Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management’s intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms “anticipate,” “potential,” “expect,” “forecast,” “target,” “will,” “intend,” “believe,” “project,” “estimate,” “plan” and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: the ability to successfully execute an exit of commodity-based generation that minimizes cash outflows and associated liabilities, including, without limitation, the loss of long-term contracts, guarantees, claims and other obligations of FirstEnergy Corp. (FE), together with its consolidated subsidiaries (FirstEnergy), as such relate to the entities previously consolidated into FirstEnergy, including FirstEnergy Solutions Corp. (FES), its subsidiaries, and FirstEnergy Nuclear Operating Company (FENOC), which have filed for bankruptcy protection (FES Bankruptcy); the risks that conditions to the definitive settlement agreement with respect to the FES Bankruptcy may not be met or that the settlement agreement may not be otherwise consummated, and if so, the potential for litigation and payment demands against FirstEnergy by FES, FENOC or their creditors; the risks associated with the FES Bankruptcy that could adversely affect FirstEnergy, its liquidity or results of operations; the accomplishment of our regulatory and operational goals in connection with our transmission and distribution investment plans; changes in assumptions regarding economic conditions within our territories, assessment of the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; the ability to accomplish or realize anticipated benefits from strategic and financial goals, including, but not limited to, our strategy to operate as a fully regulated business and to grow the Regulated Distribution and Regulated Transmission segments to continue to reduce costs through FE Tomorrow, FirstEnergy’s initiative launched in late 2016 to identify its optimal organizational structure and properly align corporate costs and systems to efficiently support a fully regulated company going forward, and other initiatives, and to improve our credit metrics and strengthen our balance sheet; the risks and uncertainties associated with litigation, arbitration, mediation and like proceedings; the uncertainties associated with the sale, transfer or deactivation of our remaining commodity-based generating units, including the impact on vendor commitments, and as it relates to the reliability of the transmission grid, the timing thereof; the uncertainty of the timing and amounts of the capital expenditures that may arise in connection with any litigation, including New Source Review litigation, or potential regulatory initiatives or rulemakings; changes in customers’ demand for power, including, but not limited to, changes resulting from the implementation of state and federal energy efficiency and peak demand reduction mandates; economic and weather conditions affecting future sales, margins and operations, such as significant weather events, and all associated regulatory events or actions; changes in national and regional economic conditions affecting FirstEnergy and/or our major industrial and commercial customers, and other counterparties with which we do business; the impact of labor disruptions by our unionized workforce; the risks associated with cyber-attacks and other disruptions to our communications technology system that may compromise our generation, transmission and/or distribution services and data security breaches; the sensitivity of our internal and external credit ratings, including negative cyber-related events; the impact of our credit ratings on access to capital and cost of capital; the risks of changes in applicable laws, rules and regulations, including new laws, rules and regulations or the strict interpretation or enforcement thereof; changes in the regulatory environment and in state and federal energy policy, including the potential impact of new or amended laws and regulations; the increase in our operating expenses and the possible increase in capital expenditures associated with new or amended laws and regulations; the impact of the FERC’s ongoing review of FERC Order No. 857; the potential for significant new or revised classification actions; the impact of new or revised accounting pronouncements and our conclusions under such pronouncements; the impact of changes in tax laws or regulations, including the Tax Cuts and Jobs Act, adopted December 22, 2017, or adverse tax audit results or rulings; the acquisition of our subsidiaries, FirstEnergy Solutions Corp., FirstEnergy Nuclear Operating Company, and their respective businesses; the potential for violations of the United States Foreign Corrupt Practices Act, the United States anti-kickback laws, or other United States or foreign laws; the potential for unexpected costs and other liabilities and adverse changes in general economic and energy markets and conditions and the impacts of changes in commodity prices, interest rates, and other factors affecting electric rates and other revenues and costs; the impact of market conditions on the values of assets held in our pension trust funds and other trust funds, and on the funding requirements of the trusts and our subsidiaries; the impact of business combinations, including the FENOC Coalesced Transactions and the FENOC sale; the ability of our subsidiaries to satisfy their obligations under their debt and other agreements; the potential for the loss of key personnel; the potential for natural disasters or other events, such as wars, acts of terrorism, civil unrest or adverse weather conditions, to cause financial losses, including the potential for increased claims under our property, casualty and other insurance policies; the potential for a significant reduction in our electric sales, including the potential for lower-than-expected sales from the Pennsylvania Department of Environmental Protection’s (PADEP) recent settlements; the potential for increased claims under our property, casualty and other insurance policies; the impact of energy efficiency programs and new technologies; the potential for unsuccessful actions and proceedings; the potential for parent company investment activity and the impact of changes in capital markets and the availability of capital; the potential for increased taxes in jurisdictions where we do business; the potential for the loss of key personnel; the potential for a reduction in the value of our assets, liabilities and investments; the impact of final determinations in various legal proceedings, investigations and enforcement actions; our ability to timely recover increases in our operating and other costs through rate actions; the ability to execute and realize the expected benefits from any rate actions; the risks and other factors described in our Form 10-Q, our Form 10-K, and this Annual Report on Form 10-K; the potential for changes in the ratings and outlooks of our debt by credit rating agencies; the potential for withdrawal of regulatory grants or tax credits, including the repeal of the production tax credit and potential changes in the law affecting the ability of Congress or the states to grant or extend tax credits; and the risks and other factors described in our Form 8-K, and other reports and filings with the SEC.

We expressly disclaim any obligation to update or revise, except as required by law, any forward-looking statements contained herein as a result of new information, future events or otherwise.
Non-GAAP Financial Matters

This presentation contains references to non-GAAP financial measures including, among others, Operating earnings (loss), Operating earnings (loss) per share, Operating earnings (loss) per share by segment, funds from operations and free cash flow. Generally, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP). Operating earnings (loss), Operating earnings (loss) per share and Operating earnings (loss) per share by segment are not calculated in accordance with GAAP to the extent they exclude the impact of “special items.” Special items represent charges incurred or benefits realized that management believes are not indicative of, or may obscure trends useful in evaluating the company’s ongoing core activities and results of operations or otherwise warrant separate classification. Special items also reflect the adjustment to include the full impact of share dilution from the $2.5 billion equity issuance in January 2018. Special items are not necessarily non-recurring. FirstEnergy Corp. (FE or the Company) management cannot estimate on a forward-looking basis the impact of these items in the context of Operating earnings (loss) per share growth projections because these items, which could be significant, are difficult to predict and may be highly variable. Consequently, the Company is unable to reconcile Operating earnings (loss) per share growth projections (i.e. CAGR) to a GAAP measure without unreasonable effort.

Operating earnings (loss) per share and Operating earnings (loss) per share by segment are calculated by dividing Operating earnings (loss), which excludes special items as discussed above, for the periods presented in 2018 by 538 million shares and by 540 million shares for 2019, which reflect the full impact of share dilution from the equity issuance in January 2018. Beginning in 2018, Regulated operating (non-GAAP) earnings (loss), Regulated operating earnings (loss) per share, and Regulated operating earnings (loss) per share by segment, which were non-GAAP financial measures used in the guidance provided in February 2018, are now referred to as Operating earnings (loss), Operating earnings (loss) per share, and Operating earnings (loss) per share by segment, respectively.

Management uses non-GAAP financial measures such as Operating earnings (loss) and Operating earnings (loss) per share, funds from operation, and free cash flow to evaluate the company’s performance and manage its operations and frequently references these non-GAAP financial measures in its decision-making, using them to facilitate historical and ongoing performance comparisons. Additionally, management uses Operating earnings (loss) per share by segment to further evaluate the company’s performance by segment and references this non-GAAP financial measure in its decision-making. Management believes that the non-GAAP financial measures of Operating earnings (loss), Operating earnings (loss) per share and Operating earnings (loss) per share by segment provide consistent and comparable measures of performance of its businesses on an ongoing basis. Management also believes that such measures are useful to shareholders and other interested parties to understand performance trends and evaluate the company against its peer group by presenting period-over-period operating results without the effect of certain charges or benefits that may not be consistent or comparable across periods or across the company’s peer group. All of these non-GAAP financial measures are intended to complement, and are not considered as alternatives to, the most directly comparable GAAP financial measures. Also, the non-GAAP financial measures may not be comparable to similarly titled measures used by other entities.

Pursuant to the requirements of Regulation G, FirstEnergy has provided, where possible without unreasonable effort, quantitative reconciliations within this presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures. Refer to appendix slides 19-20.

FES/FENOC Deconsolidation

As a result of the bankruptcy filings, FirstEnergy Solutions Corp. (FES), its subsidiaries and FirstEnergy Nuclear Operating Company (FENOC) were deconsolidated from FE’s consolidated financial statements as of March 31, 2018. Additionally, the operating results of FES and FENOC, as well as Bay Shore Power Company (BSPC) and the majority of Allegheny Energy Supply, LLC (AE Supply) that are subject to completed or pending asset sales and transfers, collectively representing substantially all of FE’s operations that previously comprised the Competitive Energy Services (CES) reportable operating segment, are presented as discontinued operations in Corporate/Other. During the third quarter of 2018, the Pleasants Power Station was also reclassified to discontinued operations. The remaining business activities that previously comprised the CES reportable operating segment were not material, and as such, have been combined into Corporate/Other for reporting purposes. The external segment reporting is consistent with the internal financial reports used by FE’s Chief Executive Officer (its chief operating decision maker) to regularly assess performance of the business and allocate resources.
Agenda

- FirstEnergy Overview
- 2018 Achievements
- Regulated Investments
  - Transmission
  - Distribution
- EmT and ESG Vision
- FE Tomorrow Update
- 2019 Guidance and Value Proposition
- Closing Remarks / Q&A
FirstEnergy Overview

OUR MISSION
We are a forward-thinking electric utility powered by a diverse team of employees committed to making customers’ lives brighter, the environment better and our communities stronger.

$39B
Total Assets (9/30/2018)

~6 Million
Total Customers

~3,800 MW
Regulated Generation

~24,500 Miles
Transmission Lines

Regulated Plants
230, 345 and 500 kV Transmission Lines
Utility footprint
2018 Achievements

Achieved significant milestones necessary to complete our transition to a fully regulated utility
Investing for Growth in Transmission

$20\text{B+}

FUTURE OPPORTUNITIES beyond 2021…

$4.7\text{ BILLION}

Planned capital investment of up to $1.2B per year 2018 thru 2021

11%

Expected rate base CAGR (2018-2021) at our three formula rate transmission companies (ATSI, TrAIL, MAIT)

80%+

Of our planned transmission investment is recoverable through formula rate mechanisms

Upgrading the condition/health of the system, improving system performance, increasing automation and communication, adding system capacity and improving customer reliability
Energizing the Future: Facts and Customer Benefits

- **Since 2014, we’ve realized a 38% reduction in transmission caused distribution outages (ATSI).**
- **Since 2014, we’ve achieved a 29% reduction in number of customers impacted by transmission outages (ATSI).**
- **Since 2014, we’ve recognized a 20% reduction in customer impact minutes caused by transmission outages (ATSI).**
- **Since 2014, we’ve achieved a 37% reduction in equipment-related transmission outages (ATSI).**
- **Since 2014, we’ve completed 600 to 700 projects per year.**
- **From 2014 to 2017, we invested $4.4 billion on grid improvement projects.**
- **Since 2014, we’ve replaced more than 700 miles of transmission lines.**
- **We’ve installed 1,000 miles of new fiber optic cable.**
- **Opening 2019, our 88,000 sq. ft. center for advanced energy technology will be one of the most state of the art smart grid facilities in the country.**
Investing for Growth in Distribution

Planned capital investment of $1.6B in 2018 and up to $1.7B per year, 2019 thru 2021

Expected rate base CAGR (2018-2021) for our regulated distribution utilities

Of our planned distribution investment is recoverable through formula rate mechanisms

As part of our Emerging Technologies focus, we have proposed grid modernization initiatives that will reduce outages and strengthen the system, preparing for the grid of the future

CUSTOMER SERVICE ORIENTED GROWTH

$6.2-$6.7 BILLION

5%

~40%
**Emerging Technologies (EmT)**

Focused on our Customers, Energized by Our Employees

**Empower:** Customers through personalized solutions

- Limited initial investments
- Services focused

**OPPORTUNITIES:** Your FirstEnergy As a Service, Distributed Energy Resource Aggregator

**Expand:** Sustainable solutions for a better environment

- Potential to grow over time with proven successes and new opportunities
- Solutions focused

**OPPORTUNITIES:** Plug-in Electric Vehicles for All, Solar Program

**Enable:** Grid of the future while enhancing safety, reliability, and resiliency

- Foundational and necessary for the Grid of the Future
- Infrastructure intensive

**OPPORTUNITIES:** Distribution Grid of the Future, Microgrids, Ohio Grid Mod(DPM), PA LTIIIP, NJ IIP
Built upon the pillars of our mission statement, our ESG Strategy delivers on these opportunities and unlocks potential growth for our stakeholders.
FE Tomorrow Update

Right-sizing Shared Service Organization

- Cost reductions ~$300M related to the support of the competitive business
  - Reduces 1/3 of Shared Services costs beginning 2019
- Implemented VERP to offset nearly 500 positions and eliminated over 200 open positions
- FE committed to make services available to FES through June 2020 – costs will be reimbursed beginning November 2018 through Amended Shared Service Agreement

Incremental Shared Service Savings

- Identified ~$85M of savings in 2019
  - ~$50M reduction of O&M and Interest
  - ~$35M reduction of Capital
- Reduced the shared service organization headcount by 40% and cut expenses by 43%
- Operating expenses associated with our shared services organization benchmark solidly within the top quartile of our industry

Achieved leaner management structure with 44% fewer leadership positions

FE Tomorrow cost reduction initiatives support 6%-8% Operating (non-GAAP) EPS CAGR projection

See slide 3
2018-2019 Operating EPS Guidance

Raised and narrowed 2018 range to $2.50 - $2.60 and announcing full year 2019 guidance range of $2.45 - $2.75

(1) Guidance midpoint is based on fully diluted shares of 538M in 2018 and 540M in 2019. See slide 3.
(2) Please see slide 19 for the GAAP to Non-GAAP reconciliation for 2018 revised guidance
2018-2021 Operating EPS CAGR

Affirming our 6% - 8% operating EPS CAGR target

2018F Original Guidance Midpoint (excluding Ohio DMR)

- $2.15

538M Fully Diluted Shares

2021F

- 6% - 8%

Growth (excludes Ohio DMR)

- T&D growth opportunities
- Organic utility growth
- FE Tomorrow initiatives
- Depreciation and general taxes
  - Load growth
    - Residential
    - Commercial
    + Industrial

545M Avg. Shares Outstanding

FERSTENERGY
Dividend Policy

- On November 9, 2018, The Board of Directors approved a dividend policy
- Effective beginning with the March 1, 2019 dividend:
  - A $0.02 per share increase; quarterly dividend will be $0.38 per share or $1.52 annualized per share in 2019

Resuming dividend growth enables enhanced shareholder returns while continuing substantial regulated investments

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(1) Dividend payments are subject to declaration by the Board of Directors; future dividend decisions determined by the Board based on earnings growth, cash flows, credit metrics, and other business conditions.
### FE’s Value Proposition

#### A premier customer-focused, pure-play regulated utility

<table>
<thead>
<tr>
<th>Customer-Focused</th>
<th>Regulated Growth</th>
<th>Balance Sheet Improvement</th>
<th>Operational Proven Track</th>
<th>Constructive Relationships</th>
<th>Growth Opportunities</th>
<th>Dividend Payout</th>
</tr>
</thead>
</table>
| Driving sustainable, long-term regulated earnings growth and a competitive dividend | Improving balance sheet with investment-grade credit ratings | Proven track record of operational execution | Strong relationships in constructive jurisdictions | Significant organic growth opportunities | 10 distribution utilities, 6M customers, 6 states | 55%-65% Targeted Dividend Payout Ratio
| 6% – 8% Operating EPS CAGR Target 2018-2021 | 5% Distribution Segment Rate Base CAGR | 11% Formula Transmission Rate Base CAGR | ~4% Current Dividend Yield | Focused on customer satisfaction and reliability | 3 FERC-regulated transmission utilities on formula rates |
Questions