



NW Natural Holdings

Q2 2025 Earnings Call

August 5, 2025



Company Information

NW Natural Holdings
250 SW Taylor Street
Portland, OR 97204
nwnaturalholdings.com

Nikki Sparley
Director, Investor Relations
and Treasury
(503) 721-2530
nikki.sparley@nwnatural.com

FORWARD LOOKING STATEMENTS

This and other presentations made by NW Natural Holdings from time to time, may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "anticipates," "assumes," "continues," "could," "intends," "plans," "seeks," "believes," "estimates," "expects," "forecasts," "will" and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements regarding the following: plans, objectives, assumptions, estimates, expectations, forecasts, outlooks, timing, goals, strategies, commitments, future events, financial positions, financial performance, investments, valuations, timing and amount of capital expenditures, targeted capital structure, risks, risk profile, stability, acquisitions and timing, approval, completion and integration thereof, the likelihood and success associated with any transaction, strategic fit, utility system, technology and infrastructure investments, system modernization, reliability and resiliency, global, national and local economies, economic and GDP growth, customer and business growth, continued expansion of service territories, rate base growth, customer backlog, growth opportunities, customer satisfaction ratings, weather, performance and service during weather events, customer rates or rate recovery and the timing and magnitude of potential rate changes and the potential outcome of rate cases, environmental remediation cost recoveries, environmental initiatives, decarbonization and the role of natural gas and the gas delivery system, including decarbonization goals and timelines, energy efficiency measures, use of renewable sources, renewable natural gas purchases, production levels, projects, investments and other renewable initiatives, and timing, magnitude and completion thereof, unregulated renewable natural gas strategy and initiatives, hydrogen projects or investments and timing, magnitude, approvals and completion thereof, procurement of renewable natural gas or hydrogen for customers, technology and policy innovations, strategic goals and visions, water, wastewater and water services acquisitions, personnel additions, partnerships, investment strategy, regulatory strategy, and financial effects of water, wastewater and water services acquisitions, expected growth and safety benefits of facility upgrade investments, operating plans of third parties, financial targets, financial results, including estimated income, availability and sources of liquidity, capital markets, financing transactions, expenses, positions, revenues, cost of capital, timing, and earnings, earnings guidance and estimated future growth rates, FFO/debt ratios, credit ratings, debt and equity issuances and timing, future dividends, commodity costs and sourcing, asset management activities, regulatory environment, performance, timing, outcome, or effects of regulatory proceedings or mechanisms or approvals, rate case execution, regulatory prudence reviews, anticipated regulatory actions or filings, accounting treatment of future events, economic and political conditions, effects of legislation or changes in laws or regulations, impact of the current U.S. presidential administration and Congress, inflation, the imposition or announcement of tariffs or trade restrictions, geopolitical uncertainty and other statements that are other than statements of historical facts.

Forward-looking statements are based on current expectations and assumptions regarding its business, the economy, geopolitical factors, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual results may differ materially from those contemplated by the forward-looking statements. You are therefore cautioned against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future operational, economic or financial performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are discussed by reference to the factors described in Part I, Item 1A "Risk Factors", and Part II, Item 7 and Item 7A "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosure about Market Risk" in the most recent Annual Report on Form 10-K and in Part I, Items 2 and 3 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk", and Part II, Item 1A, "Risk Factors", in the quarterly reports filed thereafter, which, among others, outline legal, regulatory and legislative risks, financial, macroeconomic and geopolitical risks, growth and strategic risks, operational risks, business continuity and technology risks, environmental risks and risks related to our water and renewables businesses.

All forward-looking statements made in this presentation and all subsequent forward-looking statements, whether written or oral and whether made by or on behalf of NW Natural Holdings, are expressly qualified by these cautionary statements. Any forward-looking statement speaks only as of the date on which such statement is made, and NW Natural Holdings undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. New factors emerge from time to time and it is not possible to predict all such factors, nor can it assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

Leadership Presenting Today



Justin B. Palfreyman
President & CEO



Ray Kaszuba
SVP & CFO

Business Update

- NWN Gas Utility
- SiEnergy Gas Utility
- NWN Water Utility
- NWN Renewables

Financial and Guidance Update

- Q2 and YTD 2025 earnings drivers
- Reaffirming 2025 and long-term earnings guidance
- Liquidity and financing

Q2 2025 Update

- Achieved solid financial results in YTD Q2 2025 with adjusted EPS¹ of \$2.28 vs. \$1.60 EPS in prior year
- Closed the acquisition of Pines gas utility (formerly Hughes), adding scale to SiEnergy and consolidating our presence in the high-growth Texas market
- Added over 92,000 gas and water utility connections in the last 12 months for a combined growth rate of 10.6% as of June 30, 2025, mainly driven by Texas acquisitions
- Strong first half 2025 organic customer growth of 1.9% (annualized) on a consolidated basis
- Reached settlement in NW Natural's Oregon general rate case
- Reaffirmed 2025 adjusted EPS guidance of \$2.75 - \$2.95¹
- Long-term EPS growth rate target of 4% - 6% from 2025 adjusted EPS^{1,2}

(1) See Non-GAAP Information & Guidance Reconciliation in appendix. (2) Adjusted EPS growth forecasted for period 2025 – 2030 compounded annually; EPS growth rate uses 2025 adjusted EPS as base year. NW Natural Holdings does not provide a reconciliation of adjusted EPS growth rate target to the most directly comparable GAAP measures due to the inherent difficulty in forecasting and quantifying certain significant items. These items are uncertain, depend on various factors and could have a material impact on GAAP-reported results for the relevant period.



Continued Strong Execution in 2025

2025 Initiatives Well Underway



NWN is well-positioned to deliver on its financial and strategic priorities in 2025

1	Pursue Constructive Oregon Gas Rate Case Outcome	<ul style="list-style-type: none">Filed a settlement providing a \$21.3 million revenue requirement increase and a 9.5% ROEExpect new customer rates in Oregon on Oct. 31, 2025, subject to OPUC approvalAllows for strong return on invested capital
2	Capture SiEnergy Growth	<ul style="list-style-type: none">Completed acquisition of Pines (formerly Hughes), adding scale to SiEnergyCombined customer backlog has grown to more than 217,000
3	Invest in Water Platform and Continue Constructive Rate Case Cadence	<ul style="list-style-type: none">Rapidly growing water and wastewater utility platform through both organic growth and acquisitionsFiled rate cases in 2025 for safety investments that support earnings going forward
4	RNG Facilities Produce Increasing Earnings and Cash Flows	<ul style="list-style-type: none">Facilities have been producing steady earnings and cash flows in 2025Expected to ramp up and provide increasing earnings and cash flows 2025 – 2027

Supports NWN's Goal of Continuing to Deliver Strong, Consistent Long-Term EPS Growth of 4-6%

Q2 2025 Financial Results



	Q2 2025		Q2 2024		Change	
	Amount	Per Share ¹	Amount	Per Share ¹	Amount	Per Share
<i>In thousands, except per share data</i>						
Adjusted net income (loss) ² :						
NWN Gas Utility	\$1,529	\$0.04	(\$2,987)	(\$0.08)	\$4,516	\$0.12
SiEnergy Gas Utility	1,014	0.03	-	-	1,014	0.03
NWN Water Utility	2,833	0.07	1,071	0.03	1,762	0.04
Other ²	(5,061)	(0.13)	(871)	(0.02)	(4,190)	(0.11)
Consolidated NWN Holdings²	\$315	\$0.01	(\$2,787)	(\$0.07)	\$3,102	\$0.08
Diluted Shares		40,482		38,260		2,222

Key Drivers

- **\$4.5 million increase** in NWN Gas net income primarily due to new rates in Oregon effective Nov. 1, 2024
- **\$1.0 million increase** in SiEnergy net income reflecting first year of results after the acquisition on Jan. 7, 2025 and Pines acquisition on June 2, 2025
- **\$1.8 million increase** in NWN Water net income primarily due to new rates at Foothills water and wastewater utility in Arizona and incremental earnings from the ICH utilities after their acquisition in September 2024
- **\$4.2 million increase** in net loss from Other primarily related to higher interest expense at NW Natural Holding Company

(1) Segment EPS is a non-GAAP financial measure, which takes segment net income calculated in accordance with GAAP and divides it by the diluted shares outstanding of NW Natural Holdings. See "Non-GAAP Financial Measures" for additional information. The reconciliation of segment EPS to Consolidated NW Natural Holdings EPS is shown in the table above.

(2) See "Non-GAAP Financial Measures" and "Reconciliation to GAAP" for additional information. Adjusted 2025 other and consolidated net income are non-GAAP financial measures and exclude the effects of transaction and business development costs including the Pines acquisition. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures calculated in accordance with U.S. GAAP. Non-GAAP financial measures are used to analyze our financial performance because we believe they provide useful information to our investors and creditors in evaluating our financial condition and results of operations.

Solid Results Primarily Reflect Strong Utility Performance

YTD 2025 Financial Results



	YTD Q2 2025		YTD Q2 2024		Change	
	Amount	Per Share ¹	Amount	Per Share ¹	Amount	Per Share
<i>In thousands, except per share data</i>						
Adjusted net income (loss) ² :						
NWN Gas Utility	\$88,695	\$2.19	\$62,728	\$1.65	\$25,967	\$0.54
SiEnergy Gas Utility	6,519	0.16	-	-	6,519	0.16
NWN Water Utility	4,521	0.11	325	0.01	4,196	0.10
Other ²	(7,617)	(0.18)	(2,017)	(0.06)	(5,600)	(0.12)
Consolidated NWN Holdings²	\$92,118	\$2.28	\$61,036	\$1.60	\$31,082	\$0.68
Diluted Shares		40,429		38,059		2,370

Key Drivers

- **\$26.0 million increase** in NWN Gas net income primarily due to new rates in Oregon effective Nov. 1, 2024
- **\$6.5 million increase** in SiEnergy net income due to first year of ownership after the acquisition on Jan. 7, 2025 and Pines acquisition on June 2, 2025
- **\$4.2 million increase** in NWN Water net income primarily due to new rates at Foothills water and wastewater utility in Arizona and incremental earnings from the ICH utilities after their acquisition in September 2024
- **\$5.6 million increase** in net loss from Other primarily related to higher interest expense at NW Natural Holding Company

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(2) See "Non-GAAP Financial Measures" and "Reconciliation to GAAP" for additional information. Adjusted 2025 other and consolidated net income are non-GAAP financial measures and exclude transaction and business development costs including the effects of SiEnergy and Pines acquisition costs. Non-GAAP financial measures should not be considered a substitute for, or superior to, measures calculated in accordance with U.S. GAAP. Non-GAAP financial measures are used to analyze our financial performance because we believe they provide useful information to our investors and creditors in evaluating our financial condition and results of operations.

Solid Results Primarily Reflect New Rates in Oregon for NW Natural's Gas Utility

Growth Outlook Reaffirmed

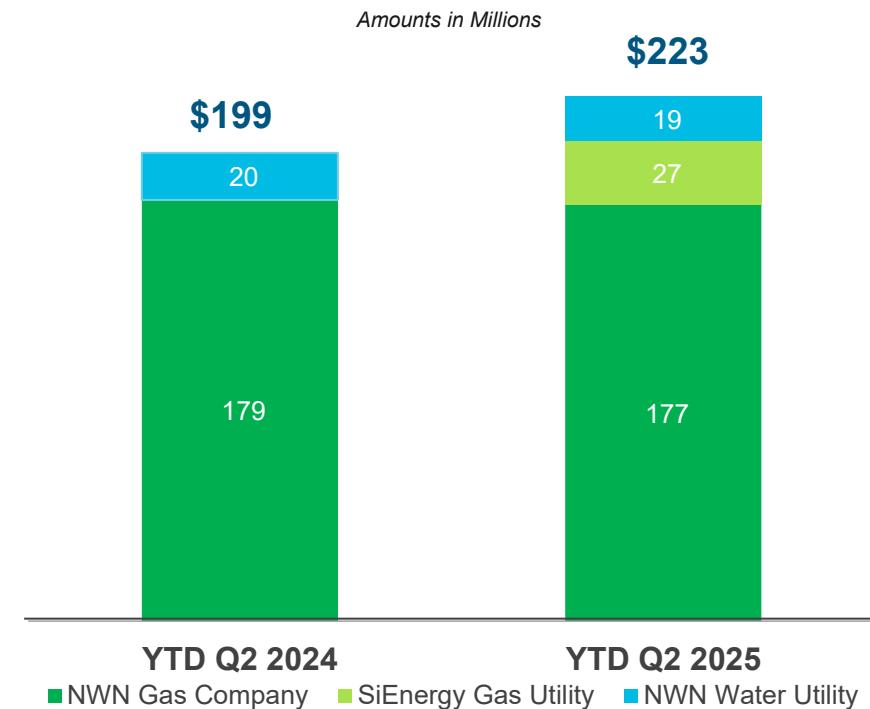


Key Guidance Targets

- Reaffirmed adjusted¹ 2025 EPS guidance in the range of \$2.75 – \$2.95
- Expect SiEnergy and NWN Water to each provide about \$0.25 – \$0.30 annual adjusted 2025 EPS¹
- Long-term EPS growth target of 4% – 6%² from 2025 adjusted EPS baseline¹
- Consolidated customer growth of 2.0% – 2.5% expected in 2025
- Strong and growing dividend³

2025 Cap-Ex On Track

Annual Guidance \$450 – \$500 Million



(1) See Non-GAAP Information & Guidance Reconciliation in appendix. (2) Adjusted EPS growth forecasted for period 2025 – 2030 compounded annually; EPS growth rate uses adjusted 2025 EPS as base year. (3) Future dividends are subject to Board of Directors discretion and approval.

Strong Balance Sheet and Liquidity



Equity

- Expect to issue \$65 – \$75 million for the full year 2025

Debt

- Completed SiEnergy acquisition permanent financing with issuance of \$325 million Junior Subordinated Debentures in March 2025
- Manageable debt maturities of \$37 million in 2025
- Expect to refinance SiEnergy existing debt in 2025

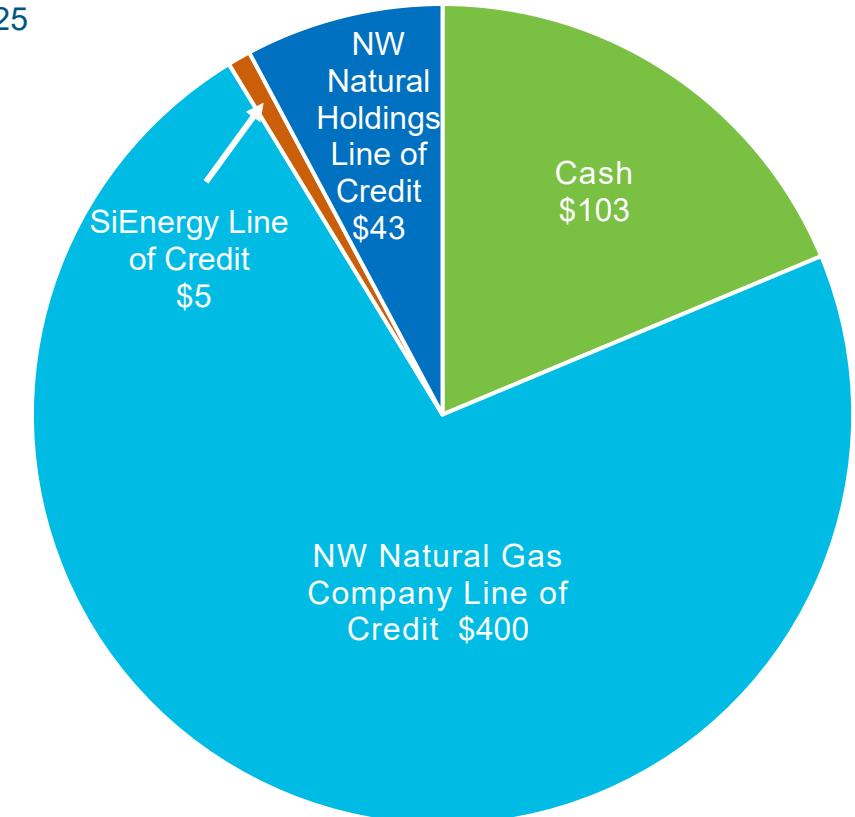
FFO/Debt target

- ~14% for NW Natural Holdings¹ over the long term

(1) S&P rating agency FFO/Adjusted Debt calculation

Available Liquidity ~\$550 Million

As of June 30, 2025
(In millions)



Expect to Finance the Business Maintaining a Strong Balance Sheet



**NW Natural
HOLDINGS™**

Appendix

Non-GAAP Information & Guidance Reconciliation



Management uses "adjusted net income", "adjusted earnings per share," "adjusted segment net loss," "segment earnings per share" and "adjusted segment earnings per share," each of which are non-GAAP financial measures, when evaluating NW Natural Holdings' overall performance. Management uses non-GAAP measures in making operating decisions because we believe those measures provide meaningful supplemental information regarding our earning potential and performance for management by excluding certain expenses and charges that may not be indicative of our core business operating results and can affect the comparison of period-over-period results. These adjustments may include transaction and business development costs primarily consisting of professional fees including legal, accounting, financial and other professional fees incurred in connection with business combinations and business development activities. In addition to presenting the results of operations and earnings amounts in total, certain financial measures are expressed in cents per share, which are non-GAAP financial measures. All references to EPS are on the basis of diluted shares.

Such non-GAAP financial measures are used to analyze our financial performance because we believe they provide useful information to our investors and creditors in evaluating our financial condition and results of operations. Our non-GAAP financial measures should not be considered a substitute for, or superior to, measures calculated in accordance with U.S. GAAP. Moreover, these non-GAAP financial measures have limitations in that they do not reflect all the items associated with the operations of the business as determined in accordance with GAAP. Other companies may calculate similarly titled non-GAAP financial measures differently than how such measures are calculated in this report, limiting the usefulness of those measures for comparative purposes. A reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure is provided in the following tables.

2025 EPS Guidance Reconciliation Table

GAAP EPS Guidance	\$2.60 to \$2.80
Transaction and Business Development Costs ¹	0.15
Adjusted EPS Guidance	\$2.75 to \$2.95

(1) Effect on EPS assumes transaction and business development costs including the effects of SiEnergy and Pines (formerly Hughes). Estimated costs of \$6.3 million after-tax for 2025, average diluted shares of 41.1 million and an income tax rate of 26.5%.

Non-GAAP Adjusted EPS & Net Income Reconciliation



	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>In thousands, except per share data</i>								
Consolidated								
GAAP net income	\$(2,500)	\$(0.06)	\$(2,787)	\$(0.07)	\$85,416	\$2.11	\$61,036	\$1.60
Transaction and business development costs	3,831	0.09	-	-	9,118	0.23	-	-
Income tax effect ¹	(1,016)	(0.02)	-	-	(2,416)	(0.06)	-	-
Adjusted net income	\$315	\$0.01	\$(2,787)	\$(0.07)	\$92,118	\$2.28	\$61,036	\$1.60
Diluted shares	40,482		38,260		40,429		38,059	
Other								
GAAP net income	\$(7,876)	(\$0.20)	\$(871)	\$(0.02)	\$(14,319)	(\$0.35)	\$(2,017)	\$(0.06)
Transaction and business development costs	3,831	0.09	-	-	9,118	0.23	-	-
Income tax effect ¹	(1,016)	(0.02)	-	-	(2,416)	(0.06)	-	-
Adjusted net income	\$(5,061)	\$(0.13)	\$(871)	\$(0.02)	\$(7,617)	\$(0.18)	\$(2,017)	\$(0.06)

(1) SiEnergy transaction expenses were recognized in the first quarter of 2025. Business development costs and Pines (formerly Hughes) transaction expenses were recognized in the second quarter of 2025. Tax effect of adjustment was calculated using a combined federal and statutory rate of 26.5%.