

Revised slides from

# **Q4 2023 and FY 2023 Earnings Presentation**

Talen Energy Corporation | Amended March 15, 2024



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# Solid Financial and Operational Performance in 2023



## Key Financial Metrics

**\$1.121bn**

2023 Adjusted  
EBITDA<sup>1</sup>

**\$587mm**

2023 Adjusted  
Free Cash Flow<sup>1</sup>

**~\$1bn**

Liquidity<sup>2</sup>

**~1.6x**

Net Debt / 2023  
Adjusted EBITDA<sup>3</sup>



## Key Operational Metrics

**0.6**

2023 OSHA Total Recordable  
Incident Rate<sup>4</sup>

**5.5%**

2023 Equivalent  
Forced Outage Factor<sup>5</sup>

**33 TWh**

2023 Total  
Generation<sup>6</sup>

**55%**

2023 Carbon-Free  
Generation<sup>7</sup>

Note: All metrics exclude Cumulus.

1. Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA and Adjusted Free Cash Flow.
2. Calculated as \$459mm unrestricted cash plus \$544mm revolver availability, net of outstanding LCs, at 3/8/2024. Excludes current net proceeds from Cumulus Data transaction.
3. Calculated as \$2,197mm total debt less \$459mm unrestricted cash as of 3/8/2024 divided by 2023 Adjusted EBITDA of \$1,121mm.

4. Also known as TRIR; defined as number of recordable incidents x 200,000 / total number of manhours worked. Only includes generation facilities we operate (i.e., excludes Conemaugh and Keystone).
5. Also known as EFOF; defined as the percentage of a given period in which a generating unit is not available due to forced outages and forced deratings. Represents all generation facilities, including our portion of partially-owned facilities.
6. Generated MWhs sold after consumption for station use where applicable.
7. Represents generation from Susquehanna nuclear facility.

# Capital Allocation Update

## Capitalization Summary *(\$mm unless otherwise noted)* **March 8, 2024**

Unrestricted Cash <sup>1</sup>	\$459
Secured Debt	\$2,066
<b>Total Debt</b>	<b>\$2,197</b>
<b>Net Debt</b>	<b>\$1,738</b>
<b>Credit Metrics</b>	
2023 Adjusted EBITDA	\$1,121
<i>Net Debt / 2023 Adjusted EBITDA</i>	<i>~1.6x</i>
<i>Total Liquidity</i> <sup>3</sup>	<i>\$1,003</i>

## Share Repurchase Program Update

- Of the \$300mm SRP authorized in October 2023, Talen has purchased 225K shares for ~\$14mm to date (~\$63/share<sup>4</sup>)
- Significant repurchase capacity remaining

## Focused on Maintaining Net Leverage <3.5x and Prioritizing Shareholder Returns

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA; excluding Cumulus. All calculations exclude \$470mm Term Loan C, given that the cash proceeds associated with this facility are held in restricted accounts to secure LCs.

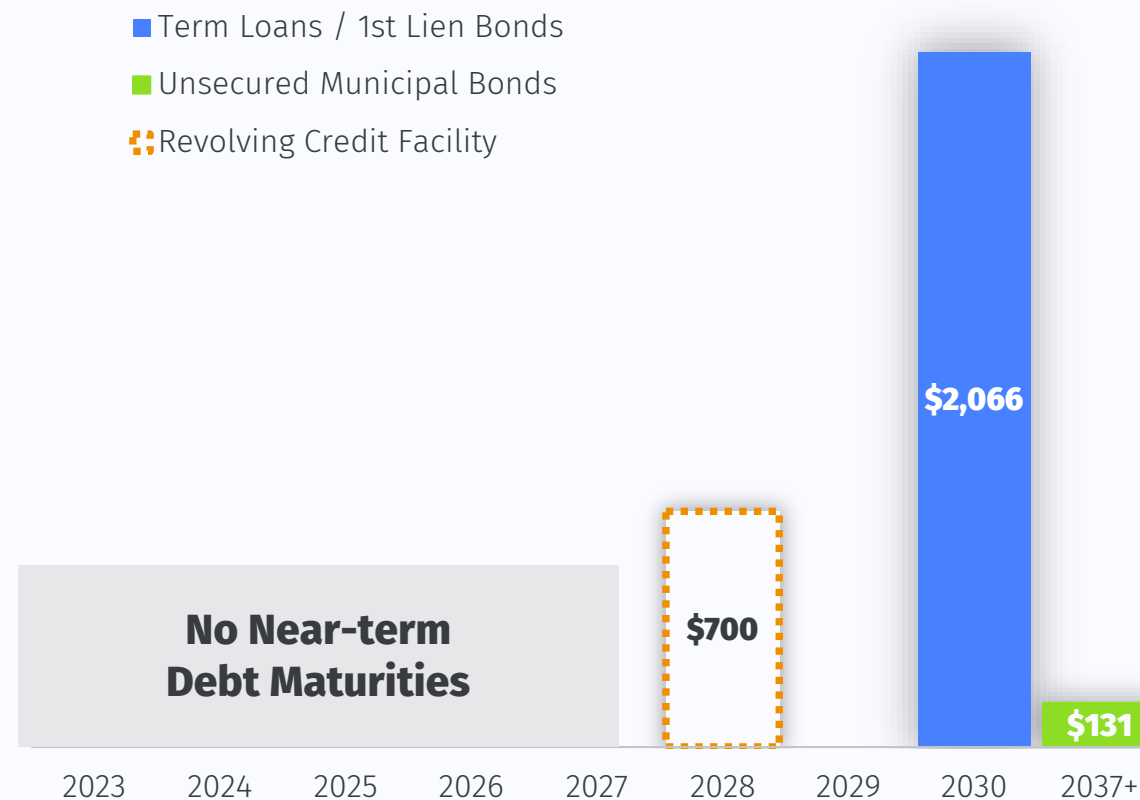
- Includes net proceeds from the PPL settlement, which will be used to support Colstrip asset retirement obligations; excludes current net proceeds from Cumulus Data transaction.
- Calculated as \$459mm unrestricted cash plus \$544mm revolver availability, net of outstanding LCs, at 3/8/2024.
- Excluding broker fees.

# No Debt Maturities Until 2028

## Net Debt Summary

(\$mm)	3/8/2024
Unrestricted Cash <sup>1</sup>	\$459
2028 Revolver (\$544mm available capacity, net of LCs)	\$-
2030 Term Loan B	866
2030 Term Loan C (Cash in restricted accounts)	470
2030 Secured Notes	1,200
<b>Total Secured Debt (Excludes Term Loan C)</b>	<b>\$2,066</b>
PEDFA Municipal Bonds	131
<b>Total Debt (Excludes Term Loan C)</b>	<b>\$2,197</b>
<b>Net Debt</b>	<b>\$1,738</b>

## Debt Maturity Summary<sup>3</sup>



Note: Excludes \$75mm bilateral secured LC facility. \$470mm Term Loan C also not included in debt totals, given that the cash proceeds associated with this facility are held in restricted accounts to secure LCs.

# YE 2024E Corporate Credit Profile

(\$mm unless otherwise noted)

**YE 2024E**

Unrestricted Cash Range <sup>1</sup>	\$633 – \$783
Secured Debt	\$2,057
<b>Total Debt (Excludes Term Loan C)</b>	<b>\$2,188</b>
<b>Net Debt</b>	<b>\$1,405 – \$1,555</b>
<b>2024E Adjusted EBITDA</b>	<b>\$640 – \$840</b>
<b>Net Debt / 2024E Adjusted EBITDA</b>	<b>~1.7x – 2.4x</b>

Note: Please refer to Reconciliation of Non-GAAP Financial Measures section of the Appendix for more detail on Adjusted EBITDA. Includes our interest in Nautilus operations; other Cumulus entities still excluded.

1. Assumes 2024E guidance ranges and includes net proceeds from the (i) PPL settlement, which will be used to support Colstrip asset retirement obligations and (ii) Cumulus Data transaction, expected to be \$361mm at year-end, offset by working capital changes, assumed \$150mm of share repurchases, ARO payments, adjustments for delayed payments in the PTC, and other cash items.