

RESILIENT.
RELIABLE.
READY.

2023 First Quarter Review

May 4, 2023



Forward-looking Statements

COMPANY INFORMATION

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This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. This includes, without limitations, our 2023 earnings guidance and long-term growth target. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Item 1A of Part I of our 2022 Annual Report on Form 10-K and other reports that we file with the SEC from time to time, and the following:





- The accuracy of our assumptions on which our earnings guidance and growth target are based;
- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings and favorable rulings on periodic applications to recover costs for capital additions, plant retirements and decommissioning, fuel, transmission, purchased power and other operating costs, and the timing in which new rates would go into effect;
- Our ability to complete our capital program in a cost-effective and timely manner;
- Our ability to execute on our strategy;
- Our ability to successfully execute our financing plans;
- The effects of changing interest rates;
- Our ability to achieve our greenhouse gas emissions intensity reduction goals;
- Board of Directors’ approval of any future quarterly dividends;
- The impact of future governmental regulation;
- Our ability to overcome the impacts of supply chain disruptions on availability and cost of materials;
- The effects of inflation and volatile energy prices; and
- Other factors discussed from time to time in our filings with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

First Quarter 2023 Review



Q1 2023 Key Takeaways

-  Reaffirmed 2023 guidance
-  Reliable and safe operational performance
-  Strengthened balance sheet and liquidity
-  Advanced growth initiatives

RESILIENT.

RELIABLE.

READY.

Financial Outlook

**2023
EPS**

Guidance of \$3.65 to \$3.85

**Long-term
EPS Growth**

4% to 6% growth target off 2023 base

Dividend

55% to 65% payout ratio target *

**Capital
Investment**

\$3.5 billion five-year forecast (2023 to 2027)

* Future dividends subject to board approval

Rate Review Progress

- Settlement agreement filed for Rocky Mountain Natural Gas intrastate pipeline rate review; seeking new rates by Q3 2023
- Preparing to file natural gas rate reviews in Colorado and Wyoming in Q2 2023 and an additional natural gas rate review later in 2023

Jurisdiction	Filing Date	Annual Revenue Increase	ROE	Debt / Equity	Comments / Status
Rocky Mountain Natural Gas Docket 22AL-0426G	Oct. 7, 2022	\$8.2 million*	Range of 9.5% to 9.7%*	Range of 48% to 50% / 50% to 52%*	Settlement filed providing a range for capital structure and return on equity; awaiting decision by administrative law judge for new rates by Q3 2023
✓ Wyoming Electric Docket 20003-214-ER-22	June 1, 2022	\$8.7 million	9.75%	48% / 52%	Approved - new rates effective March 1, 2023; new transmission investment and expense rider

* Per settlement agreement; awaiting a decision by an administrative law judge

Advancing Electric Resource Plans

**Total of
520 MW
by 2030**

Colorado Clean Energy Plan

80% by 2030 plan achieves state's legislation goal ^{1, 2}

- Opted in to 80% by 2030 legislation
- **Received approval of unanimous settlement agreement in Q1 2023**
- **Issue “all source” RFP mid-year 2023**
- Settlement and Colorado legislation allows 50% Black Hills ownership of new resources

200-250 MW solar ² 100 MW wind ² 50 MW battery storage ²

400 MW of clean energy resources in 2026 to 2029 ²



South Dakota and Wyoming Integrated Resource Plan

- Filed integrated resource plan June 30, 2021, for jointly operated electric system
- IRP formally accepted by Wyoming Public Service Commission
- **Issued RFP March 28, 2023, for 100 MW of utility-owned renewable generation in South Dakota**

- 100 MW of renewable generation by mid-year 2026 ³
- Evaluate 20 MW of battery storage (10 MW South Dakota; 10 MW Wyoming) ³
- Convert 90 MW coal-fired power plant to dual fuel (natural gas and coal) by 2025
- Evaluate and develop transmission opportunities (Ready Wyoming by 2025)
- Support research for emissions-reduction technologies

120 MW of clean energy resources by mid-2026 ³

- Enhanced transmission and backup generation resiliency and optionality

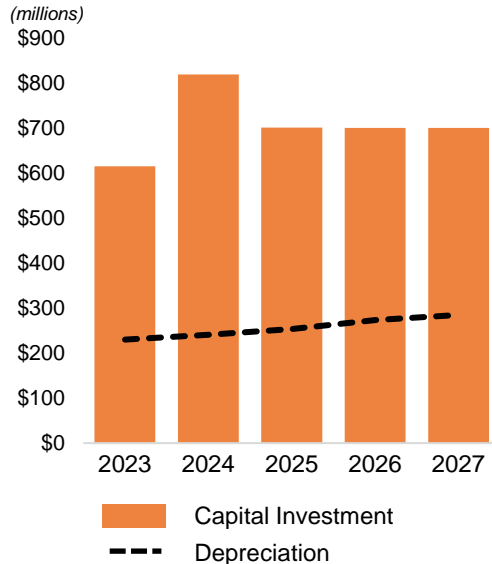
¹ Emissions reduction target for Colorado Electric from a 2005 baseline
² Based on settlement agreement for plan as submitted to Colorado Public Utilities Commission
³ Preferred plan submitted in South Dakota and Wyoming
 Note: Potential investments from resource plans are not included in current capital forecast

Disciplined Growth Plan with Upside



Capital Investment

\$3.5 billion 2023-2027



Incremental Projects

Infrastructure Development

- ▲ Electric generation and transmission projects
- ▲ Large natural gas pipeline and storage projects
- ▲ Additional long-term investment programs
- ▲ Investments to comply with safety requirements



Other Earnings Drivers

Pursuing Profitable Growth

- ▲ Data center, blockchain and technology growth
- ▲ Population migration into our territories
- ▲ Innovative solutions, products and technologies, including renewables
- ▲ Cost discipline and focus on continuous improvement

Customer-focused Growth Initiatives



Transmission and Storage

- Ready Wyoming electric transmission project approved; constructing 260-mile project in 2023-2025
- Evaluating other electric transmission and natural gas pipeline and storage opportunities



Data Centers

- Attractive data center service territory in Cheyenne, Wyoming
- Supporting long-term expansion plans by existing and new data center customers



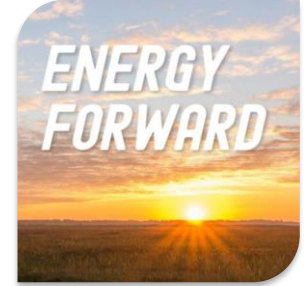
Blockchain

- New crypto-mining customer in service in Cheyenne, Wyoming
- Evaluating future potential; scalable tariff in place



Renewable Natural Gas

- 6 interconnects in service; 4 new projects to be in service 2023-2024
- Pursuing other RNG opportunities across agricultural-rich territories



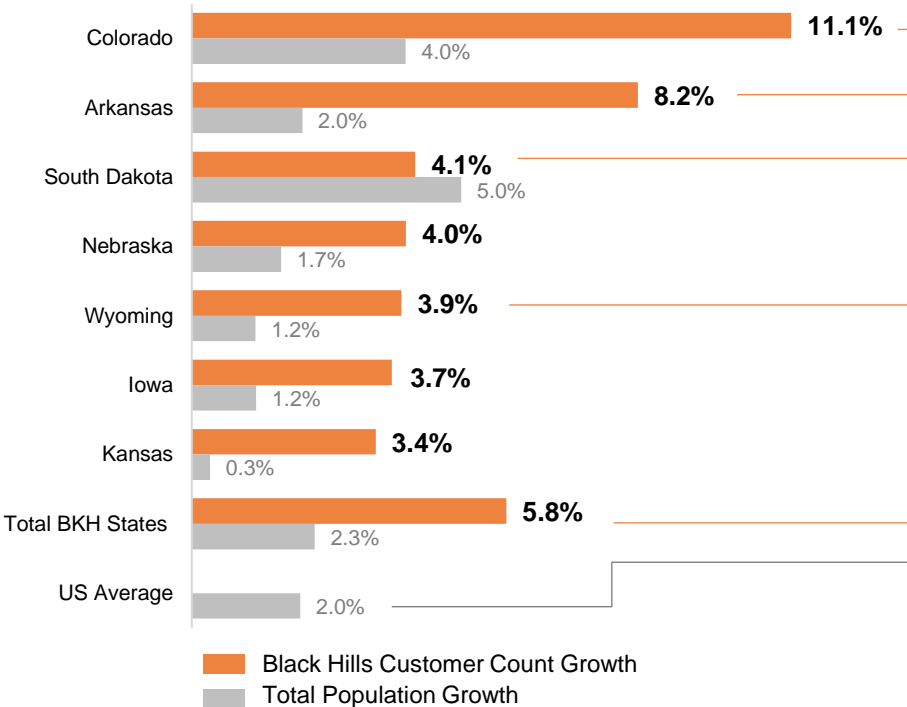
Moving Energy Forward

- Advancing culture of innovation and cross-functional, customer-focused collaboration
- Achieving quick wins for more effective and efficient processes
- Identifying and developing big-picture solutions

Strong Customer Growth

Total 5-year Population and Customer Growth

Year-end 2017-2022, ranked by BKH growth



Top Growth Areas:

Ongoing population migration into our states

Colorado Front Range growth and development

Northwest Arkansas industry and community expansion

Rapid City and Black Hills regional economic strength, housing demand and new construction

Cheyenne, Wyoming economic and industrial growth

Black Hills' customer count growth rate nearly triple the national average over the last five years

Note: total population and customer count growth from year-end 2017 to year-end 2022 for Black Hills' utilities; U.S. and state population data from Bureau of Economic Analysis (bea.gov)

Q1 2023 Financial Review



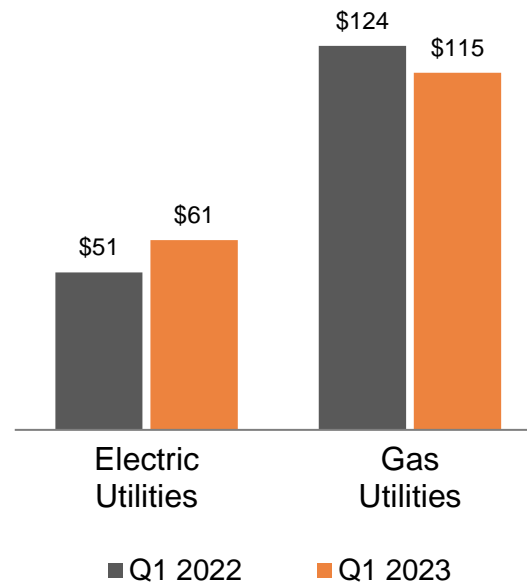
Q1 2023 Financial Review

EPS



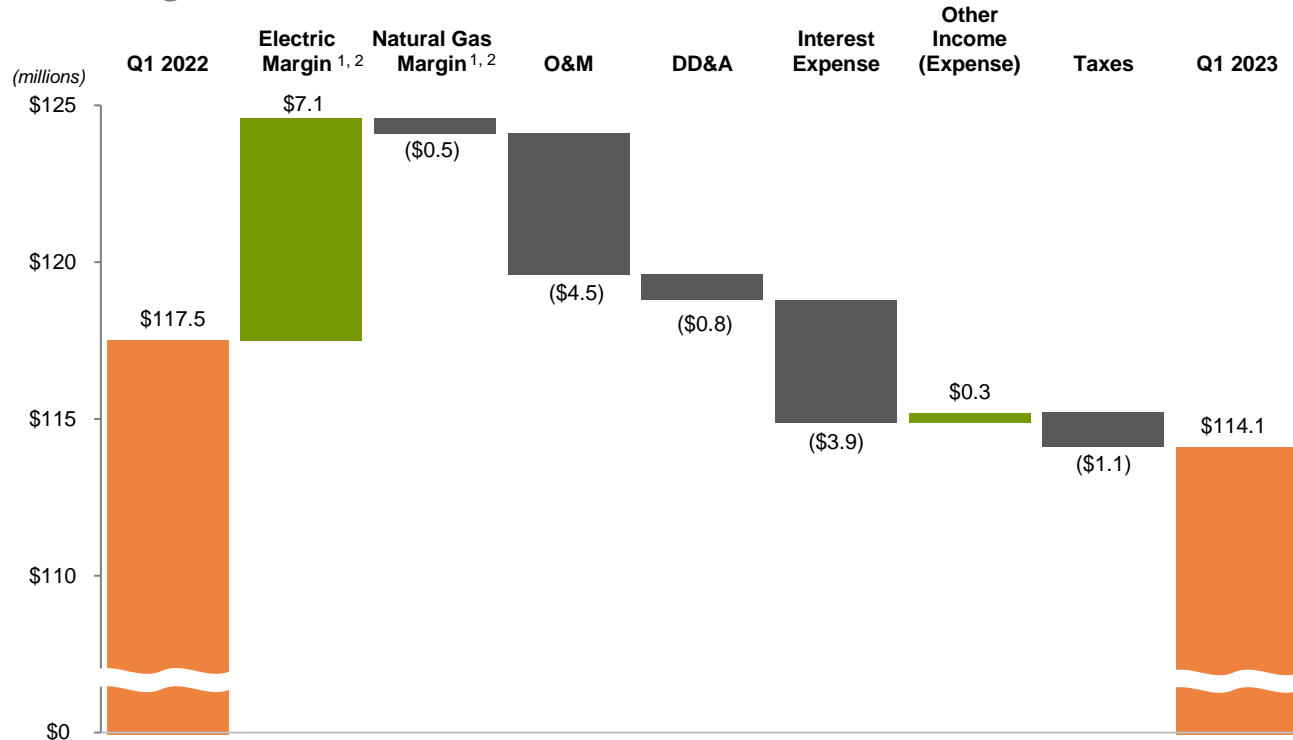
Operating Income

(millions)



Q1 2023 Earnings Drivers

Change in Net Income Available for Common Stock



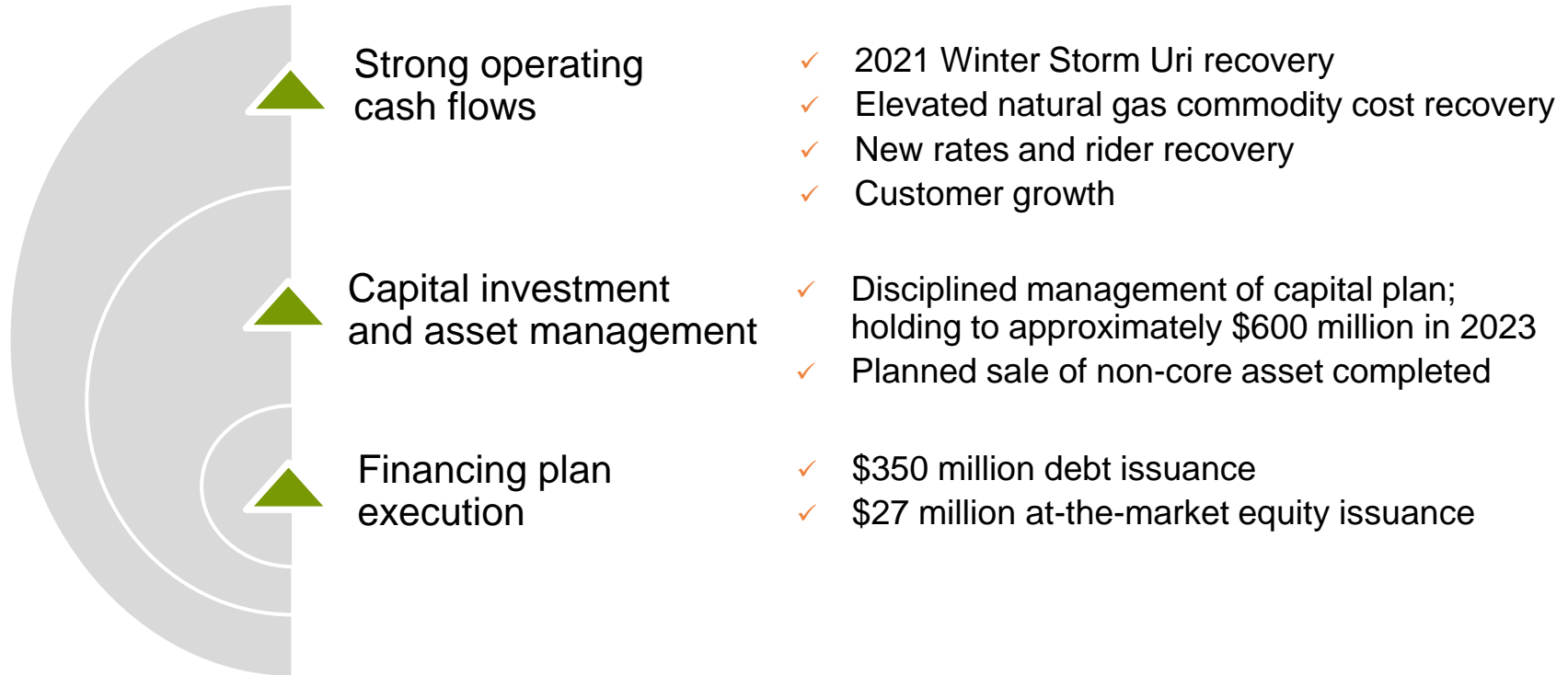
- ▲ New rates and rider recovery
- ▲ Gain on sale of non-core wind asset
- ▲ Wholesale energy sales
- ▲ Customer growth
- ▼ Higher employee costs, materials and fuel expenses
- ▼ Higher interest rates
- ▼ Higher depreciation on larger asset base
- ▼ Mark-to-market loss; lower natural gas prices
- ▼ Weather (less favorable impact than prior year)

¹ Utility margin, a non-GAAP measure defined in the Appendix

² Utility margin unfavorable impact of \$(1.6) million (\$0.1 million electric positive impact and \$(1.7) million unfavorable natural gas impact), net of tax, related to weather versus prior year

Strengthening Balance Sheet and Liquidity

Q1 Cash Flows Utilized to Fully Repay Commercial Paper Borrowings



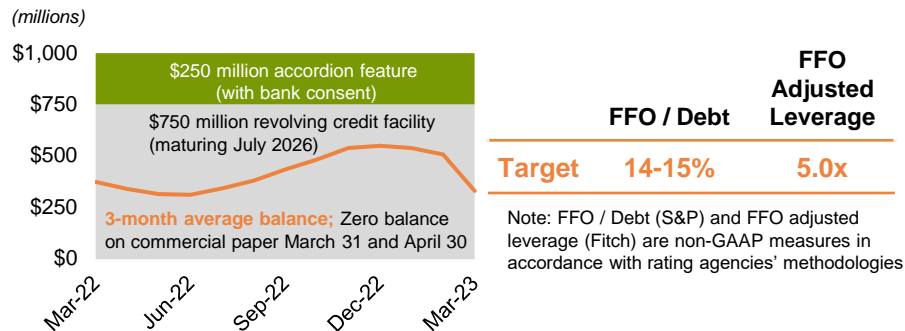
Solid Financial Position

Committed to BBB+ Equivalent Credit Ratings

Credit Ratings

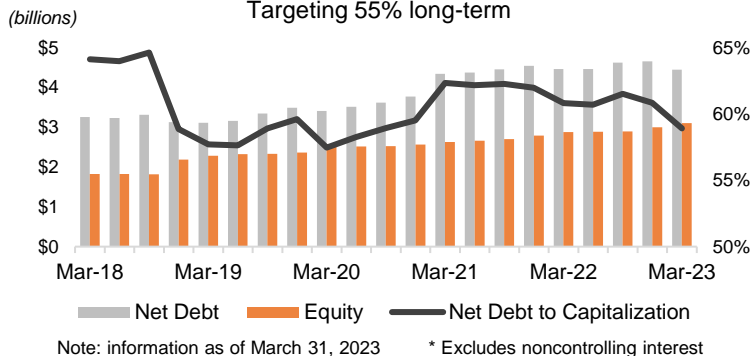
S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook
(Feb. 17, 2023)	(Dec. 20, 2022)	(Oct. 6, 2022)

Liquidity and Cash Flow

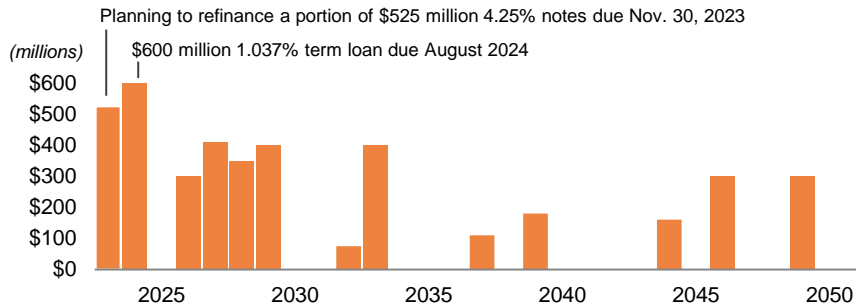


Capital Structure*

Targeting 55% long-term

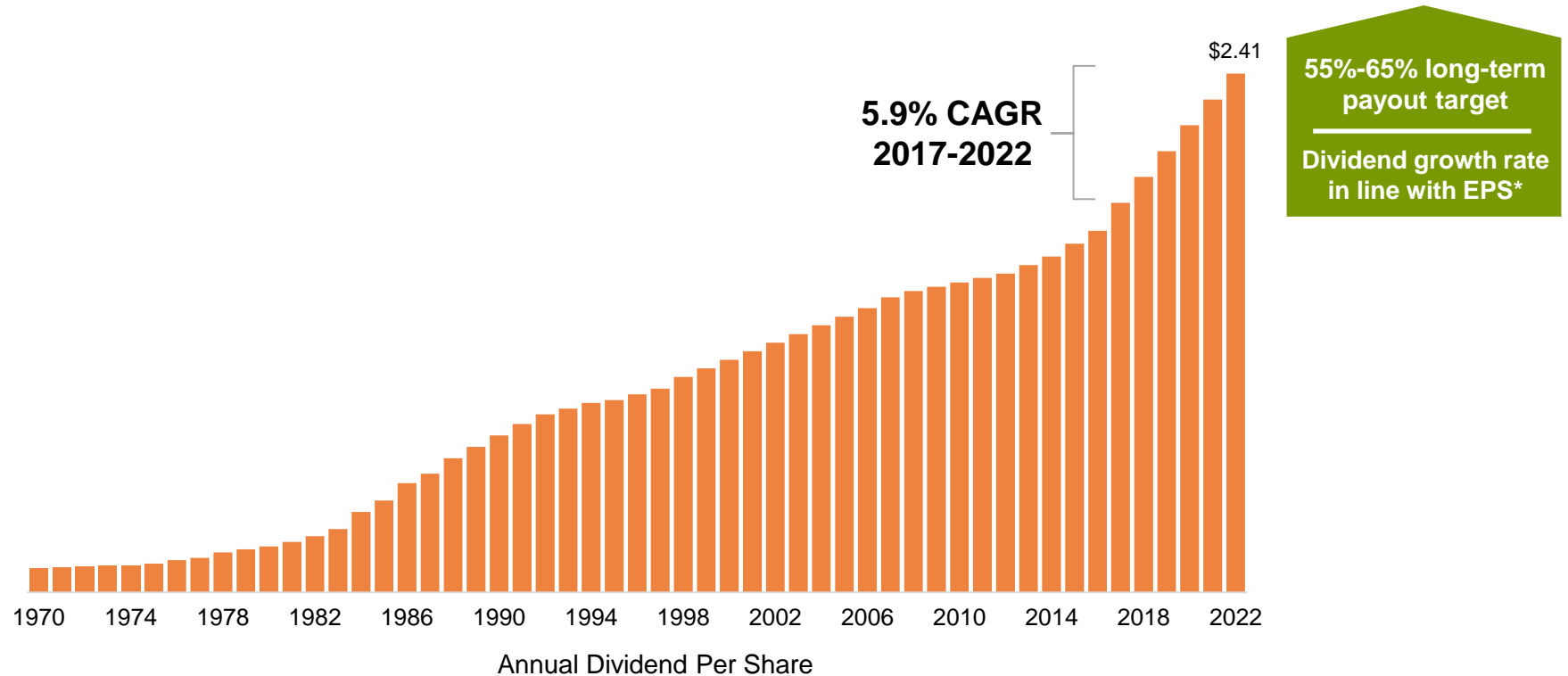


Debt Maturities



Dividend Track Record

52 Consecutive Years of Annual Increases and 80 Consecutive Years Paid



* Future dividends subject to board approval

Strong Long-term Growth Outlook

\$3.5 billion

Capital Investment 2023-2027

- Incremental projects likely
- Additional growth opportunities

4% to 6%

Long-term EPS growth target ¹

55% to 65%

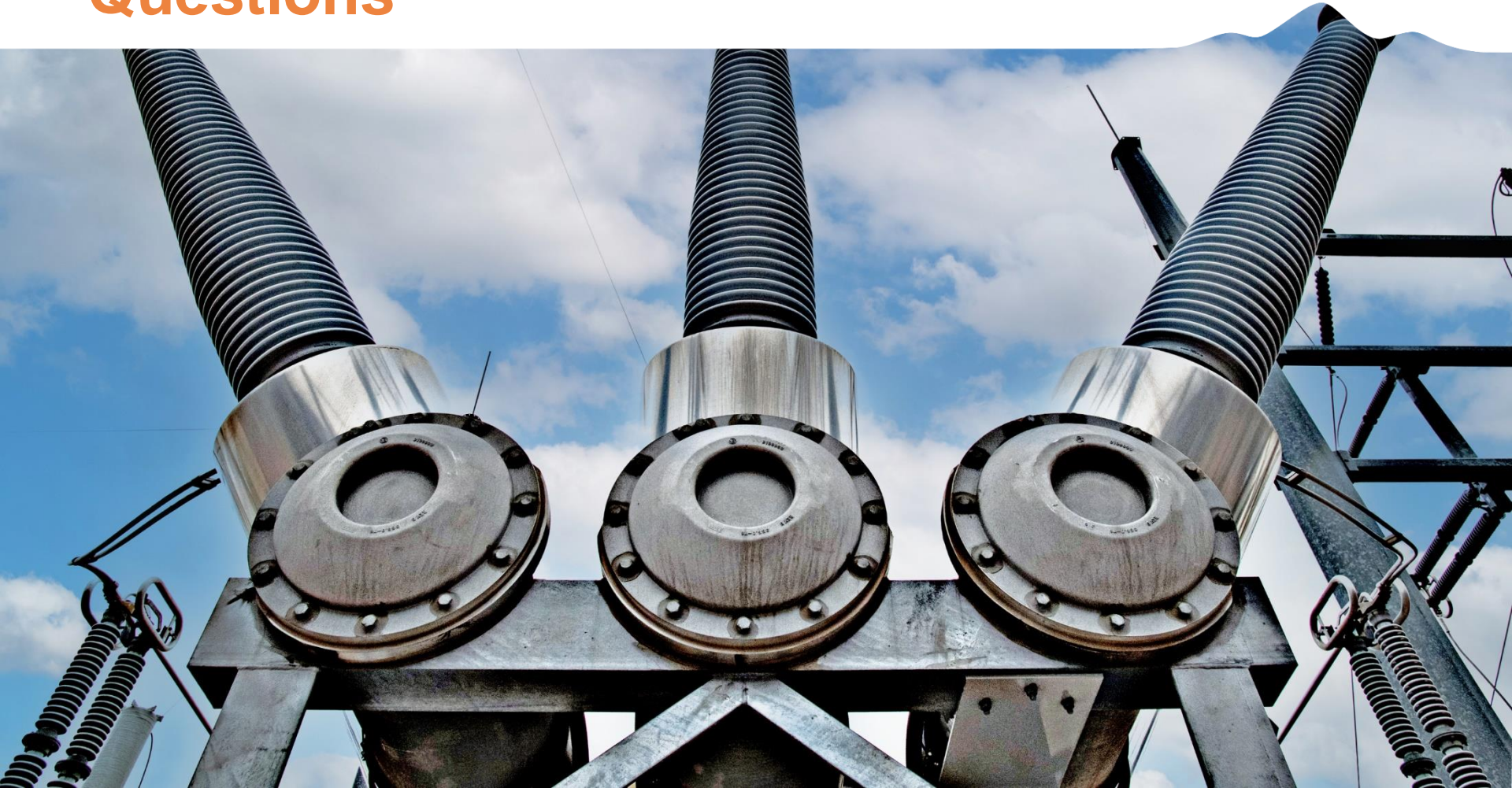
Dividend payout target with long-term growth rate in line with EPS ²

- Integrated pure-play utility profile
- Diversified mix of electric and gas businesses
- Stable and growing service territories
- Constructive regulatory jurisdictions
- Solid financial position and liquidity
- Robust capital plan with timely recovery

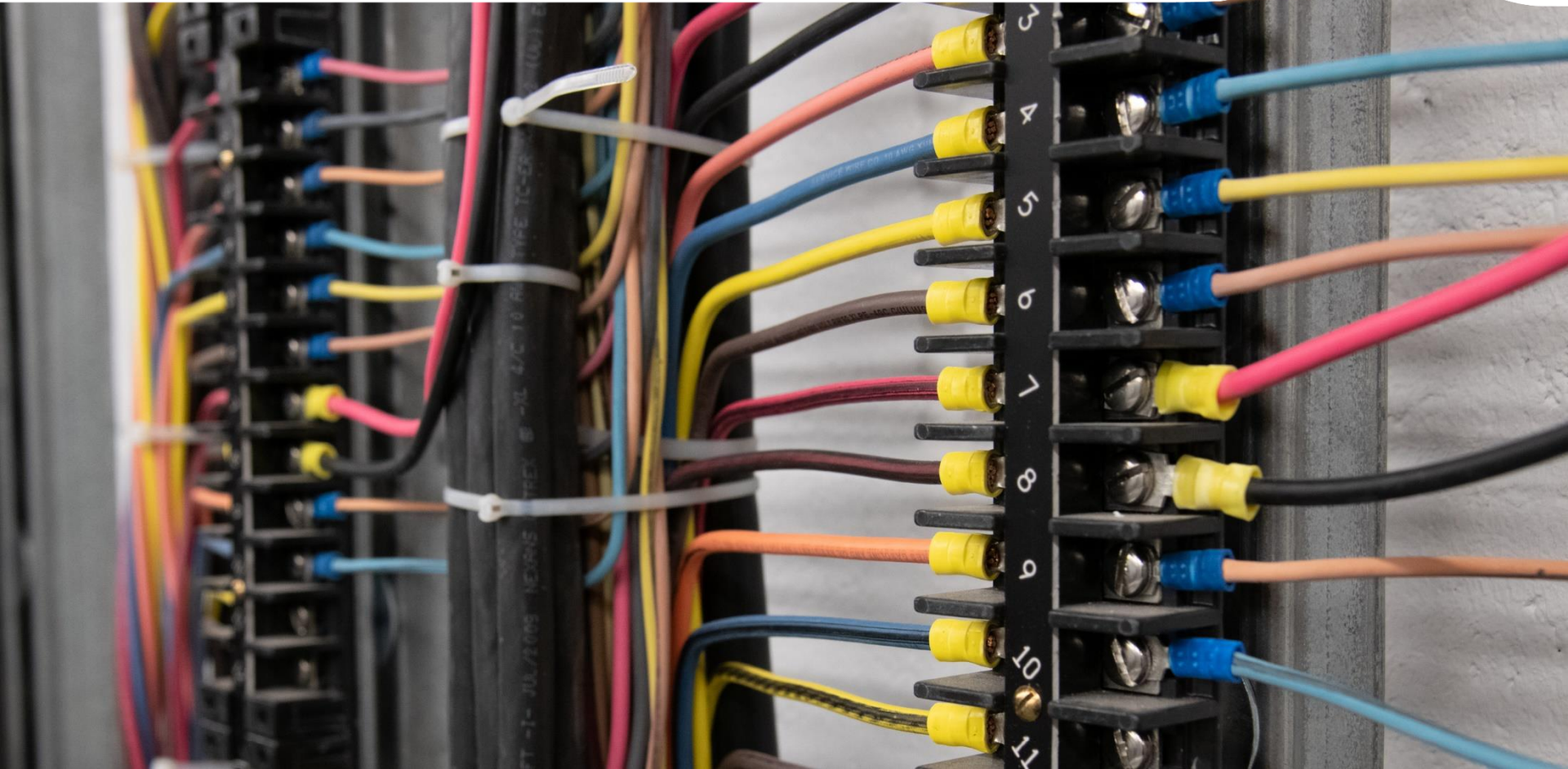
¹ Average annual compound growth rate off 2023 base

² Future dividends subject to board approval

Questions



Appendix



2023 Earnings Guidance Assumptions

Black Hills reaffirmed its guidance for 2023 EPS available for common stock to be in the range of \$3.65 to \$3.85 based on the following update assumptions:

- Normal weather conditions within our utility service territories including temperatures, precipitation levels and wind conditions
- Normal operations and weather conditions for planned construction, maintenance and/or capital investment projects
- Constructive and timely outcomes of utility regulatory dockets
- No significant unplanned outages at any of our generating facilities
- Production tax credits of approximately \$20 million associated with wind generation assets
- Capital investment of approximately \$615 million
- Equity issuance of approximately \$140 million to \$160 million through the at-the-market equity offering program
- Total interest expense of \$180 million to \$185 million, including debt refinancing activity *
- Total operating expense of \$600 million to \$610 million excluding fuel, purchased power, cost of natural gas sold, depreciation, depletion and amortization *

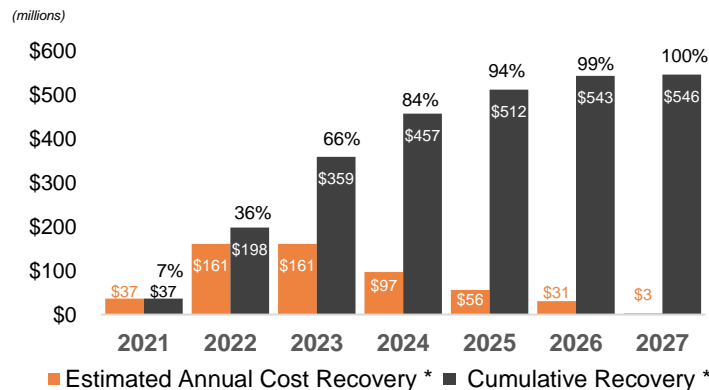
* Guidance assumptions for interest expense and O&M are being provided for 2023 only due to ongoing volatility in inflation and rising interest rate environments.

Winter Storm Uri Recovery Approved and Progressing

(\$ in millions)

Jurisdiction	Recovery Amount *	Recovery Period	Recovery Completion
Arkansas Gas	\$137.5	5 years	Q2 2026
Colorado Electric	\$ 23.2	2 years	Q2 2024
Colorado Gas	\$ 72.7	1-3 years	Q2 2025
Iowa Gas	\$ 95.5	2 years	✓ Complete
Kansas Gas	\$ 87.9	5 years	Q1 2027
Nebraska Gas	\$ 79.8	3 years	Q2 2024
South Dakota Electric	\$ 20.1	1 year	✓ Complete
Wyoming Electric	Completed through normal recovery process		
Wyoming Gas	\$ 29.4	3 years	Q3 2024
Total	\$ 546		

Winter Storm Uri Estimated Cost Recovery*



	Cost Recovery *	Cumulative Recovery *	Cumulative Recovery (%) *
2021	\$37	\$37	7%
2022	\$161	\$198	36%
Q1 2023	\$94	\$292	54%
2023	\$161	\$359	66%
2024	\$97	\$457	84%
2025	\$56	\$512	94%
2026	\$31	\$543	99%
2027	\$3	\$546	100%

* Estimated recovery amounts excluding carrying costs; actual recovery is subject to variation from volumetric nature of recovery

Responsibly Reducing GHG Emissions

Achieved Greater than One-third Reduction Since 2005



ELECTRIC EMISSIONS

↓ **70%** by 2040¹

- ✓ **33%+ by 2021**
- ✓ Retired 123.3 MW of coal generation
- ✓ Added 288.8 MW of owned renewable wind resources

40% by 2030¹

- Convert 90 MW coal-fired power plant to dual fuel (natural gas and coal) at end of engineered life
(Neil Simpson II in 2025)

- Add renewable and battery resources

70% by 2040¹

- Convert or retire remaining coal-fired power plants at end of engineered lives³
- Add renewable and battery resources



NATURAL GAS EMISSIONS

↓ **Net Zero** by 2035²

- ✓ **33%+ by 2021**
reduction across mains & service lines

- ✓ Replaced at-risk and aging pipeline materials across natural gas system since 2005

Net Zero by 2035
across entire gas distribution system²

- Continue replacing at-risk and aging pipeline materials and cultivate ongoing best practices
- Integrate emission-reducing technologies and processes
- Pursue advanced leak detection systems
- Target best-in-class third-party line hits
- Integrate low carbon fuels such as renewable natural gas and hydrogen



See more information at: www.blackhillsenergy.com/sustainability

¹ Electric goals are based on greenhouse gas emissions intensity as compared to 2005 levels for Scope 1 emission on our owned electric generation and Scope 3 emissions for purchased power.

² Net Zero goal based on Scope 1 emissions of gas distribution systems, including fugitive emissions from pipeline mains and service lines, meters, transfer stations, system damages and blow downs

³ Anticipated retirement or re-powering of coal plants is subject to change based on costs and feasibility of other alternatives.

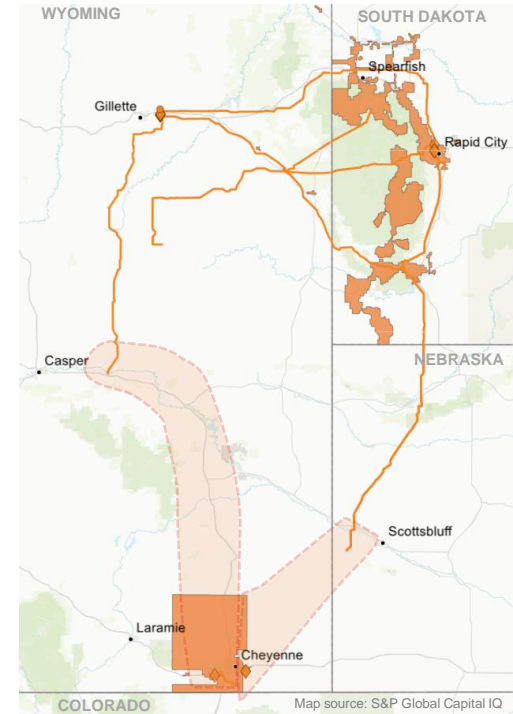
Ready Wyoming Electric Transmission Initiative

260-mile Project to Further Interconnect and Expand Wyoming Electric System

- Maintain long-term cost stability for customers
- Enhance system resiliency to withstand stress events
- Expand access to power markets and provide flexibility as power markets develop in Western states
- Attract and enable customer solutions such as serving data centers, blockchain customers and economic growth in Wyoming
- Expand access to renewable resources and facilitate additional renewable development across wind- and sun-rich resource area with strong natural gas optionality to back up renewables

CPCN Approved and Preparing for Construction in 2023-2025

- On Oct. 11, received bench approval from Wyoming commission; final written order received April 25, 2023
- Construction expected to commence in 2023 in multiple phases, or segments, through 2025; project included in capital forecast



- Black Hills' SD/WY and Cheyenne electric system and service area
- ▨ Proposed transmission line route

Income Statement

(in millions, except earnings per share)

	First Quarter	
	2022	2023
Revenue	\$ 823.6	\$ 921.2
Fuel, purchased power and cost of natural gas sold	(436.9)	(526.3)
Operations and maintenance expense	(152.8)	(158.4)
Depreciation, depletion and amortization	(60.5)	(61.6)
Operating income	173.4	174.9
Interest expense, net	(38.5)	(43.5)
Other income (expense), net	0.7	0.7
Income before taxes	135.6	132.1
Income tax (expense)	(14.5)	(14.7)
Net income before non-controlling interest	\$ 121.0	\$ 117.4
Net income attributable to non-controlling interest	(3.5)	(3.3)
Net income available to common stock	\$ 117.5	\$ 114.1
EPS - Net income available for common stock	\$ 1.82	\$ 1.73
Diluted shares outstanding	64.7	66.1
EBITDA*	\$ 234.5	\$ 237.2

* Non-GAAP measure defined and reconciled to GAAP on slides 29-32

Capital Structure

(\$ in millions)

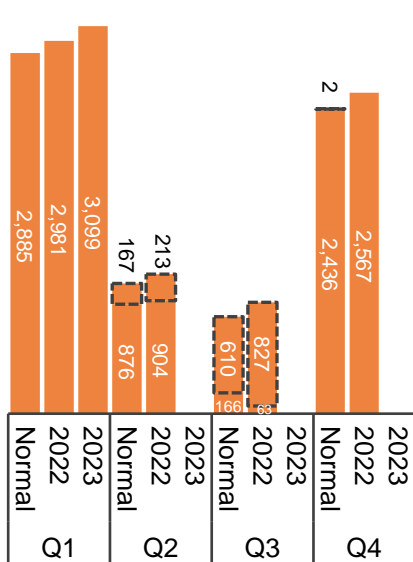
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Capitalization					
Short-term Debt	\$ 342	\$ 335	\$ 501	\$ 1,061	\$ 525
Long-term Debt	4,128	4,130	4,131	3,607	3,954
Total Debt	4,470	4,465	4,632	4,668	4,479
Equity*	2,872	2,885	2,887	2,995	3,098
Total Capitalization	\$ 7,342	\$ 7,350	\$ 7,519	\$ 7,663	\$ 7,577
Net Debt to Net Capitalization					
Debt	\$ 4,470	\$ 4,465	\$ 4,632	\$ 4,668	\$ 4,479
Cash and Cash Equivalents	(16)	(10)	(12)	(21)	(39)
Net Debt	4,454	4,455	4,621	4,647	4,440
Net Capitalization	\$ 7,325	\$ 7,340	\$ 7,507	\$ 7,642	\$ 7,538
Debt to Capitalization	60.9%	60.7%	61.6%	60.9%	59.1%
Net Debt to Capitalization (Net of Cash)	60.8%	60.7%	61.5%	60.8%	58.9%
Long-term Debt to Total Debt	92.4%	92.5%	89.2%	77.3%	88.3%

* Excludes noncontrolling interest

Utility Weather and Demand

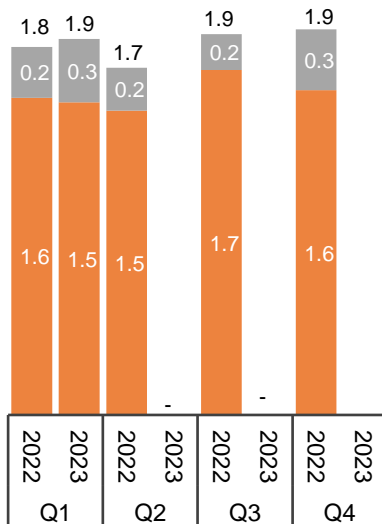
Electric - Degree Days

Total for all electric service areas weighted by customer count



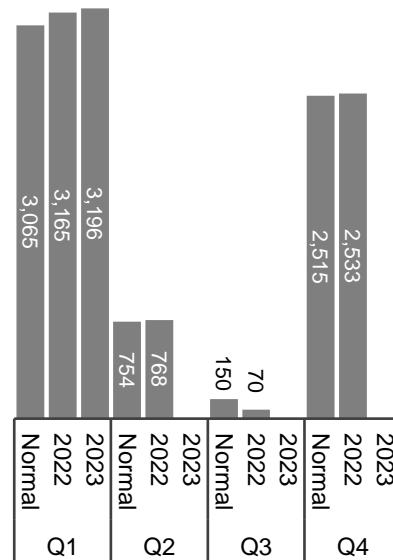
Electric Utility -Total

MWh Sales
(in millions)



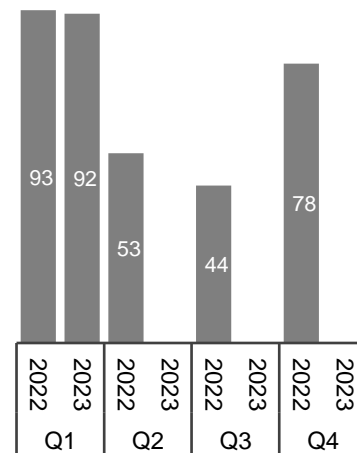
Gas - Degree Days*

Total for all natural gas service areas weighted by customer count



Gas Utility - Total

Dth Sales
(in millions)



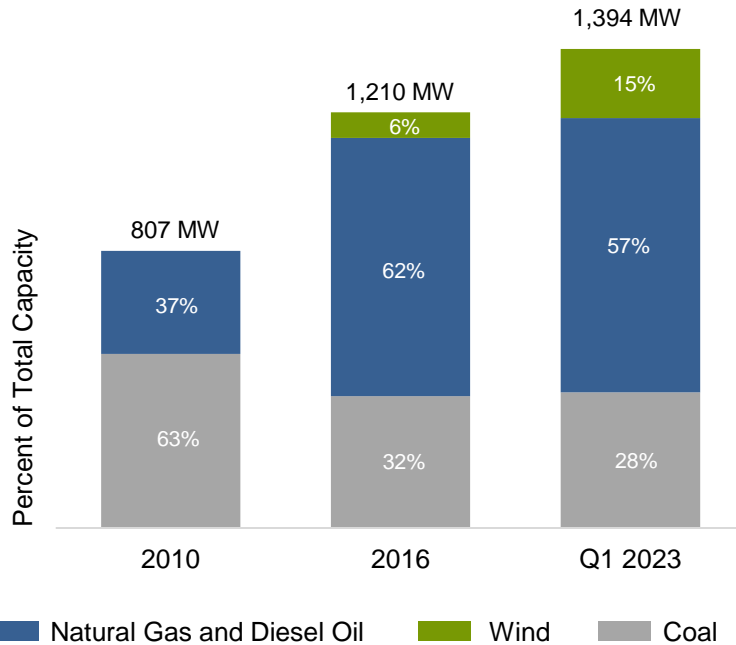
■ Electric heating degree days
 Electric cooling degree days

■ Utility customer sales
■ Off-system sales

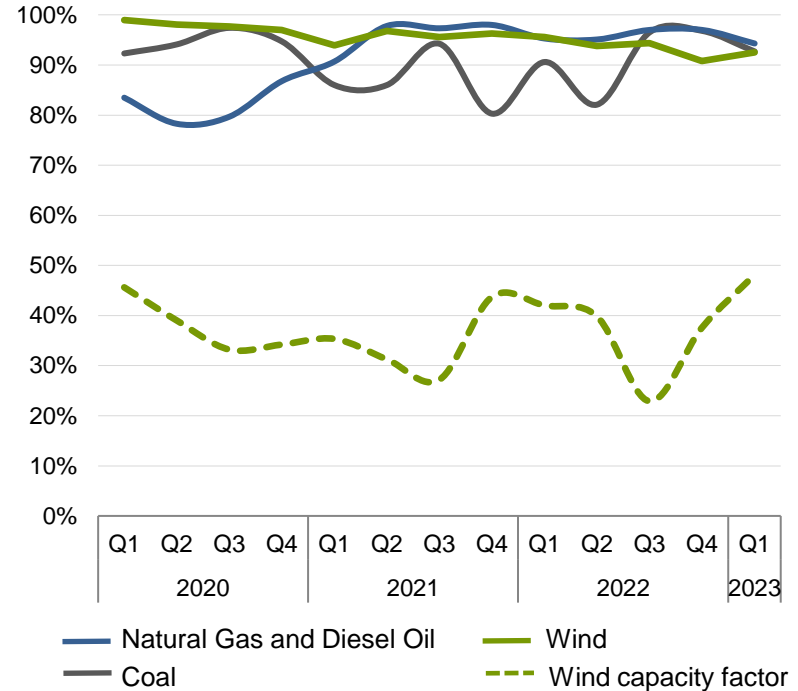
* Gas Degree Days excludes Kansas data due to weather normalization in the state. Arkansas is partially excluded based on normalization mechanism in effect from November through April.
 Note: normal degree days listed for prior quarters based on data as of 2022; current quarter normal based on average of currently available data

Electric Generation Capacity and Performance

Owned Generation Capacity



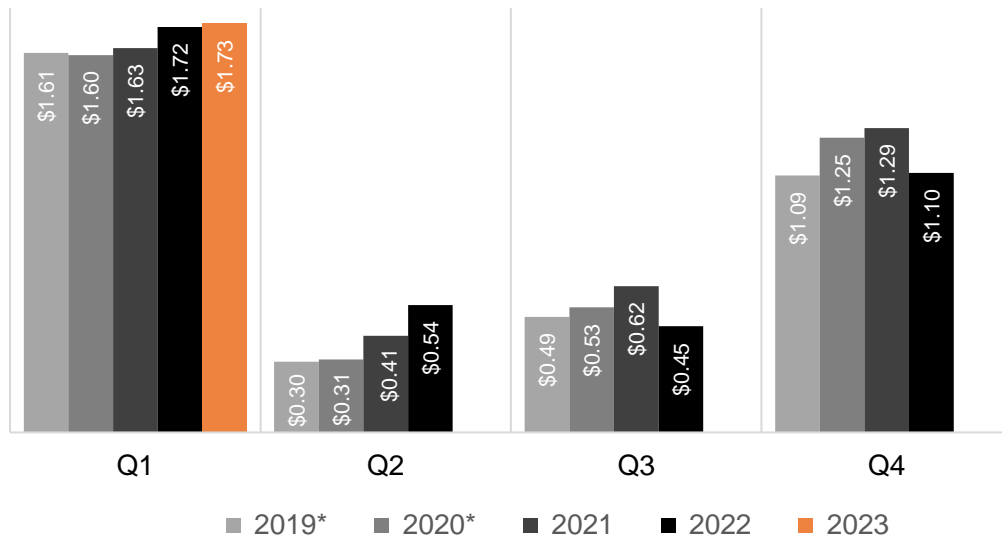
Electric Generation Availability



* Ownership includes 49.9 percent ownership in a Colorado subsidiary by a third party representing approximately 100 megawatts; excludes power purchase agreements from third parties

Normalized EPS Seasonality

EPS, as Adjusted, Normalized for Impacts of Weather, Mark-to-Market and Winter Storm Uri *



- Q1 and Q4 seasonality driven by peak heating demand at gas utilities
- Q2 and Q3 driven by peak cooling demand, off-system energy sales opportunities and agricultural irrigation for gas utilities

* Earnings per share, as adjusted is a non-GAAP measure and is reconciled to GAAP in the appendix; normalized total excludes weather impact versus normal, Mark-to-Market impacts on energy contracts and one-time Winter Storm Uri impacts

EPS, as adjusted*

	Q1	Q2	Q3	Q4	FY / YTD
2019*	\$1.73	\$0.24	\$0.44	\$1.13	\$3.53
2020*	\$1.59	\$0.33	\$0.58	\$1.23	\$3.73
2021	\$1.54	\$0.40	\$0.70	\$1.11	\$3.74
2022	\$1.82	\$0.52	\$0.54	\$1.11	\$3.97
2023	\$1.73				\$1.73

Weather impact versus normal

	Q1	Q2	Q3	Q4	FY / YTD
2019*	\$0.12	(\$0.04)	(\$0.05)	\$0.04	\$0.06
2020*	(\$0.04)	\$0.02	\$0.05	(\$0.01)	\$0.03
2021	\$0.07	\$0.01	—	(\$0.16)	(\$0.07)
2022	\$0.06	\$0.01	\$0.07	\$0.05	\$0.19
2023	\$0.03				

Mark-to-Market energy contract impact

	Q1	Q2	Q3	Q4	FY / YTD
2019*	—	(\$0.02)	—	—	(\$0.02)
2020*	\$0.03	—	—	(\$0.01)	\$0.02
2021	(\$0.01)	(\$0.02)	\$0.08	(\$0.02)	\$0.03
2022	\$0.04	(\$0.03)	\$0.02	(\$0.04)	(\$0.01)
2023	(\$0.04)				

Winter Storm Uri one-time impacts

	Q1	Q2	Q3	Q4	FY / YTD
2021	(\$0.15)	—	—	—	(\$0.15)
2022	—	\$0.12	—	—	\$0.12

Weather, MTM and Uri normalized EPS, as adjusted*

	Q1	Q2	Q3	Q4	FY / YTD
2019*	\$1.61	\$0.30	\$0.49	\$1.09	\$3.49
2020*	\$1.60	\$0.31	\$0.53	\$1.25	\$3.68
2021	\$1.63	\$0.41	\$0.62	\$1.29	\$3.93
2022	\$1.72	\$0.54	\$0.45	\$1.10	\$3.67
2023	\$1.73				\$1.73

(differences in totals due to rounding)

Non-GAAP Financial Measures

Gas and Electric Utility Margin

Gas and Electric Utility margin (revenue less cost of sales) is considered a non-GAAP financial measure due to the exclusion of operation and maintenance expenses, depreciation and amortization expenses, and property and production taxes from the measure. The presentation of Gas and Electric Utility margin is intended to supplement investors' understanding of operating performance.

Electric Utility margin is calculated as operating revenue less cost of fuel and purchased power. Gas Utility margin is calculated as operating revenue less cost of gas sold. Our Gas and Electric Utility margin is impacted by the fluctuations in power purchases and natural gas and other fuel supply costs. However, while these fluctuating costs impact Gas and Electric Utility margin as a percentage of revenue, they only impact total Gas and Electric Utility margin if the costs cannot be passed through to customers.

Our Gas and Electric Utility margin measure may not be comparable to other companies' Gas and Electric Utility margin measures. Furthermore, this measure is not intended to replace operating income as determined in accordance with GAAP as an indicator of operating performance.

EBITDA

We believe that our presentation of earnings before interest, income taxes, depreciation and amortization (EBITDA), a non-GAAP measure, is an important supplemental measure of operating performance. We believe EBITDA, when considered with measures calculated in accordance with GAAP, gives investors a more complete understanding of operating results before the impact of investing and financing transactions and income taxes. We have chosen to provide this information to investors to enable them to perform more meaningful comparisons of past and present operating results and as a means to evaluate the results of core on-going operations. Our presentation of EBITDA may be different from the presentation used by other companies and, therefore, comparability may be limited. Depreciation and amortization expense, interest expense, income taxes and other items have been and will be incurred and are not reflected in the presentation of EBITDA. Each of these items should also be considered in the overall evaluation of our results. Additionally, EBITDA does not consider capital expenditures and other investing activities and should not be considered a measure of our liquidity. We compensate for these limitations by providing relevant disclosure of our depreciation and amortization, interest and income taxes, capital expenditures and other items both in our reconciliation to the GAAP financial measures and in our consolidated financial statements, all of which should be considered when evaluating our performance.

Note: continued on next page

Non-GAAP Financial Measures

Net Income Available for Common Stock and EPS, as adjusted

We have provided non-GAAP earnings data reflecting adjustments for special items as specified in the GAAP to non-GAAP adjustment reconciliation table in this presentation. Operating Income (loss), as adjusted, Income (loss) from continuing operations, as adjusted, and Net income (loss), as adjusted, are defined as Segment Revenue, Operating Income (loss), Income (loss) from continuing operations and Net income (loss), adjusted for expenses, gains and losses that the company believes do not reflect the company's core operating performance. The company believes that non-GAAP financial measures are useful to investors because the items excluded are not indicative of the company's continuing operating results. The company's management uses these non-GAAP financial measures as an indicator for evaluating current periods and planning and forecasting future periods.

Earnings per share, as adjusted and earnings from continuing operations, per share, as adjusted

Earnings per share from continuing operations available for common stock, as adjusted, and earnings from continuing operations, per share, as adjusted, are Non-GAAP financial measures. Earnings per share, as adjusted, and earnings from continuing operations available for common stock, per share, as adjusted, are defined as GAAP Earnings per share and GAAP earnings from continuing operations, adjusted for expenses, gains and losses that the Company believes do not reflect the Company's core operating performance. Examples of these types of adjustments may include unique one-time non-budgeted events, impairment of assets, acquisition and disposition costs, and other adjustments noted in the earnings reconciliation tables in this presentation. The Company is not able to provide a forward-looking quantitative GAAP to Non-GAAP reconciliation for this financial measure because we do not know the unplanned or unique events that may occur later during the year.

Limitations on the Use of Non-GAAP Measures

Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will not be affected by unusual, non-routine, or non-recurring items.

Non-GAAP measures should be used in addition to and in conjunction with results presented in accordance with GAAP. Non-GAAP measures should not be considered as an alternative to net income, operating income or any other operating performance measure prescribed by GAAP, nor should these measures be relied upon to the exclusion of GAAP financial measures. Our non-GAAP measures reflect an additional way of viewing our operations that we believe, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. Management strongly encourages investors to review our financial information in its entirety and not rely on a single financial measure.

Non-GAAP Financial Measures

Earnings before Interest, Income Taxes, Depreciation and Amortization

<i>(in thousands)</i>	Three Months Ended Mar. 31	
	2022	2023
Net income	\$ 121,024	\$ 117,380
Depreciation, depletion and amortization	60,463	61,643
Interest expense, net	38,545	43,504
Income tax expense (benefit)	14,488	14,673
EBITDA	\$ 234,520	\$ 237,200

Non-GAAP Financial Measures

Annual Earnings and EPS, as adjusted	Earnings, as adjusted (in millions)							Earnings Per Share, as adjusted						
	2017	2018	2019	2020	2021	2022	YTD 2023	2017	2018	2019	2020	2021	2022	YTD 2023
Net income (loss) available for common stock (GAAP)	\$ 177.0	\$ 258.4	\$ 199.3	\$ 227.6	\$ 236.7	\$ 258.4	\$ 114.1	\$ 3.21	\$ 4.66	\$ 3.28	\$ 3.65	\$ 3.74	\$ 3.97	\$ 1.73
Loss from discontinued operations (GAAP)	17.1	6.9	-	-	-	-	-	0.31	0.12	-	-	-	-	-
Net income from continuing operations available for common stock (GAAP)	194.1	265.3	199.3	227.6	236.7	258.4	114.1	3.52	4.78	3.28	3.65	3.74	3.97	1.73
<u>Adjustments, after tax</u>														
Acquisition / integration costs	2.8	-	-	-	-	-	-	0.05	-	-	-	-	-	-
Tax reform and other tax items	(11.7)	4.0	-	-	-	-	-	(0.21)	0.07	-	-	-	-	-
Legal restructuring - income tax benefit	-	(72.8)	-	-	-	-	-	-	(1.31)	-	-	-	-	-
Impairment of investment	-	-	15.2	5.3	-	-	-	-	-	0.25	0.08	-	-	-
<i>Rounding</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Non-GAAP adjustments	(8.8)	(68.8)	15.2	5.3	-	-	-	(0.16)	(1.24)	0.25	0.08	-	-	-
Net income from continuing operations available for common stock, as adjusted (Non-GAAP)	\$ 185.3	\$ 196.5	\$ 214.5	\$ 232.9	\$ 236.7	\$ 258.4	\$ 114.1	\$ 3.36	\$ 3.54	\$ 3.53	\$ 3.73	\$ 3.74	\$ 3.97	\$ 1.73

Vision Be the energy partner of choice.

Mission Improving life with energy.

Company Values



Agility

We embrace change and challenge ourselves to adapt quickly to opportunities.



Customer Service

We are committed to providing a superior customer experience every day.



Partnership

Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.



Communication

Consistent, open and timely communication keeps us focused on our strategy and goals.



Integrity

We hold ourselves to the highest standards based on a foundation of unquestionable ethics.



Respect

We respect each other. Our unique talents and diversity anchor a culture of success.



Creating Value

We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve ... always.



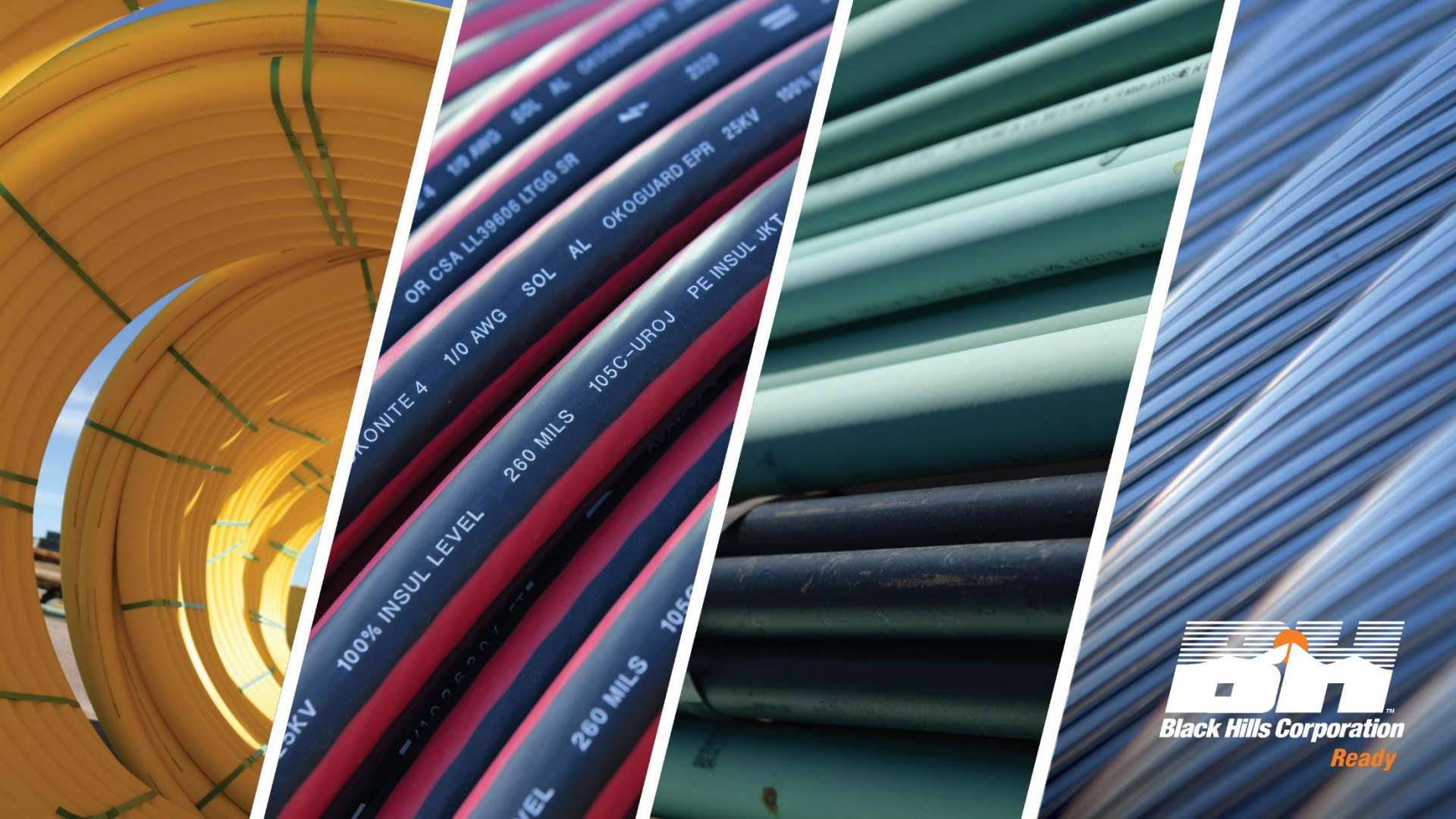
Leadership

Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



Safety

We commit to live and work safely every day.



OR CSA LL39806 LTGG SR
KONITE 4 110 AWG SOL AL OKOGUARD EPR 25KV 100%
100% INSUL LEVEL 260 MILS 105C-UROJ PE INSUL JKT
260 MILS 105C

