

Q1 2025

Earnings Conference Call



Safe Harbor

Forward Looking Statement

Except for historical information contained here, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words "anticipate," "believe," "can," "could," "estimate," "expect," "future," "goal," "intend," "likely," "may," "opportunity," "outlook," "plan," "possible," "potential," "predict," "probable," "projected," "should," "target," "will," "would" and similar words and expressions are intended to identify forward-looking statements. Such statements are based upon the current beliefs and expectations of management. Forward-looking statements made herein, which may include statements regarding 2025 earnings and earnings per share, long-term earnings, earnings per share growth and earnings mix, anticipated levels of energy generation from renewable resources, anticipated reductions in carbon dioxide emissions, future investments and capital expenditures, rate base levels and rate base growth, future raw materials costs, future raw materials availability and supply constraints, future operating revenues and operating results, and expectations regarding regulatory proceedings, as well as other assumptions and statements, involve known and unknown risks and uncertainties that may cause our actual results in current or future periods to differ materially from the forecasted assumptions and expected results.

The Company's risks and uncertainties include, among other things, uncertainty of future investments and capital expenditures; rate base levels and rate base growth; risks associated with energy markets; the availability and pricing of resource materials; inflationary cost pressures; attracting and maintaining a qualified and stable workforce; changing macroeconomic and industry conditions that impact the demand for our products, pricing and margin; long-term investment risk; seasonal weather patterns and extreme weather events; future business volumes with key customers; reductions in our credit ratings; our ability to access capital markets on favorable terms; assumptions and costs relating to funding our employee benefit plans; our subsidiaries' ability to make dividend payments; cybersecurity threats or data breaches; the impact of government legislation and regulation including foreign trade policy and environmental; health and safety laws and regulations; changes in tax laws and regulations; the impact of climate change including compliance with legislative and regulatory changes to address climate change; expectations regarding regulatory proceedings, assigned service areas, the construction of major facilities, capital structure, and allowed customer rates; actual and threatened claims or litigation; and operational and economic risks associated with our electric generating and manufacturing facilities. These and other risks are more fully described in our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K, as updated in subsequently filed Quarterly Reports on Form 10-Q, as applicable. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information.

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Company Overview



ELECTRIC

Founded in 1907

Serve approximately
134,000 customers in
MN, ND, SD

Regulated and vertically
integrated electric utility



MANUFACTURING

Owned and operated
for over 20 years

Diverse end-markets

High utilization of asset base



Investment Thesis

1

Strategic diversification for growth over long-term cycles

4

Uninterrupted dividend for 86 years, part of **9-11% TSR target**

2

Internally financed investment:
Growth without equity needs

5

Utility industry leading ROE and TSR track record

3

Long-term EPS growth rate: **6-8%**

6

Targeted earnings mix:
65% Electric / 35% Manufacturing

Key Highlights

Financial Results

- Q1 Results On Target - Earnings of \$68.1M; Diluted EPS of \$1.62
- ROE (trailing twelve months): 18.3%
- Available liquidity of \$607M

Positioned for Future Growth

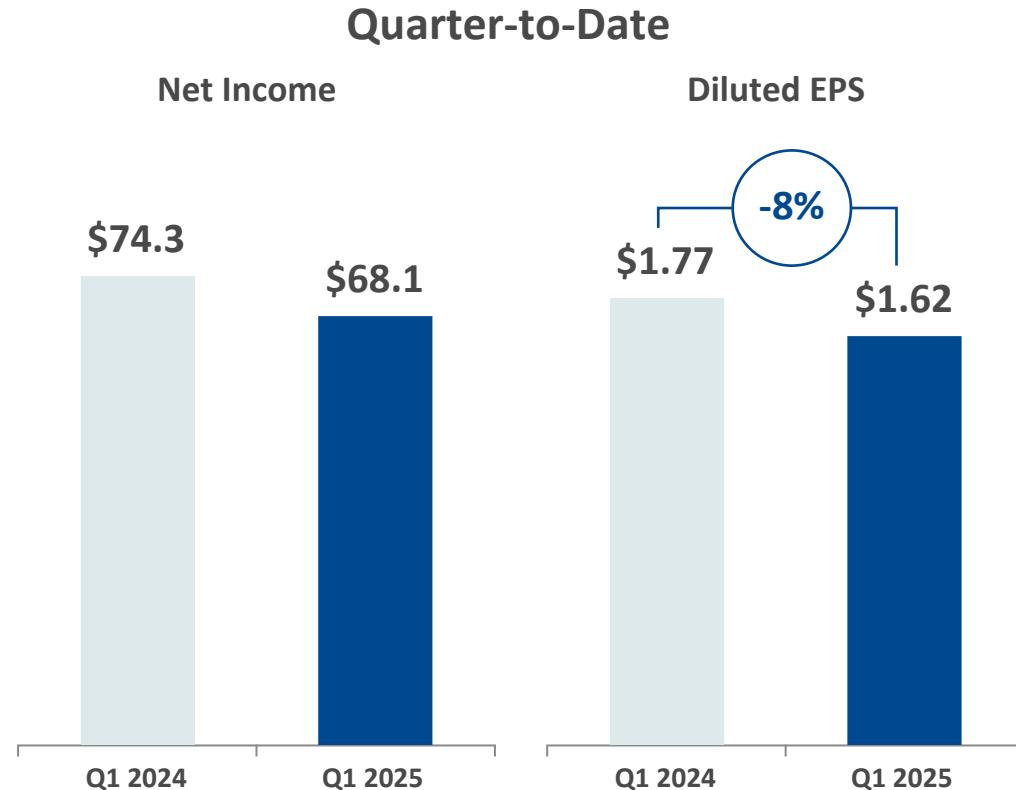
- Robust Electric segment capital investment plan
- Final rates in North Dakota rate case implemented in March 2025
- Service agreement reached with new large load electric customer
- BTD Georgia facility expansion complete
- New large diameter PVC pipe line at Vinyltech performing well

2025 Outlook

- Affirming 2025 earnings guidance of \$5.68 to \$6.08

Financial Summary

\$ in millions, except per share data



Affirming 2025 EPS Guidance

Guidance Midpoint: **\$5.88**

Projected ROE: **14.2%**

Electric segment earnings growth: **7%**

Operating Environment

Segment	Risks & Mitigations
Electric	<p>Tariffs</p> <ul style="list-style-type: none">• Risk of increased CapEx cost, which may alter investment recovery timing or requested amount• Many major materials can be sourced domestically, from different countries or qualify under USMCA• No bi-lateral power purchase agreements with Canadian suppliers <p>IRA Changes</p> <ul style="list-style-type: none">• Bipartisan congressional support for continuation of tax credits with active advocacy, including from EEI, outlining benefits of tax credits for renewable generation• Near-term renewable projects expected to qualify under existing technology-specific rules• Anticipate transferability to continue for existing and in-process projects• MN Clean Energy Law supportive of renewable generation investments
Manufacturing	<p>Tariffs</p> <ul style="list-style-type: none">• Substantially all steel sourced domestically• Ability to pass through higher domestic steel costs to our customers• Extent and duration of tariffs may create sales volume risk and/or opportunities• Monitoring for end market demand changes; leadership team experienced in managing through economic cycles
Plastics	<p>Tariffs</p> <ul style="list-style-type: none">• All PVC resin domestically sourced• Product demand remains robust; monitoring for changes in residential and commercial development activity

Tariff Impact:
Manageable impact;
significant economic
downturn is primary risk

IRA Changes:
No anticipated near-
term risk; potential
impact to longer-term
renewable capital
investments



Electric Platform



North Dakota Rate Case

Constructive Outcome Achieved

Final Rates

- Implemented March 2025

Interim rates

- Effective January 1, 2024
- No refund of interim rates required

ND Public Service Commission Approval of Settlement Agreement

December 2024

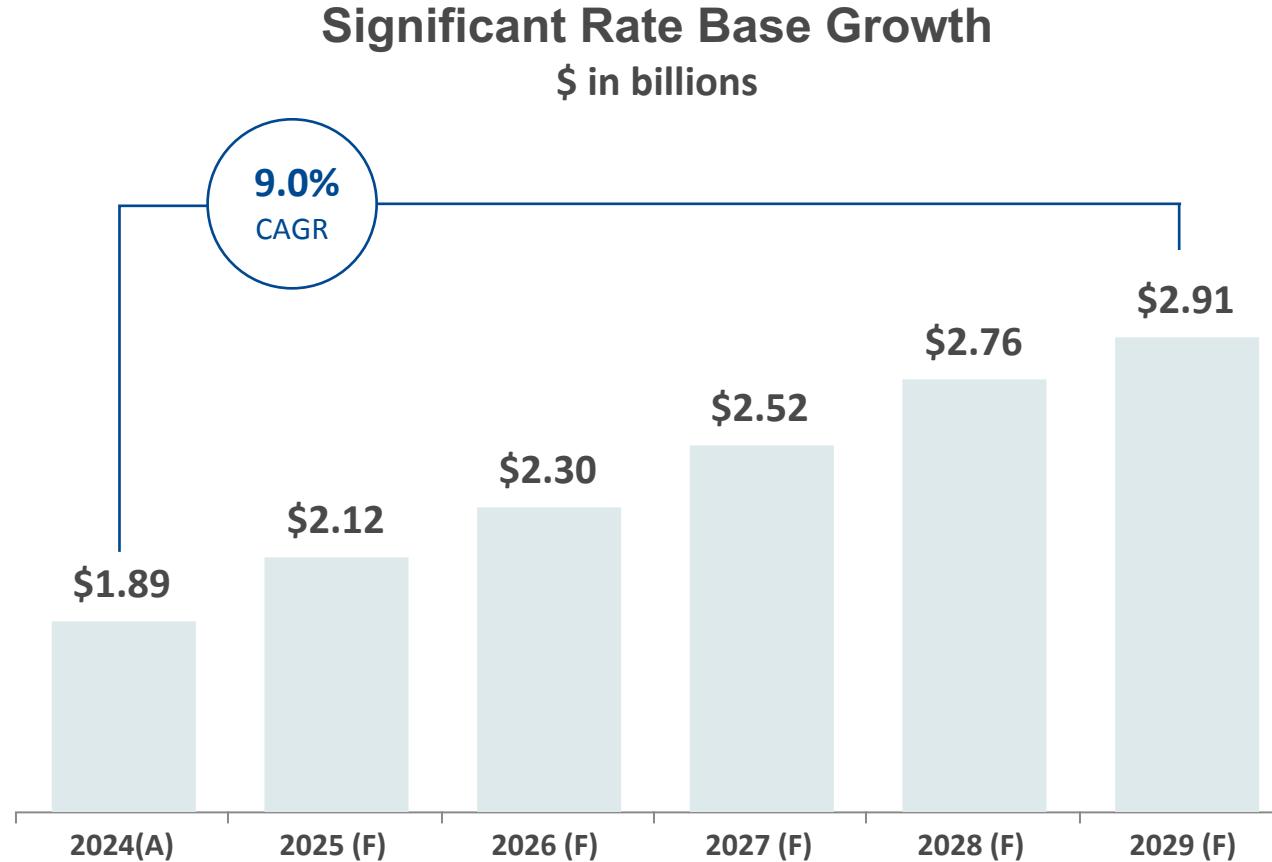
Net revenue increase:
\$13.1M
(6.18% increase)

ROE:
10.1%¹
(previous 9.77%)

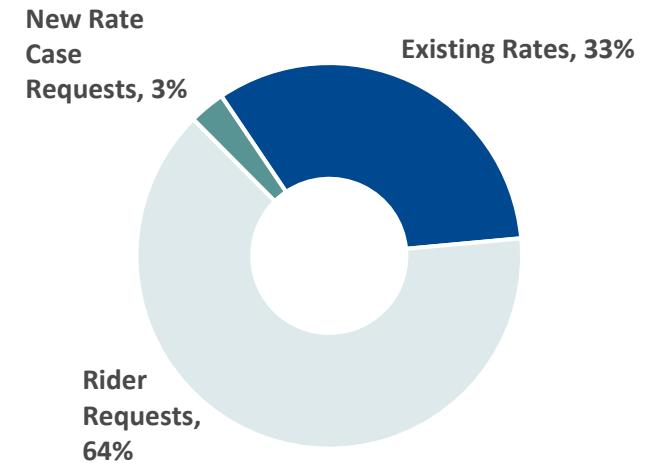
Equity layer:
53.5%
(previous 52.5%)

Rate Base Investment Plan

Customer-Focused Plan with Limited Rate Case Recovery Needed



Expected Capital Investment Recovery Mechanisms



Expect to convert rate base growth into electric EPS growth near a 1:1 ratio

Project Updates

Advanced Metering Infrastructure

Est. investment:
\$60M

Est. completion date:
2025

Recovery mechanism:
Approved riders

Wind Repowering

Est. investment:
\$230M

Est. completion date:
2024 and 2025

Recovery mechanism:
Approved riders

Solway Solar

Est. investment:
\$100M

Est. completion date:
2026

Recovery mechanism:
Filed request for rider recovery in MN and SD

Abercrombie Solar

Est. investment:
\$450M

Est. completion date:
2028

Recovery mechanism:
Filed request for rider recovery in MN and SD

Project Updates

Continued

MISO LRTP¹ Tranche 1

Est. investment:
\$475M

Est. completion date:
2032

Recovery mechanism:
**MISO tariff with
state riders**

MISO LRTP Tranche 2.1

Est. investment:
\$700M

Est. completion date:
2034

Recovery mechanism:
**MISO tariff with
state riders**

JTIQ²

Est. investment:
\$450M

Est. completion date:
2034

Recovery mechanism:
**MISO tariff with
state riders**

Load Growth Opportunities

Well positioned to attract large loads

- Approved tariffs in place
- Locations identified with minimal delivery costs to site
- Attractive service territory - low energy prices and high renewable production

Load growth opportunity driven by

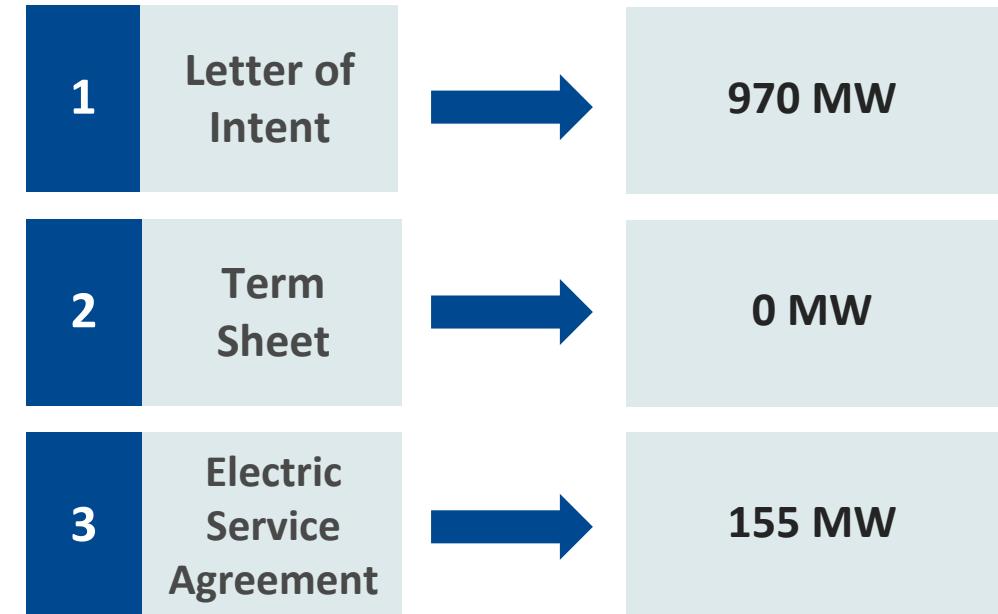
- Data centers
- Crypto mining
- Clean fuel
- Agriculture processing

Benefits of adding large loads

- Supports rate affordability for existing customers
- Capital investment and earnings opportunity

Phases to Secure Large Load

Existing Opportunity



Phase 1 large load additions not included in load growth forecast

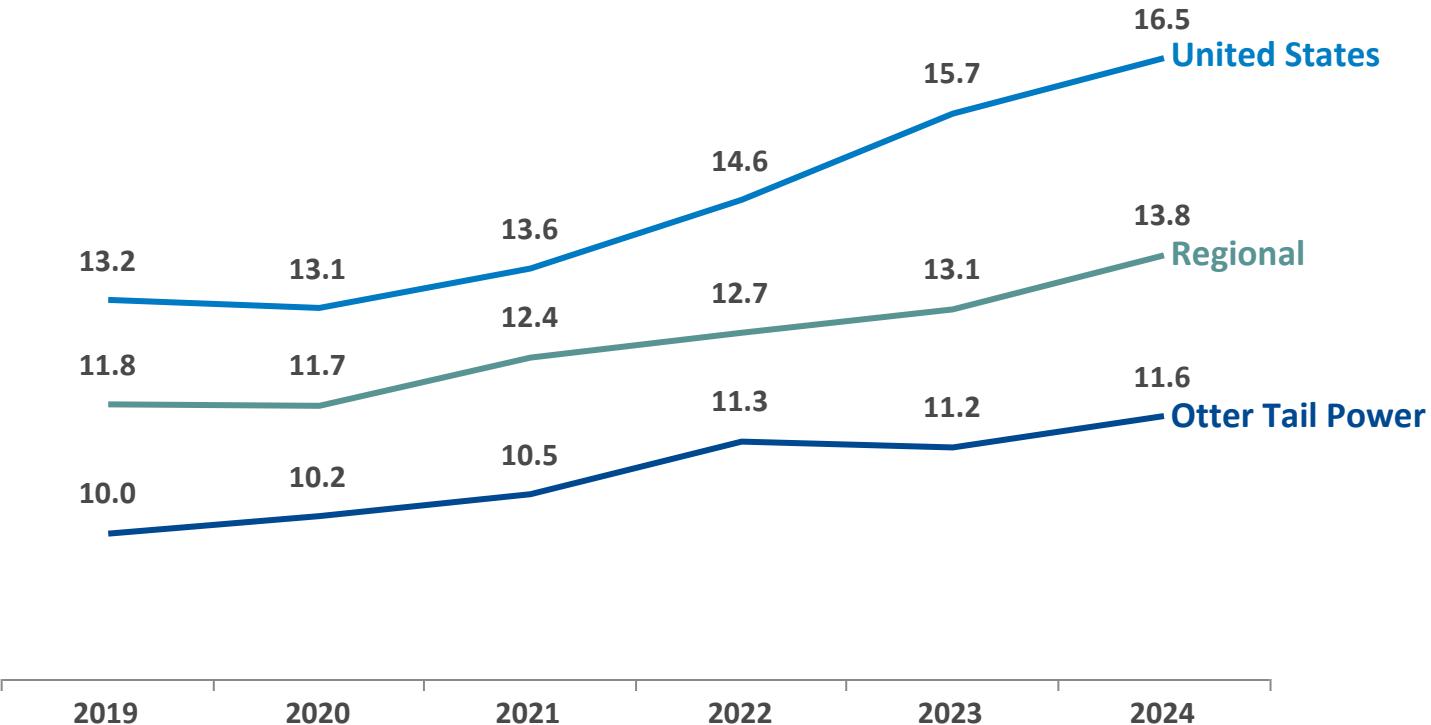
Customer Rates and Affordability

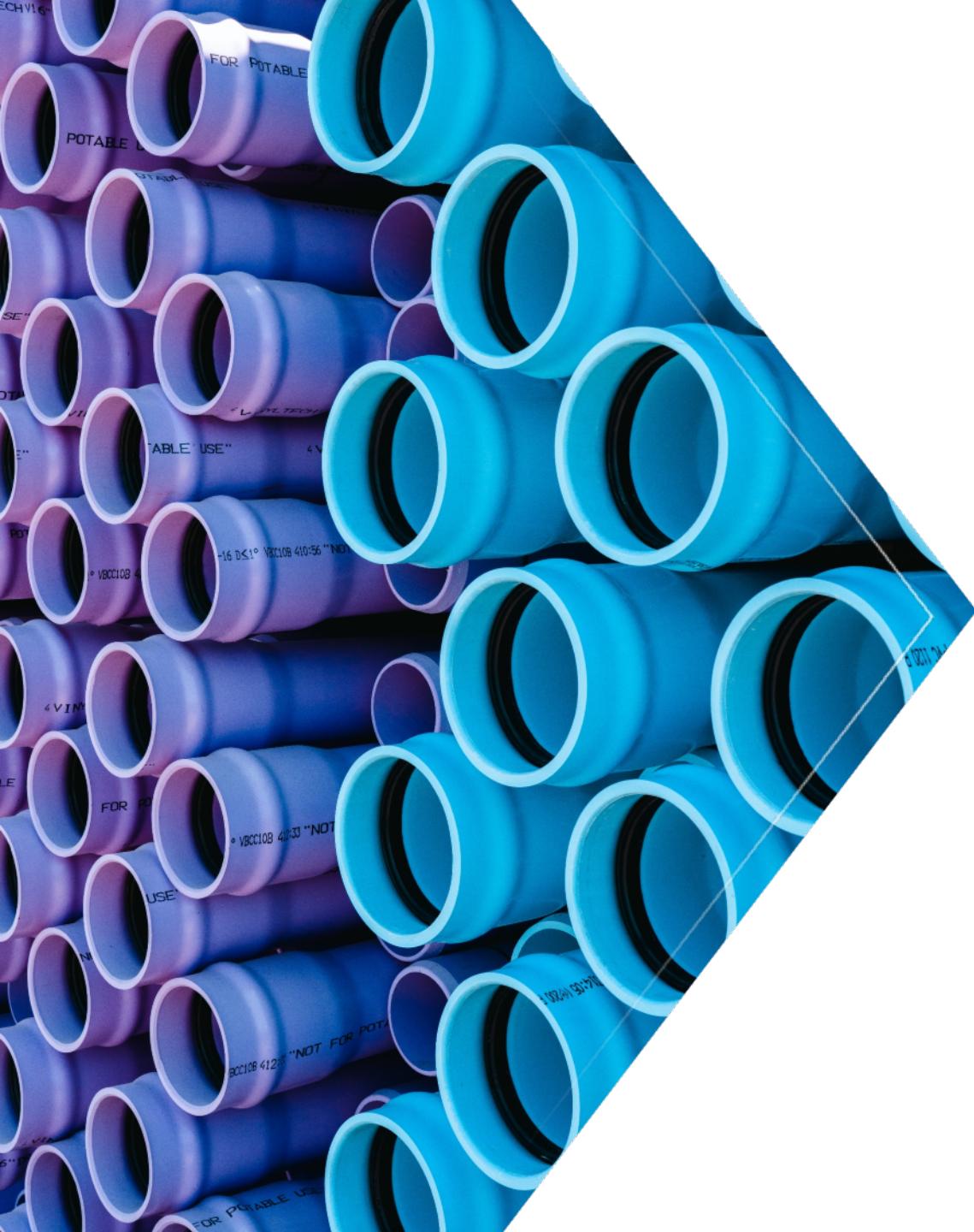
A Proven Record of Providing Affordable Service

**Otter Tail Power's 2024 rates
16% below regional average
30% below national average**

Balanced approach: Investing to ensure safe, reliable, efficient and increasingly clean electric service while maintaining affordability

Average Summer Residential Rate in Cents per kWh¹





Manufacturing Platform



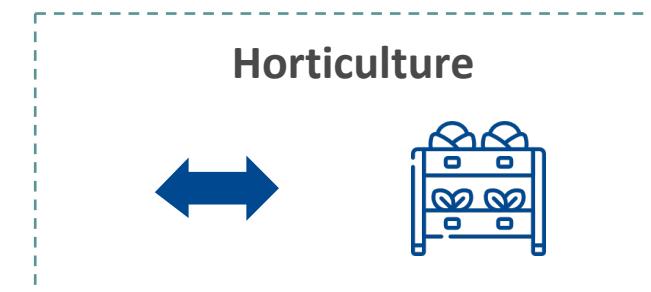
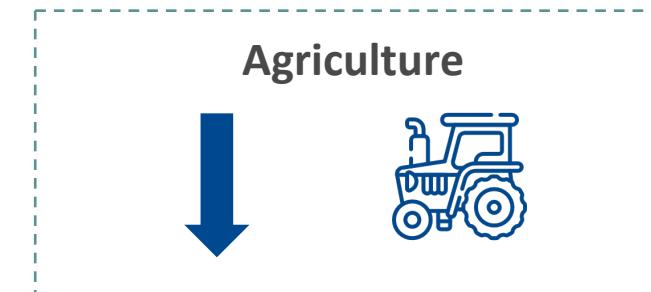
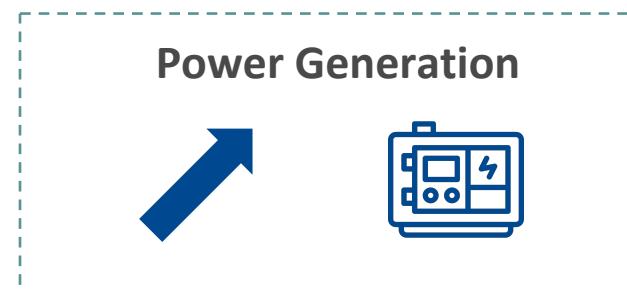
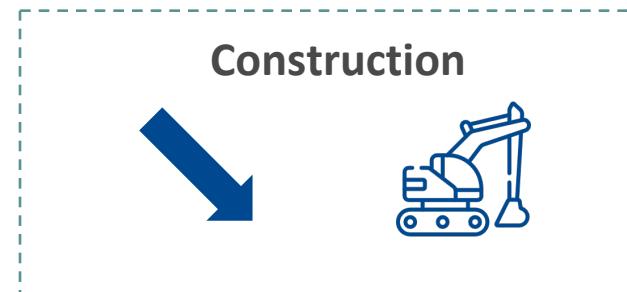
Industry Outlook: Manufacturing

BTD Manufacturing and T.O. Plastics

Increased dealer inventory levels, higher levels of available used inventory available, inflationary pressures, higher interest rates, and potential tariffs negatively impacting end-market demand

Internal focus on managing costs through down-cycle

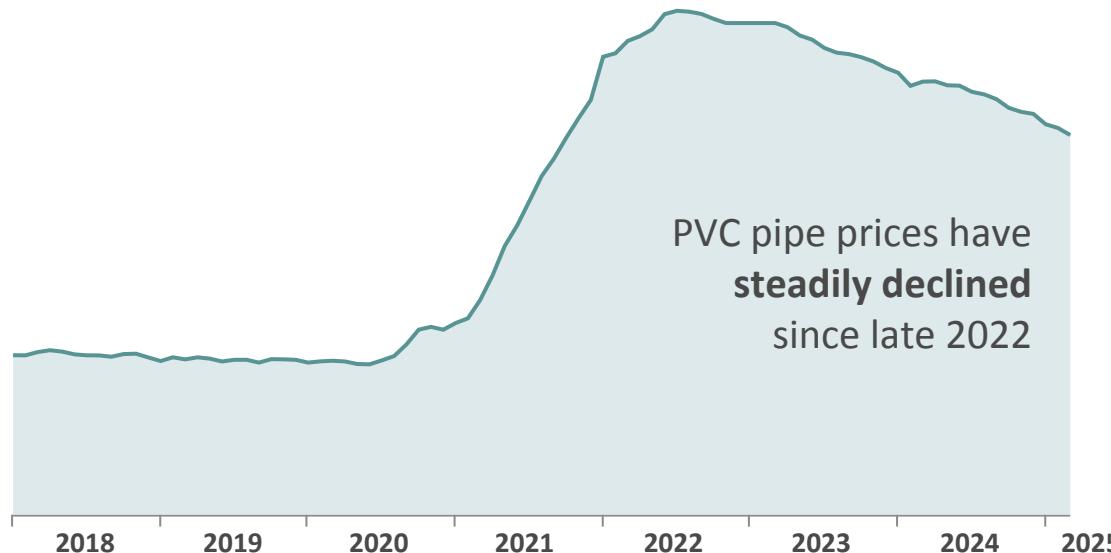
Long-term fundamentals remain strong



Plastics Pricing and Volume Trends

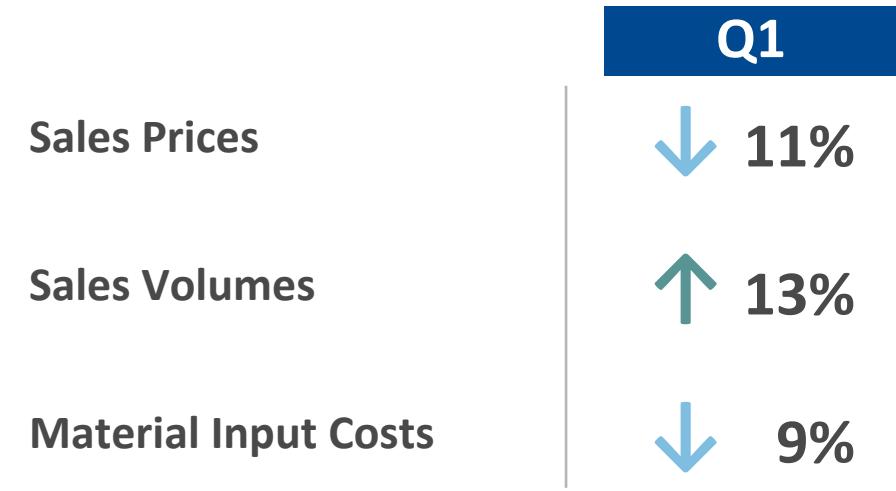
Northern Pipe Products and Vinyltech Corporation

Historical Sales Price of PVC Pipe¹



PVC pipe prices have steadily declined since late 2022

2025 Trends¹



Expansion Projects

Positioned for Long-Term Growth

Vinyltech Corporation

- Completion dates:
 - Phase 1 - Q4 2024
 - Phase 2 - early 2026 (estimated)
- Multi-phase expansion project, increasing production capacity (including large-diameter pipe) and resin and pipe storage
- Production capacity impact: +15% (Phase 1 and 2)
- Demand and production from new extrusion line exceeded forecast in Q1 2025



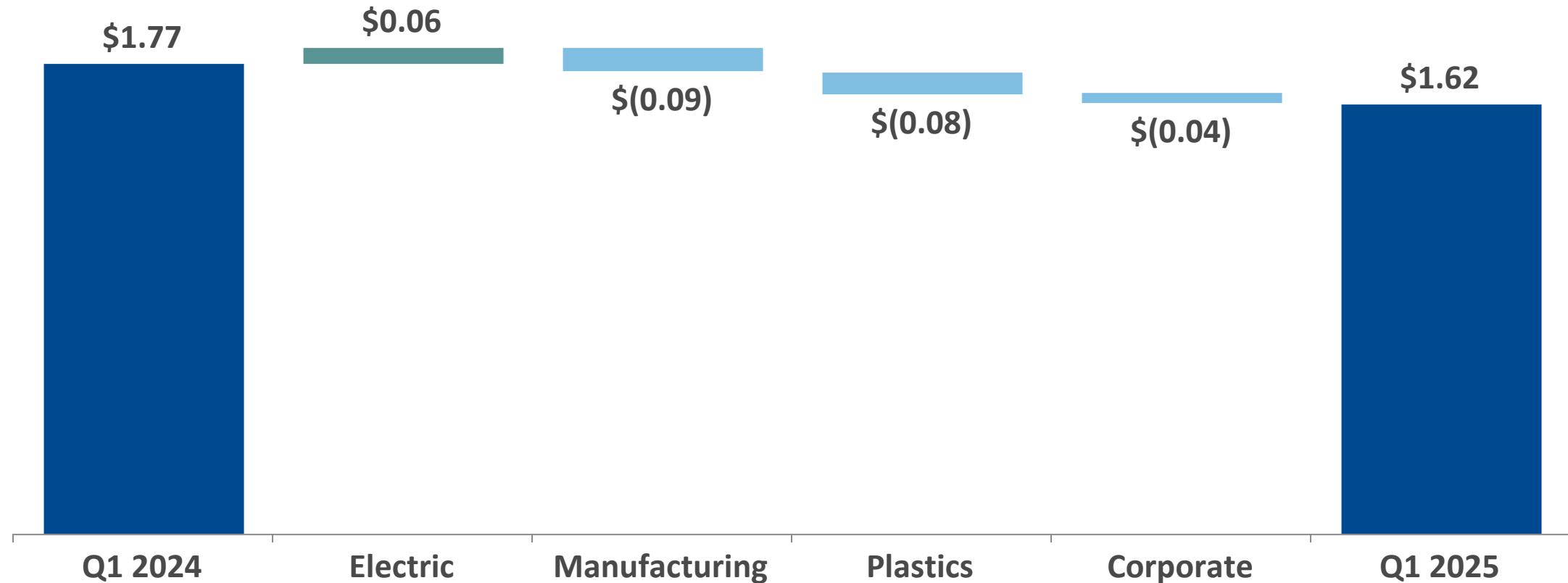
BTD Georgia

- Completion date: Q1 2025
- Increasing capacity to grow with customers as they expand in Southeast market
- Opportunity to generate up to \$35 million in incremental annual revenue



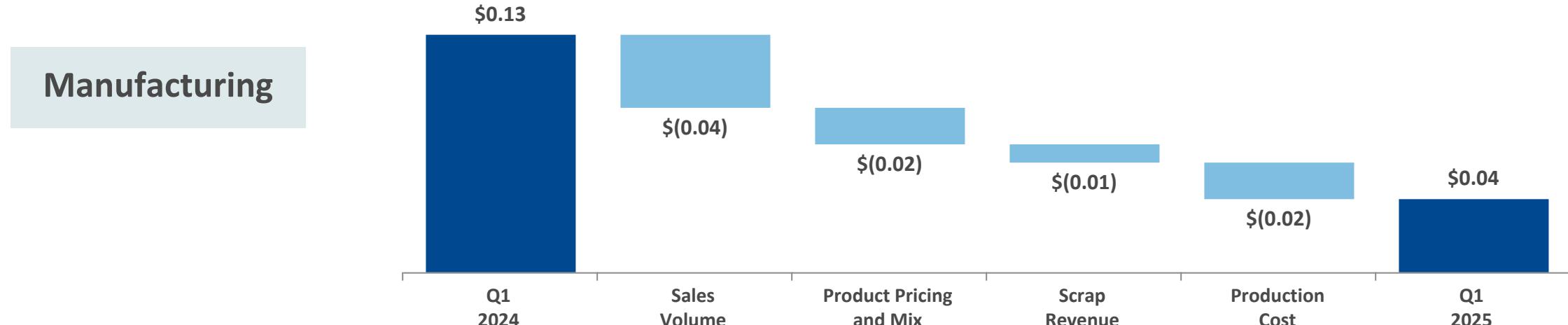
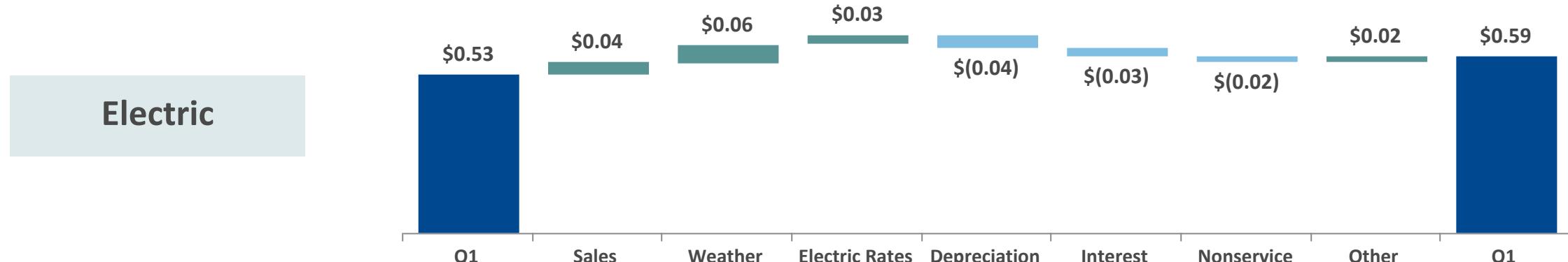
Financial Results

QTD Diluted EPS



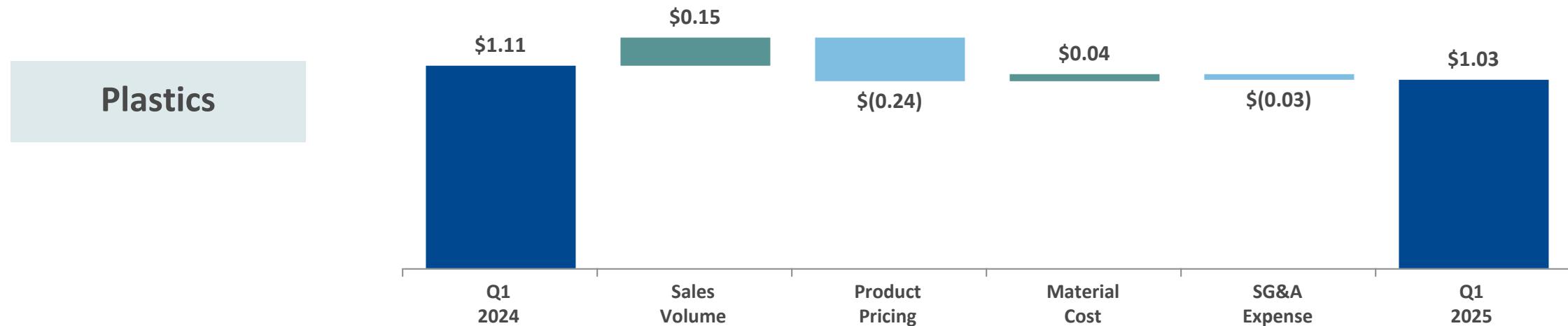
QTD Diluted EPS

Segment Level Detail



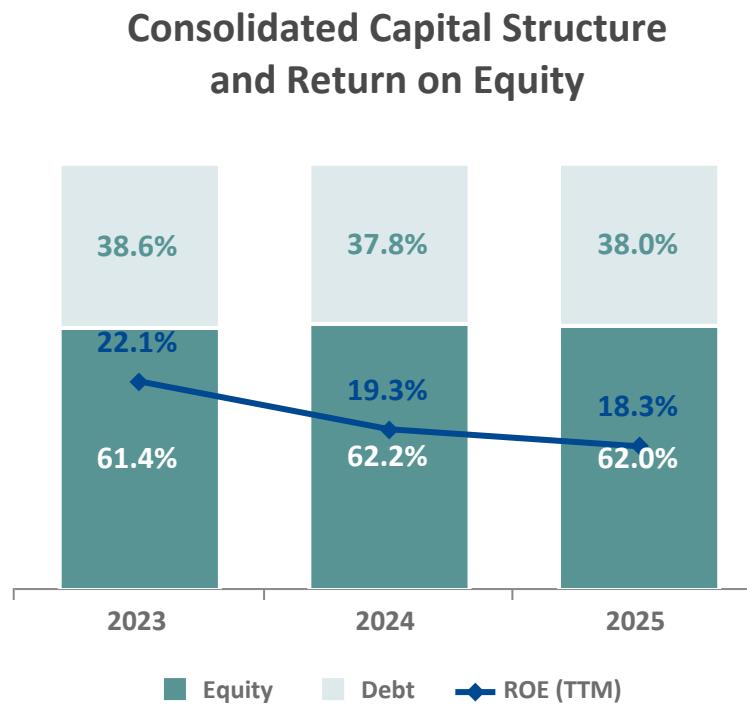
QTD Diluted EPS

Segment Level Detail

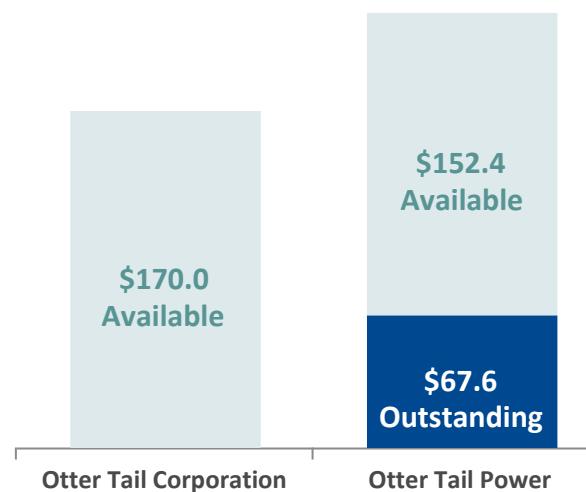


Balance Sheet

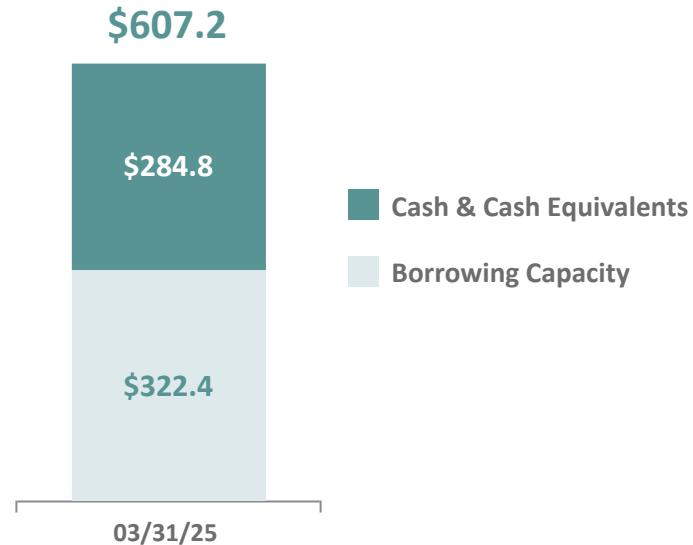
\$ in millions



Line of Credit Availability



Available Liquidity



Credit Ratings		Otter Tail Corporation			Otter Tail Power Company		
		Moody's	Fitch	S&P	Moody's	Fitch	S&P
Corporate credit / long-term issuer default		Baa2	BBB	BBB	A3	BBB+	BBB+
Senior unsecured debt		N.A.	BBB	N.A.	N.A.	A-	N.A.
Outlook		Stable	Stable	Stable	Negative	Stable	Stable

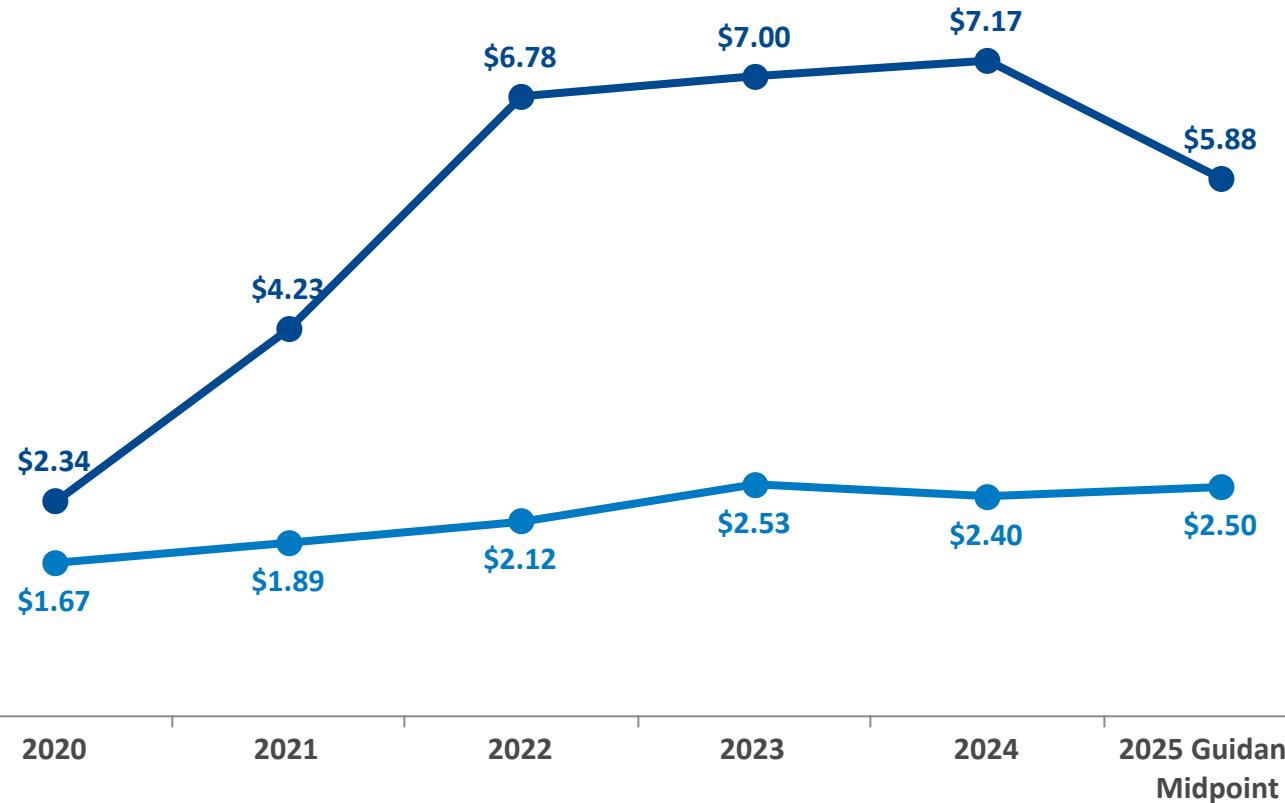
2025 Outlook

Affirming Guidance

Diluted EPS	Actual		2025 Guidance	
	2023	2024	Low	High
Electric	\$ 2.01	\$ 2.16	\$ 2.29	\$ 2.35
Manufacturing	0.51	0.33	0.21	0.27
Plastics	4.47	4.77	3.26	3.50
Corporate	0.01	(0.09)	(0.08)	(0.04)
Total	\$ 7.00	\$ 7.17	\$ 5.68	\$ 6.08
Return on Equity	22.1 %	19.3 %	13.8 %	14.6 %

EPS Growth

Robust Growth Across Our Business



Consolidated EPS (5YR CAGR):
20.2%

Consolidated EPS w/o
Plastics¹ (5YR CAGR): 8.4%

Proven track record of delivering
EPS growth in line or above
target with and without the
impact of Plastics

Capital Expenditures

Customer-Focused Capital Investment Plan

<i>in millions</i>	2025 (F)	2026 (F)	2027 (F)	2028 (F)	2029 (F)	Total
Electric						
Renewable Generation	\$ 101	\$ 127	\$ 118	\$ 179	\$ 4	\$ 529
Transmission	59	93	162	114	100	528
Distribution	37	37	36	37	34	181
Other	54	51	31	27	25	188
Electric Total	\$ 251	\$ 308	\$ 347	\$ 357	\$ 163	\$ 1,426
Manufacturing & Plastics	27	27	27	25	23	129
Total	\$ 278	\$ 335	\$ 374	\$ 382	\$ 186	\$ 1,555

\$650M
Incremental investment opportunity for Electric in later part of 5-year period

Driven by:

- Up to 200 MW of wind generation
- Up to 75 MW of battery storage
- Dual-fuel additions
- Delivery investment relating to new large loads

Financing Plan

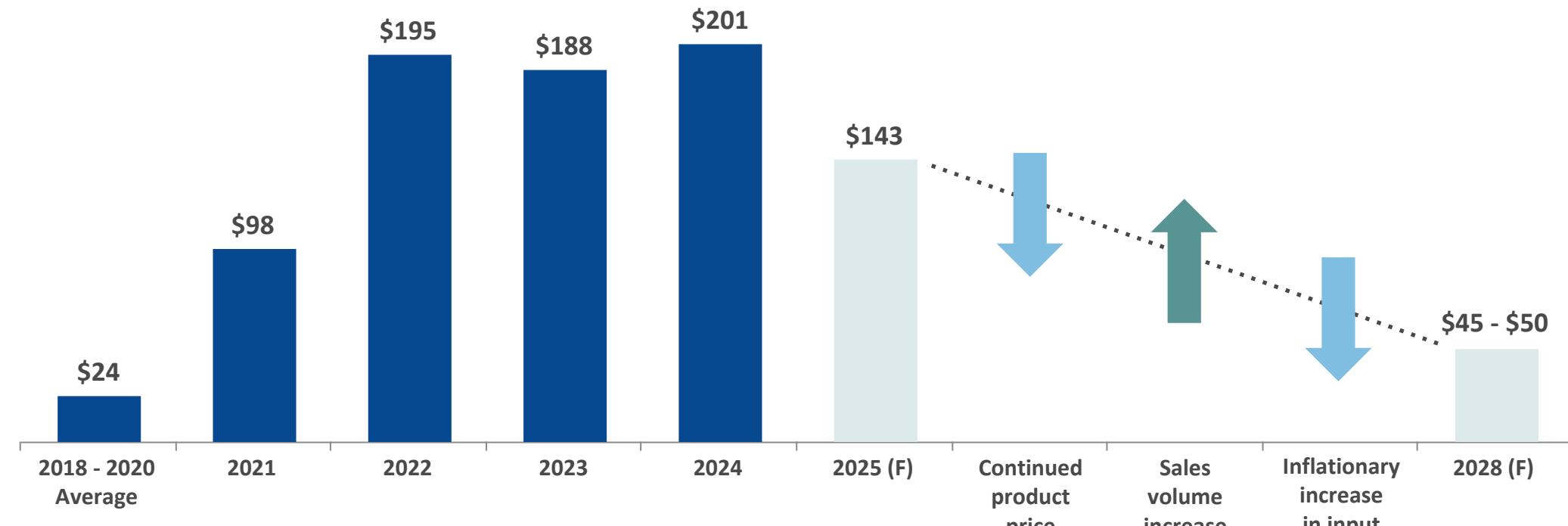
Supportive of Electric Segment Capital Plan with No Equity Needs

<i>in millions</i>	2025	2026 - 2029 (F)	5YR Total
Long-Term Debt			
Otter Tail Power Company			
Issuances	\$ 100	\$ 515	\$ 615
Retirements		(112)	(112)
Otter Tail Corporation			
Issuances			
Retirements		(80)	(80)
Net Debt Increase	\$ 100	\$ 323	\$ 423
Equity	\$ 0	\$ 0	\$ 0

Normalized Plastics Earnings

Northern Pipe Products and Vinyltech Corporation

\$ in millions



Investment Targets

Total Shareholder Return: 9-11%

Long-term EPS growth rate: 6-8%¹

Dividend yield: ~ 3%

Dividend Growth Rate: 6-8%

Targeted payout ratio: 50-60%

**Long-Term Earnings Mix:
65% Electric / 35% Manufacturing**

Key underlying assumptions

Consolidated:

- Long-term earnings mix target reached in 2028

Electric:

- Rate base CAGR: 9.0%
- Long-term EPS growth rate: approximates rate base CAGR

Plastics:

- Normal earnings of \$45-\$50M in 2028

Appendix

Otter Tail Power Regulatory Framework

	Jurisdiction		
	Minnesota	North Dakota	South Dakota
Utility Commissioners	Appointed	Elected	Elected
Rate Case Test Year	Future	Future	Historical ¹
Allowed Return on Equity	9.48%	10.10%	8.75%
Earnings Sharing Mechanism	No	Yes ²	Yes ³
Rider Recovery for:			
Renewable Generation	Yes	Yes	Yes
Non-Renewable Generation	No	Yes	Yes
Transmission	Yes	Yes	Yes
Customer and Distribution Technology	Yes	Yes	Yes
Cost of Energy Recovery Adjustment	Annually	Monthly	Monthly
Decoupled Rates (Residential and Commercial)	Yes	No	No

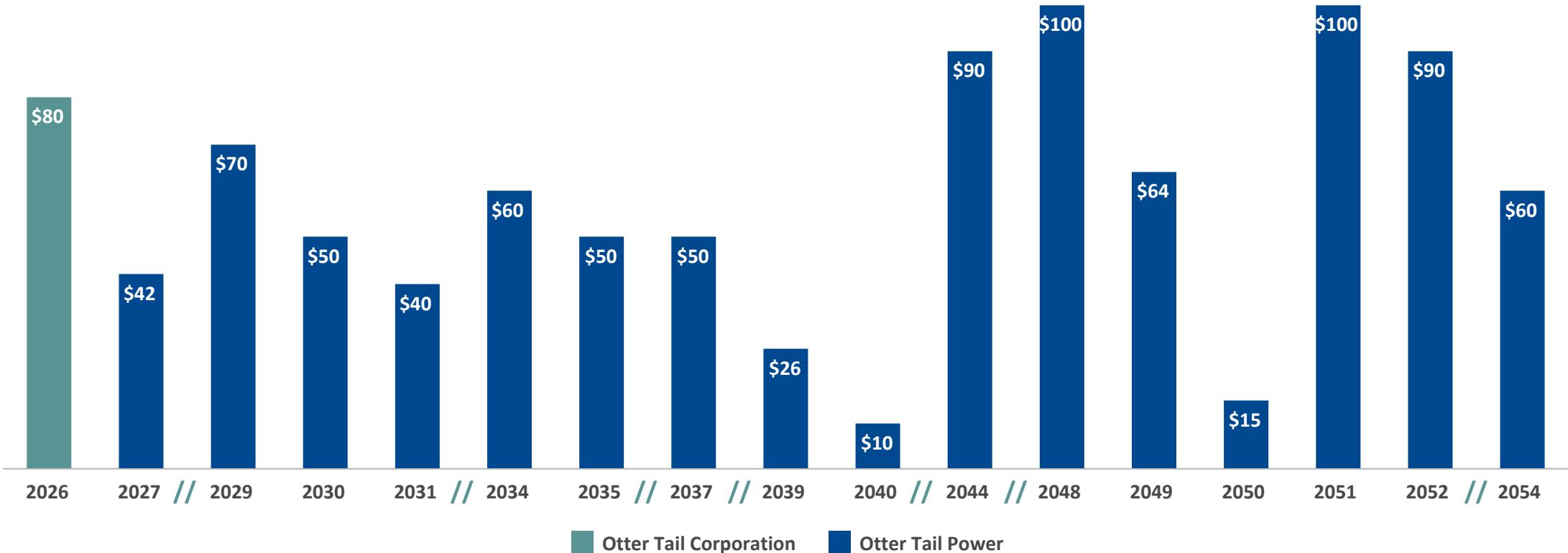
¹ Historical test year with known and measurable adjustments

² Earnings above a 10.20% return on equity will be shared with 70% refunded to North Dakota customers

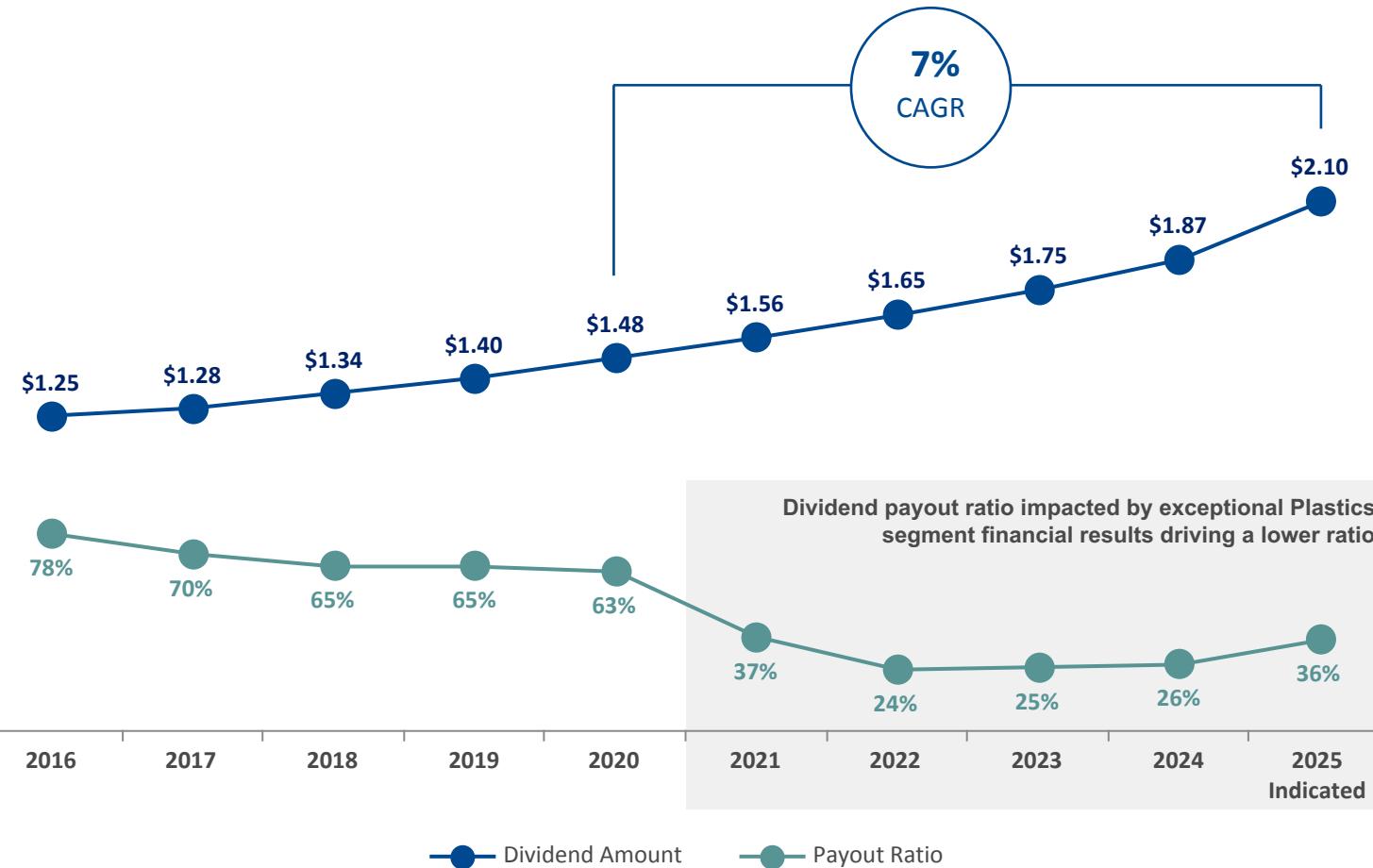
³ Earnings above an 8.75% ROE up to a maximum of a 9.50% ROE due to weather-normalized revenue will be shared with 50% refunded to South Dakota customers. Earnings in excess of a 9.50% ROE will 100% be refunded to South Dakota customers

Debt Maturity Schedule

Weighted average
interest rate: **4.46%**



Dividend and Payout Ratio



86 consecutive years of dividend payments

Indicated dividend for 2025: \$2.10 (12.3% increase)

Targeted dividend growth rate (2025 base year): 6-8%