

Q4 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," "confident," "could," "estimate," "expect," "future," "goal," "intend," "likely," "may," "optimistic," "opportunity," "outlook," "plan," "possible," "position," "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 2026 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 executive orders, legislation and regulation including foreign trade policy; 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

Best in class utility:
EPS growth rate of 10%

2

Strategic diversification:
Enhances consolidated ROE
and cash flow

3

Internally financed growth:
No external equity needs at
least through 2030

Key Highlights

Financial Results

- Produced diluted EPS of \$6.55, on upper end of guidance range
- ROE of 16% on an equity layer of 63%

Positioned for Future Growth

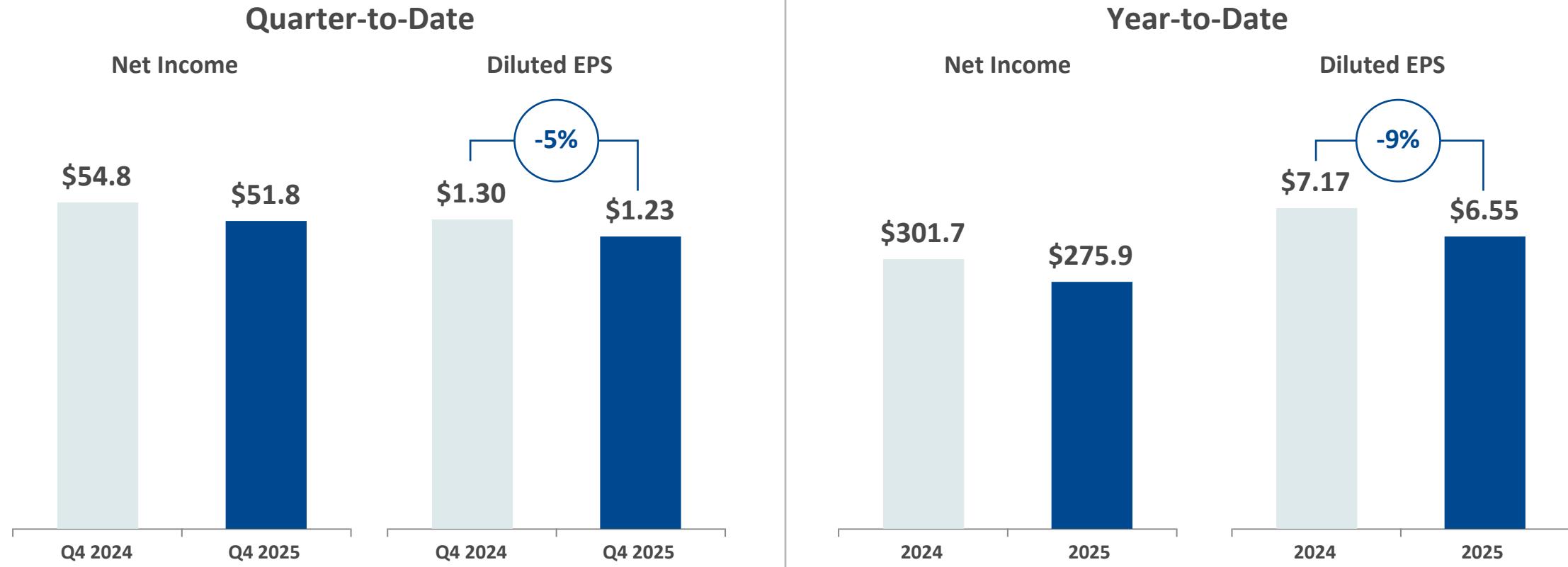
- Interim rates went into effect in South Dakota
- Obtained approval of interim rates in Minnesota
- Phase 2 of Vinyltech expansion project progressing well and should be complete in early 2026

2026 Outlook

- Indicated dividend of \$2.31 (10% increase from 2025 annual dividend)
- Initiated earnings guidance of \$5.22 to \$5.62
- ROE at guidance midpoint projected to be 12%

Financial Summary

\$ in millions, except per share data



2026 EPS Guidance Midpoint: \$5.42



Electric Platform



Minnesota Rate Case

Docket 25-359

- Last rate request filed in 2020
- Interim rate revenue of \$28.6 million went into effect January 1, 2026, subject to refund
- Procedural schedule:
 - Intervenor testimony: May 2026
 - Rebuttal testimony: June 2026
 - ALJ report: November 2026
 - Decision expected: February 2027

Request Filed with the Minnesota Public Utilities Commission

October 2025

**Net revenue increase:
\$44.8M**
(17.7% increase)

**ROE:
10.65%**
(existing 9.48%)

**Equity layer:
53.5%**
(existing 52.5%)

South Dakota Rate Case

Docket EL25-022

- Last rate request filed in 2018
- Interim rate revenue of \$5.7 million went into effect December 1, 2025, subject to refund
- Settlement in principle reached in January 2026

Request Filed with the South Dakota Public Utilities Commission

June 2025

**Net revenue increase:
\$5.7M**
(12.5% increase)

**ROE:
10.8%**
(existing 8.75%)

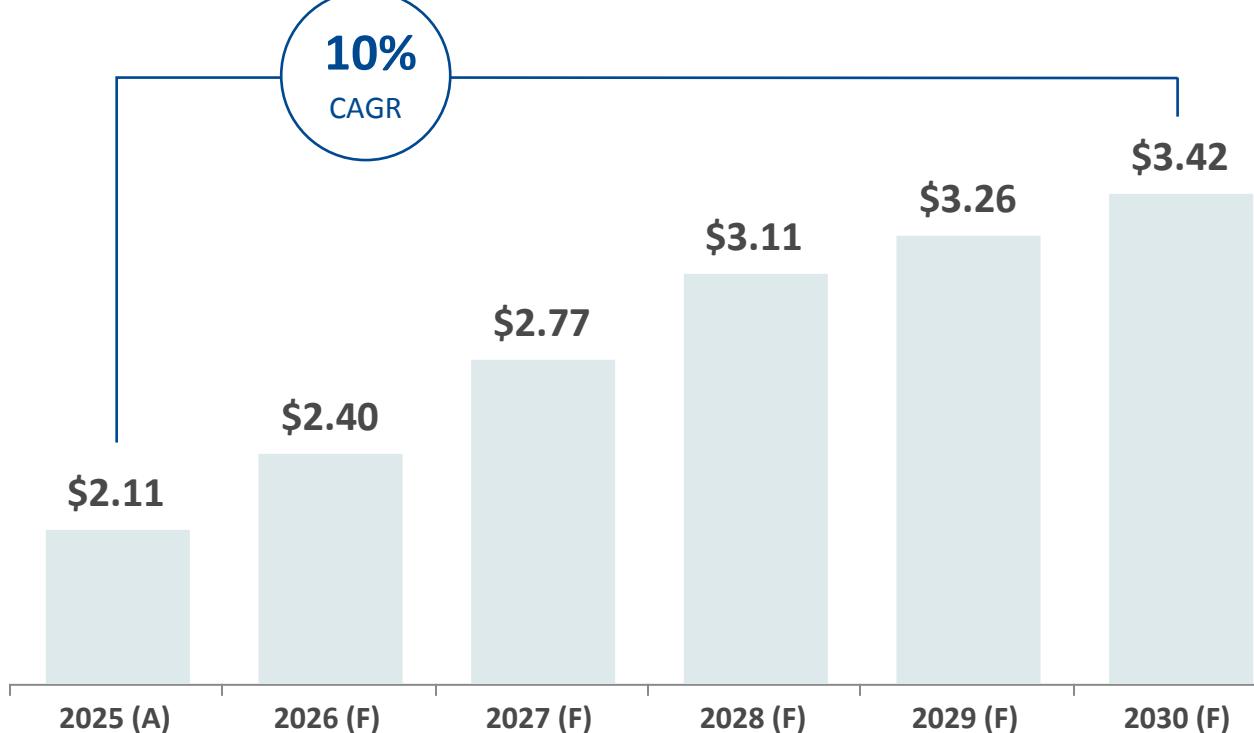
**Equity layer:
53.54%**
(existing 52.92%)

Rate Base Investment Plan

Significant Rate Base Growth

\$ in billions

10%
CAGR



1:1

Conversion of rate base growth
into Electric EPS growth

~ 90%

of our capital investment is
expected to be recovered
through riders and existing rates

Generation and Storage Project Updates

Wind Repowering

Est. investment:
\$230M

Est. completion date:
Substantially complete

Recovery mechanism:
**Approved riders and
existing rates**

Solway Solar

Est. investment:
\$80M

Est. completion date:
2026-2027

Recovery mechanism:
**Approved riders
in MN and SD**

Abercrombie Solar

Est. investment:
\$450M

Est. completion date:
2028

Recovery mechanism:
**Approved riders
in MN and SD**

Hoot Lake Battery

Est. investment:
\$120M

Est. completion date:
2028

Recovery mechanism:
Approved rider in MN

Transmission Project Updates

MISO LRTP¹ Tranche 1

Est. investment:
\$475M

Est. completion date:
2030

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

MISO LRTP Tranche 2.1

Est. investment:
\$800M - \$1B

Est. completion date:
2034

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

JTIQ²

Est. investment:
\$450M - \$500M

Est. completion date:
2034

Recovery mechanism:
**MISO tariff with
generator payments**

Load Growth Opportunities

Well positioned to attract large loads

- Attractive service territory - low market energy prices and high renewable production
- Locations identified with minimal delivery costs to site

Load growth opportunity driven by

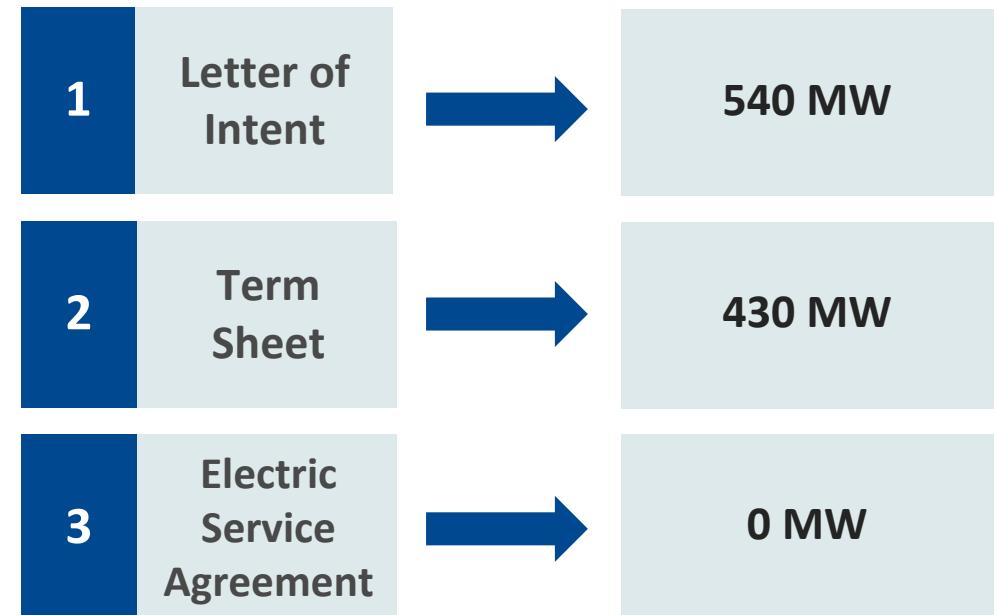
- Data centers
- Crypto mining
- Clean fuel
- Agriculture processing

Benefits of adding large loads

- Spreads out fixed costs, benefitting existing customers
- Capital investment and earnings opportunity

Phases to Secure Large Load

Existing Opportunity

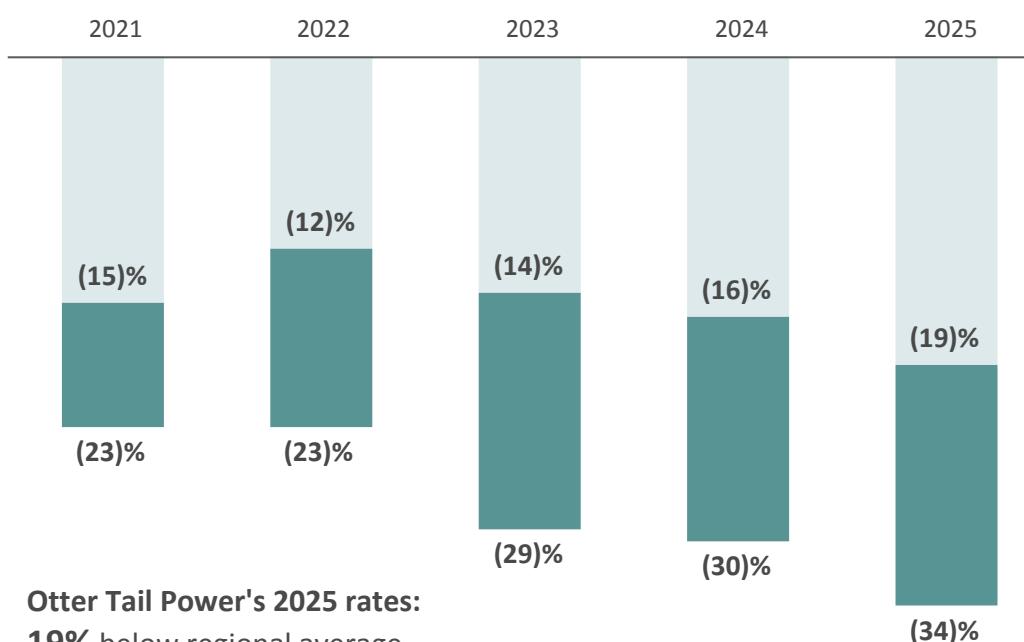


Phase 1 and 2 large load additions not included in load growth or capex forecast

Customer Rates and Affordability

Proven Track Record

Our Electric Rates Compared to Regional and National Averages¹



Otter Tail Power's 2025 rates:
19% below regional average
34% below national average

Looking Ahead

5-Year
CAGR

Rate Base Growth

10%

Affordability enablers:

MISO system-wide recovery

3 - 4%

Renewable energy tax credits

2 - 3%

Other (reduced energy costs, load growth, etc.)

0 - 1%

Estimated Customer Bill Impact

3 - 4%

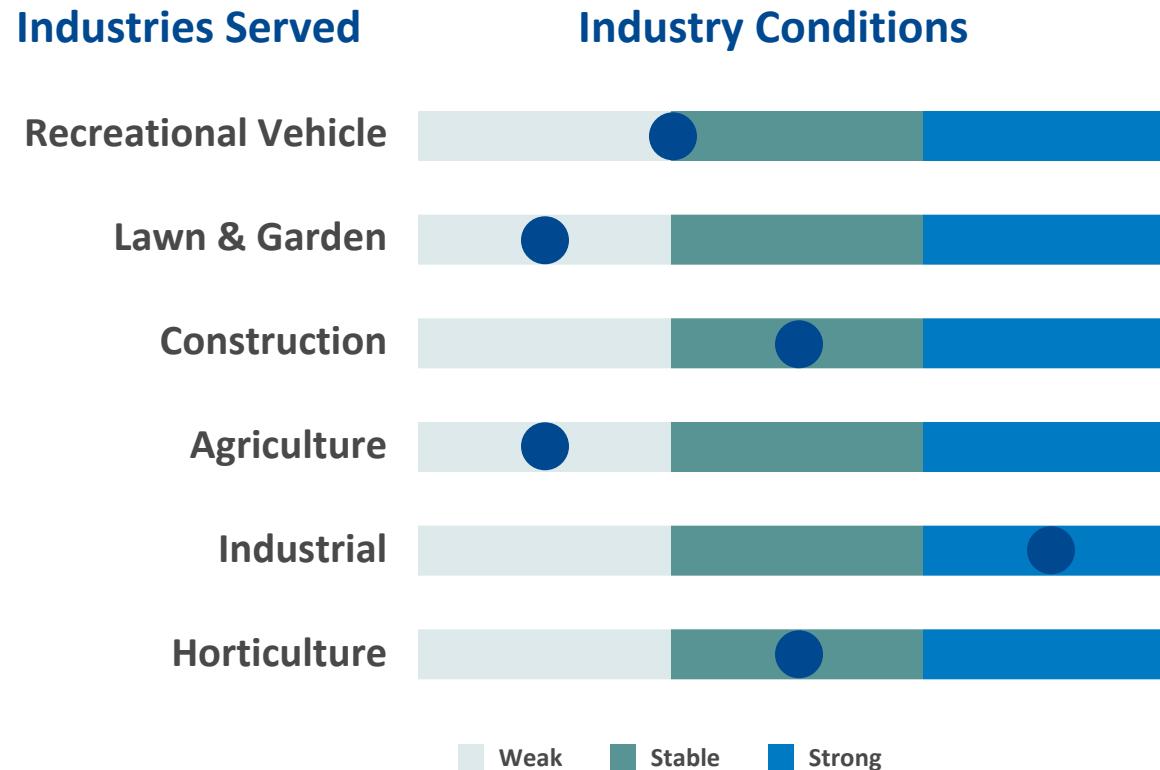
Expected customer bill CAGR may vary by state and could be impacted by external factors, including market energy prices

Manufacturing Platform



Industry Conditions: Manufacturing

BTD Manufacturing and T.O. Plastics



End market demand negatively impacted by:

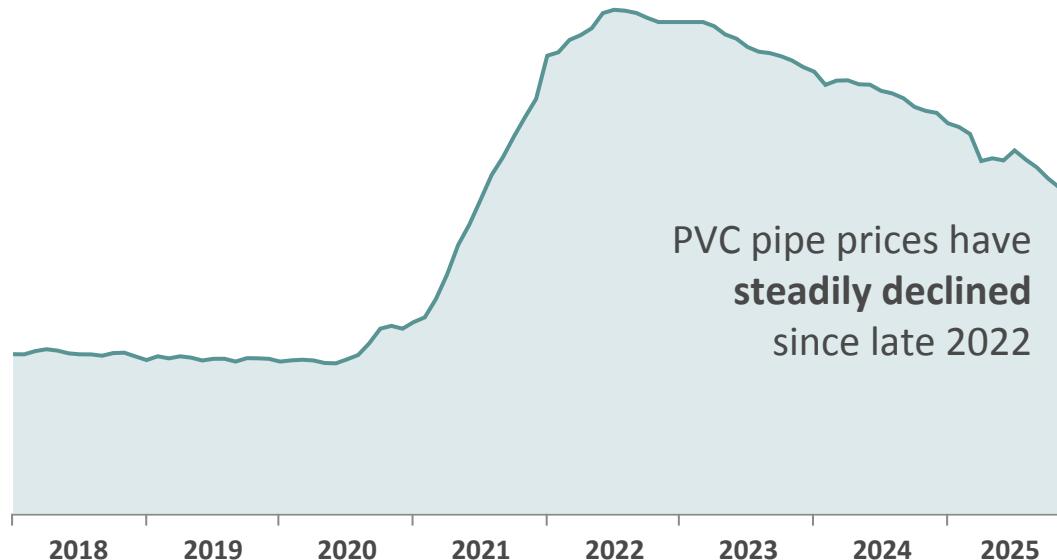
- Elevated levels of new and used inventory at dealer level, specifically within lawn & garden and agriculture end markets
- Challenging macroeconomic backdrop

Long-term fundamentals remain strong

Plastics Pricing and Volume Trends

Northern Pipe Products and Vinyltech Corporation

Historical Average Sales Price of PVC Pipe¹



2025 Year-Over-Year Trends¹

	Q4	Full Year
Average Sales Prices	⬇️ 20%	⬇️ 15%
Sales Volumes	⬆️ 4%	⬆️ 8%
Material Input Costs	⬇️ 22%	⬇️ 14%

Expansion Projects

Positioned for Long-Term Growth

Vinyltech Corporation

- Completion dates:
 - Phase 1 - Q4 2024
 - Phase 2 - early 2026
- Multi-phase expansion project, increasing nameplate production capacity (including large-diameter pipe) and resin and pipe storage
- Plastics segment production capacity impact: +15% (Phase 1 and 2)



BTD Georgia

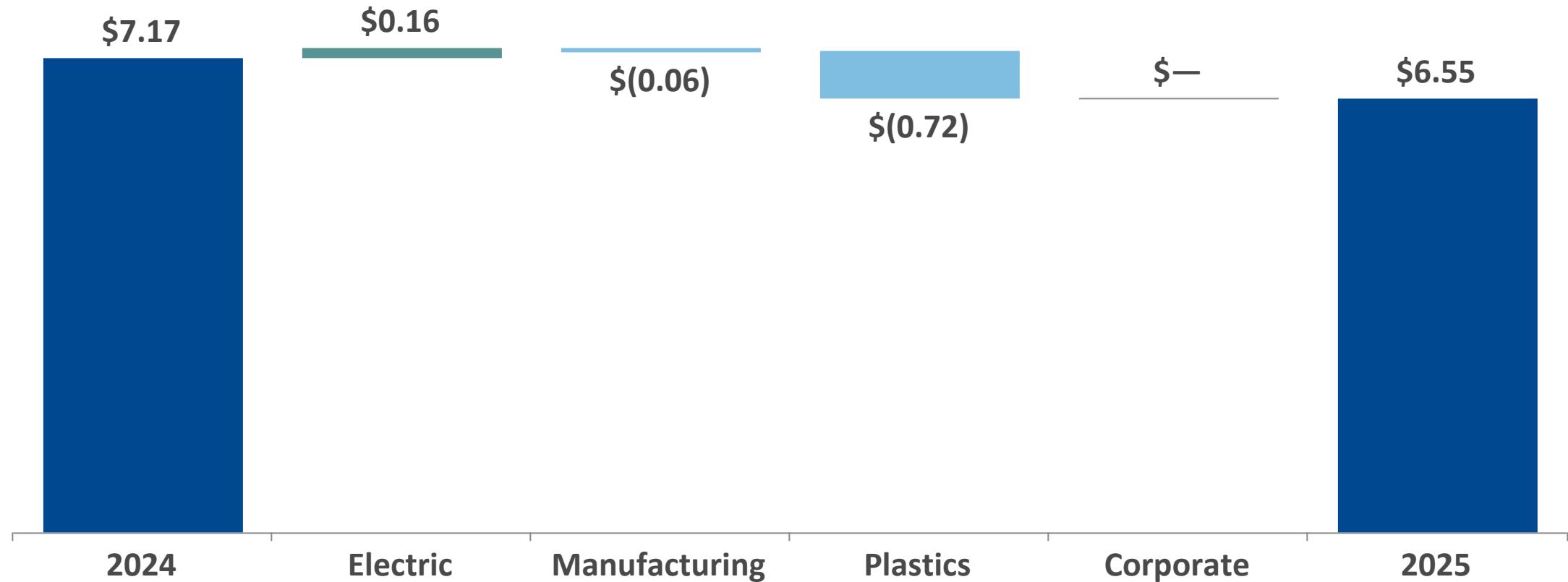
- Completion date: Q1 2025
- Increased capacity to grow with customers as they expand in Southeast market
- Opportunity to generate up to \$35 million in incremental annual revenue





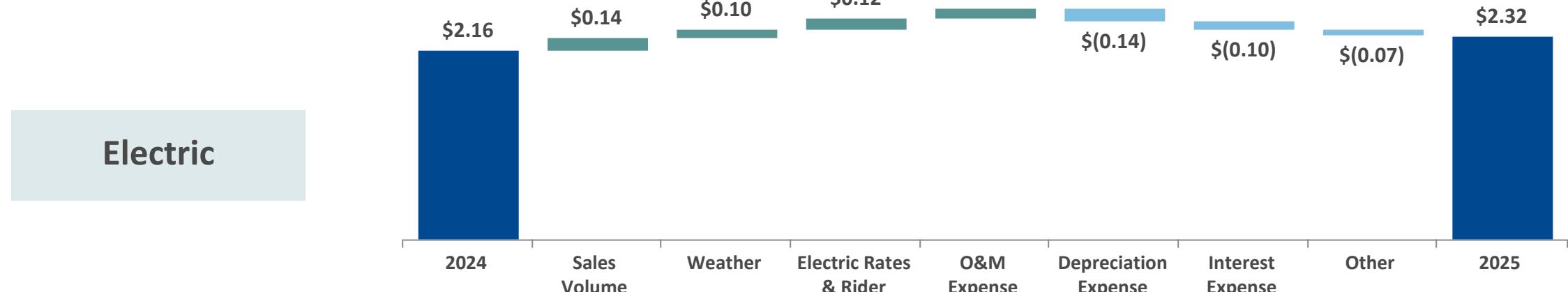
Financial Results

Annual Diluted EPS



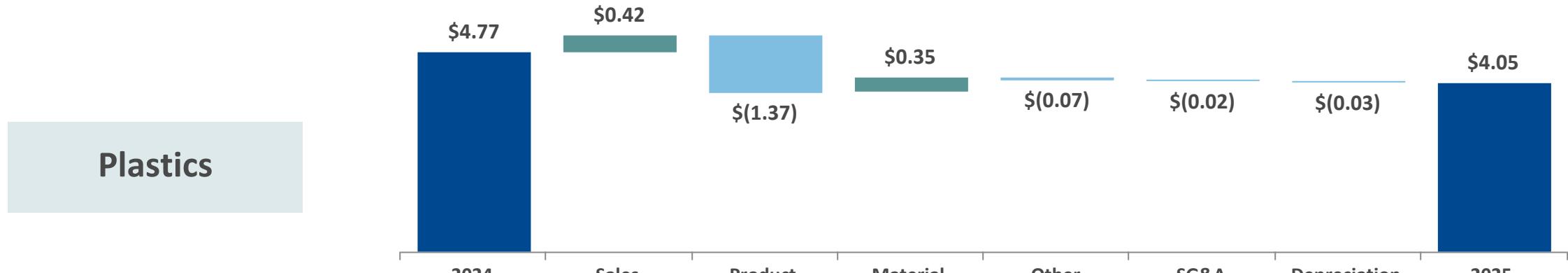
Annual Diluted EPS

Segment Level Detail



Annual Diluted EPS

Segment Level Detail

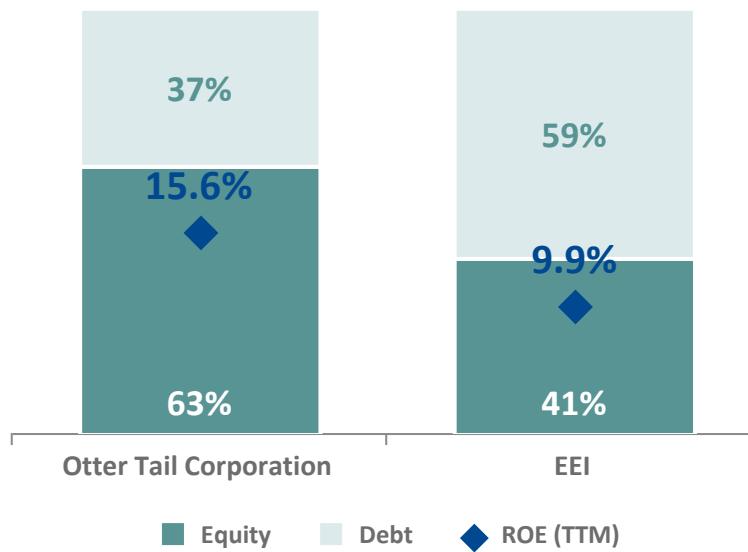


Balance Sheet

\$ in millions

Capital Structure and ROE

with comparison to EEI Peers¹



Line of Credit Availability



Cash and Cash Equivalents



Credit Ratings		Otter Tail Corporation			Otter Tail Power Company		
		Moody's	Fitch	S&P	Moody's	Fitch	S&P
Long-term issuer default		Baa2	BBB	BBB	Baa1	BBB+	BBB+
Senior unsecured debt		N.A.	BBB	N.A.	N.A.	A-	N.A.
Outlook		Stable	Stable	Positive	Stable	Stable	Stable

2026 Outlook

Diluted EPS	Actual			2026 Guidance		
	2024	2025		Low	High	
Electric	\$ 2.16	\$ 2.32		\$ 2.61	\$ 2.69	
Manufacturing	0.33	0.27		0.26	0.32	
Plastics	4.77	4.05		2.49	2.71	
Corporate	(0.09)	(0.09)		(0.14)	(0.10)	
Total	\$ 7.17	\$ 6.55		\$ 5.22	\$ 5.62	
Return on Equity	19.3 %		15.6 %	11.5 %		12.3 %

Capital Expenditures

Customer-Focused Capital Investment Plan

<i>in millions</i>	2026	2027	2028	2029	2030	Total
Electric						
Renewable Generation and Storage	\$ 251	\$ 295	\$ 89	\$ 4	\$ 6	\$ 645
Transmission	80	167	167	186	255	855
Distribution	55	49	53	54	57	268
Other	50	36	24	23	20	153
Electric Total	\$ 436	\$ 547	\$ 333	\$ 267	\$ 338	\$ 1,921
Manufacturing & Plastics	31	27	29	23	19	129
Total	\$ 467	\$ 574	\$ 362	\$ 290	\$ 357	\$ 2,050

\$750M

Incremental investment opportunity for Electric

Driven by:

- Up to 200 MW of wind generation
- Accelerating transmission investment
- Delivery investment relating to new large loads

Financing Plan

No external equity needs through at least 2030

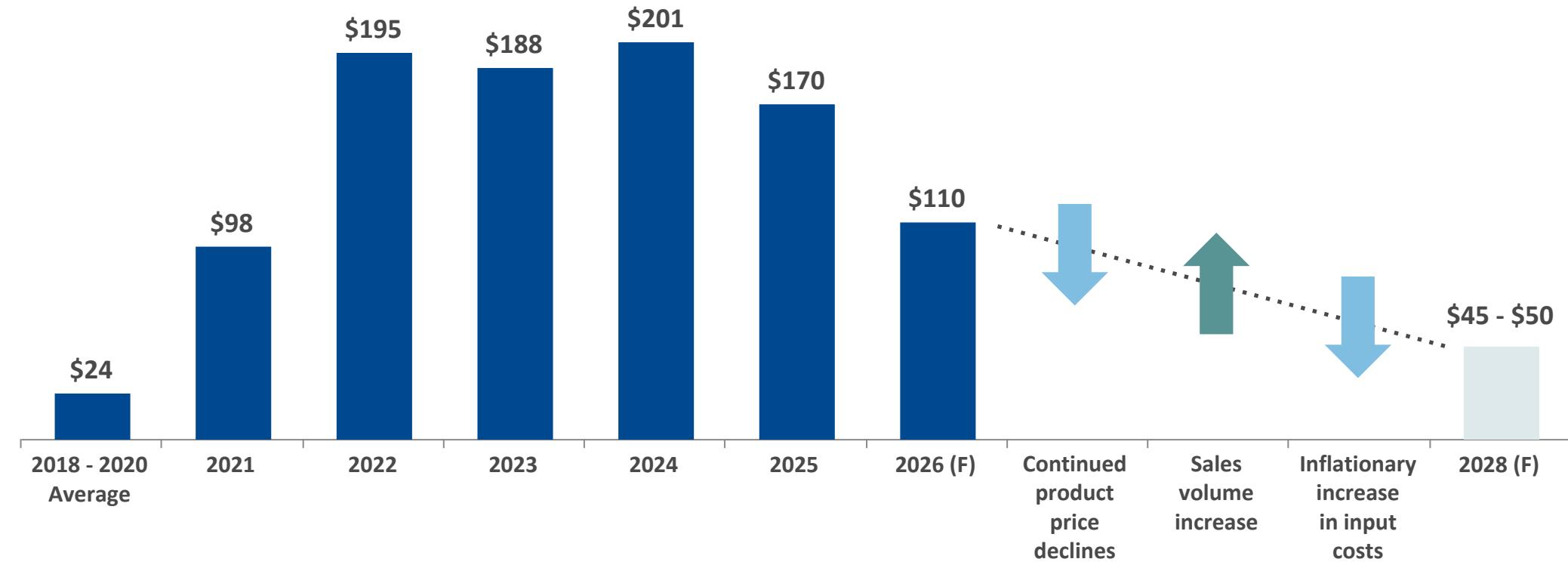
\$ in millions	2026	2027 - 2030	5YR Total
Long-Term Debt			
Otter Tail Power Company			
Issuances	\$ 145	\$ 620	\$ 765
Retirements		(162)	(162)
Otter Tail Corporation			
Issuances			
Retirements		(80)	(80)
Net Debt Increase	\$ 65	\$ 458	\$ 523
Equity	\$ 0	\$ 0	\$ 0

Financing plan
supports utility
investments
without
external equity
over 5-year
period

Long-Term Plastics Earnings Profile

Northern Pipe Products and Vinyltech Corporation

\$ in millions



Investment Targets

Total Shareholder Return: 10-12%

Long-term EPS growth rate: 7-9% (2028 base year)

Dividend yield: ~ 3%

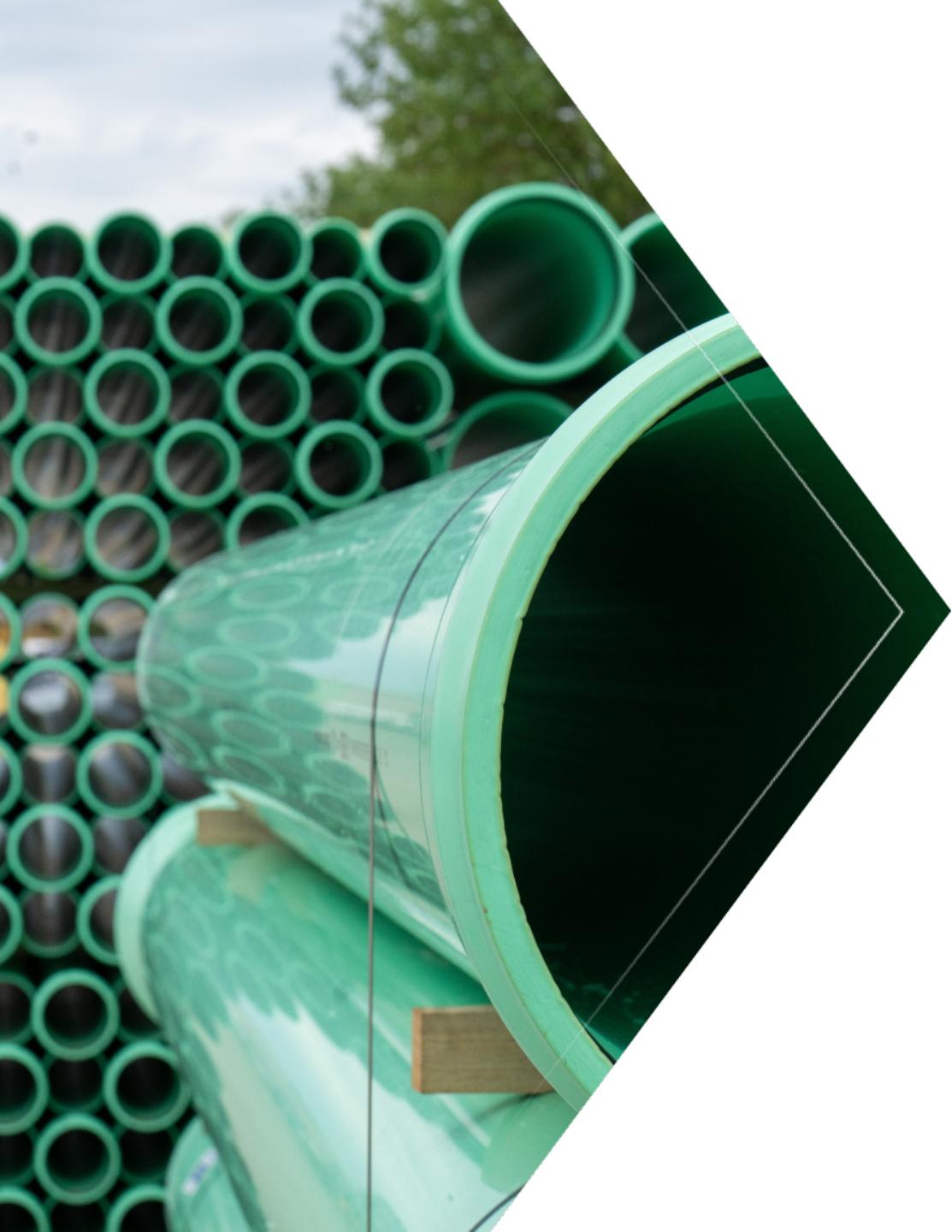
Dividend Growth Rate: 6-8%

Targeted payout ratio: 50-60%

**Long-Term Earnings Mix:
70% Electric / 30% Manufacturing**

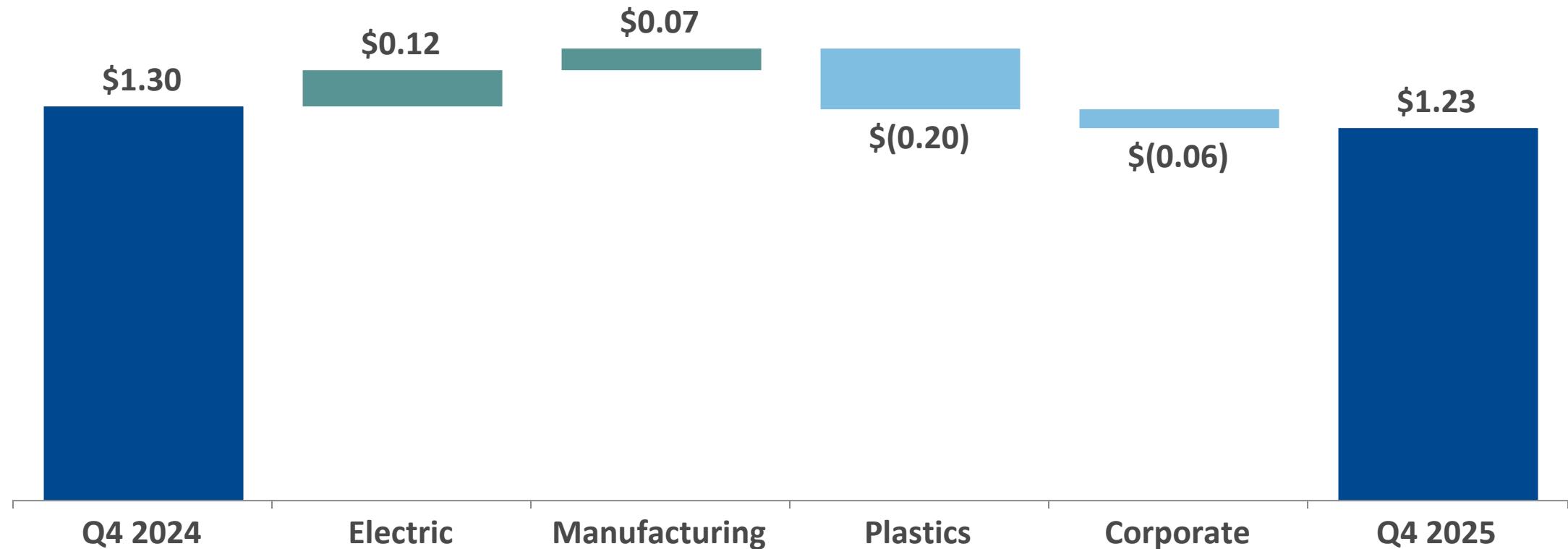
Key underlying assumptions

- Electric segment long-term EPS growth rate approximates rate base CAGR
- Plastics segment earnings of \$45M-\$50M in 2028
- Long-term earnings mix target reached in 2028



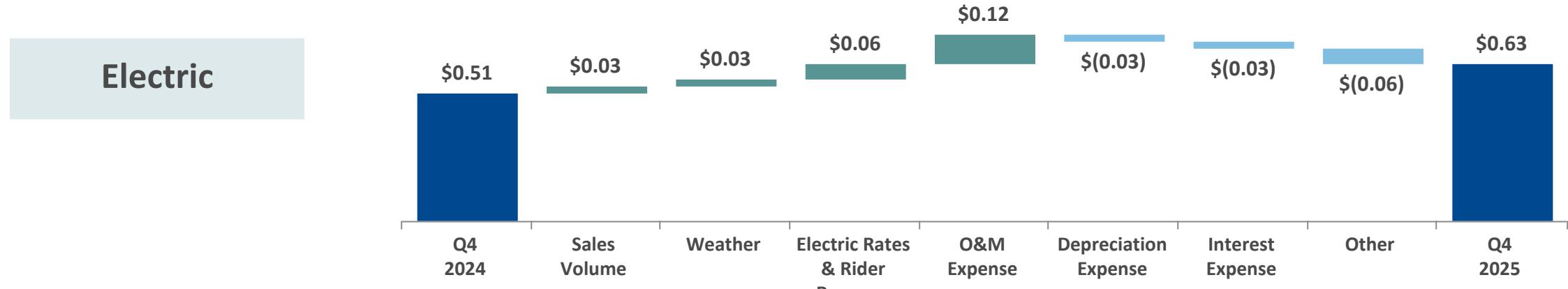
Appendix

QTD Diluted EPS



QTD Diluted EPS

Segment Level Detail

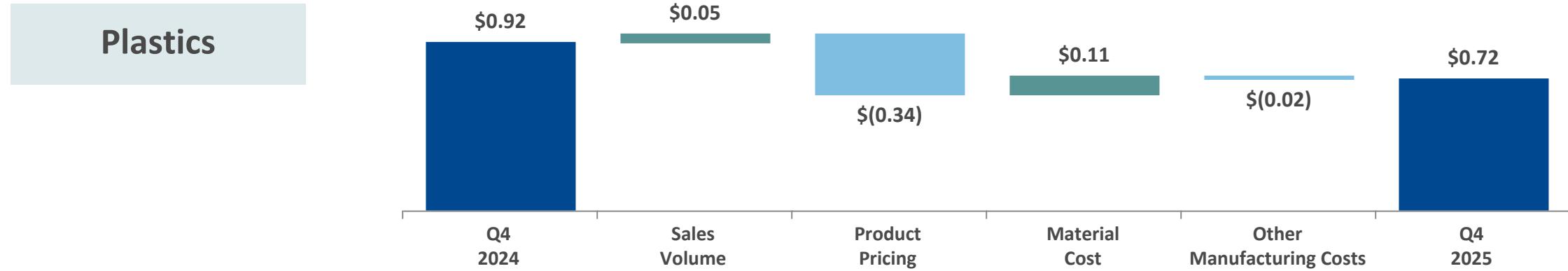


Manufacturing

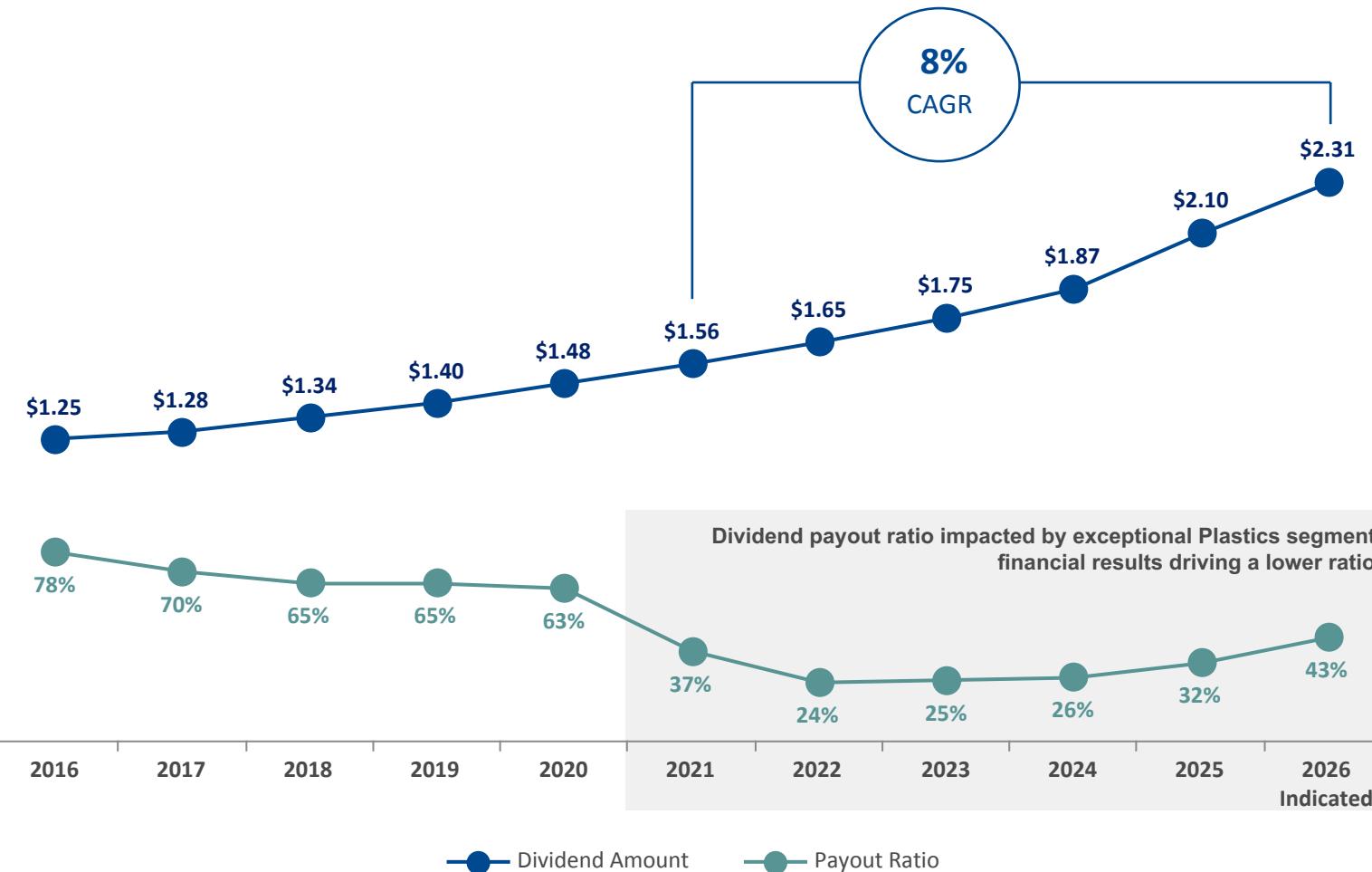


QTD Diluted EPS

Segment Level Detail



Dividend and Payout Ratio



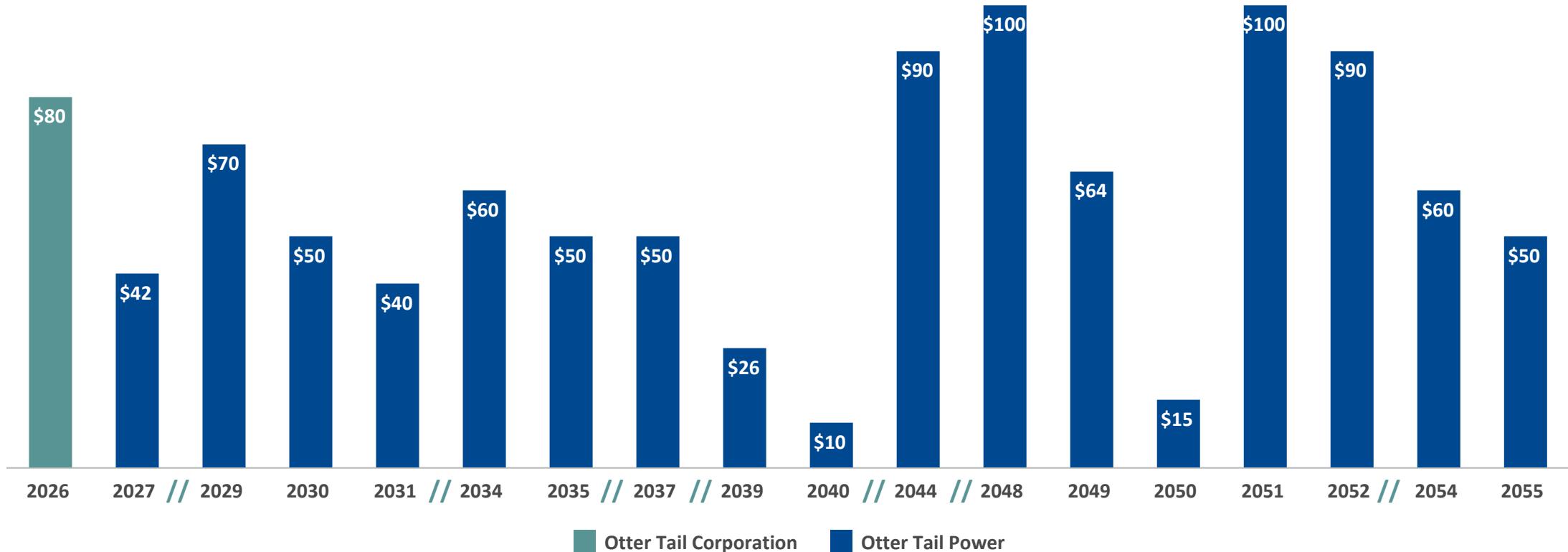
87 consecutive years of dividend payments

Indicated dividend for 2026:
\$2.31 (10.0% increase)

Targeted dividend growth rate: 6-8%

Debt Maturity Schedule

Weighted average
interest rate: **4.53%**



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)	No	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