Q4 2025 Earnings Transcript – February 19, 2026

Ben Vallejo – VP of Investor Relations and Corporate Planning

Good morning, and welcome to CenterPoint's Q4 2025 earnings conference call. Jason Wells, our Chair and CEO, and Chris Foster, our CFO, will discuss the company's fourth quarter and full year 2025 results. Management will discuss certain topics that will contain projections and other forward-looking information and statements that are based on management's beliefs, assumptions, and information currently available to management. These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially based on various factors, as noted in our Form 10-K, and other SEC filings, as well and our earnings materials. We undertake no obligation to revise or update publicly any forward-looking statement other than as required under applicable securities laws.

We reported $1.60 per diluted share and $0.40 for the full year and fourth quarter of 2025 respectively on a GAAP basis. Management will be discussing certain non-GAAP measures on today's call. When providing guidance, we use the non-GAAP EPS measure of diluted adjusted earnings per share on a consolidated basis, referred to as non-GAAP EPS.

For information on our guidance methodology and reconciliation of the non-GAAP measures used in providing guidance, please refer to our earnings news release and presentation on our website. We use our website to announce material information.

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

Jason Wells – President & CEO

Thank you, Ben, and good morning, everyone.

I would like to begin by extending my sincere appreciation to all the frontline team members who continue to work tirelessly to deliver better outcomes for our customers. Whether it is responding to severe weather like we experienced in January or executing on the reliability and resiliency work that resulted in a reduction of more than 100 Million outage minutes across the Greater Houston region last year, our dedicated workforce executes for our customers and communities each and every day.

On today's call, I'd like to address three key areas of focus:

First, I will touch on the strong and consistent execution over the fourth quarter and throughout 2025. Our continued performance is reflected in our delivery of 9% EPS growth for the fourth time in the last five years.

Second, I will discuss the increased acceleration of the significant growth in our Houston Electric business. We are now forecasting peak load demand to increase by 50%, or and additional 10GW by 2029. This is two years earlier than previously planned.

More importantly, this growth continues to be positive news for the region as it drives jobs, increases tax base, and helps keep our portion of the bills essentially flat, benefiting our customers and communities.

And lastly, separate and apart from this accelerated growth, we are adding $500 million of incremental capital to our 10-year $65 billion capital investment plan to fund and additional 765 kV import line. We continue to see CapEx upside in excess of $10 billion to further support economic development throughout the region.

Let's start with our fourth quarter and full year financial results. This morning, we announced non-GAAP EPS of $0.45 for the fourth quarter and $1.76 for the full year 2025. In addition to delivering this 9% EPS[1] growth, we also delivered 9% dividend per share growth last year. I am proud of this track record of consistent execution for our stakeholders.

Chris will provide additional details around these strong results and consistent delivery of industry-leading performance in his section.

As a reminder, we continue to rebase our long-term growth targets from our actual performance as we seek to deliver value for our investors each and every year. Consistent with this approach, today, we are reaffirming our 2026 non-GAAP earnings guidance of $1.89 to $1.91, an 8% increase at the midpoint from our 2025 delivered results.

Over the long-term, we continue to expect to grow non-GAAP EPS at the mid to high end of our 7% to 9% long-tern annual guidance range through 2028; and 7% to 9% annually, thereafter, through 2035.

I'd now like to touch on the increased acceleration of growth in our Houston Electric's business, which is fueled by a diverse set of drivers.

We are fortunate to have a proven track record of serving large loads and rapid

[1] 9% EPS growth refers to non-GAAP EPS growth.

growth across our region. Our diverse growth and the substantial increase in our interconnection queues continue to accelerate at an unprecedented pace, driven primarily by re-shoring of advanced manufacturing facilities and new data center demand.

As a reflection of that, we are now expecting peak load to grow by 50% two years earlier than originally planned.

Looking further ahead, this continued growth and significant acceleration of pace gives us even greater confidence in our forecast that load demand will more than double by the middle of the next decade.

However, it also suggests the continued reporting of an unconstrained interconnection queue does not offer meaningful insight into the level of expected growth, which will largely be driven by existing system capacity and ability to scale and execute quickly.

Instead, we believe that the most meaningful measure of current growth projections is the pipeline of large load requests that are either already under construction or large projects that are firmly committed.

To provide context for the 50% increase in peak load, today, we have already 2.5 gigawatts of projects that are in the construction phase with another 5 gigawatts of firmly committed projects that we expect will be energized by 2028. This is in addition to the 3 gigawatts of ordinary course growth that our region is already expected to experience.

We are confident that we can execute on this near-term demand as it will be met with existing system capacity and manageable system upgrades.

Outside of these projects, we will continue working on converting the remaining interconnection requests, which could further add to this projected growth.

The rapid acceleration of pace of this large load growth, combined with the ordinary population of growth across the Greater Houston region, will have positive impacts for our customers and communities and help keep our portion of the bills essentially flat.

To illustrate the potential benefit of energizing data center customers; we believe that 5 gigawatts of existing hosting capacity were utilized, we estimate it could reduce average residential delivery charges by over 2% based on the 2025 average bill. This continues a trend that has allowed us to keep customer charges nearly flat over the last decade.

To be ready for the incremental growth that we continue to see beyond the near term, we are updating our transmission planning study that will likely lead to incremental transmission projects to keep pace with our region's explosive growth.

Outside of the potential for additional transmission projects from this accelerating growth, I want to briefly touch on some recent updates from ERCOT and the incremental capital investments we will be making to support our previously planned growth.

In response to feedback from ERCOT indicating the need for additional infrastructure to support the continued growth of the Greater Houston region, we have filed for and additional 765 kV transmission line in January. This will be the third 765 kV import line providing enhanced resiliency and reliability to our region as it continues to grow.

Today, we are incorporating this needed project into our outlook, and we are increasing our capital investment plan by approximately $500 million, bringing ten-year total to more than $65 billion.

Beyond this increase announced today, we continue to see over $10 billion of incremental opportunities. We will fold these incremental opportunities into our 10-year investment plan when we are confident, we can execute the work for the benefit of our customers. These additional investments would provide further upside to our over 11% rate base growth through 2030.

Before I hand it over to Chris, I want to thank our teams again for continuing to execute for our customers and communities and delivering on our strong 2025. With that commitment to consistent execution and the rapid acceleration of firmly committed growth opportunities, we are well-positioned to continue our track record of delivering for our stakeholders.

With that, Chris will walk through the financials in more detail.

Chris Foster – CFO

Thanks, Jason. This morning, I will cover four areas of focus.

First, the details of our fourth quarter and full year financial results.

Second, I'll provide a brief regulatory update.

Third, Ill touch on our capital deployment execution, including the $500 million positive revision of our 10-year capital investment plan.

And finally, I'll provide an update on where we stand with respect to the balance sheet and our financing plan.

Let's now move to the financial results, beginning on Slide 5. On a GAAP EPS basis, we reported $0.40 cents for the fourth quarter and $1.60 for full year 2025. The $1.60 includes 11 cents related to the disposition of goodwill allocated to Louisiana and Mississippi natural gas businesses in addition to 7 cents of depreciation related to our large temporary generation units.

As a reminder, we expect to start marketing those units for either a sublease or sale later this year in anticipation of getting those units back no later than spring of next year. We continue to believe that the sublease revenue over the remaining years of our lease will equal at least the lost revenue from the period they were donated to San

Antonio.

On a non-GAAP basis, we reported $0.45 cents for the fourth quarter and $1.76 for full year 2025. Our 2025 results reflect 9% growth compared to 2024 results.

These strong results give us confidence in meeting our 2026 non-GAAP EPS guidance of $1.89 to $1.91.

As a reminder, our 2025 year-over-year rate recovery reflected the delayed timing of several interim recovery mechanisms until the second half of the year. As we move into 2026, we expect to return to a more typical and timely filing cadence, which should support stronger and more consistent recovery throughout the year.

Now, taking a closer look at the drivers of our fourth quarter earnings. Growth in rate recovery contributed 12 cents when compared to the same quarter last year, which was driven by the implementation of constructive rate case and interim filing mechanism outcomes throughout the year.

Weather and usage were 1 cent favorable when compared to the comparable quarter last year, driven by higher customer usage as temperatures across our service territory were largely in-line with historical norms.

O&M was 2 cents unfavorable for the fourth quarter as we accelerated certain work, including reliability and resiliency work originally planned for 2026. Additionally, higher interest expense was 5 cents unfavorable from an incremental approximately $3.3 billion in debt issuances.

I'd now like to touch on our recent regulatory activity. During the quarter, we received a final order in our Ohio Gas LDC rate case, which continues our track record of constructive outcomes. The order made slight modifications to the settlement agreement, approving a modestly lower revenue requirement of $53.1 million and ROE of 9.79%, with no change to the agreed upon 52.9% equity ratio. As a reminder, we anticipate closing on the sale of this business in the fourth quarter of this year.

I want to highlight that we have limited regulatory activity over the next few years. We anticipate filing rate cases in the latter part of this year in Minnesota and Indiana, which in the aggregate represent less than 20% of the earnings power in our consolidated base.

We will provide more color with respect to those cases the closer we get to their respective filing dates.

Outside of those two rate cases, we will continue to file our interim capital trackers across our various service territories. And as a reminder, we anticipate recovering approximately 85% of our capital investments through our various capital trackers. We expect to file within the next month both our TCOS and DCRF mechanisms, which support recovery of ongoing investments and help reduce regulatory lag.

Next, Ill touch on our capital investments execution for 2025, and our increased 10-year capital plan as shown on Slide 9. Through the end of the fourth quarter, we invested $5.4 billion for the benefit of our customers and communities. This exceeded our already positively revised 2025 plan of $5.3 billion, which incorporated a $500 million increase over our initial capital investment profile as we accelerated certain investments related to our system resiliency plan. This increased level of investment should allow us to partially offset the loss of Ohio investments upon the close of the sale later in the fourth quarter of this year.

For 2026, we are reaffirming our capital plan outlined in our 10-year plan at $6.8 billion for the benefit of our customers and we expect continued execution across electric and gas infrastructure, resiliency and system modernization.

As Jason highlighted earlier, increased visibility into incremental transmission needs supports a $500 million increase to our long-term capital investment plan, bringing the total to over $65 billion through 2035.

Knowing the timelines on these electric transmission projects, we anticipate the CapEx to be added towards the end of the decade. This reflects opportunities that we now have greater confidence in moving forward, consistent with our disciplined approach of formerly incorporating incremental capital as clarity and approvals are achieved.

Finally, I want to touch on our credit metrics and balance sheet. As of the end of the year, our adjusted FFO/debt ratio based on Moody's rating methodology was 13.8%, slightly below our targeted cushion of 100 to 150 basis points. We believe we are well-positioned to be within our target cushion, in particular, given the updated rule making provided by the US Treasury Department just yesterday, that I'll provide more color on shortly.

We see further improvement in our metrics through the remainder of the plan as well as we've signaled previously, given we anticipate significant cash proceeds from the issuance of securitization bonds related to Hurricane Beryl and the closing of our Ohio Gas LDC sale later this year.

Our execution remains on track as just yesterday, we priced roughly $1.2 billion dollars in securitization bonds. With these proceeds, we will look to extinguish a $500 million dollar term loan at Houston Electric and reduce commercial paper. In addition, we expect to receive cash proceeds net of tax of $800 million in the fourth quarter from the closing of the Ohio Transaction, which will provide additional balance sheet support and further enhance our financial flexibility.

I would now like to briefly touch on draft guidance issued by the US Treasury Department with respect to computation of the corporate alternative minimum tax that will add addition financing flexibility to our existing plan. As some of you may have seen, yesterday, the US Treasury issued guidance that modifies how this tax is computed and now clarifies, that eligible utilities like CenterPoint should reduce their tax liabilities for the repairs deduction.

As a reminder, when the corporate alternative minimum tax was first enacted under the Inflation Reduction Act, we conservatively estimated our annual cash tax liability to be approximately $150 million dollars. And while we're still analyzing the impacts of the notice, we now believe that our annual federal income tax-cash tax liability should be near zero through 2035. With this new cash tax profile, we anticipate a 60-basis point to 70-basis point improvement to our credit metrics in the near-term. This is a great outcome for our customers as the reduction in cash taxes should flow through to reduce customer charges. In addition, It could allow us to incorporate an incremental $1 billion of customer driven capital investments into our now over $65 billion plan without the need for incremental equity.

Lastly, we could potentially see guidance related to the use of the tax repairs deduction to reduce cash tax liability associated with the corporate alternative minimum tax. As a reminder, we estimate approximately $150 Million of annual cash taxes from the corporate alternative minimum tax. The removal of this cash tax impact would result in a 60-basis point to 70-basis point increase in our FFO/debt metrics over the next few years.

In summary, we believe we are well-positioned to execute in 2026 and beyond, given the derisked and conservative nature of our plan. We are also reiterating our 2026 non-GAAP earnings guidance, targeting at least the midpoint of $1.89 to $1.91. At the midpoint, this would represent an 8% increase over 2025 delivered results.

Looking ahead, we expect to grow non-GAAP EPS at the mid to high end of our 7% to 9% range from 2026 through 2028; and over the long-term, we expect to grow non-GAAP EPS at 7% to 9% annually through 2035. We remain committed to delivering continued improvements in customer experience and look forward to executing our plan that delivers on the most diverse growth drivers in the country, propelling economic development for years to come.

And with that, I'll turn the call over to Jason.

Jason Wells – President & CEO

Thank you, Chris. In closing, our executable growth is now coming at an even faster pace and more significant scale than before, hoping to bring economic growth for our region and supporting customer affordability. As Chris covered, we are also fortunate to have achieved regulatory clarity through 2029 on approximately 80% of our rate base, supported by approved final order I continue to have full confidence that with our exceptional low growth fundamentals, constructive jurisdictions and derisk financing plan. We continue to have one of the most tangible and executable growth plans in the industry.

Ben Vallejo – VP of Investor Relations and Corporate Planning

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

Question & Answer

Operator: Our first question is from David Arcaro with Morgan Stanley.

Q: David Arcaro

Hey, thanks so much. Good morning. Hey Jason, I think you mentioned updating the transmission planning study, was tat something that was already done and reflecting the 765 kV line that you added to the plan here or is that yet to come? Wondering if you could give timing and just thoughts on what the upside potential would be if it's still ahead?

A: Jason P. Wells

Thanks, David, for the question. I would separate the $500 million of additional capital we announced related to that 765 kV line this quarter from the incremental transmission work that will be needed as a result of the acceleration of the large loads that I mentioned.

The third and 765 kV line that we introduced this quarter had been in the works, had been part of ERCOT's planning for a while. We had just gotten to the point where we confirm the need on our system and had filed for it at our which is why we included it as an update to the 10-year CapEx guidance. Separate from that, as we're seeing this large load accelerate, we have internally accelerated our annual transmission planning.

I expect we'll be able to provide an update in the second half of the year of incremental transmission projects that will be needed to accommodate this new load. What we are seeing with respect to these new large loads is, as I said, they're coming faster. And also importantly, they're coming to different geographies, different areas within the Greater Houston region.

So, it will likely result in incremental import capacity for our Houston system as well as incremental intra-regional transmission projects to make sure that we have capacity where we need it within the Houston region. As I said, we'll likely be able to provide an update on what that means from a CapEx standpoint in the second half of the year.

Q: David Arcaro

Got it. Okay, that makes sense. That's helpful and then Chris, apologies if I missed it, but just as you reflect on the repair's adjustment now in the AMT. Could that potentially formally reduce the equity needs in the plan versus what you've got baked in there? When might we learn more in terms of how the balance sheet impacts might flow through?

A: Christopher A. Foster

Sure thing, David. And again, as you may have seen, it just came out actually yesterday afternoon. So, I think ultimately, it is in line with where our expectations were, and it will have a couple of benefits. First, remember that the general profile we talked about was about $150 million per year. So, what this will do is really two things as we think about it. First, definitely have near-term balance sheet benefit of 60 basis points to 70 basis points. And we think about it as unlocking an incremental roughly $1 billion of CapEx that we could also add to the plan without adding any incremental equity.

Q: David Arcaro

Perfect. Thanks so much.

Operator:

Thank you. Our next question comes from Shar Pourezza with Wells Fargo Securities

Q: Shar Pourezza

Hey guys. Good morning. I just wanted to tease out a little bit of David's question that he had on sort of the growth and stuff. I mean, just the two years ahead of schedule, that's just a massive amount of growth. It could be sizable, obviously to the current guide. Can you just help us frame just maybe a little bit with more specificity of just what this means in terms of timing and scale of CapEx and maybe how we should think about your 7% to 9%, especially since you're already near the top-end of that trajectory? I guess how do we sort of think about what this could mean to the ultimate trajectory? Thanks.

A: Jason P. Wells

Ultimately, I just think this is another very strong tailwind for the company on an already great industry leading plan. But let me try to provide a little bit more color. We are able to accelerate these large load interconnections because we have existing capacity in our system. I think that is unique asset for us. Many of these companies, whether advanced manufacturing data center are looking for power over the next two years and we're uniquely positioned to connect them over that period of time.

Those projects don't require significant incremental capital. It's effectively building a new substation off our existing transmission lines. What this will do though is it will create, as I mentioned to David, incremental need for more import capacity into Houston, as well as more transmission ties to make sure we're moving the power to where we need it here in Houston.

So, if you think about the timing of those projects, those are going to likely be projects that will impact sort of CapEx guidance, I would estimate at this point towards the tail end of this decade into next. I wouldn't look at it as a near-term opportunity as much as, as I said, towards the tail end of the decade. But again, this just provides an exceptionally strong tailwind to an already great plan.

Q: Shar Pourezza

Got it. Okay. That's perfect. And then just lastly, on ERCOT's batching and study process changes, there's kind of a view out there that it can affect queue timing and certainly for new interconnections and upgrades. Do you sort of expect any approval slowdowns or delays within service dates, especially with this accelerated load you're targeting or is the impact kind of manageable? Thanks.

A: Jason P. Wells

I definitely think it's manageable. We support the overall direction of batching. I think it will help provide relief in the overall ERCOT market. But as a quick reminder, we're pretty unique here in Houston. We've been very disciplined in what we put in the queue and our large load interconnection applications have been processed within 70 days. So we don't see the backlog that many regions have. And as ERCOT transitions to this batching process, we're still operating under those current rules that exist today where we've been, as I said, achieving reviews and approvals within 70 days. Many of these firm projects will follow that timeline. And again, I think it will, whether they are approved under the current rules that are in effect or as part of the wave zero, back zero, we feel like we can bring these projects online really in the '27 and '28 timeline.

So again, supportive of the long-term direction, but I think given the fact that these are prospective rules, we have the opportunity to move quickly to accommodate the large load requests that are here today.

Q: Shar Pourezza

Got it. Fantastic, guys. Thanks so much. Appreciate it.

Operator:

Thank you. Our next question comes from Steve Fleishman with Wolfe Research

Q: Steve Fleishman

Good morning. Just following up on the low growth in transmission capacity. Jason, how would you kind of think about the – how much excess to you have left, if at all? Are you kind of filling that up with these two buckets that you laid out?

A: Jason P. Wells

Good morning, Steve. We're certainly making a pretty big down in the excess capacity you have today but not fully exhausted it. If you recall from the investor update this past fall when we rolled out the $65 billion 10-year CapEx plan, included in that plan were a little more than 200 transmission projects that were geared at keeping pace with the growth.

What we're seeing here with an acceleration is, it's here at a higher quantum sooner and in different geographies, which will likely lead to even more transmission projects. But that base plan that we had proposed allowed us to make sure that we stay in front of these capacity needs. And so today, we're estimating we have roughly a little shy of 10 gigs of existing capacity, but we're already working on the transmission projects that will unlock more capacity as we bring these large loads on. And so, I don't foresee at this point a challenge with not only accommodating these projects, but additional large loads that we're working with.

Q: Steve Fleishman

Okay. And then just from the standpoint of like pricing to customers, I assume this growth helps with your customer bills long-term or how should we think about that?

A: Jason P. Wells

That' it. This is a phenomenal opportunity for our customers and communities because the existing capacity is there today, we're going to be spreading those fixed costs out over a wider base, driving down customer bills. And we've been connecting large loads since before it was cool for the industry. This is what has kept kind of our rates flat over the last decade here in Houston and this is just a continuation of that trend. The more that we bring these large projects into our region, the more they not only help with the tax base in this region, but back to the point that you're making, they help us to keep our rates affordable. So, we continue to project we'll now keep rates flat through 2028 as a result of this incremental load.

Q: Steve Fleishman

Okay. And then two more quick ones, I guess, just on the one last one on the data center opportunity. You have mentioned in the past potentially looking at something in Indiana. Is there any update on that?

A: Jason P. Wells

We continue to have very active conversations up there. I remain very optimistic that we'll be able to finalize those opportunities that we're pursuing. But right now, where we see the trend in the data center market is really looking at available capacity. Many of the hyperscalers have needs for power. Really, they're trying to optimize over the next two years. And Texas is one of the few areas of the country where we have capacity at scale and can move quickly, which is why we've seen such a fundamental shift to the Houston region. Again, I remain optimistic about our ability to land and secure at least one large data center opportunity for Southwest Indiana. But what we're seeing today is really this pursuit of existing capacity in Texas.

Q: Steve Fleishman

Okay. And then lastly, just on the balance sheet with the CAMT benefit and then you mentioned and the LDC sale. So, if you don't change your capital plan, where would FFO/Debt by, I don't know, end of '26 or '27?

A: Christopher A. Foster

I think if you just kind of hold everything constant, we'd probably be on the order of roughly 15% directionally is the way to think about that. So, it's definitely a good outcome in terms of this new regulation coming out.

Q: Steve Fleishman

Okay. Thank you.

Operator:

Our next question comes from Julien Dumoulin-Smith with Jefferies

Q: Julien Dumoulin-Smith

Hey team. Thank you so much. I appreciate the time. Maybe just to come back to a couple of subjects. First, a little bit of detail, but we've seen ONE Gas update their guidance here on the Texas legislation from last year. Can you comment a little bit about the deferrals and any opportunities there? How are you leveraging that versus your peers? We've seen Atmos also reflected pretty meaningfully? Just would love to hear your latest updated thoughts on that and to what extent it's perhaps just within the range of guidance or is that something that's perhaps not fully utilized thus far?

A: Jason P. Wells

Hey good morning, Julien. Thanks for the question. It is in the guidance that we've currently issued thus far. As you know, we were out in kind of front of this issue. Really think it makes sense from the standpoint of helping reduce regulatory lag, which is helpful for both our customers and our shareholders. We pursued this because again we thought it was in the best interest of all of our stakeholders.

As a result of pursuing it, we had line of sight to it, I think earlier than a number of our peers and as a result, reflected it in the guidance that exists.

Q: Julien Dumoulin-Smith

Got it. Yeah. I know you guys did it last year. I just wanted to make sure that it was more fully utilized. And then separately, if I can come back to this batch process conversation, I know it's gotten a lot of attention here. Can you comment a little bit about how—just when it kicks back off here later this in June or whatever they ultimately move. Is there any risk that you perceive on timing here ultimately or is the intent by moving into June or later here to really sidestep some of the delays that you could conceivably or at least are perceived to be feared to be pushed out?

A: Jason P. Wells

Yeah, thanks again for the question. I mean, I think we're all waiting kind of for the revised timing but backing up from what has been signaled as sort of a summer adoption, we are advising our customers on is that they complete their load studies as quickly as possible, so that we can finalize our work and submit them to here this spring.

The large load numbers that we put in the firmly committed column are those customers that we've been working with that have already fully completed their large load requests, inclusive of the timing of the ramps. So, I don't see any challenge with getting those requests into the queue and getting them moving. Again, under the existing rules as part of batch zero, which will be consistent with the timing that we've outlined here.

So, we've been working constructively to again continue to connect largers. We haven't had the issue of the backlog that many of the other regions in ERCOT have experienced. We'll continue to do that. And then we will work with ERCOT as they transition this summer to the batch process.

Q: Julien Dumoulin-Smith

Awesome. And then last little nuance here. This is, as you say, I think the third 765 project thus far. Can you comment a little bit about just should we expect sort of incremental cadence in coming quarters again? Or would it rather be at some point having a bigger 765 update just based on the process, right, in identifying transmission needs? Or is it going to continue to be sort of one-off option to us?

A: Jason P. Wells

We think it makes sense to be conservative. We've identified a number of 765 kV opportunities that are included in the $10 billion plus of CapEx upside. We think it makes sense though to identify it as upside and then work with the others to ensure that these lines are needed and are the best support kind of the growth of the Greater Houston region. And that's what occurred here. Here ERCOT proposed this third line. We needed to assess it.

We agreed with the assessment, we filed for it, and that's why we're incorporating it.

So I would expect a track record similar to this where there is just a serial set of updates as we get more comfortable with each individual project as opposed to one comprehensive 765 update.

Q: Julien Dumoulin-Smith

Totally understood. Thank you, guys. I appreciate it.

Operator:

Thank you. Our next question comes from Nicholas Campanella with Barclays.

Q: Nicholas Campanella

Hey. Good morning. I like the tagline connection large loads before it was cool. I appreciate that. So hey, just one for me. A lot of good questions have been answered, but just you guys have a track record for consistently kind of raising CapEx every quarter here, it seems and it's great to see the $500 million increase to the 10-year plan. Just when you think about like executability, supply chain, labor constraints, like what is the ability to bring more into the five-year plan? Or is that kind of fully baked at this point? I know you have a bunch of items kind of listed on the slides that are incremental, and it does seem like some of these transmission connections are in the '27, '28 and beyond timeframe, but just maybe kind of frame how much capital you can actually facilitate bringing into the next five years versus the 10 years?

A: Jason P. Wells

Yeah. Given the fact that some of these large loads are in new regions of the Greater Houston area. So yeah, historically, we've connected a lot of these large loads near the ship channel, the Petrochem complex, we're now seeing kind of different areas within Houston, really target accommodating kind of these large requests.

We are going to need more intra-regional transmission capacity. That is work that will need to be done in the first five years of the plan. Import lines generally take a little longer. I'd expect those to kind of really by hitting sort of towards the tail end of the decade, early part of next. But we undoubtedly will need more transmission in the Greater Houston area in the first five years. We have to accommodate that.

And again, since we've been connecting large loads for such a long time, we have had purchasing spots in all of the critical equipment, high voltage breakers and transformers. We've had relationships with third-parties. We can move quickly at the pace of our customers to connect these loads.

So, I don't see materials being a constraint. I don't see labor being a constraint. I think really what we need to do is continue to finalize the details of our power flow study, propose these projects and begin working on them. I think some of that's going to come in the first five years and some of it will be a tailwind into the next decade.

Q: Nicholas Campanella

Thanks for the thoughts. Appreciate it.

Operator:

Thank you. Our next question comes from Jeremy Toney with JP Morgan Securities.

Q: Jeremy Tonet

Hi, good morning. Thanks for all the color today. I just wanted to dive in a little bit more on smart meters and undergrounding in Houston, if I could. Just wondering if you might be able to provide a little bit more detail on, what the timeline could look there and what the size of the opportunity as you see it now?

A: Christopher A. Foster

Sure, Jeremy, the short of it is, I think there's opportunities here, maybe bridging off the last question too, maybe even in the five-year plan as well. So the short of it is on the new smart meter program, we're probably going to be looking to file in Q4 at the PUCT. That's a natural time we'll be able to give you insight there for the more potential CapEx upside to the plan.

I think the other one maybe to touch on, which makes sense is a really important project again for the City of Houston. It's this downtown revitalization effort as we've talked about. Here, we're going to be in a position to update, probably second half of this year due to the fact that at that stage, we're spending the time now to work with the city to talk about what locations make the most sense to relocate and site our new substations. So those will be meaningful decisions and that will certainly drive the cost profile and potential upside to plan there as well.

Finally, on the system resiliency plan, there we are starting some of the strategic undergrounding work as early as this year. The natural timing of filing the Next System resiliency plan is probably going to be in 2028. So really, it's about feeding the back half of the plan, really 2029, 2030 and 2031 for potential upside there as well.

Q: Jeremy Tonet

Got it. That's helpful. Thanks. And just one more if I could. You talk about keeping bills flat through 2028 and I think O&M reduction has been a meaningful part of the story over time and it looks like it continues to be. Just wondering, how deep do you see that well at this point, given how much has been accomplished?

A: Jason P. Wells

I think we're still in early innings. I'm really proud about the progress the team has made driving efficiency, but when we continue to look at the system, I think we've got further opportunity. Just sort of case in point, I highlighted in my prepared remarks the fact that we saved 100 million outage minutes last year through our Greater Houston Resiliency Initiative. We are just getting started on that work. And as we continue to have another year of investment under our belt, we're going to drive down outage levels in a way that will be a significant tailwind for O&M. Jut to put this in context, we achieved reliability numbers that we haven't seen here in Houston since 2014. And since 2014, we've added north of a million metered homes and businesses. And so as I said, we're just getting started. So, as we continue to drive down outages, improve and increase the automation in our system, we're going to reduce the amount of trouble work. And it is just example of another, I think, tailwind with respect to O&M for the company.

Q: Jeremy Tonet

Got it. That's helpful. Thank you.

Operator:

Thank you. Our next question comes from Anthony Crowdell with Mizuho.

Q: Anthony Crowdell

Hey, good morning, team. Just one quick question. I think earlier, Chris, you talked about the additional balance sheet capacity you guys had with the change in the recent decision. Just other items, I think you talked about maybe 15% FFO/Debt. You've also been opportunistic on selling some gas assets over the last couple of years to help fund a lot of the growth you have. Does now this additional balance sheet capacity maybe delay future divestitures of the gas business? And given you also have this substantial growth still in front of you?

A: Christopher A. Foster

Anthony, good morning. We're going to constantly look at what makes the most sense. The capital recycling we've done has been highly efficient in feeding growth that's primarily been occurring here in the Greater Houston area. Ultimately, we're going to stay very open-minded to what makes sense.

What Jason was getting at earlier is, certainly, there's balance sheet help here in the next few years from really multiple things. The Ohio Gas LDC sale we've referenced was $400 million better than planned. The outcome here on the corporate alternative minimum tax certainly provides additional cushion. But at the same time, Jason, I think you can certainly hear us saying at the back end of the decade, right? We could have substantial CapEx opportunities, which were required to have us again look at the most efficient way to finance that growth. So, we're always going to stay open-minded on that front.

Q: Anthony Crowdell

Chris, that's all I had. Thanks again.

A: Chris A. Foster

Thank you.

Operator:

Thank you. And our last question comes from Andrew Wiesel with Scotiabank

Q: Andrew Wiesel

Hey, good morning, everyone. Thanks for squeezing me in. Two quick ones, please. First, on the fourth quarter electric volumes, I noticed that the total throughput was down modestly. Residential was up 4% and we've seen positive C&I trends in the last few quarters. Just wondering, if there's any noise I the data or anything to call-out. Obviously, you're bullish on the long-term trends. Just wondering, what's going on in the near-term?

A: Christopher A. Foster

Sure, Andrew. I think what the takeaway there is we continue to see more of a weighting towards the commercial and industrial growth among our overall base. I'll think I put it that way. If you just look across all of 2025, we're talking about roughly 7% industrial growth. It's pretty dramatic.

I think what you're also hearing us allude to is, we're highly confident in the long-term growth potential, including because these opportunities we've talked about from a customer standpoint are going to create material new jobs to our communities. Two examples being maybe most recently, the over $15 billion investment that Eli Lilly has referenced for the Greater Houston area is pretty incredible that will represent thousands of jobs that come with it.

As well as the loads that we're talking about actually include the ecosystem associated with data centers, which is the advanced manufacturing category that we talk about. The benefit there is that is really about production and manufacturing of the components that go in the data centers. That means same situation there. It comes with a large number of permanent jobs as well.

So, it gives us a lot of confidence for years to come on both that excellent dynamic we have had of both residential growth as well as accelerating industrial growth.

Q: Andrew Wiesel

Okay. SO not to worry about the 4Q number then in other words?

A: Christopher A. Foster

No, sir.

Q: Andrew Wiesel

Okay. Very Good. And then lastly, in terms of the CapEx update, you're increasing the overall plan thanks to the 765 kV line. It looks like if I'm getting the numbers right, that was an increase of $800 million and then you lowered the gas spending by about $300 million or so, I believe. Can you walk us through what drove that? Was that about preserving the balance sheet or were there specific projects on the gas side that you chose to remove for fundamental reasons?

A: Jason P. Wells

You've got the puts and takes there, right? I mean, largely the increase is driven by the 765 kV line as you mentioned. We're always constantly looking at the execution of our integrity management work, we were able to pull forward some of that here into 2025, gave us a little bit of an opportunity to be flexible on the gas side in the outer years.

We'll always tune the portfolio based on kind of executability and where we're seeing demands. I wouldn't look at that as a signal of a long-term trend.

Q: Andrew Wiesel

Okay. Very good. Thanks so much.

Operator:

Thank you. This concludes CenterPoint Energy's fourth quarter 2025 earnings conference call. Thank you for your participation.

Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this document are forward-looking statements made in good faith by CenterPoint Energy, Inc. ("CenterPoint" or the "Company") and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements concerning CenterPoint's expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings and guidance, growth, costs, prospects, capital investments or performance or underlying assumptions and other statements that are not historical facts. You should not place undue reliance on forward-looking statements. You can generally identify our forward-looking statements by the words "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "objective," "plan," "potential," "predict," "projection," "should," "target," "will," or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

Examples of forward-looking statements in this document include statements about CenterPoint's 10-year capital investment plan and the projects and programs therein (which include Houston Electric's Greater Houston Resiliency Initiative, System Resiliency Plan, the Houston Downtown Revitalization project and 765 kilovolt projects, and other plans, projects and programs relating to electric transmission, generation, resiliency, reliability, safety, gas meter upgrades, and system modernization), including the timing, execution, financing, costs, affordability, and anticipated benefits thereof, regulatory matters relating thereto, and related matters, other capital investments and opportunities therefor (including with respect to incremental capital opportunities, deployment of capital, execution, financing and timing of such projects, and anticipated benefits related thereto), future earnings and guidance, CenterPoint's goals regarding the resiliency, reliability, and safety of our electric and gas systems, CenterPoint's long-term growth rate and plans related thereto, dividend growth and payouts, customer charges, customer bills and rate affordability, operations and maintenance expense reductions, the announced sale of our Ohio natural gas local distribution company ("LDC") business (including with respect to timing, anticipated benefits, and related matters, such as the Seller's Note), anticipated benefits thereof, regulatory matters including the timing of, projections for, recovery through and anticipated benefits from the settlement of, rate cases and interim capital trackers for CenterPoint and its subsidiaries (as applicable), base rate and population growth and economic development in CenterPoint's service territories, CenterPoint's ability to support economic growth, meet customer needs and improve customer experiences, Houston Electric's release of its 15 large 27 megawatt ("MW") to 32MW temporary emergency electric energy facilities ("TEEEF") units to the San Antonio area and its ability to complete one or more other future transactions involving various sizes of TEEEF units (including with respect to timing, filings related thereto, corresponding reductions in Houston Electric's TEEEF fleet capacity, anticipated benefits including with respect to revenue generation, rates, expected market demand for the units, and related matters), the timing and extent of CenterPoint's recovery of costs and investments, electric demand growth in CenterPoint's service territories (including forecasts and the drivers thereof, our ability to meet capacity needs related thereto, interconnection requests and projects related thereto and our ability to connect customers, the speed with which we can energize such projects and the charges and bills related to such projects, capital investment opportunities related thereto, the timing of investments related thereto, and anticipated benefits of such growth), transmission planning studies and anticipated results thereof, financing plans (including in relation to operating cash flow, capital recycling, and the need for, timing of, and anticipated benefits of any future equity or debt issuances, forward sales, and securitization, credit metrics and parent level debt), anticipated benefits of and timing relating to securitization issuances, preparation for weather conditions, CenterPoint's 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 ("ZENS") and impacts of the maturity of ZENS, CenterPoint's credit health, tax structure and liability (including with respect to the Corporate Alternative Minimum Tax and guidance related thereto), balance sheet health, future financial condition, financial performance and results of operations, value creation, opportunities and expectations. We have based our forward-looking statements on our management's beliefs and assumptions based on information currently available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking information include, but are not limited to, risks and uncertainties relating to: (1) the business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses involving CenterPoint or its industry, including the ability to successfully complete such strategies, initiatives, transactions or plans on the timelines we expect or at all, such as the announced sale of our Ohio natural gas LDC business, which we cannot assure you will have the anticipated benefits to us; (2) industrial, commercial and residential growth in CenterPoint's service territories and changes in market demand and energy consumption, including in relation to the expansion of data centers, energy refining and exports, advanced manufacturing and logistics, as well as the effects of energy efficiency measures, technological advances and demographic patterns, and our ability to appropriately estimate/forecast and effectively manage such demand and the business opportunities relating to such matters; (3) CenterPoint's ability to fund and invest planned capital, and the timely recovery of its investments, including those related to CenterPoint's 10-year capital plan; (4) the ability to execute and complete CenterPoint's planned capital projects and programs, including those within CenterPoint's 10-year capital plan, in a timely and cost-effective manner and within budget, obtain the anticipated benefits of such projects, and manage costs and impacts of such projects on customer affordability; (5) CenterPoint's ability to successfully construct, operate, repair, maintain, replace and restart electric generating facilities, natural gas facilities, TEEEF and electric transmission facilities; (6) the timing and success of, and the ability to obtain approval for matters relating to, Houston Electric's release of its large TEEEF units to the San Antonio area, proposed release of its medium TEEEF units, reduction of its TEEEF fleet capacity and reduction of rates to reflect the removal of the large and medium TEEEF units from Houston Electric's TEEEF fleet, as well as the ability to complete one or more other future transactions involving the large and medium TEEEF units on acceptable terms and conditions within the anticipated timeframe; (7) financial market and general economic conditions, including access to debt and equity capital, economic uncertainty and volatility, inflation, potential for recession, interest rates, and their effect on sales, prices and costs; (8) disruptions to the global supply chain, labor shortages and scarcity of certain materials, including as a result of changes in U.S. and foreign trade policy and geopolitical and economic uncertainty; (9) actions by credit rating agencies, including any potential downgrades to credit ratings; (10) the timing and impact of regulatory proceedings and actions and legal proceedings, including those related to, among other things, Hurricane Beryl, Houston Electric's TEEEF units and the February 2021 winter storm event, and requested or favorable adjustments to rates and approval of other requested items as part of base rate proceedings or interim rate mechanisms; (11) federal, state and local legislative, executive and regulatory actions or developments, including any actions resulting from Hurricane Beryl, pipeline integrity and safety, actions relating to our facilities and changes in regulation, legislation and governmental actions pertaining to the utility model, trade (including tariffs, bans, retaliatory trade measures taken against the United States or related government action), tax legislation and guidance (including further changes to or clarification of the One Big Beautiful Bill Act and the Inflation Reduction Act), the implementation of budget and spending cuts to federal government agencies and programs, effects of government shutdowns, and developments related to the environment; (12) the impact of public health threats; (13) severe weather events, natural disasters and other climate-related impacts, and CenterPoint's ability to mitigate such impacts, including the approval and timing of securitization issuances; (14) damages to our network, facilities and systems, including as a result of wildfires; (15) changes in business plans; (16) changes to technology and our ability to anticipate, adapt to and implement technological changes and advances in and our ability to timely adopt, develop and deploy, artificial intelligence ("AI"); (17) operations and maintenance costs, our ability to control such costs and cost-related impacts on the affordability of our rates for our customers; (18) CenterPoint's ability to timely obtain and maintain necessary licenses, permits, easements and approvals from local, federal and other regulatory authorities on acceptable terms and resolve third-party challenges to such licenses, permits or approvals, as applicable; (19) CenterPoint's ability to execute on its strategy, initiatives, targets and goals, including its energy transition goals and operations and maintenance goals; and (20) other factors discussed in CenterPoint's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, including under "Risk Factors," "Cautionary Statements Regarding Forward-Looking Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings" in such report and in other filings with the Securities and Exchange Commission ("SEC") by CenterPoint, which can be found at www.centerpointenergy.com on the Investor Relations page or on the SEC website at www.sec.gov.

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

Use of Non-GAAP Financial Measures

In this document, CenterPoint presents, based on net income or income (loss) attributable to common shareholders (loss), diluted earnings (loss) per share, and net cash provided by operating activities to total debt, net, and gross margin to total debt, net, the following financial measures which are not generally accepted accounting principles ("GAAP") financial measures: non-GAAP income, non-GAAP diluted earnings per share ("non-GAAP EPS"), as well as non-GAAP funds from operations / non-GAAP rating agency adjusted debt (Moody's and S&P) ("FFO/Debt"). Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure.

2020 and 2021 non-GAAP Utility EPS included net income from CenterPoint's Electric and Natural Gas segments, as well as after tax Corporate and Other operating income and an allocation of corporate overhead based upon the Utility's relative earnings contribution. Corporate overhead consists primarily of interest expense, preferred stock dividend requirements, and other items directly attributable to the parent along with the associated income taxes.

2020 non-GAAP Utility EPS excluded (a) Earnings or losses from the change in value of ZENS and related securities; (b) Certain expenses associated with merger integration; (c) Midstream Investments segment and associated income from the Enable Midstream Partners, LP preferred units and a corresponding amount of debt in addition to an allocation of associated corporate overhead and impact, including related expenses, associated with the merger between Enable Midstream Partners, LP and Energy Transfer LP; (d) Cost associated with the early extinguishment of debt; and (e) Gain and impact, including related expenses, associated with gas LDC sales. 2021 non-GAAP Utility EPS excluded: (a) Earnings or losses from the change in value of ZENS and related securities; (b) Earnings and losses associated with the ownership and disposal of midstream common and preferred units (including amounts reported in discontinued operations), net gain associated with the consummation of the merger between Enable Midstream Partners, LP and Energy Transfer LP, a corresponding amount of debt related to midstream common and preferred units, and an allocation of associated corporate overhead; (c) Cost associated with the early extinguishment of debt; (d) Impacts associated with Arkansas and Oklahoma gas LDC sales; and (e) Certain impacts associated with other mergers and divestitures.

Beginning in 2022, CenterPoint no longer separated utility and midstream operations and reports on a consolidated non-GAAP EPS basis.

2022 non-GAAP EPS excluded: (a) Earnings or losses from the change in value of ZENS and related securities; (b) Gain and impact, including related expenses, associated with Arkansas and Oklahoma gas LDC sales; and (c) Income and expense related to ownership and disposal of Energy Transfer LP common and Series G preferred units, and a corresponding amount of debt related to the units.

2023, 2024 and 2025 non-GAAP EPS excluded and non-GAAP EPS guidance excludes: (a) Earnings or losses from the change in value of ZENS and related securities, (b) Gain, losses and impact, including related expenses, associated with mergers and divestitures, such as the divestiture of our Louisiana and Mississippi natural gas LDC businesses and the announced divestiture of our Ohio natural gas LDC business, and (c) With respect to 2025 non-GAAP EPS and non-GAAP EPS guidance, impacts related to TEEEF once they are no longer part of our rate-regulated business.

In providing non-GAAP EPS guidance and non-GAAP EPS, CenterPoint does not consider the items noted above and other potential impacts such as changes in accounting standards, impairments, or other unusual items, which could have a material impact on GAAP reported results for the applicable guidance period. The non-GAAP EPS guidance ranges also consider assumptions for certain significant variables that may impact earnings, such as customer growth and usage including normal weather, throughput, recovery of capital invested, effective tax rates, financing activities and related interest rates, and regulatory and judicial proceedings. To the extent actual results deviate from these assumptions, the non-GAAP EPS guidance range for any particular year may not be met, or the projected annual non-GAAP EPS growth rate may change. CenterPoint is unable to present a quantitative reconciliation of forward-looking non-GAAP diluted earnings per share without unreasonable effort because changes in the value of ZENS and related securities, future impairments, and other unusual items are not estimable and are difficult to predict due to various factors outside of management's control.

Funds from operations (Moody's) excludes from net cash provided by operating activities, accounts receivable and unbilled revenues, net, inventory, taxes receivable, accounts payable, and other current assets and liabilities, and includes certain adjustments consistent with Moody's methodology, including adjustments related to operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (Moody's) adds to Total Debt, net certain adjustments consistent with Moody's methodology, including operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions and further adjustments related to Winter Storm Uri debt as well as CEHE storm related costs. Funds from operations (S&P) excludes from gross margin, O&M, taxes and other, cash interest paid and cash taxes paid, and includes certain adjustments consistent with S&P's methodology, including adjustments related to operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (S&P) adds to Total Debt, net certain adjustments consistent with S&P's methodology, including adjustments related to Winter Storm Uri related debt and CEHE storm related debt.

A reconciliation of net income or income (loss) available to common shareholders and diluted earnings (loss) per share to the basis used in providing guidance, as well as a reconciliation of net cash provided by operating activities / total debt, net (and gross margin to total debt, net) to FFO/Debt are provided in the appendix of CenterPoint's slide presentation used to present its fourth quarter and full-year 2025 earnings information.

Management evaluates the Company's financial performance in part based on non-GAAP income, non-GAAP EPS and long-term FFO/Debt. Management believes that presenting these non-GAAP financial measures enhances an investor's understanding of CenterPoint's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods. The adjustments made in these non-GAAP financial measures exclude items that management believes do not most accurately reflect the Company's fundamental business performance. These excluded items are reflected in the reconciliation tables, where applicable. CenterPoint's non-GAAP income, non-GAAP EPS and FFO/Debt financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income or income (loss) available to common shareholders, diluted earnings (loss) per share, net cash provided by operating activities to total debt, net and gross margin to total debt, net, which, respectively, are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

Energy Transition Disclaimer

CenterPoint's Scope 1 greenhouse gas ("GHG") emissions estimates are calculated from GHG emissions that directly come from its operations. CenterPoint's Scope 2 GHG emissions estimates are calculated from GHG emissions that indirectly come from its energy usage, but because Texas is in an unregulated market, its Scope 2 GHG emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and exclude GHG emissions related to purchased power between 2024E2026E. CenterPoint's Scope 3 GHG emissions estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the GHG emissions of transport customers and GHG emissions related to upstream extraction. CenterPoint has adopted energy transition goals and its analysis and plans for execution require it to make a number of assumptions. These goals and underlying assumptions involve risks and uncertainties and are not guarantees, and CenterPoint's ability to achieve these goals will ultimately be driven by the needs of its business, the needs and desires of the customers, jurisdictions and other stakeholders it serves and its performance for shareholders. In addition, forecasting is inherently speculative and the trajectory of the greater energy transition is uncertain. Should one or more of CenterPoint's underlying assumptions require updating, its actual results and ability to make progress towards and achieve its energy transition goals and the timing thereof could differ materially from its expectations, and CenterPoint may elect to modify or update such goals. Further, there can be no guarantee that CenterPoint will sustain or achieve these goals. Certain of the assumptions that could impact CenterPoint's ability to meet its energy transition goals and the timing thereof include, but are not limited to: GHG emission levels, service territory size, capacity needs and customer demand remaining in line with CenterPoint's expectations when such goals were announced, including with respect to demand for services and in relation to the recent sale of CenterPoint's Louisiana and Mississippi natural gas LDC businesses and the announced sale of CenterPoint's Ohio natural gas LDC business; the ability to appropriately estimate and effectively manage business opportunities from and maintain reliability in connection with new customers and load growth resulting from, among other things, expansion of data centers (associated with, among other things, increasing demand for AI), energy refining and exports, advanced manufacturing and logistics in CenterPoint's service territories; regulatory approvals related to Indiana Electric's generation transition plan and our ability to obtain such approvals; the ability to execute anticipated divestitures, portfolio optimizations or other strategic transactions; interconnection delays in the footprints of regional transmission organizations and/or interconnection costs; cost and affordability of customer rates and related concerns; customer demand for GHG emission free or lower GHG emissions energy; impacts of regulations, legislation or other governmental action, including those related to our operation of certain generating facilities (including the U.S. Department of Energy's December 2025 emergency 202(c) order directing Indiana Electric to continue operating F.B. Culley Unit 2 through March 23, 2026), the environment and tax (including the effects of the OBBBA, Executive Order 14315, the IRA and any further changes to or the repeal of the renewable energy tax credits enacted in the IRA); federal and state executive, legislative and regulatory actions (including regulatory uncertainty resulting from changes in federal energy policy) and support for certain types of generation; impacts of future carbon pricing regulation or legislation, including a future carbon tax; price, availability and regulation of carbon offsets; price of fuel, such as natural gas; cost and technological development/innovation, adoption and commercialization of energy generation technologies, such as wind and solar, natural gas and storage solutions, and alternative energy, including electric vehicles; CenterPoint's ability to implement modernization plans for pipelines and facilities; the ability to complete and timely implement and maintain system reliability during and after transitioning to generation alternatives to Indiana Electric's coal generation; execution of the retirement or fuel conversion of Indiana Electric's coal facilities on anticipated timelines or at all; the ability to construct and/or permit new natural gas pipelines; the ability to procure resources needed to build at a reasonable cost, the lack of or scarcity of resources and labor, any project cancellations, construction delays or overruns (including as a result of changes in U.S. or foreign trade policies) and the ability to appropriately estimate costs of new generation; impact of any supply chain disruptions; changes in applicable standards, metrics, methodologies or frameworks; and enhancement of energy efficiencies.

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this document are forward-looking statements made in good faith by CenterPoint Energy, Inc. ("CenterPoint" or the "Company") and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements concerning CenterPoint's expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings and guidance, growth, costs, prospects, capital investments or performance or underlying assumptions and other statements that are not historical facts. You should not place undue reliance on forward-looking statements. You can generally identify our forward-looking statements by the words "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "objective," "plan," "potential," "predict," "projection," "should," "target," "will," or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

Examples of forward-looking statements in this news release or on the earnings conference call include statements about Houston Electric's Greater Houston Resiliency Initiative ("GHRI") and System Resiliency Plan ("SRP") (including with respect to timing, filings related thereto, anticipated benefits, and related matters), the proposed sale of our Ohio natural gas LDC business (including with respect to timing, anticipated benefits, and related matters), Houston Electric's release of its 15 large 27 megawatt ("MW") to 32 MW TEEEF units to the San Antonio area and its ability to complete one or more other future transactions involving various sizes of TEEEF units (including with respect to timing, filings related thereto, corresponding reductions in Houston Electric's TEEEF fleet capacity, anticipated benefits including with respect to rates, expected market demand for the units, and related matters), capital investments (including with respect to incremental capital opportunities, deployment of capital, financing of such projects, and anticipated benefits related thereto), the timing of, projections for, and anticipated benefits from the settlement of, rate cases for CenterPoint and its subsidiaries, the timing and extent of CenterPoint's recovery, including with regards to its restoration costs for, among other things, the severe weather events in May 2024 ("May 2024 Storm Events") and Hurricane Beryl, generation transition plans and projects, projects included in CenterPoint's Natural Gas Innovation Plan and System Resiliency Plan, and projects included under its 10-year capital plan, electric demand growth in CenterPoint's service territories (including our forecasts of, capital investment opportunities related to, the timing of investments related to, and anticipated benefits of such growth), the extent of anticipated benefits of the completed sale of our Louisiana and Mississippi natural gas LDC businesses, future earnings and guidance, including long-term growth rate, dividend growth, customer charges, operations and maintenance expense reductions, financing plans (including with respect to the restoration costs for the May 2024 Storm Events and Hurricane Beryl and the timing and anticipated benefits of any future equity issuances, forward sales, securitization, credit metrics and parent level debt), the timing, funding, and anticipated benefits of our 10-year capital plan, the Company's 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 ("ZENS") and impacts of the maturity of ZENS, CenterPoint's continued focus on credit, balance sheet strength, liquidity and credit ratings, tax planning opportunities, future financial performance and results of operations, including with respect to regulatory actions and recoverability of capital investments, customer rate affordability, value creation, opportunities and expectations, and expected customer growth. We have based our forward-looking statements on our management's beliefs and assumptions based on information currently available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking information include, but are not limited to, risks and uncertainties relating to: (1) the business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses involving CenterPoint or its industry, including the ability to successfully complete such strategies, initiatives, transactions or plans on the timelines we expect or at all, such as our plan to sell our Ohio natural gas LDC business or the completed sale of our Louisiana and Mississippi natural gas LDC businesses, which we cannot assure you will have the anticipated benefits to us; (2) industrial, commercial and residential growth in CenterPoint's service territories and changes in market demand, including in relation to the expansion of data centers, energy export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics, as well as the effects of energy efficiency measures and demographic patterns, and our ability to appropriately estimate and effectively manage business opportunities relating to such matters; (3) CenterPoint's ability to fund and invest planned capital, and the timely recovery of its investments, including those related to Houston Electric's GHRI and SRP; (4) the ability to timely execute Houston Electric's GHRI and SRP; (5) our ability to successfully construct, repair, maintain and restart electric generating facilities, natural gas facilities, TEEEF and electric transmission facilities; (6) the timing and success of, and our ability to obtain approval for, Houston Electric's release of its large TEEEF units to the San Antonio area, reduction of its TEEEF fleet capacity and reduction of rates to reflect the removal of the large TEEEF units from Houston Electric's TEEEF fleet, as well as our ability to complete one or more other future transactions involving various sizes of TEEEF units on acceptable terms and conditions within the anticipated timeframe; (7) financial market and general economic conditions, including access to debt and equity capital, inflation, potential for recession, interest rates, and their effect on sales, prices and costs; (8) disruptions to the global supply chain and volatility in commodity prices, including resulting from tariffs, trade agreements, retaliatory trade measures or changes in trade relationships; (9) actions by credit rating agencies, including any potential downgrades to credit ratings; (10) the timing and impact of regulatory proceedings and actions and legal proceedings, including those related to, among other things, the May 2024 Storm Events, Hurricane Beryl, Houston Electric's TEEEF units and the February 2021 winter storm event, and requested or favorable adjustments to rates and approval of other requested items as part of base rate proceedings or interim rate mechanisms; (11) federal, state and local legislative, executive, regulatory and political actions or developments, including any actions resulting from Hurricane Beryl, actions pertaining to trade (including tariffs, bans, retaliatory trade measures taken against the United States or related government action), tax legislation (including effects of the One Big Beautiful Bill Act, Executive Order 14315, and the Inflation Reduction Act) and developments related to the environment; (12) the impact of public health threats; (13) weather variations and other natural phenomena, including severe weather events, and CenterPoint's ability to mitigate weather impacts, including the approval and timing of securitization issuances; (14) the impact of potential wildfires; (15) changes in business plans; (16) advances in, our ability to timely adopt, develop and deploy, artificial intelligence; (17) the availability of, prices for and our ability to procure materials, supplies or services and scarcity of and changes in labor for current and future projects and operations and maintenance costs; (18) CenterPoint's ability to timely obtain and maintain necessary licenses and permits from local, federal and other regulatory authorities on acceptable terms and resolve third-party challenges to such licenses or permits, as applicable; (19) CenterPoint's ability to execute on its initiatives, targets and goals, including its net zero and greenhouse gas emissions reduction goals and operations and maintenance goals; and (20) other factors discussed in CenterPoint's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and CenterPoint's Quarterly Report on Form 10-Q for the quarters ended March 31, 2025 and June 30, 2025, including under "Risk Factors," "Cautionary Statements Regarding Forward-Looking Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings" in such reports and in other filings with the Securities and Exchange Commission ("SEC") by CenterPoint, which can be found at www.centerpointenergy.com on the Investor Relations page or on the SEC website at www.sec.gov.

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

Use of Non-GAAP Financial Measures

In this document, CenterPoint presents, based on net income (loss), diluted earnings (loss) per share, and net cash provided by operating activities to total debt, net, and gross margin to total debt, net, the following financial measures which are not generally accepted accounting principles ("GAAP") financial measures: non-GAAP income, non-GAAP diluted earnings per share ("non-GAAP EPS"), as well as non-GAAP funds from operations / non-GAAP rating agency adjusted debt (Moody's and S&P) ("FFO/Debt"). Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure.

2024 and 2025 non-GAAP EPS excluded and 2025 non-GAAP EPS guidance excludes: (a) Earnings or losses from the change in value of ZENS and related securities, (b) Gain, losses and impact, including related expenses, associated with mergers and divestitures, such as the divestiture of our Louisiana and Mississippi natural gas LDC businesses, and (c) With respect to 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, impacts related to temporary emergency electric facilities ("TEEEF") once they are no longer part of our rate-regulated business. In providing 2024 and 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, CenterPoint does not consider the items noted above and other potential impacts such as changes in accounting standards, impairments or other unusual items, which could have a material impact on GAAP reported results for the applicable guidance period. The 2025 non-GAAP EPS guidance ranges also consider assumptions for certain significant variables that may impact earnings, such as customer growth and usage including normal weather, throughput, recovery of capital invested, effective tax rates, financing activities and related interest rates, and regulatory and judicial proceedings. To the extent actual results deviate from these assumptions, the 2025 non-GAAP EPS guidance range may not be met, or the projected annual non-GAAP EPS growth rate may change. CenterPoint is unable to present a quantitative reconciliation of forward-looking non-GAAP diluted earnings per share without unreasonable effort because changes in the value of ZENS and related securities, future impairments, and other unusual items are not estimable and are difficult to predict due to various factors outside of management's control.

Funds from operations (Moody's) excludes from net cash provided by operating activities accounts receivable and unbilled revenues, net, inventory, taxes receivable, accounts payable, and other current assets and liabilities, and includes certain adjustments consistent with Moody's methodology, including adjustments related to operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (Moody's) adds to Total Debt, net certain adjustments consistent with Moody's methodology, including operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions and further adjustments related to Winter Storm Uri debt as well as CEHE storm related costs.

Funds from operations (S&P) excludes from gross margin, O&M, taxes and other, cash interest paid and cash taxes paid, and includes certain adjustments consistent with S&P's methodology, including adjustments related to operating lease costs, preferred stock dividends, nonrecurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (S&P) adds to Total Debt, net certain adjustments consistent with S&P's methodology, including adjustments related to Winter Storm Uri related debt and CEHE storm related debt.

A reconciliation of net income (loss) and diluted earnings (loss) per share to the basis used in providing guidance, as well as a reconciliation of net cash provided by operating activities / total debt, net (and gross margin to total debt, net) to FFO/Debt provided in the appendix of CenterPoint's slide presentation used to present its first quarter earnings information.

Management evaluates the Company's financial performance in part based on non-GAAP income, non-GAAP EPS and long-term FFO/Debt. Management believes that presenting these non-GAAP financial measures enhances an investor's understanding of CenterPoint's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods. The adjustments made in these non-GAAP financial measures exclude items that Management believes do not most accurately reflect the Company's fundamental business performance. These excluded items are reflected in the reconciliation tables, where applicable. CenterPoint's non-GAAP income, non-GAAP EPS and FFO/Debt financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income (loss), diluted earnings (loss) per share, net cash provided by operating activities to total debt, net and gross margin to total debt, net, which, respectively, are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

Net Zero Disclaimer

CenterPoint's **Scope 1** greenhouse gas ("GHG") emissions estimates are calculated from GHG emissions that directly come from its operations. CenterPoint's **Scope 2** GHG emissions estimates are calculated from GHG emissions that indirectly come from its energy usage, but because Texas is in an unregulated market, its Scope 2 GHG emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and exclude GHG emissions related to purchased power between 2024E2026E. CenterPoint's **Scope 3** GHG emissions estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the GHG emissions of transport customers and GHG emissions related to upstream extraction. CenterPoint's analysis and plan for execution to achieve its Net Zero GHG emissions (Scope 1 and certain Scope 2) by 2035 goals and its 20-30% reduction in Scope 3 GHG emissions by 2035 as compared to 2021 levels goal require it to make a number of assumptions. These goals and underlying assumptions involve risks and uncertainties and are not guarantees. Should one or more of these underlying assumptions require updating, CenterPoint's actual results and ability to make progress towards and achieve its Net Zero and GHG emissions reduction goals and the timing thereof could differ materially from its expectations. Certain of the assumptions that could impact its ability to make progress towards and meet its Net Zero and GHG emissions reduction goals and the timing thereof include, but are not limited to: GHG emission levels, service territory size and capacity needs remaining in line with company expectations (including with respect to demand for our services); the ability to appropriately estimate and effectively manage business opportunities from new

customers and load growth resulting from, among other things, expansion of data centers, energy export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics in our service territories; regulatory approvals related to Indiana Electric's generation transition plan and CenterPoint's ability to obtain such approvals; impacts on affordability of customer rates; customer demand for GHG emissions free or lower GHG emissions energy; impacts of regulations, executive action or legislation, including those related to the environment and tax matters (including the effects of the OBBBA, Executive Order 14315 and the IRA and any further changes to or the repeal of the IRA); impacts of future carbon pricing regulation or legislation; price, availability and regulation of carbon offsets; price of fuel, such as natural gas; cost of energy generation technologies, such as wind and solar, natural gas and storage solutions; adoption of alternative energy by the public, including adoption of electric vehicles; rate of technology innovation with regards to alternative energy resources; CenterPoint's ability to implement its modernization plans for its pipelines and facilities; the ability to complete and timely implement generation alternatives to Indiana Electric's coal generation and retirement or fuel conversion dates of Indiana Electric's coal facilities by 2035; the ability to construct and/or permit new natural gas pipelines; the ability to procure resources needed to build at a reasonable cost, the lack of or scarcity of resources and labor, the lack of any project cancellations, construction delays or overruns (including as a result of tariffs, legislation, bans, potential retaliatory trade measures taken against the United States or related governmental action) and the ability to appropriately estimate costs of new generation; impact of any supply chain disruptions; changes in applicable standards, metrics, methodologies or frameworks; and enhancement of energy efficiencies.