

## PUBLIC SERVICE ENTERPRISE GROUP

**NYSE: PEG**

### Q2 2020 Performance Update

We are pleased to report solid operating and financial results at both businesses. PSEG reported Net Income for the second quarter of 2020 of \$451 million, or \$0.89 per share, as compared to Net Income of \$153 million, or \$0.30 per share, for the second quarter of 2019. Non-GAAP Operating Earnings for the second quarter of 2020 were \$404 million, or \$0.79 per share, compared to non-GAAP Operating Earnings for the second quarter of 2019 of \$294 million, or \$0.58 per share. We are re-affirming PSEG's non-GAAP Operating Earnings guidance for full-year 2020 of \$3.30 - \$3.50 per share based on our results through the first-half of the year and our confidence that we can effectively manage costs across our businesses, continue executing our investment program at PSE&G, and provide New Jersey with reliable and zero carbon sources of electricity. We are on-track to execute on our five-year, \$12 billion to \$16 billion capital plan without the need to issue new equity, and our net liquidity position at June 30 remains ample at \$4 billion.

PSE&G's capital program remains on schedule. PSE&G invested approximately \$600 million in the second quarter and \$1.2 billion through June as part of its 2020 capital investment program of approximately \$2.7 billion in electric and gas infrastructure upgrades to its transmission and distribution facilities to maintain reliability and increase resiliency. We continue to forecast over 90% of PSEG's planned capital investment will be directed to the utility over the 2020-2024 timeframe. Settlement discussions continue with the New Jersey Board of Public Utilities (BPU) on PSE&G's six-year, \$2.5 billion Clean Energy Future-Energy Efficiency (CEF-EE) filing. In June, the BPU adopted a framework to implement the expansion of energy efficiency throughout the state.

PSEG is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet. Our intent is to accelerate the transformation of PSEG into a primarily regulated electric and gas utility – a plan we have been executing successfully for over a decade. PSEG will explore how a potential separation of the non-nuclear assets could reduce overall business risk and earnings volatility, improve our credit profile, and enhance an already compelling ESG position driven by pending clean energy investments, methane reduction, and zero carbon generation. Given the relatively small part of PSEG that the non-nuclear business represents, this decision will not have an impact on the company's current shareholder dividend policy, which will continue to be subject to approval by the PSEG Board of Directors.

Ralph Izzo, Chairman, President & CEO - July 31, 2020

### PSEG – Q2 2020 Highlights

#### Second Quarter Highlights

- Net Income per share of \$0.89 in Q2 2020 vs. \$0.30 Q2 2019
- Non-GAAP Operating Earnings\* per share of \$0.79 in Q2 2020 vs. \$0.58 in Q2 2019
- PSE&G results benefited from ongoing investment in utility infrastructure
- PSEG Power results benefited from cost control and the settlement of tax audits partly offset by lower capacity revenue

#### Operational Excellence

- Nuclear operations achieved a capacity factor of 93.4% for the first half of 2020

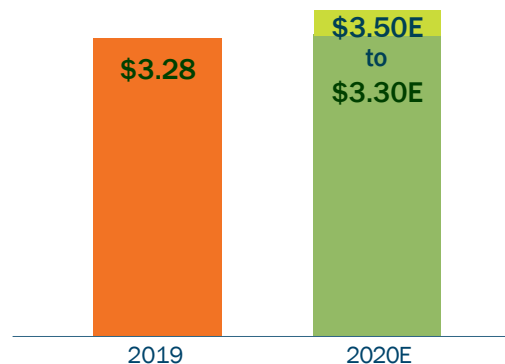
#### Disciplined Investment

- PSEG on-track to invest ~\$2.9 billion in 2020: ~\$2.7 billion at PSE&G comprised primarily of reliability investments in Transmission and Distribution including the second phases of Energy Strong and the Gas System Modernization Program
- Settlement discussions continuing on \$2.5 billion CEF-EE filing
- Remaining \$1 billion of CEF filings continuing through procedural schedules

### PSEG – Re-affirming 2020 FY Guidance

*Drivers in 2020 include rate base growth, Q1 weather headwinds, impacts of COVID-19 on sales and load, and cost control*

#### PSEG Non-GAAP Operating Earnings per Share\*



### Q2 Results by Subsidiary

	Financial Results		Earnings per Share (EPS)	
	2020	2019	2020	2019
<b>\$ millions (except EPS)</b>				
PSE&G (Net Income)	\$ 283	\$ 227	\$ 0.56	\$ 0.45
PSEG Power (Net Income/(Loss))	\$ 170	\$ (40)	\$ 0.34	\$ (0.08)
PSEG Power (non-GAAP Op. Earnings)*	\$ 123	\$ 69	\$ 0.24	\$ 0.13
Enterprise/Other (Net Loss)	\$ (2)	\$ (34)	\$ (0.01)	\$ (0.07)
Enterprise/Other (non-GAAP Op. Earnings)*	\$ (2)	\$ (2)	\$ (0.01)	\$ -
<b>PSEG (Net Income)</b>	<b>\$ 451</b>	<b>\$ 153</b>	<b>\$ 0.89</b>	<b>\$ 0.30</b>
<b>PSEG (non-GAAP Operating Earnings)*</b>	<b>\$ 404</b>	<b>\$ 294</b>	<b>\$ 0.79</b>	<b>\$ 0.58</b>

### Key Performance Highlights

	as of 6/30/2020
Stock Price on 6/30/2020	\$49.16
Dividends Paid per Share (year-to-date)	\$0.98
Dividend Yield (%)	4.0%
Average Shares Outstanding, Diluted (in millions)	507
Book Value Per Common Share	\$30.75

\* See Items excluded from Net Income/(Loss) to reconcile to non-GAAP Operating Earnings on page 2 or <https://investor.pseg.com/non-GAAP>.

## GAAP Disclaimer

Non-GAAP Operating Earnings exclude the impact of returns (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items.

Management uses non-GAAP Operating Earnings in its internal analysis, and in communications with investors and analysts, as a consistent measure for comparing PSEG's financial performance to previous financial results. The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of Net Income, which is an indicator of financial performance determined in accordance with GAAP. In addition, non-GAAP Operating Earnings as presented in this release may not be comparable to similarly titled measures used by other companies.

Due to the forward looking nature of non-GAAP Operating Earnings guidance, PSEG is unable to reconcile these non-GAAP financial measures to the most directly comparable GAAP financial measure. Management is unable to project certain reconciling items, in particular MTM and NDT gains (losses), for future periods due to market volatility. Guidance included herein is as of July 31, 2020.

These materials and other financial releases can be found on the PSEG website at <https://investor.pseg.com>. From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the corporate website to review new postings. The "Email Alerts" link at <https://investor.pseg.com> may be used to enroll to receive automatic email alerts regarding new postings.

## Items Excluded from Net Income to Reconcile to Non-GAAP Operating Earnings

### PUBLIC SERVICE ENTERPRISE GROUP INCORPORATED Consolidated Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended June 30,		Year Ended December 31,
	2020	2019	2019
	(\$ millions, Unaudited)		
Net Income	\$ 451	\$ 153	\$ 1,693
(Gain) Loss on Nuclear Decommissioning Trust (NDT)			
Fund Related Activity, pre-tax (PSEG Power)	(192)	(41)	(265)
(Gain) Loss on Mark-to-Market (MTM), pre-tax <sup>(a)</sup> (PSEG Power)	107	(210)	(285)
Plant Retirements and Dispositions, pre-tax (PSEG Power)	-	395	402
Goodwill Impairment, pre-tax (PSEG Power)	-	-	16
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	(9)	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	58	58
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(b)</sup>	47	(61)	37
Operating Earnings (non-GAAP)	\$ 404	\$ 294	\$ 1,666
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507
	(\$ Per Share Impact - Diluted, Unaudited)		
Net Income	\$ 0.89	\$ 0.30	\$ 3.33
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.39)	(0.08)	(0.50)
(Gain) Loss on MTM, pre-tax <sup>(a)</sup> (PSEG Power)	0.21	(0.41)	(0.56)
Plant Retirements and Dispositions, pre-tax (PSEG Power)	-	0.78	0.79
Goodwill Impairment, pre-tax (PSEG Power)	-	-	0.03
Oil LOCOM adjustment, pre-tax (PSEG Power)	(0.02)	-	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	0.11	0.11
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(b)</sup>	0.10	(0.12)	0.08
Operating Earnings (non-GAAP)	\$ 0.79	\$ 0.58	\$ 3.28

(a) Includes the financial impact from positions with forward delivery months.

(b) Income tax effect calculated at statutory rate except for lease related activity which is calculated at a combined leveraged lease effective tax rate, and NDT related activity which is calculated at the statutory rate plus a 20% tax on income (loss) from qualified NDT funds.

### PSEG Power Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended June 30,		Year Ended December 31,
	2020	2019	2019
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ 170	\$ (40)	\$ 468
(Gain) Loss on NDT Fund Related Activity, pre-tax	(192)	(41)	(255)
(Gain) Loss on MTM, pre-tax <sup>(a)</sup>	107	(210)	(285)
Plant Retirements and Dispositions, pre-tax	-	395	402
Goodwill Impairment	-	-	16
Oil LOCOM adjustment, pre-tax	(9)	-	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(b)</sup>	47	(35)	63
Operating Earnings (non-GAAP)	\$ 123	\$ 69	\$ 409
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

(a) Includes the financial impact from positions with forward delivery months.

(b) Income tax effect calculated at statutory rate except for NDI related activity which is calculated at the statutory rate plus a 20% tax on income (loss) from qualified NDT funds.

### PSEG Enterprise/Other Operating Earnings (non-GAAP) Reconciliation

Reconciling Items	Three Months Ended June 30,		Year Ended December 31,
	2020	2019	2019
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ (2)	\$ (34)	\$ (25)
Lease Related Activity, pre-tax	-	58	58
Income Taxes related to Operating Earnings (non-GAAP) reconciling items <sup>(a)</sup>	-	(25)	(25)
Operating Earnings (non-GAAP)	\$ (2)	\$ (2)	\$ 7
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

(a) Income tax effect calculated at a combined leveraged lease effective tax rate.