Entergy corporation annual report 2018

News Center and Entergy Corporation releases the 2018 Integrated Report 04/03/2019 Report highlights the company's economic, environmental and social performance, while strengthening its commitment to a sustainable future new ORLEANS - Entergy Corporation (NYSE: ETR) today announced its 2018 Integrated Report, When Does 1 or More?. The comprehensive report, available online on integratedreport.entergy.com's website, provides an overview of the company's economic, environmental and social performance for 2018 and highlights how Entergy is committed to developing a world-class energy business that creates sustainable value for all stakeholders. The needs of our key stakeholders - customers, employees, communities and owners - are inextricably linked and constantly evolving, said Leo Deno, Chairman and CEO of Entergy. They want a partner who provides more than just safe, reliable and affordable electricity and gas. Fortunately, Entergy has been working thoughtfully for many years to meet these high expectations and improve the lives of our customers. We are building the usefulness of the future, and we are doing so with a goal that provides long-term, enhanced value to all of our stakeholders. Entergy's strategy for further success is detailed in the report. The company is investing in new technologies that will enable more personalized relationships with customers, partnering with them on solutions that improve their daily lives. For example, Entergy is rolling out advanced meters for all of its utility customers over the next three years that will offer more tools to help customers better manage their energy consumption. At the same time, the company builds on its long-term climate commitments by stepping up efforts to protect the environment. Entergy is once again raising the bar for its climate commitments, reducing carbon dioxide emissions to 50 per cent below 2000 levels by 2030. Entergy is transforming its electricity generation portfolio, replacing aging infrastructure with new, efficient and cleaner sources of generation, while strengthening its transmission infrastructure to be more reliable and sustainable. In tandem with these efforts, the company continues to focus on attracting, developing and retaining the talented and diverse workforce of the future, while promoting the well-being of the communities it serves by working together to improve access to education, eradicate poverty and promote economic development. In 2014, Entergy became the first U.S. energy supplier to voluntarily combine its annual shareholder report with a sustainability report, making it one of the few leading U.S. companies to consolidate these documents into a single report to highlight the company's business strategy and economic, social and management performance. Entergy's 2018 reporting meets the standards set by the Global Reporting Initiative, the world's most widely used Reporting. The report also aligned with the Edison Electric Institute reporting template for electric utilities to share uniform, consistent metrics and supporting information for investors. About Entergy Corporation Entergy Corporation (NYSE: ETR) is an integrated energy company that primarily deals with electricity generation and retail distribution. Entergy owns and operates power plants with a capacity of about 30,000 megawatts, including nearly 9,000 megawatts of nuclear power. Entergy supplies electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenue of $11 billion and nearly 13,700 employees. -30-entergy.comfacebook.com/EntergyTwitter: @Entergy View Differences Made From One Year to Another to Evaluate Entergy Corp's Financial Trajectory Sample 10-K Year by Year (YoY) Comparison Compare This 10-K Annual Report to Its Predecessor, Reading our highlights to see that the text and tables have been removed, added and changed by Entergy Corp. Continue Page 2 NEW ORLEANS, April 3, 2019 /PRNewswire/ -- Entergy Corporation (NYSE: ETR) today announced its comprehensive report for 2018. The comprehensive report, available online on integratedreport.entergy.com's website, provides an overview of the company's economic, environmental and social performance for 2018 and highlights how Entergy is committed to developing a world-class energy business that creates sustainable value for all stakeholders. The needs of our key stakeholders - customers, employees, communities and owners - are inextricably linked and constantly evolving, said Leo Deno, Chairman and CEO of Entergy. They want a partner who provides more than just safe, reliable and affordable electricity and gas. Fortunately, Entergy has been working thoughtfully for many years to meet these high expectations and improve the lives of our customers. We are building the usefulness of the future, and we are doing so with a goal that provides long-term, enhanced value to all of our stakeholders. Entergy's strategy for further success is detailed in the report. The company is investing in new technologies that will enable more personalized relationships with customers, partnering with them on solutions that improve their daily lives. For example, Entergy is rolling out advanced meters for all of its utility customers over the next three years that will offer more tools to help customers better manage their energy consumption. At the same time, the company builds on its long-term climate commitments by stepping up efforts to protect the environment. Entergy once again raises the bar for its climate commitments, carbon dioxide emissions are up to 50 per cent below 2000 levels by 2030. Entergy is transforming its electricity generation portfolio, replacing the aging infrastructure with a new, efficient and clean sources while strengthening their transmission infrastructure to be more reliable and sustainable. In tandem with these efforts, the company continues to focus on attracting, developing and retaining the talented and diverse workforce of the future, while promoting the well-being of the communities it serves by working together to improve access to education, eradicate poverty and promote economic development. 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Entergy supplies electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenue of $11 billion and nearly 13,700 employees. entergy.comfacebook.com/entergyTwitter: @Entergy SOURCE Entergy Corporation Related Links This website contains and contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Words expected, will be and similar expressions are intended to define forward-looking statements. Entergy's expectations for any particular issue are only its forecast on the subject. The forecast may differ materially from the actual results that affect the various factors that are in Entergy's Annual Report on Form 10-K and the quarterly reports on Form 10th and Current Reports on Form 8-K. News Center's Entergy Fourth quarter and full-year Financial Results 02/20/2019 Entergy Fourth quarter and full-year financial results; Initiators of 2019 Earnings Guide based on one new measure NEW ORLEANS - Entergy Corporation (NYSE: ETR) reported a fourth quarter 2018 loss per share (36) cents based on reported and earnings per share of 60 cents on an operational basis (non-GAAP), which excludes the effects of special items. For all The company reported earnings for 2018 per share of $4.63 per share and $7.31 on operating basis. The results were reported and the full year reflects asset impairment and other costs associated with the strategic decision to exit the EWC business. Today we report strong results for another successful year and we are firmly on track to achieve our long-term goals, said Entergy Chairman and CEO Leo Deno. In 2018, we have implemented our strategy and met important milestones in our transition to pure gaming utility. We expect 2019 to be no exception. Business highlights included: Entergy initiated guidance for 2019 and forecasts for 2020-2021 for its new adjusted EPS ETR measure. APSC and PUCT issued orders approving calculations in the E-AR and E-TX base rate procedure. In January 2019, Entergy completed the sale of VY NorthStar. Entergy and Holtec have applied to transfer Pilgrim's license to the NRC. Entergy raised its dividend for the fourth year in a row. The U.S. Chamber of Commerce Foundation named Entergy a finalist in the Corporate Citizenship 2018 Award for Best Economic Opportunity Expansion Program. Consolidated Profit (GAAP and Non-GAAP Measures) Fourth quarter-to-year 2018 compared to 2017 (see Annex A for non-GAAP harmonization and non-GAAP coverage) Fourth quarter-date 2018 2017 Change 2018 2017 Change (After tax, after tax, $US10000) Reported Income (66) (479) 413,849,412,437 Less Special Items (176) (617) 440 (2010 (889) 396 Operating profit (non-GAAP) 110,138 (27) 1,341 1,300 41 Estimated weather in billed sales 25 11 14 67 (79) 146 (After taxes, per share in $) As reported profit (0.36) (2.66) 2.3 0 4.63 2.28 2.35 Less Special Points (0.96) (3.42) 2.46 (2.68) (4.92) 2.24 Operating income (non-GAAP) 0.60 0.76 (0.16) 7.31 7.20 0.11 Estimated weather in billed Sales 0.13 0.06 0.07 0.37 (0.44) 0.80 Calculations may differ due to rounding of consolidated results for the fourth quarter of 2018 The company reported a loss of $66 million(66 million), or (36) cents per share, based on reports and earnings of $110 million, or 60 cents per share, on an operational basis. That compares with a loss for the fourth quarter of 2017 of $US479 million($479 million), or $2.66 per share, based on reports and earnings of $138 million, or 76 cents per share on an operational basis. For the full year, the Company reported a full-year profit of $849 million, or $4.63 per share, based on reports and $1.341 million, or $7.31 per share, on an operating basis. That compared to 2017, earnings were $412 million, or $2.28 per share, based on reports and earnings of $1,300 million, or $7.20 per share, on an operating basis. Here are some brief discussions on business: Additional information, including OCF business information, is available in Annex A and in Annex B. Utilities, Parenthood and other results for the fourth quarter of 2018, Business reported earnings attributable to Entergy Corporation of $388 $388 or $2.12 per share, based on reports, and earnings of $350 million, or $1.91 per share, on an operational basis. That compares with a loss for the fourth quarter of 2017 of $47 million, or (26) cents per share, according to the report, and a profit of $133 million, or 74 cents per share, on an operating basis. Drivers to increase quarterly profit included: Fourth quarter 2017 revaluation of some tax assets as a result of tax reform, net adjustments to the sharing of customers, which reduced profits in 2017 by $181 million (considered a special item and excluded from operating profit), in the fourth quarter of 2018 was recorded $38 million cancellation of part of the tax reform accrual in 2017 (considered a special item and excluded from operating profit) , the fourth quarter of 2018 is a favorable item of income tax, minus the portion reserved for exchange with E-AR customers who increased profits by approximately $140 million, new base rate actions to restore investments that benefit customers and non-fuel costs O'M decreased quarter by quarter. Drivers above have been partially compensated: Regulations in 2018 that reduced profits in the permitted ranges at E-AR and E-MS as required by their FRPs, regulatory fees in 2018 on amounts related to E-TX customers in the interest of a lower federal tax rate retroactively by January 2018 and higher depreciation and tax costs other than income tax. The results of the current period also included a $215 million income tax cut, with a corresponding reduction in net profit for the depreciation of unprotected excess ADIT. It was neutral in relation to earnings. For the fourth quarter of 2018, Parent and Others reported a loss of $81 million, or (44) cents per share, both on the data and operational basis. That compares with a loss for the fourth quarter of 2017 of $6 million(or (4) cents per share, as measured, and a loss of $58 million, or (33) cents per share, on an operational basis. The 2017 results reportedly reflect a $52 million reduction in income tax costs for the revaluation of some tax assets as a result of tax reform. This was considered a special item and excluded from operational earnings. Taken together, Utility, Parent and others (non-GAAP) contributed $1.68 to the fourth quarter of 2018 consolidated EPS compared to a loss of (30) cents in the fourth quarter of 2017. On an adjusted basis, excluding special goods and normalizing weather and income tax, utilities, parent and others contributed 51 cents in the fourth quarter of 2018 to consolidated EPS, up from 48 cents in the fourth quarter of 2017. For the whole of 2018, the utility business received a net profit of $1,483 to Entergy Corporation or $8.09 per share, based on reports, and earnings of $1.445 million, or $7.88 per share, on an operating basis. That compares with a full-year profit of $762 million, or $4.22 per share, according to the report, and $942 million, or $5.22 per share, per operating operating profit Drivers for increased annual profits included: Fourth quarter 2017 revaluation of some tax assets, net of customer sharing, discussed above (considered a special item and excluded from operating profit), fourth quarter 2018 abolition of tax reform accrual discussed above (considered a special item and excluded from operating profit), second and fourth quarter 2018 favorable income tax items, excluding co-use, new that benefit customers and higher retail sales related to the weather. The drivers above were partially compensated: Higher operating costs (non-fuel OM, taxes other than income tax and depreciation costs) and 2018 regulations that reduced revenues in permitted ranges on E-AR and E-MS as required by their FRPs. Full year 2018 results also reflected the return of unprotected excess ADIT for customers that affected several points of the income reporting line, but was for neutral income. In particular, it reduced income tax by $775 million, but was offset by net revenue and irreparable OMH. For 2018, Parent and Others reported a loss of $US292 million(or $1.59 per share, as we received our operating base. That compares with a loss for 2017 of $175 million, or (97) cents per share, as measured, and $228 million, or $1.26 per share, on an operational basis. The results for 2017 reportedly included a reduction in income tax costs as a result of the tax reform described above. This was considered a special item and excluded from operational earnings. The 2018 results also reflect higher interest costs. On a combined basis, Utility, Parent and others (non-GAAP) contributed $6.50 to 2018 consolidated EPS, up from $3.25 in 2017. On an adjusted basis, weather normalization and income tax, utility, parent and others contributed $4.71 in 2018 consolidated EPS, up from $4.57 in 2017. Appendix C provides additional information on Utility's financial and operational measures, including non-GAAP Utility, Parent and Other Adjusted Earnings and EPS. Entergy Wholesale Commodities Results for the fourth quarter of 2018 EWC recorded a loss attributable to Entergy Corporation of $US373 million($373 million), or $2.04 per share, as profit and loss of $158 million, or (87) cents per share, on an operating basis. This compared to the fourth quarter of 2017, a loss of $US425 million(or $2.36 per share, based on reports and earnings of $63 million, or 35 cents per share, on an operating basis. The reported results in both periods reflect impairments and other costs recorded as a result of the strategic decision to exit the EWC business. In the these positions were $(214 million, or $1.17 per share) in the quarter of 2018. This amount included a revision of Vermont Yankee's asset retirement obligation as a result of its approved sale, resulting in a pre-tax impairment of $173 million in the fourth quarter of 2017. or (51) cents per share. The fourth quarter of 2017 results also reflect the write-off of some tax assets totaling $397 million as a result of tax reform. All these items were considered special articles and were excluded from operational earnings. The results of the current period included losses from decommissioning of investments in the trust fund, as well as a decrease in net profit as a result of the decline in nuclear energy. In part, these items were offset by lower non-fuel costs and

lower income tax costs, mainly due to lower pre-tax income. For the full year, EWC reported a loss of $US343 million($343 million), or $1.87 per share, on the report, and a profit of $188 million, or $1.02 per share, on an operating basis. In 2017, EWC realized a loss of $175 million, or (97) cents per share, on the basis of reports, and a profit of $586 million, or $3.24 per share, on an operating basis. Both periods reflected the impact of the strategic decision to exit the EWC business, as well as the aforementioned 2017 tax reform item. Other factors include lower net profits from the nuclear business, losses from decommissioning of investment in the trust fund and lower depreciation and decommissioning costs. In addition, less profitable income tax items were included at the end of 2018, excluding the article of tax reform in 2017. Appendix D provides additional information on EWC's financial and operating measures, including the non-GAAP EWC operating adjusted EBITDA. Entergy's earnings guidance initiated an adjusted range of 2019 earnings guidance in the range of $5.10 to $5.50 per share. For more information, see the webcast presentation slides. The Company provided a 2019 earnings guidance for non-GAAP adjusted EPS. This measure excludes from the relevant GAAP financial measures the effect of the adjustments described below in accordance with non-GAAP Financial measures. The Company has not provided any non-GAAP approval of such guidance with GAAP recommendations, as it cannot predict or quantify with a reasonable degree of certainty all adjustments that may occur during 2019. One such adjustment would be the exclusion of EWC revenue from Entergy's adjusted EPS. We currently estimate that EWC's contribution to EpS Entergy is reported to be approximately $(1.25) per share in 2019. This valuation is subject to significant uncertainty due, among other things, to the potential consequences of a strategic decision to exit the EW business. The Profit Teleconference Teleconference will take place at 10:00 am.m Central Time on Wednesday, February 20, 2019, to discuss Entergy's quarterly announcement of profits and the company's financial performance. Access to teleconferences can be accessed visiting Entergy's website by phone www.entergy.com or dialing 844-309-6569, conference ID 6799533, no more than 15 minutes before the call. The webcast slide presentation is also posted on entergy's website at the same time as this release, which was released The market is open on the day of the call. A replay of the teleconference will be available on Entergy's website via email www.entergy.com by phone. A replay of the phone will be available until February 27, 2019 at 855-859-2056, conference ID 6799533. This release and webcast slide presentation is also available on entergy Investor Relations mobile web app iretr.com. Entergy Corporation is an integrated energy company, mainly engaged in electricity generation and retail distribution. Entergy owns and operates power plants with a capacity of about 30,000 megawatts, including nearly 9,000 megawatts of nuclear power. Entergy supplies electricity to 2.9 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy's annual revenue is about $11 billion and nearly 13,700 employees. Entergy Corporation's common stock is listed on the New York and Chicago Stock Exchanges under the symbol ETR. Details of Entergy's performance, regulatory filings, and other matters are available in this release of the proceeds, a copy of which will be submitted to the SEC, and a webcast of the slide presentation. Both documents are available on Entergy's Investor Relations website www.entergy.com/investor_relations as well as entergy's mobile investor relations iretr.com website. Entergy maintains a web page within its Investor Relations website entitled Regulation and Other Information that provides investors with key updates to some regulatory procedures and important milestones in the execution of their strategy. While some of this information may be considered material information, investors should not rely solely on this page for all relevant company information. To determine some of the operating measures as well as GAAP and non-GAAP financial measures, reductions and reductions used in income release materials, see Annex F. Non-GAAP Financial Measures, This press release contains non-GAAP financial measures. Generally, non-GAAP financial is a numerical measure of the company's performance, financial position, or cash flow, which either excludes or includes amounts that are not normally excluded or are not included in the most directly comparable measure calculated and submitted in accordance with GAAP. Entergy has provided quantitative alignments in this release of non-GAAP financial measures with the most directly comparable GAAP financial measures. Some non-GAAP financial measures may differ from GAAP in this press release in that the figure or ratio states or includes operating profit. Operating profit is not calculated in accordance with GAAP, as they exclude the effect of special items. Special items unusual or non-recurring elements or events or other elements or events that management believes do not reflect Entergy's current business, and may include items such as violations, and certain benefits or or including those that may result from strategic decisions such as Entergy's decision to go out of business with EWC. In addition, other financial measures, including net income (or profit), adjusted for preferred dividends and tax interest expense; Net revenue Yield on average invested capital; and the average return on total capital is included both operationally and as reported. In each case, metrics defined as operational exclude the effect of special elements, as defined above. Entergy reports on a combination of the utility segment with parent and others like utility parent and others, which is all Entergy except the EWC segment, since management uses this combination in making decisions about their ongoing business in light of its decision to quit the trading power business. Entergy also reports Utility, Parent and other adjusted earnings, which combines the utilities segment with parents and others, excludes applicable special elements and normalizes weather and income tax costs for the periods presented because it believes these financial measures provide useful information for investors in assessing entergy's current business results and help investors compare Entergy's financial performance with those of other companies in the utility sector. The methodology used to determine normalized adjustments to weather costs and income tax, each of which is further described in this release, include management assessments and judgments. Starting with the financial results of the first quarter of 2019, Entergy intends to report earnings using Entergy's non-GAAP Adjusted Earnings Index, which excludes the effect of certain adjustments, including the removal of Entergy's wholesale segment in light of its decision to exit the trading energy business. Since this release, Entergy also provides recommendations and forecasts using adjusted earnings based on the stock. Adjustments are unusual or non-recurring elements or events or other elements or events that management believes do not reflect Entergy's current business, such as the EWC segment, given its strategic decision to exit the EWC business, and elements such as certain expenses, expenses, significant tax items, or other specified items. Entergy believes that this financial measure provides useful information to investors when assessing Entergy's current business results, comparing the period with the results of the period and comparing Entergy's financial performance with those of other utility companies. In addition to reporting earnings per share on a consolidated basis, Entergy reports a share-based profit or loss to each of its segments, as well as a combination of the utility segment and parent and others. These figures per share represent net profit or loss of such segment or segments divided into diluted averages of ordinary shares outstanding during that period. Period. With Entergy's financial results for the first quarter of 2019, Entergy intends to report adjusted earnings based on shares. Entergy believes that such action measures provide useful information to investors in understanding the performance of these companies and their contribution to Entergy's consolidated results. Other non-GAAP measures, including Adjusted EBITDA; Adjusted ebitda; Gross liquidity; Debt-to-capital ratio, with the exception of securitization debt; The ratio of net debt to net capital, excluding securitization arrears; maternal debt to the total debt ratio, with the exception of securitization debt; Operating FFO to debt ratio, excluding debt securitization and operational FFO to debt ratio, excluding debt securitization and return of unprotected excess ADIT are measures Entergy uses internally to manage and discuss the board of directors and performance monitoring activities to assess the overall strength of its operations. Entergy believes that the above data provide useful information to investors in assessing Entergy's current financial results and flexibility and assists investors in comparing Entergy's credit and liquidity with those of others in the utilities sector. Non-GAAP financial measures and other reported adjusted items in this release are presented in addition to and in conjunction with GAAP results. These non-GAAP financial measures should not be used to exclude GAAP financial measures. These non-GAAP financial measures reflect an additional way of viewing aspects of Entergy's operations, which, when viewed with Entergy's GAAP results and associated GAAP financial alignments, provide a better understanding of the factors and trends affecting Entergy's business. Investors are urged to review Entergy's consolidated financial statements and publicly filed statements in full and not to rely on any individual financial measures. Non-GAAP financial measures are not standardized; therefore, it may not be possible to compare these financial measures with those of other non-GAAP companies with the same or similar names. Warning note regarding forward-looking statements in this press release, and from time to time, Entergy Corporation makes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, Entergy's 2019 earnings guidance; Its current financial and operational prospects; and other statements about Entergy's plans, beliefs, or expectations included in this press release. Readers are advised not to these forward-looking statements that apply only as of the date of this press release. Except as required by federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new new statements future events or otherwise. Forward-looking statements are subject to a number of risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) the factors discussed in this press release and in Entergy's latest Annual Report on Form 10-K, subsequent any quarterly reports on Form 10 and other Entergy reports and documents Made under the Securities Exchange Act of 1934; (b) Uncertainty related to the procedure (1) of rates, tariff plans and other reimbursement mechanisms, including the risk that costs may not be met to the extent expected by utilities and (2) the impact of legislative changes; (c) Uncertainties associated with efforts to deal with the effects of major storms and recover the associated recovery costs; Risks associated with the operation of nuclear facilities, including relic and operational and regulatory costs and risks; Changes in the cost or income of the trust fund for decommissioning or in the timing or cost of decommissioning entergy facilities; (f) Legislative and regulatory actions, risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) Risks and uncertainties associated with strategic transactions that Entergy or its subsidiaries may undertake, including the risk that any such transaction may not be completed as and when expected, and the risk that the expected benefits of the transaction may not be realized; (h) The impact of changes in federal, state or local laws and regulations and other government actions or policies, including changes in monetary, fiscal, tax, environmental or energy policies; and (i) the effects of technological changes and changes in commodity markets, capital markets or economic conditions; and (j) the consequences of a terrorist attack, cybersecurity threats, data security breaches or other attempts to disrupt Entergy's business or operations, as well as other catastrophic events. 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