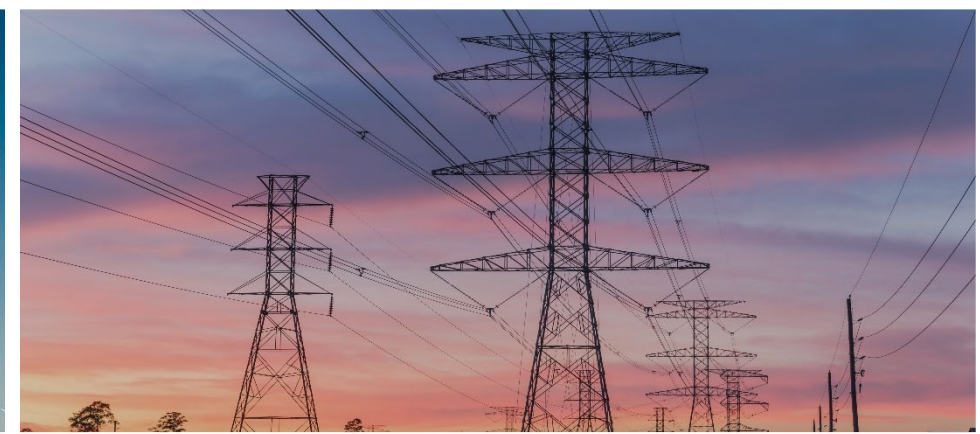


# Q1 2025 Earnings Review

May 9, 2025





# Safe Harbor Statement

## **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995**

Statements made in this presentation for TXNM Energy, Inc. (“TXNM”), Public Service Company of New Mexico (“PNM”), or Texas-New Mexico Power Company (“TNMP”) (collectively, the “Company”) that relate to future events or expectations, projections, estimates, intentions, goals, targets, and strategies, including the unaudited financial results and earnings guidance, are made pursuant to the Private Securities Litigation Reform Act of 1995. Readers are cautioned that all forward-looking statements are based upon current expectations and estimates and apply only as of the date of this report. TXNM, PNM, and TNMP assume no obligation to update this information. Because actual results may differ materially from those expressed or implied by these forward-looking statements, TXNM, PNM, and TNMP caution readers not to place undue reliance on these statements. TXNM's, PNM's, and TNMP's business, financial condition, cash flow, and operating results are influenced by many factors, which are often beyond their control, that can cause actual results to differ from those expressed or implied by the forward-looking statements. For a discussion of risk factors and other important factors affecting forward-looking statements, please see the Company's Form 10-K, Form 10-Q filings and the information included in the Company's Forms 8-K with the Securities and Exchange Commission, which factors are specifically incorporated by reference herein.

## **Non-GAAP Financial Measures**

For an explanation of the non-GAAP financial measures in this presentation (ongoing earnings per share (EPS)), as well as a reconciliation to GAAP measures, please refer to the Company's website at <http://www.txnenergy.com/investors/results.cfm>. Since the future differences between GAAP and ongoing earnings are frequently outside the control of the Company, management is generally not able to estimate the impact of the reconciling items between forecasted GAAP net earnings and ongoing earnings guidance, nor their probable impact on GAAP net earnings without unreasonable effort, therefore, management is generally not able to provide a corresponding GAAP equivalent for ongoing earnings guidance.

# Overview and Highlights



# Q1 2025 Financial Results and Company Updates

**2025 results on track for full year expectations**

**EPS growth target of 7% - 9%**

**Constructive regulatory outcomes**

**Productive New Mexico legislative session**

## Financial Results and Growth Outlook

	Q1 2025	Q1 2024
GAAP EPS	\$0.10	\$0.52
Ongoing EPS	\$0.19	\$0.41

- 2025 Ongoing EPS guidance range of \$2.74 - \$2.84 affirmed
- 7% - 9% long-term EPS growth target<sup>(1)</sup>

## Company Updates

- Regulatory Highlights:
  - Approval of TNMP System Resiliency Plan
  - Hearing Examiners recommend approval of unopposed stipulation in PNM rate request
- New Mexico legislative session
  - Economic development site readiness
  - Wildfire Task Force

(1) EPS growth through 2029 measured from 2025 guidance midpoint of \$2.79

Note: EPS is presented on diluted basis. For a reconciliation of GAAP to Ongoing EPS, including a description of adjustments, see earnings release issued May 9, 2025

# Utility Highlights

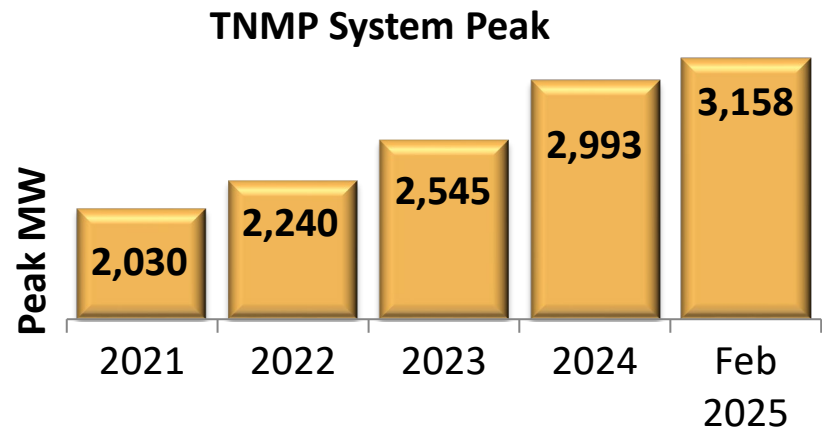




# TNMP Q1 2025 Highlights

## Continued system-wide growth

- New all-time system peak in February: 3,158 MW
  - 22% increase over Q1 2024 peak
- 670+ MW data center load in service
- Interconnection requests up 6% in Q1 2025 compared to Q1 2024
  - Notable uptick in Gulf Coast requests



## Q1 2025 Regulatory highlights

- ✓ System Resiliency Plan approved
- ✓ First 2025 TCOS filing approved, First 2025 DCRF filing pending approval
- ✓ Permian Basin Reliability Plan “common” projects formally approved

Load Growth	Q1 2025	2025E
Volumetric Load <sup>(1)</sup>	1.0%	2% - 4%
Demand-Based Load <sup>(2)</sup>	9.7%	4% - 6%
Data Center Load <sup>(3)</sup>	14.6%	n/a
TNMP Avg. Customers	1.9%	~1.5%

(1) Distribution per-kwh load, primarily Residential customers, weather-normalized  
 (2) Distribution per-kw load from Commercial and Industrial customers, weather-normalized, excludes data center customers  
 (3) Data center load from both Distribution and Transmission customers, transmission load not forecasted

# TNMP Current Outlook

## Growth Drives Capital Investments

- No changes to current investment plans, focus remains on supporting growth with a reliable and resilient grid

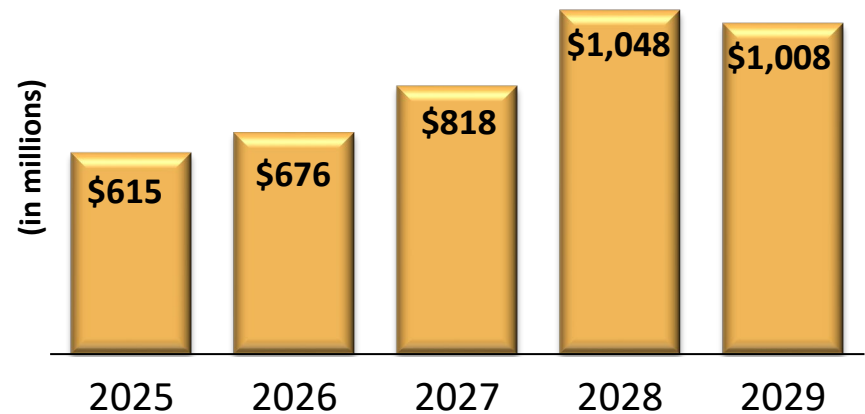
## Texas 2025 Legislative Session (ends June 2)

- Increased discussion around ratemaking items, including interim rates and capital structure
- Wildfire risk mitigation planning and associated liability

## Upcoming Regulatory Agenda

- Second TCOS and DCRF Filings
- General Rate Review
  - Planned filing in Q4 2025, targeting implementation of new rates in Q2 2026

## TNMP Capital Investment Plan



Key Components	2025 – 2029
Permian Basin Reliability Study “common” projects	\$355m <sup>(1)</sup>
2025-2027 System Resiliency Plan	\$566m <sup>(2)</sup>
2028-2029 Resiliency Projects	~\$400m

(1) Total “common” projects of ~\$750m, remaining amount planned for 2030

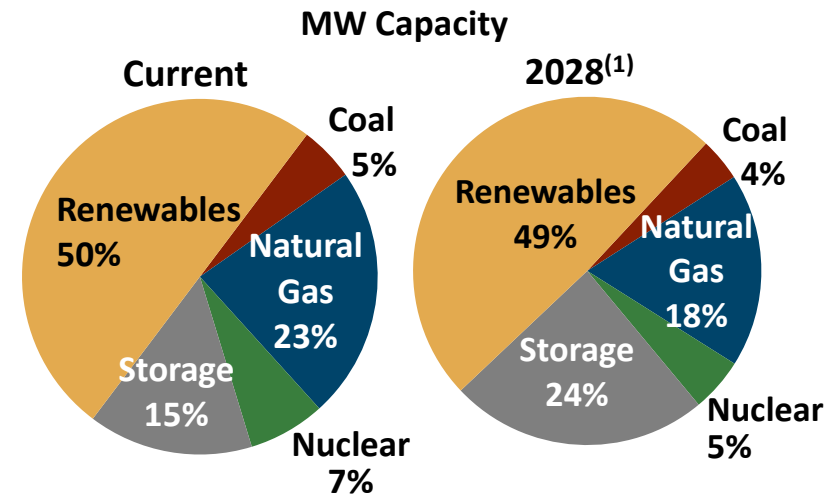
(2) PUCT approval for \$546m, excluded projects may be considered outside of System Resiliency Plan

# PNM Q1 2025 Highlights

## Q1 2025 Regulatory Highlights

- ✓ Hearing Examiners recommended approval of unopposed stipulation filed in 2025 Rate Request
- ✓ Hearing Examiners recommended approval of unopposed stipulation filed in 2028 Resource Application
  - Proposed solar and storage resources increase carbon-free capacity to 78%

## PNM Resource Portfolio



## New Mexico 2025 Legislative Session (ended March 22)

- SB 169 & 170: Focused on economic development through site readiness
- SM 2: Creation of the New Mexico Wildfire Task Force
- HB 91: Allows the New Mexico Public Regulation Commission to approve low-income utility rates

Load Growth	Q1 2025	2025E
Total Retail Load <sup>(2)</sup>	4.1%	2% - 4%
PNM Avg. Customers	0.8%	~1.0%

(1) Includes proposed 2028 Resource Application and 310 MW Community Solar

(2) Weather-normalized, excludes Economy customers



# PNM Current Outlook

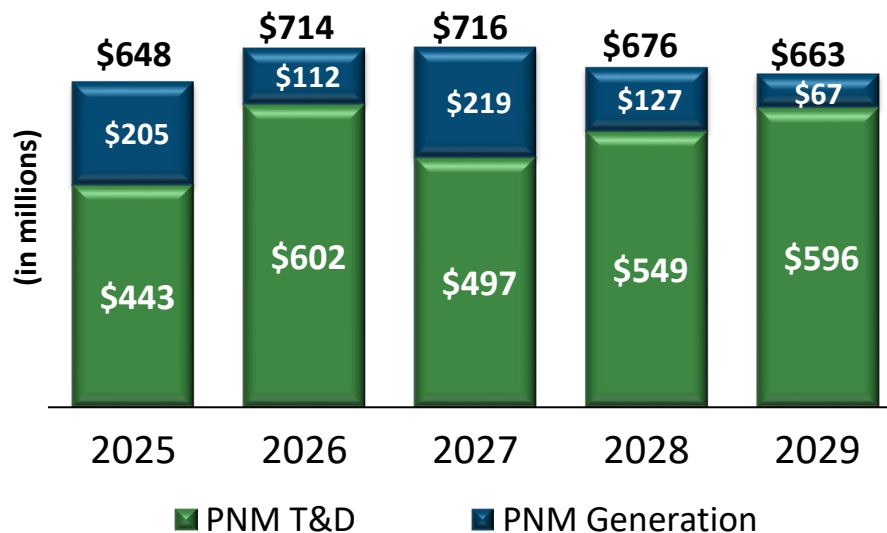
## Balanced Capital Investments

- No changes to current investment plans, focus remains on balancing system needs with customer affordability
- Pursuit of transmission development to support growing demand and maximize cost-effectiveness of system
  - 20-year transmission plan lays foundation for statewide and regional planning

## Upcoming Regulatory Agenda

- 2025 Rate Request pending approval
- 2028 Resource Application pending approval
- Annual FERC Formula Rate filing
- CCNs for new transmission build
- Application for new resources (stems from current 2029-2032 RFP)

## PNM Capital Investment Plan



Key Components	2025 – 2029
Grid Modernization Plan	\$304m <sup>(1)</sup>
2026 Resources (approved May 2024)	\$112m <sup>(2)</sup>
2028 Resources (filed Nov 2024)	\$220m
New Transmission Build	\$185m

(1) Total projects of \$344m, remaining \$40m expected in 2030

(2) Total projects of \$137m includes amounts spent in 2024

# Financial Updates



# Q1 2025 Ongoing Earnings Summary and 2025 Earnings Guidance

Q1 2025 changes in ongoing earnings:

- Rate recovery through TNMP DCRF and TCOS capital recovery mechanisms
- Retail load growth, including impacts of weather-related usage
- Lower PNM transmission margins
- Increased insurance and timing of plant outage costs at PNM
- Demand charges from PNM energy storage agreements added in late 2024
- Depreciation and interest expense associated with new capital investments at PNM and TNMP

**2025 earnings guidance affirmed**

## Q1 Earnings Summary

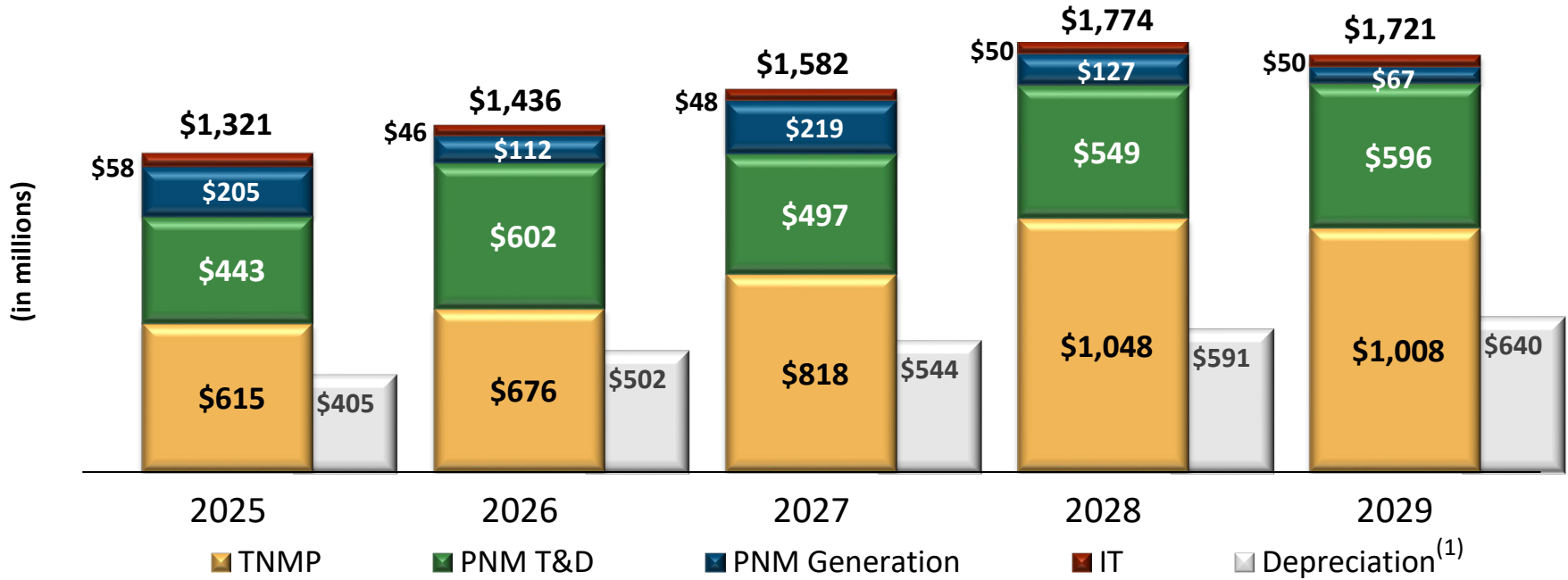
EPS Summary	Q1 2025	Q1 2024
TNMP	\$0.24	\$0.16
PNM	\$0.09	\$0.38
Corporate/Other	(\$0.14)	(\$0.13)
TXNM Energy	\$0.19	\$0.41

## 2025 Earnings Guidance



# Capital Investment Plan 2025 – 2029 (unchanged)

5-year capital investment plan of \$7.8 billion



## Average Rate Base

(in \$ billions)	2025	2026	2027	2028	2029	2025-2029 CAGR
TNMP	\$2.8	\$3.3	\$3.9	\$4.6	\$5.3	17.3%
PNM Retail	3.0	3.4	3.7	3.9	4.2	8.8%
PNM FERC	0.9	1.0	1.1	1.1	1.2	7.5%
<b>Total Rate Base</b>	<b>\$6.7</b>	<b>\$7.7</b>	<b>\$8.7</b>	<b>\$9.6</b>	<b>\$10.7</b>	<b>12.4%</b>

**TNMP drives rate base growth**

(1) Incorporates the regulatory asset treatment approved under the TNMP System Resiliency Plan

# 2025 - 2029 Potential Earnings Power (*unchanged*)

## 7% - 9% EPS Growth 2025-2029<sup>(1)</sup>

	Allowed Equity Return / Ratio	2025 Guidance Midpoint		2026 Earnings Potential		2027 Earnings Potential		2028 Earnings Potential		2029 Earnings Potential	
		Avg Rate Base	EPS	Avg Rate Base	EPS	Avg Rate Base	EPS	Avg Rate Base	EPS	Avg Rate Base	EPS
PNM Retail	9.45% / 51% <sup>(2)</sup>	\$3.0 B	\$1.45	\$3.4 B	\$1.76	\$3.7 B	\$1.91	\$3.9 B	\$2.04	\$4.2 B	\$2.20
PNM FERC	10% / ~50%	\$0.9 B	\$0.44	\$1.0 B	\$0.53	\$1.1 B	\$0.57	\$1.1 B	\$0.60	\$1.2 B	\$0.62
Items not in Rates			\$0.11		\$0.12-\$0.16		\$0.17-\$0.22		\$0.17-\$0.22		\$0.17-\$0.22
<i>Total PNM</i>		<b>\$3.9 B</b>	<b>\$2.00</b>	<b>\$4.4 B</b>	<b>\$2.41-\$2.45</b>	<b>\$4.8 B</b>	<b>\$2.65-\$2.70</b>	<b>\$5.0 B</b>	<b>\$2.81-\$2.86</b>	<b>\$5.4 B</b>	<b>\$2.99-\$3.04</b>
TNMP	9.65% / 45%	\$2.8 B	\$1.38	\$3.3 B	\$1.55	\$3.9 B	\$1.85	\$4.6 B	\$2.13	\$5.3 B	\$2.50
Existing Financing			(\$0.59)		(\$0.69)-(\$0.65)		(\$0.75)-(\$0.71)		(\$0.79)-(\$0.73)		(\$0.86)-(\$0.80)
Growth Financing					(\$0.27)-(\$0.21)		(\$0.41)-(\$0.35)		(\$0.59)-(\$0.53)		(\$0.87)-(\$0.78)
<b>Total TXNM Energy</b>		<b>\$6.7 B</b>	<b>\$2.79</b>	<b>\$7.7 B</b>	<b>\$3.00 - \$3.14</b>	<b>\$8.7 B</b>	<b>\$3.34 - \$3.49</b>	<b>\$9.6 B</b>	<b>\$3.56 - \$3.73</b>	<b>\$10.7 B</b>	<b>\$3.76 - \$3.96</b>

Note: All EPS calculations based on 2025 fully diluted weighted average shares of 93m

<sup>(1)</sup> Earnings growth measured from 2025 guidance midpoint of \$2.79

<sup>(2)</sup> As proposed in the Unopposed Stipulation filed in the PNM 2025 Rate Request

This table is not intended to represent a forward-looking projection of 2026 - 2029 earnings guidance. Refer to Slide 22 for additional details and disclosures.

# Appendix

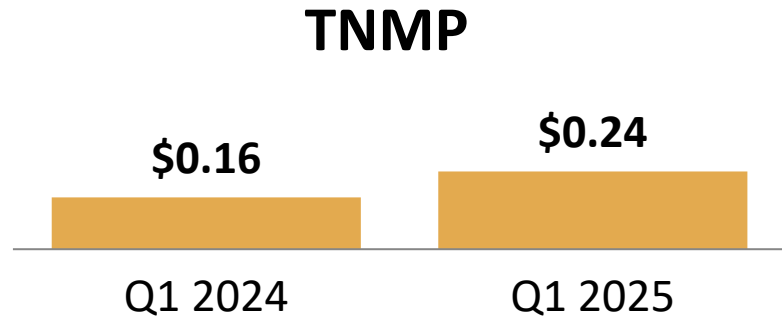


# TNMP and PNM Key Regulatory Items

	Filing	Action	Timing	Docket No.
TNMP PUCT	System Resiliency Plan	Filed August 28, 2024	Approved March 13, 2025, with order issued March 26, 2025	56954
	Transmission Cost of Service (1 <sup>st</sup> 2025 filing)	Filed January 24, 2025	Approved and implemented March 25, 2025	57578
	Distribution Cost Recovery Filing (1 <sup>st</sup> 2025 filing)	Filed March 14, 2025	Expected to be implemented June 2025	56428
	Transmission Cost of Service (2 <sup>nd</sup> 2025 filing)	Expect to file in second half of 2025	TBD	TBD
	Distribution Cost Recovery Filing (2 <sup>nd</sup> 2025 filing)	Expect to file in second half of 2025	TBD	TBD
	Base Rate Case	Expect to file in Q4 2025	TBD	TBD
PNM NMPRC	2025 Rate Request	Filed June 14, 2024, for rates effective July 2025; unopposed stipulation filed Nov. 26, 2024	Certification of stipulation issued April 8, 2025, decision expected in Q2 2025	24-00089-UT
	2028 Resource Application	Filed Nov. 22, 2024; unopposed stipulation filed March 12, 2025	Certification of stipulation issued May 6, 2025; decision expected in Q3 2025	24-00271-UT
PNM FERC	Annual Formula Rate Update	Update posted May 1, 2025, rates effective June 1, 2025	TBD	TBD

# Q1 2025 Ongoing EPS Details: TNMP

- *Rate relief from implementation of DCRF and TCOS increases*
- *Retail load growth, partially due to weather-related usage (higher heating and cooling degree-days vs Q1 2024)*
- *Increases from lower O&M and higher AFUDC due to increased capital spending*
- *Higher interest, depreciation and property tax expenses on new capital investments*

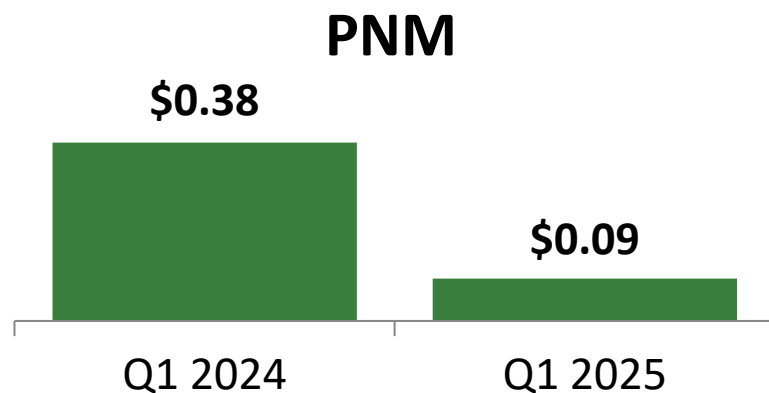


Q1 2025 Key Drivers	Δ EPS
Retail load and weather	\$0.05
Distribution rate relief (DCRF)	\$0.05
Transmission rate relief (TCOS)	\$0.04
O&M	\$0.01
AFUDC	\$0.01
Other	\$0.01
Interest expense	(\$0.04)
Depreciation and property tax	(\$0.05)



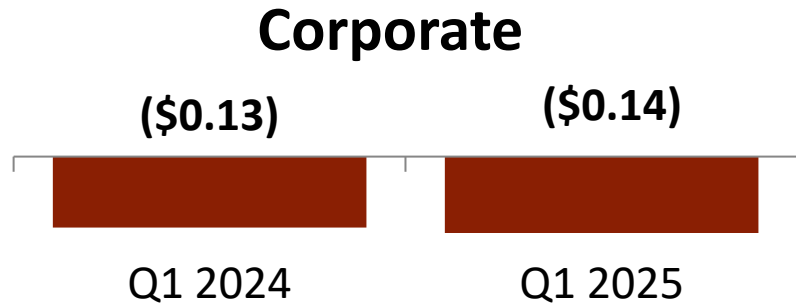
# Q1 2025 Ongoing EPS Details: PNM

- Retail load growth, partially offset by lower weather-related usage (lower heating degree days vs Q1 2024)
- Dilutive impact of additional shares issued in Dec. 2024
- Reduction in transmission margins due to lower market pricing
- Timing of excess deferred income taxes, expected to offset in future quarters
- Higher insurance costs and timing of plant outage costs
- Higher depreciation, property tax and interest expense on new capital investments
- Increased demand charges from energy storage agreements added in late 2024



Q1 2025 Key Drivers	Δ EPS
Retail load growth / weather	\$0.02
Dilution from new shares issued Dec 2024	(\$0.01)
Other	(\$0.02)
Transmission margins	(\$0.02)
Excess deferred income tax (timing)	(\$0.02)
Insurance and timing of plant outage costs	(\$0.05)
Depreciation and property tax	(\$0.05)
Interest expense	(\$0.05)
Demand charges	(\$0.09)

# Q1 2025 Ongoing EPS Details: Corporate



- *Higher interest expense on Holding Company debt*

Q1 2025 Key Drivers	Δ EPS
Interest expense	(\$0.01)

# Weather Impacts

TNMP	Q1 2025	Q1 2024	Q1 Normal <sup>(1)</sup>
Cooling Degree Days	162	118	134
Heating Degree Days	940	805	858
Net EPS Impact compared to Normal	\$0.01	(\$0.00)	

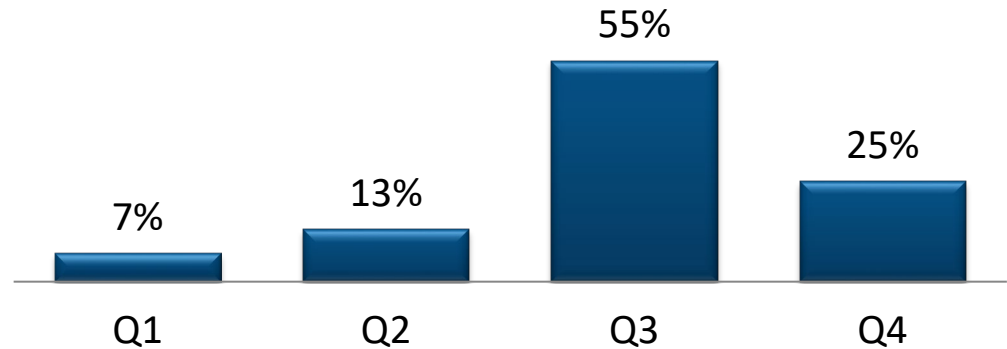
PNM	Q1 2025	Q1 2024	Q1 Normal <sup>(1)</sup>
Cooling Degree Days	2	0	0
Heating Degree Days	1,024	1,080	1,124
Net EPS Impact compared to Normal	(\$0.01)	\$0.00	

<sup>(1)</sup> Normal weather assumption reflects the 10-year average for the period 2015 - 2024

# 2025 Ongoing Earnings Guidance Quarterly Distribution

*Quarterly distribution continues to be heavily weighted towards Q3*

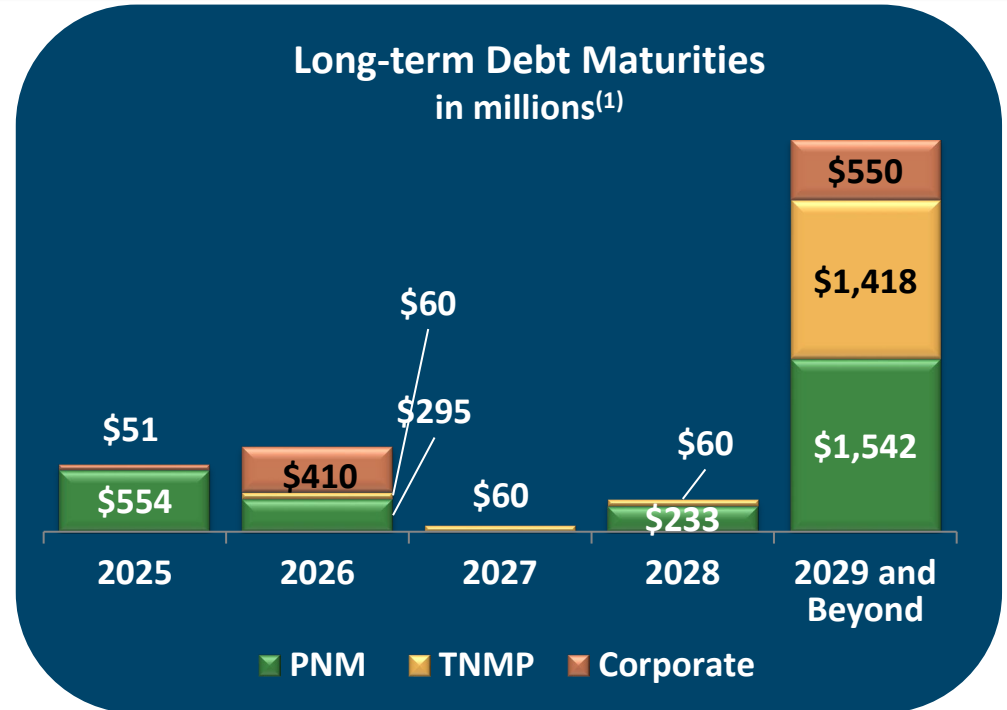
Estimated Quarterly Ongoing EPS Distribution



# Financing Plan (*unchanged*)

## 2025 – 2029 Financing Activities

- Refinancing of remaining Corporate term loans with debt securities providing equity content
- Total equity needs of \$1.3b 2025-2029 to fund \$7.8b investments, may include equity and equity-linked securities
- Actual financings will be optimized based on market conditions to support investment grade credit ratings
- Minimal (<\$50m) IRA tax credits at PNM, financing plan does not assume any monetization



	Moody's Rating/Outlook	S&P Rating/Outlook
TXNM	Baa3 <sup>(2)</sup> / Stable	BBB <sup>(2)</sup> / Stable
PNM	Baa2 <sup>(2)</sup> / Stable	BBB <sup>(2)</sup> / Stable
TNMP	A2 <sup>(3)</sup> / Stable	A <sup>(3)</sup> / Stable

<sup>(1)</sup> Debt maturities as of April 25, 2025, excludes PNM securitization <sup>(2)</sup> Senior unsecured rating <sup>(3)</sup> Senior secured rating

# 2025 - 2029 Potential Earnings Power (*unchanged*)

	Allowed Equity Return / Ratio	2025 Guidance Midpoint		2026 Earnings Potential		2027 Earnings Potential		2028 Earnings Potential		2029 Earnings Potential	
		Avg Rate Base	EPS	Avg Rate Base	EPS	Avg Rate Base	EPS	Avg Rate Base	EPS	Avg Rate Base	EPS
PNM Retail	9.45% / 51% <sup>(1)</sup>	\$3.0 B	\$1.45	\$3.4 B	\$1.76	\$3.7 B	\$1.91	\$3.9 B	\$2.04	\$4.2 B	\$2.20
PNM FERC	10% / ~50%	\$0.9 B	\$0.44	\$1.0 B	\$0.53	\$1.1 B	\$0.57	\$1.1 B	\$0.60	\$1.2 B	\$0.62
Items not in Rates <sup>(2)</sup>			\$0.11		\$0.12-\$0.16		\$0.17-\$0.22		\$0.17-\$0.22		\$0.17-\$0.22
<b>Total PNM</b>		<b>\$3.9 B</b>	<b>\$2.00</b>	<b>\$4.4 B</b>	<b>\$2.41-\$2.45</b>	<b>\$4.8 B</b>	<b>\$2.65-\$2.70</b>	<b>\$5.0 B</b>	<b>\$2.81-\$2.86</b>	<b>\$5.4 B</b>	<b>\$2.99-\$3.04</b>
TNMP <sup>(3)</sup>	9.65% / 45%	\$2.8 B	\$1.38	\$3.3 B	\$1.55	\$3.9 B	\$1.85	\$4.6 B	\$2.13	\$5.3 B	\$2.50
Existing Financing <sup>(4)</sup>			(\$0.59)		(\$0.69)-(\$0.65)		(\$0.75)-(\$0.71)		(\$0.79)-(\$0.73)		(\$0.86)-(\$0.80)
Growth Financing <sup>(5)</sup>					(\$0.27)-(\$0.21)		(\$0.41)-(\$0.35)		(\$0.59)-(\$0.53)		(\$0.87)-(\$0.78)
<b>Total TXNM Energy</b>		<b>\$6.7 B</b>	<b>\$2.79</b>	<b>\$7.7 B</b>	<b>\$3.00 - \$3.14</b>	<b>\$8.7 B</b>	<b>\$3.34 - \$3.49</b>	<b>\$9.6 B</b>	<b>\$3.56 - \$3.73</b>	<b>\$10.7 B</b>	<b>\$3.76 - \$3.96</b>

PNM Retail, PNM FERC and TNMP EPS reflect earnings at the allowed equity/return ratio for 2026-2029

All EPS calculations based on 2025 fully diluted weighted average shares of 93m

<sup>(1)</sup> PNM Retail allowed equity return/ratio as proposed in the unopposed stipulation filed in the PNM 2025 Rate Request; current allowed equity return is 9.26% with an equity ratio of 50%

<sup>(2)</sup> PNM Items not in Rates consists primarily of decommissioning/reclamation cost and trust income (net of fees/taxes), AFUDC, interest on short term debt, additional recovery for Energy Efficiency and certain incentive compensation

<sup>(3)</sup> TNMP earnings include additional recovery for Energy Efficiency, along with items excluded from rates (primarily AFUDC and interest on short term debt)

<sup>(4)</sup> Existing Financing carries forward the expected 2025 Holding Company debt balance, including the impact of \$550 million of junior subordinated notes issued in 2024 and remaining \$450 million term loan refinanced under equity-content security alternatives

<sup>(5)</sup> Growth Financing funds \$7.8b investment plan with new financing instruments issued over the period under various alternatives, including \$1.3b of equity/equity-linked securities

***This table is not intended to represent a forward-looking projection of 2026-2029 earnings guidance***

# Liquidity as of April 25, 2025

	PNM	TNMP	Corporate/ Other	TXNM Energy Consolidated
Financing Capacity <sup>(1)</sup> :	(In millions)			
Revolving credit facilities	\$440.0	\$200.0	\$300.0	\$940.0
As of 04/25/25:				
Short-term debt and L/C balances	37.7	155.7	161.1	354.5
Remaining availability	402.3	44.3	138.9	585.5
Invested cash	-	-	0.9	0.9
<b>Total Available Liquidity</b>	<b>\$402.3</b>	<b>\$44.3</b>	<b>\$139.8</b>	<b>\$586.4</b>

(1) Excludes intercompany debt and term loans

# Selected Balance Sheet Information

(In millions)	Dec. 31, 2024	Mar. 31, 2025
<b>Long-Term Debt (incl. current portion) <sup>(1)</sup></b>		
PNM	\$2,459.6	\$2,651.6
TNMP	1,464.1	1,603.2
Corporate/Other	999.7	999.8
<b>Consolidated</b>	<b>\$4,923.4</b>	<b>\$5,254.6</b>
<b>Total Debt (incl. short-term) <sup>(1,2)</sup></b>		
PNM	\$2,823.4	\$2,949.9
TNMP	1,615.7	1,743.1
Corporate/Other	1,093.6	1,155.3
<b>Consolidated</b>	<b>\$5,532.7</b>	<b>\$5,848.3</b>

<sup>(1)</sup> Net of unamortized debt issuance costs, premiums and discounts

<sup>(2)</sup> Excludes intercompany debt