executive Vice President and Chief Financial Officer.

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 upon various factors as noted in our SEC filings and earnings materials. Other than as required under applicable securities laws, we undertake no obligation to revise or update publicly any forward-looking statement.

We will be discussing certain non-GAAP measures on today's call. When providing guidance, we use the non-GAAP EPS measure of adjusted diluted earnings per share on a consolidated basis referred to as non-GAAP EPS.

For information on our guidance methodology and a reconciliation of the non-GAAP measures used in providing guidance, please refer to our news release and presentation, both of which can be found under the Investor section on our website. As a reminder, we use our website to announce material information.

This call is being recorded. Information on how to access the replay can be found on our website. Now, I'd like to turn the discussion over to Jason.



Jason Wells – President & CEO

Thank you, Ben.

Good afternoon and thank you to everyone joining us for our 2025 investor update.

As many of you may have seen from the press release, we issued earlier this afternoon, we have a lot of exciting updates to share.

Over the next hour, we will discuss our vision for the company for the next 10 years and illustrate why we continue to believe that we have one of the most tangible long-term growth plans in the industry.

The plan that we'll cover today seeks to advance economic growth and improve our customers' experience across the six service territories we have the privilege to serve.

Before we get into the details of our new 10-year plan, we have three updates to our nearer term guidance components that I would like to briefly highlight.

First, with the additional clarity to our 2025 earnings, today we are raising our 2025 non-GAAP EPS guidance range from \$1.74 to \$1.76 to a revised range of \$1.75 to \$1.77. At the midpoint, this represents 9% growth from last year's delivered earnings. This would be the fourth year delivering 9% year-over-year growth out of the last five years. More importantly, each time we have rebased our future earnings guidance off of the higher raise.

Second, we are initiating our 2026 non-GAAP EPS guidance range of \$1.89 to \$1.91, and we are targeting the midpoint or better of this range. At the midpoint, this represents 8% growth from the midpoint of our new and higher 2025 non-GAAP EPS guidance.

Lastly, we are announcing another \$2 billion increase to our current customer-driven capital investment plan through 2030. Like the other increases we have announced this year, this \$2 billion is being added without the need for additional common equity. This is our fourth positive revision since the beginning of this year for a total increase of \$7.5 billion through 2030.

These updates build upon a track record of execution that began at our 2021 Analyst Day. During that update, we introduced an ambitious 10-year plan aimed at improving outcomes for our customers and our investors.

Since that time, our management team has been laser focused on not only executing that plan but also enhancing it for the benefit of all stakeholders. With that said, it's clear that the past four years have brought remarkable changes to the utility landscape. Perhaps most notable is the surging demand for power and the pivotal role utilities are now playing in meeting this unprecedented growth.

Our Houston Electric service territory exemplifies this trend as we are anticipating a nearly 50% increase in peak electric load demand to over 30 gigawatts by 2031 and nearly doubling to 42 gigawatts by 2035.



To put that growth into context, it took us nearly a century to reach our current peak load of 21 gigawatts, yet we anticipate peak demand to increase approximately 50% in just the next five years.

Importantly, our anticipated demand growth is differentiated from our peers because of the diversity of the economic drivers. Our growth profile is not contingent on a few big projects, and we have been very conservative in forecasting the conversion of our interconnection request to the forecasted demand growth.

The new 10-year plan we are introducing today is aimed at meeting this new explosive growth to support economic development across our six service territories. In addition, our investments over the next 10 years are intended to improve our customers' experience through enhancing the safety, reliability, and resiliency of our systems.

Now, I'd like to touch on the highlights of our new 10-year plan. My colleagues will provide the details in their sections.

It starts with the work to serve our customers and communities. We plan to make at least \$65 billion in customer-driven capital investments through 2035. Of this \$65 billion 10-year total, we expect to invest \$33 billion from 2026 through 2030. This is up nearly 40% from the 10-year plan initiated in 2021.

As I mentioned, this new plan includes a \$2 billion increase through 2030 with no anticipated additional common equity needed. From 2031 through 2035, we are targeting to invest \$32 billion.

In addition to and outside of our \$65 billion capital investment plan, we have more than \$10 billion of incremental capital investment opportunities through 2035.

Included in this \$10 billion are investments that we believe can further accelerate, improve customer outcomes, and advance economic growth. These incremental investment opportunities include our next-generation electric smart meter deployment, increased strategic undergrounding of distribution lines, additional electric transmission work, and data center-related investments in Indiana.

We will efficiently finance our investments by recycling capital related to our Ohio Gas LDC business, which we expect to announce by the end of this year, our improved operating cash flows that will allow us to self-fund approximately 65% of our capital investments over the next 10 years, moderating our dividend growth to approximately 6% over the duration of our 10-year plan, and lastly, modest common equity issuances of roughly \$3 billion from 2028 through 2035.

As a reminder, we have already derisked our financing plan through 2027 with our previously executed forward sales of \$1.1 billion of common equity.

With a solid foundation of over 11% rate base growth expected through the end of this decade, combined with our ability to efficiently finance our capital investment, we are increasing and extending our long-term earnings guidance range.

Over the longer term, we are targeting non-GAAP EPS annual growth of 7% to 9% through 2035. As a reminder, we grow earnings from the prior year actuals as we seek to deliver value for our investors each and every year. This approach, combined with the earnings increases from our original targets, has resulted in nearly 10% incremental earnings from our original 10-year plan.



In the nearer term, given our derisked regulatory and financing profile, we are targeting the mid to high end of the 79% range over the first three years of our plan. From 2026 through 2028, we will target the mid to high end of our 7% to 9% non-GAAP EPS annual growth rate.

Over the duration of our 10-year plan, we anticipate reducing O&M 1% to 2% per year on average through 2035, as we continue to stay laser-focused on cost control and customer affordability. We anticipate these reductions will help us keep our customer charges roughly in line with the historical long-term rate of inflation, as we strive to invest for the long-term benefit of our customers.

Our approach to this new plan and even many of the targets we're introducing today may look familiar to many of you.

The 10-year plan we put forth four years ago had many of the same ambitious goals, including aggressive O&M reductions and peer-leading earnings growth guidance.

We believe we are well-positioned to execute over the next 10 years just as we were when we introduced our last plan.

Since the introduction of our prior plan, we have delivered strong outcomes for the benefit of all of our stakeholders. These outcomes include increasing the original 10-year \$40 billion customer-focused investment plan by \$15 billion or nearly 40%.

Our disciplined approach to driving efficiency in operations which has resulted in a cumulative 7% reduction in O&M over the last four years, meeting our 1% to 2% average annual O&M target while at the same time increasing vegetation management in our Houston Electric business by over 30%. This focus on taking cost out of our business helped us achieve a revenue reduction in our Houston Electric rate case as we continue to emphasize affordability of our service.

Importantly, we have made these investments while keeping our average customer bills and charges at or below our in-state peers, notably in our Houston Electric service territory. Our residential customer delivery charge is nearly the same as it was in 2014.

Lastly, we have delivered peer-leading non-GAAP EPS and dividend per share growth that supports a strong investment thesis. This helps us to continue to compete for capital to efficiently fund the investments we make on behalf of our customers.

From 2021 through 2023, we grew non-GAAP EPS 9% each year and 8% in 2024. Each year, we have grown non-GAAP EPS from the prior year's actual delivered results. With today's announced non-GAAP EPS guidance increase, we will have grown our earnings 9% in four of the last five years, which would be the highest amongst our peers over that same period. In addition, we grew our dividend per share closely in line with earnings over that period. This was one of the fastest dividend growth rates in the sector.

Many of these results have far exceeded the ambitious targets we put forth during our 2021 Analyst Day. We are confident that over the next 10 years we will have the opportunity to continue the strong level of execution as we work to improve customer outcomes and enhance value creation for our investors each and every year.



Bolstering our confidence is the dynamic and growing jurisdictions that we have the privilege to serve, especially those in the state where we have our largest presence, Texas. Texas continues to experience unprecedented growth as low taxes, affordable housing, and a constructive regulatory environment attract not only some of the world's largest businesses, but also individuals that work for them.

Notably, if Texas were a country, it would have the eighth largest economy in the world. Fueling that economy are the over 30 million residents that reside in the Lone Star State, a figure that only continues to grow. From 2020 to 2024, Texas added over 560,000 residents annually, driving a 7% cumulative growth rate over that period. 2024 marked the 14th consecutive year in which Texas outpaced every other state in the country in annual population growth.

Our Texas Gas and Houston Electric service territories have undoubtedly benefited from this tremendous growth that much of the state experiences. Houston, already the fourth largest city in the United States, is uniquely positioned to continue this growth through both industrial expansion and residential development in the decades ahead.

Houston's industrial backbone is second to none. As the energy capital of the world, the city boasts 14 headquarters for leading publicly traded energy companies, but Houston's industrial profile extends far beyond energy. With the largest port in the nation by water-borne tonnage, the greater Houston area is a central hub for global trade and logistics. Manufacturers, chemical producers, and high-tech firms are also flocking to Houston for its unmatched infrastructure, supply chain connectivity, and business-friendly environment.

The underlying fundamentals of these rapidly growing industries have resulted in significant increases in energy demand from our industrial customers. Notably since 2018, weather-normalized industrial sales in our Houston Electric business have increased at a 7% CAGR.

Emerging industries are also fueling the future. Houston's rapidly growing medical sector, anchored by the Texas Medical Center, or TMC, the world's largest medical complex, positions the city as a leader in biotechnology, healthcare, innovation, and life sciences. Recently, many of you may have seen that Eli Lilly announced a new advanced pharmaceutical ingredient manufacturing plant, which complements the leading clinical and research work in the Texas Medical Center. The introduction of pharmaceutical manufacturing is yet another growth driver for this region.

As AI and data centers continued to evolve, Texas and more specifically the greater Houston area, is expected to play a major role. Many of you may have focused on the announcements of planned data centers and the greater Houston area remains fertile ground for these types of projects with its access to energy and abundance of land. However, what may be underappreciated is the growing ecosystem in the greater Houston area that supports the manufacturing of components of these facilities. For example, Foxconn has recently announced a \$450 million investment in its already existing plant here in Houston and we anticipate sustained growth in this sector as the expansion of data center infrastructure continues.

Industrial and commercial strength means job creation, and with jobs comes people. Houston's affordable cost of living, especially compared to coastal cities, makes it an attractive option for families, professionals, and entrepreneurs alike. Over the last five years, the greater Houston area has created over 350,000 jobs, which has supported Houston Electric's annual residential customer growth in excess of 2% since 2018.



The city's continued investments in transportation infrastructure, green spaces, and urban revitalization have further enhanced its livability. New master-planned communities are sprouting on the city's outskirts while urban redevelopment projects breathe new life into historic neighborhoods. This balance between suburban comfort and urban vibrancy helps enable Houston to meet the housing needs of a growing and diverse population. Earlier this year, the city of Houston announced a new and unique vision for the Downtown Houston landscape. This multi-faceted plan for the transformation of Downtown Houston weaves together urban design, public art, greenery, pedestrian-first infrastructure, and welcoming public spaces.

As Jesus will discuss in more detail in his section, CenterPoint will make key contributions to this project with the relocation and modernization of our energy infrastructure.

As the only investor- owned utility headquartered in Texas, we are humbled to be called upon to help further advance initiatives like these and further support the Texas Economic Miracle. This sentiment is shared across all of our service territories as we work every day to advance safe, reliable, and resilient energy for all of the customers we serve across our six service territories.

I'll now turn it over to Jesus who will discuss the significant projects and capital investments we anticipate executing for the benefits of our customers and our communities.



Jesus Soto, Jr. – Executive Vice President & COO

Thanks, Jason.

As a 30-year veteran of the utility industry, I am passionate about safety and serving the customers that rely on the energy we deliver each and every day. I was attracted to CenterPoint's vision to build the most resilient coastal grid and operate the safest gas system in the United States to better serve its customers and communities. I feel both excited and privileged to leverage my years of experience in driving safety cultures and construction-led project execution to help achieve the company's vision and execute what I see as a truly differentiated plan for the industry.

This is perhaps the most unique period of my career as the explosive growth in energy demand only increases the importance of the service utilities provide. I am excited to be part of this transformative time that will undoubtedly have a lasting impact on the landscape of the communities we serve for years to come.

In my role immediately before joining CenterPoint, I had a front row seat to witness the generational growth that is driving energy demand across the many utilities I had the privilege to work with. With that said, I don't believe there is faster or more durable growth than what my hometown, the greater Houston area, is experiencing.

Undoubtedly, achieving customer-focused outcomes will require strong execution as we substantially ramp up our investments. The \$65 billion of planned investments is certainly a step change in the company's pace of capital deployment as we target enhanced customer outcomes across our businesses.

We are targeting to invest nearly \$7 billion across our six service territories in 2026 alone. Approximately half of this planned capital will be invested in our Houston Electric business. For context, next year's planned investments at Houston Electric are more than triple the approximately \$1 billion we invested in this business just five years ago.

Even with this dramatic rate of growth, I am confident that we are well-positioned to execute our various planned projects and programs across our footprint over the next 10 years.

My confidence stems from the set of characteristics that I believe make our portfolio of planned projects and programs unique. The characteristics of this plan, I believe, not only provide a smoother path to execution, but also differentiate us from much of the industry.

First and foremost, our capital investment strategy does not rely on the execution of one large project.

Second, much of our planned work will be programmatic in nature with tried-and-true methods of executing where we can improve capital throughput. and

Third, our investments are expected to drive enhanced customer outcomes while also helping serve the incredible growth our service territories are experiencing, especially here in Texas.

We have the luxury of having a large set of projects in our capital investment plan that, when managed as a portfolio of projects, will lend themselves to continuous improvement and economies of scale. Simply put, we aren't reliant on big bets.



I would now like to unpack each of these three elements and illustrate why I believe they provide a clear glide path to executing our customer-driven capital plan over the next 10 years.

I will begin by discussing the unique composition of our planned investment portfolio that features smaller and more readily executable projects.

Undoubtedly, the dollars associated with some of our planned projects are substantial. However, the complexity of the work is not expected to be of the same magnitude. For example, we anticipate investing at least \$19 billion over the next decade in our Houston Electric transmission system. With that said, this \$19 billion of investment is comprised of over 200 discrete projects. Notably, we expect that nearly 95% of these projects will require an investment of less than \$400 million in the aggregate.

On top of that, over two-thirds of these projects are brownfield opportunities where existing structures are already in place. This profile will allow for reduced construction costs, and an increased speed to energization, thereby reducing execution risk and benefiting customer charges.

I think of our planned investment in the gas transmission pipeline project in our Texas gas service territory the same. Over the next 10 years, we anticipate building out approximately 280 miles of pipe as part of this project. However, over that period, we will complete and place into service smaller segments of the full 280 miles. This work again will not only reduce our risk by reducing execution complexity but will also allow our customers to benefit from this asset well before the total completion of the project. Chris will discuss the potential customer savings associated with this project in his section.

Second, outside of the standalone projects in our plan, a significant portion of the \$65 billion we plan to invest is related to more routine and programmatic investments in safety, resiliency, reliability and growth.

For example, we plan to invest over \$6 billion in the deployment of upgraded meters and pipeline replacement programs across our natural gas service territories.

This is work that's already underway and we will further standardize our work methods across the states we serve to further enhance the safety of our systems and the efficiency of our work, as we aspire to operate the safest gas system in the country.

Similarly, at Houston Electric, we will systematically execute on our resiliency investment plan as we work to build the most resilient coastal grid in the country. We've already started on this journey; and over the last year, our customers have experienced tangible results.

Our focus on consistent performance of the team cuts across both our financial and operational plans. This leads me to the third characteristic of our capital investment portfolio of plant work that I would like to discuss. Our plan is anticipated to deliver significant improved outcomes for our customers, while supporting the incredible growth we continue to experience, especially in Texas.



At Houston Electric, our work portfolio to enhance the resiliency of our system has already yielded tangible results for our customers. Notably, our customers experienced an approximately 45% reduction in average outage minutes as a result of our focus on and investments in this area through June of this year compared to the same period in 2024. This reduction equates to approximately 1 billion outage minutes saved in the aggregate.

That's a huge improvement and credit to the team for the sprint we started last August, but there's much more to be done.

We will continue to target investments and activities to further advance the resiliency of our system over the next 10 years and beyond. This work will be completed in parallel with buildout of the Houston Electric transmission system I touched on earlier. We believe these investments in the transmission system will further support the Texas miracle. Across our gas service territories, we seek to advance the safety of our systems and completely eliminate cast iron pipe.

As a 30-year veteran of the utility industry, I understand what it takes to execute the project and programs that will deliver improved outcomes for our customers.

Although I have only been here for a short while, I have been inspired by the talent and passion my colleagues have for delivering for our customers each and every day.

I look forward to collaborating with them to execute the important work we have ahead. I will also continue to focus on areas where we may need additional expertise and make targeted hires to supplement an already strong team.

In closing, I am so excited to be here and be part of this team. I firmly believe that our customer-centric investments and our construction-led project execution model that is anchored with strong engineering, procurement and construction partnerships will deliver the strong and improved outcomes for our customers.

And with that, I'll hand it over to Jason Ryan, to discuss the strong regulatory environments that enable us to serve our great customers and communities.



Jason M. Ryan – EVP – Regulatory Services & Gov Affairs

Thank you, Jesus. I want to echo my colleague's comments on what a privilege it is to serve customers in our six great service territories.

Supporting our ability to continue to efficiently and effectively make investments for the benefit of those customers are the strong regulatory constructs and relationships in each of the jurisdictions in which we operate.

There's perhaps no better example of this than the outcomes of the five general rate case filings we executed over the last two years. In all five rate cases, we were able to improve our equity ratios, and we were able to improve returns on our equity in all but one, which reset that return in line with current markets. Notably, three of these cases were all party settlements with the other two settlements being contested by one or more parties, but not commission staff.

These constructive outcomes continue to support a strong investment profile, enabling us to more efficiently fund our regulated businesses for the benefit of our customers. With those rate cases now complete, over 80% of our rate base is not anticipated to be subject to a rate case for the next four years.

In between rate cases, we will continue to file our interim capital trackers, which notably allows us to timely recover over 85% of our capital investments. These capital trackers are an incredibly efficient way for us to recover our capital investments without the administrative burden and costs of a general rate case, and it also avoids rate shock for our customers that could happen if these trackers didn't exist.

In addition to the constructive regulatory outcomes and capability for efficient recovery of future capital, we believe that we have the support of stakeholders to navigate extreme weather events.

Notably this year, we have successfully collaborated with stakeholders to settle on the recovery of over 98% of costs incurred to restore our customers after extreme weather events such as Hurricane Beryl that directly hit the Greater Houston area last year.

In addition to strong regulatory outcomes, we've also seen significant support of our growth strategy through bipartisan legislation, especially in our Texas service territories.

In Texas, a number of laws have been enacted that support Texas utilities as they build to enable the tremendous growth that the state continues to experience.

For example, Senate Bill 1076 which passed in 2023 enables Texas utilities to move up the speed of business by reducing the regulatory process to approve transmission line applications from one year to six months. The importance of this legislation is even greater today as Texas utilities look to build out large transmission projects to serve the ever-increasing load demands of both new and existing customers.

Constructive legislation also allows Texas Utilities to reduce regulatory lag in connection with making our customer-driven investments. For example, the enactment of Senate Bill 1015 during the 2023 legislative session allows us to recover our distribution-related capital investments twice per year, which not only improves cash flows supporting more efficient financing but also smooths customer charges. Additionally, House Bill 2555 which passed that same year reduces regulatory lag on investments made under approved system resilience plans.



Most recently, we've seen similarly constructive outcomes as it relates to our Texas Gas business with the enactment of House Bill 4384 earlier this year, which reduces regulatory lag for all capital investments of our Texas Gas business. All of this legislation was negotiated with stakeholders, so it includes benefits for both consumers and the utilities that serve them.

Outside of Texas, in Minnesota, we are now implementing programs under our Natural Gas Innovation Act Plan, which was enabled by bipartisan legislation in 2021. And in Indiana, legislation enacted this year addresses accelerated timelines for new generation projects as well as expedited generation cost recovery.

We believe that we operate in constructive jurisdictions that support utility investments, leading to improved experiences for our customers. We have made significant advancements in this regard, and we will continue to proudly advocate for policy that benefits our customers.

And with that, I'll turn it over to Chris for a discussion on customer affordability and financing.



Chris Foster – CFO

Thanks, Jason.

Since I started here at CenterPoint as CFO, this management team's focus has been and will continue to be focused on delivering for all our stakeholders. For me, this means executing two key objectives.

First, prioritizing customer affordability with our plan design by striving to keep average customer charges around the historic level of inflation; and second, efficiently and sustainably financing the significant capital investments ahead.

This objective is supported by moderating our dividend growth rate and by the improved operating cash flow resulting from our constructive regulatory outcomes. I firmly believe that the 10-year plan we are introducing today helps to meet both these objectives for the benefit of our customers and further positions us to update our guidance, as Jason covered.

I want to start with discussing my first key objective, investing for the benefit of our customers with a strong focus on affordability.

Before I dive into how we're thinking about the customer bill impacts of the investments included in our new 10-year plan, I would like to provide some context on where we are starting from.

Notably, across our service territories, our average customer charges have been in line with or less than our instate peers.

In our largest jurisdiction, Houston Electric, we've been able to invest approximately \$8 billion over the last four years while customer delivery charges have remained nearly flat for over a decade. This unique outcome has been driven principally by three factors:

Our relentless focus on reducing O&M across our businesses. As you can see here on slide 32, we have made significant strides in reducing O&M over the last several years across our businesses, resulting in the lowest O&M per customer amongst our peers;

The over 2% average annual residential growth our service territory has experienced for decades and Prior securitization charges rolling off the bill.

Moreover, we have a track record of identifying other levers to reduce customer bills throughout our businesses.

For example, for Houston Electric, we worked with stakeholders to remove our temporary generation facilities from future customer charges, which are expected to ultimately result in residential customer savings of up to \$2 per month on average.

In Indiana, we supported a bill to allow for the securitization of aging generation facilities that would have required significant cost to maintain operation, foregoing the remaining equity return on that facility.



And going forward, affordability remains top of mind for all of us here at CenterPoint, and we will work to continue to keep annual residential customer delivery charges related to our investments consistent with the historical level of inflation over the long term.

We plan to accomplish this by:

1. First, reducing O&M through investing in the modernization of our system;
2. Second, continuing to take out costs by implementing more efficient processes; and
3. Lastly, supporting the exponential economic growth ahead that continues to fuel 2% annual residential customer growth in our Houston Electric jurisdiction.

For our natural gas businesses, we plan to continue to make important investments in the safety of our systems, while also targeting to keep natural gas delivery charge increases across our natural gas service territories to increase at rates around the historic level of inflation on average.

We believe we can accomplish this affordability objective by modernizing our gas systems through the deployment of new technologies like upgraded gas meters with remote capabilities.

In addition, investments in the Texas Gas transmission pipeline that Jesus outlined in his section could significantly reduce fuel charges that pass through to customers. We believe this project could result in an aggregate average annual savings of up to \$25 million per year.

In addition to these cost reduction initiatives for our natural gas businesses, we've continued to find other levers to reduce customer bills throughout our businesses. We will continue to stay focused on our cost structure and explore other opportunities to make our customer driven investments in safety, reliability, resiliency and growth in a sustainable and more affordable manner for the benefit of our customers.

Now, moving to my second key area of focus, efficiently and sustainably financing our capital investment plan.

Since our 2021 Analyst Day, we have been laser-focused on supporting the balance sheet and maintaining a 100- to 150-basis-points cushion above our downgrade threshold.

To accomplish this, we have evolved our financing plan to adapt to the higher for longer interest rate environment and efficiently support the significant increases to our customer-driven capital investment plan. This has informed our financing approach over the past year.

1. We have first, worked to improve operating cash flow through constructive regulatory outcomes and portfolio optimization;
2. Second, we have sought to issue credit supportive instruments where beneficial; and
3. Third, we've introduced a modest amount of opportunistic equity issuances.

I first want to touch on the improvements we've been able to make in our operating cash flows.

We have made strong progress in increasing our cash flow from operations as a direct result of our constructive rate case outcomes.



Across the four cases in which we have received the final order, we have improved our enterprise weighted return on equity by over 100 basis points. This improvement drives an increased annual cash flow of approximately \$40 million based on a projected 2025 year-end rate base.

Beyond the cash flow benefits driven by stronger returns from recent rate case outcomes, we are now beginning to recover investments for which earnings have already been recognized but customer rates had not yet been updated.

For example, in our Indiana Electric service territory, we benefit from strong interim recovery mechanisms that allow us to recover a significant portion of our annual capital investments between rate cases.

However, approximately 20% of certain investments were not reflected in customer charges until we filed a rate case and received a final order, with the recent order in our latest case, we have now begun recovering these deferred amounts, which accumulated since our previous rate case filing in 2015.

With respect to portfolio optimization, we have made strategic decisions to sell certain gas LDCs and efficiently recycle capital back into our higher-growth jurisdictions. For example, earlier this year, we closed on the sale of our Louisiana and Mississippi gas LDCs. Those are great businesses, and we were privileged to serve those customers and communities. Not only has this sale enabled us to efficiently fund the significant increases to our customer-driven capital investment plan, but it has also improved our earned returns and operating cash flow.

We were able to take the proceeds from that transaction and reinvest them into other jurisdictions where we experienced a significantly lower level of regulatory lag.

As we have previously disclosed, we are targeting to execute a definitive agreement to sell our Ohio gas LDC assets by the end of this year. With this transaction, we will look to replicate the same efficient capital recycling strategy as we previously used for our asset divestitures.

Second, we have been and will continue to be opportunistic in issuing credit-supportive instruments.

Over the last year and a half, we have taken an all of the above approach to financing our robust capital investment plan. This approach has included convertible notes, junior subordinated notes, traditional debt issuances, and most recently, securitization notes to supplement our modest common equity issuances.

Moving forward, you can expect that we will continue to fund our customer-driven capital investment plan while also supporting the balance sheet.

Lastly, we have introduced a modest amount of equity to fund our growth capital investments.

As many of you may recall, the plan that we introduced at our 2021 Analyst Day did not require common equity issuances.



However, as we introduced more capital expenditures to our 10-year investment plan for the benefit of our customers, which, with today's announcement now totals \$15 billion, we did not want to pressure the balance sheet by only issuing traditional debt instruments.

This increased capital investment plan in addition to the higher for longer interest rate environment that we have had led us to the decision to introduce a modest amount of equity issuances to our financing plans.

We have de-risked our planned equity issuances by executing approximately \$1.1 billion of forward common equity sales earlier this year. We anticipate that these issuances will satisfy our common equity needs through 2027.

Our anticipated common equity issuance needs through 2030 remain unchanged at \$2.75 billion. This figure includes the already derisked \$1.1 billion; and after 2027, we anticipate common equity needs of approximately \$3 billion through 2035.

These three areas of focus have helped us support the 100 to 150 basis points of cushion above our downgrade threshold, which we continue to target.

Now looking forward, today we are once again evolving our financing plan to efficiently fund our capital investment opportunities. As many of you may be aware, we have targeted to grow dividends in line with earnings over the past several years. Today, we are slightly moderating our dividend growth rate; and going forward, we will now target growing dividends at approximately 6% per year.

We recognize that we already have an advantage to many peers with a lower overall dividend payout ratio of approximately 50%. Looking ahead, over the next 10 years, we expect our payout ratio will not fall below the 45% area.

We believe that moderating dividend growth will allow us to more efficiently fund our customer-driven investments and reduce our reliance on common equity issuances in the future.

In addition, we believe that it will provide financing flexibility as it pertains to folding in incremental capital investment opportunities through 2030. And if you recall, we previously provided a financing rule of thumb that we would fund with 50% equity and 50% debt.

Today, we're updating this guide through 2030, and you should now expect that we will fund incremental capital investments in line with our consolidated regulated capital structure of approximately 47% equity.

This efficient financing provides a path to increase our 2026 and forward non-GAAP EPS guidance that Jason introduced in his opening remarks.

From 2026 through 2028, we will target to grow non-GAAP EPS annually at the mid to high end of 7% to 9%, growing from the previous year's delivered results. After 2028, we will target growing earnings annually at 7% to 9% through 2035. This strong earnings profile is driven by an anticipated rate base CAGR of over 11% through 2030, as we continue to invest on behalf of our customers.



We also have a clear line of sight to the end of this year's earnings; and as such, we are increasing our 2025 non-GAAP guidance range from \$1.74 to \$1.76 to now \$1.75 to \$1.77, which at the midpoint represents 9% growth from our 2024 non-GAAP EPS delivered results.

We are also initiating our 2026 non-GAAP EPS guidance range of \$1.89 to \$1.91, where we are targeting at least the midpoint of this range. The midpoint of this range would represent 8% growth from the midpoint of our new and higher 2025 non-GAAP EPS guidance range.

We are excited to continue to execute for the benefit of all of our stakeholders. We look forward to enabling the tremendous economic development our communities continue to experience and, of course, we remain laser focused on making those investments in a manner that is sustainable for both our customers and our investors.

And with that, I'll hand it back over to Jason for his closing remarks.



Jason Wells – President & CEO

Thanks, Chris. I want to once again thank all of you for joining our call today. All of us here at CenterPoint are excited to deliver for all of our stakeholders over the next ten years.

That starts first and foremost with our customers, as we enter what is anticipated to be one of the fastest and largest increases of energy demand of the past century. We believe that we are uniquely positioned to make the investments that:

1. Continue to support and enable economic growth;
2. Deliver safer and more resilient and reliable energy during extreme weather; and
3. Focus on maintaining affordable service for our customers.

For our investors, we remain focused on delivering value each and every year. We anticipate that our customer-driven capital investments will result in a rate base CAGR of over 11% through the end of the decade.

We believe that this strong investment profile drives our ability to deliver non-GAAP EPS at the mid to high end of our new 7% to 9% growth rate from 2026 through 2028 and 7% to 9% thereafter through 2035.

During our 2021 Analyst Day, I stated that I firmly believe that we have one of the most tangible long-term growth plans in the industry. Four years later, I have even more conviction in that statement.

We look forward to delivering for all of our stakeholders over the next ten years and beyond.

Ben Vallejo – Director of Investor Relations

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



Question & Answer

Operator:

Thank you. At this time, we will begin taking questions. Our first question comes from the line of Spark Li of Jefferies. Please go ahead, Spark. Spark Li, your line is open, please proceed. Please make sure your line is unmuted, and if you're on a speakerphone, lift your handset.

We'll go to the next question. Our next question comes from the line of Nick Campanella of Barclays. Please go ahead, Nick.

Nicholas Campanella::

Good evening. Hope everyone's doing well. Thanks for all the updates.

Jason P. Wells:

Hi, good evening, Nick.

Nicholas Campanella::

So just real quick, on the equity that you have in the financing slide, maybe you can just talk about 2029 – or 2028, 2029 and 2030. Is this something that you kind of plan to issue ratably and is – any other kind of thoughts on maybe being able to offset that with further capital rotation?

Christopher A. Foster:

Sure. Hey, Nick, thanks for the question. You're right that – maybe if I could just take us one step back just to be clear, right, we've completely taken care of our equity needs for 2025, 2026 and 2027. And so, what we've talked about is really for that time period from 2028 through 2035, you've got remaining a \$2.75 billion of equity left, and yes, you should assume just through that period that it's a ratable treatment of that equity during that timeframe.

From a capital asset recycling standpoint, I think it's fair to say you've seen the team's track record here, we would continue to keep an open mind where it makes sense. I'm certainly very happy as well with the businesses we're currently operating, especially now that we've made so much progress in our rate cases as of recently.

Nicholas Campanella::

All right. That's great. And then just – maybe just on some of the \$10 billion of CapEx upside, can you kind of talk to your ability to kind of pull some of that forward into the, I guess, 2025 to 2030 timeframe, and what should we be look – kind of looking for to know that maybe some of that's coming into the plan? Is there specific projects that you can maybe talk to?



Jason P. Wells:

Yeah, happy to give a little bit more color around that, Nick. I think a couple of – we mentioned four or so large drivers of that incremental \$10 billion-plus in capital. A couple of those are likely nearer term. The next generation of smart meters in the electric side of the business would likely begin deployment sometime here over the next year or so and then would be a program that would continue into the early part of next decade.

Equally, we've highlighted that we continue to work on serving data centers in Indiana that is outside the plan. If that moves forward, that would likely be nearer term, certainly within the remainder of this decade. As we start to kind of look a little bit longer term, I would say that one of the big opportunities on the system resiliency side would be the undergrounding of the laterals as part of our distribution network. That would be a multiyear, decade-plus program that likely won't get started until the end of this decade.

And then finally, its incremental transmission, and I would think about incremental transmission opportunities as being opportunities here this decade as well as extending well into the next. So, we've got a diverse set of drivers outside of the \$65 billion plan and I just want to reinforce it's at least 10 billion in incremental CapEx opportunity that has timing that could be deployed here within the next few years.

Nicholas Campanella:

Hey, that's great. Thanks for the information. Take care.

Operator:

Thank you. Our next question comes from the line of Anthony Crowdell of Mizuho. Please go ahead, Anthony.

Anthony Crowdell:

Hey, good afternoon, team. Thanks for all the detail.

Jason P. Wells:

Hey Anthony. How are you doing?

Anthony Crowdell:

Good. If I could just follow up on the next question, on slide 34, you talk about improved equity ratios and ROEs. You do quantify it, \$35 million to \$45 million. Any color you can provide on where, whether it's basis point change or overall, ROE, you think you may at the end of five years or something and also on the equity ratio?

Jason P. Wells:

Hey, Anthony. Thanks for the question. I think what we were trying to convey on that slide is the incremental improvement that was already made with respect to the five rate cases that we settled over the course of last year. This is the resulting cash flow impact from what has been done.

Obviously, as we continue to file future rate cases, we'll look to improve that. But as we've mentioned in prepared remarks, we substantially de-risked the regulatory calendar without – with minimal rate case activity over the next few years.



Anthony Crowdell:

Yeah. And then I know you – Chris, you talked about maybe moderating the dividend growth. I think it was – I apologize if I had the numbers wrong, 9% over the last several years. You're now targeting 6%, but you're still below the utility group. Just thoughts on using that as a source of capital versus trying to get to maybe the midpoint or the average of the sector.

Christopher A. Foster:

Sure, Anthony. Happy to answer it and there I think you can imagine just with the growth that we're seeing in front of us, we do see it as a reasonable lever for us at this point. You're right that we are moderating it to 6%. What that allows us to do is save roughly \$800 million in equity equivalent in the plan itself.

We'll also be focusing on not falling below the roughly 45% area on the payout ratio itself going forward. Again, at this point, we thought about it as one of the most efficient ways we can use our capital to be able to put forward more growth on the system.

Jason P. Wells:

Just to further that point, Anthony, but yeah, the 6% annual dividend per share growth that we're targeting is still higher in the industry than the average for our peers. And so, we offer competitive dividend per share growth while most efficiently funding our capital investment plan.

Anthony Crowdell:

Great. Thanks so much for taking the questions.

Operator:

Thank you. Our last question comes from the line of Julien Dumoulin-Smith of Jefferies. Please go ahead, Julien.

Julien Dumoulin-Smith:

Hey guys. Hey. Good afternoon guys. Can you hear me now?

Jason P. Wells:

Good evening Julien. Yeah, we can hear you just fine.

Julien Dumoulin-Smith:

Perfect, excellent. Well congrats on this update. Nicely done. It's a pleasure and maybe to come back to some of the things that you were responding to Nick about, look, obviously 2028, you provide a nice outlook till then. Obviously, we're always going to ask for a little bit more here. Nick did a nice job in teeing that up, but as you think about the Houston Electric CapEx, it ticks down for those last final years.

I presume that's part of the system resiliency plan rolling off from the initial three years is basically the way to think about kind of the biggest moving driver to kind of get to a firmer upper end of that outlook through the full five-year period. Good to be the full articulation of that SRP as far as those moving pieces. You laid out four different buckets there, but it seems like the biggest bucket there would be just getting the next roll forward of that SRP.



Jason P. Wells:

Yeah, Julien, thanks for the additional question on the SRP, what we have updated this plan to reflect some of the programs that we proposed as part of our last filing. I do think there is additional upside, particularly as it relates to proposing a decade-long plus program of undergrounding the lateral. So, this, again, reflects closing some of the gap after we refile our original system resiliency plan, but we still have more upside going to the end of the decade as we incorporate other resiliency measures. In confidence, though, in the overall plan. I mean, we have, as I said, identified at least \$10 billion of incremental CapEx opportunities. This is about systematic we've been working through and incorporating those as we have higher rates of confidence and efficient execution, support of all stakeholders, and efficiently financing those additional amounts as well.

Julien Dumoulin-Smith:

Can you guys just clarify what the baseline is and what the expectations on earned ROEs and equity ratios? And obviously, you guys provide some degree of sensitivity there, but just to understand what that premise is, if you will, through the plan here, at least the first sample of years.

Christopher A. Foster:

Sure. The way you should think about that 100-basis point movement on the ROE was roughly 97 basis points moving up to roughly 98 basis points across the business. On the earned returns, you'll see us over time continue to improve from a base point standpoint, including with further ideas that we'll be pursuing both in the regulatory environment as well as in the legislature.

Julien Dumoulin-Smith:

Got it. And to clarify that last one on Indiana here, you alluded to it. I mean, is that data center opportunity more or less right? I mean, obviously we've seen some of your peers announcing very recently here. How would you characterize the status of your conversations in the state?

Jason P. Wells:

We continue to have very active conversations. I think we're pretty uniquely positioned as we've highlighted previously with the fact that we have a pathway to 600 megawatts pretty quickly and the fact that we have just commissioned our simple cycle gas plants that can easily be converted to combined cycle. It gives us an opportunity to kind of move that pace within a state that is attracting a lot of data center activity. So, very active conversations and hopefully looking to provide more clarity here shortly.

Julien Dumoulin-Smith:

Excellent, guys. I'll turn it over there. Thank you again. Nicely done. Congrats!

Jason P. Wells:

Thanks, Julien.

Ben Vallejo:

Operator, that was our final question. That concludes our call. Thank you all for joining.

Operator:

This concludes CenterPoint Energy's 2025 Investor Update. Thank you for your participation.