

Earnings Conference Call First Quarter 2025 Results

May 12, 2025



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 Holdings" or the "Company" or "SWX") together with its current and former consolidated subsidiaries, which include, among others, Southwest Gas Corporation ("Southwest Gas", "SWG", "Utility" or "Natural Gas Distribution" segment), Centuri Holdings, Inc. and Centuri Group, Inc. ("Centuri" or "Utility Infrastructure Services" segment), Great Basin Gas Transmission Company ("Great Basin" or "GBGTC"), and Corporate and Administrative ("HoldCo").

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, increasing demands from new semiconductor manufacturing facilities and data centers and related economic activity, O&M per customer expectations, our 2025 financial guidance and expected value drivers, 2025 – 2029 financial guidance and expected value drivers, 2025 financing plan, expectations with respect to future dividends, expectations with respect to a separation of our remaining interests in Centuri, and the future performance of the Company, Southwest Gas Corporation and Centuri. The Company can provide no assurances that a separation of our remaining interests in Centuri will occur on the expected timeline or at all. For purposes of any forward-looking consolidated financial information at Southwest Gas Holdings, full consolidation of Centuri has been assumed 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, the proposed transaction structure and timing of a separation of our remaining interests in Centuri, 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, the timing and magnitude of utility optimization opportunities, 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. 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, Centuri'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 Holdings adjusted earnings (loss) per share, (ii) Southwest Gas Holdings adjusted net income (loss), (iii) Corporate and Administrative adjusted earnings (loss) per share, (iv) Corporate and Administrative adjusted net income (loss), (v) utility infrastructure services adjusted earnings (loss) per share, and (viii) utility infrastructure services segment adjusted net 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.

The amortization of certain acquisition intangible assets applies to our utility infrastructure services segment adjusted net income (loss) and therefore applies to adjusted net income at the Southwest Gas Holdings consolidated level as well. We believe this adjustment is a common adjustment in the infrastructure services industry and that this adjustment allows investors to more clearly compare earnings performance with Centuri peer performance; as such, beginning with the first quarter of 2024, the Company has presented this adjustment now that Centuri has completed its IPO and has begun as a public company. For comparison, the Company has recast adjusted net income for the first quarter period of 2024 in this presentation, to add amortization of certain intangible assets in order to align the presentation of adjusted net income between periods, including related tax effects.

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. Following Centuri's IPO, we are no longer reporting Utility Infrastructure Services EBITDA and Adjusted EBITDA. Centuri will report those metrics in its own earnings materials.

Speakers and Agenda

SPEAKERS



KAREN HALLER

PRESIDENT AND CEO
SOUTHWEST GAS HOLDINGS



ROB STEFANI

CFO
SOUTHWEST GAS HOLDINGS



JUSTIN BROWN

PRESIDENT
SOUTHWEST GAS CORPORATION

PRESENTATION AGENDA

Strategic and Business Update

Regulatory and Economic Update

Financial 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 to growing, high-demand 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 support investment opportunities in emerging technology energy initiatives
- » Committed to pursue pure-play utility strategy through disposition of remaining interest in Centuri



Committed to Delivering Value for SWX Stockholders

- » Expect 2025 utility net income to fall **within \$265 - \$275 million guidance range**
- » Utility targeting **6.0% to 8.0%** net income growth and **6.0% to 8.0%** rate base growth from 2025-2029¹
- » Improving earned return on equity through constructive regulatory outcomes, utility optimization, and cost management efforts
- » Delivering competitive dividend to stockholders
- » Maintaining strong investment grade balance sheet

Advancing SWX's 2025 Strategic Priorities

2025 Utility and Regulatory Strategy			
AZ Rate Case Approval	Complete	<input checked="" type="checkbox"/>	1Q 2025
GBGTC Rate Case Approval	Complete	<input checked="" type="checkbox"/>	1Q 2025
AZ SIM ¹ Capital Tracker Approval		<input type="checkbox"/>	3Q 2025
CA Rate Case Approval		<input type="checkbox"/>	4Q 2025
Utility Optimization Executing Planned Initiatives		<input type="checkbox"/>	Ongoing
Centuri Separation			
Further Advance Separation		<input type="checkbox"/>	Pending
2025 Financing Plan			
SWX \$550M Term Loan Extension Pending Centuri Exit Path		<input type="checkbox"/>	2Q 2025
SWX <\$100M Equity Issuance Under ATM ² Program Pending Centuri Exit Path		<input type="checkbox"/>	2Q – 4Q 2025
SWX \$300M Revolving Credit Facility Extension		<input type="checkbox"/>	3Q – 4Q 2025

Notes: Checkmark denotes items that have been completed

¹ System Integrity Mechanism ("SIM")

² At-the-Market ("ATM")

Delivering Strong Results



 GAAP Net income of ~\$143 million, \$7.1 million quarter-over-quarter increase

 Approximately 40,000 new meter sets added during the last 12 months, leading to a 1.8% customer growth rate over the same period

 AZ general rate case approved (~\$80.2 million revenue increase), including an increase in allowed return on equity (9.84%) and an allowed equity capitalization of 48.5%

 Operations and maintenance ("O&M") expense decreased by 1.1% over the first three months of 2025 compared with the same period in 2024, reflecting utility optimization and cost discipline

 Advancing regulatory strategy: AZ general rates approved; GBGTC rate case approved; AZ SIM settlement with Staff and RUCO; and CA rate case in progress

 Cash balance at March 31, 2025 of \$386 million



 Limited capital markets needs through the end of 2025; finished the quarter with \$406 million in consolidated cash

 Corporate and administrative expenses for the first quarter included \$9.8 million in interest expense related to outstanding borrowings and \$0.6 million in Centuri separation costs

 Non-GAAP adjustments primarily related to the amortization of intangible assets and Centuri separation costs

Regulatory and Economic Update



SOUTHWEST GAS



Current Rate Case Activity

SWG remains committed to a purposeful regulatory strategy intended to minimize regulatory lag



Nevada



Arizona¹



California

Requested

Docket #	23-09012
Filing Date	Sept. 11, 2023
Requested ROE	10.00%
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$74 million

Requested

Docket #	G-01551A-23-0341
Filing Date	Feb. 2, 2024
Requested ROE	10.15%, 0.81% FVI
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$126 million

Requested

Docket #	RP24-514-000
Filing Date	March 6, 2024
Requested ROE	13.05%
Cap Structure	44% Debt / 56% Equity
Revenue Increase	~\$13 million ²

Requested

Docket #	A2409001
Filing Date	Sept. 5, 2024
Requested ROE	11.35%
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$44 million

Authorized

Order Date	April 8, 2024
Effective Date	April 15, 2024
ROE	9.5%
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$59 million

Authorized

Order Date	March 27, 2025
Effective Date	March 27, 2025
ROE	9.84%
Cap Structure	51.5% Debt / 48.5% Equity
Revenue Increase	~\$80.2 million

Authorized

Order Date	March 3, 2025
Effective Date	September 6, 2024
ROE	11.95%
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$9.6 million

Procedural Schedule

Intervenor Testimony	April 4, 2025
Rebuttal Testimony	May 9, 2025
Hearing	June 10, 2025
Rates Effective	January 2026

Regulatory Updates - Arizona

Rate Case Activity

Arizona Rate Case Outcome

On March 27, 2025, the ACC approved an increase in rates effective on approval.

	Southwest Gas and Staff Stipulation ¹	ACC Final Decision
Target Equity Ratio	48.5%	48.5%
ROE	9.65%	9.84%
Fair Value Return on Rate Base	0.73%	0.0%
Rate Base	\$3.3 billion ²	\$3.2 billion ²
Post-Test Year ("PTY") Rate Base Adjustments	12 months ²	12 months ²
Revenue Increase	~\$95.9 million	~\$80.2 million

Notes

- » Continuation of full revenue decoupling³, Tax Expense Adjustor Mechanism, Property Tax Deferral Mechanism
- » ~\$33 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
- » No significant changes to rate design
- » Discontinuation of the current Customer-Owned Yard Line program

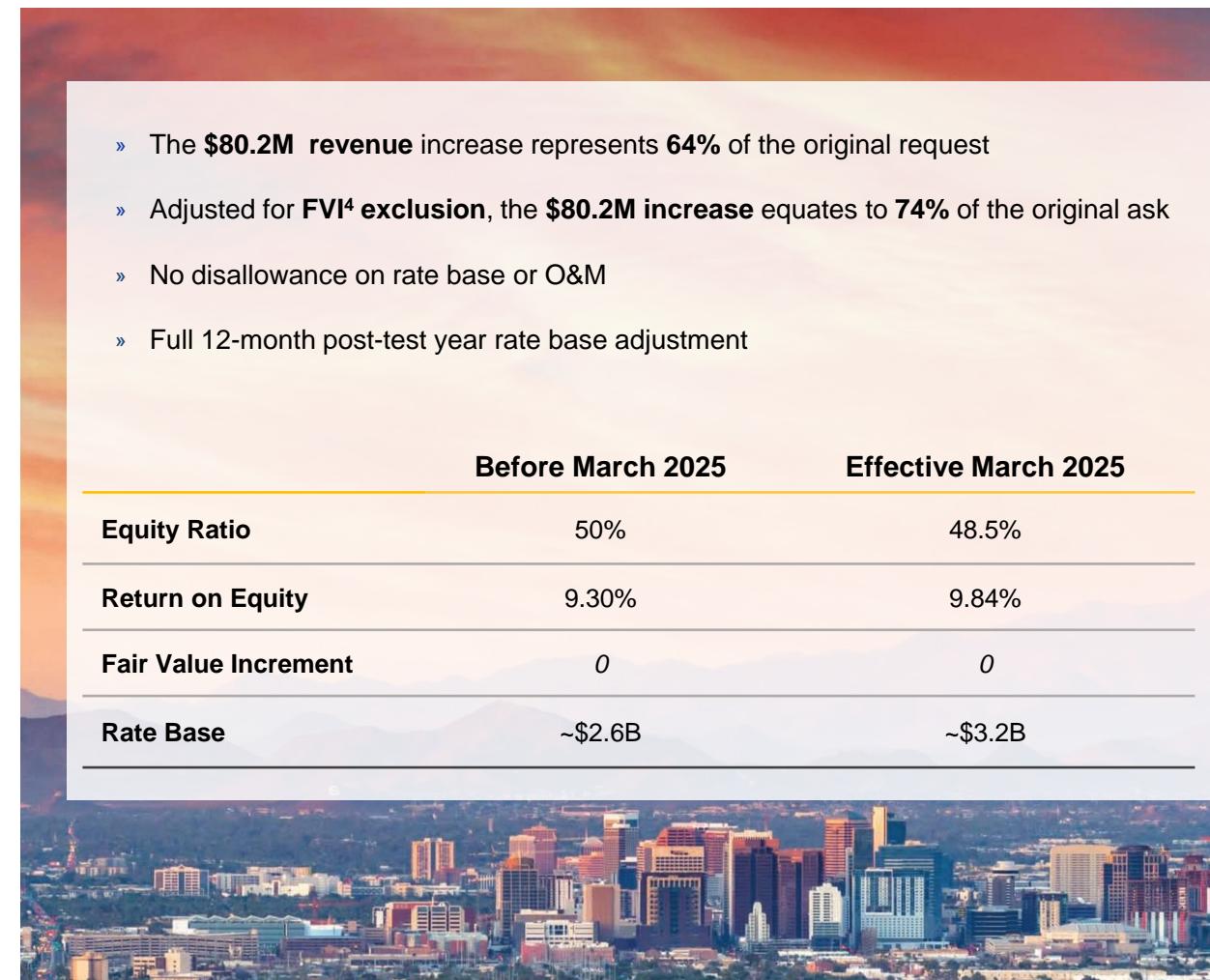
Notes:

¹ Docket Number: G-01551A-23-0341, which can be viewed on the Arizona Corporation Commission website

² Staff testimony supports full 12-month PTY adjustments, while amounts in staff testimony included estimates through August 2024

³ Decoupled rate schedules consistent with those currently authorized

⁴ Fair Value Increment ("FVI")



- » The **\$80.2M revenue increase** represents **64%** of the original request
- » Adjusted for **FVI⁴ exclusion**, the **\$80.2M increase** equates to **74%** of the original ask
- » No disallowance on rate base or O&M
- » Full 12-month post-test year rate base adjustment

	Before March 2025	Effective March 2025
Equity Ratio	50%	48.5%
Return on Equity	9.30%	9.84%
Fair Value Increment	0	0
Rate Base	~\$2.6B	~\$3.2B

Regulatory Updates – Arizona SIM

Capital Tracker Mechanism

Proposed System Integrity Mechanism (SIM)

Encompasses all required safety-related infrastructure investments that account for ~40% of Southwest Gas' Arizona dedicated infrastructure Capital Budget.

Key Objectives

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

Rate effective each April, subject to refund, beginning April 2026

Southwest Gas, Staff, and RUCO published an unopposed settlement agreement ahead of the May hearing

Procedural Schedule

Settlement Hearing
May 2025

Expected Decision
3Q 2025

Rates Effective
April 2026

Settlement Agreement Summary

- » First SIM rate filing expected March 1, 2026
- » Southwest Gas agrees to file a new general rate case no later than three years after the first SIM Surcharge Application
- » Rate base prudence determination provided in the first rate case following the initial SIM filing
- » SIM charge capped at 2.0 cents per therm per year
- » SIM efficiency credit - the annual revenue requirement of each SIM filing is reduced by 5% with full amount eligible for collection in the following general rate case
- » Anticipated final decision from Commission on proposed SIM settlement agreement no later than 8/1/2025

Regulatory Update - California

Rate Case Activity

California Rate Case Filing Summary

In September 2024, SWG filed a rate case¹ requesting a revenue increase of ~\$50 million, updated to ~\$44 million as of February 2025 with rates anticipated to become effective January 2026.

Southwest Gas	Public Advocate's Office
Target Equity Ratio	50%
Return on Equity	11.35%
Rate Base	\$720 million
Proposed Revenue Increase	~\$43.7 million
	\$709 million
	~\$26 million

Notes

- » 2026 Test Year
- » 2.75% PTYM², with adjustments for excess accumulated deferred income taxes and major pipeline replacements (~\$40 million)
- » Continuation of the automatic trigger mechanism
- » ~\$16 million increase in O&M
- » Proposed consolidation of its Northern CA and South Lake Tahoe rate jurisdictions
- » Damage Prevention Costs tracker
- » No significant changes to rate design
- » Infrastructure Reliability and Replacement Adjustment Mechanism ("IRRAM")

Procedural Schedule

Intervenor Testimony
April 4, 2025

Rebuttal Testimony
May 9, 2025

Hearing
June 10, 2025

Rates Effective
January 1, 2026

Requested ~\$285 million increase in rate base, or 65%

IRRAM Programs totaling ~\$200 million over 5-year rate case cycle

- Targeted Pipe Replacement
- School COYL³ Replacement
- Meter Protection
- Annual Leak Survey with Advance Mobile Leak Detection

Strong Demand Dynamics Supporting Value Creation

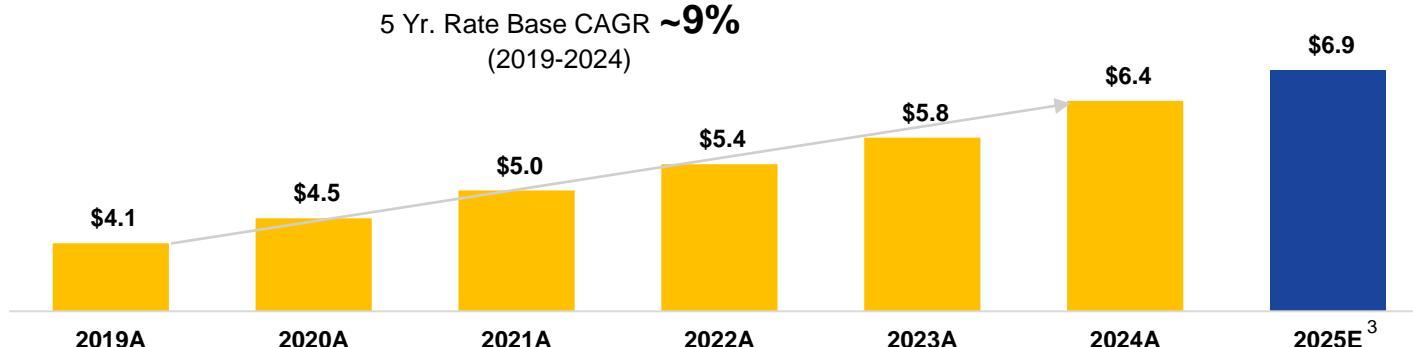


Strong Economic Growth Projected Across Service Areas

- From 2025 to 2030, projected population growth of 4.40% in Arizona and 3.42% in Nevada, compared to the 2.40% average growth in the US¹
- Continued growth in First-Time Meter Sets

~40k First-Time Meter Sets during the twelve months ended March, 31 2025

Rate Base² (\$ in billions)



Notes:

¹ S&P Global Capital IQ, April 16, 2025

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.



\$4.3B
Capital Investment
to Support Growth

6.0 – 8.0%
Rate Base Growth⁴

Estimated 2025 – 2029

Plan Highlights

50%
in Safety & Integrity
Management

30%
in New Business

Targeting 50/50 capital structure

Financial Update



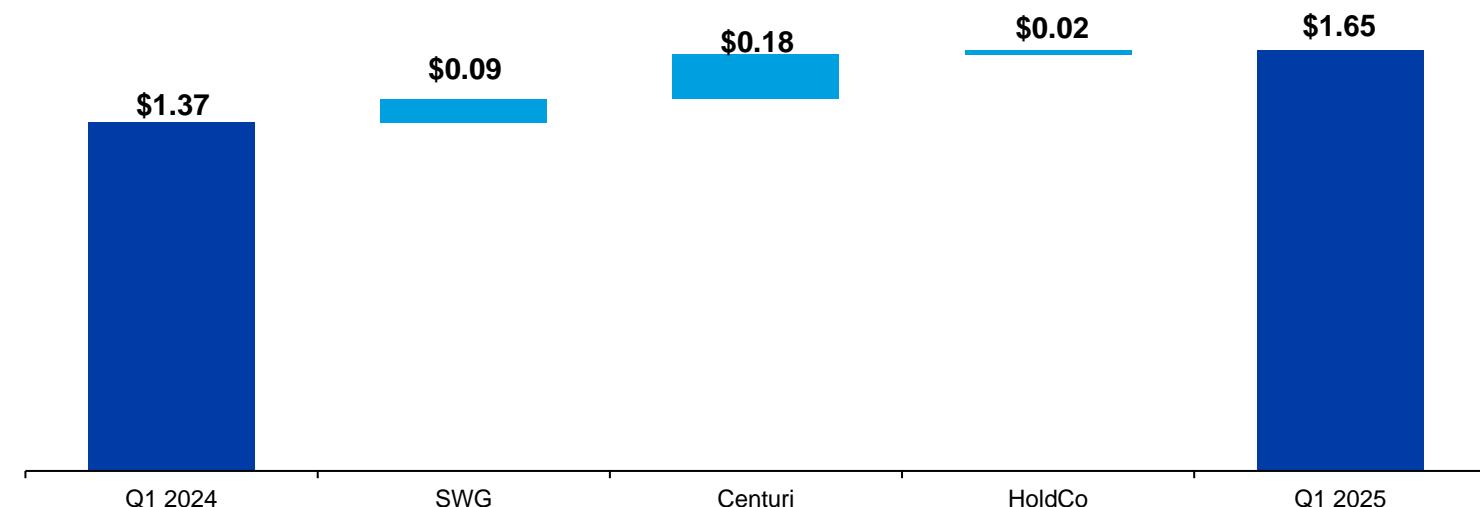
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1Q 2025 SWX Adjusted Diluted Earnings Per Share Walk

Adjusted Earnings Per Share¹

■ Favorable ■ Unfavorable



Financial Highlights

- SWG received higher margin from rate relief and customer growth; partially offset by higher interest expense, higher D&A, and lower other income
- Centuri earnings impacted by higher volume of work under MSAs², bid work and storm work as well as lower interest expense; partially offset by a reduction in offshore wind
- HoldCo earnings impacted by lower overall operating expenses and interest expense

Notes: table may not add due to rounding

¹ Adjusted SWX income and adjusted EPS for the three months ended March 31, 2024 and the three months ended March 31, 2025, adjust for strategic review and Centuri separation costs, and the amortization of intangible assets (both of which exclude amounts related to noncontrolling interests)

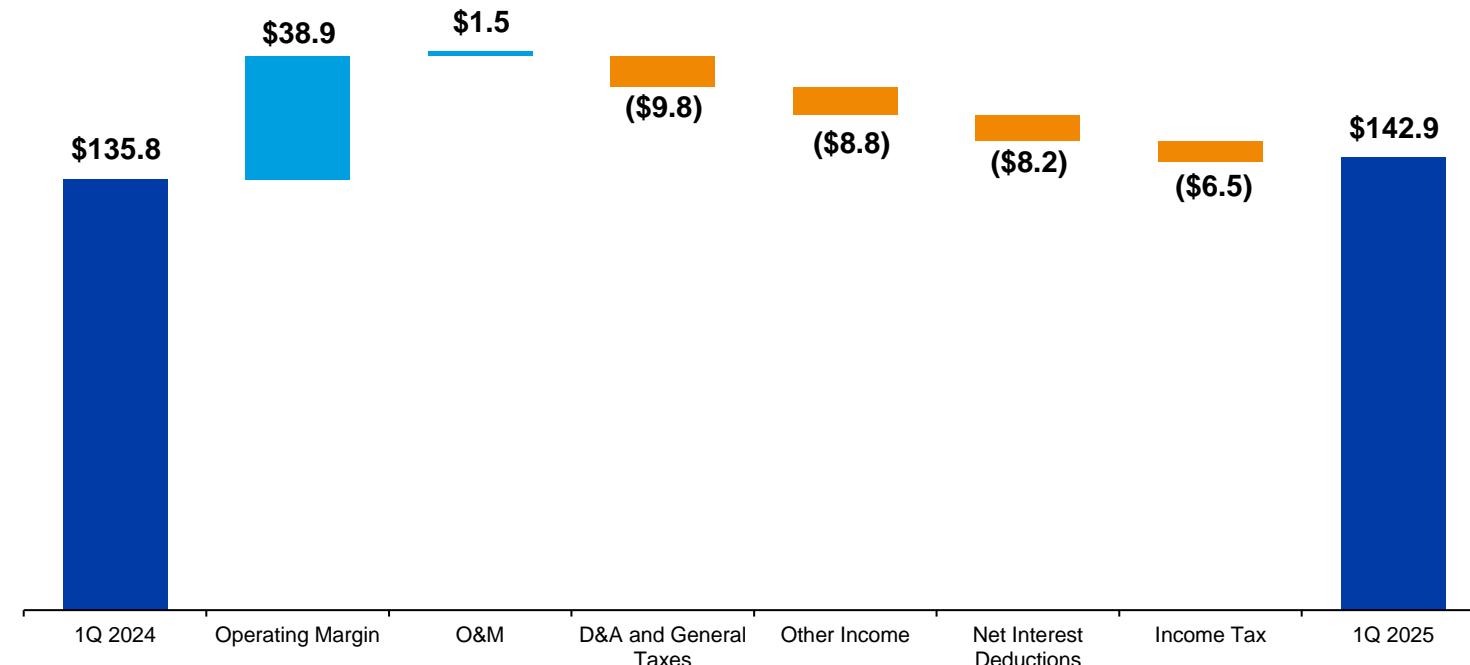
² Master Services Agreements ("MSAs")

1Q 2025 SWG GAAP Net Income

NATURAL GAS DISTRIBUTION SEGMENT

GAAP Net Income (\$ in millions)

■ Favorable ■ Unfavorable



Highest quarterly net income on record

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

(parentheses indicate unfavorable net income drivers)

↑ favorable impact

↓ unfavorable impact

↑ Operating Margin¹

- \$27 million – Combined rate relief
- \$5 million – Customer growth
- \$3 million – Nevada VIER²
- \$5 million – Regulatory amortization (offset in D&A below)

↑ O&M

- O&M decrease resulting in flat year-over-year O&M per customer

↓ D&A and General Taxes

- Increase in depreciation reflective of a 7% increase in average gas plant in service since the first quarter of 2024³
- (\$5 million) – Higher amortization associated with regulatory account recoveries (offset in operating margin above)

↓ Other Income

- (\$5 million) – Decrease in values associated with company-owned life insurance
- (\$4 million) - Decline in interest income related to carrying charges associated with the elevated deferred PGA⁴ balance

↓ Interest

- Driven by higher variable debt costs, including interest expense associated with regulatory account balances, including the PGA⁴ mechanisms, as well as industrial development revenue bonds that are amortized through interest expense

Notes: Chart may not add due to rounding

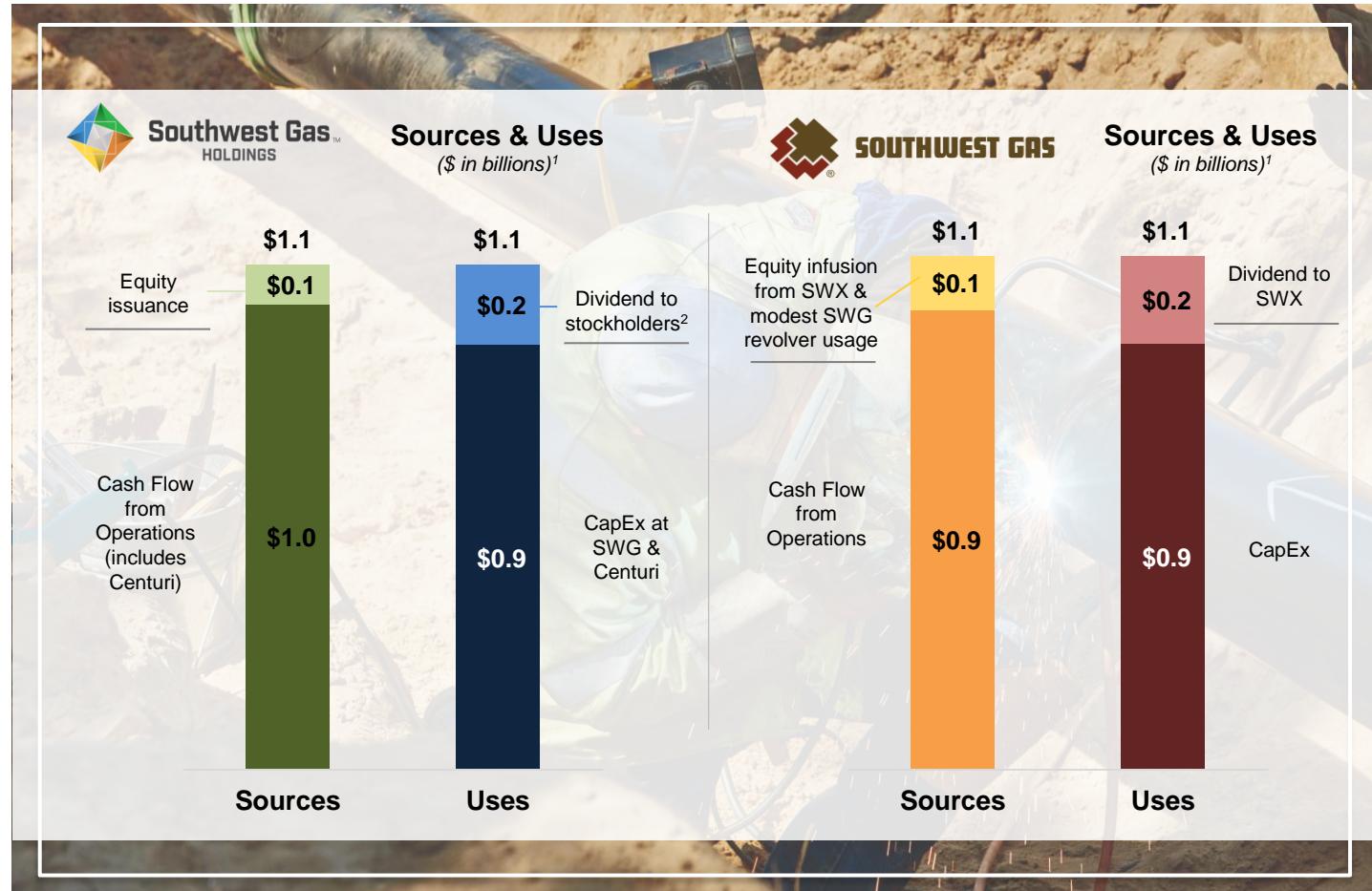
¹ Remaining variance primarily relates to miscellaneous revenue and customers outside of the decoupling mechanism

² Variable Interest Expense Rate Mechanism (related to Clark County Industrial Development Revenue Bonds)

³Increase in plant was attributable to pipeline capacity reinforcement work, franchise requirements, scheduled pipe replacement activities, and new infrastructure

⁴Purchased Gas Cost Adjustment ("PGA")

2025 Financing Plan



Assumptions

- » Centuri assumed to be consolidated through 2025
- » All SWX financing assumptions pending further Centuri separation transactions
- » Significant cash previously collected from PGA at Southwest Gas
 - » Beginning cash and cash flow from operations expected to fully fund capital plan with modest equity from SWX; small SWG revolver draws toward end of the year
- » SWX expects to issue less than \$100 million of equity in 2025, all through existing ATM program, pending Centuri exit path
- » No significant debt financing or refinancing expected at Southwest Gas in 2025
- » Amend/extend all or part of the Southwest Gas Holdings \$550 million Term Loan facility as well as its existing revolving credit facility in 2025

Notes:

¹ Amounts may not add, due to rounding

² All future dividends will be subject to approval by the Board of Directors both before and following the full completion of the separation

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 Holdings	\$0.7	\$0.0	\$0.7	n/a	\$0.7	Baa2	Stable	BBB-	Positive	BBB	Negative
 SOUTHWEST GAS	\$3.5	\$0.4	\$3.1	\$(0.3)	\$3.4	Baa1	Stable	BBB	Positive	A-	Stable
 Centuri	\$0.9	\$0.0 ⁴	\$0.8	n/a	\$0.8	Ba3	Stable	B+	Credit Watch Developing	Not Rated	Not Rated

Notes: table may not add due to rounding

¹ As of 03/31/2025

² PGA Balances include purchased 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

⁴ Centuri cash as of 03/31/2025: \$15.3 million

Guidance and Outlook



SOUTHWEST GAS



SWG 2025 and Forward-Looking Financial Guidance

2025 Guidance

	Reaffirmed
Net Income ¹	\$265 - \$275 million
CapEx	~\$880 million

Forward-Looking Guidance

2025 – 2029 base yr 2025

	Reaffirmed
Net Income ² (CAGR)	6.0% - 8.0%
Rate Base ² (CAGR)	6.0% - 8.0%
CapEx ³	\$4.3 billion



Notes:

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

² Net Income and Rate Base CAGR: base year 2025

³ 5-year Capital Expenditures 2025 – 2029

Positioned to Unlock Significant Stockholder Value



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Strengthening strategic flexibility through the separation of Centuri



Maintaining balance sheet flexibility and investment grade credit ratings



Limited capital markets needs



Optimizing utility performance



SOUTHWEST GAS



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

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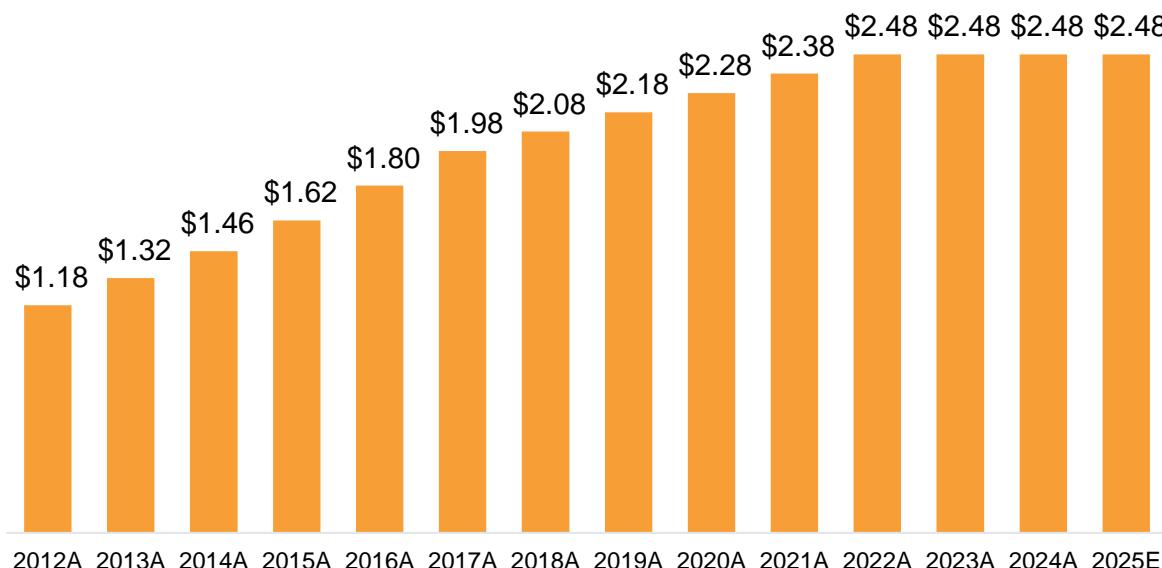
Appendix



Maintaining a Competitive Dividend

Upon completion of the full 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 of Centuri 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

Utility Optimization Progress

SWG remains committed to its culture of continuous improvement and optimization and actively identifies opportunities to generate long-term benefits for all stakeholders and to support its goal of achieving flat O&M per customer over the current forecast period.

Initiative Playbook



Initiative playbook contains several initiatives intended to drive value and long-term improvement across the organization.

Anticipating Results

Expecting to increase O&M savings to achieve nearly flat O&M per customer over the forecast period.



Accelerating our Pursuit of Excellence:
Striving to be a leader in safety, quality, customer service, operational performance, and cost management.



NNV Strategy Alignment & Change Leadership



Huddle board deployment in Victorville, CA Construction Department

2025 Focus Areas

- » Financial Systems Strategy & Consolidation
- » Large Customer Portals & Customer Interaction Phone System
- » Ongoing Utility & Resource Optimization
- » Application Rationalization & Software Optimization
- » Warehouse Optimization
- » Lean Operating System Development
- » Digital Field Forms Enablement
- » Accounts Payable Automation
- » Data Management Strategy Development
- » AZ Solar

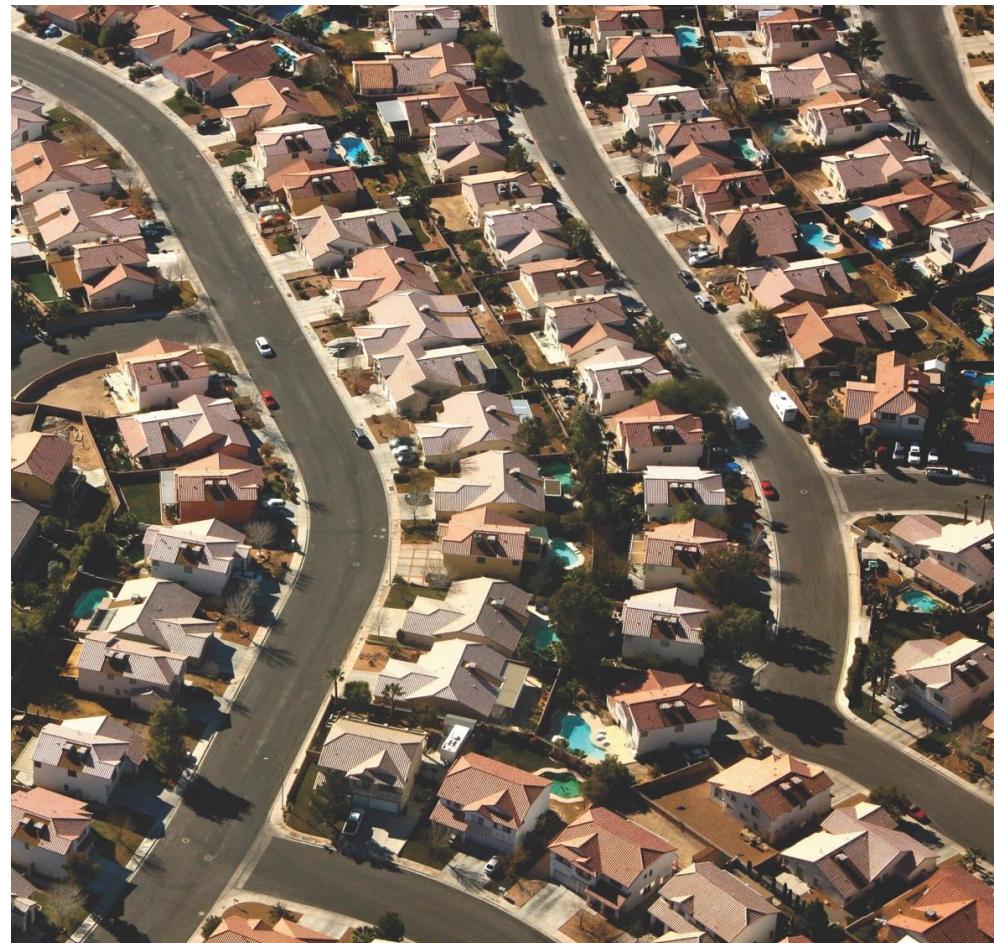


Southern Nevada Solar Projects at our Corporate, North & South Facilities

Summary of Gas Cost Balances and Recovery Mechanisms

PGA¹ Receivable Balance and Recovery Mechanism Summary

State	Dec. 2024 Receivable (Payable) Balance (\$ in millions)	March 2025 Receivable (Payable) Balance (\$ in millions)	Carrying Cost Rate	Gas Cost Rate Adjustment Frequency
AZ	\$(47.0)	\$(48.1)	1-Year Treasury Rate	Monthly ²
NV	\$(195.3)	\$(241.1)	Weighted Average Cost of Capital	Quarterly ²
CA	\$13.9	\$7.0	Commercial Paper Rate	Monthly ³
Total	\$(228.3)	\$(282.2)		



Notes: charts and 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

SWG Net Income Drivers and Assumptions

Drivers	2025	2026 - 2029
Rate Relief	<ul style="list-style-type: none">▲ Arizona rates effective March 2025▲ GBGTC rates finalized March 2025	<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 ~1.4% 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 over the forecast period
Financing Assumptions		<ul style="list-style-type: none">Targeting 50/50 utility capital structure over time



Regulatory Update - Nevada

Rate Case Activity

Nevada Rate Case¹ Outcome Summary

Dollars in millions

Proposed Revenue Increase ²	\$73.9
Depreciation Expense	(\$6.8)
Cost of Service Adjustment	(\$1.6)
Stipulated Revenue Increase	~\$65.6
Cost of Capital Adjustment	(\$6.5)
Authorized Revenue Increase	\$59.1

~98%
of request after
depreciation
adjustment and
before adjustments
to cost of capital

~\$297 million
increase in rate base



Cost of Capital

	Requested at Certification	Authorized
Target Equity Ratio	50%	50%
Return on Equity	10.00%	9.5%
Cost of Debt	4.51% NNV 4.50% SNV	Southwest Gas' Position



Notes: tables may not add due to rounding

¹ Docket 23-09012, which can be viewed on the Public Utilities Commission of Nevada website

² As of November 30, 2023 Certification. Request at test year was \$69.8M

³ Weighted average of Southern and Northern Nevada, based on application as filed

O&M per customer

SWG Nevada³
\$191.95

Peer Group⁴
\$254.43

⁴ As of December 31, 2022, utilizing average of peer group natural gas utilities (ATO, NJR, NWN, OGS, SR, & NI)

Regulatory Update – GBGTC

Rate Case Activity

GBGTC Rate Case Outcome¹

On March 3, 2025, FERC approved an increase in rates.

	Requested	Approved
Target Equity Ratio	56%	50%
Return on Equity	13.05%	11.95% ³
Pre-Tax Rate of Return	11.18%	9.76% ⁴
Rate Base	\$206 million (~\$99 million increase)	\$191 million (~\$55 million increase)
Proposed Test Year Revenue Increase	~\$13 million ²	~\$9.6 Million

Notes

- » An all-party black-box settlement was filed December 26, 2024
- » Estimated annual margin increase of approximately \$9.6 million and a pre-tax rate of return of 9.76%³
- » Presiding Administrative Law Judge filed a Certification of Uncontested Settlement January 20, 2025 recommending approval without modification



Notes:

¹ Application RP24-514-000, which can be viewed on the Federal Energy Regulatory Commission website

² Updated to reflect actual costs as of August 2024; original revenue increase requested was \$16 million

³ Blackbox settlement – as calculated by GBGTC

⁴ Compared to 9.90% pre-tax rate of return currently authorized

SWG Regulatory Update

Other Regulatory Activity

Arizona Gas Cost Balancing Account (GCBA)

In response to lower purchased gas costs, Southwest Gas filed an application in January to return an over-collected GCBA balance of ~\$46 million to customers. The ACC approved the request in March, with rates effective April 2025.

Arizona Natural Gas Infrastructure and Storage Docket

In February of 2025, the Arizona Corporation Commission opened a docket to inquire into the expansion of natural gas infrastructure and storage in Arizona to address resource adequacy of natural gas infrastructure needed to meet growing demand.

California Hydrogen Demonstration Project

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

California Fort Irwin Expansion Project

CPUC approved the expansion of service territory in Southern California to accommodate the construction of an ~21-mile pipeline to extend service to the Army's National Training Center at Fort Irwin.

Great Basin Binding Open Season

In response to inquiries related to available capacity and changing market needs, Great Basin posted notice of a Binding Open Season, for a 2028 Expansion, which considers expanding its existing transmission facilities downstream of Ruby Pipeline's Opal Valley Receipt Point with Great Basin to meet additional and/or changing market needs. The Binding Open Season, from January 28, 2025, through April 30, 2025, to determine the level of interest of existing and potential shippers for new or additional firm transportation service was extended through May 28, 2025 to allow bidders to propose various in-service dates.

Great Basin 2024 – Expansion Project

In April 2024, the FERC issued the order approving GBGTC's application to abandon and replace certain pipeline facilities and grant a CPCN¹ to construct and operate certain facilities to expand the transportation capacity of the system. The current project estimate is ~\$15 million and is now expected to be placed in service in 2025.

Great Basin 2026 – Expansion Project

In April 2025, GBGTC filed an application with the FERC seeking approval to abandon and replace certain pipeline facilities and grant a CPCN to construct and operate certain facilities to increase firm transportation capacity on its Carson, North Tahoe and South Tahoe Laterals. The current project estimate is ~\$19 million and is expected to be placed in service in 2026.

Nevada Senate Bill 417

Senate Bill 417 would require the Public Utilities Commission of Nevada to adopt regulations to establish procedures for a natural gas utility to apply to the Commission for approval of an alternative rate-making plan which includes performance-based rates, formula rates, multi-year rate plans, an earnings sharing mechanism, decoupling mechanism, or any other rate-making mechanism authorized by the Commission by regulation. The bill passed unanimously out of the Senate Committee on Growth and Infrastructure and out of the full Senate in April 2025 and is on track to be considered by the Assembly.

Spring Creek Expansion Compliance Stipulation

The Public Utilities Commission of Nevada approved an all-party settlement supporting the continued expansion of natural gas infrastructure in Spring Creek, Nevada. The Company's application was required to review the progress of the project to ensure continuation was in the public interest.

Nevada Service Territory Expansion Application

In response to customer demand, Southwest Gas filed an application with the Public Utilities Commission of Nevada seeking authority to expand its Northern Nevada service territory within a county that it presently serves and is contiguous to its existing service territory. The PUCN approved the Stipulation in March 2025.

Damage Prevention Cost Tracking Mechanism Filing

Application filed with the Public Utilities Commission of Nevada in December 2024 requesting regulatory accounting treatment for line locate activity-related expenses and to establish the Damage Prevention Cost Tracking Mechanism. If approved, Southwest Gas will track the level of expense actually incurred to the level of expense established in the most recent general rate case and recover from or return to customers the difference.

Nevada Annual Rate Adjustment Filing

The Public Utilities Commission of Nevada approved an all-party settlement for the Company's 2024 Application in April authorizing a statewide increase of ~\$27 million. Rates will become effective July 1, 2025.

Notes:

¹Certificate of Public Necessity and Convenience ("CPCN")

Economic Impact of Semiconductor Manufacturing and Data Centers



Electric infrastructure constraints driving potential interstate pipeline expansion inquiries

AI data center power demands substantially larger than traditional data centers

- » Arizona and Nevada are high-potential areas for data center growth
- » How might Southwest Gas stand to benefit from additional data center economic activity?



We believe that in Arizona and Nevada

- » Regulatory framework exists to support these prospective customers
- » Potential returns commensurate with authorized rate of return
- » Infrastructure additions could help support additional economic and development activity



Notes: Use of these trademarks does not imply a relationship with Southwest Gas. Each trademark is owned by the mark owner, and no affiliation or endorsement of Southwest Gas is implied by the trademark owners. See Great Basin Binding Open Season on slide 30.



1Q 2025 Financial Results

CONSOLIDATED

Results of Consolidated Operations (in millions, except per share items)	Three Months Ended	
	March 31, 2025	2024
Natural gas distribution income	\$ 142.9	\$ 135.8
Utility infrastructure services loss	(20.0)	(36.2)
Pipeline and storage loss	-	-
Corporate and administrative loss	(9.1)	(11.9)
Net income	113.9	87.7
Non-GAAP adjustments ⁽¹⁾	5.5	10.7
Adjusted net income	\$ 119.4	\$ 98.5
Basic earnings per share	\$ 1.58	\$ 1.22
Diluted earnings per share	\$ 1.58	\$ 1.22
Basic adjusted earnings per share	\$ 1.66	\$ 1.37
Diluted adjusted earnings per share	\$ 1.65	\$ 1.37
Weighted average common shares	72,012	71,728
Weighted average diluted shares	72,138	71,882

Notes: table may not add due to rounding

¹ Adjusted SWX income and adjusted EPS for the three months ended March 31, 2024 and the three months ended March 31, 2025, adjust for strategic review and Centuri separation costs, and the amortization of intangible assets (both of which exclude amounts related to noncontrolling interests)

Summary of Operating Results

NATURAL GAS DISTRIBUTION SEGMENT

Results of Natural Gas Distribution <i>(in thousands of dollars)</i>	Three Months Ended	
	March 31,	
	2025	2024
Regulated operations revenues	\$ 746,416	\$ 1,052,933
Net cost of gas sold	284,579	629,997
Operating margin	461,837	422,936
Operations and maintenance expense	129,407	130,866
Depreciation and amortization	93,690	84,823
Taxes other than income taxes	23,761	22,903
Operating income	214,979	184,344
Other income	9,302	18,100
Net interest deductions	44,631	36,444
Income before income taxes	179,650	166,000
Income tax expense	36,708	30,175
Segment net income	\$ 142,942	\$ 135,825

Non-GAAP Measures

(\$ in thousands, except per share amounts)

Adjusted SWX income and adjusted EPS for the three months ended March 31, 2024 and the three months ended March 31, 2025, adjust for strategic review and Centuri separation costs, and the amortization of intangible assets (both of which exclude amounts related to noncontrolling interests).

Adjusted Corporate and Administrative loss and adjusted EPS for the three months ended March 31, 2024 and the three months ended March 31, 2025 adjust for Centuri separation costs (excluding amounts related to noncontrolling interests).

Adjusted Centuri net income (loss) and adjusted EPS for the three months ended March 31, 2024 and March 31, 2025 adjust for strategic review costs, including the Centuri separation, and the amortization of intangible assets.

There were no adjustments at Southwest Gas Corporation for the period. 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 March 31,	
	2025	2024
SWX Adjusted Net Income and Adjusted EPS		
SWX net income		
Strategic review and Centuri separation	\$ 113,870	\$ 87,737
Amortization of intangible assets	1,888	6,602
Income tax effect of adjustments	5,397	6,668
SWX adjusted net income	\$ 119,371	\$ 98,461
Weighted average diluted shares	72,138	71,882
SWX adjusted EPS	\$ 1.65	\$ 1.37
Corporate & Admin. Adjusted Net Loss and Adjusted EPS		
Corporate and Admin. net loss		
Centuri separation cost	\$ (9,104)	\$ (11,858)
Income tax effect of adjustments	584	2,725
Corporate and Admin. adjusted net loss	\$ (8,660)	\$ (9,787)
Weighted average diluted shares	72,138	71,882
Corporate and Admin. adjusted EPS	\$ (0.12)	\$ (0.14)
Centuri Adjusted Net Income and Adjusted EPS		
Centuri net loss		
Strategic review costs, including Centuri separation	\$ (19,968)	\$ (36,230)
Amortization of intangibles	1,304	3,877
Income tax impact of adjustments	5,397	6,668
Centuri adjusted net loss	\$ (14,911)	\$ (27,577)
Weighted average diluted shares	72,138	71,882
Centuri adjusted EPS	\$ (0.21)	\$ (0.38)