

Earnings Conference Call Full Year 2023 Results

February 28, 2024



Southwest Gas[™]
HOLDINGS



Safe Harbor Statement

Forward-Looking Statements

Unless context otherwise requires, in this presentation, references to “we”, “us” and “our” are to Southwest Gas Holdings, Inc. (NYSE: SWX) (“Southwest Gas” or the “Company” or “SWX”) together with its current and former consolidated subsidiaries, which include, among others, Southwest Gas Corporation (“Southwest”, “SWG”, “Utility” or “Natural Gas Distribution” segment), MountainWest Pipelines Holding Company (“MountainWest”, “MW” or “Pipelines and Storage” segment), Centuri Holdings, Inc., Centuri Group, Inc. (“Centuri” or “Utility Infrastructure Services” segment) and Great Basin Gas Transmission Company (“Great Basin” or “GBGTC”). The following are subsidiaries of Centuri: NPL Construction Co. (“NPL”), NPL Canada Ltd. (“NPL Canada”), New England Utility Constructors, Inc. (“Neuco”), Linetec Services, LLC (“Linetec”), Riggs Distler & Company, Inc. (“Riggs Distler”), Canyon Pipeline Construction, Inc. (“Canyon”), National Powerline LLC (“National Powerline”) and WSN Construction Inc. (“WSN Construction”).

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, without limitation, statements regarding the Company and the Company’s expectations or intentions regarding the future. These forward-looking statements can often be identified by the use of words such as “will”, “predict”, “continue”, “forecast”, “expect”, “believe”, “anticipate”, “outlook”, “could”, “target”, “project”, “intend”, “plan”, “pursue”, “seek”, “estimate”, “should”, “may” and “assume”, as well as variations of such words and similar expressions referring to the future, and include (without limitation) statements regarding our expectations for our utility infrastructure services and natural gas operations, estimated future capital expenditures, projected rate base growth, O&M per customer expectations, our 2024 financial guidance and expected value drivers, 2024 – 2026 financial guidance and expected value drivers, 2024 financing plan, and expectations with respect to future dividends, expectations with respect to a separation of Centuri and the ability to preserve the viability of a tax-free spin-off of Centuri, and the future performance of the Company, Southwest Gas Corporation and Centuri. The Company can provide no assurances that an initial public offering and/or separation of Centuri will occur on the expected timeline or at all. For purposes of any forward-looking consolidated financial information at Southwest Gas, full consolidation of Centuri has been modeled in this presentation. A number of important factors affecting the business and financial results could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, statements regarding the proposed transaction structure of a Centuri separation and potential IPO, the timing and impact of executing (or not executing) on such transaction alternatives, the timing and amount of rate relief, changes in rate design, customer growth rates, the effects of regulation/deregulation, tax reform and related regulatory decisions, the impacts of construction activity at Centuri, the potential for, and the impact of, a credit rating downgrade, future earnings trends, inflation, increasing interest rates, sufficiency of labor markets and similar resources, seasonal patterns, current and future litigation, the costs and effect of stockholder activism, and the impacts of stock market volatility. In addition, the Company can provide no assurance that its discussions about future operating margin, operating income, COLI earnings, interest expense, and capital expenditures of the natural gas distribution segment will occur. Likewise, the Company can provide no assurance regarding utility infrastructure services segment revenues, EBITDA, EBITDA margin or growth rates, that projects expected to be undertaken with results as stated will occur, nor that interest expense patterns will transpire as expected, nor assurance regarding potential transactions or their impacts, including management’s plans or expectations related thereto, including with regard to Centuri. The Company does not assume any obligation to update the forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.

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 are 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, those discussed under the heading “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure about Market Risk” in the Company’s most recent Annual Report on Form 10-K and in the Company’s and Southwest Gas Corporation’s current and periodic reports, including our Quarterly Reports on Form 10-Q, filed from time to time with the SEC, and other reports that we file with the SEC from time to time.

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. The statements in this presentation are made as of the date hereof, even if subsequently made available on our website or otherwise. We do not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

Non-GAAP Measures

This presentation contains financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP measures include (i) Southwest Gas adjusted earnings (loss) per share, (ii) Southwest Gas adjusted net income (loss), (iii) Corporate and Administrative adjusted earnings (loss) per share, (iv) Corporate and Administrative adjusted net income (loss), (v) natural gas distribution segment adjusted earnings (loss) per share, (vi) natural gas distribution segment adjusted net income (loss), (vii) utility infrastructure services adjusted earnings (loss) per share, (viii) utility infrastructure services segment adjusted net income (loss), (ix) utility infrastructure services segment EBITDA, (x) utility infrastructure services segment adjusted EBITDA, (xi) pipeline and storage segment adjusted earnings per share, and (xii.) pipeline and storage segment adjusted income (loss). Management uses these non-GAAP measures internally to evaluate performance and in making financial and operational decisions. Management believes that its presentation of these measures provides investors greater transparency with respect to its results of operations and that these measures are useful for a period-to-period comparison of results. Management also believes that providing these non-GAAP financial measures helps investors evaluate the Company’s operating performance, profitability, and business trends in a way that is consistent with how management evaluates such performance.

Speakers and Agenda

SPEAKERS



KAREN HALLER

PRESIDENT AND CEO
SOUTHWEST GAS HOLDINGS



ROB STEFANI

CFO
SOUTHWEST GAS HOLDINGS



JUSTIN BROWN

PRESIDENT
SOUTHWEST GAS CORPORATION



Bill Fehrman

PRESIDENT AND CEO
CENTURI GROUP, INC.

PRESENTATION AGENDA

Strategic Update

Financial Update

Business Update

Guidance and Outlook

SWX: Becoming a Premier, Fully Regulated Natural Gas Utility

Positioned for Continued Growth and Success

- » Safely delivering reliable, sustainable, and affordable energy solutions
- » Significant population growth and strong demand across service territories
- » Clear strategic focus on optimizing utility performance
- » Working collaboratively with regulators to drive constructive regulatory outcomes to complement strong organic rate base growth
- » Partnering with stakeholders to establish frameworks across jurisdictions to support investment opportunities in emerging technology energy initiatives

Committed to Delivering Value for SWX Stockholders

- » Southwest targeting **10.0% to 12.0%** net income growth from 2024-2026 and **6.5% to 7.5%** rate base growth over the same period¹
- » Improving earned return on equity through constructive regulatory outcomes and cost management efforts – Southwest delivered an 8.2% ROE in 2023, a 220 basis point improvement over 2022
- » Delivering competitive dividend to stockholders
- » Maintaining strong investment grade balance sheet

Focused on Executing Our Strategic Priorities

SWX 2023 Strategic Priorities

MountainWest Sale

Closed	Complete	<input checked="" type="checkbox"/>	1Q 2023
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RAS/RES

Ratings Analyses	Complete	<input checked="" type="checkbox"/>	1Q 2023
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2023 Financing Plan

SWX Equity and SWG Bond ¹	Complete	<input checked="" type="checkbox"/>	1Q 2023
SWX Term Loan ¹		<input checked="" type="checkbox"/>	2Q 2023

2023 Utility and Regulatory Strategy

AZ Rate Case Approval	Complete	<input checked="" type="checkbox"/>	1Q 2023
AZ PGA Recovery Mechanism Approval		<input checked="" type="checkbox"/>	3Q 2023
NV Rate Case Filing		<input checked="" type="checkbox"/>	3Q 2023
Utility Optimization Review and Prioritization of Initiatives		<input checked="" type="checkbox"/>	1Q 2023 – 4Q 2023

Centuri Separation

ACC ² Approval	Complete	<input checked="" type="checkbox"/>	2Q 2023
Confidential Form S-1 Submission with SEC		<input checked="" type="checkbox"/>	3Q 2023

SWX 2024 Strategic Priorities

2024 Financing Plan

SWX Equity issuance under ATM ³ program (less than \$100M)	<input type="checkbox"/>	1Q – 4Q 2024
SWX \$550M Term Loan Extension	<input type="checkbox"/>	2Q/3Q 2024

2024 Utility and Regulatory Strategy

NV Rate Case Approval	<input type="checkbox"/>	2Q 2024
AZ Rate Case Filing	Complete <input checked="" type="checkbox"/>	1Q 2024
CA Rate Case Filing	<input type="checkbox"/>	3Q 2024
GBGTC Rate Case Filing	Complete <input checked="" type="checkbox"/>	1Q 2024
Utility Optimization Executing Planned Initiatives	Ongoing <input checked="" type="checkbox"/>	1Q – 4Q 2024

Centuri Separation

CEO onboarding	Complete <input checked="" type="checkbox"/>	1Q 2024
Public Filing of S-1	<input type="checkbox"/>	
Centuri Deleveraging/Refinancing	<input type="checkbox"/>	
IPO Execution	<input type="checkbox"/>	

Notes:

1. SWX completed approximately \$250 million equity issuance on March 10th, 2023 and \$550 million term loan issuance on April 17th, 2023. SWG completed \$300 million debt issuance on March 21st, 2023.
2. Arizona Corporate Commission ("ACC")
3. At-the-Market ("ATM")

Delivering Strong Results and Advancing Strategy



GAAP Net income of ~\$242 million, an ~\$88 million (57%) year-over-year increase in 2023 earnings; adjusted net income of \$249 million



More than 40,000 new meter sets added during the last 12 months



Advanced regulatory strategy: filed NV rate case, received AZ PGA recovery mechanism approval, filed AZ rate case, and on track to file GBGTC rate case in March



Ranked #1 for Customer Satisfaction among Business and Large Residential Gas Utilities in the West by J.D. Power²



Anticipate CA rate case filing in 3Q 2024



Limited near-term equity needs for 2024 and 2025 (expect to be raised under a new SWX At-the-Market program)



~\$55 million (24%) year-over-year increase in 2023 adjusted EBITDA – adjusted EBITDA of ~\$283 million¹



\$86 million storm restoration services revenues in 2023, an increase of \$17 million over 2022



Executed a multi-year contract extension of a master services agreement with an existing gas utility customer in Ontario, Canada with anticipated revenues of ~\$1 billion over the contract term



Separation of Centuri remains on track



Improved EBITDA margins expected to help organically de-lever Centuri over time



\$215 million of revenues from sustainable wind energy projects in 2023 including the first U.S. commercial-scale offshore project to deliver generated electricity to the grid (South Fork Wind)

Utility Optimization Progress



In 2023 Southwest boosted its culture of continuous improvement and optimization by identifying opportunities to generate long-term benefits for all stakeholders



2023 Summary

- » Formation of Office of Continuous Improvement & Optimization
- » Identified and prioritized company-wide initiatives
- » Finalized 6-year initiative playbook

Initiative Playbook

- » Initiative playbook contains several initiatives intended to drive value and long-term improvement across the organization
- » Investment in systems, technology, and processes

Value Driver Examples

- » Near-term Initiatives: outside services insourcing, customer contact center enhancements and fleet optimization
- » Long-term Initiatives: work management system modernization, advanced mobile leak detection deployment, information technology, application and storage optimization

Anticipating Results

- » Increase O&M savings to achieve flat O&M per customer over 2024-2026 forecast period

Accelerating our Pursuit of Excellence:

Striving to be a leader in safety, quality, customer service, operational performance, and cost management

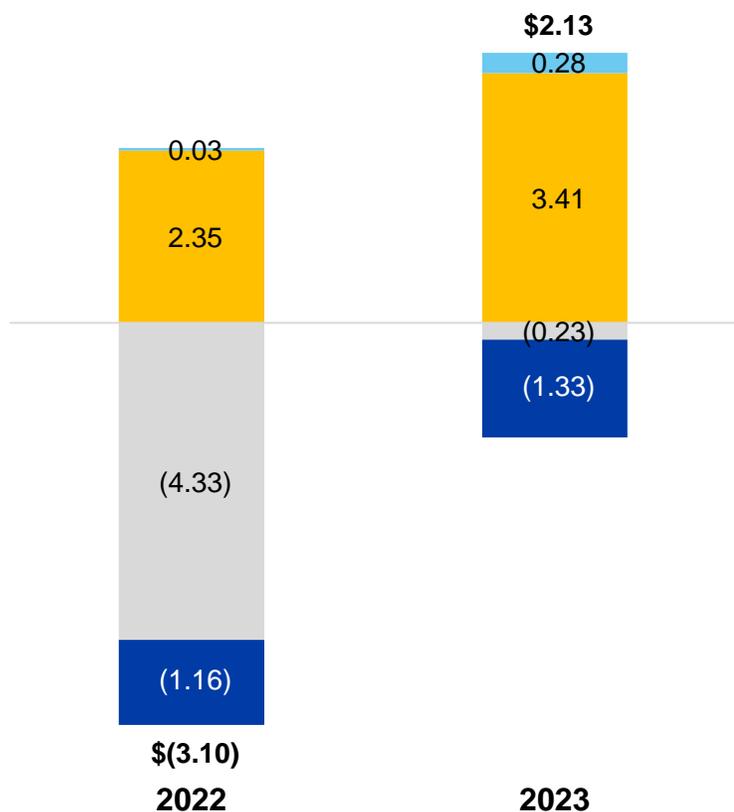
Financial Update



Southwest Gas
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FY 2023 SWX Results

GAAP SWX FY 2023 EPS Results



Adj. SWX FY 2023 EPS Results



■ HoldCo ■ Southwest ■ Centuri ■ MountainWest

Financial Highlights

- Consolidated full year 2023 adjusted net income of \$238.4 million resulting in adjusted earnings per share of \$3.36
- Southwest recorded its highest annual earnings
- Centuri recorded strong annual adjusted EBITDA
- HoldCo 2023 earnings impacted primarily by \$39.6 million in interest expense related to term loan for corporate purposes, \$14.4 million in costs related to the planned Centuri separation, and \$73.3 million in costs associated with the sale of MountainWest

Notes: charts may not add due to rounding

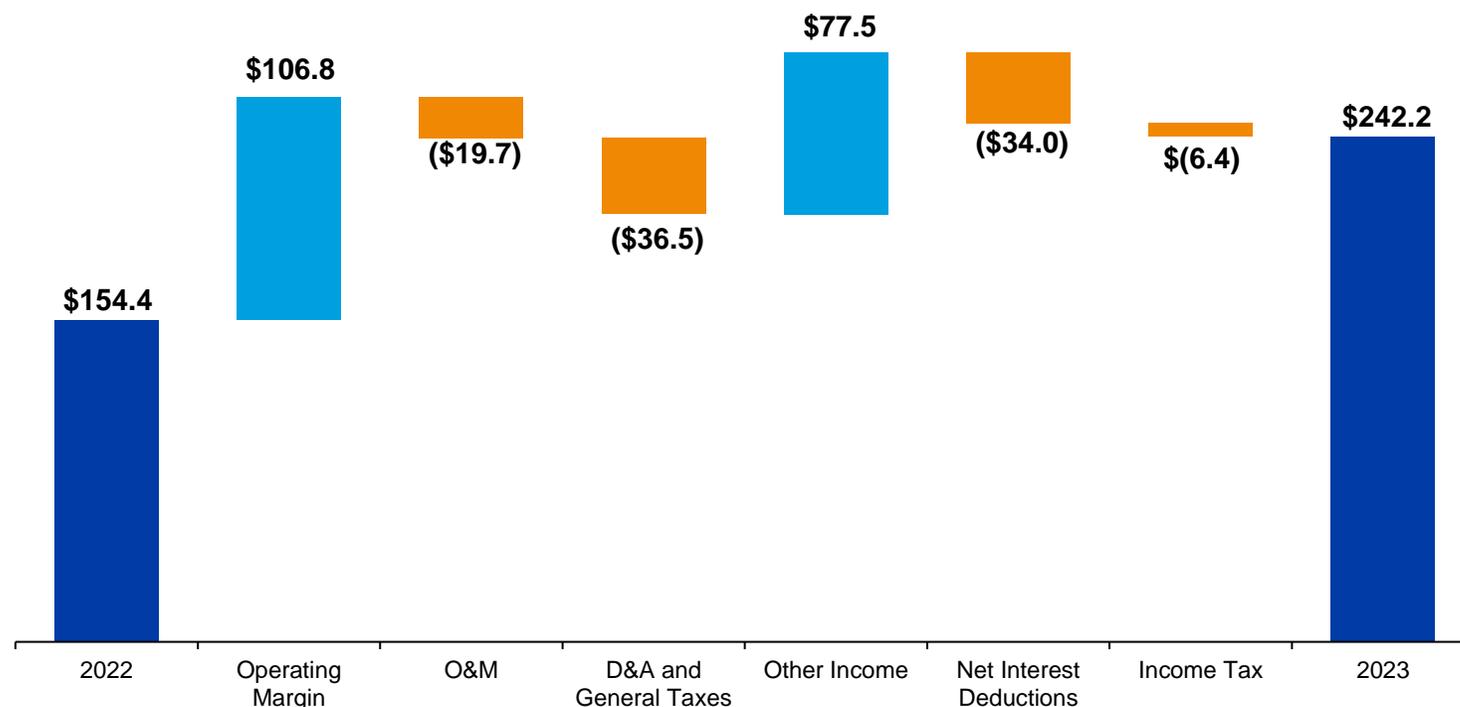
¹ Adjusted EPS for the twelve months ended December 31, 2023, adjusts for the goodwill impairment and loss on sale; nonrecurring stand-up costs associated with integrating MountainWest consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation. Adjusted EPS for the twelve months ended December 31, 2022, adjusts for the goodwill impairment and loss on sale; nonrecurring stand-up cost associated with integrating MW; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation costs.

FY 2023 Southwest GAAP Net Income

NATURAL GAS DISTRIBUTION SEGMENT

GAAP Net Income (Loss) (\$ in millions)

■ Favorable ■ Unfavorable



Highest annual net income on record

Year-over-year net income (loss) drivers include:

(parentheses indicate unfavorable net income drivers)

↑ favorable impact

↓ unfavorable impact

↑ Operating Margin¹

- \$56 million – Combined rate relief stemming from investment
- \$14 million – Customer growth
- \$19 million – Recovery associated with regulatory account balances (offset in D&A below)
- \$8 million – out-of-period adjusting entry related to net cost of gas sold

↓ O&M

- (\$10 million) – external contractor/professional services
- (\$8 million) – direct labor charges
- (\$4 million) – leak survey and line locating activities
- (\$3 million) – costs for fuel used in operations
- Partially offset by a reduction in the service component of postretirement benefit and legal/claim-related costs

↓ D&A and General Taxes

- (\$19 million) – Increase in amortization related to regulatory account recoveries (offset in operating margin above)
- Remaining increase largely related to 6% increase in average gas plant since year end 2022²
- (\$4 million) – increased general taxes due to an increase in property taxes in AZ and CA

↑ Other Income

- \$35 million – Increase in interest income due to carrying charges associated with the elevated deferred PGA³ balance
- \$21 million – Decrease in non-service-related components of employee pension and other retirement benefit costs
- \$16 million – Increase in COLI results

↓ Interest

- Primarily driven by interest associated with the issuance of debt to fund investment plan and PGA balance

Notes: Chart may not add due to rounding

¹ Remaining variance primarily relates to miscellaneous revenue and customers outside of the decoupling mechanism

² Increase in plant was attributable to pipeline capacity reinforcement work, franchise requirements, scheduled pipe replacement activities, and new infrastructure

³ Purchased Gas Cost Adjustment (“PGA”)

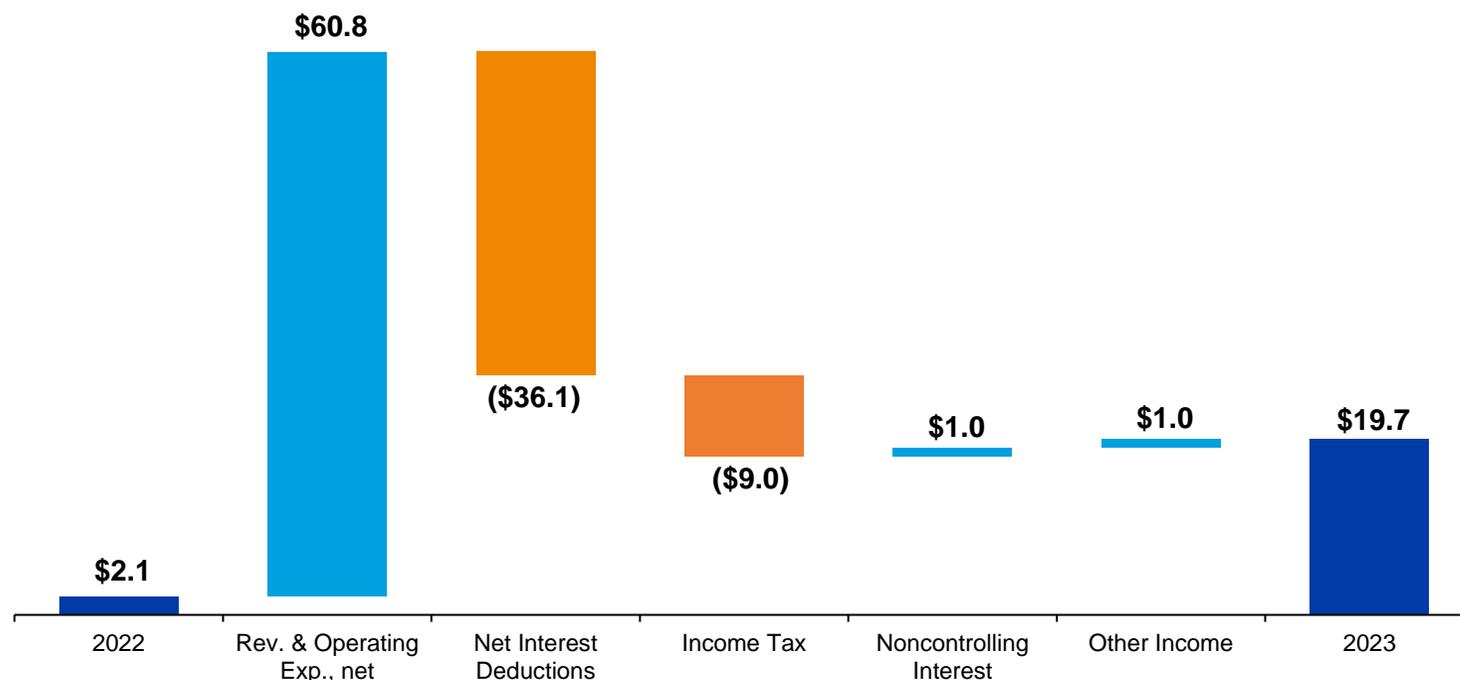


FY 2023 Centuri GAAP Net Income

UTILITY INFRASTRUCTURE SERVICES SEGMENT

GAAP Net Income (\$ in millions)

■ Favorable ■ Unfavorable



Year-over-year net income (loss) drivers include:
(parentheses indicate unfavorable net income drivers)

↑ favorable impact

↓ unfavorable impact

↑ Revenues

- ~\$139 million – Total increase
 - \$212 million – Increased electric infrastructure services revenue, including \$120 million increase in offshore wind revenue
 - (\$82 million) – decreased gas infrastructure services revenue
 - \$9 million – Increased other revenue

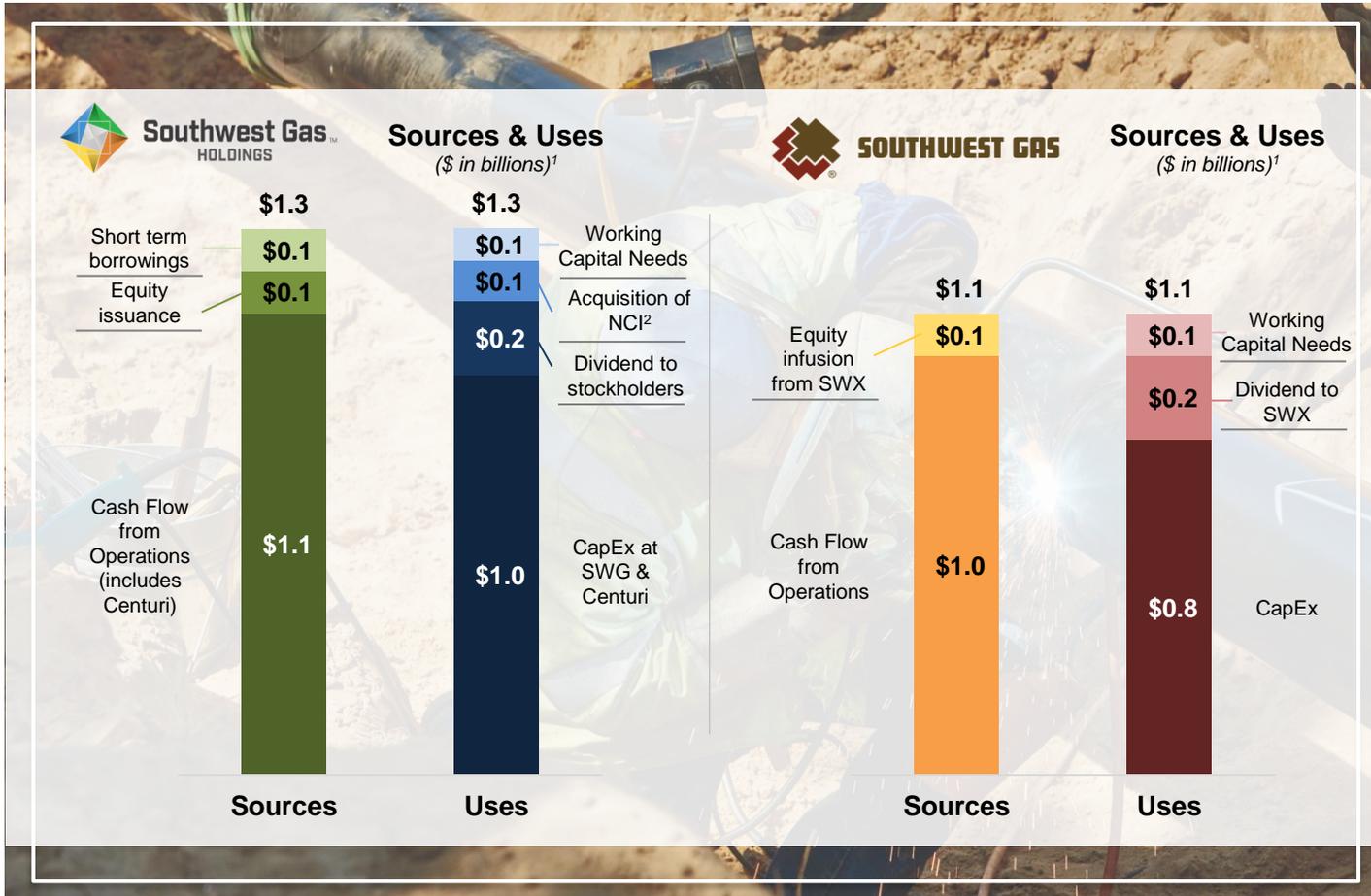
↓ Operating Expenses

- (\$81 million) – Total increase
 - Driven by higher volume of work and higher incentive compensation and increased subcontractor costs on offshore wind projects

↓ Net Interest Deductions

- Primarily due to higher interest rates on outstanding variable-rate borrowings associated with Riggs Distler acquisition

2024 Financing Plan



Highlights

- » Centuri included for full year 2024
- » Expect continued significant cash from collection of PGA
 - » Cash flow from operations anticipated to fully fund capital plan
 - » Approximately \$600 million in PGA recoveries forecasted
- » Expect limited equity needs to be funded using an ATM (less than \$100 million in 2024)
- » No significant debt financing or refinancing expected at Southwest in 2024
- » Amend/extend SWX \$550 million Term Loan in 2Q/3Q 2024

Balance Sheet Strength

SWX and SWG are committed to maintaining an investment grade profile

	Net Debt ¹ (\$ in billions)					Credit Ratings and Outlook ³					
	Total Debt	Cash	Net Debt	PGA ² Balance	Net Debt less PGA	Moody's		Standard and Poor's		Fitch	
						Ratings	Outlook	Ratings	Outlook	Ratings	Outlook
 Southwest Gas TM HOLDINGS	\$0.6	\$0.0	\$0.6	n/a	\$0.6	Baa2	Stable	BBB-	Positive	BBB	Rating Watch Negative
 SOUTHWEST GAS	\$3.5	\$0.1	\$3.4	\$0.6	\$2.8	Baa1	Stable	BBB	Positive	A-	Stable
 Centuri	\$1.2	\$0.1	\$1.1	n/a	\$1.1	Ba3	Negative	B+	Credit Watch Developing	Not Rated	Not Rated

Notes:

¹ As of 12/31/2023

² PGA Balances include purchase gas costs net of amounts received/refunded to or from customers

³ Issuer ratings shown for Southwest Gas Holdings and Centuri; Senior unsecured long-term ratings shown for Southwest Gas Corporation

Business Update



Southwest Gas
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Strong Demand Dynamics Supporting Value Creation

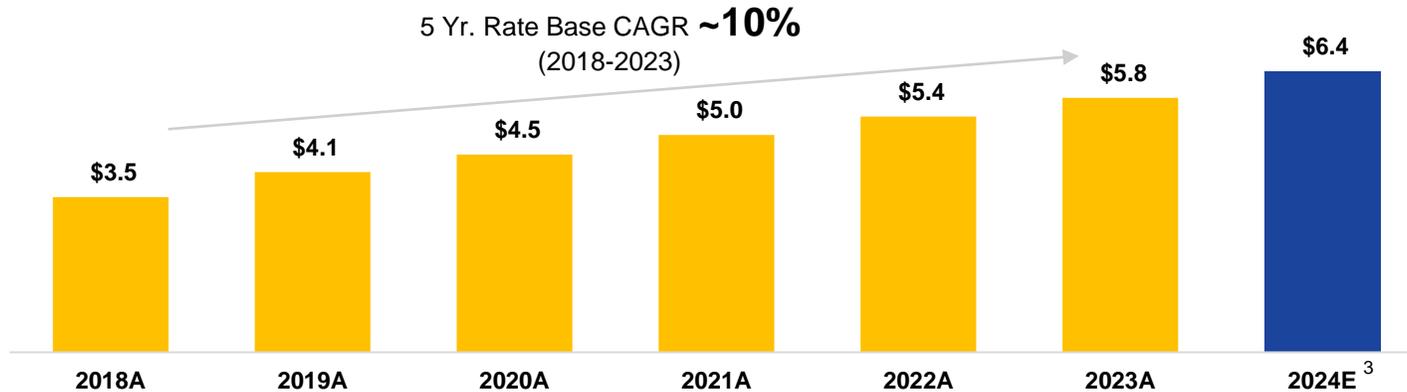


Strong Economic Growth Projected Across Service Areas

- From 2024 to 2029, projected population growth of 3.52% in Arizona and 2.61% in Nevada¹, compared to the 2.40% average growth in the US
- Strong 2023 increase in First-Time Meter Sets:

~40k First-Time Meter Sets through December 2023

Rate Base² (\$ in billions)



\$2.4B

Capital Investment to Support Growth

Estimated 2024 – 2026

Plan Highlights

53% in Safety & Integrity Management

28% in New Business

90% - 95% Expected percentage of three-year capital plan funded by internally generated cash

Notes:

¹ S&P Global Capital IQ, 19 January 2024.

² Rate base amounts reflect estimated total investment in facilities to provide utility service, less estimated retirements, depreciation, and deferred taxes plus working capital as of 12/31 of each year depicted. This is different than our authorized rate base, which is the rate base approved by our regulatory bodies in our most recent rate cases and that is reflected in current rates.

³ 2024E rate base assumes CapEx at 2024 guidance (~\$830 million)

Regulatory Update - Nevada

Rate Case Activity

Nevada Rate Case Filing Summary

Southwest filed a rate case requesting a revenue increase of approximately \$74 million with rates anticipated to become effective April 2024

Target Equity Ratio	50%
Return on Equity	10.0%
Rate Base	\$2.0 billion (~\$250 million increase)
Settled Test Year Revenue Increase¹	\$65.6 million
Proposed Revenue Increase at Certification ²	~\$74.0 million

Notes

- » 210-Day Procedural Schedule
- » Continuation of full revenue decoupling³
- » ~\$8 million increase in Depreciation Expense⁴
- » No significant changes to rate design
- » \$27 million increase in O&M
- » \$4 million Annual Leak Survey Regulatory Asset⁵

Anticipated Procedural Schedule



Settlement

A stipulation was reached with Regulatory Operations Staff of the Public Utilities Commission of Nevada and the Bureau of Consumer Protection settling certain issues and agreeing to a black box statewide revenue increase of \$65.6 million. Items that have been settled include:

- » Revenue decoupling
- » Authority to continue tracking incremental annual leak survey costs
- » Depreciation rates
- » Rate Design

Items that remain unsettled:

- » Adjustments related to cost of capital (capital structure, ROE)

O&M Per Customer Compared to Peers



¹ Twelve months ended May 31, 2023

² Six months ended November 30, 2023

³ Decoupled rate schedules consistent with those currently authorized

⁴ Based on new depreciation rates as proposed

⁵ Proposed recovery over two years

⁶ Weighted average of Southern and Northern Nevada, based on application as filed.

⁷ As of December 31, 2022, utilizing average of peer group natural gas utilities (ATO, NJR, NWN, OGS, SR, & NI)

Regulatory Update - Arizona

Rate Case Activity

Arizona Rate Case Filing Summary

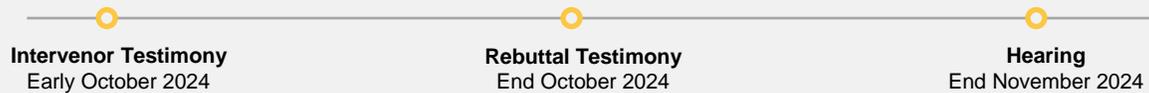
In February 2024, Southwest filed a rate case requesting a revenue increase of approximately \$126 million with rates anticipated to become effective April 2025

Target Equity Ratio	50%
Rate of Return	10.15%
Fair Value Return on Rate Base	0.81%
Rate Base	\$3.3 billion (~\$646 million increase, or ~24%)
Proposed Revenue Increase	~\$125.6 million

Notes

- » 364-Day Procedural Schedule
- » Continuation of full revenue decoupling¹
- » ~\$40 million increase in O&M
- » Test year from 11/1/22 – 10/31/23 with \$229 million of rate base requested in the post test year period of 11/1/23 – 10/31/24
- » Proposed Capital Tracker (~40% of AZ capital budget)
- » Proposed Uncollectible Expense Rate
- » No significant changes to rate design

Anticipated Procedural Schedule



Proposed System Improvement Benefit (SIB) Mechanism

Encompass all required safety-related infrastructure investments that account for ~40% of the Company's Capital Budget dedicated to Arizona.²

Key Objectives

- Enhance Safety
- Minimize Regulatory Lag
- Minimize Customer Bill Impact
- Reduce Frequency of Rate Case Filings

Rate effective each February, subject to refund.

Regulatory Update – GBGTC and California

Rate Case Activity

Expected GBGTC Filing

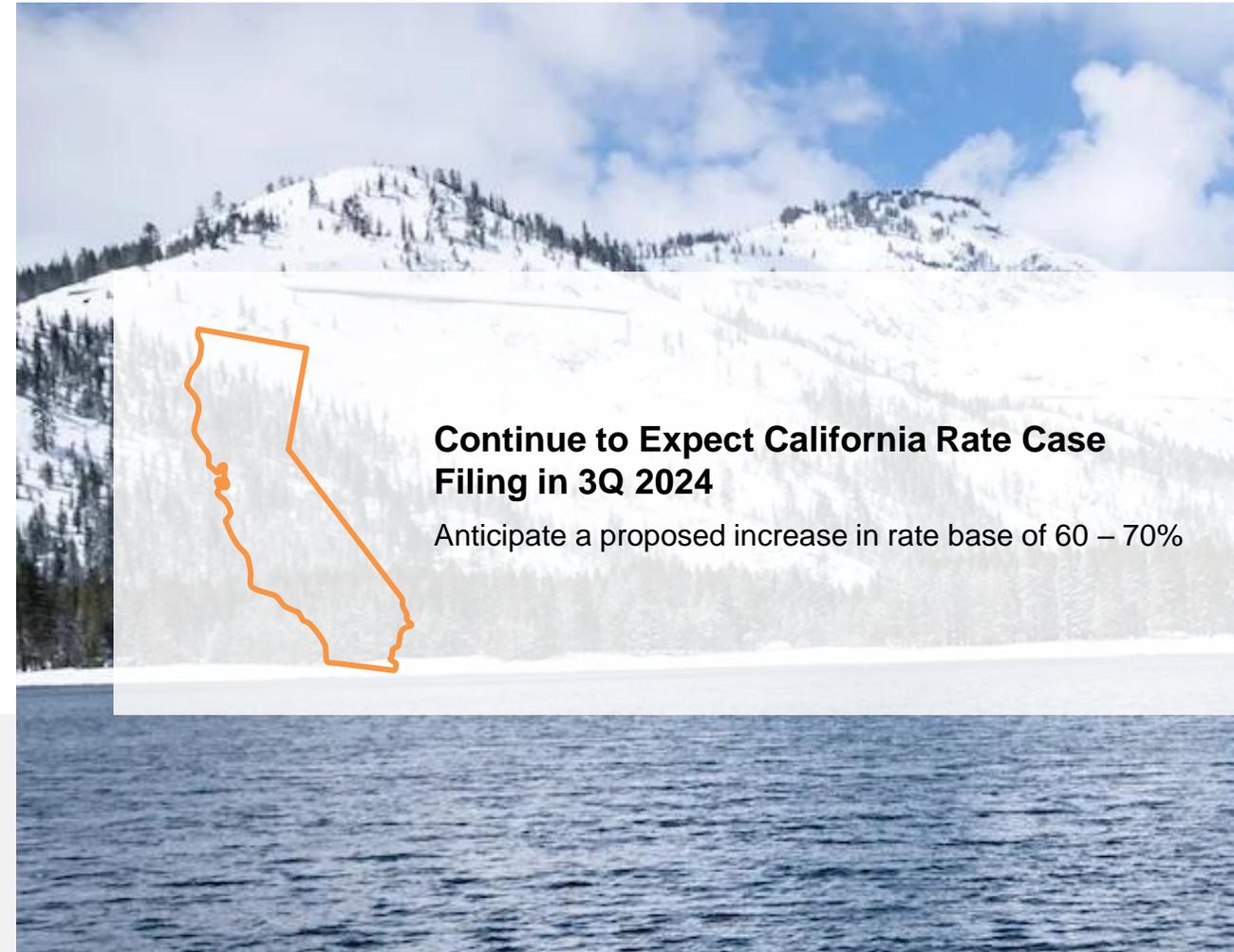
Expect a GBGTC rate case filing in the first week of March requesting a revenue increase of approximately \$16 million with rates anticipated to become effective September 1, 2024, subject to refund.

Target Equity Ratio	56%
Return on Equity	13.05%
Rate Base	\$387 million (~\$99 million increase)
Proposed Test Year Revenue Increase	~\$16 million

Notes

- » \$1.5 million increase in depreciation expense
- » No changes in rate design

Anticipated Procedural Schedule



Centuri Strategic Framework:



Safe Work Environment	» Focus on enhancing and improving Centuri's world-class safety performance
Targeted Revenue Growth	» Engagement with utility leaders on business development » Enhance coordinated storm response offering » Regular interaction with developers
Focus on SG&A Cost Management	» Direct reporting of operating segments to CEO » Direct daily line of site into business
Focus on Improving Margins	» Improving profitability at underperforming parts of the business » Strategic prioritization of work performed
Capital Allocation and Control	» Allocate capital to highest returning businesses » De-leveraging through free cash flow generation » Capital expenditure discipline

2024 Objectives:



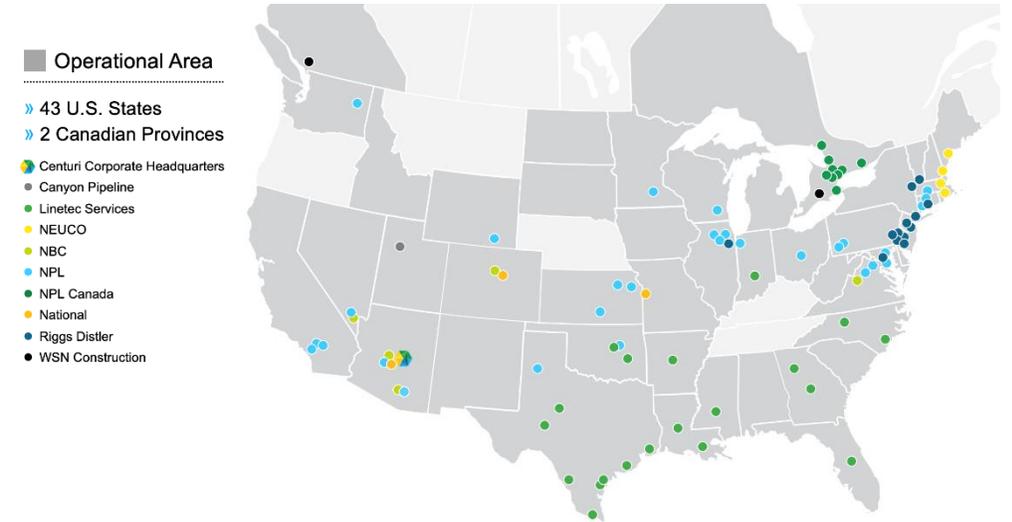
- » Successful Separation
- » Achieve or exceed revenue and EBITDA targets
- » Positioned for Growth

Centuri: Strategic Utility Infrastructure Services Leader

High-Quality Utility Customer Base

Gas	Electric	Combination

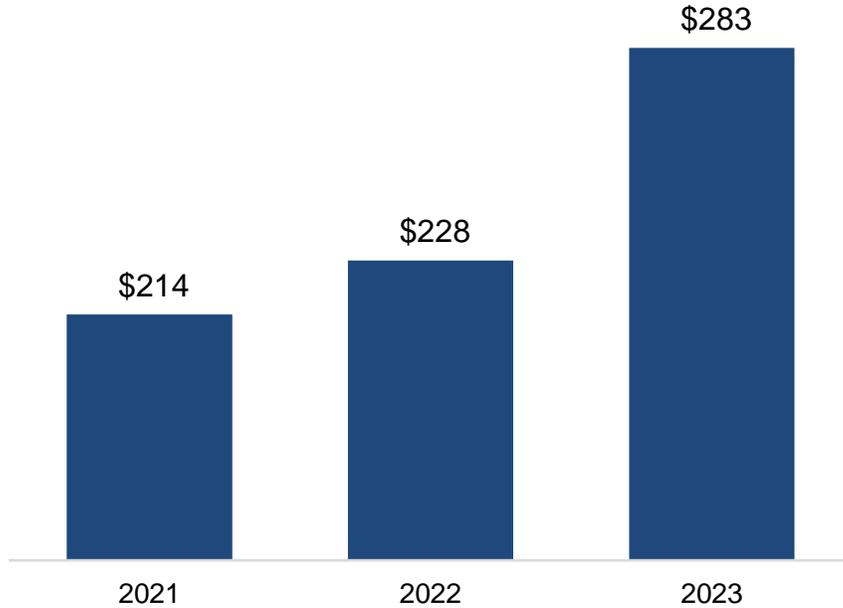
Service Territory



GAS GROUP	POWER GROUP	CANADA GROUP
Canyon A Centuri Company	Linetec A Centuri Company	NPL Canada A Centuri Company
NPL A Centuri Company	National A Centuri Company	WSN A Centuri Company
NEUCO A Centuri Company	Riggs Distler A Centuri Company	

Centuri: Proven Performance Track Record

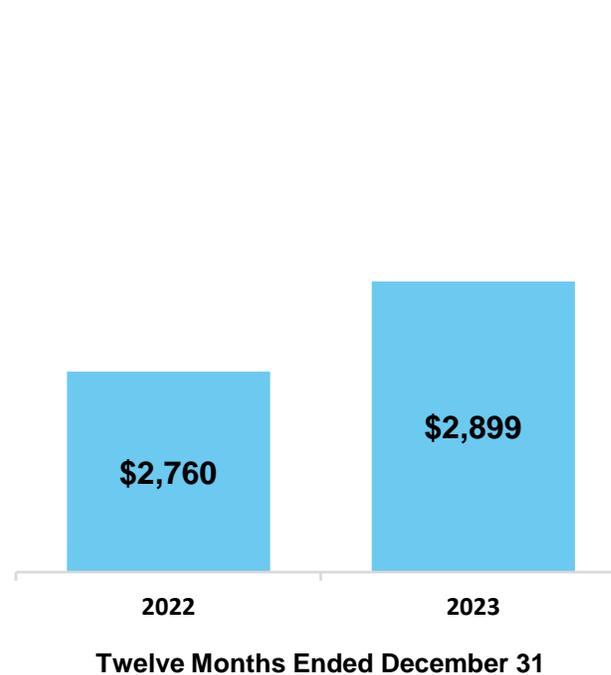
Centuri Full-Year Adjusted EBITDA¹
(\$ in millions)



Driving Continued Growth in Adjusted EBITDA:

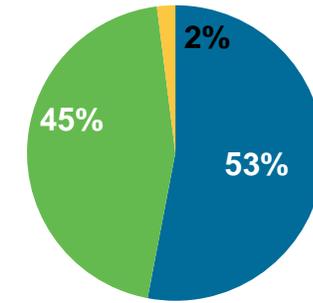
\$55M, or 24%
year over year increase in annual adjusted EBITDA

Full-Year Revenue
(\$ in millions)



Full-Year Business Mix by Service Type

Revenues

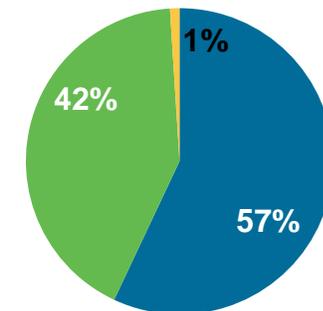


■ Gas

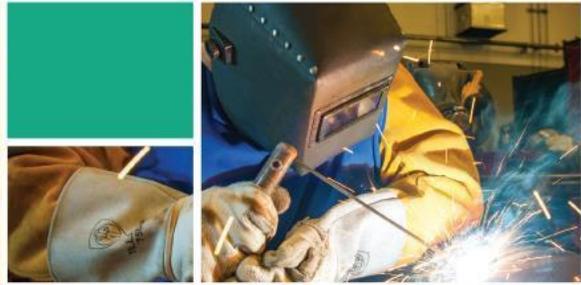
■ Electric

■ Other

Gross Profit



Guidance and Outlook



Southwest 2024 and Forward-Looking Financial Guidance

2024 Guidance

Net Income ¹	\$228 - \$238 million
CapEx	~\$830 million

Forward-Looking Guidance (2024 – 2026 base yr 2024)

Net Income ² (CAGR)	10.0% - 12.0%
Rate Base ² (CAGR)	6.5% - 7.5%
CapEx ³	\$2.4 billion

FY 2023 – 2024 Net Income Guidance Walk



Margin & O&M	<ul style="list-style-type: none"> ▲ Customer growth continues ▲ Rate relief ▼ Deferred purchased gas adjustment ~(\$8 m)⁴ ⚡ O&M flat per customer
Other Income	<ul style="list-style-type: none"> ▼ Projecting ~\$30 million less PGA income (net of other interest) in 2024 than in 2023⁴ ▼ Assume normalized COLI earnings (\$3 - \$5 million) – approximately \$10 million was recorded in 2023 ▼ Non-recurring loss on property (~\$5 million)⁴
D&A, Income Taxes, & Other, net	<ul style="list-style-type: none"> ▲ Higher capital needs to support growth resulting in higher expected D&A ▼ Higher income taxes & other, net

Notes: charts/tables may not add due to rounding

¹ Assumes \$3 - \$5 million COLI earnings

² Net Income and Rate Base CAGR: base year 2024

³ 3-year Capital Expenditures 2024 – 2026

⁴ Pre-tax

Positioned to Unlock Significant Stockholder Value



Enhancing SWX credit profile through strengthening capital and strategic flexibility by separation of Centuri



Maintain balance sheet flexibility and investment grade credit ratings



Positive regulatory developments and strong organic rate base growth



Optimizing the utility to deliver value through financial discipline, operational excellence, and constructive regulatory relationships



Safely delivering reliable, sustainable, and affordable energy solutions for new and existing customers, with a dedicated focus on service



Capital expenditure plan supported by increased economic development and customer growth throughout our service areas



Well positioned to continue delivering sustainable energy options for our customers



Transitioning into a standalone world-class utility infrastructure services platform with strong leadership in infrastructure modernization and energy transition



Progress on separation remains on track



Deleveraging the business organically through EBITDA growth

Contact Information

Investors & Analysts

Justin S. Forsberg

Vice President of Investor Relations

(702) 364-3135

justin.forsberg@swgas.com

Media

Sean Corbett

Manager, Corporate

Communications

(702) 876-7219

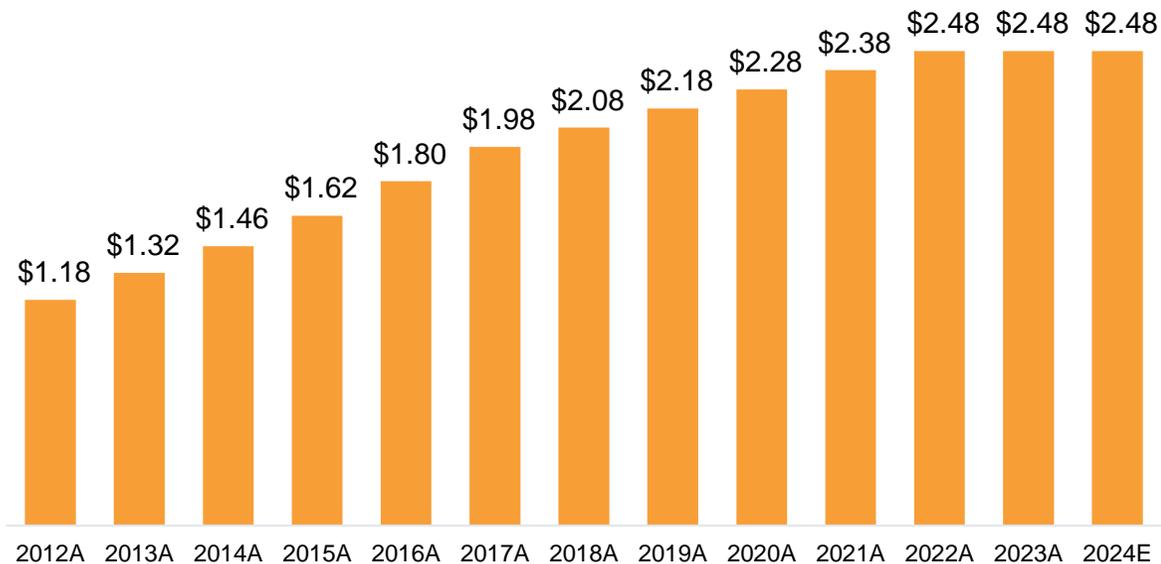
sean.corbett@swgas.com



Maintaining a Competitive Dividend

Upon completion of the separation of Centuri, Southwest Gas Holdings plans to target a dividend payout ratio in line with gas utility peers

SWX Annual Dividend Per Share



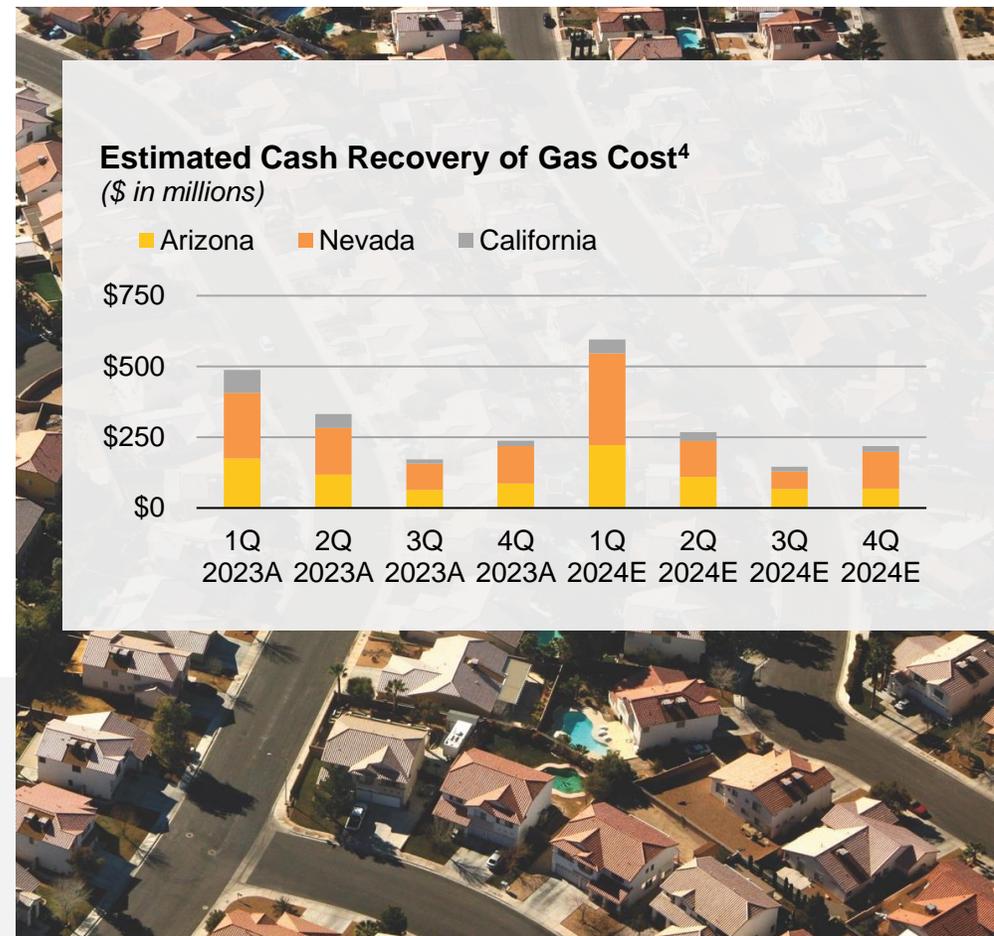
- Southwest Gas Holdings is committed to paying a competitive dividend
- Southwest Gas Holdings has paid a dividend every year since 1956
- Upon completion of the separation of Centuri, Southwest Gas Holdings plans to target a dividend payout ratio in line with gas utility peers¹
- Until the planned separation has been completed, Southwest Gas Holdings expects to continue to pay its regular quarterly dividend¹
- Expect to size post-separation dividend off of future run rate earnings considering expected rate relief in Arizona, California, and Nevada¹

Summary of Gas Cost Balances and Recovery Mechanisms

PGA¹ Receivable Balance and Recovery Mechanism Summary

State	Sept. 2023 Receivable Balance (\$ in millions)	Dec. 2023 Receivable Balance (\$ in millions)	Carrying Cost Rate	Gas Cost Rate Adjustment Frequency
AZ	\$301.3	\$251.4	1-Year Treasury Rate	Monthly ²
NV	\$351.6	\$264.5	Weighted Average Cost of Capital	Quarterly ²
CA	\$34.2	\$36.9	Commercial Paper Rate	Monthly ³
Total	\$687.1	\$552.9		

Balances by State as of 12/31/2023



Notes: tables may not add due to rounding

¹ PGA refers to FERC Acct. 191

² Using a 12-month rolling average, to account for changes in the cost of gas SWG purchased on behalf of its customers, with no profit to SWG

³ The gas cost rate is adjusted monthly based on a one-month forecast cost of gas plus the difference in the prior month's over or under recovery of the PGA balance

⁴ Includes estimated recoveries for base gas costs and gas cost balancing accounts

Southwest Net Income Drivers and Assumptions

Drivers	2024	2025	2026
Rate Relief	<ul style="list-style-type: none"> ▲ Nevada rates effective April 2024 ▲ GBGTC rates effective September 2024 	<ul style="list-style-type: none"> ▲ Arizona rates effective April 2025 	<ul style="list-style-type: none"> ▲ California rates effective January 2026
	<ul style="list-style-type: none"> ▲ Assumes rate case filings and outcomes in line with historical cadence and experience 		
Customer Growth	<ul style="list-style-type: none"> ▲ Anticipate customer growth of ~1.6% per year 		
O&M	<ul style="list-style-type: none"> ↔ Targeting flat O&M per customer 		
D&A	<ul style="list-style-type: none"> ▼ Increased YoY CapEx to support continued customer growth as well as one-time projects 	<ul style="list-style-type: none"> ▲ Expect declining capital to depreciation ratio after 2024 	
Financing Assumptions	<ul style="list-style-type: none"> Targeting 50/50 utility capital structure over time 		



Southwest Regulatory Update

Other Regulatory Activity



Arizona PGA Filing

Received ACC approval to increase the Gas Cost Balancing Account rate (for up to two years) to facilitate timely recovery of an approximate \$358 million purchased gas cost balance, effective August 1, 2023.

Arizona COYL Annual Surcharge Filing

In June, the ACC approved the Company's annual COYL Surcharge filing submitted in February 2023, authorizing the requested \$4.3 million margin increase.

California Hydrogen Demonstration Project

Application pending before California Public Utilities Commission ("CPUC") for approval of a hydrogen-blending demonstration project in Northern California.

California Fort Irwin Expansion Project

Filed application with CPUC in November 2022 seeking authority to expand its service territory in Southern California to accommodate the Ft. Irwin expansion project.

Great Basin 2023 Mainline Replacement Project

FERC issued order in February 2023 granting a certificate of public convenience and necessity ("CPCN") for the construction and operation of the project which contemplates the replacement of ~20.4 miles of 16" pipe in Humboldt County. The current project estimate is ~\$47 million.

Great Basin 2024 – Expansion Project

Application filed with FERC in April 2023 seeking an order to abandon and replace certain pipeline facilities and grant a CPCN to construct and operate certain facilities to expand the transportation capacity of the system. The current project estimate is ~\$15 million.

Nevada Annual Rate Adjustment Filings

The Commission approved an all-party settlement of the Company's November 2022 application authorizing a statewide increase in revenues of ~\$12 million effective July 2023 and found SWG's gas purchases during the test period to be reasonable and prudent.

The Company's application filed in November 2023 contemplates a statewide decrease in revenues of ~\$10.6 million.

Legislative Activity - Nevada

Executive Order 2023-07

Outlines the state's energy priorities and policy objectives for the next decade

Focus

- » Supports an all-of-the-above approach to energy in the state
- » Emphasizes the importance of affordability and reliability of energy for consumers
- » Protects the use of natural gas in homes and businesses and ensures Nevadans continue to have all energy options available to them
- » Promotes economic development and investment in Nevada

SB 281 Gas Planning

Establishes an infrastructure planning process with the PUCN¹ for natural gas utilities

Requires three-year plan to include:

- » Current & projected demands for natural gas
- » Significant projects & investments
- » Energy efficiency & load management programs
- » Renewable energy & low-carbon fuel initiatives

Gas Planning Benefits



Supports investment in clean fuel technologies and R&D opportunities



Creates opportunity to seek regulatory pre-approval for certain investments



Reinforces natural gas's role in providing safe, reliable and affordable energy



Creates pathways for natural gas utilities to support greenhouse gas emissions reduction goals



Enhances transparency for customers and interested stakeholders

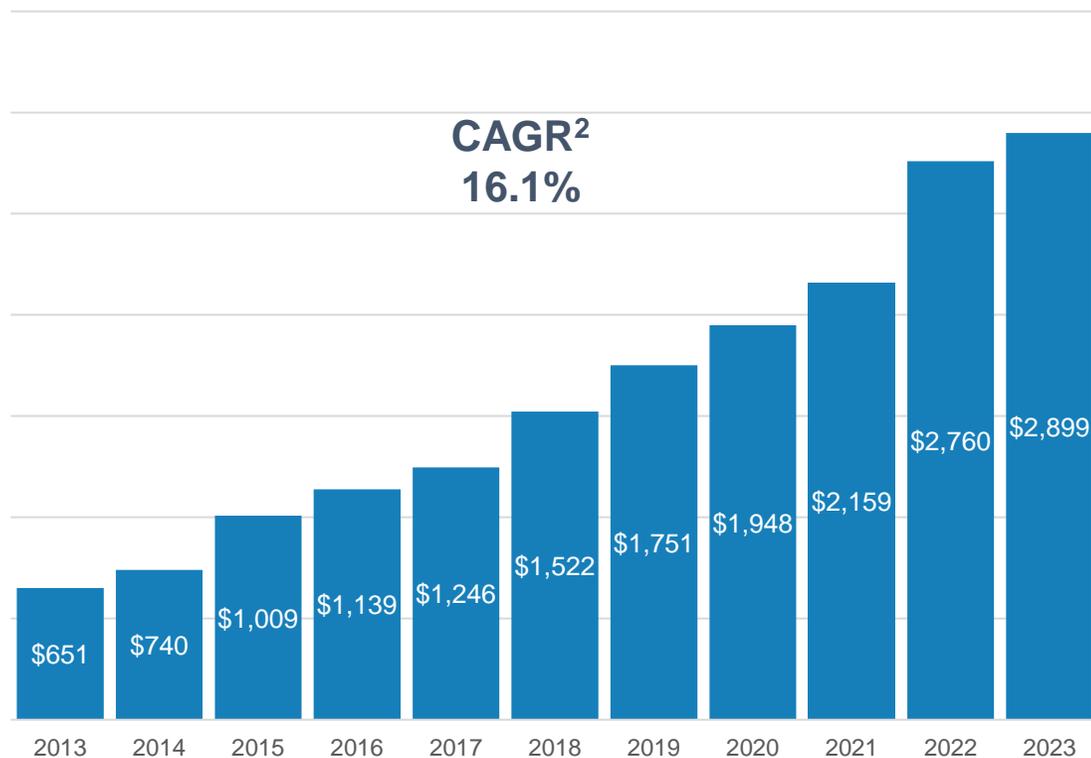
Notes:

¹ Public Utilities Commission of Nevada ("PUCN")

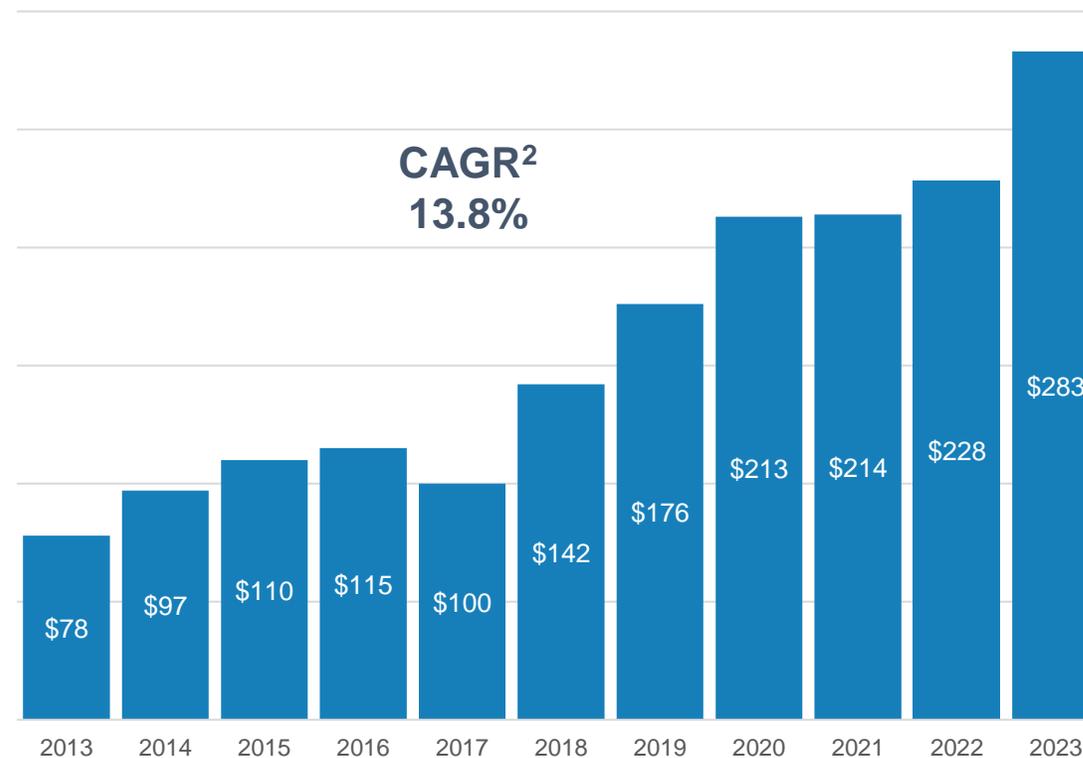
Proven Performance Track Record

(\$ in millions)

Revenues



Adjusted EBITDA¹



¹ Centuri Adjusted EBITDA for the twelve months ended December 31, 2022 and 2023 excludes noncontrolling interest, strategic review costs and non-cash stock-based compensation expense. Adjusted EBITDA for the twelve months ended December 31, 2013 – 2021 further excludes acquisition costs and write-off of deferred financing fees.

² Compound annual growth from 2013 to 2023

Top 20 Customers

#	Revenue as % of Total	Revenue ¹ (\$ in Millions)	Relationship Length (Yrs)	Total Contract Length (Yrs)
1	7.8%	\$225	4	2
2	7.1%	\$207	45	5
3	5.9%	\$172	27	5
4	5.5%	\$159	6	4.7
5	4.8%	\$139	16	3.5
6	4.0%	\$116	38	6
7	3.7%	\$106	16	5
8	3.5%	\$101	28	12
9	3.4%	\$99	9	4
10	3.3%	\$96	22	5
11	3.1%	\$90	46	5
12	2.7%	\$77	16	3
13	2.6%	\$74	34	5
14	2.5%	\$72	11	5
15	2.3%	\$68	43	14
16	2.0%	\$59	27	4
17	1.9%	\$54	19	2
18	1.6%	\$46	28	5
19	1.5%	\$43	6	5
20	1.5%	\$43	9	0.3
Total Top 20 Revenue		\$2,046	Avg 22.5	Avg 5

¹ TTM Ended December 31, 2023

4Q 2023 Financial Results

CONSOLIDATED

Results of Consolidated Operations <i>(in millions, except per share items)</i>	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Natural gas distribution income	\$ 91.7	\$ 67.1	\$ 242.2	\$ 154.4
Utility infrastructure services income (loss)	(5.3)	6.5	19.7	2.1
Pipeline and storage loss	-	(328.1)	(16.3)	(283.7)
Corporate and administrative loss	(13.5)	(26.0)	(94.7)	(76.0)
Net income (loss)	72.9	(280.6)	150.9	(203.3)
Non-GAAP adjustments ⁽¹⁾	8.3	358.6	87.5	399.9
Adjusted net income	81.2	78.0	238.4	196.6
Basic earnings (loss) per share	\$ 1.02	\$ (4.18)	\$ 2.13	\$ (3.10)
Diluted earnings (loss) per share	\$ 1.01	\$ (4.18)	\$ 2.13	\$ (3.10)
Basic adjusted earnings per share	\$ 1.13	\$ 1.16	\$ 3.37	\$ 3.00
Diluted adjusted earnings per share	\$ 1.13	\$ 1.16	\$ 3.36	\$ 3.00
Weighted average common shares	71.672	67.200	70.787	65.558
Weighted average diluted shares	71.916	67.200	70.990	65.558

Notes: table may not add due to rounding

¹ Adjusted SWX income and adjusted EPS for the three and twelve months ended December 31, 2023, adjusts for the goodwill impairment and loss on sale; consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation. Incrementally, the adjustments for twelve months ended December 31, 2023, further adjusts for nonrecurring stand-up costs associated with integrating MW. Adjusted SWX income and adjusted EPS for the three and twelve months ended December 31, 2022, adjusts for the goodwill impairment and loss on sale; nonrecurring stand-up cost associated with integrating MW; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation costs.

Summary of Operating Results

NATURAL GAS DISTRIBUTION SEGMENT

Results of Natural Gas Distribution	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
<i>(in thousands of dollars)</i>				
Regulated operations revenues	\$ 702,216	\$ 576,644	\$ 2,499,564	\$ 1,935,069
Net cost of gas sold	344,623	245,000	1,246,901	789,216
Operating margin	357,593	331,644	1,252,663	1,145,853
Operations and maintenance expense	133,457	122,944	511,646	491,928
Depreciation and amortization	76,699	70,609	295,462	263,043
Taxes other than income taxes	21,770	20,754	87,261	83,197
Operating income	125,667	117,337	358,294	307,685
Other income (deduction)	18,939	(6,444)	70,661	(6,884)
Net interest deductions	38,332	31,220	149,830	115,880
Income before income taxes	106,274	79,673	279,125	184,921
Income tax expense	14,613	12,623	36,899	30,541
Segment net income	\$ 91,661	\$ 67,050	\$ 242,226	\$ 154,380

Summary of Operating Results

UTILITY INFRASTRUCTURE SERVICES SEGMENT

Results of Utility Infrastructure Services

(Thousands of dollars)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Revenues	\$ 665,315	\$ 771,894	\$ 2,899,276	\$ 2,760,327
Cost of sales ⁽¹⁾	611,407	697,949	2,625,834	2,545,715
Gross profit	53,908	73,945	273,442	214,612
General and administrative expenses ⁽²⁾	28,712	34,212	110,344	109,197
Amortization of intangible assets	6,663	6,664	26,670	29,759
Operating income	18,533	33,069	136,428	75,656
Other income (deductions)	(247)	(144)	64	(887)
Net interest deductions	24,444	21,034	97,476	61,371
Income (loss) before income taxes	(6,158)	11,891	39,016	13,398
Income tax expense (benefit)	(1,680)	2,377	14,736	5,727
Net income (loss)	(4,478)	9,514	24,280	7,671
Net income attributable to noncontrolling interests	772	3,049	4,628	5,606
Contribution to consolidated results	\$ (5,250)	\$ 6,465	\$ 19,652	\$ 2,065
Adjusted net income (loss) attributable to Centuri ⁽³⁾	\$ (4,059)	\$ 6,656	\$ 22,176	\$ 3,464

(1) Cost of sales during the three months ended December 31, 2023 and 2022 includes depreciation expense of \$26,658 and \$31,176, respectively. Cost of sales during the twelve months ended December 31, 2023 and 2022 includes depreciation expense of \$114,125 and \$120,793 respectively.

(2) General and administrative expenses during the three months ended December 31, 2023 and 2022 includes depreciation expense of \$1,143 and \$1,227, respectively. General and administrative expenses during the twelve months ended December 31, 2023 and 2022 includes depreciation expense of and \$4,651 and \$4,801, respectively.

(3) Excludes the impact of strategic review costs, net of the impact of income tax adjustments.

Non-GAAP Measures

(\$ in thousands, except per share amounts)

Adjusted SWX income and adjusted EPS for the three and twelve months ended December 31, 2023, adjusts for the goodwill impairment and loss on sale; consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation. Incrementally, the adjustments for twelve months ended December 31, 2023, further adjusts for nonrecurring stand-up costs associated with integrating MW. Adjusted SWX income and adjusted EPS for the three and twelve months ended December 31, 2022, adjusts for the goodwill impairment and loss on sale; nonrecurring stand-up cost associated with integrating MW; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation costs.

Adjusted Corporate and Administrative income (loss) and adjusted EPS for the three and twelve months ended December 31, 2023, adjusts for goodwill impairment and loss on sale; proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation costs; and consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment. Incrementally, the adjustments for the twelve months ended December 31, 2023, further adjusts for MW stand-up, integration, and transaction-related costs. Adjusted Corporate and Administrative income and adjusted EPS for the three and twelve months ended December 31, 2022, adjusts for the goodwill impairment and loss on sale; and proxy contest, stockholder litigation, settlement agreement, and strategic review costs. Incrementally, the adjustments for the twelve months ended December 31, 2022, further adjusts for MW stand-up, integration, and transaction-related costs.

Adjusted SWG income and adjusted EPS for the three and twelve months ended December 31, 2023, adjusts for the consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment. There were no adjustments for the three and twelve months ended September 30, 2022.

Adjusted MW income and adjusted EPS for the twelve months ended December 31, 2023 and the three and twelve months ended December 31, 2022, adjusts for nonrecurring stand-up costs and goodwill impairment and loss on sale.

We do not provide a reconciliation of forward-looking Non-GAAP Measures to the corresponding forward-looking GAAP measure due to our inability to project special charges and certain expenses.

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2023	2022	2023	2022
SWX Adjusted Net Income and Adjusted EPS				
SWX net income (loss)	\$ 72,869	\$ (280,584)	\$ 150,889	\$ (203,290)
Goodwill impairment and loss on sale	11	455,425	73,279	455,425
Nonrecurring stand-up cost associated with integrating MW	-	7,295	2,856	26,896
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	5,550	-	9,796	-
Proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation	5,410	5,919	14,438	40,210
Income tax effect of adjustments	(2,649)	(110,069)	(12,837)	(122,641)
SWX adjusted net income	\$ 81,191	\$ 77,986	\$ 238,421	\$ 196,600
Weighted average diluted shares	71,916	67,200	70,990	65,558
SWX adjusted EPS	\$ 1.13	\$ 1.16	\$ 3.36	\$ 3.00
Corporate & Admin. Adjusted Net Income and Adjusted EPS				
Corporate and Admin. net loss	\$ (13,542)	\$ (26,040)	\$ (94,701)	\$ (76,002)
Goodwill impairment and loss on sale	11	5,819	52,064	5,819
MW stand-up, integration, and transaction-related costs	-	-	291	700
Proxy contest, shareholder litigation, settlement agreement, strategic review, and Centuri separation costs	3,822	5,676	11,073	38,357
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	833	-	1,470	-
Income tax effect of adjustments	(1,120)	(2,759)	(15,577)	(10,392)
Corporate and Admin. adjusted net loss	\$ (9,996)	\$ (17,304)	\$ (45,380)	\$ (41,518)
Weighted average diluted shares	71,916	67,200	70,990	65,558
Corporate and Admin. adjusted EPS	\$ (0.14)	\$ (0.26)	\$ (0.64)	\$ (0.63)
SWG Adjusted Net Income and Adjusted EPS				
SWG net income	\$ 91,661	\$ 67,050	\$ 242,226	\$ 154,380
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	4,717	-	8,326	-
Income tax effect of adjustments	(1,132)	-	(1,999)	-
SWG adjusted net income	\$ 95,246	\$ 67,050	\$ 248,553	\$ 154,380
Weighted average diluted shares	71,916	67,200	70,990	65,558
SWG adjusted EPS	\$ 1.32	\$ 1.00	\$ 3.50	\$ 2.35
MW Adjusted Net Income and Adjusted EPS				
MW net loss	\$ -	\$ (328,059)	\$ (16,288)	\$ (283,733)
Nonrecurring stand-up cost	-	7,295	2,565	26,196
Goodwill impairment and loss on sale	-	449,606	21,215	449,606
Income tax effect of adjustments	-	(107,258)	5,580	(111,795)
MW adjusted net income	\$ -	\$ 21,584	\$ 13,072	\$ 80,274
Weighted average diluted shares	71,916	67,200	70,990	65,558
MW adjusted EPS	\$ -	\$ 0.32	\$ 0.18	\$ 1.22

Non-GAAP Measures (continued)

(\$ in thousands, except per share amounts)

Adjusted Centuri net income (loss) and adjusted EPS for the three and twelve months ended December 31, 2023 and December 31, 2022, adjusts for strategic review costs, including the Centuri separation.

Management believes that Centuri EBITDA, used in connection with net income provides useful information to investors as they evaluate Centuri performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Centuri adjusted EBITDA is adjusted for certain other items as described herein. Adjusted Centuri EBITDA for the three and twelve months ended December 31, 2023 and December 31, 2022 adjusts for pre-tax strategic review costs (including costs related to the Centuri separation) and non-cash share-based compensation expense.

Centuri EBITDA and Adjusted EBITDA is provided below for the twelve months ended December 31, 2013 through December 31, 2023.

Because EBITDA and Adjusted EBITDA, as defined, exclude some, but not all, items that affect net income attributable to Centuri, such measures may not be comparable to similarly titled measures of other companies.

	December 31,		December 31,	
	2023	2022	2023	2022
Centuri Adjusted Net Income and Adjusted EPS				
Centuri net income (loss)	\$ (5,250)	\$ 6,465	\$ 19,652	\$ 2,065
Strategic review costs, including Centuri separation	1,588	243	3,365	1,853
Income tax impact of adjustments	(397)	(52)	(841)	(454)
Centuri adjusted net income (loss)	\$ (4,059)	\$ 6,656	\$ 22,176	\$ 3,464
Weighted average diluted shares	71,916	67,200	70,990	65,558
Centuri adjusted EPS	\$ (0.06)	\$ 0.10	\$ 0.31	\$ 0.05
Centuri EBITDA and Adjusted EBITDA				
Centuri net income (loss)	\$ (5,250)	\$ 6,465	\$ 19,652	\$ 2,065
Net interest deductions	24,444	21,034	97,476	61,371
Income tax expense	(1,680)	2,377	14,736	5,727
Depreciation and amortization	34,464	39,067	145,446	155,353
Centuri EBITDA	\$ 51,978	\$ 68,943	\$ 277,310	\$ 224,516
Strategic review costs, including Centuri separation	1,588	243	3,365	1,853
Non-cash share-based compensation expense	(298)	469	1,851	1,652
Centuri Adjusted EBITDA	\$ 53,268	\$ 69,655	\$ 282,526	\$ 228,021

Centuri EBITDA and Adjusted EBITDA	2013	2014	2015	2016	2017	2018	2019	2020	2021
Centuri net income	\$ 21,200	\$ 24,300	\$ 26,700	\$ 32,600	\$ 38,400	\$ 45,000	\$ 52,400	\$ 74,900	\$ 40,400
Net interest deductions	1,100	3,800	7,800	6,700	8,000	14,200	14,100	9,300	21,000
Income tax expense	12,600	14,800	18,500	19,900	2,400	18,400	21,400	31,100	18,800
Depreciation and amortization	43,000	48,900	56,700	55,700	49,000	57,400	87,600	96,700	117,600
Centuri EBITDA	\$ 77,900	\$ 91,800	\$ 109,700	\$ 114,900	\$ 97,800	\$ 135,000	\$ 175,500	\$ 212,000	\$ 197,800
Write-off of deferred financing fees	-	-	-	-	-	-	-	-	700
Acquisition costs	-	5,100	-	-	2,600	6,900	-	-	14,000
Strategic review costs, including Centuri separation	-	-	-	-	-	-	-	-	-
Non-cash share-based compensation expense	-	-	-	-	-	-	100	800	1,700
Centuri Adjusted EBITDA	\$ 77,900	\$ 96,900	\$ 109,700	\$ 114,900	\$ 100,400	\$ 141,900	\$ 175,600	\$ 212,800	\$ 214,200