

PUBLIC SERVICE ENTERPRISE GROUP

Transforming into a primarily regulated electric and gas utility focused on clean energy infrastructure, complemented with contracted, zero-carbon generation

Public Service Enterprise Group (NYSE: PEG) is a publicly traded, diversified energy holding company headquartered in Newark, New Jersey with total assets of approximately \$50 billion as of December 31, 2020. PSEG's three operating subsidiaries are Public Service Electric & Gas (PSE&G), PSEG Power and PSEG Long Island. PSEG is a Fortune 500 company, included in the S&P 500 Index, and was named to the Dow Jones Sustainability Index – North America for the 13th year in a row in 2020.

PSEG&G provides electric transmission and electric and gas distribution service to 2.3 million electric and 1.9 million gas customers in a 2,600 square mile service territory in New Jersey, covering approximately 70% of the state's population. PSEG&G's landmark Clean Energy Future (CEF) program invests in energy efficiency, smart meter installations and electric vehicle charging infrastructure that is expected to enhance New Jersey's environmental profile for years to come. In 2020, PSEG&G was recognized as the most reliable electric utility in the Mid-Atlantic region for the 19th year in a row by ReliabilityOne™. PSEG Power owns an 11 gigawatt (GW) fleet of efficient generating assets predominantly in the Northeast and Mid-Atlantic regions of the United States that are geographically well positioned and possess a low carbon footprint. We are currently evaluating strategic alternatives for our 467 MW_{DC} Solar Source and over 6,750 MW Fossil portfolios, and we are on track to announce an outcome in the second half of 2021. PSEG Long Island operates the Long Island Power Authority's electric distribution system serving 1.1 million customers under a 12-year management contract that began in January 2014. PSEG's December 2020 announcement on Ørsted's Ocean Wind project to expand its zero-carbon fleet with contracted, renewable generation supports New Jersey's goal of 100% clean energy by 2050.

The PSEG \$13 to \$15 billion 5-year capital spending program includes nearly \$2 billion of CEF investments, which help fuel a 6.5% to 8% Rate Base compound annual growth rate. At PSEG Power, over 70% of 2021 gross margin is secured via energy hedges, capacity revenues, Zero Emission Certificates and ancillary service payments.

Operational excellence is producing the financial strength that allows us to invest in a disciplined way for growth through PSEG's robust 5-year, \$14 to \$16 billion capital spending forecast (2021 to 2025). We expect that our strong cash flow will enable us to fund our entire 5-year capital spending program – as well as our planned offshore wind investments during the 2021-2025 period – without the need to issue new equity. We increased our 2021 indicative annual dividend by \$0.08 to \$2.04 per share, which marks our 17th increase in the last 18 years, and 114th consecutive year of paying a dividend to our shareholders, and reflects our ongoing commitment to returning capital to our shareholders to enhance our total return profile as we also pursue growth.

PSEG continues its leadership in sustainability and its favorable environmental, social and governance (ESG) profile. We issued our inaugural Climate Report in 2020, following the Task Force on Climate-related Financial Disclosures (TCFD) framework, and our first ESG Performance Report in January 2021. To learn more and view all of our current ESG reports, visit [ESG Disclosures](#).

FINANCIAL HIGHLIGHTS

(as of December 31, 2020)



PSEG

Assets: **\$50.1B**
Market Capitalization: **\$29.5B**



PSE&G

**REGULATED ELECTRIC & GAS
TRANSMISSION & DISTRIBUTION**
Assets: **\$35.6B**



PSEG Power LLC

WHOLESALE ENERGY
Assets: **\$12.7B**

Year Ended December 31,	2020	2019	2018
(\$ in millions, except per share data)			
Operating Revenues	\$9,603	\$10,076	\$9,696
Net Income	\$1,905	\$1,693	\$1,438
Reconciling Items	(\$164)	(\$27)	\$144
Operating Earnings (non-GAAP)*	\$1,741	\$1,666	\$1,582
Per Share (Diluted)			
EPS from Net Income	\$3.76	\$3.33	\$2.83
EPS from Operating Earnings (non-GAAP) *	\$3.43	\$3.28	\$3.12
Net Income/(Loss) Contribution by Subsidiary (\$ in millions)			
PSEG&G	\$1,327	\$1,250	\$1,067
PSEG Power	\$594	\$468	\$365
PSEG Enterprise/Other	(\$16)	(\$25)	\$6
Operating Earnings (non-GAAP)* Contribution by Subsidiary (\$ in millions)			
PSEG&G	\$1,327	\$1,250	\$1,067
PSEG Power	\$430	\$409	\$502
PSEG Enterprise/Other	(\$16)	\$7	\$13
Stock Performance – Price Per Share			
High	\$62.15	\$63.88	\$56.68
Low	\$34.75	\$49.97	\$46.19
Year-End	\$58.30	\$59.05	\$52.05
Other Shareholder Information			
Common Dividend Paid Per Share	\$1.96	\$1.88	\$1.80
Book Value Per Share	\$31.72	\$29.94	\$28.53
Diluted Shares Outstanding (in millions)	507	507	507
Debt to Capital (%)	52	52	52
Number of Employees	12,788	12,992	13,145

*See items excluded from Net Income/(Loss) to reconcile to Operating Earnings (non-GAAP) on Page 2.

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.

From time to time, PSEG, PSE&G and PSEG Power release important information via postings on their corporate Investor Relations website at <https://investor.pseg.com>. Investors and other interested parties are encouraged to visit the Investor Relations website to review new postings. You can also use the "Email Alerts" link at <https://investor.pseg.com> to sign-up for 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	Year Ended December 31,		
	2020	2019	2018
	(\$ millions, Unaudited)		
Net Income	\$ 1,905	\$ 1,693	\$ 1,438
(Gain) Loss on Nuclear Decommissioning Trust (NDT)			
Fund Related Activity, pre-tax (PSEG Power)	(231)	(255)	144
(Gain) Loss on Mark-to-Market (MTM), pre-tax ^(a) (PSEG Power)	81	(285)	117
Plant Retirements and Dispositions, pre-tax (PSEG Power)	(122)	402	(51)
Oil Lower of Cost or Market (LOCOM) adjustment, pre-tax (PSEG Power)	2	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	16	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	58	8
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	106	37	(74)
Operating Earnings (non-GAAP)	\$ 1,741	\$ 1,666	\$ 1,582
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507
	Per Share Impact - Diluted, Unaudited		
Net Income	\$ 3.76	\$ 3.33	\$ 2.83
(Gain) Loss on NDT Fund Related Activity, pre-tax (PSEG Power)	(0.46)	(0.50)	0.28
(Gain) Loss on MTM, pre-tax ^(a) (PSEG Power)	0.16	(0.56)	0.23
Plant Retirements and Dispositions, pre-tax (PSEG Power)	(0.24)	0.79	(0.10)
Oil LOCOM adjustment, pre-tax (PSEG Power)	-	-	-
Goodwill Impairment, pre-tax (PSEG Power)	-	0.03	-
Lease Related Activity, pre-tax (PSEG Enterprise/Other)	-	0.11	0.02
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	0.21	0.08	(0.14)
Operating Earnings (non-GAAP)	\$ 3.43	\$ 3.28	\$ 3.12

(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 LLC Operating Earnings (Non-GAAP) Reconciliation

Reconciling Items	Year Ended December 31,		
	2020	2019	2018
	(\$ millions, Unaudited)		
Net Income	\$ 594	\$ 468	\$ 365
(Gain) Loss on NDT Fund Related Activity, pre-tax	(231)	(255)	144
(Gain) Loss on MTM, pre-tax ^(a)	81	(285)	117
Plant Retirements and Dispositions, pre-tax	(122)	402	(51)
Oil LOCOM adjustment, pre-tax	2	-	-
Goodwill Impairment, pre-tax	-	16	-
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(b)	106	63	(73)
Operating Earnings (non-GAAP)	\$ 430	\$ 409	\$ 502
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 NDT 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	Year Ended December 31,		
	2020	2019	2018
	(\$ millions, Unaudited)		
Net Income (Loss)	\$ (16)	\$ (25)	\$ 6
Lease Related Activity, pre-tax	-	58	8
Income Taxes related to Operating Earnings (non-GAAP) reconciling items ^(a)	-	(26)	(1)
Operating Earnings (non-GAAP)	\$ (16)	\$ 7	\$ 13
PSEG Fully Diluted Average Shares Outstanding (in millions)	507	507	507

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