



**WGL**

ENERGY ANSWERS.  
ASK US.

# **SECOND QUARTER FISCAL YEAR 2015 EARNINGS CALL**

**MAY 7, 2015**

# Forward-Looking Statements

**This document and other statements by us include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the outlook for earnings, revenues and other future financial business performance or strategies and expectations. Forward-looking statements are typically identified by words such as, but not limited to, “estimates,” “expects,” “anticipates,” “intends,” “believes,” “plans,” “forecasts,” and similar expressions, or future or conditional verbs such as “will,” “should,” “would,” and “could.” Although we believe such forward-looking statements are based on reasonable assumptions, we cannot give assurance that every objective will be achieved. Forward-looking statements speak only as of today, and we assume no duty to update them. Factors that could cause actual results to differ materially from those expressed or implied include, but are not limited to, general economic conditions and the factors discussed under the “Risk Factors” heading in our most recent annual report on Form 10-K and other documents filed with or furnished to the Securities and Exchange Commission.**

# 2Q FY2015 CONSOLIDATED RESULTS

	3/31/15	3/31/14
Reported Consolidated Results (GAAP) <sup>1</sup>	\$1.63	\$1.18
Net Adjustments	\$0.39	\$0.66
<b>Non-GAAP Operating Results<sup>2</sup></b>	<b>\$2.02</b>	<b>\$1.84</b>

<sup>1</sup> GAAP diluted earnings (loss) per average common share

<sup>2</sup> Non-GAAP operating earnings (loss) per share.

For a reconciliation of GAAP to non-GAAP financial measures, please refer to our website at [www.wglholdings.com](http://www.wglholdings.com) (Investor Relations, Quarterly Results)

# 6-MONTH FY2015 CONSOLIDATED RESULTS

	3/31/15	3/31/14
Reported Consolidated Results (GAAP) <sup>1</sup>	\$2.90	\$1.54
Net Adjustments	\$0.28	\$1.29
<b>Non-GAAP Operating Results<sup>2</sup></b>	<b>\$3.18</b>	<b>\$2.83</b>

<sup>1</sup> GAAP diluted earnings (loss) per average common share

<sup>2</sup> Non-GAAP operating earnings (loss) per share.

For a reconciliation of GAAP to non-GAAP financial measures, please refer to our website at [www.wglholdings.com](http://www.wglholdings.com) (Investor Relations, Quarterly Results)

# 2Q FY2015 SEGMENT RESULTS

<b>Adjusted EBIT (In \$ thousands)</b>	<b>3/31/15</b>	<b>3/31/14</b>
Regulated Utility	152,395	160,734
Retail Energy Marketing	27,031	(7,782)
Commercial Energy Systems	1,683	2,226
Midstream Energy Services	(3,062)	10,948
Other Activities	(846)	(2,827)
Intersegment Eliminations	(19)	498
<b>Total Adjusted EBIT</b>	<b>\$177,182</b>	<b>\$163,797</b>

<b>Interest Expense</b>	<b>\$13,254</b>	<b>\$9,525</b>
<b>Diluted Avg Common Shares Outstanding</b>	<b>49,983</b>	<b>51,899</b>

# 2Q FY2015 UTILITY DRIVERS

	2Q	YTD
<b>FY2014 Utility Adjusted EBIT</b>	<b>\$160.7M</b>	<b>\$251.6M</b>
Customer Growth	+ \$2.7M	+ \$4.2M
Asset Optimization	- \$3.0M	+ \$2.8M
Maryland Rate Case	+ \$0.0M	+ \$2.6M
Accelerated Infrastructure Investments	+ \$2.8M	+ \$5.1M
Consumption	+ \$2.2M	+ \$2.9M
Operations & Maintenance	- \$9.7M	- \$12.9M
Depreciation	- \$1.5M	- \$3.1M
Other, Net	- \$1.8M	- \$4.2M
<b>FY2015 Utility Adjusted EBIT</b>	<b>\$152.4M</b>	<b>\$249.0M</b>

# 2Q FY2015 NON-UTILITY DRIVERS

	2Q	YTD
<b>FY2014 Non-Utility Adjusted EBIT</b>	<b>\$3.1M</b>	<b>\$4.5M</b>
Retail Energy Marketing		
Electric Gross Margins	+ \$37.4M	+ \$46.3M
Natural Gas Gross Margins	- \$3.0M	- \$4.4M
Operating & Other Expense	+ \$0.3M	+ \$0.6M
Commercial Energy Systems	- \$0.5M	+ \$0.6M
Midstream Energy Services	- \$14.0M	- \$13.3M
Other Non-Utility, Net	+ \$2.0M	+ \$2.4M
Intersegment Eliminations	- \$0.5M	- \$0.7M
<b>FY2015 Non-Utility Adjusted EBIT</b>	<b>\$24.8M</b>	<b>\$36.0M</b>

# FY2015 NON-GAAP GUIDANCE

---

**FY2015**

---

Non-GAAP Operating Guidance

**\$2.70 – \$2.90**

This forecast guidance has been determined as of May 6, 2015. The Company assumes no obligation to update this guidance. The absence of any statement by the Company in the future should not be presumed to represent an affirmation of this earnings guidance.



# **APPENDIX**

# CAPITAL INVESTMENT

## CAPITAL INVESTMENT (\$MILLIONS)

As of March 31, 2015

