EVERGY, INC. NYSE-EVRG

RECENT PRICE	62.96	P/E RATIO	23.8 (Trailing: 23.1 Median: NMF)	RELATIVE P/E RATIO	1.21	DIV'D YLD	3.4%	VALUE LINE

TIMELINESS —

SAFETY 2 New 9/14/18

TECHNICAL —

BETA 1.05 (1.00 = Market)

18-Month Target Price Range

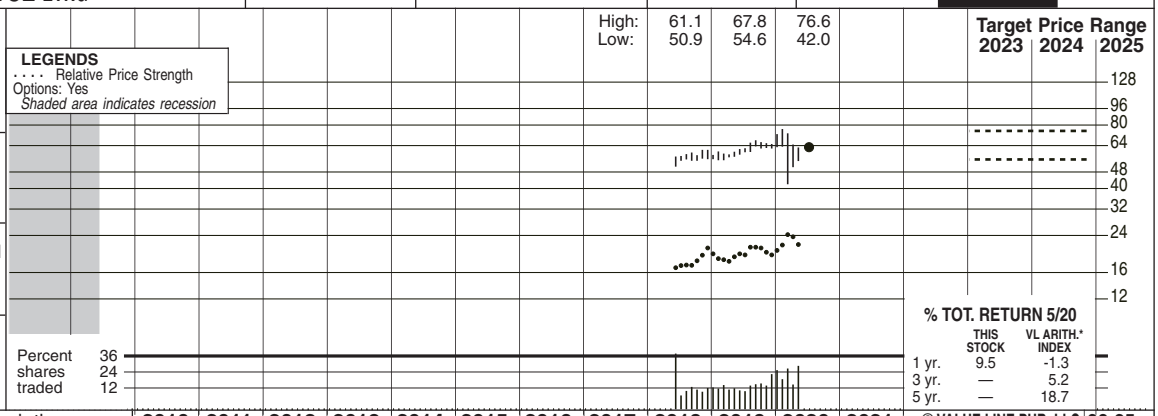
Low-High	Midpoint (% to Mid)
$42-$97	$70 (10%)

2023-25 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+20%)	8%
Low	55	(-15%)	1%

Institutional Decisions

	3Q2019	4Q2019	1Q2020
to Buy	280	263	232
to Sell	237	278	302
Hld's(000)	198386	191230	185949



% TOT. RETURN 5/20

	THIS STOCK	VL ARITH.* INDEX
1 yr.	9.5	-1.3
3 yr.	—	5.2
5 yr.	—	18.7

Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.

© VALUE LINE PUB. LLC	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	23-25
Revenues per sh	--	--	--	--	--	--	--	--	16.75	22.71	*21.35*	*22.25*	*24.50*
"Cash Flow" per sh	--	--	--	--	--	--	--	--	4.89	7.18	*6.95*	*7.50*	*9.00*
Earnings per sh A	--	--	--	--	--	--	--	--	2.50	2.79	*2.65*	*2.95*	*3.25*
Div'd Decl'd per sh B ■	--	--	--	--	--	--	--	--	1.74	1.93	*2.05*	*2.17*	*2.55*
Cap'l Spending per sh	--	--	--	--	--	--	--	--	4.19	5.34	*6.90*	*7.20*	*6.00*
Book Value per sh C	--	--	--	--	--	--	--	--	39.28	37.82	*38.40*	*39.15*	*41.50*
Common Shs Outst'g D	--	--	--	--	--	--	--	--	255.33	226.64	*227.00*	*227.00*	*227.00*
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	--	22.7	21.8	*Bold figures are*		*20.5*
Relative P/E Ratio	--	--	--	--	--	--	--	--	1.23	1.17	*Value Line*		*1.15*
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	3.1%	3.2%	*estimates*		*3.8%*
Revenues ($mill)	--	--	--	--	--	--	--	--	4275.9	5147.8	*4850*	*5050*	*5550*
Net Profit ($mill)	--	--	--	--	--	--	--	--	535.8	669.9	*625*	*685*	*775*
Income Tax Rate	--	--	--	--	--	--	--	--	9.8%	12.6%	*13.0%*	*13.0%*	*13.0%*
AFUDC % to Net Profit	--	--	--	--	--	--	--	--	2.5%	2.5%	*2.0%*	*2.0%*	*2.0%*
Long-Term Debt Ratio	--	--	--	--	--	--	--	--	40.0%	50.6%	*51.5%*	*52.5%*	*53.5%*
Common Equity Ratio	--	--	--	--	--	--	--	--	60.0%	49.4%	*48.5%*	*47.5%*	*46.5%*
Total Capital ($mill)	--	--	--	--	--	--	--	--	16716	17337	*17925*	*18700*	*20300*
Net Plant ($mill)	--	--	--	--	--	--	--	--	18952	19346	*19950*	*20550*	*21300*
Return on Total Cap'l	--	--	--	--	--	--	--	--	4.0%	4.8%	*4.5%*	*4.5%*	*5.0%*
Return on Shr. Equity	--	--	--	--	--	--	--	--	5.3%	7.8%	*7.0%*	*7.5%*	*8.0%*
Return on Com Equity E	--	--	--	--	--	--	--	--	5.3%	7.8%	*7.0%*	*7.5%*	*8.0%*
Retained to Com Eq	--	--	--	--	--	--	--	--	.6%	2.4%	*1.5%*	*2.0%*	*2.0%*
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	89%	69%	*75%*	*72%*	*75%*

CAPITAL STRUCTURE as of 3/31/20
Total Debt $10390 mill. **Due in 5 Yrs** $3907.4 mill.
LT Debt $8993.5 mill. **LT Interest** $377.7 mill.
Incl. $47.9 mill. capitalized leases.
(LT interest earned: 3.1x)

Leases, Uncapitalized Annual rentals $20.5 mill.

Pension Assets-12/19 $1732.8 mill. **Oblig** $2718.2 mill.

Pfd Stock None

Common Stock 226,740,469 shs. as of 5/1/20

MARKET CAP: $14 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2017	2018	2019
% Change Retail Sales (KWH)	NA	NA	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	7.11	7.25
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	NA	322	305

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd 2019 to '23-'25
Revenues	--	--	*1.5%*
"Cash Flow"	--	--	*4.5%*
Earnings	--	--	*3.0%*
Dividends	--	--	*5.5%*
Book Value	--	--	*2.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	--	--	--	--	--
2018	600.2	893.4	1582.5	1199.8	4275.9
2019	1216.9	1221.7	1577.6	1131.6	5147.8
2020	1116.7	*1100*	*1533.3*	*1100*	*4850*
2021	*1200*	*1200*	*1550*	*1100*	*5050*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2017	--	--	--	--	--
2018	.42	.56	1.32	.07	2.50
2019	.39	.57	1.56	.28	2.79
2020	.31	*.49*	*1.55*	*.30*	*2.65*
2021	*.45*	*.60*	*1.60*	*.30*	*2.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	--	--	--	--	--
2017	--	--	--	--	--
2018	.40	.40	.46	.475	1.74
2019	.475	.475	.475	.505	1.93
2020	.505	.505			

BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries (now doing business under the Evergy name), provides electric service to 1.6 million customers in Kansas and Missouri, including the greater Kansas City area. Electric revenue breakdown: residential, 37%; commercial, 35%; industrial, 12%; wholesale, 7%; other, 9%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 25% of revenues. '19 reported deprec. rate: 3%. Has 4,600 employees. Chairman: Mark A. Ruelle. President & Chief Executive Officer: Terry Bassham. Incorporated: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Tel.: 816-556-2200. Internet: www.evergyinc.com.

A strategic review of Evergy has been delayed two months. In January, Elliott Management, an activist investor group, took a stake in the company (equivalent to 11.3 million shares) because it felt Evergy was undervalued. Evergy appointed two directors supported by Elliott to its board. The new directors are part of a four-man Strategic Review & Operations Committee that will make a recommendation by July 30th, which the board will vote on by August 17th. These dates are two months later than the original schedule due to the turmoil in the markets. Evergy has already raised its five-year capital budget by $1.5 billion and ended its stock-repurchase program.

We cut our 2020 earnings estimate by $0.45 a share, to $2.65. First-quarter profits fell short of our $0.45-a-share estimate due mainly to a $27 million pretax charge for a voluntary severance plan. Winter weather patterns were milder than normal. Furthermore, the economic decline is hurting kilowatt-hour sales. Weather-adjusted volume declined 8% in April. Evergy is stepping up its cost-reduction efforts in response to the sales decline and a probable increase in bad-debt expense because utilities are not disconnecting customers for nonpayment. Management is not providing earnings guidance due to the strategic review.

We think profits in 2021 will be much improved. We assume normal weather in the first quarter and a better economy. Also, the March-period comparison will benefit from the absence of the charge for the headcount reduction. Even so, we lowered our estimate by $0.30 a share, to $2.95, because growth will be coming off a lower base.

Evergy stock has a dividend yield that is about average, by utility standards. There is some speculative appeal due to the possibility that a sale of the company will emerge from the strategic review. We think this is why the price has declined 3% in 2020, less than most stocks in the electric utility industry. The equity's total return potential is subpar for the 18-month span and the period to 2023-2025. It is unranked for Timeliness due to its short trading history since Evergy was formed in June of 2018.

Paul E. Debbas, CFA *June 12, 2020*

(A) Diluted EPS. '19 earnings don't sum to full-year total due to rounding. Next earnings report due early Aug. (B) Dividends paid in mid-March, June, September, and December. ■ Dividend reinvestment plan available. (C) Incl. intangibles. In '19: $4077.1 mill., $17.99/sh. (D) In millions. (E) Rate base: Original cost depreciated. Rate allowed on common equity in Missouri in '18: none specified; in Kansas in '18: 9.3%. Earned on average common equity, '19: 7.2%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	NMF
Earnings Predictability	NMF

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