

# Spring 2019 Investor Meetings



# Cautionary Statements Regarding Forward-Looking Information

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This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from the forward-looking statements made by Exelon Corporation, Exelon Generation Company, LLC, Commonwealth Edison Company, PECO Energy Company, Baltimore Gas and Electric Company, Pepco Holdings LLC, Potomac Electric Power Company, Delmarva Power & Light Company, and Atlantic City Electric Company (Registrants) include those factors discussed herein, as well as the items discussed in (1) Exelon's 2018 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 22, Commitments and Contingencies; (2) Exelon's First Quarter 2019 Quarterly Report on Form 10-Q in (a) Part II, Other Information, ITEM 1A. Risk Factors; (b) Part 1, Financial Information, ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) Part I, Financial Information, ITEM 1. Financial Statements: Note 16; and (3) other factors discussed in filings with the SEC by the Registrants. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this press release. None of the Registrants undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

# Non-GAAP Financial Measures

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Exelon reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP). Exelon supplements the reporting of financial information determined in accordance with GAAP with certain non-GAAP financial measures, including:

- **Adjusted operating earnings** exclude certain costs, expenses, gains and losses and other specified items, including mark-to-market adjustments from economic hedging activities, unrealized gains and losses from nuclear decommissioning trust fund investments, impairments of certain long-lived assets, certain amounts associated with plant retirements and divestitures, costs related to cost management programs and other items as set forth in the reconciliation in the Appendix
- **Adjusted operating and maintenance expense** excludes regulatory operating and maintenance costs for the utility businesses and direct cost of sales for certain Constellation and Power businesses, decommissioning costs that do not affect profit and loss, the impact from operating and maintenance expense related to variable interest entities at Generation, EDF's ownership of O&M expenses, and other items as set forth in the reconciliation in the Appendix
- **Total gross margin** is defined as operating revenues less purchased power and fuel expense, excluding revenue related to decommissioning, gross receipts tax, JExel Nuclear JV, variable interest entities, and net of direct cost of sales for certain Constellation and Power businesses
- **Adjusted cash flow from operations** primarily includes net cash flows from operating activities and net cash flows from investing activities excluding capital expenditures, net merger and acquisitions, and equity investments
- **Free cash flow** primarily includes net cash flows from operating activities and net cash flows from investing activities excluding certain capital expenditures, net merger and acquisitions, and equity investments
- **Operating ROE** is calculated using operating net income divided by average equity for the period. The operating income reflects all lines of business for the utility business (Electric Distribution, Gas Distribution, Transmission).
- **EBITDA** is defined as earnings before interest, taxes, depreciation and amortization. Includes nuclear fuel amortization expense.
- **Revenue net of purchased power and fuel expense** is calculated as the GAAP measure of operating revenue less the GAAP measure of purchased power and fuel expense

Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available, as management is unable to project all of these items for future periods

# Non-GAAP Financial Measures Continued

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This information is intended to enhance an investor's overall understanding of period over period financial results and provide an indication of Exelon's baseline operating performance by excluding items that are considered by management to be not directly related to the ongoing operations of the business. In addition, this information is among the primary indicators management uses as a basis for evaluating performance, allocating resources, setting incentive compensation targets and planning and forecasting of future periods.

These non-GAAP financial measures are not a presentation defined under GAAP and may not be comparable to other companies' presentation. Exelon has provided these non-GAAP financial measures as supplemental information and in addition to the financial measures that are calculated and presented in accordance with GAAP. These non-GAAP measures should not be deemed more useful than, a substitute for, or an alternative to the most comparable GAAP measures provided in the materials presented.

Non-GAAP financial measures are identified by the phrase "non-GAAP" or an asterisk. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are provided in the appendices and attachments to this presentation, except for the reconciliation for total gross margin, which appears on slide 46 of this presentation.

# Exelon: An Industry Leader

\$23B

Being invested in utilities through 2022

over \$51M

In 2018, Exelon gave approx. \$51 million to charitable and community causes

#1

Zero-carbon energy provider in America

212 TWH

Customer load served

32,500

Megawatts of total power generation capacity

10M

Six utilities serving 10M electric and gas customers, the most in the U.S.

over 240,000

Employee volunteer hours

11,180

Transmission line miles for utilities

\$35.9B

Operating revenue in 2018

FORTUNE 100

Exelon is a FORTUNE 100 company

1.8 million (Approx.)

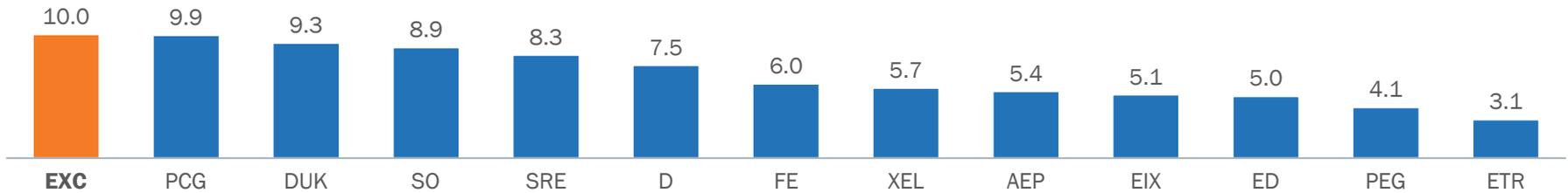
Exelon's Constellation business serves residential, public sector and business customers

33,400

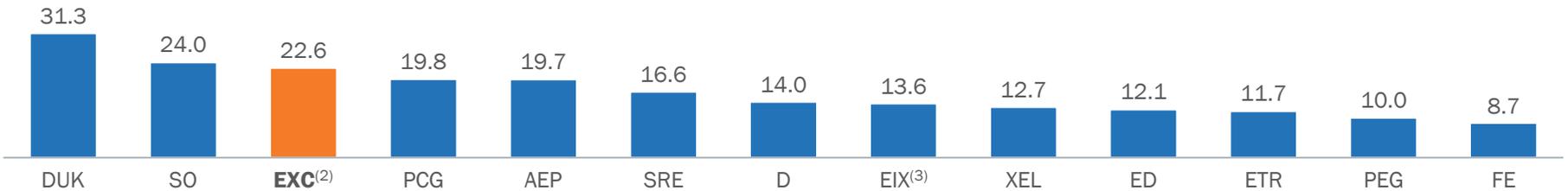
Employees

# Exelon is an Industry Leader

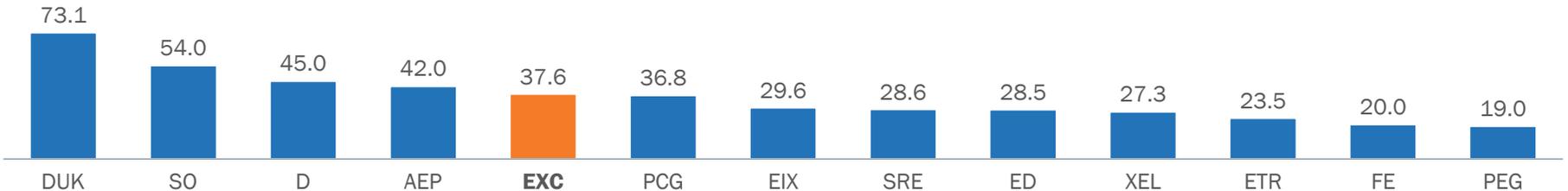
## US Utility Customers (millions)



## Total Capital Expenditures 2019-2021 (\$B)<sup>(1)</sup>



## Total Utility Rate Base (\$B)<sup>(1)</sup>



Source: Company Filings

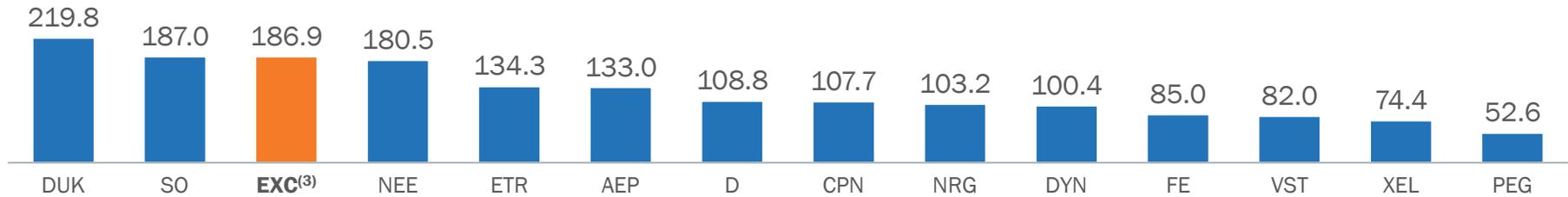
(1) Includes utility and generation

(2) 2019-2021 includes \$17.0B of utility capital expenditures and \$5.6B of generation capital expenditures

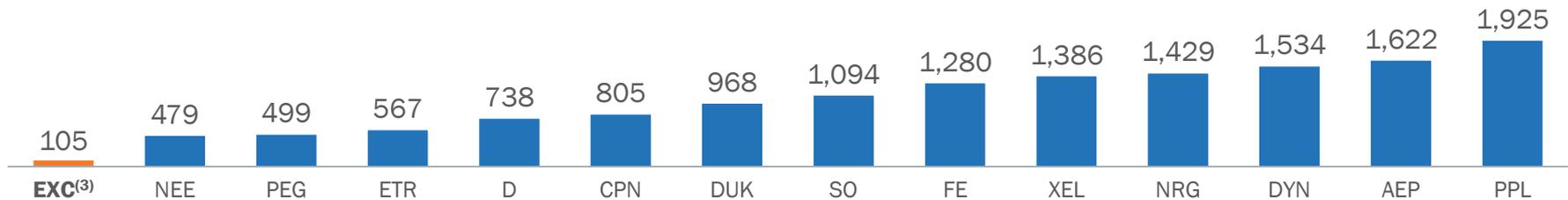
(3) Represents 2018-2020 estimated capital expenditures

# Exelon is an Industry Leader (Cont'd)

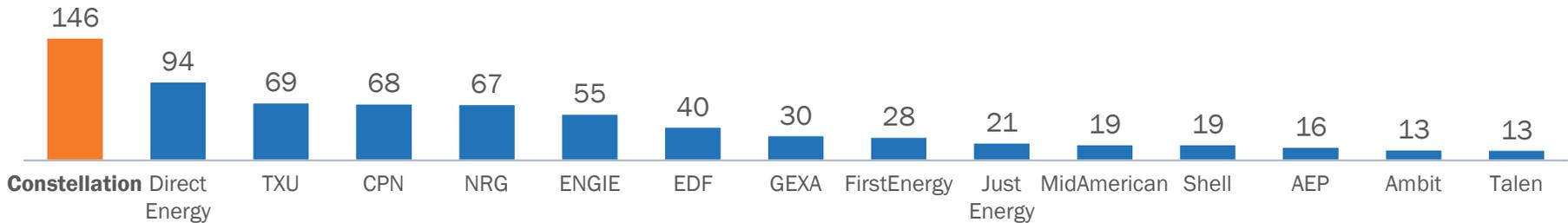
## Total Generation Output (TWh)<sup>(1)</sup>



## Carbon Intensity (lb/MWh)<sup>(1)</sup>



## Retail Load Served (TWhs)<sup>(2)</sup>



(1) Reflects 2016 regulated and non-regulated generation. Source: Benchmarking Air Emissions, June 2018; [https://www.mjbradley.com/sites/default/files/Presentation\\_of\\_Results\\_2018.pdf](https://www.mjbradley.com/sites/default/files/Presentation_of_Results_2018.pdf)

(2) Source: DNV GL Retail Landscape November 2018

(3) Excludes EDF's equity ownership share of the CENG Joint Venture and Exelon's ownership of FitzPatrick acquired in April 2017

# The Exelon Value Proposition

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- **Regulated Utility Growth** with utility EPS rising 6-8% annually from 2018-2022 and rate base growth of 7.8%, representing an expanding majority of earnings
- **ExGen's strong free cash generation** will provide ~\$4.2B for utility growth and reduce debt by ~\$2.5B over the next 4 years
- **Optimizing ExGen value by:**
  - Seeking fair compensation for the zero-carbon attributes of our fleet;
  - Closing uneconomic plants;
  - Monetizing assets; and,
  - Maximizing the value of the fleet through our generation to load matching strategy
- **Strong balance sheet is a priority** with all businesses comfortably meeting investment grade credit metrics through the 2022 planning horizon
- **Capital allocation priorities targeting:**
  - Organic utility growth;
  - Return of capital to shareholders with 5% annual dividend growth through 2020<sup>(1)</sup>,
  - Debt reduction; and,
  - Modest contracted generation investments

(1) Quarterly dividends are subject to declaration by the board of directors

# 2018 Business Priorities and Commitments



## Maintain industry leading operational excellence

- First Quartile SAIFI performance at all utilities and First Quartile CAIDI performance at BGE, ComEd and PHI
- Record nuclear output of 159 TWhs, best ever average refueling days, and capacity factor of 94.6%<sup>(1)</sup>
- Exceeded power dispatch match and renewables energy capture goals



## Effectively deploy ~\$5.4B of 2018 utility capex

- Invested more than \$5.5B to replace aging infrastructure and improve reliability for the benefit of customers



## Advance PJM power price formation changes

- Awaiting decision from FERC on fast start
- PJM is moving forward on scarcity pricing and reserves reforms with FERC filing expected in Q1 2019
- After assessing FERC's fast start decision, PJM will determine path forward for full integer relaxation



## Prevail on legal challenges to the NY and IL ZEC programs

- The Second and Seventh Circuit Court decisions upheld the legality of the NY and IL programs



## Seek fair compensation for at-risk plants in NJ and PA

- Governor Murphy signed the NJ ZEC bill into law in May 2018
- Bicameral Nuclear Energy Caucus in PA legislature released detailed report outlining options to preserve nuclear plants including a price on carbon pollution and Governor Wolf issued an executive order establishing carbon reduction goals for PA



## Grow dividend at 5% rate

- Increased the dividend to \$1.38 from \$1.31 per share



## Continued commitment to corporate responsibility

- Exelon employees volunteered more than 240,000 hours and donated nearly \$13M
- Exelon Foundation donated more than \$51M
- Received A- from Carbon Disclosure Project – 1 of 2 U.S. utilities to do so
- Named Best Company for Diversity by Forbes, Black Enterprise Magazine, DiversityInc and Human Rights Campaign

**2018 GAAP Earnings of \$2.07 and Adjusted Operating Earnings\* of \$3.12**

(1) Excludes Salem and EDF's equity ownership share of the CENG Joint Venture. Statistics represent full year 2018 results.

# 2019 Business Priorities and Commitments

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**Maintain industry leading operational excellence**

**Meet or exceed our financial commitments**

**Effectively deploy ~\$5.3B of utility capex**

**Advocate for policies to enable the utility of the future**

**Advance PJM energy market price formation reforms**

**Preserve authority of states to enact state clean energy policies and seek fair compensation for zero-emitting nuclear plants**

**Grow dividend at 5% rate**

**Continued commitment to corporate responsibility**

# Key Policy Updates

## Illinois

### ZEC Litigation:

- On April 15, the U.S. Supreme Court denied certiorari upholding the ZEC programs

### Clean Energy Progress Act (HB2861/SB1789):

- Protects Illinois' right to enact clean energy policies by implementing full fixed resource requirement (FRR) under the PJM tariff by directing the Illinois Power Authority to procure clean bundled capacity for ComEd for ten years starting with June 1, 2023 delivery year
- Will ensure 100% clean energy through 2032
- Guarantees customers save money in the first year

### Formula Rate Extension Legislation (HB3152/SB2080):

- Would extend the formula rate beyond the 2022 expiration

## New Jersey

### ZEC Legislation:

- On April 18, the New Jersey BPU voted 4 to 1 to award ZECs to Hope Creek and Salem 1 and 2
- The award is for 3 years plus a stub year. Payment will occur within 90 days of the end of each energy year. For the first energy year (from April 18, 2019 to May 31, 2019), payment is expected by late August 2019.

## Pennsylvania

### ZEC Legislation (HB11/SB510):

- Bipartisan, bicameral legislation that amends the Pennsylvania Alternative Portfolio Standard (AEPS) to add a third tier for zero-emitting resources including nuclear
- Pricing is tied to tier 1 resources and will range from \$6.08 - \$7.90/MWh
- All nuclear in Pennsylvania would be eligible to participate

## Energy Price Formation Reforms

### Fast Start:

- On April 18, FERC approved energy pricing reform for fast start resources requiring a 1 hour minimum notification and run-time
- PJM must submit a compliance filing by July 31, 2019 which includes an implementation date

### Reserves Price Formation:

- PJM filed 206 petition to amend its tariff to improve the pricing of reserves
- Requested order by December 15, 2019

# Exelon Utilities Overview



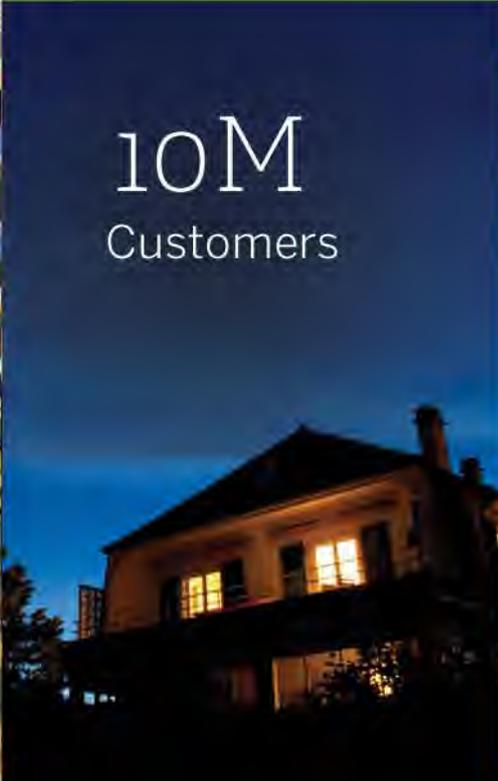
16,100  
Employees

\$37.6B  
2018 Rate Base

\$16.9B  
In Revenue

25.6K mi<sup>2</sup>  
Combined  
Service Territory

10M  
Customers



\$23B  
\$23B being  
invested in  
utilities through  
2022

11,180  
Transmission line  
miles (circuit)



# Operating Highlights

Operations	Metric	At CEG Merger (2012)			2015	YTD 2019			
		BGE	ComEd	PECO	PHI	BGE	ComEd	PECO	PHI
<b>Electric Operations</b>	OSHA Recordable Rate	Yellow	Green	Green	Yellow	Yellow	Yellow	Yellow	Green
	2.5 Beta SAIFI (Outage Frequency)	Orange	Green	Green	Orange	Green	Green	Green	Yellow
	2.5 Beta CAIDI (Outage Duration)	Red	Green	Yellow	Yellow	Green	Green	Green	Green
<b>Customer Operations</b>	Customer Satisfaction	Red	Orange	Green	N/A	Green	Green	Green	Yellow
	Service Level % of Calls Answered in <30 sec	Yellow	Red	Orange	Red	Green	Green	Green	Green
	Abandon Rate	Orange	Red	Orange	Orange	Green	Green	Green	Green
<b>Gas Operations</b>	Percent of Calls Responded to in <1 Hour	Yellow	No Gas Operations	Green	Yellow	Green	No Gas Operations	Green	Green
<b>Overall Rank</b>	Electric Utility Panel of 24 Utilities <sup>(1)</sup>	23 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	18 <sup>th</sup>				

- Strong reliability metrics with BGE and ComEd achieving top decile performance in CAIDI
- Each utility delivered on key customer operations metrics with all utilities performing in top decile for Abandon Rate and ComEd and PECO achieving top decile in Service Level and Customer Satisfaction
- PECO and PHI achieved top decile performance in Gas Odor Response

(1) Ranking based on results of five key industry performance indicators – CAIDI, SAIFI, Safety, Customer Satisfaction, and Cost per Customer

# PHI Merger is Delivering on Its Promises



## Operational Performance

- **ACE:** Frequency of outages reduced by **22%**, restoration times improved by **17%**
- **Delmarva:** Frequency of outages reduced by **34%**, restoration times improved by **2%**
- **Pepco:** Frequency of outages reduced by **30%**, restoration times improved by **28%**



## Economic and Workforce Development

- **More than \$470M** in total economic impact in our communities
- Invested in workforce development including partnering with District of Columbia in opening the DC Infrastructure Academy
- **\$313M** in diverse spend in 2018 representing **22-29%** of each company's total procurement spend



## Community Impact

- **85,000** volunteer hours
- More than **\$15M** in charitable giving across our PHI communities supporting hundreds of local partners



## More Constructive Regulatory Environment

- Constructive settlements in all PHI jurisdictions including the first settlements at Pepco DC and Pepco Maryland since the 1980s
- Enacted legislation in Delaware to create capital trackers for reliability investments
- New Jersey Board of Public Utilities approved regulations that allow for tracker recovery of certain capital investments

**Customer Satisfaction is at all time highs at ACE, Delmarva and Pepco**

# Exelon Utilities' Distribution Rate Case Updates

## Rate Case Schedule and Key Terms

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Revenue Requirement	Requested ROE / Equity Ratio	Expected Order
<b>Pepco MD Electric</b>	IT RT	EH	IB		FO								\$26.7M <sup>(1)</sup>	10.30% / 50.46%	Aug 13, 2019
<b>ComEd<sup>(2)</sup></b>	CF		IT	RT	EH	IB RB			FO				(\$6.4M) <sup>(1)</sup>	8.91% / 47.97%	Dec 2019
<b>BGE</b>		CF							FO				\$148.7M <sup>(1,3)</sup>	10.3% / 52.1%	Dec 20, 2019
<b>Pepco DC<sup>(4)</sup> Electric</b>		CF			IT		RT		EH	IB RB			\$162.0M <sup>(1,5)</sup> 3-Year MYP	10.30% / 50.46%	May 1, 2020

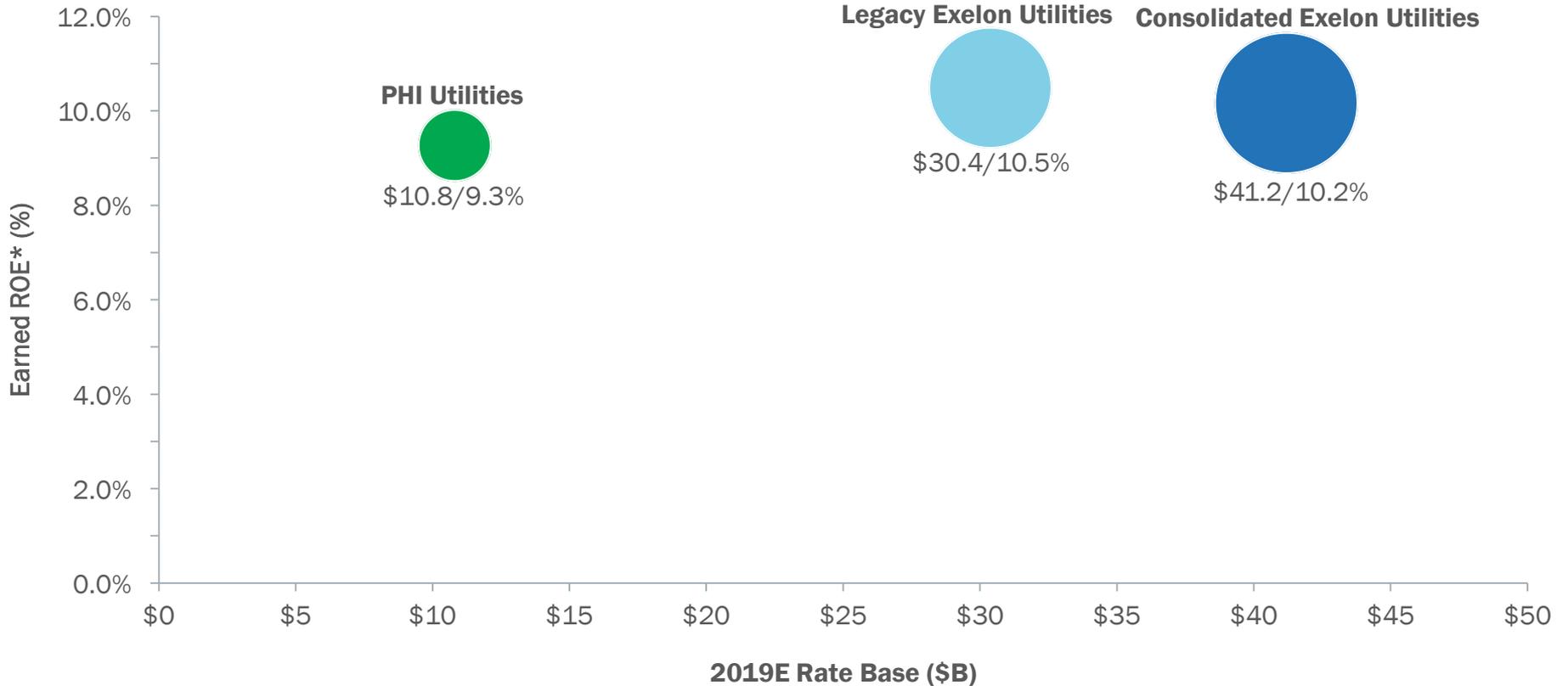
<b>CF</b> Rate case filed	<b>RT</b> Rebuttal testimony	<b>IB</b> Initial briefs	<b>FO</b> Final commission order
<b>IT</b> Intervenor direct testimony	<b>EH</b> Evidentiary hearings	<b>RB</b> Reply briefs	<b>SA</b> Settlement agreement

Note: Unless otherwise noted, based on schedules of Illinois Commerce Commission, Maryland Public Service Commission, Pennsylvania Public Utility Commission, Delaware Public Service Commission, Public Service Commission of the District of Columbia, and New Jersey Board of Public Utilities that are subject to change

- (1) Revenue requirement includes changes in depreciation and amortization expense and other costs where applicable, which have no impact on pre-tax earnings
- (2) Anticipated schedule and actual dates will be determined by ALJ at status hearing
- (3) Reflects \$81.1M increase for electric and \$67.6M increase for gas. Increase reflects \$8.7M of STRIDE (gas) and \$7.1M of ERI (electric) that will be transferred from the STRIDE and ERI surcharges to base rates.
- (4) Procedural schedule as proposed by the Company
- (5) Reflects 3-year cumulative multi-year plan. Company proposed incremental revenue requirement increases of \$85M, \$40M and \$37M with rates effective May 1, 2020, January 1, 2021 and January 1, 2022, respectively.

# Exelon Utilities Trailing Twelve Month Earned ROEs\*

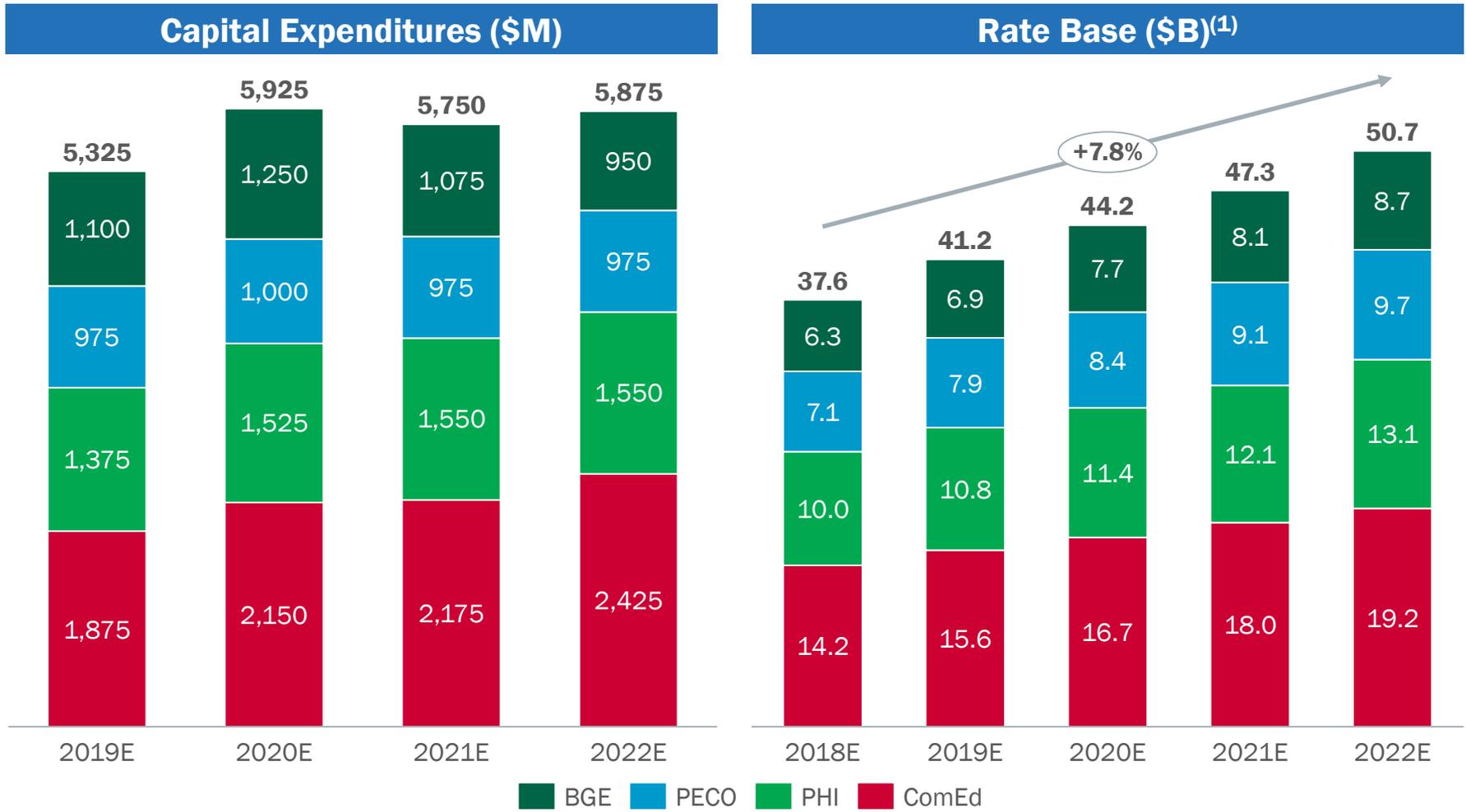
## Q1 2019: Trailing Twelve Month Earned ROEs\*



TTM ROEs*	PHI Utilities	Legacy Exelon Utilities	Consolidated Exelon Utilities
<b>Q1 2019</b>	<b>9.3%</b>	<b>10.5%</b>	<b>10.2%</b>
<b>Q4 2018</b>	<b>8.4%</b>	<b>10.1%</b>	<b>9.7%</b>

Note: Represents the twelve-month period ending March 31, 2019 and December 31, 2018. Earned ROEs\* represent weighted average across all lines of business (Electric Distribution, Gas Distribution, and Electric Transmission). Size of bubble based on rate base.

# Our Capital Plan Drives Leading Rate Base Growth



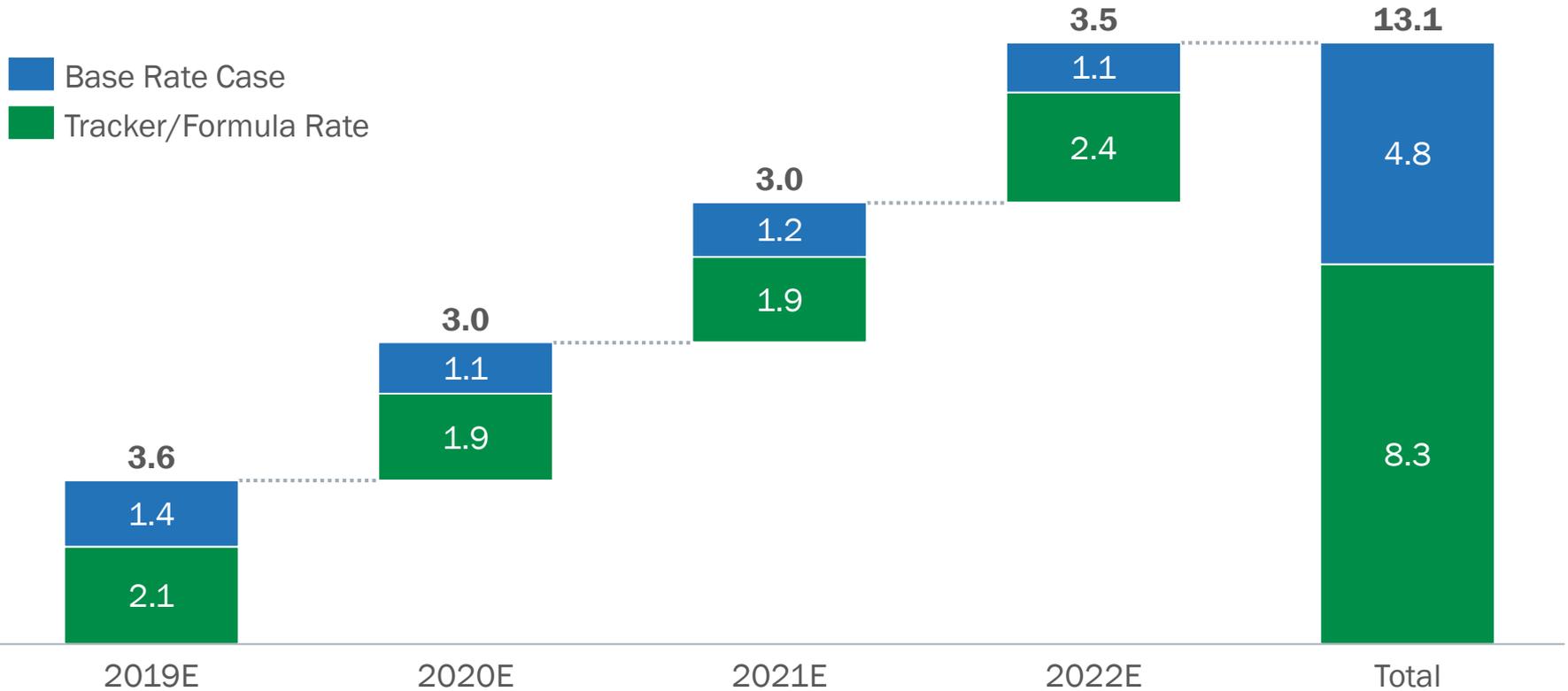
**~\$23B of capital will be invested at Exelon utilities from 2019–2022 for grid modernization and resiliency for the benefit of our customers**

Note: CapEx numbers are rounded to nearest \$25M and numbers may not add due to rounding

(1) Rate base reflects year-end estimates

# Mechanisms Cover Bulk of Rate Base Growth

Rate Base Growth Breakout 2019–2022 (\$B)

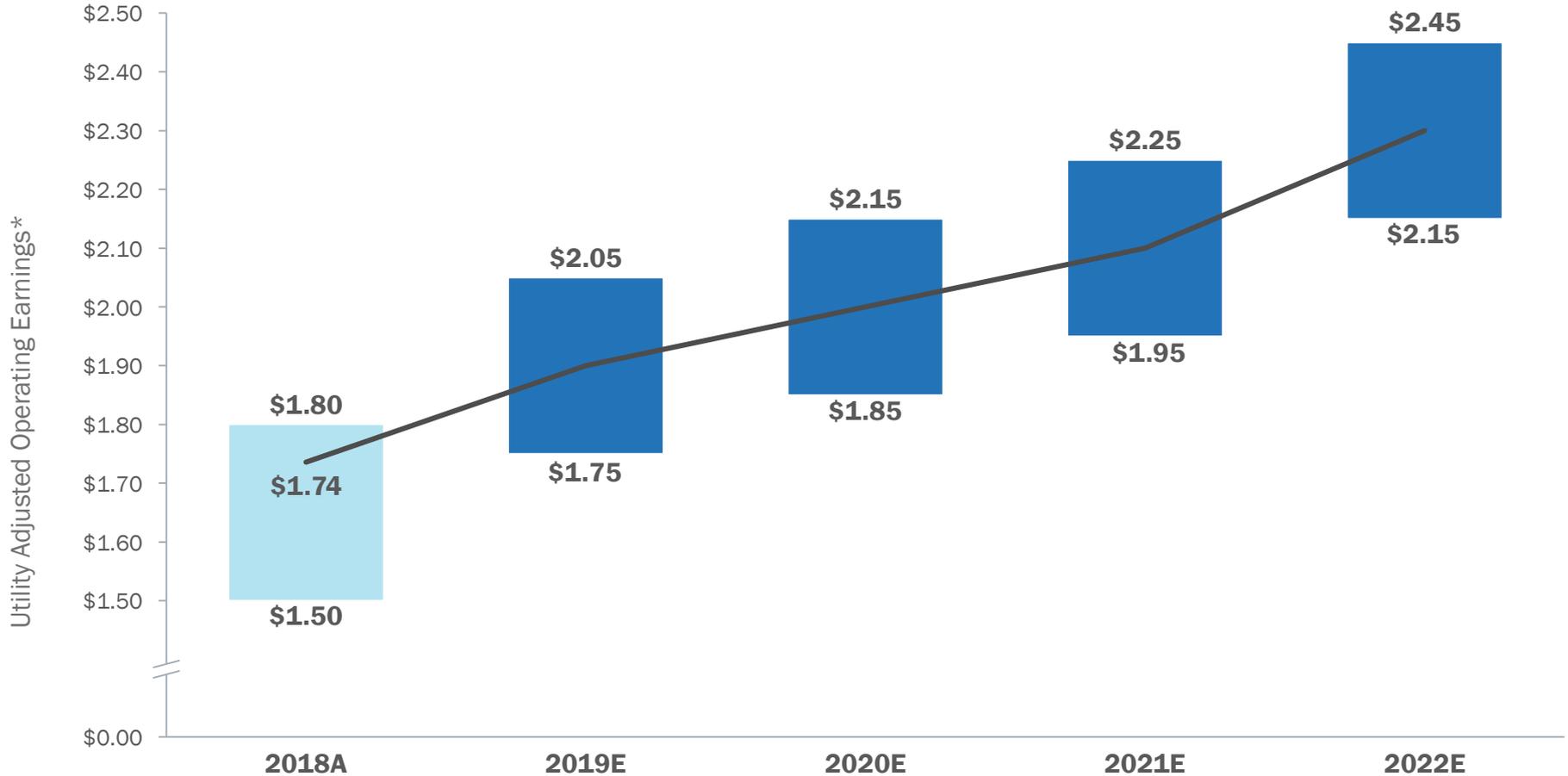


**Of the ~\$13.1B of rate base growth Exelon Utilities forecasts over the next 4 years, ~63% will be recovered through existing formula and tracker mechanisms**

Note: Numbers may not add due to rounding

# Exelon Utilities EPS\* Growth of 6-8% to 2022

## Exelon Utilities Operating Earnings\*



**Rate base growth combined with positive regulatory outcomes drive EPS growth**

Note: Includes after-tax interest expense held at Corporate for debt associated with existing utility investment

# Exelon Generation Overview



14,000  
Employees

#1  
Lowest carbon  
intensity among large  
power generators

#1  
Retail electricity  
provider in the  
country

212 TWh  
Customer Load  
Served

32,500 MW  
Capacity

94.6%  
Nuclear Capacity  
Factor in 2018<sup>(1)</sup>

98.1%  
Gas and Hydro  
Dispatch Match  
in 2018

Top 10  
Gas marketer

159 TWH  
Most nuclear  
power ever  
generated<sup>(1)</sup>

(1) Excludes EDF's equity ownership share of the CENG Joint Venture

# Constellation Overview



2,400  
Employees

1.8M  
(Approx.)  
Customers Served

#1 Retail  
Retail Electricity  
Provider in the U.S  
Among the  
top 10 largest  
gas providers in  
the U.S.

1.6 TCF  
Gas Delivered

In 2018, procured  
8 million  
RECs for customers,  
enabling them to avoid  
approximately  
3.6 million  
metric tons of GHG  
emissions and support  
the development of  
renewable power  
generation

Served 2/3  
of the Fortune 100

48  
Operate in  
48 States

40,400  
Volunteer Hours

212 TWH  
Customer Load  
Served

# Best in Class at ExGen and Constellation

## Exelon Generation Operational Metrics

- Continued best in class performance across our Nuclear fleet:<sup>(1)</sup>
  - Capacity factor for Exelon (owned and operated units) was 94.6%<sup>(2)</sup>
  - This was the third consecutive year more than 94% and the fifth out of the last six years topping 94%<sup>(2)</sup>
  - Most nuclear power ever generated at 159 TWhs<sup>(2)</sup>
  - 2018 average refueling outage duration of 21 days, a new Exelon record
- Strong performance across our Fossil and Renewable fleet:
  - Renewables energy capture: 96.1%
  - Power dispatch match: 98.1%

## Constellation Metrics

**78% retail power customer renewal rate**

**30% power new customer win rate**

**92% natural gas customer retention rate**

**25 month average power contract term**

**Average customer duration of more than 6 years**

**Stable Retail Margins**

Note: Statistics represent full year 2018 results

(1) Excludes Salem

(2) Excludes EDF's equity ownership share of the CENG Joint Venture

# Exelon Generation: Gross Margin Update

Gross Margin Category (\$M) <sup>(1)</sup>	March 31, 2019			Change from December 31, 2018		
	2019	2020	2021	2019	2020	2021
Open Gross Margin <sup>(2,5)</sup> (including South, West, New England, Canada hedged gross margin)	\$4,200	\$4,100	\$3,800	\$(150)	\$50	\$50
Capacity and ZEC Revenues <sup>(2,5)</sup>	\$2,050	\$1,900	\$1,850	-	-	-
Mark-to-Market of Hedges <sup>(2,3)</sup>	\$550	\$250	\$100	\$300	-	-
Power New Business / To Go	\$350	\$650	\$850	\$(150)	\$(50)	\$(50)
Non-Power Margins Executed	\$300	\$150	\$150	\$100	-	-
Non-Power New Business / To Go	\$200	\$350	\$400	\$(100)	-	-
<b>Total Gross Margin</b> <sup>*(4,5)</sup>	<b>\$7,650</b>	<b>\$7,400</b>	<b>\$7,150</b>	-	-	-

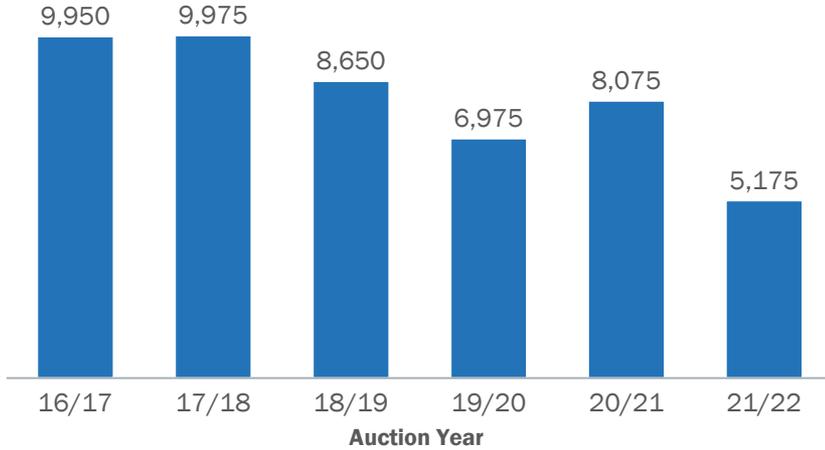
## Recent Developments

- Total Gross Margin is flat in all years due to changes in power prices offset by our hedges and execution of \$150M, \$50M and \$50M of power new business in 2019, 2020 and 2021, respectively
- Behind ratable hedging position reflects the fundamental upside we see in power prices
  - ~8-11% behind ratable in 2020 when considering cross commodity hedges
  - ~1-4% behind ratable in 2021 when considering cross commodity hedges

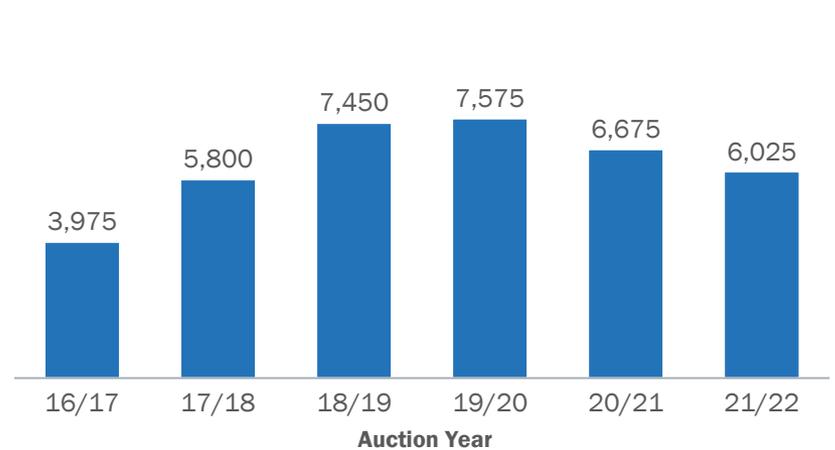
(1) Gross margin categories rounded to nearest \$50M  
 (2) Excludes EDF's equity ownership share of the CENG Joint Venture  
 (3) Mark-to-Market of Hedges assumes mid-point of hedge percentages  
 (4) Based on March 31, 2019 market conditions  
 (5) Reflects TMI retirement by September 2019

# Capacity Market: PJM

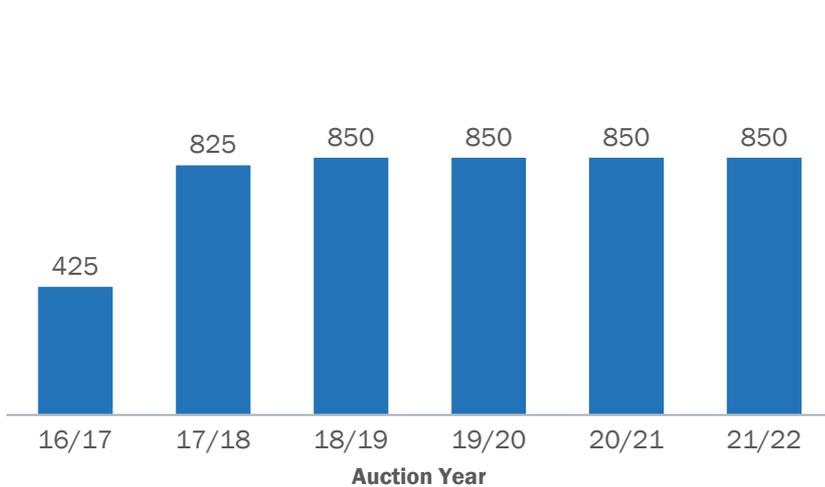
**ComEd Cleared Volumes (MW)**



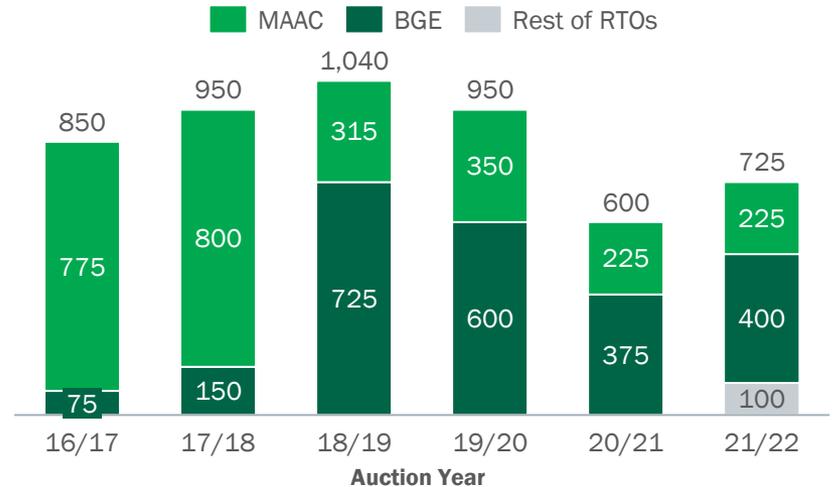
**EMAAC Cleared Volumes (MW)**



**SWMAAC Cleared Volumes (MW)**

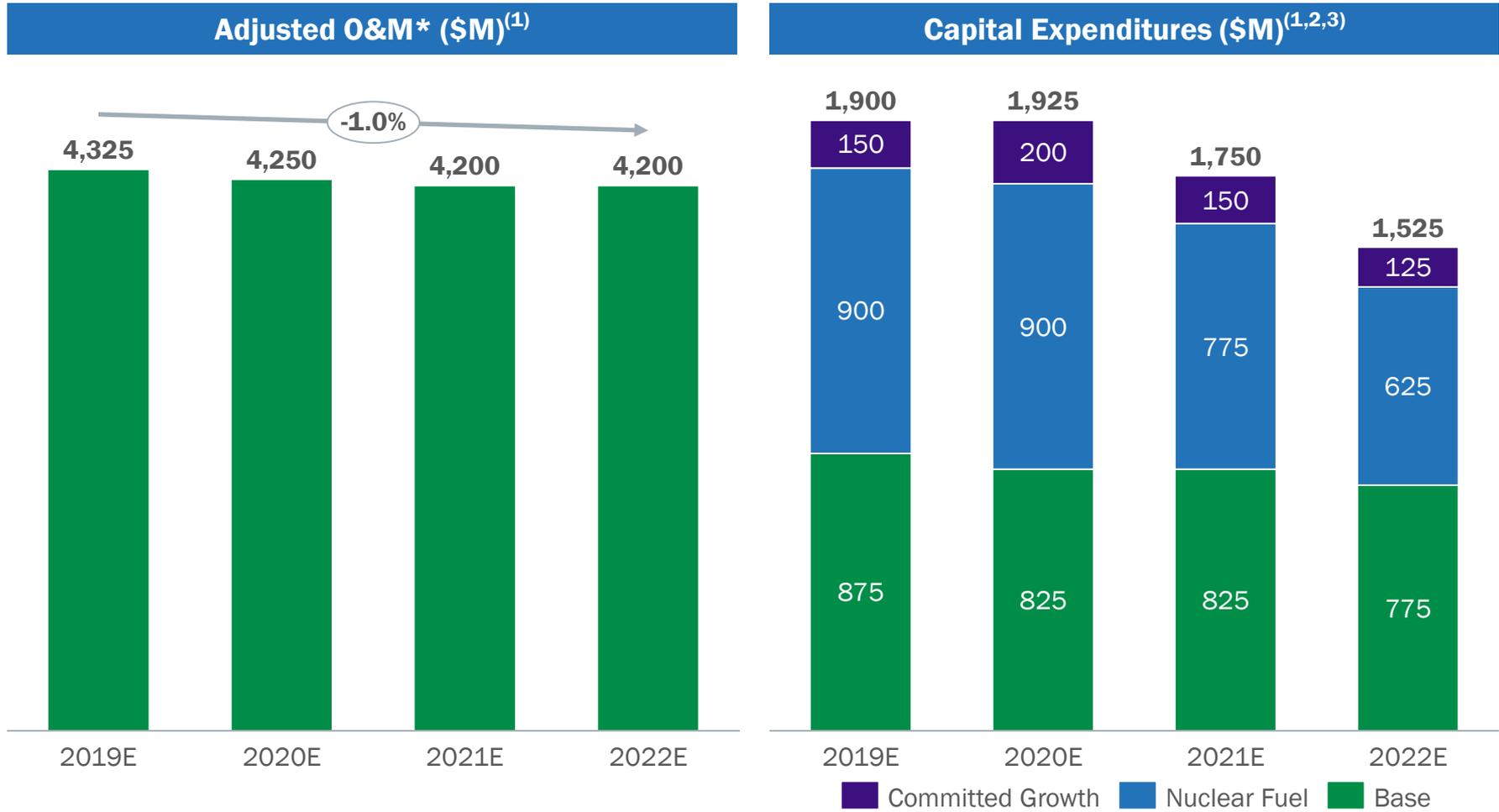


**MAAC, BGE, and Rest of RTO Cleared Volumes (MW)**



Note: Reflects 50.01% ownership at CENG and volumes at ownership are rounded. 16/17 and 17/18 are volumes cleared in the capacity performance transition auctions.

# Driving Costs and Capital Out of the Generation Business



## Cost optimization programs and planned nuclear plant closures drive lower total costs

Note: All amounts rounded to the nearest \$25M and numbers may not add due to rounding

(1) O&M and Capital Expenditures reflect retirement of TMI in 2019

(2) Capital spend represents cash CapEx with CENG at 100% and excludes merger commitments

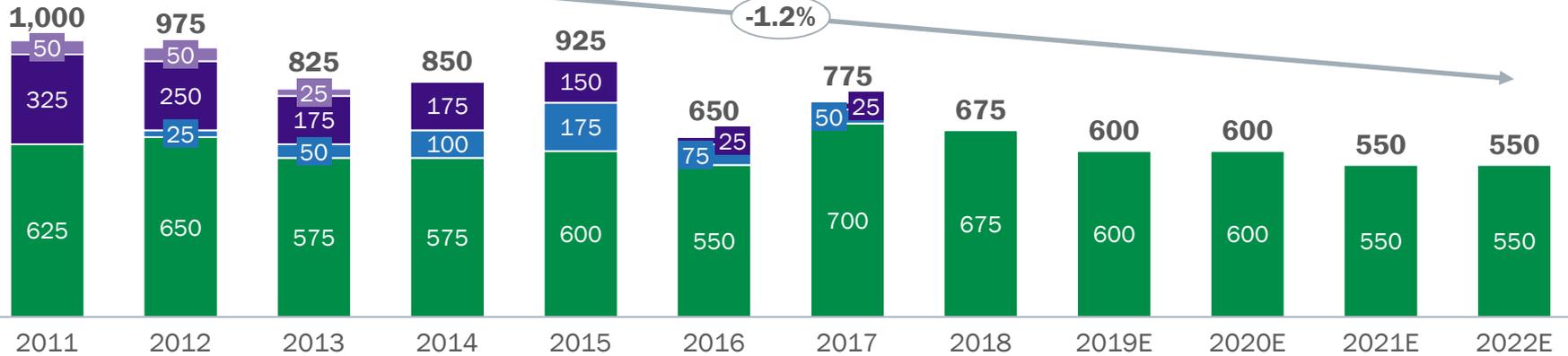
(3) 2019E growth capital expenditures reflects a ~\$75M shift of cash outlay from 2018A to 2019E related to West Medway and Retail Solar

# Historical Nuclear Capital Investment

## Nuclear Non-Fuel Capital Expenditures<sup>(1)</sup> (\$M)

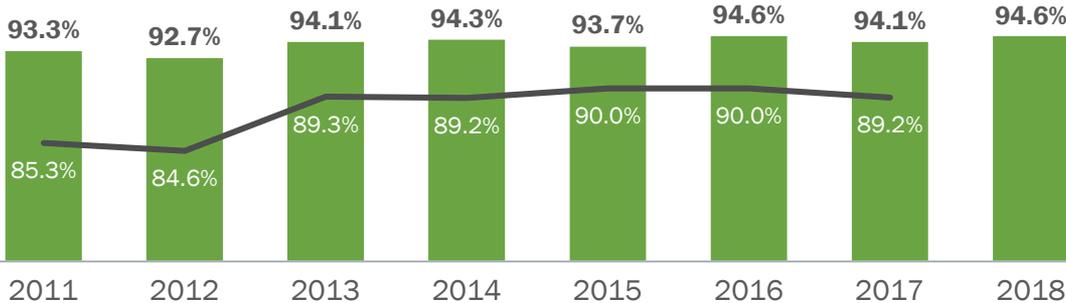
Nuclear Baseline CAGR

Cancelled Growth Fukushima  
Growth<sup>(4)</sup> Nuclear Baseline (excluding Fuel)<sup>(2,3)</sup>



## Nuclear Capacity Factor<sup>(5,6)</sup>

Industry Average Exelon



Significant historical investments have mitigated asset management issues and prepared sites for license extensions already received, reducing future capital needs. In addition, internal cost initiatives have found more cost efficient solutions to large CapEx spend, such as leveraging reverse engineering replacements rather than large system wide modifications, resulting in baseline CAGR of -1.2%, even with net addition of 2 sites.

(1) Reflects accrual capital expenditures with CENG at 50% ownership. Assumes TMI retirement in September 2019. All numbers rounded to \$25M.

(2) Baseline includes ownership share of Salem all years. CENG is included at ownership share starting in 2014 (full year)

(3) FitzPatrick included starting in 2017 (9 months only)

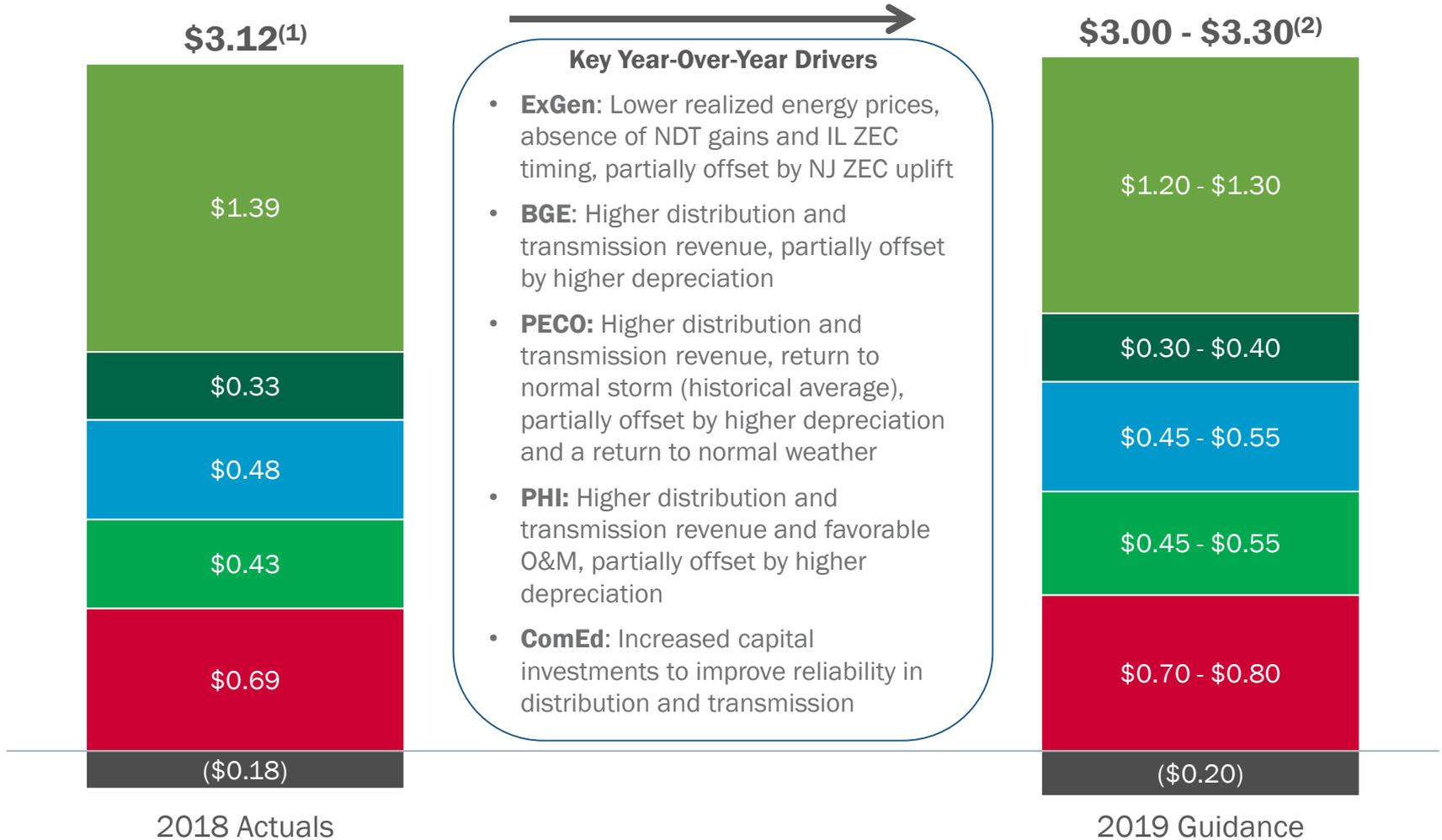
(4) Growth represents capital that increases the capacity of the units (e.g., turbine upgrades, power uprates), and capital that extends the license of a site (e.g., License Renewals)

(5) Includes CENG beginning in April 2014 and FitzPatrick beginning in April of 2017, excludes Salem and Fort Calhoun

(6) Industry average is for major operators excluding Exelon and includes 3 months of Fitzpatrick prior to Exelon acquisition. 2018 industry average (excluding Exelon) was not available at the time of publication.

# Financial Overview

# 2019 Adjusted Operating Earnings\* Guidance



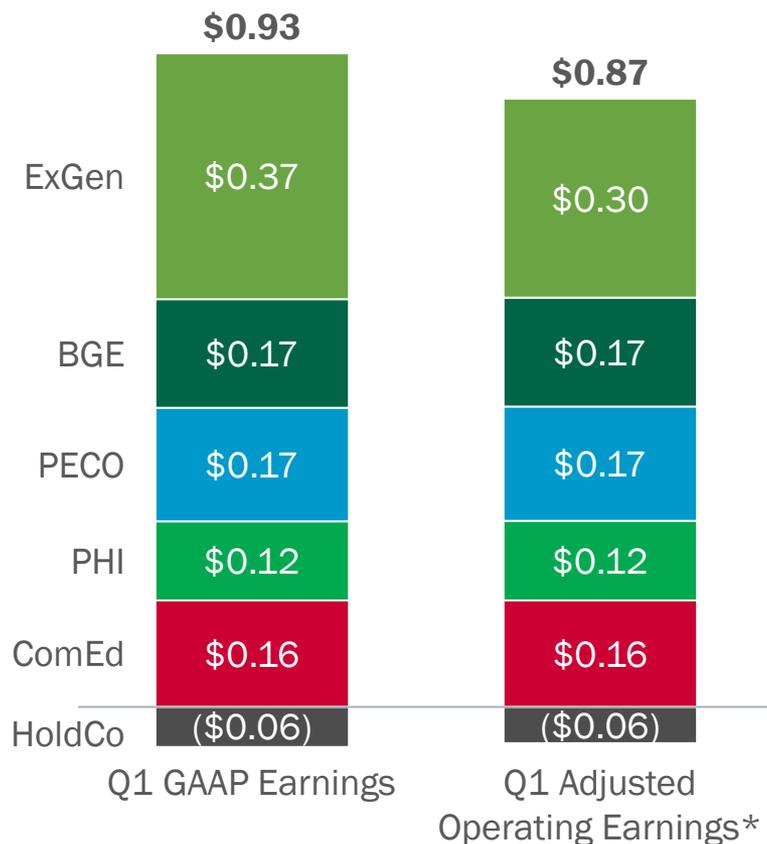
**Expect Q2 2019 Adjusted Operating Earnings\* of \$0.55 - \$0.65 per share**

Note: Amounts may not add due to rounding; Year-Over-Year Drivers based on Q4 2018 disclosures

(1) 2018 results based on 2018 average outstanding shares of 969M

(2) 2019E earnings guidance based on expected average outstanding shares of 973M

**Q1 2019 EPS Results<sup>(1)</sup>**

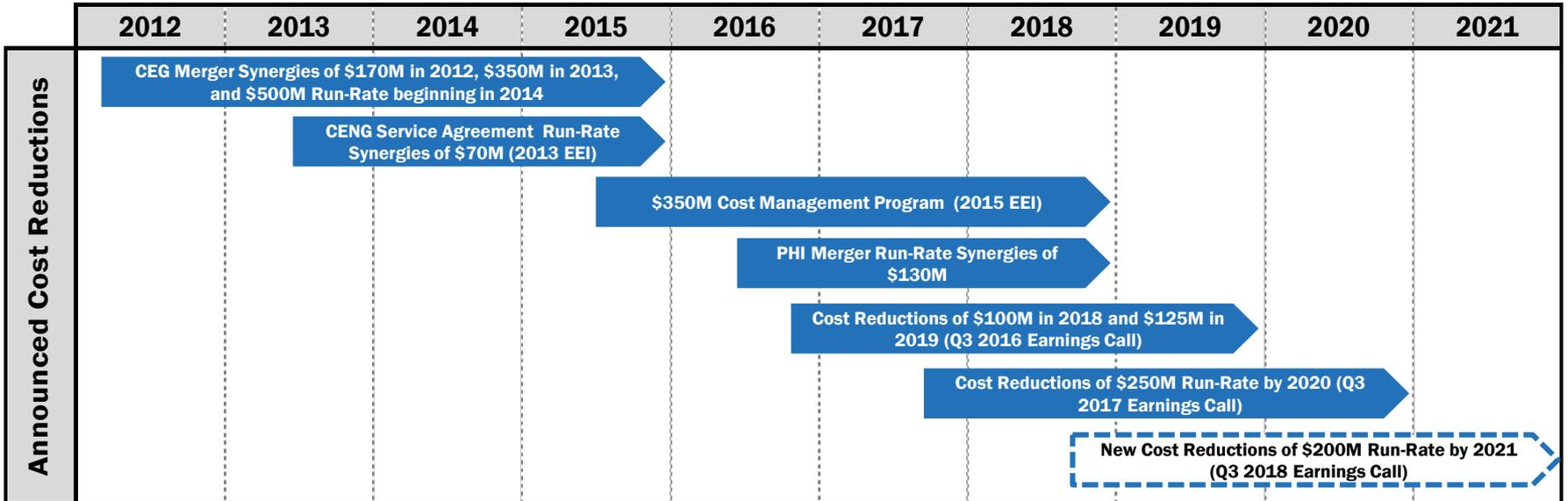


- GAAP earnings were \$0.93/share in Q1 2019 vs. \$0.60/share in Q1 2018
- Adjusted operating earnings\* were \$0.87/share in Q1 2019 vs. \$0.96/share in Q1 2018, which was above the midpoint of our guidance range of \$0.80-\$0.90/share

(1) Amounts may not sum due to rounding

# Cost Management is Integral to Our Business Strategy

## ExGen and BSC Cost Reductions Since Constellation Merger



## Key Commentary

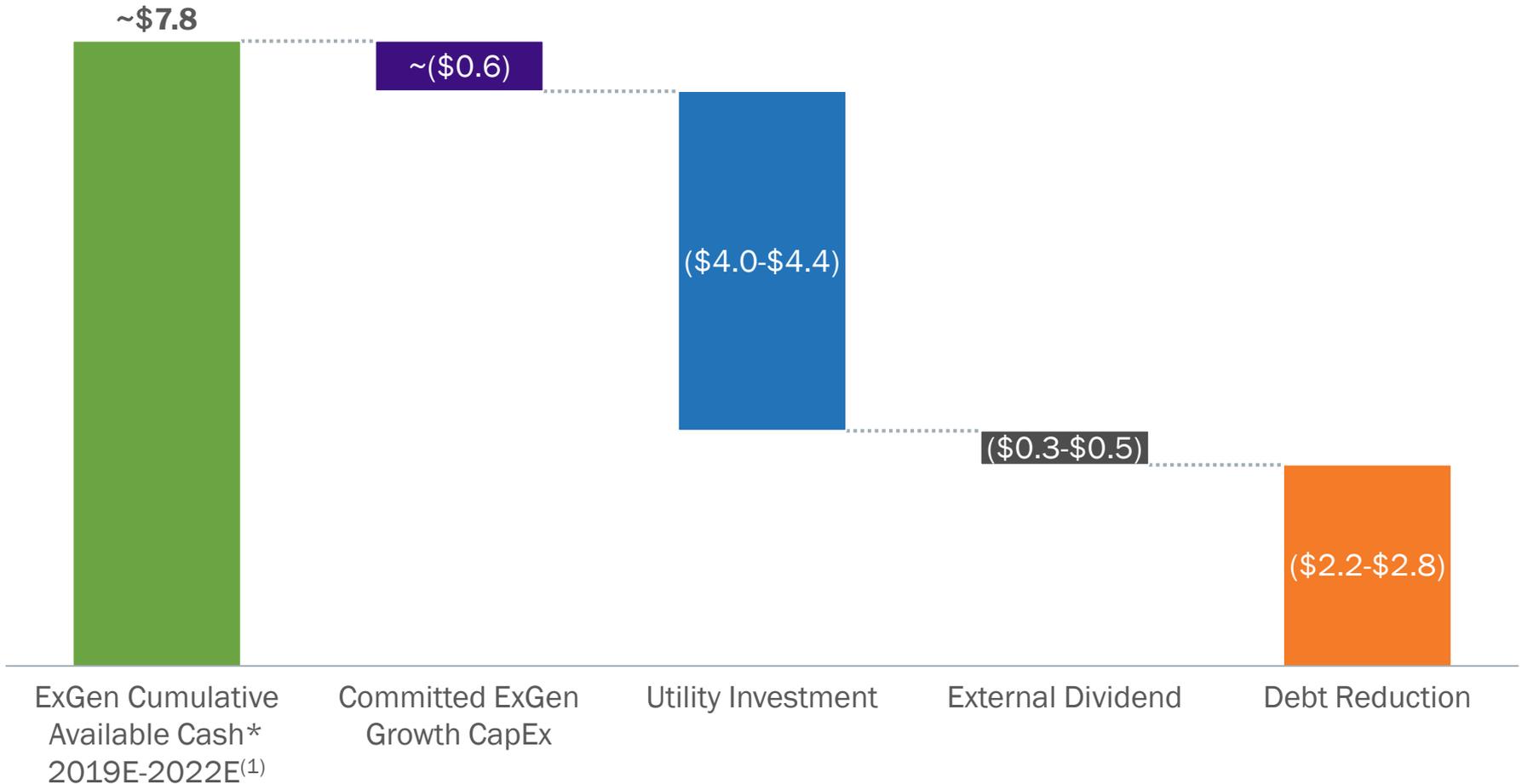
- Committing to \$200M in additional cost reductions
  - \$100M at ExGen
  - \$100M at Business Services Company – approximately 50% of savings will be allocated to ExGen
- **Since 2015, Exelon has announced more than \$900M of cost reductions**

# ExGen's Strong Available Cash Flow\* Supports Utility Growth and Debt Reduction

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PUBLIC

## 2019-2022 Exelon Generation Available Cash\*(1) and Uses of Cash (\$B)



## Redeploying Exelon Generation's Available Cash Flow\* to maximize shareholder value

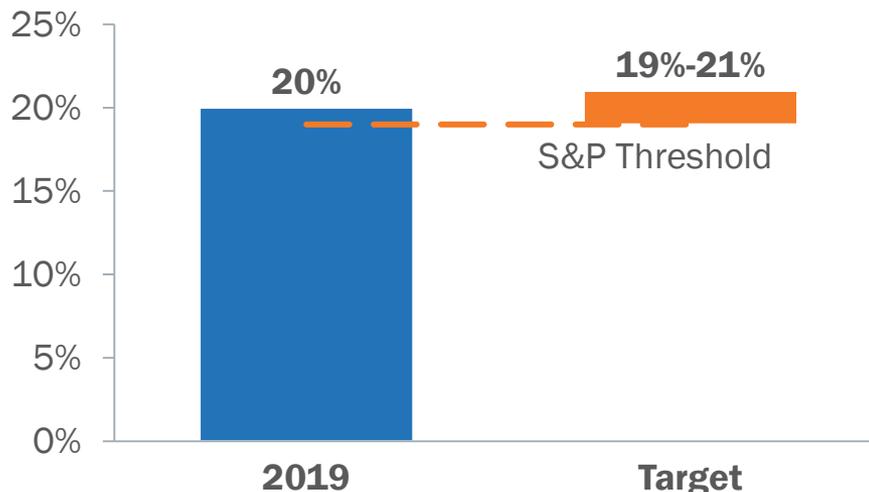
(1) Cumulative Available Cash is a midpoint of a range based on December 31, 2018 market prices. Sources include ~\$0.4B of use of available cash in hand, EDF cash distributions, change in margin, tax sharing agreement, equity investments, equity distributions for renewables JV and Bluestem tax equity, acquisitions and divestitures.

# Maintaining Strong Investment Grade Credit Ratings is a Top Financial Priority

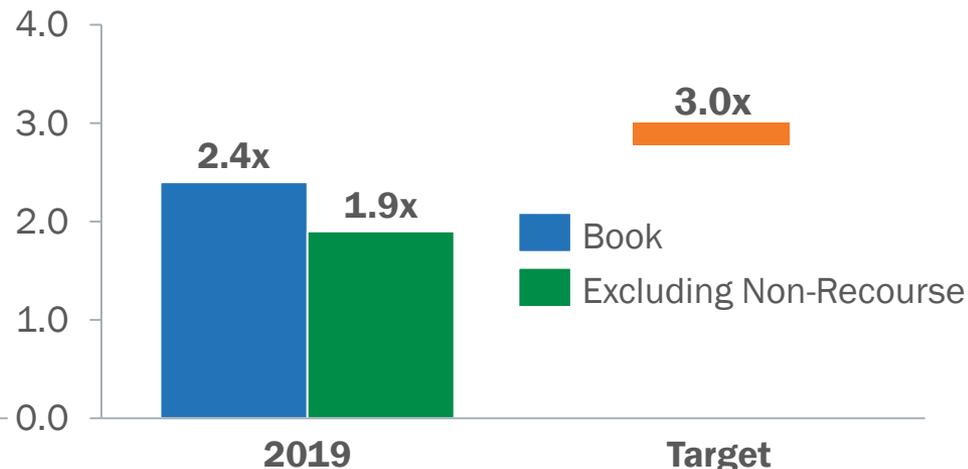
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## Exelon S&P FFO/Debt %<sup>\*(1,4)</sup>



## ExGen Debt/EBITDA Ratio<sup>\*(5)</sup>



## Credit Ratings by Operating Company

Current Ratings <sup>(2,3)</sup>	ExCorp	ExGen	ComEd	PECO	BGE	ACE	DPL	Pepco
<b>Moody's</b>	Baa2	Baa2	A1	Aa3	A3	A3 <sup>(3)</sup>	A2	A2
<b>S&amp;P</b>	BBB	BBB+	A	A	A	A	A	A
<b>Fitch</b>	BBB+	BBB	A	A+	A	A-	A	A-

(1) Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment

(2) Table reflects senior unsecured ratings as of March 31, 2019 for Exelon, Exelon Generation and BGE and senior secured ratings for ComEd, PECO, ACE, DPL and Pepco. Exelon's S&P Issuer credit rating (not shown in table) is BBB+ as of March 31, 2019.

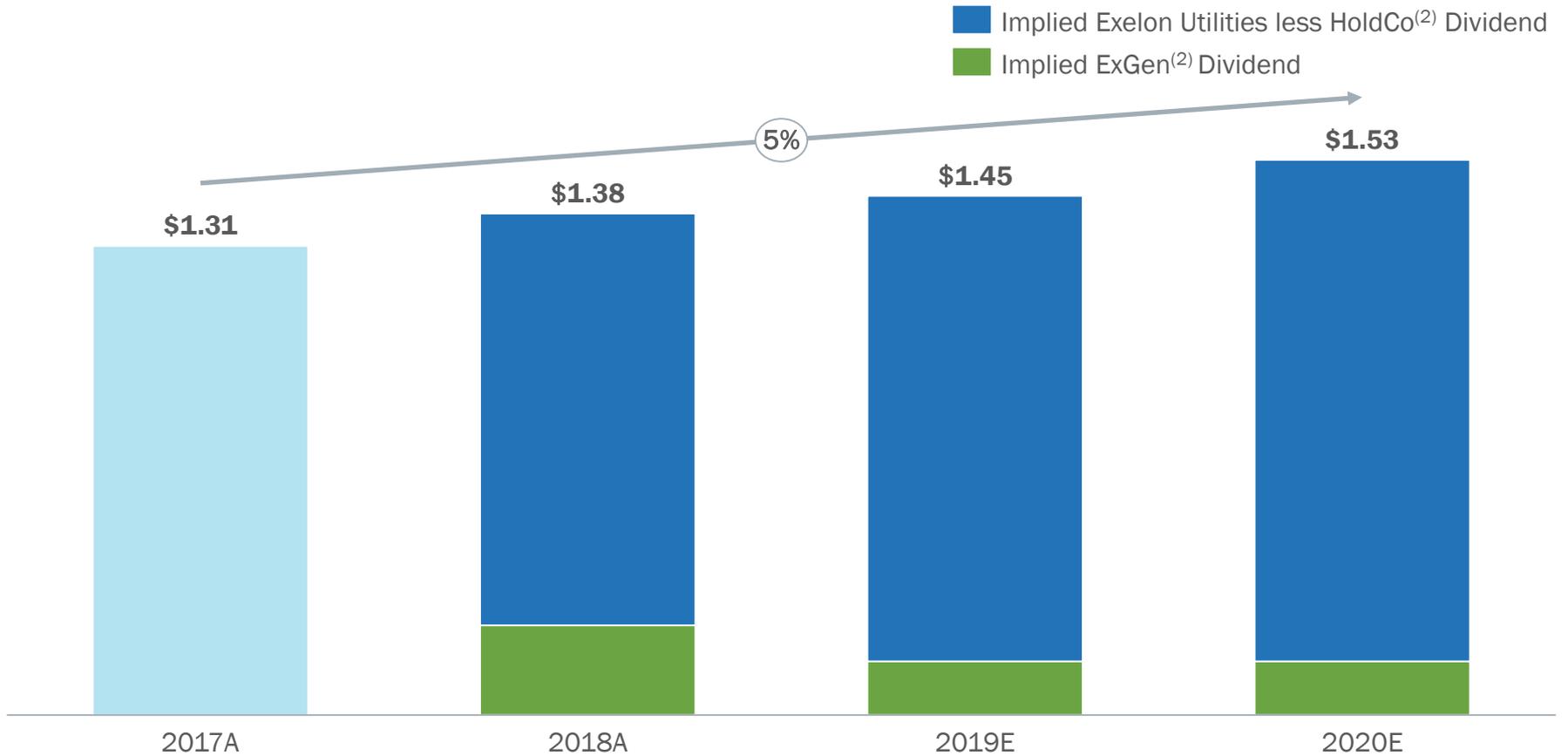
(3) ACE is on "Positive" outlook at Moody's; all other ratings have a "Stable" outlook

(4) Exelon Corp downgrade threshold (red dotted line) is based on the S&P Exelon Corp Summary Report; represents minimum level to maintain current Issuer Credit Rating at Exelon Corp

(5) Reflects net book debt (YE debt less cash on hand) / adjusted operating EBITDA\*

# Raising Dividend Growth Rate to 5% Annually through 2020

## Dividends per Share<sup>(1)</sup>



**Assuming a steady 70% payout ratio on Utility less HoldCo earnings, ExGen’s contribution to the Exelon dividend represents a modest payout on earnings and free cash flow**

(1) Quarterly dividends are subject to declaration by the board of directors  
 (2) Total projected Dividend per Share (DPS) figures are illustrative of a 5% growth annually applied to the 2017 dividend. Implied Exelon Utilities contribution is based on a 70% payout on the midpoint of the EPS guidance band for Exelon Utilities less HoldCo. Implied ExGen contribution is based on the remaining balance between the illustrative total annual DPS and the Implied Exelon Utilities contribution.

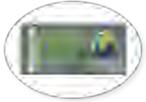
# Exelon Recognition and Partnerships

## Sustainability



### Dow Jones Sustainability Index

Exelon named to Dow Jones Sustainability Index for 13th consecutive year.



### Newsweek Magazine's Green Rankings

The Newsweek Green Rankings evaluate corporate sustainability and environmental performance. Exelon ranked in the top three among utilities, No. 12 on the U.S. 500 and No. 24 on the Global 500 list among the world's largest publicly traded companies.



### Land for People Award 2017

Received the Trust for Public Land's national "Land for People Award" in recognition of Exelon's deep support of environmental stewardship, creating new parks and promoting conservation.

## Community Engagement



### \$52.1 million

Last year, Exelon and its employees set all-time records, committing more than \$52.1 million to non-profit organizations and volunteering more than 210,000 hours.



### Points of Light, "The Civic 50" 2017

Exelon was named for the first time to the Civic 50, recognizing the most community-minded companies by Points of Light, the world's largest organization dedicated to volunteer service.



### 2017 Laurie D. Zelon Pro Bono Award

Exelon's legal department was honored by the Pro Bono Institute (PBI) with the 2017 Laurie D. Zelon Pro Bono Award.



### Kids in Need of Defense Innovation Award

Exelon's legal department and the Baltimore chapter of Organization of Latinos at Exelon (OLE) for their work with unaccompanied minors from Central America.

## Diversity and Inclusion



### HeForShe

Exelon joined U.N. Women's HeForShe campaign, which is focused on gender equality. Pledge includes a \$3 million commitment to develop new STEM programs for girls and young women and improve the retention of women at Exelon by 2020.



### Billion Dollar Roundtable

Exelon became the first energy company to join the Billion Dollar Roundtable, an organization that promotes supplier diversity for corporations achieving \$1 billion or more in annual direct spending with minority and women-owned businesses.



### CEO Action for Diversity & Inclusion

Exelon joined 150 leading companies for the CEO Action for Diversity & Inclusion™, the largest CEO-driven commitment aimed at taking action to cultivate a workplace where diverse perspectives and experiences are welcomed and respected.

## Workforce



### DiversityInc Top 50 Companies 2018

Exelon ranked No. 32 on DiversityInc's list of Top 50 companies for diversity and 4th for the top 18 companies in hiring for veterans.



### Indeed.com "50 Best Places to Work" 2017

Indeed.com ranked Exelon No. 18 on its "50 Best Places to Work."



### Human Rights Campaign "Best Places to Work" 2011-2018

Exelon earned the designation of "Best Place to Work" on HRC's Corporate Equality Index for a seventh consecutive year in 2018, receiving a perfect score of 100.



### The Military Times Best for Vets 2013-2018

For the sixth year in a row, Exelon received this recognition for its commitment to providing opportunities to America's veterans.



### Historically Black Engineering Schools 2013-2017

Exelon was recognized as a top corporate supporter of the nation's historically black engineering programs.

# Exelon is Ideally Situated to Help Meet Climate Goals

## Deliberately Built Clean Fleet

Exelon Generation is the largest zero-carbon generator – producing **1 out of every 9 zero-carbon MWhs** in the US – after executing on a strategy to divest or retire coal-fired generation and improve the output of zero-carbon nuclear fleet

- Between 2010 – 2017, retired or sold more than **2,000 MWs** of coal-fired generation
- Developed or bought **1,500 MWs** of renewable generation
- Increased output of nuclear fleet by more than **550 MWs**
- Invested in clean, efficient natural gas generation

## Support Policies to Reduce GHG Emissions

**CLIMATE LEADERSHIP COUNCIL**

Exelon is a founding member of the Climate Leadership Council – to advocate for a carbon fee-and-dividend program

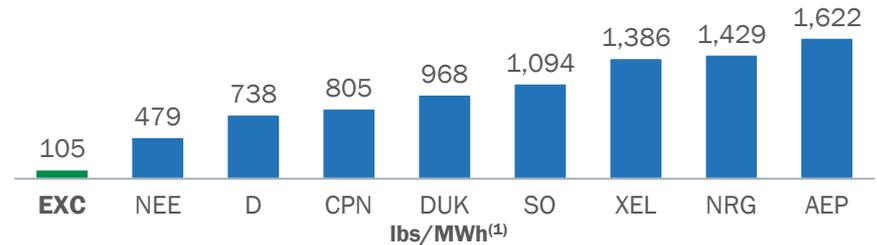
Support legislation and regulation to expand electric vehicle infrastructure at the state and federal level

Support 100% clean energy standards

## Carbon Reduction Goals



Despite being the lowest carbon intensive generation, we have set a goal of an additional 15% reduction of GHG emissions from our internal operations



## Enabling a Carbon Free Future

From generation to transmission to distribution, our sustainability strategy focuses on creating systems and policies that enable integrated clean energy solutions and connections for our customers



(1) Reflects 2016 regulated and non-regulated generation. Excludes EDF's equity ownership share of the CENG Joint venture for Exelon. Source: Benchmarking Air Emissions, June 2018; [https://www.mjbradley.com/sites/default/files/Presentation\\_of\\_Results\\_2018.pdf](https://www.mjbradley.com/sites/default/files/Presentation_of_Results_2018.pdf)

# Appendix

# 2019 Projected Sources and Uses of Cash

(\$M) <sup>(1)</sup>	BGE	ComEd	PECO	PHI	Total Utilities	ExGen	Corp <sup>(8)</sup>	Exelon	Cash Balance
<b>Beginning Cash Balance<sup>(2)</sup></b>									<b>1,825</b>
Adjusted Cash Flow from Operations <sup>(2)</sup>	650	1,400	725	1,025	3,825	4,000	(300)	7,550	
Base CapEx and Nuclear Fuel <sup>(3)</sup>	-	-	-	-	-	(1,775)	(50)	(1,850)	
<b>Free Cash Flow*</b>	<b>650</b>	<b>1,400</b>	<b>725</b>	<b>1,025</b>	<b>3,825</b>	<b>2,225</b>	<b>(350)</b>	<b>5,700</b>	
Debt Issuances	300	700	300	375	1,675	-	-	1,675	
Debt Retirements	-	(300)	-	-	(300)	(625)	-	(925)	
Project Financing	n/a	n/a	n/a	n/a	n/a	(100)	n/a	(100)	
Equity Issuance/Share Buyback	-	-	-	-	-	-	-	-	
Contribution from Parent	200	250	150	225	825	-	(825)	-	
Other Financing <sup>(4)</sup>	200	200	50	-	425	(125)	100	400	
<b>Financing<sup>(5)</sup></b>	<b>700</b>	<b>850</b>	<b>500</b>	<b>600</b>	<b>2,625</b>	<b>(850)</b>	<b>(725)</b>	<b>1,050</b>	
<b>Total Free Cash Flow* and Financing</b>	<b>1,350</b>	<b>2,250</b>	<b>1,225</b>	<b>1,625</b>	<b>6,450</b>	<b>1,375</b>	<b>(1,075)</b>	<b>6,750</b>	
Utility Investment	(1,125)	(1,875)	(975)	(1,375)	(5,325)	-	-	(5,325)	
ExGen Growth <sup>(3,6)</sup>	-	-	-	-	-	(150)	-	(150)	
Acquisitions and Divestitures	-	-	-	-	-	25	-	25	
Equity Investments	-	-	-	-	-	(25)	-	(25)	
Dividend <sup>(7)</sup>	-	-	-	-	-	-	-	(1,400)	
<b>Other CapEx and Dividend</b>	<b>(1,125)</b>	<b>(1,875)</b>	<b>(975)</b>	<b>(1,375)</b>	<b>(5,325)</b>	<b>(150)</b>	<b>-</b>	<b>(6,900)</b>	
<b>Total Cash Flow</b>	<b>250</b>	<b>375</b>	<b>250</b>	<b>250</b>	<b>1,125</b>	<b>1,225</b>	<b>(1,075)</b>	<b>(125)</b>	
<b>Ending Cash Balance<sup>(2)</sup></b>									<b>1,700</b>

- (1) All amounts rounded to the nearest \$25M. Figures may not add due to rounding
- (2) Gross of posted counterparty collateral
- (3) Figures reflect cash CapEx and CENG fleet at 100%
- (4) Other Financing primarily includes expected changes in money pool, renewable JV distributions, tax equity cash flows, EDF Tax distributions and capital leases
- (5) Financing cash flow excludes intercompany dividends
- (6) ExGen Growth CapEx primarily includes Retail Solar and W. Medway
- (7) Dividends are subject to declaration by the Board of Directors
- (8) Includes cash flow activity from Holding Company, eliminations and other corporate entities

## Consistent and reliable free cash flows\*

Operational excellence and financial discipline drives free cash flow\* reliability

- ✓ Generating \$5.7B of free cash flow\*, including \$2.2B at ExGen and \$3.8B at the Utilities

## Supported by a strong balance sheet

Strong balance sheet enables flexibility to raise and deploy capital for growth

- ✓ \$1.4B of long-term debt at the utilities, net of refinancing, to support continued growth and retirement of \$0.7B of ExGen debt

## Enable growth & value creation

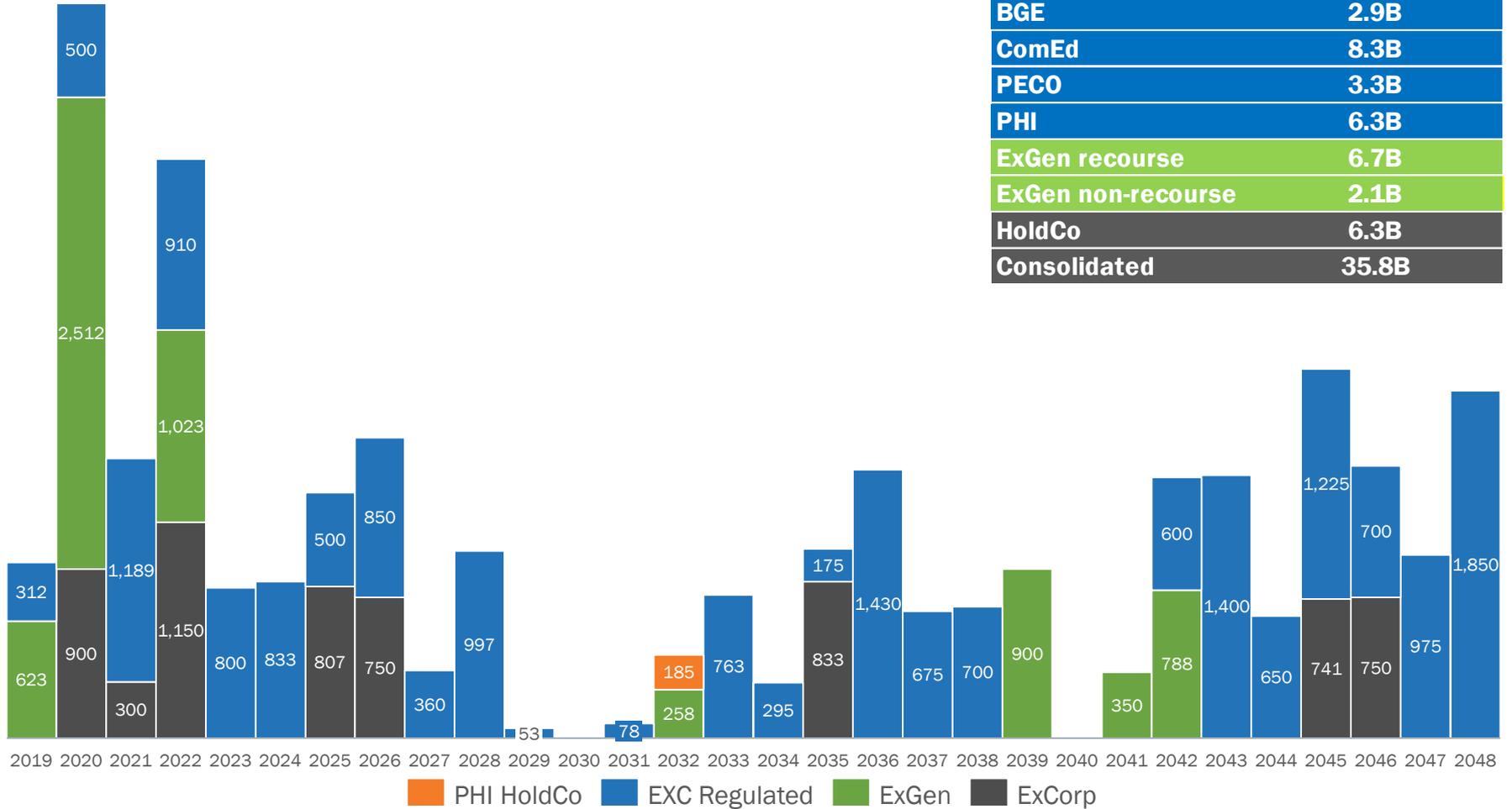
Creating value for customers, communities and shareholders

- ✓ Investing \$5.5B of growth CapEx, with \$5.3B at the Utilities and \$0.2B at ExGen

Note: Numbers may not add due to rounding

# Exelon Debt Maturity Profile<sup>(1)</sup>

As of 12/31/18  
(\$M)



LT Debt Balances (as of 12/31/18)<sup>(1,2)</sup>

BGE	2.9B
ComEd	8.3B
PECO	3.3B
PHI	6.3B
ExGen recourse	6.7B
ExGen non-recourse	2.1B
HoldCo	6.3B
Consolidated	35.8B

**Exelon's weighted average LTD maturity is approximately 13 years**

(1) Maturity profile excludes non-recourse debt, securitized debt, capital leases, fair value adjustments, unamortized debt issuance costs and unamortized discount/premium

(2) Long-term debt balances reflect 2018 10-K GAAP financials; ExGen debt includes legacy CEG debt

# EPS Sensitivities\*

	2019E	2020E	2021E	
<b>ExGen EPS Impact* (1)</b>	Henry Hub Natural Gas			
	+ \$1/MMBtu	\$0.07	\$0.23	\$0.37
	-\$1/MMBtu	(\$0.05)	(\$0.20)	(\$0.33)
	NiHub ATC Energy Price			
	+ \$5/MWh	\$0.02	\$0.12	\$0.24
	-\$5/MWh	(\$0.02)	(\$0.12)	(\$0.24)
	PJM-W ATC Energy Price			
	+ \$5/MWh	(\$0.00)	\$0.04	\$0.10
	-\$5/MWh	\$0.01	(\$0.04)	(\$0.10)
<b>Interest Rate Sensitivity to +50 BP</b>	ComEd ROE	\$0.03	\$0.03	\$0.03
	Pension Expense	\$0.02	\$0.02	\$0.01
	Cost of Debt	(\$0.00)	(\$0.01)	(\$0.01)
<b>Share count (millions)</b>	973	977	981	
Exelon Consolidated Effective Tax Rate	17%	18%	17%	
ExGen Effective Tax Rate	21%	23%	22%	
Exelon Consolidated Cash Tax Rate	1%	5%	4%	

(1) Based on March 31, 2019, market conditions and hedged position. Gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically. Power price sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant. Due to correlation of the various assumptions, the EPS impact calculated by aggregating individual sensitivities may not be equal to the EPS impact calculated when correlations between the various assumptions are also considered. ExGen EPS impact sensitivities assume a marginal tax rate of 25.5%.

# **Exelon Generation Disclosures**

**Data as of March 31, 2019**

**These disclosures were presented on May 2, 2019, and are not being updated at this time**

# Portfolio Management Strategy

### Strategic Policy Alignment

- Aligns hedging program with financial policies and financial outlook
- Establish minimum hedge targets to meet financial objectives of the company (dividend, credit rating)
- Hedge enough commodity risk to meet future cash requirements under a stress scenario



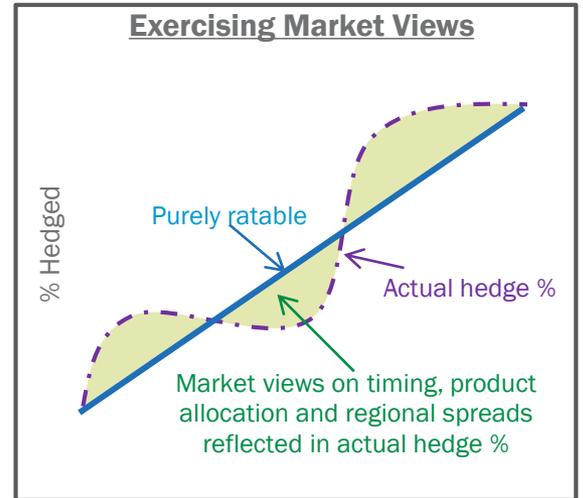
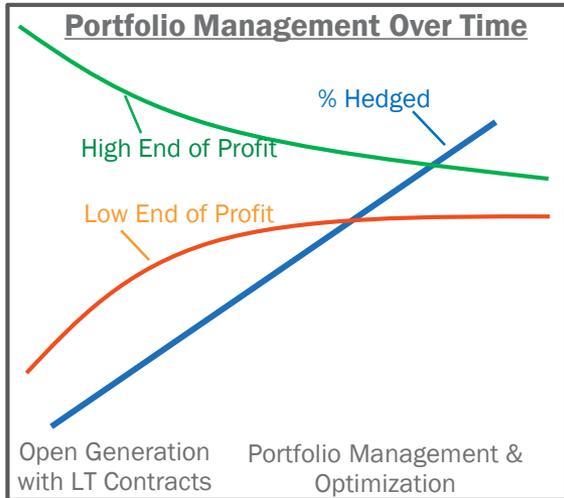
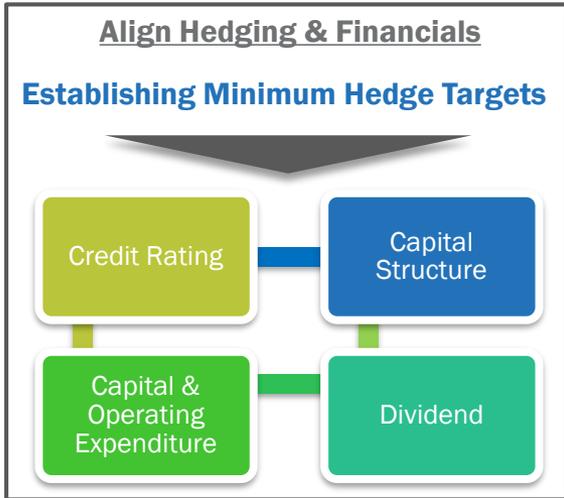
### Three-Year Ratable Hedging

- Ensure stability in near-term cash flows and earnings
- Disciplined approach to hedging
- Tenor aligns with customer preferences and market liquidity
- Multiple channels to market that allow us to maximize margins
- Large open position in outer years to benefit from price upside



### Bull / Bear Program

- Ability to exercise fundamental market views to create value within the ratable framework
- Modified timing of hedges versus purely ratable
- Cross-commodity hedging (heat rate positions, options, etc.)
- Delivery locations, regional and zonal spread relationships



**Protect Balance Sheet**

**Ensure Earnings Stability**

**Create Value**

# Components of Gross Margin\* Categories

## Gross margin linked to power production and sales

### Open Gross Margin

- Generation Gross Margin at current market prices, including ancillary revenues, nuclear fuel amortization and fuels expense
- Power Purchase Agreement (PPA) Costs and Revenues
- Provided at a consolidated level for all regions (includes hedged gross margin for South, West, New England and Canada<sup>(1)</sup>)

### Capacity and ZEC Revenues

- Expected capacity revenues for generation of electricity
- Expected revenues from Zero Emissions Credits (ZEC)

### MtM of Hedges<sup>(2)</sup>

- Mark-to-Market (MtM) of power, capacity and ancillary hedges, including cross commodity, retail and wholesale load transactions
- Provided directly at a consolidated level for four major regions. Provided indirectly for each of the four major regions via Effective Realized Energy Price (EREP), reference price, hedge %, expected generation.

### “Power” New Business

- Retail, Wholesale planned electric sales
- Portfolio Management new business
- Mid marketing new business

## Gross margin from other business activities

### “Non Power” Executed

- Retail, Wholesale executed gas sales
- Energy Efficiency<sup>(4)</sup>
- BGE Home<sup>(4)</sup>
- Distributed Solar

### “Non Power” New Business

- Retail, Wholesale planned gas sales
- Energy Efficiency<sup>(4)</sup>
- BGE Home<sup>(4)</sup>
- Distributed Solar
- Portfolio Management / origination fuels new business
- Proprietary trading<sup>(3)</sup>

Margins move from new business to MtM of hedges over the course of the year as sales are executed<sup>(5)</sup>

Margins move from “Non power new business” to “Non power executed” over the course of the year

(1) Hedged gross margins for South, West, New England & Canada region will be included with Open Gross Margin; no expected generation, hedge %, EREP or reference prices provided for this region  
 (2) MtM of hedges provided directly for the four larger regions; MtM of hedges is not provided directly at the regional level but can be easily estimated using EREP, reference price and hedged MWh  
 (3) Proprietary trading gross margins will generally remain within “Non Power” New Business category and only move to “Non Power” Executed category upon management discretion  
 (4) Gross margin for these businesses are net of direct “cost of sales”  
 (5) Margins for South, West, New England & Canada regions and optimization of fuel and PPA activities captured in Open Gross Margin

# ExGen Disclosures

<b>Gross Margin Category (\$M)<sup>(1)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Open Gross Margin (including South, West, New England & Canada hedged GM) <sup>(2,5)</sup>	\$4,200	\$4,100	\$3,800
Capacity and ZEC Revenues <sup>(2,5)</sup>	\$2,050	\$1,900	\$1,850
Mark-to-Market of Hedges <sup>(2,3)</sup>	\$550	\$250	\$100
Power New Business / To Go	\$350	\$650	\$850
Non-Power Margins Executed	\$300	\$150	\$150
Non-Power New Business / To Go	\$200	\$350	\$400
<b>Total Gross Margin*<sup>(4,5)</sup></b>	<b>\$7,650</b>	<b>\$7,400</b>	<b>\$7,150</b>

<b>Reference Prices<sup>(1)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Henry Hub Natural Gas (\$/MMBtu)	\$2.88	\$2.74	\$2.65
Midwest: NiHub ATC prices (\$/MWh)	\$26.00	\$25.76	\$24.59
Mid-Atlantic: PJM-W ATC prices (\$/MWh)	\$30.11	\$32.26	\$31.04
ERCOT-N ATC Spark Spread (\$/MWh) <i>HSC Gas, 7.2HR, \$2.50 VOM</i>	\$12.18	\$9.54	\$6.58
New York: NY Zone A (\$/MWh)	\$29.71	\$31.77	\$32.77

- (1) Gross margin categories rounded to nearest \$50M  
(2) Excludes EDF's equity ownership share of the CENG Joint Venture  
(3) Mark-to-Market of Hedges assumes mid-point of hedge percentages  
(4) Based on March 31, 2019 market conditions  
(5) Reflects TMI retirement by September 2019

# ExGen Disclosures

Generation and Hedges	2019	2020	2021
<b>Exp. Gen (GWh)<sup>(1)</sup></b>	<b>191,400</b>	<b>184,400</b>	<b>180,000</b>
Midwest	97,000	96,400	95,300
Mid-Atlantic <sup>(2,6)</sup>	53,900	48,100	48,500
ERCOT	23,800	24,200	19,600
New York <sup>(2)</sup>	16,700	15,700	16,600
<b>% of Expected Generation Hedged<sup>(3)</sup></b>	<b>90%-93%</b>	<b>64%-67%</b>	<b>38%-41%</b>
Midwest	90%-93%	64%-67%	34%-37%
Mid-Atlantic <sup>(2,6)</sup>	97%-100%	71%-74%	47%-50%
ERCOT	79%-82%	54%-57%	27%-30%
New York <sup>(2)</sup>	81%-84%	57%-60%	48%-51%
<b>Effective Realized Energy Price (\$/MWh)<sup>(4)</sup></b>			
Midwest	\$28.50	\$28.00	\$28.00
Mid-Atlantic <sup>(2,6)</sup>	\$38.50	\$37.00	\$32.50
ERCOT <sup>(5)</sup>	\$2.00	\$3.00	\$3.50
New York <sup>(2)</sup>	\$34.50	\$35.50	\$31.50

- (1) Expected generation is the volume of energy that best represents our commodity position in energy markets from owned or contracted for capacity based upon a simulated dispatch model that makes assumptions regarding future market conditions, which are calibrated to market quotes for power, fuel, load following products, and options. Expected generation assumes 11 refueling outages in 2019, 14 in 2020, and 13 in 2021 at Exelon-operated nuclear plants and Salem. Expected generation assumes capacity factors of 94.9%, 93.9%, and 94.1% in 2019, 2020, and 2021, respectively at Exelon-operated nuclear plants, at ownership. These estimates of expected generation in 2020 and 2021 do not represent guidance or a forecast of future results as Exelon has not completed its planning or optimization processes for those years.
- (2) Excludes EDF's equity ownership share of CENG Joint Venture
- (3) Percent of expected generation hedged is the amount of equivalent sales divided by expected generation. Includes all hedging products, such as wholesale and retail sales of power, options and swaps.
- (4) Effective realized energy price is representative of an all-in hedged price, on a per MWh basis, at which expected generation has been hedged. It is developed by considering the energy revenues and costs associated with our hedges and by considering the fossil fuel that has been purchased to lock in margin. It excludes uranium costs, RPM capacity and ZEC revenues, but includes the mark-to-market value of capacity contracted at prices other than RPM clearing prices including our load obligations. It can be compared with the reference prices used to calculate open gross margin in order to determine the mark-to-market value of Exelon Generation's energy hedges.
- (5) Spark spreads shown for ERCOT
- (6) Reflects TMI retirement by September 2019

# ExGen Hedged Gross Margin\* Sensitivities

Gross Margin* Sensitivities (with existing hedges) <sup>(1)</sup>	2019	2020	2021
<b>Henry Hub Natural Gas (\$/MMBtu)</b>			
+ \$1/MMBtu	\$90	\$305	\$485
- \$1/MMBtu	\$(65)	\$(265)	\$(430)
<b>NiHub ATC Energy Price</b>			
+ \$5/MWh	\$25	\$155	\$320
- \$5/MWh	\$(20)	\$(155)	\$(320)
<b>PJM-W ATC Energy Price</b>			
+ \$5/MWh	\$(5)	\$55	\$135
- \$5/MWh	\$10	\$(55)	\$(130)
<b>NYPP Zone A ATC Energy Price</b>			
+ \$5/MWh	-	\$15	\$35
- \$5/MWh	-	\$(15)	\$(35)
<b>Nuclear Capacity Factor</b>			
+/- 1%	+/- \$30	+/- \$35	+/- \$30

(1) Based on March 31, 2019, market conditions and hedged position; gas price sensitivities are based on an assumed gas-power relationship derived from an internal model that is updated periodically; power price sensitivities are derived by adjusting the power price assumption while keeping all other price inputs constant; due to correlation of the various assumptions, the hedged gross margin impact calculated by aggregating individual sensitivities may not be equal to the hedged gross margin impact calculated when correlations between the various assumptions are also considered; sensitivities based on commodity exposure which includes open generation and all committed transactions; excludes EDF's equity share of CENG Joint Venture

# Additional ExGen Modeling Data

<b>Total Gross Margin Reconciliation (in \$M)<sup>(1)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Revenue Net of Purchased Power and Fuel Expense<sup>*(2,3)</sup></b>	<b>\$8,075</b>	<b>\$7,825</b>	<b>\$7,550</b>
Other Revenues <sup>(4)</sup>	\$(175)	\$(175)	\$(150)
Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses	\$(250)	\$(250)	\$(250)
<b>Total Gross Margin* (Non-GAAP)</b>	<b>\$7,650</b>	<b>\$7,400</b>	<b>\$7,150</b>

<b>Key ExGen Modeling Inputs (in \$M)<sup>(1,5)</sup></b>	<b>2019</b>
Other <sup>(6)</sup>	\$125
Adjusted O&M <sup>*(7)</sup>	\$(4,325)
Taxes Other Than Income (TOTI) <sup>(8)</sup>	\$(400)
Depreciation & Amortization <sup>*(9)</sup>	\$(1,125)
Interest Expense	\$(400)
<b>Effective Tax Rate</b>	<b>21.0%</b>

(1) All amounts rounded to the nearest \$25M

(2) ExGen does not forecast the GAAP components of RNF separately, as to do so would be unduly burdensome. RNF also includes the RNF of our proportionate ownership share of CENG.

(3) Excludes the Mark-to-Market impact of economic hedging activities due to the volatility and unpredictability of the future changes to power prices

(4) Other Revenues primarily reflects revenues from variable interest entities, funds collected through revenues for decommissioning the former PECO nuclear plants through regulated rates, gross receipts tax revenues and JExel Nuclear JV

(5) ExGen amounts for O&M, TOTI, Depreciation & Amortization; excludes EDF's equity ownership share of the CENG Joint Venture

(6) Other reflects Other Revenues excluding gross receipts tax revenues, includes nuclear decommissioning trust fund earnings from unregulated sites, and includes the minority interest in ExGen Renewables JV and Bloom

(7) Adjusted O&M\* includes \$200M of non-cash expense related to the increase in the ARO liability due to the passage of time

(8) TOTI excludes gross receipts tax of \$150M

(9) 2020 Depreciation & Amortization is favorable to 2019 by \$50M, while 2021 Depreciation & Amortization is favorable to 2019 by \$25M

# **Appendix**

## **Reconciliation of Non-GAAP Measures**

# Q1 QTD GAAP EPS Reconciliation

Three Months Ended March 31, 2019	ComEd	PECO	BGE	PHI	ExGen	Other	Exelon
<b>2019 GAAP Earnings (Loss) Per Share</b>	<b>\$0.16</b>	<b>\$0.17</b>	<b>\$0.17</b>	<b>\$0.12</b>	<b>\$0.37</b>	<b>\$(0.06)</b>	<b>\$0.93</b>
Mark-to-market impact of economic hedging activities	-	-	-	-	0.03	-	0.03
Unrealized gains related to NDT funds	-	-	-	-	(0.20)	-	(0.20)
Plant retirements and divestitures	-	-	-	-	0.02	-	0.02
Cost management program	-	-	-	-	0.01	-	0.01
Noncontrolling interests	-	-	-	-	0.07	-	0.07
<b>2019 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share</b>	<b>\$0.16</b>	<b>\$0.17</b>	<b>\$0.17</b>	<b>\$0.12</b>	<b>\$0.30</b>	<b>\$(0.06)</b>	<b>\$0.87</b>

Note: All amounts shown are per Exelon share and represent contributions to Exelon's EPS. Amounts may not add due to rounding.

# Q1 QTD GAAP EPS Reconciliation (Cont'd)

Three Months Ended March 31, 2018	ComEd	PECO	BGE	PHI	ExGen	Other	Exelon
<b>2018 GAAP Earnings (Loss) Per Share</b>	<b>\$0.17</b>	<b>\$0.12</b>	<b>\$0.13</b>	<b>\$0.07</b>	<b>\$0.14</b>	<b>(\$0.02)</b>	<b>\$0.60</b>
Mark-to-market impact of economic hedging activities	-	-	-	-	0.20	-	0.20
Unrealized losses related to NDT funds	-	-	-	-	0.07	-	0.07
Plant retirements and divestitures	-	-	-	-	-	-	0.01
Cost management program	-	-	-	-	0.10	-	0.10
Noncontrolling interests	-	-	-	-	(0.02)	-	(0.02)
<b>2018 Adjusted (non-GAAP) Operating Earnings (Loss) Per Share</b>	<b>\$0.17</b>	<b>\$0.12</b>	<b>\$0.13</b>	<b>\$0.07</b>	<b>\$0.49</b>	<b>(\$0.02)</b>	<b>\$0.96</b>

Note: All amounts shown are per Exelon share and represent contributions to Exelon's EPS. Amounts may not add due to rounding.

# Projected GAAP to Operating Adjustments

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- **Exelon's projected 2019 adjusted (non-GAAP) operating earnings excludes the earnings effects of the following:**
  - Mark-to-market adjustments from economic hedging activities;
  - Unrealized gains and losses from NDT funds to the extent not offset by contractual accounting as described in the notes to the consolidated financial statements;
  - Certain costs incurred related to plant retirements;
  - Certain costs incurred to achieve cost management program savings;
  - Other unusual items; and
  - Generation's noncontrolling interest related to CENG exclusion items.

# GAAP to Non-GAAP Reconciliations<sup>(1)</sup>

$$\text{Exelon FFO/Debt}^{(2)} = \frac{\text{FFO (a)}}{\text{Adjusted Debt (b)}}$$

## Exelon FFO Calculation<sup>(2)</sup>

GAAP Operating Income  
 + Depreciation & Amortization  
 = EBITDA  
 - GAAP Interest Expense  
 +/- GAAP Current Income Tax (Expense)/Benefit  
 + Nuclear Fuel Amortization  
 +/- GAAP to Operating Adjustments  
 +/- Other S&P Adjustments  
 = **FFO (a)**

## Exelon Adjusted Debt Calculation<sup>(1)</sup>

Long-Term Debt (including current maturities)  
 + Short-Term Debt  
 + Purchase Power Agreement and Operating Lease Imputed Debt  
 + Pension/OPEB Imputed Debt (after-tax)  
 - Off-Credit Treatment of Non-Recourse Debt  
 - Cash on Balance Sheet \* 75%  
 +/- Other S&P Adjustments  
 = **Adjusted Debt (b)**

(1) Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available; therefore, management is unable to reconcile these measures

(2) Calculated using S&P Methodology. Due to ring-fencing, S&P deconsolidates BGE from Exelon and analyzes solely as an equity investment

# GAAP to Non-GAAP Reconciliations<sup>(1)</sup>

$$\text{ExGen Debt/EBITDA} = \frac{\text{Net Debt (a)}}{\text{Operating EBITDA (b)}}$$

$$\text{ExGen Debt/EBITDA Excluding Non-Recourse} = \frac{\text{Net Debt (c)}}{\text{Operating EBITDA (d)}}$$

## ExGen Net Debt Calculation

Long-Term Debt (including current maturities)  
 + Short-Term Debt  
 - Cash on Balance Sheet  
 = **Net Debt (a)**

## ExGen Net Debt Calculation Excluding Non-Recourse

Long-Term Debt (including current maturities)  
 + Short-Term Debt  
 - Cash on Balance Sheet  
 - Non-Recourse Debt  
 = **Net Debt Excluding Non-Recourse (c)**

## ExGen Operating EBITDA Calculation

GAAP Operating Income  
 + Depreciation & Amortization  
 = EBITDA  
 +/- GAAP to Operating Adjustments  
 = **Operating EBITDA (b)**

## ExGen Operating EBITDA Calculation Excluding Non-Recourse

GAAP Operating Income  
 + Depreciation & Amortization  
 = EBITDA  
 +/- GAAP to Operating Adjustments  
 - EBITDA from Projects Financed by Non-Recourse Debt  
 = **Operating EBITDA Excluding Non-Recourse (d)**

(1) Due to the forward-looking nature of some forecasted non-GAAP measures, information to reconcile the forecasted adjusted (non-GAAP) measures to the most directly comparable GAAP measure may not be currently available; therefore, management is unable to reconcile these measures

# GAAP to Non-GAAP Reconciliations

2019 Adjusted Cash from Ops Calculation (\$M) <sup>(1)</sup>	BGE	ComEd	PECO	PHI	ExGen	Other	Exelon
Net cash flows provided by operating activities (GAAP)	\$650	\$1,400	\$725	\$1,025	\$4,200	(\$300)	\$7,725
Other cash from investing activities	-	-	-	-	(\$275)	-	(\$275)
Counterparty collateral activity	-	-	-	-	\$100	-	\$100
<b>Adjusted Cash Flow from Operations</b>	<b>\$650</b>	<b>\$1,400</b>	<b>\$725</b>	<b>\$1,025</b>	<b>\$4,000</b>	<b>(\$300)</b>	<b>\$7,550</b>

2019 Cash From Financing Calculation (\$M) <sup>(1)</sup>	BGE	ComEd	PECO	PHI	ExGen	Other	Exelon
Net cash flow provided by financing activities (GAAP)	\$475	\$350	\$150	\$250	(\$1,750)	\$200	(\$350)
Dividends paid on common stock	\$225	\$500	\$350	\$350	\$900	(\$925)	\$1,400
<b>Financing Cash Flow</b>	<b>\$700</b>	<b>\$850</b>	<b>\$500</b>	<b>\$600</b>	<b>(\$850)</b>	<b>(\$725)</b>	<b>\$1,050</b>

Exelon Total Cash Flow Reconciliation <sup>(1)</sup>	2019
<b>GAAP Beginning Cash Balance</b>	<b>\$1,250</b>
Adjustment for Cash Collateral Posted	\$575
Adjusted Beginning Cash Balance <sup>(3)</sup>	\$1,825
Net Change in Cash (GAAP) <sup>(2)</sup>	(\$125)
Adjusted Ending Cash Balance <sup>(3)</sup>	\$1,700
Adjustment for Cash Collateral Posted	(\$550)
<b>GAAP Ending Cash Balance</b>	<b>\$1,150</b>

(1) All amounts rounded to the nearest \$25M. Items may not sum due to rounding.

(2) Represents the GAAP measure of net change in cash, which is the sum of cash flow from operations, cash from investing activities, and cash from financing activities. Figures reflect cash capital expenditures and CENG fleet at 100%.

(3) Adjusted Beginning and Ending cash balances reflect GAAP Beginning and End Cash Balances excluding counterparty collateral activity

# GAAP to Non-GAAP Reconciliations

Q1 2019 Operating ROE Reconciliation (\$M)	PHI Utilities	Legacy EXC Utilities	Consolidated EU
Net Income (GAAP)	\$454	\$1,516	\$1,970
Operating Exclusions	\$26	\$7	\$33
Adjusted Operating Earnings	\$479	\$1,523	\$2,003
Average Equity	\$5,171	\$14,477	\$19,648
<b>Operating ROE (Adjusted Operating Earnings/Average Equity)</b>	<b>9.3%</b>	<b>10.5%</b>	<b>10.2%</b>

Q4 2018 Operating ROE Reconciliation (\$M)	PHI Utilities	Legacy EXC Utilities	Consolidated EU
Net Income (GAAP)	\$405	\$1,437	\$1,842
Operating Exclusions	\$25	\$7	\$32
Adjusted Operating Earnings	\$430	\$1,444	\$1,874
Average Equity	\$5,142	\$14,245	\$19,387
<b>Operating ROE (Adjusted Operating Earnings/Average Equity)</b>	<b>8.4%</b>	<b>10.1%</b>	<b>9.7%</b>

# GAAP to Non-GAAP Reconciliations

<b>ExGen Adjusted O&amp;M Reconciliation (\$M)<sup>(1)</sup></b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>GAAP O&amp;M</b>	<b>\$4,950</b>	<b>\$4,925</b>	<b>\$4,825</b>	<b>\$4,850</b>
Decommissioning <sup>(2)</sup>	125	50	50	50
Direct cost of sales incurred to generate revenues for certain Constellation and Power businesses <sup>(3)</sup>	(250)	(250)	(250)	(275)
O&M for managed plants that are partially owned	(400)	(425)	(425)	(425)
Other	(100)	(50)	-	-
<b>Adjusted O&amp;M (Non-GAAP)</b>	<b>\$4,325</b>	<b>\$4,250</b>	<b>\$4,200</b>	<b>\$4,200</b>

## 2019-2022 ExGen Available Cash Flow\* and Uses of Cash Calculation (\$M)<sup>(1)</sup>

Cash from Operations (GAAP)	\$15,425
Other Cash from Investing and Financing Activities	(\$1,550)
Baseline Capital Expenditures <sup>(4)</sup>	(\$3,350)
Nuclear Fuel Capital Expenditures	(\$3,175)
Change in Cash	\$400
<b>Free Cash Flow before Growth CapEx and Dividend</b>	<b>\$7,750</b>

(1) All amounts rounded to the nearest \$25M. Items may not sum due to rounding.

(2) Reflects asset retirement obligation update for TMI and earnings neutral O&M

(3) Reflects the direct cost of sales of certain businesses, which are included in Total Gross Margin\*

(4) Baseline capital expenditures refer to maintenance and required capital expenditures necessary for day-to-day plant operations and includes merger commitments