



Southwest Gas HOLDINGS

Southwest Gas Board Determines Best Path to Maximize Stockholder Value: Conclude Strategic Alternatives Review Process for Southwest Gas Holdings and Southwest Gas Corporation and Advance Process for Centuri and MountainWest

August 3, 2022

LAS VEGAS, Aug. 3, 2022 /PRNewswire/ -- Southwest Gas Holdings, Inc. (NYSE: SWX) ("Southwest Gas" or the "Company") today provided an update on the Company's ongoing strategic alternatives process that was initiated on April 18, 2022. The Southwest Gas Board of Directors (the "Board") has unanimously determined that the best path forward to maximize value for all stockholders is to:

- Focus on the execution of the strategic plan and conclude the strategic review process for Southwest Gas and Southwest Gas Corporation;
- Continue to review strategic alternatives for MountainWest Pipelines Holding Company ("MountainWest"); and
- Continue to review strategic alternatives for Centuri Group, Inc. ("Centuri"), including a sale or a spin-off of Centuri.

E. Renae Conley, Chair of the Board, said:

After carefully evaluating all indications of interest, and considering Southwest Gas Corporation's strong long-term rate base growth, improving earned ROEs and favorable demographics, we believe that the best alternative to maximize the value of the utility for stockholders is to continue to execute our strategic plan at the utility. We recognize that we have a great asset and a strong opportunity to optimize the utility. Southwest Gas Corporation is well positioned with significant population growth, strong demand across its service territories and expanded services for renewable natural gas and compressed natural gas delivery. Our constructive relationships with regulators, and our collaborative approach to working with all stakeholders, will continue to position Southwest Gas Corporation for success as we meet the energy needs of our customers throughout our service territories and build upon the strong rate base capture and near record growth and revenues that we delivered in 2021.

The Board also determined to advance the processes to maximize the value of Centuri and MountainWest. As such, we continue to assess the opportunity to realize the value of Centuri, one of the nation's leading utility infrastructure services providers, either via a sale or spin-off, and also a sale of MountainWest, a unique and structurally advantaged asset.

We are confident that Southwest Gas Corporation is poised for growth and value creation while we continue to deliver on our safety promise, provide excellent service to our customers, create new opportunities for employees and provide energy solutions within an evolving energy landscape.

Consistent with the May 6, 2022 Cooperation Agreement with Icahn Capital LP and affiliates, the Company expects José A. Cárdenas to step down from the Board shortly, and a new director will be appointed.

Southwest Gas does not intend to make any further public comment regarding the strategic alternatives review process until it has been completed or the Company determines that a disclosure is required. Any transaction will be subject to closing contingencies and no assurances can be given regarding the outcome or timing of the alternatives process or any transaction closing.

Southwest Gas will report second quarter 2022 financial results on August 9, 2022.

Moelis & Company LLC is serving as financial advisor to the Strategic Transactions Committee of the Board. Lazard and UBS Investment Bank are serving as financial advisors to Southwest Gas and Morrison & Foerster LLP is serving as legal advisor.

About Southwest Gas Holdings, Inc.

Southwest Gas Holdings, Inc., through its subsidiaries, engages in the business of purchasing, distributing and transporting natural gas, and providing comprehensive utility infrastructure services across North America. Southwest Gas Corporation, a wholly owned subsidiary, safely and reliably delivers natural gas to over two million customers in Arizona, California and Nevada. The Company's MountainWest subsidiary provides natural gas storage and interstate pipeline services within the Rocky Mountain region. Centuri Group, Inc., a wholly owned subsidiary, is a strategic infrastructure services company that partners with regulated utilities to build and maintain the energy network that powers millions of homes and businesses across the United States and Canada.

Important Information Regarding Forward-Looking Statements


This communication 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 Southwest Gas Holdings, Inc. (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", "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 expectations with respect to a separation of Centuri, the potential sale of MountainWest, the future performance of the Company and Southwest Gas Corporation. 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 results of the strategic review being undertaken by the strategic transactions committee of the Company's board of directors, the timing and amount of rate relief, changes in rate design, customer growth rates, the effects of regulation/deregulation, tax reform and related regulatory decisions, the impacts of construction activity at Centuri, whether the Company will separate Centuri and the impact to

the Company's results of operations and financial position from a separation, the potential for, and the impact of, a credit rating downgrade, the costs to integrate MountainWest, future earnings trends, inflation, sufficiency of labor markets and similar resources, seasonal patterns, the cost and management attention of 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. Likewise, the Company can provide no assurance that discussions regarding utility infrastructure services segment revenues, EBITDA as a percentage of revenue, and interest expense will transpire, nor assurance regarding potential transactions or their impacts, including management's plans or expectations related thereto, including with regard to Centuri or MountainWest. Factors that could cause actual results to differ also include (without limitation) those discussed under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K and in the Company'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. The statements in this communication are made as of the date of this communication, even if subsequently made available by the Company on its Web site or otherwise. 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.

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