



Southwest Gas HOLDINGS

Southwest Gas Holdings Subsidiary Centuri Group to Acquire Riggs Distler, Strengthening Centuri's Position as a Leading North American Utility Infrastructure Services Company

June 29, 2021

Transformational Transaction Will Expand Centuri's Offerings with Unionized Electric Services Platform and Geographic Reach into Northeast and Mid-Atlantic

Delivers Greater Scale, Increased Profit Margins, and Growth Opportunities across the Established Blue-chip Customer Base and Footprint

Expected to be Accretive to Southwest Gas Holdings' Earnings in the First Full Year of Ownership

All-Cash Purchase Expected to be Fully Funded by New Centuri Debt

LAS VEGAS, June 29, 2021 /PRNewswire/ -- Southwest Gas Holdings, Inc. (NYSE: SWX) announced today that its wholly-owned subsidiary, Centuri Group, Inc. ("Centuri"), has entered into a definitive agreement under which Centuri will acquire Riggs Distler & Company, Inc. and its affiliates ("Riggs Distler"). Founded in 1909, and based in Cherry Hill, New Jersey, Riggs Distler has extensive relationships and long-term Master Service Agreements (MSA) with nearly all of the major investor-owned electric utilities in the Northeast and Mid-Atlantic regions and provides unionized installation and repair services to its utility customers.

"This is an exciting and transformational acquisition for Centuri that will grow and diversify its utility services platform, while opening up exciting new opportunities in electric utility services, renewable energy, and 5G telecom," said John P. Hester, President and Chief Executive Officer of Southwest Gas Holdings. "Consistent with our excellent track record from prior acquisitions, we are confident this transaction will deliver significant growth opportunities for Centuri and long-term value for Southwest Gas Holdings shareholders by building upon our fundamental business strategies of operational excellence, strategic growth, and financial stewardship across both segments of our business. In addition, the Riggs Distler acquisition will further enhance the powerful synergy of knowledge gained and shared through front-line experience in diverse geographic markets across our utility and infrastructure platforms."

Under the terms of the transaction, Centuri will acquire a 100% ownership interest in Riggs Distler for \$855 million in cash subject to customary adjustments, including working capital. The all-cash purchase is expected to be fully funded by new Centuri debt.

The transaction, which is expected to be accretive to SWX earnings in the first full year following its completion, will broaden Centuri's electric services platform to include 5G telecom and renewables services, where Riggs Distler helps utility customers design, build and integrate essential decarbonization solutions including deployment of smart meters, electric vehicle charging stations, battery storage and microgrids. The acquisition will expand Centuri's operating footprint into new markets in the Northeast and Mid-Atlantic region and allow it to serve additional customers with an increased array of complementary capabilities and partner with those customers on their long-term programmatic infrastructure spending plans. The transaction also will enhance Centuri's utility service offerings for existing customers, further positioning the combined companies for future growth.

Paul M. Daily, President and Chief Executive Officer of Centuri, said, "Our targeted acquisition strategy has prioritized expanding our unionized electric utility services, geographic reach and customer base, and this transaction meets all of our criteria. Riggs Distler is an exceptional company with a strong, seasoned leadership team and substantial growth trajectory. This is an excellent opportunity to expand our services, and importantly, to add a unionized electric utility services platform to our current utility infrastructure portfolio, materially advancing our goal to provide 360 degrees of service to our utility infrastructure customers. We believe there are substantial growth opportunities for the combined organizations, and we are committed to providing the resources and operational support to ensure a highly successful partnership."

Stephen Zemaitis Jr., President and Chief Executive Officer of Riggs Distler, said, "We are proud to join Centuri, a company that shares our century old core values of commitment to safety, operational excellence, and delivering high quality, competitive, and essential services to customers. United, we will benefit from greater financial strength, growth and diversification. We look forward to creating long-term value for all stakeholders, including world-class service for our customers and solid opportunities for our employees."

The transaction is expected to close in the third quarter of 2021, subject to Hart Scott Rodino clearance and other customary closing conditions. Following the close of the transaction, Riggs Distler will operate as a standalone subsidiary of Centuri within its Power Group and will continue to be led by Mr. Zemaitis and its current senior leadership team.

Southwest Gas Holdings will host a conference call with analysts today at 8:30 a.m. EDT / 5:30 a.m. PDT. To listen to the conference call via the Internet, please visit the investor relations section of Southwest Gas Holdings' [website](#). To listen to the conference call via telephone, please call (877) 419-3678 (domestic) or (614) 610-1910 (international), Conference ID: 2489927. A replay of the call will be available from 12:00 p.m. EDT on June 29, 2021 through 12:00 p.m. EDT on July 9, 2021. To listen to the replay of the conference call via telephone, please call (855) 859-2056 (domestic) or (404) 537-3406 (international), Conference ID: 2489927.

UBS Investment Bank served as the exclusive financial advisor to Centuri, while the firm of Foley & Lardner, LLP served as legal advisors to Centuri on the transaction. Morrison & Foerster LLP served as legal advisor to Southwest Gas Holdings. Harris Williams & Co. served as financial advisor to Riggs Distler and Kirkland & Ellis LLP as legal counsel.

About Southwest Gas Holdings, Inc.

Southwest Gas Holdings has two business segments:

Southwest Gas Corporation provides safe and reliable natural gas service to over 2 million customers in Arizona, California and Nevada.

Centuri Group, Inc. is a comprehensive utility infrastructure services enterprise dedicated to delivering a diverse array of solutions to North America's gas and electric providers.

About Riggs Distler & Co., Inc.

Founded in 1909, Riggs Distler self-performs turnkey union construction solutions in the utility, telecom, and industrial markets in the Northeast and Mid-Atlantic regions.

Forward-Looking Statements

This press release may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 Riggs Distler, the anticipated timing for closing the transaction, the anticipated timing and impact to our earnings, our expectations regarding our ability to integrate Riggs Distler, and our expectations with respect to the impact of the Riggs Distler acquisition on our Centuri infrastructure business. No assurance can be given that the Riggs Distler acquisition will be completed on the terms described, or at all, or that we will achieve the anticipated benefits. Completion of the Riggs Distler acquisition is subject to numerous risks and conditions, many of which are beyond the control of the Company, including market conditions, general economic conditions 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.



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