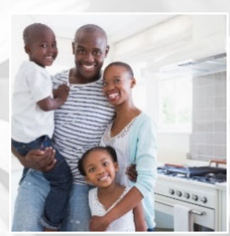
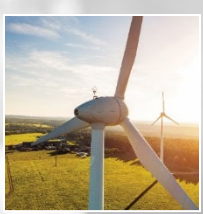



Segment and Financial Information
First Quarter 2022

Supplement to NiSource First Quarter 2022
Earnings Presentation






NiSource Inc.

Condensed Statements of Consolidated Income (unaudited) (GAAP)

(in millions, except per share amounts)	Three Months Ended March 31, 2022	2021
Operating Revenues		
Customer revenues	**$ 1,840.3**	$ 1,506.5
Other revenues	**33.0**	39.1
Total Operating Revenues	**1,873.3**	1,545.6
Operating Expenses		
Cost of energy	**706.7**	476.8
Operation and maintenance	**394.3**	361.5
Depreciation and amortization	**192.7**	185.0
Loss (gain) on sale of assets, net	**(105.0)**	8.1
Other taxes	**84.3**	81.0
Total Operating Expenses	**1,273.0**	1,112.4
Operating Income	**600.3**	433.2
Other Income (Deductions)		
Interest expense, net	**(83.7)**	(84.6)
Other, net	**10.9**	10.5
Total Other Deductions, Net	**(72.8)**	(74.1)
Income before Income Taxes	**527.5**	359.1
Income Taxes	**96.2**	62.6
Net Income	**431.3**	296.5
Net income attributable to noncontrolling interest	**4.5**	1.0
Net Income Attributable to NiSource	**426.8**	295.5
Preferred dividends	**(13.8)**	(13.8)
Net Income Available to Common Shareholders	**413.0**	281.7
Earnings Per Share		
Basic Earnings Per Share	**$ 1.02**	$ 0.72
Diluted Earnings Per Share	**$ 0.94**	$ 0.72
Basic Average Common Shares Outstanding	**406.0**	392.7
Diluted Average Common Shares	**441.4**	393.9

NiSource Inc.

Condensed Consolidated Balance Sheets (unaudited) (GAAP)

(in millions)		**March 31, 2022**		December 31, 2021
ASSETS				
Property, Plant and Equipment				
Plant	**$**	**25,538.3**	$	25,171.3
Accumulated depreciation and amortization		**(7,417.6)**		(7,289.5)
Net Property, Plant and Equipment[1]		**18,120.7**		17,881.8
Investments and Other Assets				
Unconsolidated affiliates		**0.8**		0.8
Available-for-sale debt securities (amortized cost of $161.7 and $169.3, allowance for credit losses of $0.6 and $0.2, respectively)		**156.7**		171.8
Other investments		**82.4**		87.1
Total Investments and Other Assets		**239.9**		259.7
Current Assets				
Cash and cash equivalents		**114.5**		84.2
Restricted cash		**15.9**		10.7
Accounts receivable		**989.6**		849.1
Allowance for credit losses		**(28.5)**		(23.5)
Accounts receivable, net		**961.1**		825.6
Gas inventory		**74.8**		327.4
Materials and supplies, at average cost		**146.9**		139.1
Electric production fuel, at average cost		**41.5**		32.2
Exchange gas receivable		**98.6**		99.6
Regulatory assets		**154.7**		206.2
Prepayments and other		**263.9**		195.8
Total Current Assets[1]		**1,871.9**		1,920.8
Other Assets				
Regulatory assets		**2,276.3**		2,286.0
Goodwill		**1,485.9**		1,485.9
Deferred charges and other		**370.8**		322.7
Total Other Assets		**4,133.0**		4,094.6
Total Assets	**$**	**24,365.5**	$	24,156.9

[1]Includes $690.4 million and $695.9 million at March 31, 2022 and December 31, 2021, respectively, of net property, plant and equipment assets and $27.4 million and $14.3 million at March 31, 2022 and December 31, 2021, respectively, of current assets of consolidated VIEs that may be used only to settle obligations of the consolidated VIEs.

NiSource Inc.

Condensed Consolidated Balance Sheets (unaudited) (GAAP) (continued)

(in millions, except share amounts)	**March 31, 2022**	December 31, 2021
CAPITALIZATION AND LIABILITIES		
Capitalization		
Stockholders' Equity		
Common stock - $0.01 par value, 600,000,000 shares authorized; 405,734,408 and 405,303,023 shares outstanding, respectively	**$ 4.1**	$ 4.1
Preferred stock - $0.01 par value, 20,000,000 shares authorized; 1,302,500 shares outstanding	**1,546.5**	1,546.5
Treasury stock	**(99.9)**	(99.9)
Additional paid-in capital	**7,208.9**	7,204.3
Retained deficit	**(1,372.3)**	(1,580.9)
Accumulated other comprehensive loss	**(85.4)**	(126.8)
Total NiSource Stockholders' Equity	**7,201.9**	6,947.3
Noncontrolling interest in consolidated subsidiaries	**329.5**	325.6
Total Stockholders' Equity	**7,531.4**	7,272.9
Long-term debt, excluding amounts due within one year	**9,179.8**	9,183.4
Total Capitalization	**16,711.2**	16,456.3
Current Liabilities		
Current portion of long-term debt	**57.9**	58.1
Short-term borrowings	**520.0**	560.0
Accounts payable	**628.5**	697.8
Dividends payable - common stock	**95.3**	—
Dividends payable - preferred stock	**19.4**	—
Customer deposits and credits	**155.2**	237.9
Taxes accrued	**313.5**	277.1
Interest accrued	**94.3**	105.5
Exchange gas payable	**37.8**	107.7
Regulatory liabilities	**229.1**	137.4
Accrued compensation and employee benefits	**130.5**	182.7
Other accruals	**313.1**	382.0
Total Current Liabilities[1]	**2,594.6**	2,746.2
Other Liabilities		
Deferred income taxes	**1,789.8**	1,659.4
Accrued liability for postretirement and postemployment benefits	**285.3**	292.5
Regulatory liabilities	**1,843.1**	1,842.6
Asset retirement obligations	**472.0**	469.7
Other noncurrent liabilities	**669.5**	690.2
Total Other Liabilities[1]	**5,059.7**	4,954.4
Commitments and Contingencies	**—**	—
Total Capitalization and Liabilities	**$ 24,365.5**	$ 24,156.9

[1]Includes $16.7 million and $10.0 million at March 31, 2022 and December 31, 2021, respectively, of current liabilities and $20.6 million and $20.5 million at March 31, 2022 and December 31, 2021, respectively, of other liabilities of consolidated VIEs that creditors do not have recourse to our general credit.

NiSource Inc.

Condensed Statements of Consolidated Cash Flows (unaudited) (GAAP)

Three Months Ended March 31, *(in millions)*	**2022**	2021
Operating Activities		
Net Income	**$ 431.3**	$ 296.5
Adjustments to Reconcile Net Income to Net Cash from Operating Activities:		
Depreciation and amortization	**192.7**	185.0
Deferred income taxes and investment tax credits	**87.2**	55.2
Loss (gain) on sale of assets	**(105.0)**	8.1
Other adjustments	**8.0**	3.5
Changes in Assets and Liabilities:		
Components of working capital	**(42.4)**	(89.3)
Regulatory assets/liabilities	**24.9**	8.4
Deferred charges and other noncurrent assets	**(7.4)**	(10.7)
Other noncurrent liabilities	**(9.5)**	(8.4)
Net Cash Flows from Operating Activities	**579.8**	448.3
Investing Activities		
Capital expenditures	**(450.1)**	(367.0)
Insurance recoveries	**105.0**	—
Payment to renewable generation asset developer	**—**	(7.4)
Other investing activities	**(25.3)**	(27.4)
Net Cash Flows used for Investing Activities	**(370.4)**	(401.8)
Financing Activities		
Repayments of finance lease obligations	**(7.3)**	(5.9)
Change in short-term borrowings, net (maturity ≤ 90 days)	**(40.0)**	17.0
Issuance of common stock, net of issuance costs	**2.8**	2.8
Equity costs, premiums and other debt related costs	**(8.9)**	(2.5)
Contributions from noncontrolling interest	**—**	7.5
Distributions to noncontrolling interest	**(0.6)**	—
Dividends paid - common stock	**(95.3)**	(86.2)
Dividends paid - preferred stock	**(8.1)**	(8.1)
Contract liability payment	**(16.5)**	—
Net Cash Flows used for Financing Activities	**(173.9)**	(75.4)
Change in cash, cash equivalents and restricted cash	**35.5**	(28.9)
Cash, cash equivalents and restricted cash at beginning of period	**94.9**	125.6
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 130.4**	$ 96.7

Information contained herein is on a non-GAAP basis that is supplemental to and should be read in conjunction with our GAAP financial results. For our GAAP financial results and discussion of segment operations, please refer to Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022. For a reconciliation of GAAP to non-GAAP earnings, GAAP to non-GAAP operating revenues, GAAP to non-GAAP operating expenses and GAAP to non-GAAP operating income, see Schedules 1 and 2 contained herein.

Three Months Ended March 31, 2022 Non-GAAP Net Operating Earnings - Segment Results

NiSource's consolidated non-GAAP net operating earnings available to common shareholders for the three months ended March 31, 2022 were $328.7 million, compared to $304.8 million in the comparable 2021 period. Refer to the attached schedules for the items included in 2022 and 2021 GAAP net income but excluded from non-GAAP net operating earnings available to common shareholders.

Non-GAAP operating income for NiSource’s business segments for the three months ended March 31, 2022, are discussed below.

Gas Distribution Operations

For the three months ended March 31, 2022, Gas Distribution Operations reported non-GAAP operating income of $404.8 million, compared to non-GAAP operating income of $374.0 million in the comparable 2021 period.

Non-GAAP operating revenues for the three months ended March 31, 2022 were $1,437.7 million, an increase of $290.4 million from the comparable 2021 period.

		Favorable (Unfavorable)
Changes in non-GAAP Operating Revenues *(in millions)*		**Three Months Ended March 31, 2022 vs 2021**
New rates from base rate proceedings and regulatory capital programs		61.1
Higher revenue related to off system sales		2.7
The effects of customer growth		2.3
Higher revenue due to the effects of resuming common credit mitigation practices		1.8
Decreased customer usage		(4.8)
Other		2.7
Change in non-GAAP operating revenues (before cost of energy and other tracked items)	$	65.8
Operating revenues offset in operating expense		
Higher cost of energy billed to customers		210.1
Higher tracker deferrals within operation and maintenance, depreciation, and tax		14.5
Total change in non-GAAP operating revenues	**$**	**290.4**

Non-GAAP operating expenses for the three months ended March 31, 2022 were $1,032.9 million, an increase of $259.6 million from the comparable 2021 period.

Changes in non-GAAP Operating Expenses *(in millions)*	Favorable (Unfavorable) Three Months Ended March 31, 2022 vs 2021	
Higher employee and administrative related expenses		(12.7)
Higher depreciation and amortization expense		(7.8)
Higher outside services expenses		(5.3)
Higher materials and supplies expense		(3.4)
Other		(5.8)
Change in non-GAAP operating expenses (before cost of energy and other tracked items)	$	(35.0)
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers		(210.1)
Higher tracker deferrals within operation and maintenance, depreciation, and tax		(14.5)
Total change in non-GAAP operating expense	**$**	**(259.6)**

Electric Operations

For the three months ended March 31, 2022, Electric Operations reported non-GAAP operating income of $98.7 million, compared to non-GAAP operating income of $90.6 million in the comparable 2021 period.

Non-GAAP operating revenues for the three months ended March 31, 2022 were $429.4 million, an increase of $26.1 million from the comparable 2021 period.

Changes in non-GAAP Operating Revenues *(in millions)*	Favorable (Unfavorable) Three Months Ended March 31, 2022 vs 2021	
PPA revenue from renewable joint venture projects	$	8.5
The effects of customer growth		1.3
New rates from regulatory capital and DSM programs		1.1
Decreased fuel handling costs		1.1
Decreased customer usage		(3.2)
Other		(0.1)
Change in non-GAAP operating revenues (before cost of energy and other tracked items)	$	8.7
Operating revenues offset in operating expense		
Higher cost of energy billed to customers		19.8
Lower tracker deferrals within operation and maintenance, depreciation and tax		(2.4)
Total change in non-GAAP operating revenues	**$**	**26.1**

Non-GAAP operating expenses for the three months ended March 31, 2022 were $330.7 million, an increase of $18.0 million from the comparable 2021 period.

	Favorable (Unfavorable)	
Changes in non-GAAP Operating Expenses *(in millions)*	**Three Months Ended March 31, 2022 vs 2021**	
Lower outside services expenses	$	6.1
Lower depreciation and amortization expense driven by the joint venture depreciation adjustment		3.2
Lower materials and supplies expenses		2.5
Renewable joint venture project expenses		(6.9)
Effects of environmental recoveries in 2021		(5.2)
Other		(0.3)
Change in non-GAAP operating expenses (before cost of energy and other tracked items)	$	(0.6)
Operating expenses offset in operating revenue		
Higher cost of energy billed to customers		(19.8)
Lower tracker deferrals within operation and maintenance, depreciation and tax		2.4
Total change in non-GAAP operating expense	**$**	**(18.0)**

Corporate and Other Operations

For the three months ended March 31, 2022, Corporate and Other Operations reported a non-GAAP operating loss of $9.7 million compared to non-GAAP operating earnings of zero in the comparable 2021 period. This change resulted primarily from unfavorable fluctuations in unrealized gains and losses on the cash surrender value of corporate owned life insurance investments, as well as higher outside service costs in 2022.

Other Deductions, net

Other deductions, net, reduced non-GAAP net operating earnings by $72.8 million for the three months ended March 31, 2022, which was comparable to the reduction in non-GAAP net operating earnings of $74.1 million in the comparable 2021 period.

Income Taxes

The effective tax rate of non-GAAP net operating earnings for the three months ended March 31, 2022 was 17.6 percent compared to 18.2 percent for the same period last year. The decrease in 2022 is primarily due to increased amortization of excess deferred federal income tax liabilities, lower state income taxes, and an increased deduction for AFUDC equity in 2022.

NiSource Inc.

Consolidated Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

(in millions, except per share amounts)	Three Months Ended March 31, 2022	2021
Operating Revenues	**$ 1,870.3**	$ 1,554.6
Operating Expenses		
Cost of energy	**706.7**	476.8
Operation and maintenance	**334.5**	297.7
Operation and maintenance - trackers	**58.3**	48.5
Depreciation and amortization	**191.4**	182.0
Depreciation and amortization - trackers	**1.3**	3.0
Loss (Gain) on sale of assets, net	—	1.2
Other taxes	**53.1**	53.7
Other taxes - trackers	**31.2**	27.1
Total Operating Expenses	**1,376.5**	1,090.0
Operating Income	**493.8**	464.6
Other Income (Deductions)		
Interest expense, net	**(83.7)**	(84.6)
Other, net	**10.9**	10.5
Total Other Deductions, Net	**(72.8)**	(74.1)
Operating Earnings Before Income Taxes	**421.0**	390.5
Income Taxes	**74.0**	70.9
Net Operating Earnings	**347.0**	319.6
Net income attributable to noncontrolling interest	**4.5**	1.0
Net Operating Earnings attributable to NiSource	**342.5**	318.6
Preferred dividends	**(13.8)**	(13.8)
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**328.7**	304.8
Non-GAAP Diluted Net Operating Earnings Per Share(1)	**$ 0.75**	$ 0.77
Diluted Average Common Shares	**441.4**	393.9

(1)The Non-GAAP diluted NOEPS numerator for the three months ended March 31, 2022 is equal to net operating earnings available to common shareholders adjusted for respective \$0.5M and \$0.5M add-backs for interest expense incurred, net of tax, related to the Series A Equity Unit purchase contracts.

NiSource Inc.
Segment Operating Income (Non-GAAP) *(unaudited)*

Gas Distribution Operations	**Three Months Ended March 31,**	
(in millions)	**2022**	2021
Operating Revenues	**$ 1,437.7**	$ 1,147.3
Operating Expenses		
Cost of energy	**589.1**	379.0
Operation and maintenance	**227.3**	198.9
Operation and maintenance - trackers	**48.9**	38.3
Depreciation and amortization	**99.8**	92.0
Depreciation and amortization - trackers	**0.9**	0.9
Loss on sale of assets, net	**—**	1.2
Other taxes	**35.7**	35.9
Other taxes - trackers	**31.2**	27.1
Total Operating Expenses	**1,032.9**	773.3
Operating Income (Non-GAAP)	**$ 404.8**	$ 374.0

Electric Operations	**Three Months Ended March 31,**	
(in millions)	**2022**	2021
Operating Revenues	**$ 429.4**	$ 403.3
Operating Expenses		
Cost of energy	**117.6**	97.8
Operation and maintenance	**106.8**	106.8
Operation and maintenance - trackers	**9.4**	10.2
Depreciation and amortization	**82.5**	81.3
Depreciation and amortization - trackers	**0.4**	2.1
Other taxes	**14.0**	14.5
Total Operating Expenses	**330.7**	312.7
Operating Income (Non-GAAP)	**$ 98.7**	$ 90.6

Corporate and Other Operations	**Three Months Ended March 31,**	
(in millions)	**2022**	2021
Operating Income (Non-GAAP)	**$ (9.7)**	$ —

NiSource Inc.
Segment Volumes and Statistical Data *(unaudited)*

Gas Distribution Operations	Three Months Ended March 31, 2022	2021
Sales and Transportation (MMDth)		
Residential	**122.9**	118.4
Commercial	**79.9**	74.3
Industrial	**135.1**	136.4
Off-System	**4.3**	5.4
Other	**0.2**	0.2
Total	**342.4**	334.7
Weather Adjustment	**(4.7)**	6.7
Sales and Transportation Volumes - Excluding Weather	**337.7**	341.4
Customers		
Residential	**2,980,965**	2,965,004
Commercial	**254,876**	254,188
Industrial	**4,920**	4,965
Other	**3**	3
Total	**3,240,764**	3,224,160
Heating Degree Days	**2,841**	2,703
Normal Heating Degree Days	**2,824**	2,854
% Colder (Warmer) than Normal	**1 %**	(5)%

Electric Operations	Three Months Ended March 31, 2022	2021
Sales (GWh)		
Residential	**819.2**	804.6
Commercial	**885.3**	867.9
Industrial	**2,007.8**	2,063.3
Wholesale	**4.4**	32.1
Other	**25.1**	27.3
Total	**3,741.8**	3,795.2
Weather Adjustment	**(14.9)**	6.2
Sales Volumes - Excluding Weather	**3,726.9**	3,801.4
Customers		
Residential	**423,177**	419,582
Commercial	**58,092**	57,538
Industrial	**2,135**	2,156
Wholesale	**712**	720
Other	**2**	2
Total	**484,118**	479,998

NiSource Inc.

Schedule 1 - Reconciliation of Consolidated Net Income Available to Common Shareholders to Net Operating Earnings Available to Common Shareholders (Non-GAAP) *(unaudited)*

	Three Months Ended March 31,	
(in millions, except per share amounts)	**2022**	2021
GAAP Net Income Available to Common Shareholders	**$ 413.0**	$ 281.7
Adjustments to Operating Income:		
Operating Revenues:		
Weather - compared to normal	**(3.0)**	9.0
Operating Expenses:		
Greater Lawrence Incident	—	5.8
NiSource Next initiative(1)	**1.5**	9.7
Massachusetts Business related amounts(2)	**(105.0)**	6.9
Total adjustments to operating income	**(106.5)**	31.4
Income Taxes:		
Tax effect of above items(3)	**22.2**	(8.3)
Total adjustments to net income	**(84.3)**	23.1
Net Operating Earnings Available to Common Shareholders (Non-GAAP)	**$ 328.7**	$ 304.8
Diluted Average Common Shares	**441.4**	393.9
GAAP Diluted Earnings Per Share(4)	**$ 0.94**	$ 0.72
Adjustments to diluted earnings per share	**(0.19)**	0.05
Non-GAAP Diluted Net Operating Earnings Per Share(4)	**$ 0.75**	$ 0.77

(1)Represents incremental severance and third-party consulting costs incurred in connection with the NiSource Next initiative.

(2)2022 represents proceeds from a property insurance settlement related to the Greater Lawrence Incident. 2021 primarily represents final net working capital adjustments to the purchase price for the loss incurred on the sale of the Massachusetts Business.

(3)Represents income tax expense calculated using the statutory tax rates by legal entity.

(4)The GAAP and Non-GAAP diluted NOEPS numerator for the three months ended March 31, 2022 is equal to net operating earnings available to common shareholders adjusted for $0.5M add-back for interest expense incurred, net of tax, related to the Series A Equity Unit purchase contracts.

NiSource Inc.

Schedule 2 - Reconciliation by Segment of Operating Revenues, Expenses, and Income (Loss) (GAAP) to Operating Revenues, Expenses, and Income (Loss) (Non-GAAP) *(unaudited)*

Three Months Ended March 31, 2022 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	**$ 1,439.8**	**$ 430.3**	**$ 3.2**	**$ 1,873.3**
Adjustments:				
Weather - compared to normal	(2.1)	(0.9)	—	**(3.0)**
Operating Revenues (Non-GAAP)	**$ 1,437.7**	**$ 429.4**	**$ 3.2**	**$ 1,870.3**
Operating Expenses (GAAP)	**$ 929.0**	**$ 331.1**	**$ 12.9**	**$ 1,273.0**
Adjustments:				
NiSource Next initiative(1)	1.1	0.4	—	**1.5**
Massachusetts Business sale related amounts(2)	(105.0)	—	—	**(105.0)**
Operating Expenses (Non-GAAP)	**$ 1,032.9**	**$ 330.7**	**$ 12.9**	**$ 1,376.5**
Operating Income (Loss) (GAAP)	**$ 510.8**	**$ 99.2**	**$ (9.7)**	**$ 600.3**
Total Revenue and Expense Adjustments to Operating Income (Loss)	**(106.0)**	**(0.5)**	**—**	**(106.5)**
Operating Income (Loss) (Non-GAAP)	**$ 404.8**	**$ 98.7**	**$ (9.7)**	**$ 493.8**

Three Months Ended March 31, 2021 ***(in millions)***	**Gas Distribution**	**Electric**	**Corporate & Other**	**Total**
Operating Revenues (GAAP)	**$ 1,138.9**	**$ 402.7**	**$ 4.0**	**$ 1,545.6**
Adjustments				
Weather - compared to normal	8.4	0.6	—	**9.0**
Operating Revenues (Non-GAAP)	**$ 1,147.3**	**$ 403.3**	**$ 4.0**	**$ 1,554.6**
Operating Expenses (GAAP)	**$ 792.0**	**$ 314.8**	**$ 5.6**	**$ 1,112.4**
Adjustments				
Greater Lawrence Incident	5.8	—	—	**5.8**
NiSource Next initiative(1)	6.0	2.1	1.6	**9.7**
Massachusetts Business sale related amounts(2)	6.9	—	—	**6.9**
Operating Expenses (Non-GAAP)	**$ 773.3**	**$ 312.7**	**$ 4.0**	**$ 1,090.0**
Operating Income (Loss) (GAAP)	**$ 346.9**	**$ 87.9**	**$ (1.6)**	**$ 433.2**
Total Revenue and Expense Adjustments to Operating Income	**27.1**	**2.7**	**1.6**	**31.4**
Operating Income (Non-GAAP)	**$ 374.0**	**$ 90.6**	**$ —**	**$ 464.6**

See footnote descriptions contained with Schedule 1.