Energy that advances

Investor Presentation
September 2020

spire®



Forward-looking statements and use of non-GAAP measures

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements in this presentation speak only as of today, and we assume no duty to update them. Forward-looking statements are typically identified by words such as, but not limited to: “estimates,” “expects,” “anticipates,” “intends,” and similar expressions. Although our forward-looking statements are based on reasonable assumptions, various uncertainties and risk factors may cause future performance or results to be different than those anticipated. More complete descriptions and listings of these uncertainties and risk factors can be found in our annual (Form 10-K) and quarterly (Form 10-Q) filings with the Securities and Exchange Commission.

This presentation also includes “net economic earnings,” “net economic earnings per share,” “contribution margin,” “adjusted EBITDA,” and “adjusted long-term capitalization,” non-GAAP measures used internally by management when evaluating the Company’s performance and results of operations. Net economic earnings exclude from net income the after-tax impacts of fair-value accounting and timing adjustments associated with energy-related transactions, the impacts of acquisition, divestiture, and restructuring activities and the largely non-cash impacts of other non-recurring or unusual items such as certain regulatory, legislative, or GAAP standard-setting actions. For the fiscal 2020 periods presented, adjustments for Missouri Infrastructure System Replacement Surcharge (ISRS) revenues reflect the regulatory settlement reached in the third quarter of fiscal 2020, such that the related GAAP provisions for customer credit for fiscal 2020 to date is reflected in net economic earnings. The fair value and timing adjustments, which primarily impact the Gas Marketing segment, include net unrealized gains and losses on energy-related derivatives resulting from the current changes in fair value of financial and physical transactions prior to their completion and settlement, lower of cost or market inventory adjustments, and realized gains and losses on economic hedges prior to the sale of the physical commodity. Management believes that excluding these items provides a useful representation of the economic impact of actual settled transactions and overall results of ongoing operations. Contribution margin is defined as operating revenues less natural and propane gas costs and gross receipts tax expense, which are directly passed on to customers and collected through revenues. Adjusted long-term capitalization treats preferred stock as 50% debt and 50% equity, as rating agencies would treat preferred stock. Adjusted EBITDA is earnings before impairments, interest, income taxes, depreciation and amortization. Management believes adjusted EBITDA provides a helpful additional measure of core results of Spire Storage. These internal non-GAAP operating metrics should not be considered as an alternative to, or more meaningful than, GAAP measures such as operating income, net income or earnings per share. Reconciliations of net income to net economic earnings and of contribution margin to operating income are contained in our SEC filings and in the Appendix to this presentation. Reconciliations of adjusted EBITDA to net income for both Spire Inc. and Spire Storage and of adjusted long-term capitalization to capitalization per balance sheet are also contained in the Appendix.

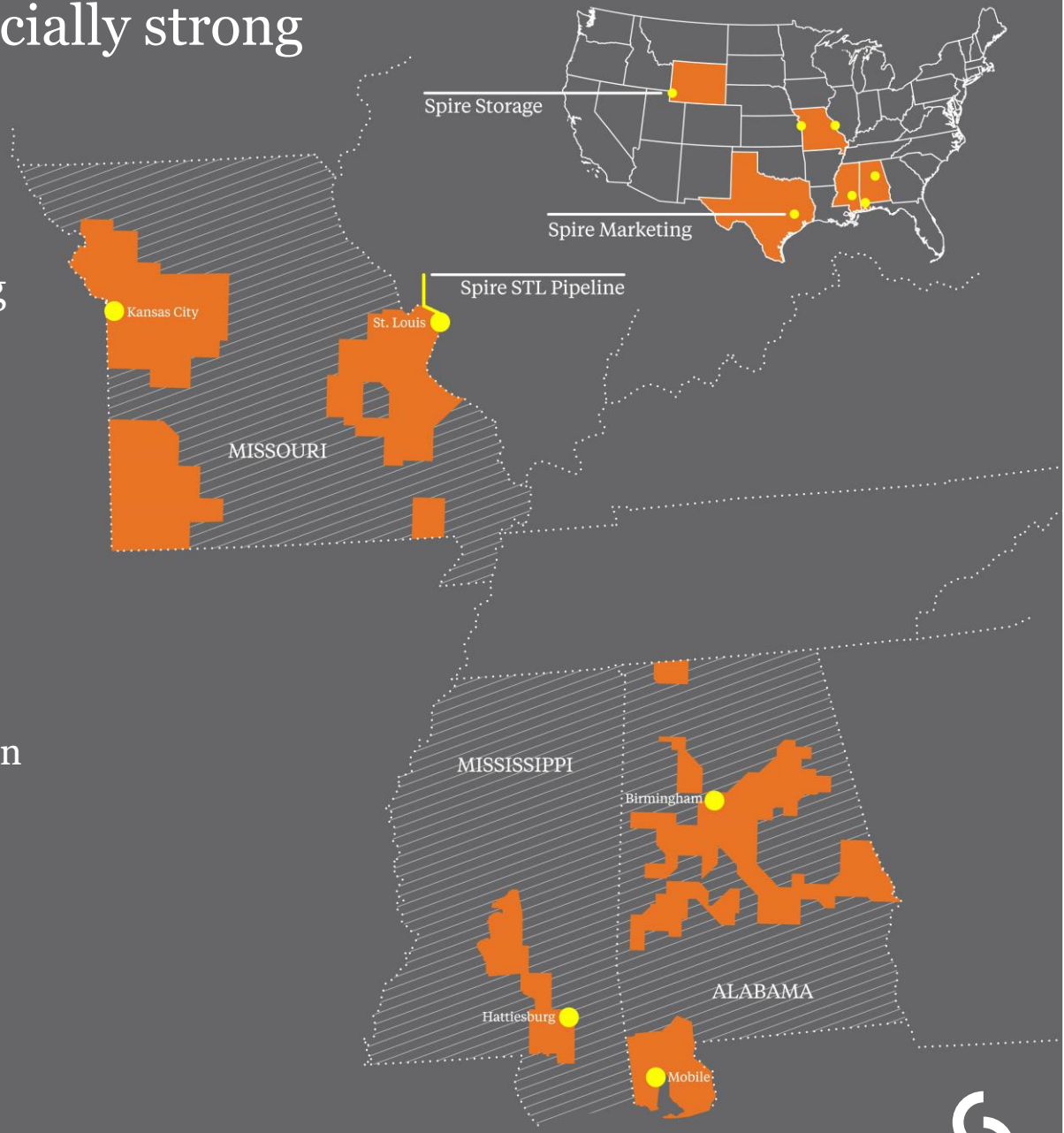
Note: Years shown in this presentation are fiscal years ended September 30.

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We're a growing, financially strong natural gas company

- 5th largest publicly traded natural gas company serving 1.8 million homes and businesses across Alabama, Mississippi and Missouri
- Executing on our value-creation strategy
  - Growing organically
  - Investing in infrastructure
  - Advancing through innovation
- Developing and growing our gas-related businesses
  - Spire Marketing
  - Spire STL Pipeline
  - Spire Storage



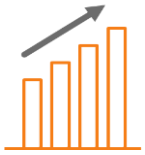
Spire is a compelling investment



90%+ regulated business mix



7-8% annual rate base growth



4-7% long-term EPS growth

4.8%

Growing dividend with attractive yield of 4.8%[1]



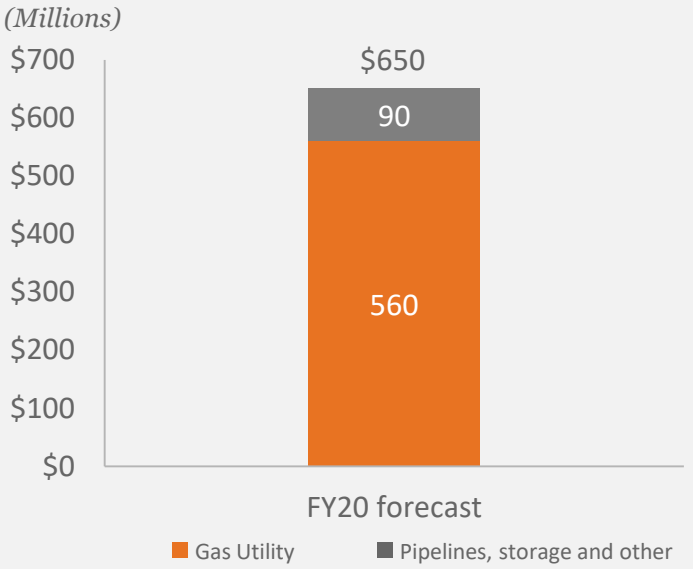
Strong ESG performance including significant methane reduction

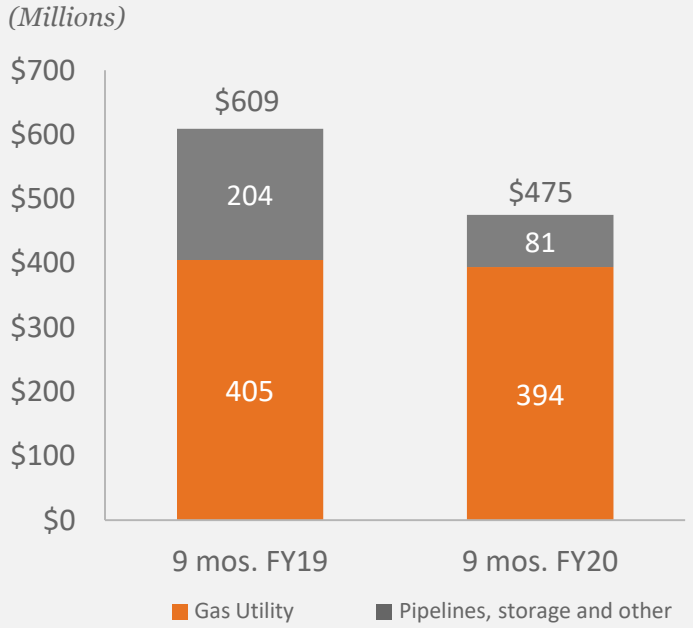
[1]*Based on annual dividend of $2.49 per share and SR stock price of $52.31 on September 22, 2020.*

Investing in growth

- FY20 capex increased to $650M
- YTD investment of $475M reflects
  - Continued robust gas utility investment for infrastructure upgrades and new business
  - Lower spend for STL Pipeline reflecting in-service in Nov. 2019
- Pipeline replacement spend drives environmental performance/goals for methane emissions
  - 39% reduction since 2005
  - Achieved 66% reduction in leaks per 1,000 miles of main over last 5 years

Capital expenditures



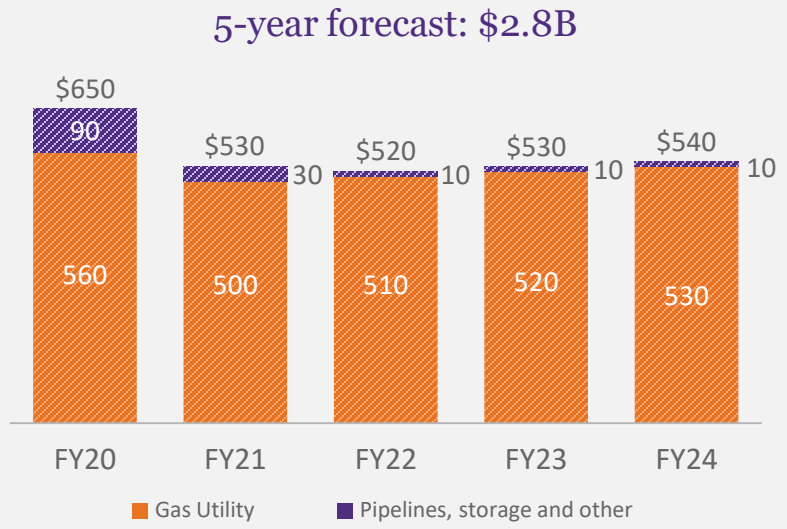


Guidance and long-term growth

- Long-term annual NEEPS growth target remains 4-7% (base year FY19)
- FY20 NEE guidance of $3.70 - $3.75 per share
- $2.8B capex plan through 2024
  - Focused on pipeline upgrade program extending over the next 15 years
  - Investment diversified across our utility jurisdictions
  - Utility spend over 80% recovered with minimal lag or reflected in earnings
  - Drives rate base growth of 7-8%
- Targeted debt metrics remain
  - FFO/debt at 15-16%
  - Holdco debt percentage <20%

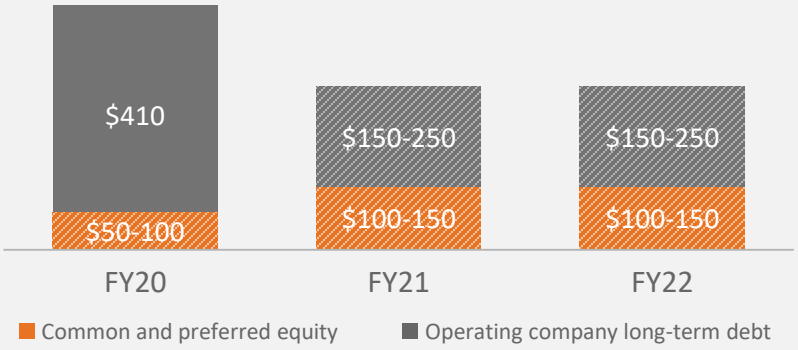
Capital expenditures

(Millions)



Long-term financing forecast*

(Millions)



*Debt issuance net of maturities.

Upgrading our infrastructure and reducing methane

- Targeting 53% methane reduction by 2025 from 2005 levels
- Committed to achieving carbon neutrality by midcentury

Estimated replacement miles remaining

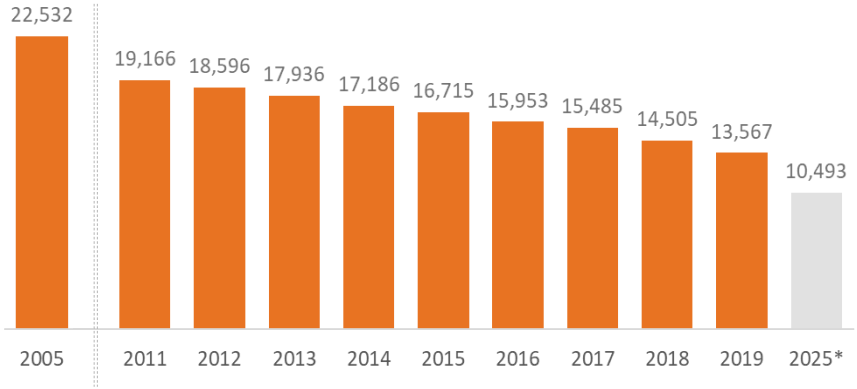
As of 12/31/19

	Bare steel*	Cast iron*	Vintage plastic	Total replacement miles
Missouri	1,652[1]	630	—	2,282
Alabama	518	483	274	1,275
Mississippi	442	—	—	442
Total	2,612	1,113	274	3,999
% of total	*65%*	*28%*	*7%*	*100%*

**Completion expected in 15+ years.*
[1]Includes bare steel mains and services; threaded and coupled steel main.

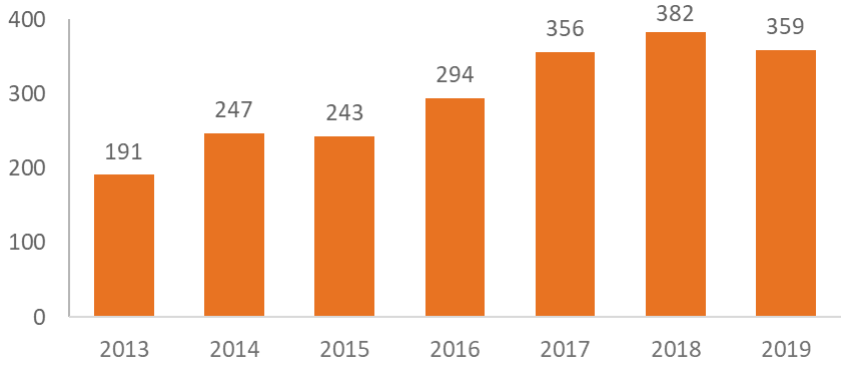
Methane reductions

Metric tons/year



**Value represents a projection based on current efforts.*

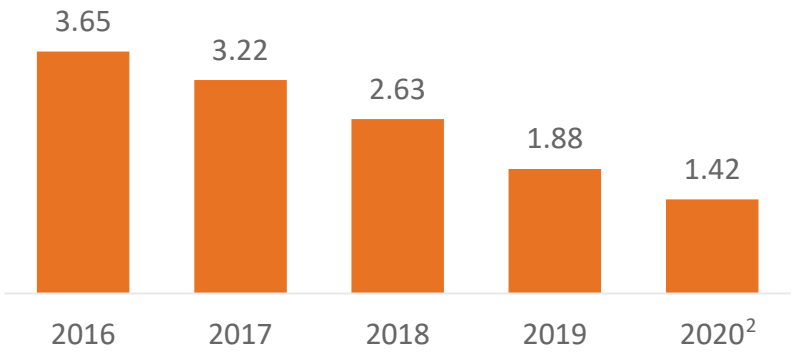
Miles of pipeline replaced



Delivering strong operating performance

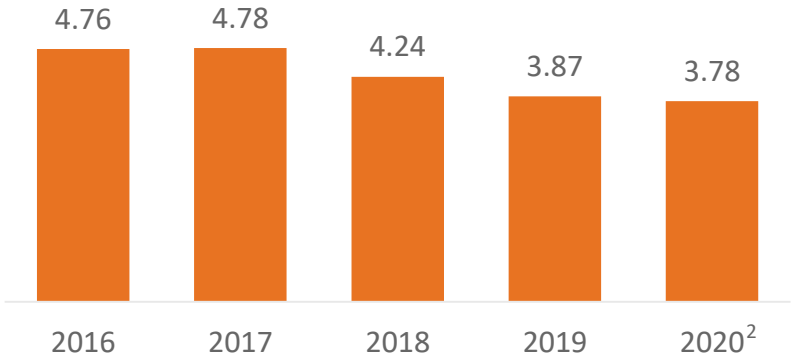
Reducing employee injuries

OSHA DART[1] rate



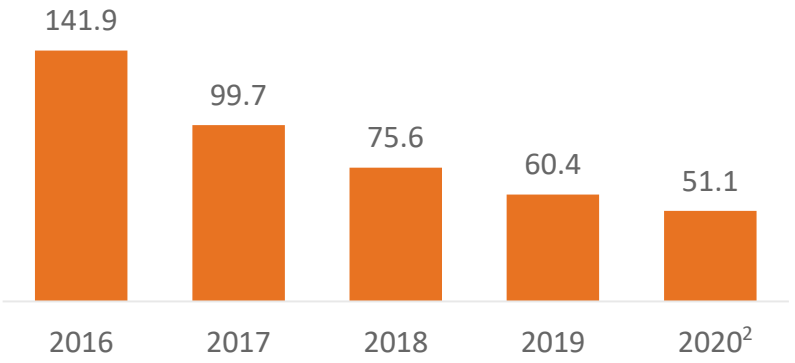
Improving pipeline safety

Damages per 1,000 locates



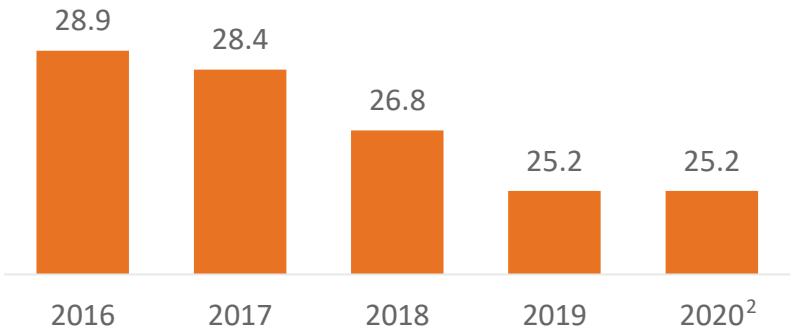
Strengthening system integrity

Leaks per 1,000 system miles



Enhancing service and safety

Average leak response time (minutes)



[1]*Days away, restricted or transferred.*
[2]*Fiscal YTD through June 30, 2020.*

Enhancing stakeholder value

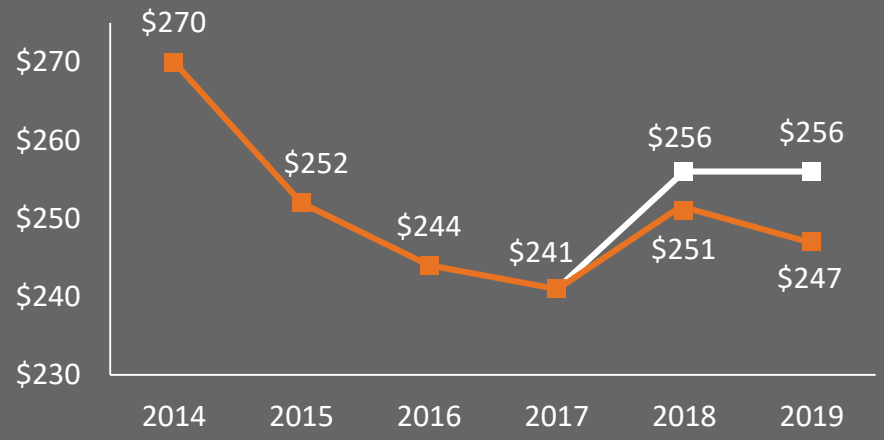
Growing organically

- Strong focus on new business
- Greater engagement on economic development
- Driving margin via customer growth and supportive regulatory outcomes

Advancing through innovation

- Building on legacy of continually improving service, efficiency and cost
- Formalizing approach to innovation with structure and processes
- Leveraging technology
- Controlling costs across our utilities

O&M expenses per customer[1]



[1]Operation and maintenance (O&M) expenses and customers for Spire Missouri, Spire Alabama and Spire Gulf for all years. Expenses in orange for 2018 and 2019 exclude Missouri rate case items and the mix of service and non-service postretirement benefit costs transferred below the operating income line.

Advancing Missouri regulatory and legislative initiatives

- ISRS legislation enacted into law
  - Clarifies infrastructure investments that qualify for ISRS recovery
  - Sets MoPSC decision timeframe to 180 days
- Settlement of pre-2019 cases
  - ISRS rates going forward remain unchanged
  - Results in $15M one-time customer bill credit in August
    - Refund applied against FY19 provision totally $12.2M
    - Remaining $2.8M applied to FY20 ($0.04 NEE per share impact)
- Continuing to pursue resolution of 2019 cases under appeal (MO Western Distr.)
  - Jan 2019 case: appeals settled Sept. 1, no change to $12.4M annual ISRS collection
  - July 2019 case: oral arguments scheduled for October
- Agreed to annual increase of $11.1M in our Feb. 2020 filing, effective May 25
- Annualized ISRS run-rate at June 30 of $40.3M
- Filed new ISRS request for $8.7M on August 4

Supporting our employees, customers and communities

Amid coronavirus and social unrest, we've remained focused on safely and reliably serving our customers while supporting our employees and communities.



Employees

- Created mobile intranet channel for coronavirus news and updates
- Implemented work-from-home
- Coronavirus-specific emergency leave for Spire field employees
- Educational calls for leaders on operations, safety and keeping teams connected
- Employees covered each other's shifts
- Gathered leaders for discussion on importance of creating an inclusive environment



Customers

- Temporarily suspended late fees and disconnections
- Expanded customer assistance through LIHEAP and other programs, including DollarHelp
- Spire donated $500k as a matching gift for the DollarHelp program
- Working with customers on payment arrangements



Community

- Donated $250k to local area food pantries and meal programs in our communities
- Employees volunteering to help communities through "Day for Good" program

Coronavirus – financial impacts and mitigation

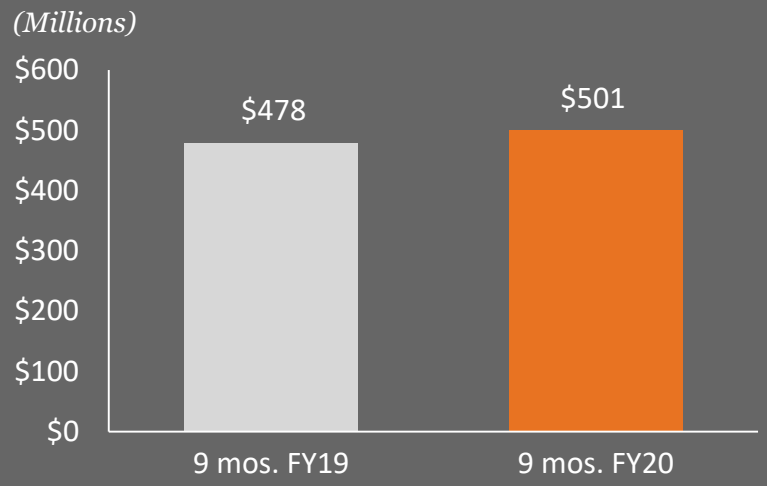
	FY20 impacts		
(Millions, except EPS)	Q3	YTD	FY '20
Lost fees	($1.8)	($2.3)	($2.3)
Lower margins	(0.7)	(1.2)	(0.3)
Higher bad debt expense	(3.8)	(3.8)	(4.6)
Other direct costs	0.4	(0.3)	1.0
	($5.9)	($7.6)	($6.2)
EPS impact			($0.09)

- Margins reflect lost fees, lower C&I demand, partially offset by higher residential
- Bad debt expense reflects estimate of exposure based on aging schedule at Q3 end
- COVID-19 related costs incurred were offset by lower operating expenses
- Missouri: unanimous agreement reached on AAO for cost deferral; awaiting MoPSC approval
  - Includes lost fees, bad debt and higher COVID-19 related costs (offset by savings)
  - Does not include recovery of lower margins
- Alabama: recovery through existing RSE mechanism

Maintaining strong financial position

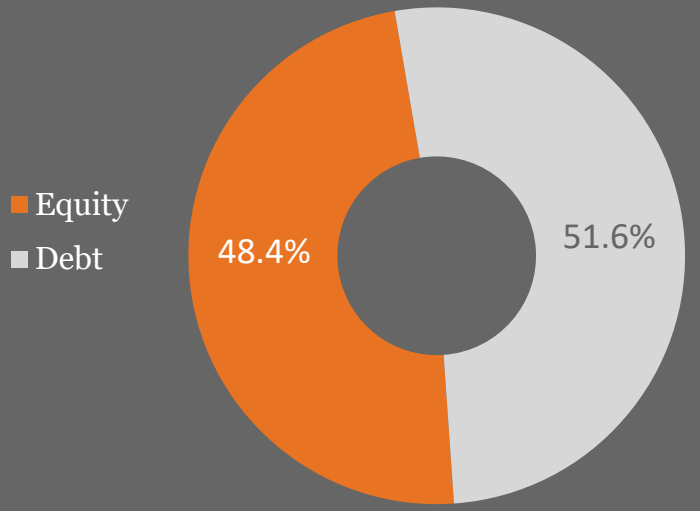
- Maintain significant liquidity in revolver and CP program, with ~$650M available at June 30
- Robust YTD EBITDA
- FY20 YTD raised $24.8M in gross proceeds under ATM program
- Balanced long-term capitalization (48.4% equity at June 30)

Adjusted EBITDA[1]



Adjusted long-term capitalization[2]

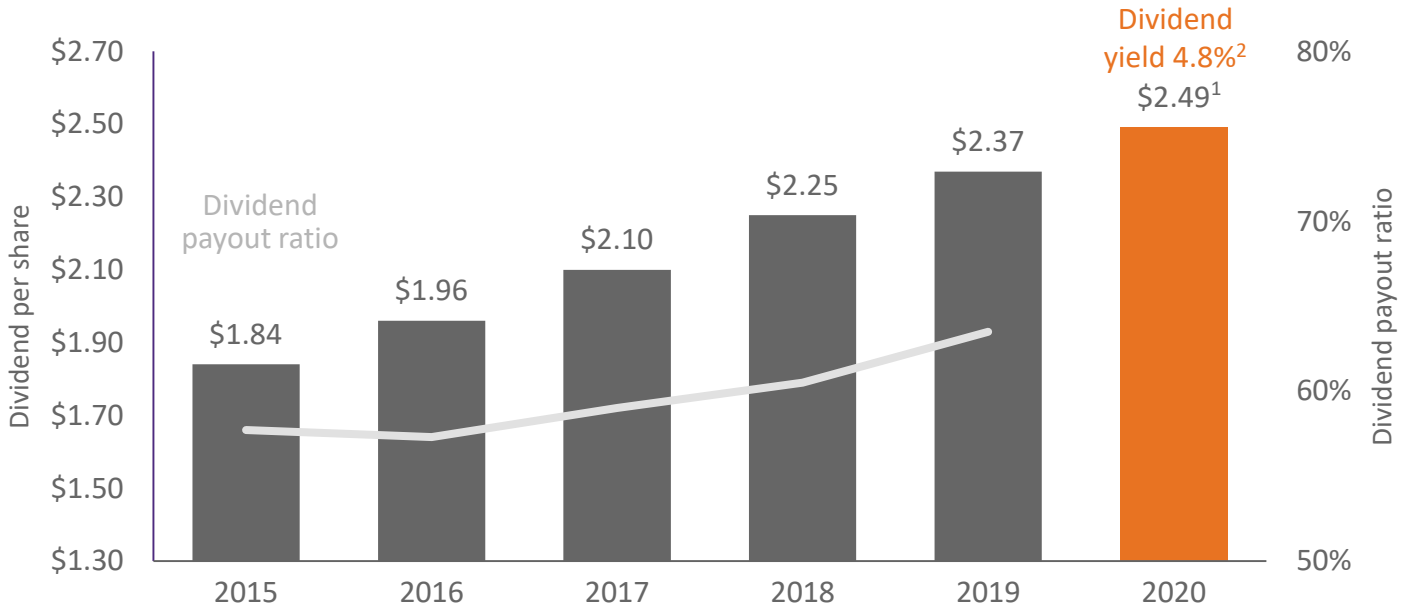
(at June 30, 2020)



[1]*Adjusted EBITDA is earnings before impairments, interest, income taxes, depreciation and amortization. See reconciliation to GAAP later in the Appendix.*
[2]*See Adjusted long-term capitalization reconciliation to GAAP later in the Appendix.*

Growing the dividend

Annualized common stock dividend per share



- Annualized common stock dividend increased 5.1% to $2.49 per share for 2020
  - Supported by our long-term earnings growth targets and conservative payout ratio (target range of 55%-65%)
  - 17 consecutive years of increases; 75 years of continuous payment
- Quarterly preferred stock dividend of $0.36875 declared, payable November 16, 2020

[1]Quarterly dividend of $0.6225 per share effective January 2, 2020, annualized.
[2]Based on annual dividend of $2.49 per share and SR stock price of $52.31 on September 22, 2020.

The case for natural gas

Abundant and domestic

110+ years

The U.S. has 3,374 Tcf of future natural gas supply, more than 110 years worth

The U.S. natural gas transmission and distribution system (2.6M miles of underground pipeline) is the safest and most reliable way to deliver energy

Direct use of natural gas is a more efficient energy: 91% vs 36% for generation from converting natural gas or other fossil fuels to electricity

Safe and reliable

Efficient and economical

$879

Families using natural gas for heating, cooking and drying clothes, rather than electricity, save $879 per year



Forced electrification could increase average U.S. household energy costs by $750-$910 per year



The cost of electrification to the U.S. economy through 2035 is $590B - $1.2T

Better for the environment

4%

Residential natural gas accounts for only 4% of total U.S. GHG emissions

53% REDUCTION

Switching from coal to natural gas for electric generation reduces GHG emissions by 53% on average



Increased use of natural gas is the main driver of the power sector's CO_2 emissions reaching a 25-year low

Our commitment to Corporate Social Responsibility (CSR)



Environment

- Ongoing investment in pipeline upgrades and system integrity
- Achieving 39% reduction in methane emissions since 2005 and targeting 53% reduction by 2025
- Committing to being a carbon-neutral company by midcentury
- Driving energy efficiency programs
- Managing resources responsibly (water usage, waste streams)



Communities

- Supporting our communities through financial contributions and volunteering
- Focusing on health and human services, community development, education, environment and disaster relief
- Growing our economies through economic development
- Building tomorrow's workforce via education and training



People

- Inspiring future leaders via training, career development and educational opportunities
- Driving improved employee health and well-being through training and enhanced safety protocols
- Increasing employee engagement and driving a strong, supportive and inclusive corporate culture



Leadership

- Experienced management with deep bench
- Robust governance and risk oversight culture
- Strong, independent and diverse Board with significant relevant experience and backgrounds
  - Average tenure 10 years
  - 8 of 9 members are independent including Chairman
  - Significant racial/ethnic and gender diversity

Read our 2019 CSR Report at CSRReport.SpireEnergy.com

For more than 160 years, there has been one constant—we serve people.

As we continue to focus on the future, we're committed to growing, innovating and doing all we can to advance people, performance and possibilities.



Supplemental Material

- Spire leadership
- Our business and operating footprint
- Additional gas utility information
- Our gas-related businesses
- Financial performance
- Other financial information

Spire executive leadership team



Suzanne Sitherwood
President and Chief Executive Officer



Steve Lindsey
Executive Vice President, Chief Operating Officer



Steve Rasche
Executive Vice President, Chief Financial Officer



Mark Darrell
Senior Vice President, Chief Legal and Compliance Officer



Mike Geiselhart
Senior Vice President, Chief Strategy and Corporate Development Officer

Spire business unit presidents



Scott Carter

President, Spire Missouri



Joe Hampton

President, Spire Alabama and Mississippi



Scott Smith

President, Spire STL Pipeline and Spire Storage



Pat Strange

President, Spire Marketing

Additional gas utility information

Our Spire utility portfolio

	Alabama	Gulf	Mississippi	Missouri
Primary office	Birmingham	Mobile	Hattiesburg	St. Louis
Employees[1]	941	119	35	2,389
Customers[1]	420,600	83,900	18,500	1,169,900
Pipeline miles	~23,000	~4,300	~1,200	~30,000
Rate base *(Millions)*	$509[2]	$92[2]	$29[3]	$2,217[4]
Return on equity	10.40%[5]	10.70%	9.73%	9.80%
Equity capitalization	55.5%[5]	55.5%	50.0%	54.2%

[1]Employees and customers as of 9/30/19.
[2]The Rate Stabilization and Equalization (RSE) mechanism uses average common equity for year ended 9/30/19, rather than rate base, for ratemaking purposes.
[3]Mississippi net assets less deferred taxes for Rate Stabilization Adjustment (RSA) purposes as of 8/30/19 filing.
[4]Estimated FY18 year-end rate base at Spire Missouri reflecting growth since amended MoPSC order dated 3/7/18, establishing rate base in MO East of $1,221 million and MO West of $807 million. Growth in rate base subject to prudence review.
[5]Terms of renewed RSE, effective 10/1/18 through 9/30/22. For 2020, Spire Alabama qualified for a 10 bp increase in its allowed ROE to 10.5%, based on exceeding the threshold number of miles of pipeline replaced in 2019 under the Accelerated Infrastructure Modernization (AIM) mechanism.

Missouri regulatory summary



- Average-rated regulatory jurisdiction by RRA[1]
- Traditional approach: general rate case typically filed every three years
  - Cost-of-service, rate base and capital structure determined using historical test year
  - Both utilities have weather mitigated rate designs and mechanisms to address purchased gas costs, pensions and energy efficiency investments
- Next rate case must be filed by October 2021; can be sooner if we choose
- Infrastructure System Replacement Surcharge (ISRS)
  - Enables recovery of (and on) infrastructure investment with minimal regulatory lag
  - In effect since 2003
- Missouri Public Service Commission – five members appointed by Governor (also appoints the Chairman)
  - William P. Kenney (R) – Jan. 2019
  - Scott T. Rupp (R) – Apr. 2020
  - Maida J. Coleman (D) – Aug. 2021
  - Ryan A. Silvey (R), Chair – Jan. 2024
  - Jason R. Holsman (D) – Jan. 2025

[1]*RRA is Regulatory Research Associates.*

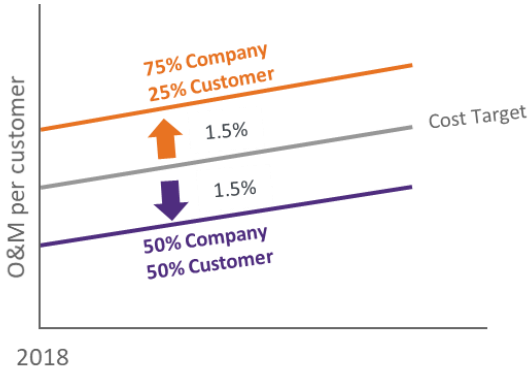
ISRS filings

(Millions)	Authorized	Expected FY20 collection	Notes
June 2018 *effective 10/8/18*	$8.0	$8.0	Collection continues despite refund of amount collected in FY19
January 2019 *effective 5/25/19*	12.4	12.4	Missouri Court of Appeals denied all appeals on Sept. 1; no change to $12.4M annual ISRS collection
July 2019 *effective 11/16/19*	8.8	7.3	Under appeal at Missouri Court of Appeals; final briefs filed in July, oral arguments scheduled for October
February 2020 *effective 5/25/20*	11.1	3.7	MoPSC approved stipulation
Total	**$40.3**	**$31.4**	

Alabama regulatory summary

- Top-rated regulatory jurisdiction by RRA
- Rate Stabilization and Equalization (RSE) annual rate-setting process
  - RSE parameters evaluated every four years (last set in 2018)
  - Uses forward-year budget and quarterly reviews
  - Rates set based on retained shareholders' equity
    - Spire Alabama: 10.40% allowed ROE and 55.5% equity ratio
    - Spire Gulf: 10.7% allowed ROE and 55.5% equity ratio
  - Includes current recovery on planned capital spend
- Cost Control Measurement (CCM)
  - Incentive to manage O&M costs relative to target benchmark
  - Sharing with customers outside of band
- Good recovery mechanisms
  - Gas costs, weather normalization and certain other non-recurring costs
  - Opportunity for enhanced return for pipeline replacement (Spire Alabama's AIM) and certain infrastructure investments (Spire Gulf's CIMFR)
  - Spire Alabama Off-System Sales and Capacity Release – 75%/25% value sharing with customers
- Alabama Public Service Commission – commissioners elected to 4-year term
  - Twinkle Andress Cavanaugh, President (R) – 2020
  - Jeremy H. Oden (R) – 2022
  - Chris "Chip" Beeker (R) – 2022

Spire Alabama



Mississippi regulatory summary



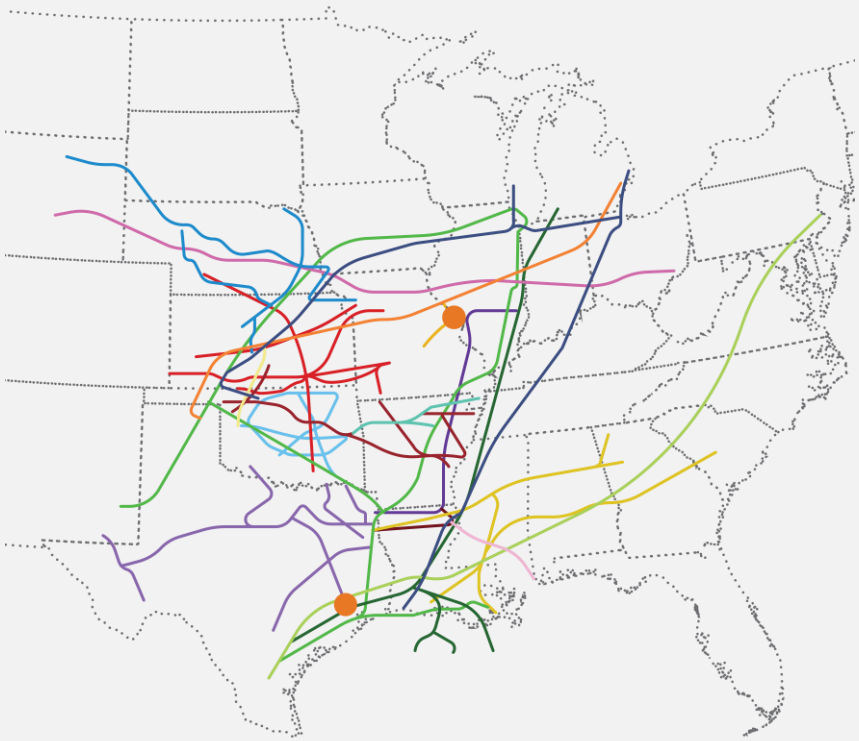
- Average-rated regulatory jurisdiction by RRA
- Rate Stabilization Adjustment (RSA)
  - RSA provides for annual rate performance reviews rather than periodic rate cases
    - Formulaic approach to ROE setting with equity capitalization currently set at 50%
    - Rate adjustment when ROE is outside a 1% band of allowed ROE (currently 10.36%)
      - 50% of the amount over the allowed return going to a rate reduction, or
      - 75% of the deficiency toward a rate increase
  - Fixed rate structure and weather normalization mechanism effective with 2018-19 heating season
- Supplemental Growth (SG) Rider
  - Program through Oct. 2021 for up to $5M in investment
  - Qualified industrial development projects earn a 10-year supplemental return at 12.0% ROE
- Mississippi Public Service Commission – commissioners elected to 4-year term
  - Dane Maxwell, Chair (R) – 2023 (Southern District)
  - Brandon Presley (D) – 2023 (Northern District)
  - Brent Bailey (R) – 2023 (Central District)

Our gas-related businesses

Growing Spire Marketing

- Provides gas marketing services in the central and southern U.S.
- Mostly wholesale services to munis, producers, power generators, storage operators, pipelines and utilities
- We're a logistics-based business providing physical delivery of gas
  - Optimizing our portfolio of commodity, transportation and storage contracts
  - Operating with a strong team in Houston
  - Expanding geographically and increasing customer base and volumes
- Delivering solid performance
  - YTD FY20 NEE of $11.3M
  - Reflects additional storage costs that are expected to drive value next winter

Spire Marketing's operational reach



Spire STL Pipeline completed and placed into service

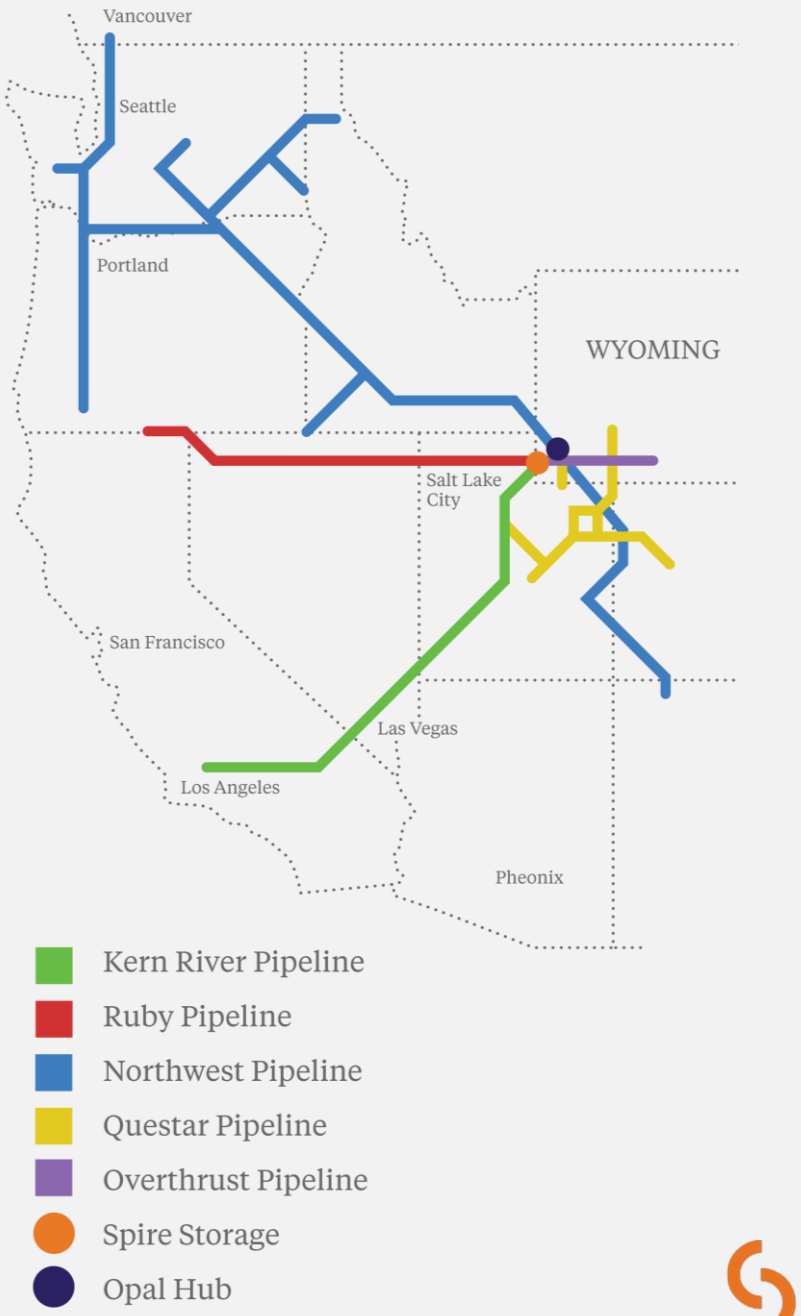
- Began commercial operation in mid-November 2019
- The 65-mile pipeline is providing a new gas supply to the St. Louis region
  - Enhances diversity, reliability and resiliency
  - Capacity of 400 MMcf/day with Spire Missouri contracted for 350 MMcf/day
  - Actively seeking to contract remaining capacity of 50 MMcf/day
- Total project cost ~$265M



Developing Spire Storage

- We're committed to serving customers through ongoing development and operation of the facility
- Revised development plan (July 8)
  - Reflects longer time horizon to optimize and position facility to serve evolving markets in western U.S.
  - Seeking commercial validation through FERC 7(c) filing by early FY21
    - Outline future development path
    - Prove-out need for storage service offerings
  - Expect $20M capex over next two years
- Revised development plan resulted in $140.8M asset write-down in Q3
- YTD FY20 EBITDA loss of $3.7M; expect positive EBITDA by year end

[1]*Through June 2020 .*





Financial results for YTD and Q3 FY20 ending June 30

Year-to-date earnings

Nine months ended June 30,	Millions 2020	Millions 2019	Per diluted common share 2020	Per diluted common share 2019
Gas Utility	$ 221.8	$ 220.7		
Gas Marketing	11.3	17.8		
Other	(10.0)	(19.7)		
Net Economic Earnings (NEE)[1]	$ 223.1	$ 218.8	$ 4.14	$ 4.27
Impairments	(148.6)	–	(2.90)	–
All other adjustments[2]	33.8	0.1	0.66	–
Net Income [GAAP]	$ 108.3	$ 218.9	$ 1.90	$ 4.27
Average shares outstanding	51.2	50.8		

- Net economic earnings up $4.3M
  - Gas Utility up over last year as higher margins and lower operating expense were partially offset by higher depreciation and net COVID-19 impacts
  - Gas Marketing decrease due to higher volumes more than offset by less favorable market conditions and higher costs associated with incremental storage positions and transportation capacity
  - Improved Other reflects earnings from Spire STL Pipeline that went into service in calendar 2019 and better Spire Storage results
- EPS reflects impact of preferred and common stock issued in last 12 months

[1]See Net economic earnings reconciliation to GAAP later in Supplemental Materials.
[2]All other adjustments include recurring NEE adjustments for fair value, acquisition, and income tax effect.

Year-to-date FY20 financial summary

(Millions, except earnings per share)	Nine months ended June 30, 2020	2019
Earnings by Segment		
Gas Utility	$ 221.8	$ 220.7
Gas Marketing	11.3	17.8
Other	(10.0)	(19.7)
Net Economic Earnings (non-GAAP)[1]	$ 223.1	$ 218.8
Net Economic Earnings Per Share (non-GAAP)[1]	$ 4.14	$ 4.27
Other Key Metrics		
Adjusted EBITDA[2]	$ 500.9	$ 478.1
Capital Expenditures	475.7	608.5
Long-Term Debt (incl. current portion)	2,484	2,207
Total Debt	2,961	2,641
% Equity to Adjusted LT Capitalization[3]	48.4%	53.1%
Average Shares Outstanding - Diluted	51.2	50.8

[1] *See Net economic earnings reconciliation to GAAP later in Supplemental Materials.*
[2] *See Adjusted EBITDA reconciliation to GAAP later in Supplemental Materials.*
[3] *See Adjusted long-term capitalization reconciliation to GAAP later in Supplemental Materials.*

Business unit performance

Millions		
Three months ended June 30,	**2020**	2019
Gas Utility	**$ 8.4**	$ 7.6
Gas Marketing	**0.1**	3.3
Other	**(1.2)**	(5.9)
Net Economic Earnings (NEE)[1]	**$ 7.3**	$ 5.0

- Gas Utility: +$0.8M
  - Margins reflect COVID impacts in lower demand and fees ($2.5M), and the net impact of the ISRS settlement ($2.8M)
  - More than offset by lower operations and maintenance expenses, including higher bad debt expense
- Gas Marketing: -$3.2M
  - Less favorable current market conditions
  - Higher costs of incremental storage (capacity nearly double last year) as we position to take advantage of the wide summer/winter seasonal spreads
- Improved performance at STL Pipeline and Spire Storage

[1]*See Net economic earnings reconciliation to GAAP later in Supplemental Materials.*

Q3 contribution margin

	Millions		Change	
Three months ended June 30,	2020	2019	$	%
Operating Revenues				
Gas Utility	$ 306.0	$ 301.6	$ 4.4	*1%*
Gas Marketing	11.6	18.3	(6.7)	*-37%*
Other and eliminations	3.5	1.4	2.1	
	$ 321.1	$ 321.3	$ (0.2)	*0%*
Contribution Margin[1]				
Gas Utility	$ 198.2	$ 195.3	$ 2.9	*1%*
Gas Marketing	20.7	(3.7)	24.4	*-659%*
Other and eliminations	12.1	1.9	10.2	
	$ 231.0	$ 193.5	$ 37.5	*19%*

- Gas Utility
  - Operating revenues up due to higher volumes and ISRS
  - Higher year-over-year contribution margin due to:
    - Higher Missouri ISRS, volumes, and customer growth offset by lower late payment charges
    - Partially offset by lower Alabama margins
- Gas Marketing
  - Revenue decrease reflects lower commodity prices
  - Margin (excluding the change in fair value adjustments of $28.6M) was down $4.2M from the prior year, as higher volumes were offset by higher costs for incremental storage, transportation capacity, and unfavorable market conditions

[1]*Contribution margin is operating revenues less gas costs and gross receipts taxes. See Contribution margin reconciliation to GAAP later in Supplemental Materials.*

Key Q3 variances

(Millions)	Three months ended June 30, As reported 2020	2019	Variance	Pension adjustment	Variance
O&M					
Gas Utility	$ 115.5	$ 113.4	$ 2.1	$ (9.5)	$ (7.4)
Spire Marketing	2.2	3.2	(1.0)		(1.0)
All Other	7.2	5.8	1.4		1.4
Total	$ 124.9	$ 122.4	$ 2.5		$ (7.0)
Other Income	$ 13.0	$ 6.4	$ 6.6	$ 9.5	$ (2.9)

- Q3 pension plan re-measurement benefit was recorded in Other Income (Expense), net; the regulatory deferral lands in O&M
- Run-rate O&M (removing this adjustment) reflects
  - Lower utility operations and employee-related costs, partially offset by net higher COVID-19 related costs including bad debt expense
  - Lower Spire Marketing and Spire Storage operating expenses
  - Higher operating expenses from the Spire STL Pipeline
- Other Income was down $2.9M on a run rate basis, reflecting STL Pipeline AFUDC in 2019 (now included in operating expenses)

Q3 operating expenses

(Millions)	Three months ended June 30, 2020 As reported	2020 Pension reclass [1]	2020 Pro forma run rate	2019 As reported
Operating Expenses				
Gas Utility				
Natural & propane gas	**$ 70.7**	$ —	**$ 70.7**	$ 75.5
Operation and maintenance (O&M)	**112.5**	(9.5)	**103.0**	111.2
Depreciation and amortization	**47.8**	—	**47.8**	45.1
Taxes, other than income taxes	**31.7**	—	**31.7**	29.7
Gas Marketing	**4.7**	—	**4.7**	37.2
Other	**11.6**	—	**11.6**	9.3
Other Income (Expense), Net	**13.0**	9.5	**3.5**	6.4
Interest Expense	**26.4**	—	**26.4**	25.6

- Lower gas costs reflect lower commodity costs
- Increased depreciation and amortization due to higher investment levels over the last year
- Gas Marketing, net of intercompany adjustments, down $32.5M reflecting lower commodity costs and a larger benefit from fair value adjustments, partially offset by higher costs of incremental storage
- Other includes an increase for STL Pipeline operating expenses and higher corporate costs

[1] *Represents quarter-over-quarter change in pension expense reclass.*



Other financial information

Net economic earnings reconciliation to GAAP

(Millions, except per share amounts)	Gas Utility	Gas Marketing	Other	Total	Per diluted common share[2]
Three months ended June 30, 2020					
Net Income (Loss) [GAAP]	**$ 12.6**	**$ 13.6**	**$ (118.5)**	**$ (92.3)**	**$ (1.87)**
Adjustments, pre-tax:					
Impairments	—	—	148.6	148.6	2.89
Provision for ISRS rulings	(4.8)	—	—	(4.8)	(0.09)
Unrealized gain on energy-related derivatives	(0.6)	(17.9)	—	(18.5)	(0.36)
Income tax effect of adjustments[1]	1.2	4.4	(31.3)	(25.7)	(0.50)
Net Economic Earnings (Loss) [Non-GAAP]	**$ 8.4**	**$ 0.1**	**$ (1.2)**	**$ 7.3**	**$ 0.07**
Three months ended June 30, 2019					
Net Income (Loss) [GAAP]	**$ 7.6**	**$ (4.7)**	**$ (5.9)**	**$ (3.0)**	**$ (0.09)**
Adjustments, pre-tax:					
Unrealized loss on energy-related derivatives	—	8.0	—	8.0	0.16
Lower of cost or market inventory adjustments	—	2.7	—	2.7	0.05
Income tax effect of adjustments[1]	—	(2.7)	—	(2.7)	(0.05)
Net Economic Earnings (Loss) [Non-GAAP]	**$ 7.6**	**$ 3.3**	**$ (5.9)**	**$ 5.0**	**$ 0.07**

[1]Income taxes are calculated by applying federal, state, and local income tax rates applicable to ordinary income to the amounts of the pre-tax reconciling items and then adding any estimated effects of enacted state or local income tax laws for periods before related effective date.

[2]Net economic earnings per share is calculated by replacing consolidated net income with consolidated net economic earnings in the GAAP diluted EPS calculation, which includes reductions for cumulative preferred dividends and participating shares.

Net economic earnings reconciliation to GAAP

(Millions, except per share amounts)	Gas Utility	Gas Marketing	Other	Total	Per diluted common share[2]
Nine months ended June 30, 2020					
Net Income (Loss) [GAAP]	**$ 222.0**	**$ 13.6**	**$ (127.3)**	**$ 108.3**	**$ 1.90**
Adjustments, pre-tax:					
Impairments	—	—	148.6	148.6	2.90
Unrealized gain on energy-related derivatives	(0.2)	(3.0)	—	(3.2)	(0.06)
Income tax effect of adjustments[1]	—	0.7	(31.3)	(30.6)	(0.60)
Net Economic Earnings (Loss) [Non-GAAP]	**$ 221.8**	**$ 11.3**	**$ (10.0)**	**$ 223.1**	**$ 4.14**
Nine months ended June 30, 2019					
Net Income (Loss) [GAAP]	**$ 220.7**	**$ 18.2**	**$ (20.0)**	**$ 218.9**	**$ 4.27**
Adjustments, pre-tax:					
Unrealized gain on energy-related derivatives	—	(3.3)	—	(3.3)	(0.06)
Lower of cost or market inventory adjustments	—	2.7	—	2.7	0.05
Acquisition, divestiture and restructuring activities	—	—	0.4	0.4	0.01
Income tax effect of adjustments[1]	—	0.2	(0.1)	0.1	—
Net Economic Earnings (Loss) [Non-GAAP]	**$ 220.7**	**$ 17.8**	**$ (19.7)**	**$ 218.8**	**$ 4.27**

[1]Income tax effect is calculated by applying federal, state, and local income tax rates applicable to ordinary income to the amounts of the pre-tax reconciling items and then adding any estimated effects of enacted state or local income tax laws for periods before the related effective date.

[2]Net economic earnings per share is calculated by replacing consolidated net income with consolidated net economic earnings in the GAAP diluted EPS calculation, which includes reductions for cumulative preferred dividends and participating shares.

Contribution margin reconciliation to GAAP

(Millions)	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Three months ended June 30, 2020					
Operating income (Loss) [GAAP]	**$ 20.4**	**$ 18.2**	**$ (145.1)**	**$ —**	**$ (106.5)**
Operation and maintenance	115.5	2.2	10.5	(3.3)	124.9
Depreciation and amortization	47.8	0.2	2.1	—	50.1
Taxes, other than income taxes	31.7	0.2	(0.8)	—	31.1
Impairments	—	—	148.6	—	148.6
Less: Gross receipts tax expense	(17.2)	(0.1)	0.1	—	(17.2)
Contribution margin [Non-GAAP]	**198.2**	**20.7**	**15.4**	**(3.3)**	**231.0**
Natural and propane gas costs	90.6	(9.2)	0.1	(8.6)	72.9
Gross receipts tax expense	17.2	0.1	(0.1)	—	17.2
Operating revenues	**$ 306.0**	**$ 11.6**	**$ 15.4**	**$ (11.9)**	**$ 321.1**
Three months ended June 30, 2019					
Operating income (Loss) [GAAP]	**$ 25.3**	**$ (7.0)**	**$ (5.0)**	**$ —**	**$ 13.3**
Operation and maintenance	113.4	3.2	8.4	(2.6)	122.4
Depreciation and amortization	45.1	—	0.7	—	45.8
Taxes, other than income taxes	29.7	0.1	0.4	—	30.2
Less: Gross receipts tax expense	(18.2)	—	—	—	(18.2)
Contribution margin [Non-GAAP]	**195.3**	**(3.7)**	**4.5**	**(2.6)**	**193.5**
Natural and propane gas costs	88.1	22.0	0.1	(0.6)	109.6
Gross receipts tax expense	18.2	—	—	—	18.2
Operating revenues	**$ 301.6**	**$ 18.3**	**$ 4.6**	**$ (3.2)**	**$ 321.3**

Contribution margin reconciliation to GAAP

(Millions)	Gas Utility	Gas Marketing	Other	Eliminations	Consolidated
Nine months ended June 30, 2020					
Operating income (Loss) [GAAP]	**$ 329.6**	**$ 18.2**	**$ (141.5)**	**$ —**	**$ 206.3**
Operation and maintenance	319.9	8.9	28.0	(9.6)	347.2
Depreciation and amortization	141.2	0.3	5.3	—	146.8
Taxes, other than income taxes	121.3	0.9	0.5	—	122.7
Impairments	—	—	148.6	—	148.6
Less: Gross receipts tax expense	(79.4)	(0.3)	—	—	(79.7)
Contribution margin [non-GAAP]	**832.6**	**28.0**	**40.9**	**(9.6)**	**891.9**
Natural and propane gas costs	603.7	48.9	0.3	(21.0)	631.9
Gross receipts tax expense	79.4	0.3	—	—	79.7
Operating revenues	**$ 1,515.7**	**$ 77.2**	**$ 41.2**	**$ (30.6)**	**$ 1,603.5**
Nine months ended June 30, 2019					
Operating income (Loss) [GAAP]	**$ 317.2**	**$ 22.3**	**$ (11.6)**	**$ —**	**$ 327.9**
Operation and maintenance	330.3	8.5	22.3	(8.2)	352.9
Depreciation and amortization	133.2	—	1.7	—	134.9
Taxes, other than income taxes	126.3	0.6	1.2	—	128.1
Less: Gross receipts tax expense	(87.5)	(0.1)	—	—	(87.6)
Contribution margin [non-GAAP]	**819.5**	**31.3**	**13.6**	**(8.2)**	**856.2**
Natural and propane gas costs	746.6	38.2	0.7	(2.5)	783.0
Gross receipts tax expense	87.5	0.1	—	—	87.6
Operating revenues	**$ 1,653.6**	**$ 69.6**	**$ 14.3**	**$ (10.7)**	**$ 1,726.8**

Spire Inc. adjusted EBITDA[1] reconciliation to GAAP

	Nine months ended June 30,	
(Millions)	**2020**	2019
Net Income [GAAP]	**$ 108.3**	$ 218.9
Add back:		
Impairments	**148.6**	—
Interest charges	**80.3**	79.1
Income tax expense	**16.9**	45.2
Depreciation and amortization	**146.8**	134.9
Adjusted EBITDA [Non-GAAP]	**$ 500.9**	$ 478.1

Spire Storage adjusted EBITDA[1] reconciliation to GAAP

	Three months ended June 30,		Nine months ended June 30,	
(Millions)	**2020**	2019	**2020**	2019
Net Loss [GAAP]	**$ (113.0)**	$ (5.1)	**$ (118.2)**	$ (12.9)
Add back:				
Impairments	**140.8**	—	**140.8**	—
Interest charges	**0.7**	1.5	**3.4**	3.4
Income tax benefit	**(30.0)**	(1.3)	**(31.4)**	(3.4)
Depreciation and amortization	**0.6**	0.5	**1.7**	1.2
Adjusted EBITDA [Non-GAAP]	**$ (0.9)**	$ (4.4)	**$ (3.7)**	$ (11.7)

[1]*Adjusted EBITDA is earnings before impairments, interest, income taxes, depreciation and amortization.*

Adjusted long-term capitalization reconciliation to GAAP

(Millions)	As of June 30, 2020 Equity[1]	Debt	Total	As of September 30, 2019 Equity[1]	Debt	Total
Capitalization	$ 2,562.2	$ 2,478.3	$ 5,040.5	$ 2,546.4	$ 2,082.6	$ 4,629.0
Current portion of long-term debt	—	5.4	5.4	—	40.0	40.0
Long-term Capitalization [GAAP]	$ 2,562.2	$ 2,483.7	$ 5,045.9	$ 2,546.4	$ 2,122.6	$ 4,669.0
Reclassify 50% of preferred stock	(121.0)	121.0	—	(121.0)	121.0	—
Adjusted Long-term Capitalization [Non-GAAP]	$ 2,441.2	$ 2,604.7	$ 5,045.9	$ 2,425.4	$ 2,243.6	$ 4,669.0
% of adjusted long-term capitalization	***48.4%***	***51.6%***	***100.0%***	*51.9%*	*48.1%*	***100.0%***

[1]*Includes temporary equity of $4.1M and $3.4M as of June 30, 2020 and September 30, 2019, respectively.*