



Southwest Gas[™]
HOLDINGS

Acquisition of Questar Pipelines

*Complementary FERC
Regulated, Highly
Contracted Gas Pipeline
and Storage Business*

October 5, 2021



SAFE HARBOR STATEMENT

This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission (“SEC”). We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. The ultimate occurrence of events and results referenced in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statement.

Among others, these statements relate to the anticipated acquisition of Questar Pipelines, the anticipated timing for close of the transaction, the anticipated timing of permanent financing, the anticipated timing and impact to our earnings, accretion timing, our expectations regarding our ability to successfully and timely integrate Questar Pipelines, expectations for the achievement of transaction benefits, and our expectations with respect to the impact of the Questar Pipelines acquisition on our natural gas operations business. No assurance can be given that the Questar Pipelines acquisition will be completed on the terms described, or at all, or that we will achieve the anticipated benefits, or satisfy all closing conditions. Completion of the Questar Pipelines acquisition is subject to numerous risks and conditions, many of which are beyond the control of the Company, including market conditions, general economic conditions, Hart-Scott-Rodino regulatory clearance, and other factors, including those set forth under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, and those set forth in the Company’s other reports and information filed with the SEC, which are accessible on the SEC’s website at www.sec.gov.

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.

MANAGEMENT PARTICIPANTS



John Hester
*President and
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and Administrative Officer*



Greg Peterson
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Boyd Nelson
*VP, Strategy and
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AGENDA

- **Transaction Summary**: Acquisition of Dominion Energy Questar Pipeline, LLC, its subsidiaries and certain associated affiliates (“Questar Pipelines”)
- **Questar Pipelines Overview**: 2,160-mile FERC regulated, highly contracted interstate natural gas pipeline system and storage facility business
- **Strategic Rationale**: Highly complementary, stable, free cash flow positive business that is supportive of the SWX value proposition and energy transition thesis
- **Financial Plan**: Accretive to earnings and value; financing plan supports healthy balance sheet
- **Transition Plan**: Preparing for a smooth transition and integration of the business
- **Southwest Gas Holdings**: Additive to the value creation proposition for SWX and its shareholders

TRANSACTION SUMMARY

Southwest Gas Holdings to acquire Questar Pipelines, enhancing business mix and diversifying cash flows

Transaction Overview

- All-cash acquisition for \$1.545 billion, plus the assumption of \$430 million of Questar Pipelines operating company debt (enterprise value of \$1.975 billion)
- Acquisition comes at attractive present value (2021E EV/EBITDA multiple of 9.8x after adjusting for ~\$200 million of value related to step-up in tax basis)
- Maintains commitment to healthy balance sheet under planned transaction financing mix
- Expected to provide earnings per share accretion in 2022 (first full year after close)
- Strong cash flow enhances overall SWX financial profile and incremental internal free cash flow to fund investment growth
- Enhances dividend growth prospects, as well as strength and resiliency of the dividend
- Expected to close around year-end 2021

Demonstrates SWX's commitment to grow its regulated business

QUESTAR PIPELINES: A COMPLEMENTARY PLATFORM

Consistent, rate-regulated cash flow underpinned by FERC authorized ROEs and customer contracts...



Intrinsic Transaction Benefits

- Highly contracted revenues anchored by high quality demand-pull customers including Questar Gas and PacifiCorp
- Excellent re-contracting record: top 15 customers (80% of total revenue) have an average relationship length of 49 years
- Strong, consistent cash flow production
- Assets are difficult to replicate; uniquely positioned to serve location-specific transportation and storage demand
- Culture of safety, reliability, environmental compliance and operational excellence
- Customer growth/expansion opportunities through strong and growing regional demand backdrop
- Constructive stakeholder environment with strong local support for natural gas



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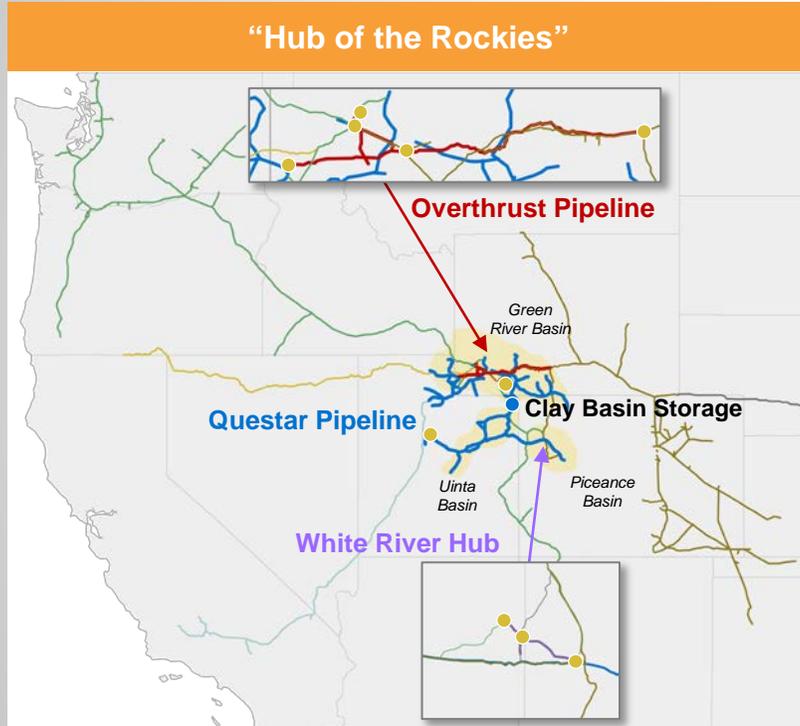
Enterprise Transaction Benefits

- Increases Southwest Gas Holdings' regulated business mix, while providing strong, incremental free cash flow
- Further regulatory diversification, incrementally reducing earnings volatility and business risk
- Earnings/cash flow accretion and financial stability provide incremental strategic optionality/flexibility
- Prudent equity content of permanent financing plan further strengthens SWX balance sheet
- Potential adjacent energy transition opportunities in RNG/RSG, hydrogen and CO2 transportation
- Tax step-up provides additional cash flow support via incremental future tax-deductible amortization

...delivers greater scale, diversity, financial benefits and strategic optionality

OVERVIEW OF QUESTAR PIPELINES

2,160-mile interstate natural gas pipeline system with ~8.13 MMDth/d of total transportation capacity located across Utah, Wyoming and Colorado and ~56 Bcf of gas storage capacity



Pipeline Capacity ¹	8,132 MDth/d
Clay Basin Storage Capacity ¹	54 Bcf
2021E Revenue Breakdown	~72% Investment Grade Customers
	~91% Firm ~9% Other

	Questar Pipeline	Overthrust Pipeline	White River Hub	Gas Storage
% Ownership	100%	100%	50% ²	100%
% of Revenue ³	~54%	~25%	~2%	~17%
Pipeline Miles ⁴	1,879	261	11	–
Current Capacity	2,520 MDth/d	2,998 MDth/d ⁵	2,614 MDth/d	56 Bcf
% of Capacity under Firm Contract	85%	82%	92%	100%

An essential Rocky Mountain energy hub with interconnections to multiple interstate pipelines, integrated high-value storage assets and access to multiple regional supply basins

(1) As of December 31, 2020
 (2) Co-owned by Enterprise Products Partners.
 (3) Excludes Questar Field Services and inter-Questar Pipelines company eliminations
 (4) Includes ~11 miles of unregulated pipeline relating to Questar Field Services
 (5) Inclusive of REX leased capacity of 625 MDth/d

DEEP CUSTOMER RELATIONSHIPS AND EXCELLENT RE-CONTRACTING RECORD

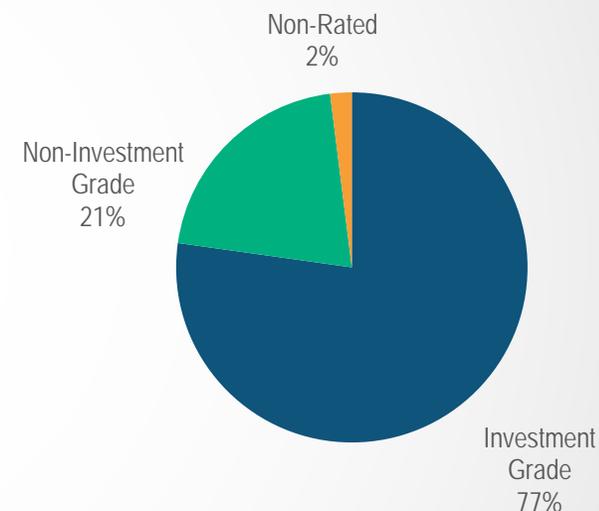
Questar Pipelines' longstanding customer relationships and successful re-contracting history demonstrates the business' role as critical, strategic infrastructure for its customer base

Top 15 Customers Relationship History

- Top 15 customers make up ~80% of total revenue with average historical customer relationship length of ~49 years
- ~5-year weighted average transportation contract length with ~91% take-or-pay revenues
- Diversified customer base with majority of customer contracts driven by demand-pull dynamics and strategic needs, leading to long-term relationships

Customer	Utility/LDC	Power & Industrials	Pipeline	Marketer	E&P
Average Customer Relationship Length ¹	82 Years	26 Years	16 Years	19 Years	20 Years
Remaining Contract Length ²	5 Years	11 Years	5 Years	3 Years	2 Years
% of Transportation and Storage Revenues ²	42%	7%	18%	18%	16%
Weighted Average Credit Rating ¹	Baa1/BBB+	A3/A	Ba1/BB+	Baa2/BBB	Baa2/BBB

Top 15 Customers—Credit Profile

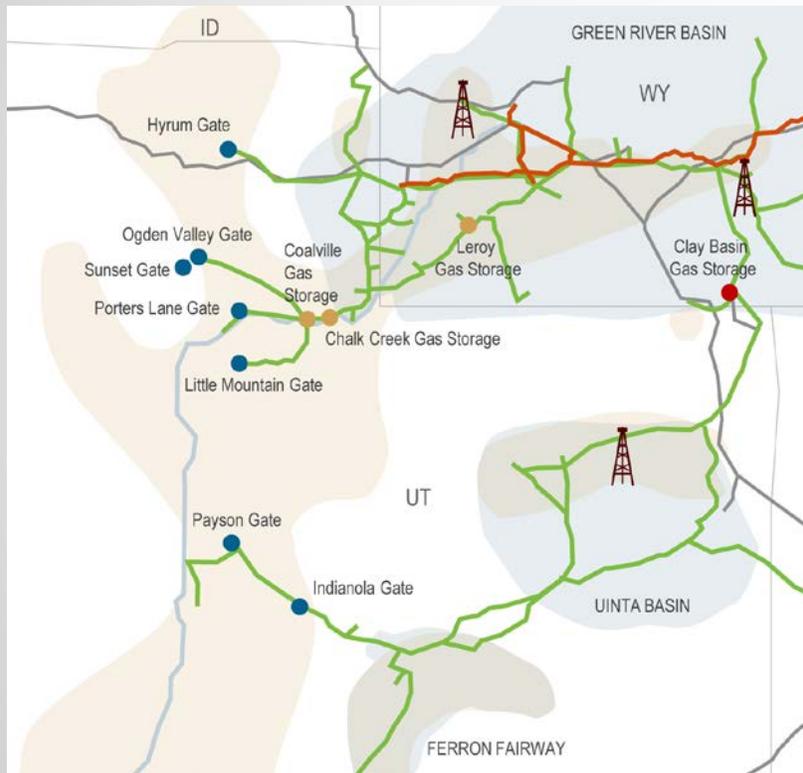


Questar Pipelines serves as a critical platform and key intermediary for its high-quality, long-term customer base, minimizing re-contracting risk

HIGHLY ATTRACTIVE “ANCHOR” CUSTOMER IN QUESTAR GAS COMPANY

Questar Pipeline was originally constructed specifically to serve Questar Gas Company’s needs

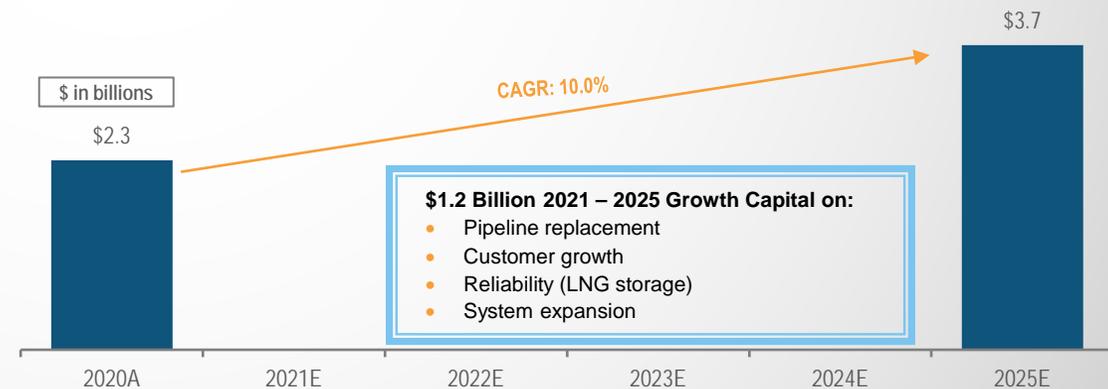
Strategically Linked to Questar Gas Company



Key Customer Highlights

- **Questar Gas Company is a highly attractive “anchor” customer with above-average customer growth**
 - Investment grade rating (A3/BBB+)
 - Represents ~32% of Questar Pipelines’ annual revenue

Questar Gas Company Rate Base Growth¹



NATURAL GAS INFRASTRUCTURE GETS THE JOB DONE

Questar Pipelines reinforces our energy transition thesis that natural gas infrastructure is the best option to balance customer needs and greenhouse gas reduction objectives

Despite Market Challenges...

INCREASING ENERGY DEMAND

GLOBAL SUPPLY DISRUPTIONS

EXTREME WEATHER EVENTS

...Natural Gas Meets Customer Needs...

RELIABILITY AND RESILIENCY

ENERGY SECURITY

AFFORDABILITY AND EQUITY

...and Delivers GHG Reductions...

COAL REPLACEMENT

RENEWABLE POWER SUPPORT

RNG / RSG PATHWAYS

FUTURE H2 / CO2 PATHWAYS

DEEP DECARBONIZATION

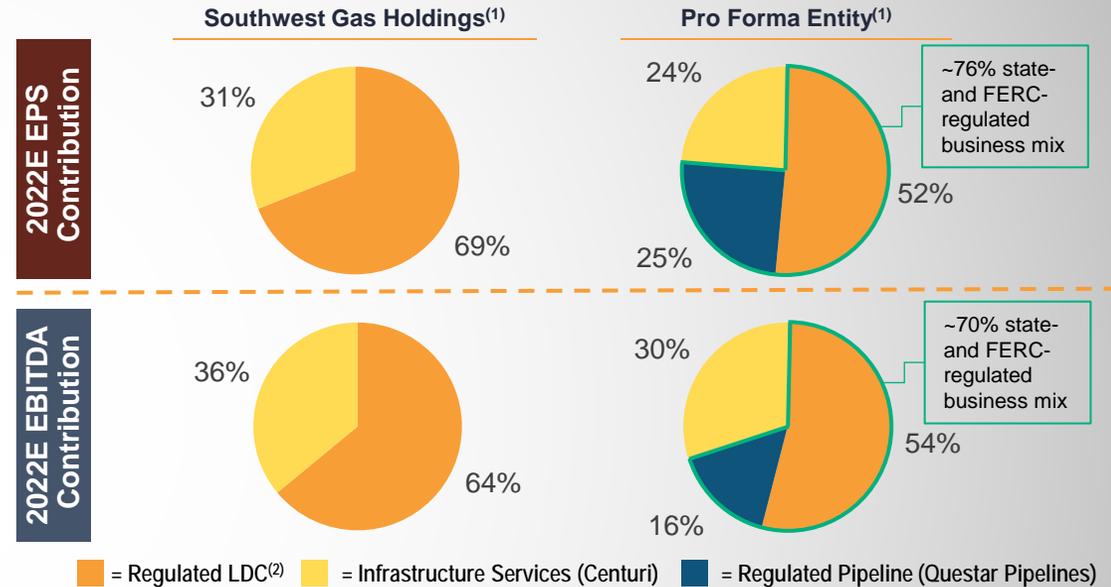
...Resulting in Economic Durability, Sustainability and Shareholder Returns

QUESTAR PIPELINES ENHANCES SOUTHWEST GAS HOLDINGS' BUSINESS PROFILE

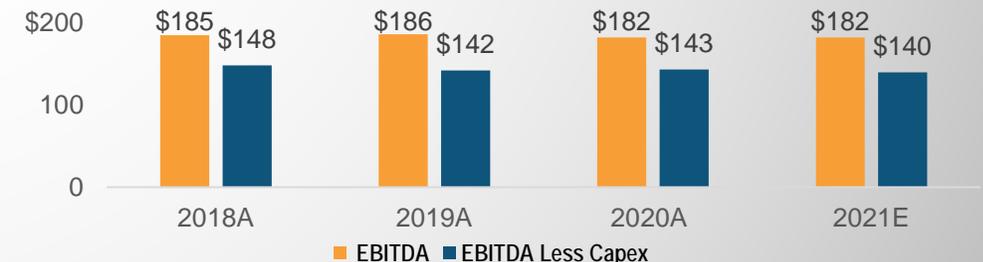
Complementary "Regulated" Assets...

Business Attributes	Gas LDC and Great Basin	Questar Pipelines	Overall Regulated Business
REGULATED RETURNS			
State regulation	✓		✓
FERC regulation	✓	✓	✓
CASH FLOWS			
Rate regulated returns	✓	✓	✓
Customer contracts	✓	✓	✓
GROWTH VS CAPITAL RETURNS			
Organic growth investment	✓	✓	✓
Strong free cash flow		✓	✓
INFRASTRUCTURE			
Gas pipeline	✓	✓	✓
Gas storage	✓	✓	✓
CUSTOMER ORIENTATION			
Retail	✓		✓
Transportation and storage	✓	✓	✓

...Rebalance the Business Mix...



...And Generate Strong Cash Flows (\$mm)



FINANCING PLAN

- SWX has arranged committed financing of \$1.6 billion
 - 364-day term loan will be funded at close to allow SWX to strategically time takeout financing
- Permanent transaction financing to have a significant equity component
 - Common equity and equity-linked instruments of \$900 million - \$1 billion
 - Investment-grade bonds and \$430 million of assumed debt
 - Permanent financing structure will be refined post-signing with debt and equity takeout expected by May 2022
 - Significant equity and equity-linked financing maintains a healthy SWX balance sheet
- Expected to be accretive to earnings per share in 2022 (first full year after close)

Maintains healthy SWX consolidated balance sheet and delivers earnings accretion

TRANSITION PLAN

- Transition Services Agreement (TSA)
 - Purchase agreement contemplates a TSA with Dominion, which will be executed prior to closing
 - Will work with Dominion to ensure a smooth transition of employees and systems
- Structure of Questar Pipelines
 - Questar Pipelines will operate out of Salt Lake City as a standalone entity under SWX
 - Will be looking to round out local Questar Pipelines leadership and fill staffing needs
- New branding opportunity
 - Will phase out use of the Questar Pipelines name following transaction close
 - New branding to be announced at or subsequent to transaction close

Planning ahead to ensure transition and integration efforts are successful

SWX: A COMPELLING INVESTMENT FOR SHAREHOLDERS

- **Committed to creating long-term shareholder value:**
 - EPS growth from complementary infrastructure-focused businesses
 - Dividend support and cash flow production
 - Healthy balance sheet
 - Enhanced ESG profile
- **Questar Pipelines creates incremental value for SWX and its shareholders in a number of ways:**
 - Increases SWX's regulated business mix
 - Further regulatory diversification
 - Incremental strategic optionality underpinned by earnings/cash flow accretion and financial stability
 - Balance sheet benefits from prudent equity content of financing plan
 - Potential adjacent energy transition opportunities
 - Additional cash flow support from tax step-up
 - Enhances dividend growth prospects, as well as strength and resiliency of the dividend
- **Near-term focus areas:**
 - Transaction execution and financing
 - Successful onboarding of Questar Pipelines
 - Delivering on expectations
 - Ongoing shareholder engagement

