



RESILIENT.
RELIABLE.
READY.

Annual Meeting of Shareholders

April 25, 2023



Forward-Looking Statements

COMPANY INFORMATION

Black Hills Corporation

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NYSE Ticker: **BKH**
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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 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 growth target is 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.

Black Hills Corp. Overview



Black Hills Corp. Overview

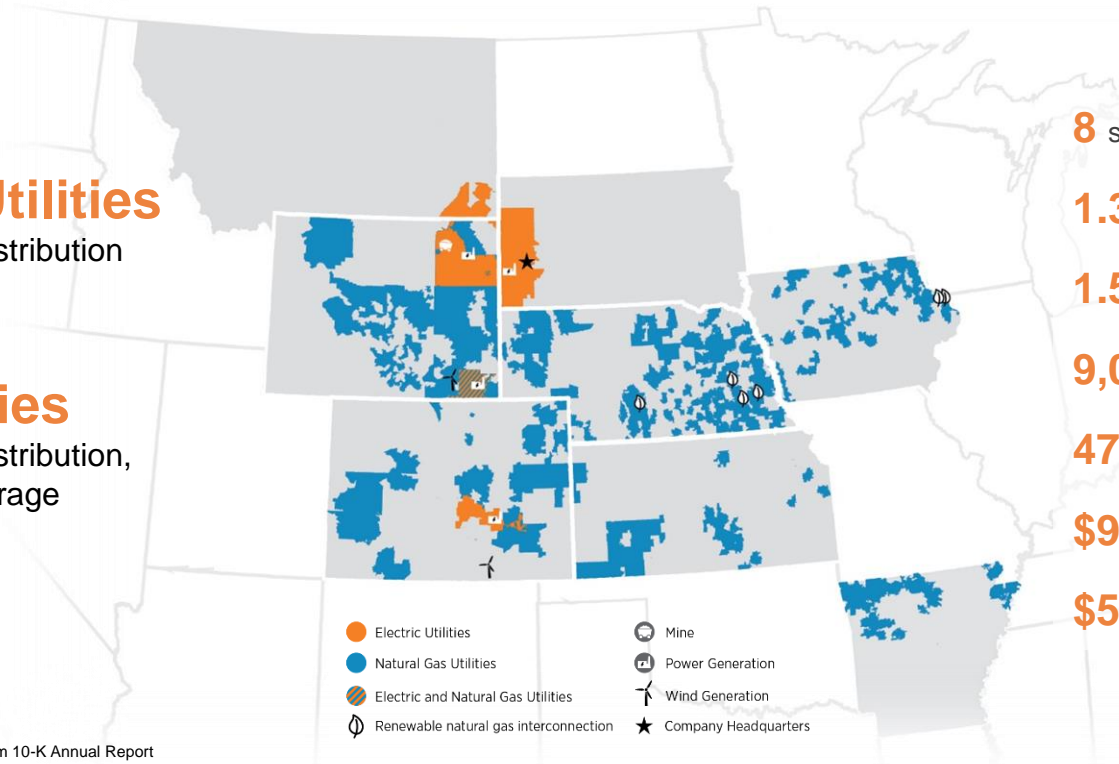
Integrated Pure-Play Utility with Strategic Diversity

Electric Utilities

Transmission, distribution and generation

Gas Utilities

Transmission, distribution, sourcing and storage



8 stable and growing states

1.33 million utility customers

1.5 gigawatts* generation

9,000 miles electric lines

47,000 miles natural gas lines

\$9.6 billion assets

\$5.3 billion rate base

- Electric Utilities
- Natural Gas Utilities
- Electric and Natural Gas Utilities
- Renewable natural gas interconnection
- Mine
- Power Generation
- Wind Generation
- Company Headquarters

Note: information from 2022 Form 10-K Annual Report

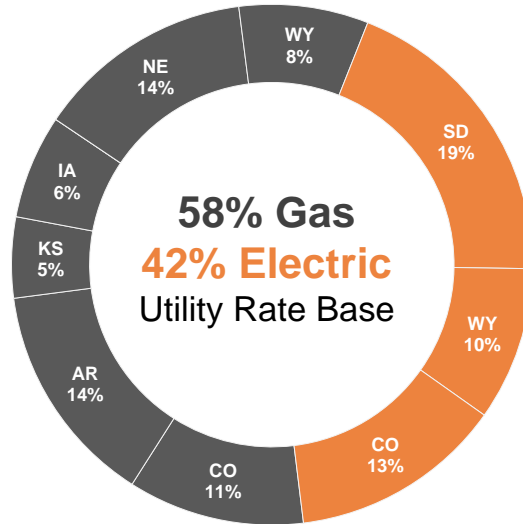
* Generation total includes 49.9 percent ownership in Colorado IPP owned by a third party, representing approximately 100 megawatts

Low-risk Utility Investment

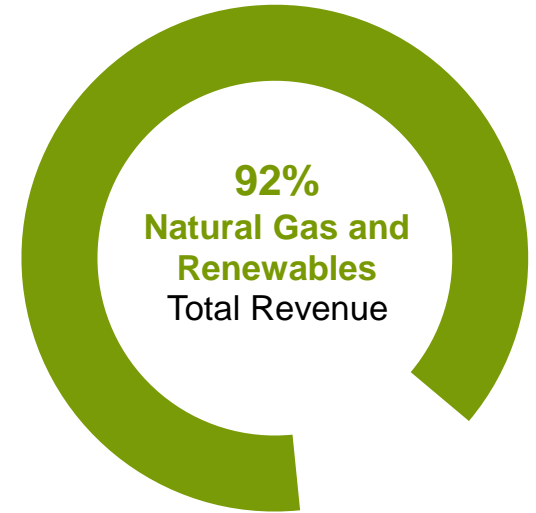
Regulated and Integrated Utility Businesses



Diverse and Balanced Business Mix



Clean Energy Profile



Note: Information as of Dec. 31, 2022

2022 Results for Stakeholders

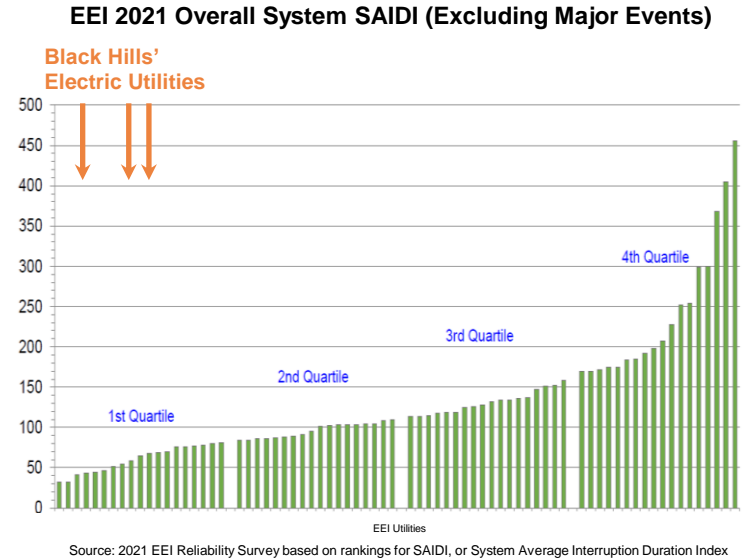
- ✓ Excellent team and system performance
- ✓ Regulatory execution
- ✓ Financial discipline
- ✓ Earnings and dividend growth
- ✓ Resiliency, growth and sustainability progress



Excellent Team and System Performance

- ✓ Top-quartile reliability for all three electric utilities
- ✓ Served ongoing demand growth
 - 11 new summer or winter electric demand peaks
 - 9 consecutive years of peaks at Wyoming Electric and 53% increase since 2013
 - Winter peaks at all three electric utilities in December
- ✓ Excellent team and system performance through Winter Storm Elliot and other weather challenges
- ✓ Improved customer experience

»» Industry-Leading Reliability



Financial and Regulatory Execution

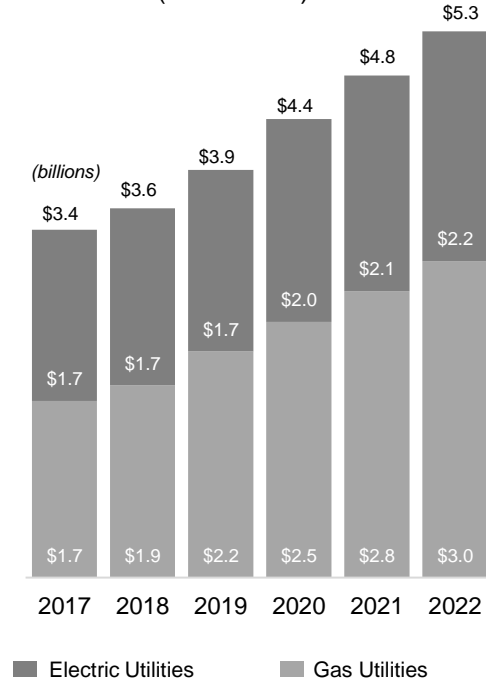
Earnings and Dividend Growth

- ✓ 6.1% EPS growth versus 2021
- ✓ 5.2% annual dividend increase
- ✓ \$598 million of capital investment in 2022

Constructive Regulatory Results

- ✓ Rate review and rider request approvals for Arkansas Gas and Wyoming Electric
- ✓ Rate review filed for Rocky Mountain Natural Gas
- ✓ Winter Storm Uri fuel cost recovery 36% complete as of year-end 2022; all required regulatory approvals received

9.4% Rate Base CAGR (2017-2022)



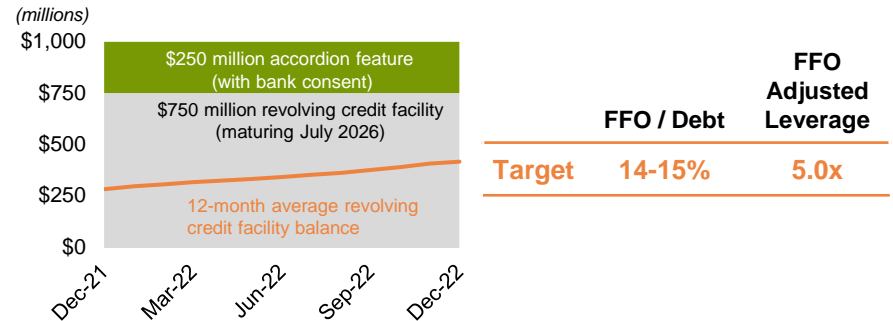
Solid Financial Position

Committed to Strong Investment-Grade Credit Ratings

Credit Ratings

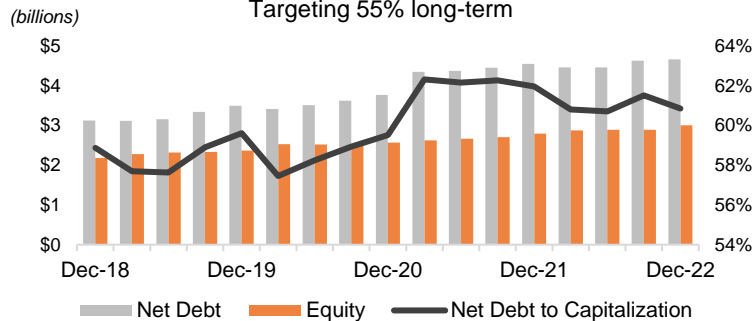
S&P	Moody's	Fitch
BBB+	Baa2	BBB+
Stable outlook	Stable outlook	Stable outlook
(Feb. 17, 2023)	(Dec. 20, 2022)	(Oct. 6, 2022)

Liquidity and Cashflow



Capital Structure*

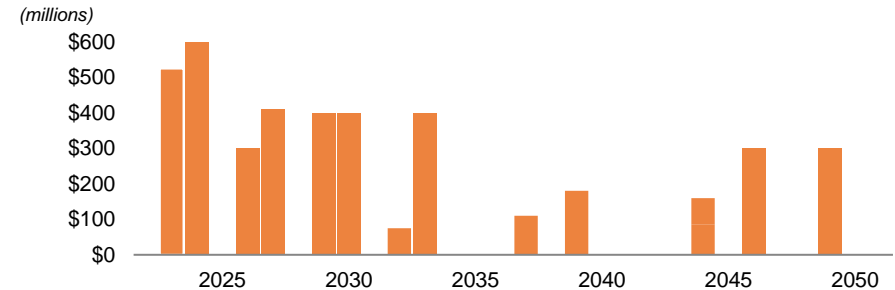
Targeting 55% long-term



Note: information as of Dec. 31, 2022

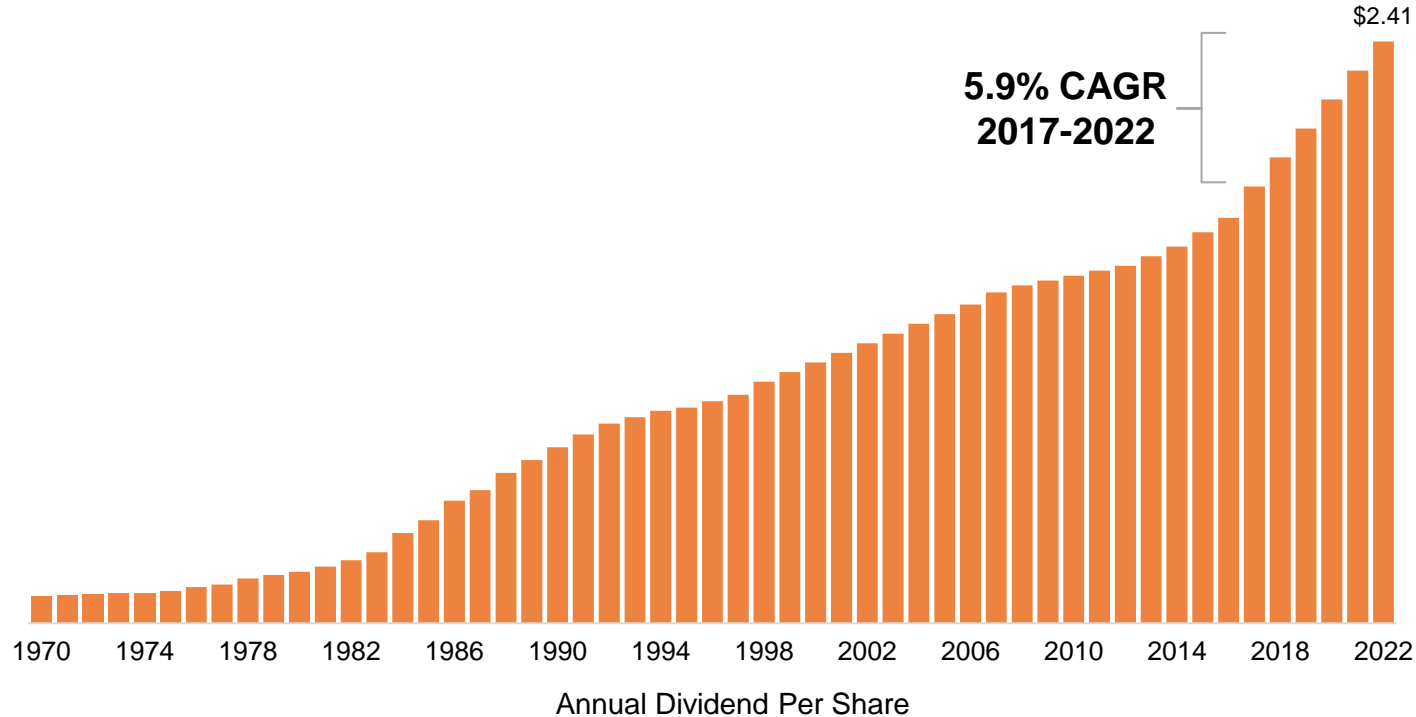
* Excludes noncontrolling interest

Debt Maturities



Strong Dividend Track Record

52 Consecutive Years of Annual Increases and 80 Consecutive Years Paid



55%-65% long-term payout target

Dividend growth rate in line with EPS*

* Future dividends subject to board approval

Responsibly Reducing Emissions

✓ **33%+ Reduction since 2005**



ELECTRIC EMISSIONS

↓ **70%** by 2040¹



NATURAL GAS EMISSIONS

↓ **Net Zero** by 2035²



See more information at:

www.blackhillsenergy.com/sustainability

2022 Progress

- ✓ Enhanced goal for gas utilities to Net Zero by 2035²
- ✓ New TCFD reporting (Task Force on Climate-Related Financial Disclosures)
- ✓ Voluntary renewable natural gas and carbon offset programs approved in Kansas and Nebraska
- ✓ Continued to support emissions reduction technology research and testing

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

Responsibly Maintaining Resiliency and Growth

Advancing Electric Resource Plans

- ✓ Colorado Clean Energy Plan hearing held on settlement; if approved, provides 50% utility ownership of 400 megawatts of new renewable generation and battery storage to reduce emissions 80% by 2030
- ✓ Resource plan in South Dakota progressing; evaluating request for proposals for up to 110 megawatts of new clean energy resources

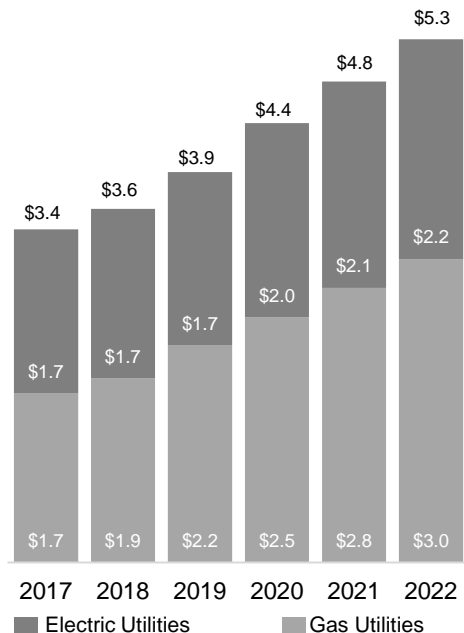
Developing Customer Solutions

- ✓ Ready Wyoming 260-mile electric transmission project approved
- ✓ Cultivating customer growth, including data centers and blockchain
- ✓ Exploring RNG expansion opportunities

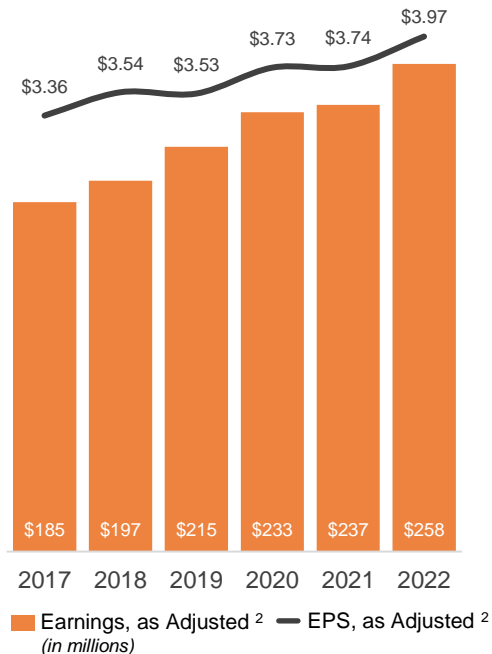


Strategic Execution Delivers Results

9.4% Rate Base¹ CAGR



6.9% Earnings CAGR
3.4% EPS CAGR



52 Years of Consecutive Increase
5.9% Dividend CAGR



Invest for Customers

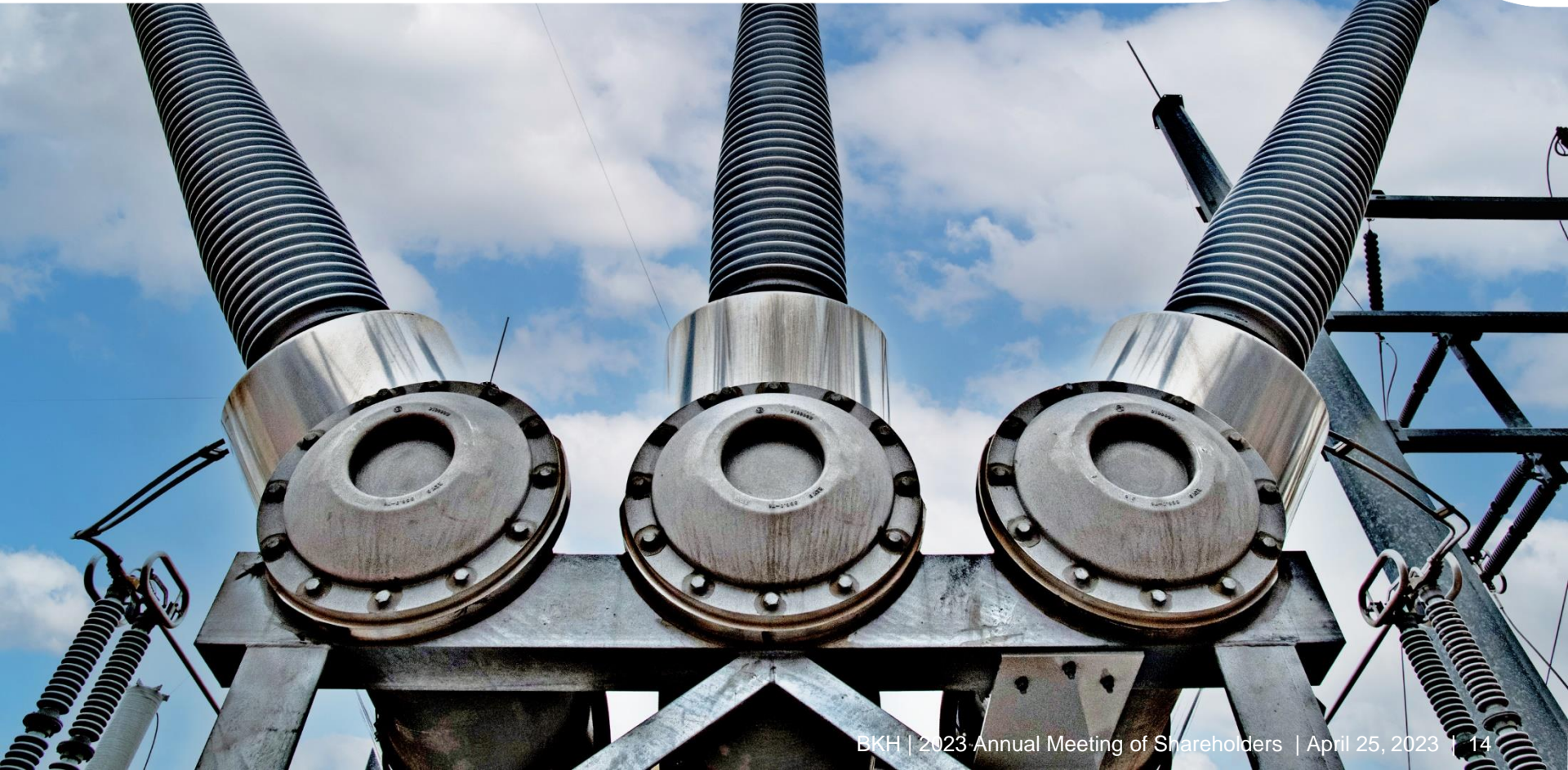
Earnings Growth

Dividend Growth

¹ Estimated in billions as of year end

² Earnings and EPS, as adjusted from continuing operations are non-GAAP measures; reconciled to GAAP in Appendix; earnings, as adjusted in millions

Questions



Appendix



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 *

55% to 65%

Dividend payout target **

- 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

* Average annual compound growth rate off 2023 base

** Future dividends subject to board approval

2022 and Recent Highlights

Operational Excellence

- ✓ Safety focus: 1.39 TCIR, top-quartile PMVI performance relative to industry
- ✓ Top-quartile reliability metrics for all three electric utilities (EEI 2021 SAIDI excluding major events)
- ✓ New summer and winter electric system peaks in South Dakota and Wyoming
- ✓ Excellent team response and system performance during Winter Storm Elliott and other summer and winter weather events in 2022
- ✓ \$598 million of capital investment in 2022

Responsibly Reducing Emissions

- ✓ New and enhanced ESG reporting; updated sustainability report, Net Zero target for gas utilities and new TCFD disclosures
- ✓ Emissions reduction research support emissions reduction technologies
- ✓ Six RNG interconnect projects in service

Finance and Regulatory Progress

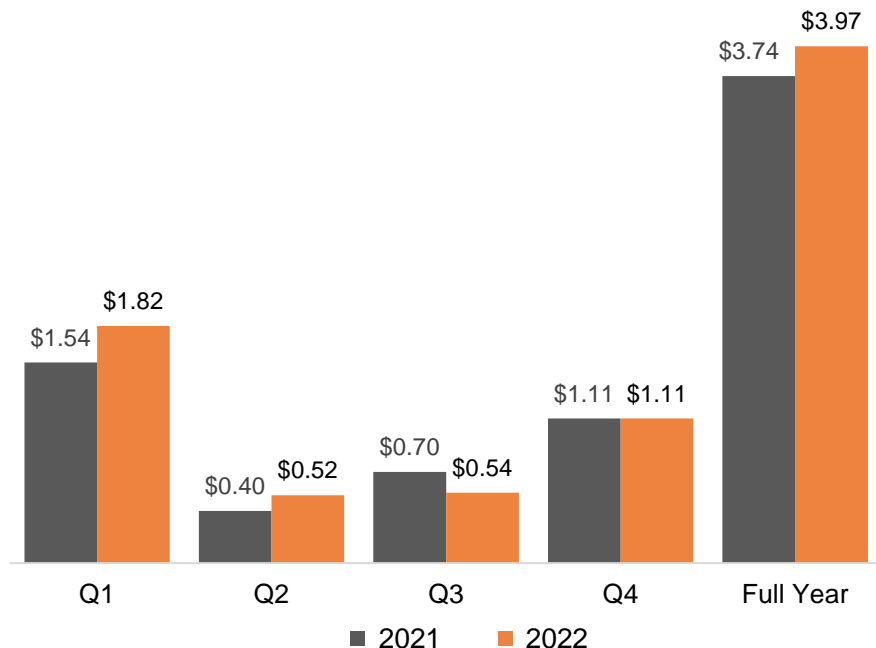
- ✓ Annual dividend increased 5.2%; completed 52 consecutive years
- ✓ Arkansas Gas and Wyoming Electric rate reviews and rider requests approved
- ✓ Rocky Mountain Natural Gas rate review filed
- ✓ All Winter Storm Uri recovery approvals received and 36% of total fuel costs recovered by year-end 2022

Resource and Growth Planning

- ✓ 260-mile electric transmission expansion project approved (Ready Wyoming)
- ✓ Continued customer growth
- ✓ Colorado Clean Energy Plan unanimous settlement allows 50% utility ownership of 400 megawatts of new clean energy resources to achieve 80% GHG emissions intensity reduction by 2030 from 2005 base
- ✓ South Dakota and Wyoming Electric integrated resource plan filed; preparing for competitive bidding process for 110 megawatts of clean energy resources

2022 Earnings Overview

EPS



* EPS, as adjusted is a non-GAAP measure; reconciled to GAAP in Appendix

2022 Earnings Drivers

- ▲ New rates and rider recovery and Uri carrying cost recovery true-up
- ▲ Weather
- ▲ Off-system sales
- ▲ Customer Growth
- ▼ Higher depreciation on larger asset base
- ▼ Higher outside services, cloud computing and vehicle fuel expense
- ▼ Wygen I pricing and 2021 outage
- ▼ Higher debt balance and interest rates

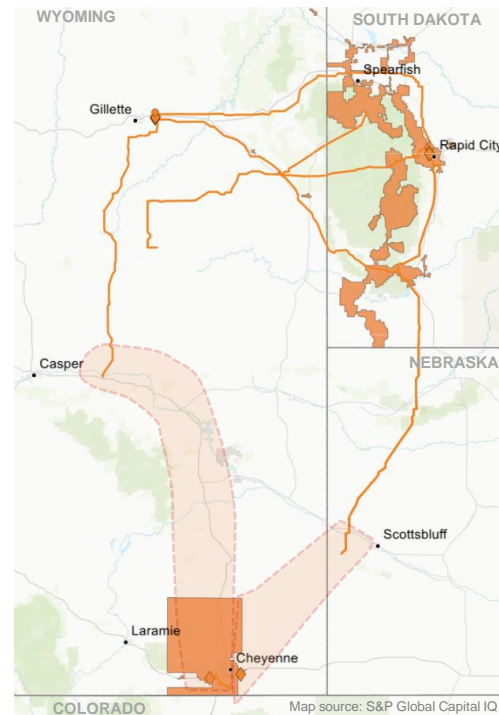
Ready Wyoming Electric Transmission Initiative

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
- 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

Advancing Electric Resource Plans

Total of
520 MW
by 2030 ^{2,3}

Colorado Clean Energy Plan

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

- Opted in to 80% by 2030 legislation
 - Issue “all source” RFP in Q2 2023
 - In January, filed unanimous settlement agreement of plan for commission approval
 - Colorado legislation allows 50% utility 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 2025 to 2030 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
- Evaluating next steps for adding renewable resources
- 100 MW renewable generation by 2025 ³
- Evaluate 20 MW battery storage (10 MW South Dakota and 10 MW Wyoming) ³
- Convert 90 MW coal-fired power plant to gas or dual fuel mix by 2025
- Evaluate and develop transmission opportunities (Ready Wyoming by 2025)
- Support research for emissions-reduction technologies

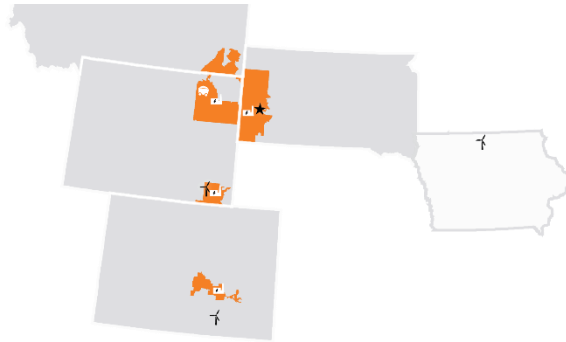
120 MW of clean energy resources by 2025 ³

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

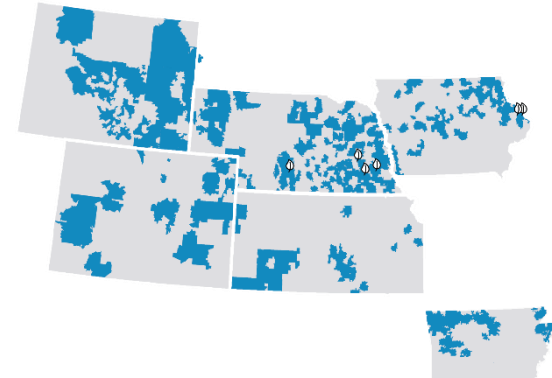
Operations Overview

Electric Utilities*



- Three electric utilities which generate, transmit and distribute electricity to approximately 220,000 customers in CO, SD, WY and MT
- 1.5 gigawatts** of generation
- 9,024 miles of transmission and distribution
- Efficient mine-mouth operations in Gillette, Wyoming fueled by low-sulfur Powder River Basin coal; mine production contracted to on site generation
- East-West interconnection in SD optimizes off-system sale of power and improves system reliability (1 of only 7 east-west interconnections in U.S.)

Natural Gas Utilities*



- 7 natural gas utilities^ which distribute natural gas to approximately 1,107,000 customers in AR, CO, IA, KS, NE and WY
- 4,713 miles of intrastate gas transmission pipelines and 42,222 miles of gas distribution mains and service lines
- Seven natural gas storage facilities in AR, CO and WY with 17.4 Bcf of underground gas storage working capacity
- 52,600 customers served through Choice Gas Program (unbundled natural gas supply)

* Information from 2022 Form 10-K Annual Report Filing as of Dec. 31, 2022

** Includes 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest

^ Excludes minor entities and Shoshone pipeline

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

Annual Earnings and EPS, as adjusted	Earnings, as adjusted (in millions)							Earnings Per Share, as adjusted						
	2016	2017	2018	2019	2020	2021	2022	2016	2017	2018	2019	2020	2021	2022
Net income (loss) available for common stock (GAAP)	\$ 73.0	\$ 177.0	\$ 258.4	\$ 199.3	\$ 227.6	\$ 236.7	\$ 258.4	\$ 1.37	\$ 3.21	\$ 4.66	\$ 3.28	\$ 3.65	\$ 3.74	\$ 3.97
Loss from discontinued operations (GAAP)	64.2	17.1	6.9	-	-	-	-	1.20	0.31	0.12	-	-	-	-
Net income from continuing operations available for common stock (GAAP)	137.1	194.1	265.3	199.3	227.6	236.7	258.4	2.57	3.52	4.78	3.28	3.65	3.74	3.97
<u>Adjustments, after tax</u>														
Acquisition / integration costs	29.7	2.8	-	-	-	-	-	0.56	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>	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-GAAP adjustments	29.8	(8.8)	(68.8)	15.2	5.3	-	-	0.56	(0.16)	(1.24)	0.25	0.08	-	-
Net income from continuing operations available for common stock, as adjusted (Non-GAAP)	\$ 166.9	\$ 185.3	\$ 196.5	\$ 214.5	\$ 232.9	\$ 236.7	\$ 258.4	\$ 3.13	\$ 3.36	\$ 3.54	\$ 3.53	\$ 3.73	\$ 3.74	\$ 3.97

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% INSUL LEVEL 260 MILS 105C-UROJ PE INSUL JKT
260 MILS 105C



Black Hills Corporation
Ready