

AGA Financial Forum Fort Lauderdale, FL

May 21-23, 2019



Southwest Gas[™]
HOLDINGS



SOUTHWEST GAS



CENTURI

Safe Harbor Statement



Southwest Gas[™]
HOLDINGS

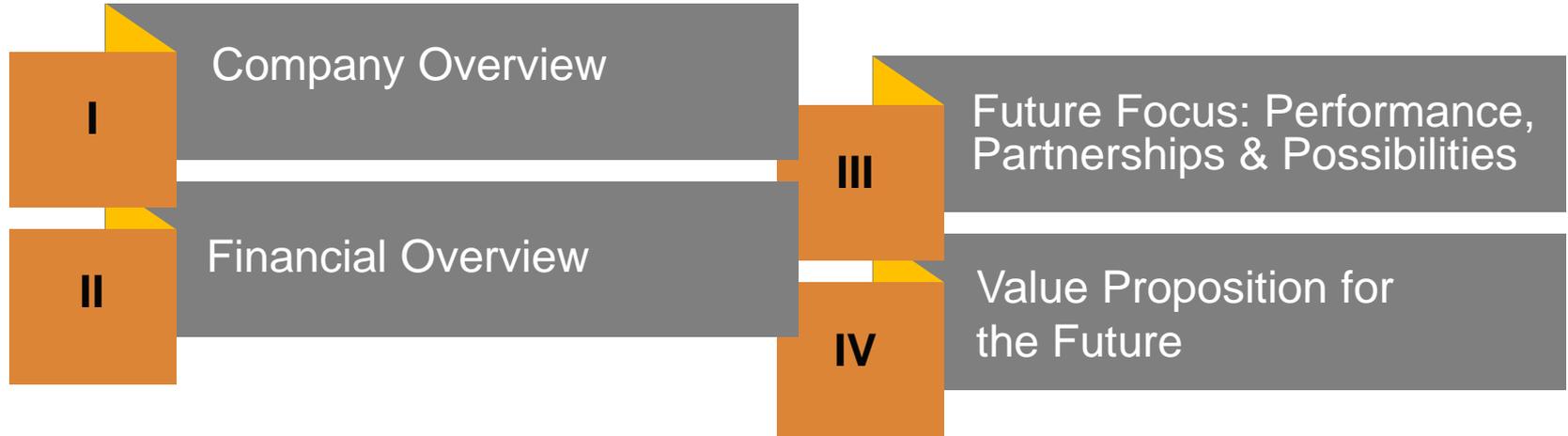
This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission (“SEC”). We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, 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. These include, without limitation, our 2019 expectations for our utility infrastructure services and natural gas operations segments, projected natural gas operations customer growth through 2021, estimated natural gas operations capital expenditures through 2021, our 2019 EPS guidance and expected long-term value drivers, as well as statements regarding our expansion projects and other investment opportunities.

Forward-looking statements are based on assumptions which we believe are reasonable, based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk 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” of our most recent Annual Report on Form 10-K filed with the SEC, and other reports that we file with the SEC from time to time, and the following:

- The timing and amount of rate relief;
- Changes in operating expenses;
- Changes in rate design, infrastructure tracking mechanisms;
- Customer growth rates;
- The effects of regulation/deregulation;
- The impacts of construction activity at our infrastructure services segment;
- The impacts from acquisitions;
- The impacts of stock market volatility; and
- Other factors discussed from time to time in our filings with the SEC.

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 Web site 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.

Presentation Outline





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Company Overview

Business Mix

\$198M
Net Income*



REGULATED

Natural gas distribution services to 2 million customers in Arizona, California & Nevada

76%



DIVERSIFIED UTILITY BUSINESS

A diversified utility services provider for customers across North America



UNREGULATED

Utility infrastructure services in 28 markets across the United States and Canada

24%



* Twelve months ended March 31, 2019

Natural Gas Operations



2 Million

customers & growing

Largest

LDC in AZ and NV

Ranked one of the top utilities

**Easiest To Do
Business With**

Customer Effort index scores
by Cogent Reports™



■ Natural Gas Operations
Service Territories

— Paiute Pipeline

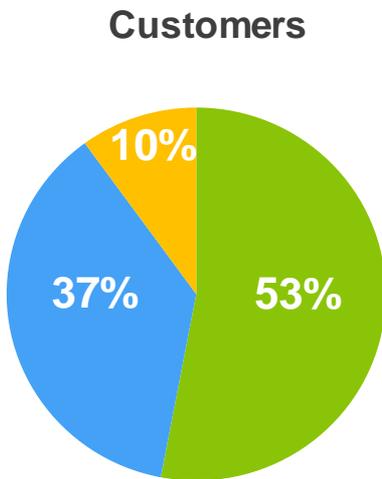
Stable Customer Base

Natural Gas Operations

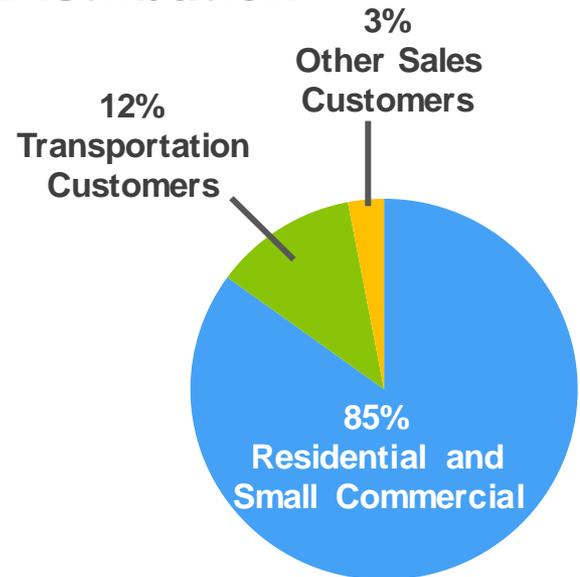
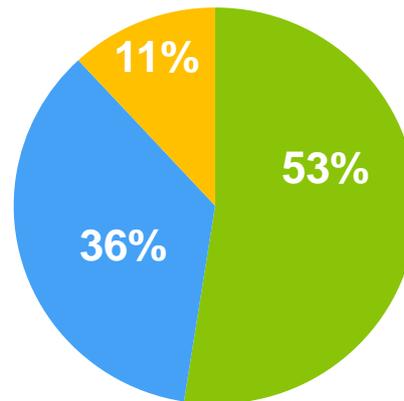


Twelve months ended March 31, 2019
Customer & Operating Margin Distribution

By State



- Arizona
- Nevada
- California



Consistent trends year over year

Utility Infrastructure Services

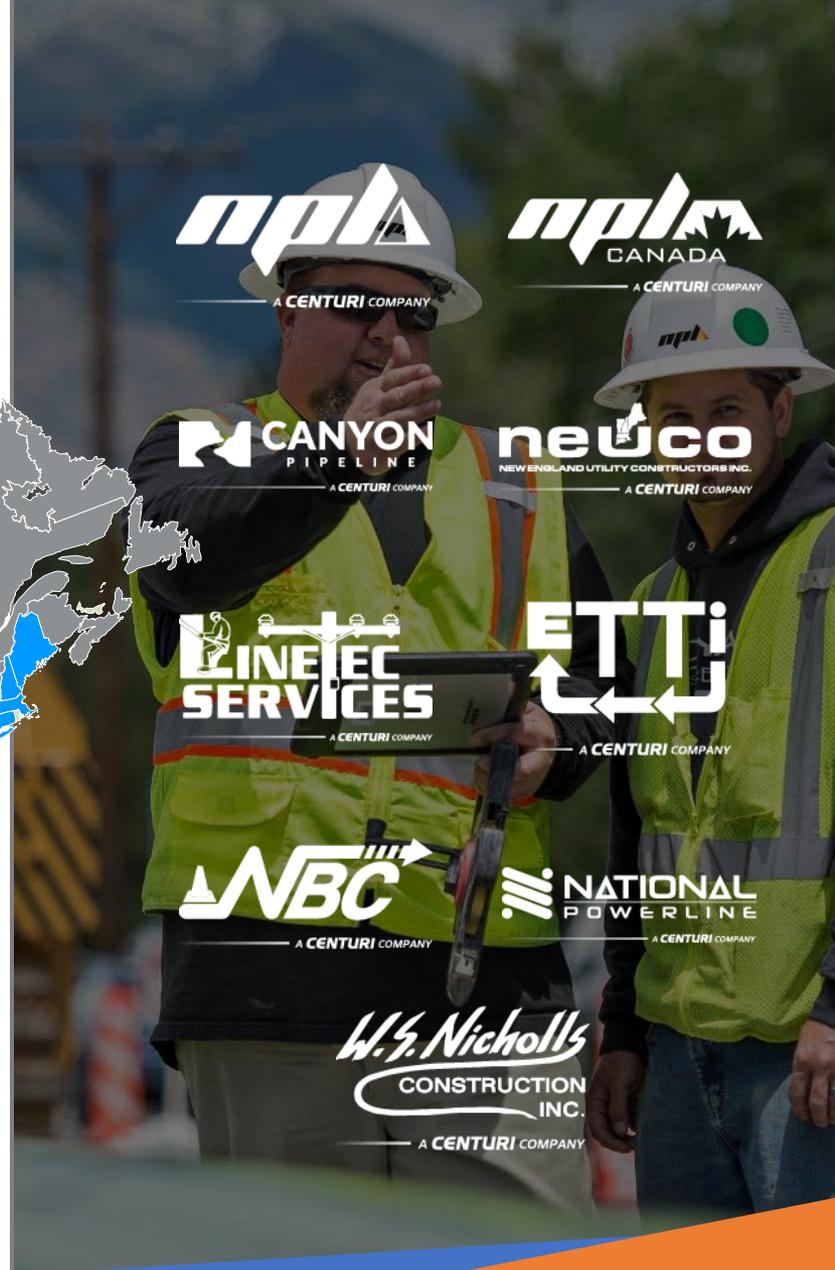


CENTURI



- Centuri
- Centuri & Linetec
- Linetec

One of North America's **largest** underground pipeline contractors



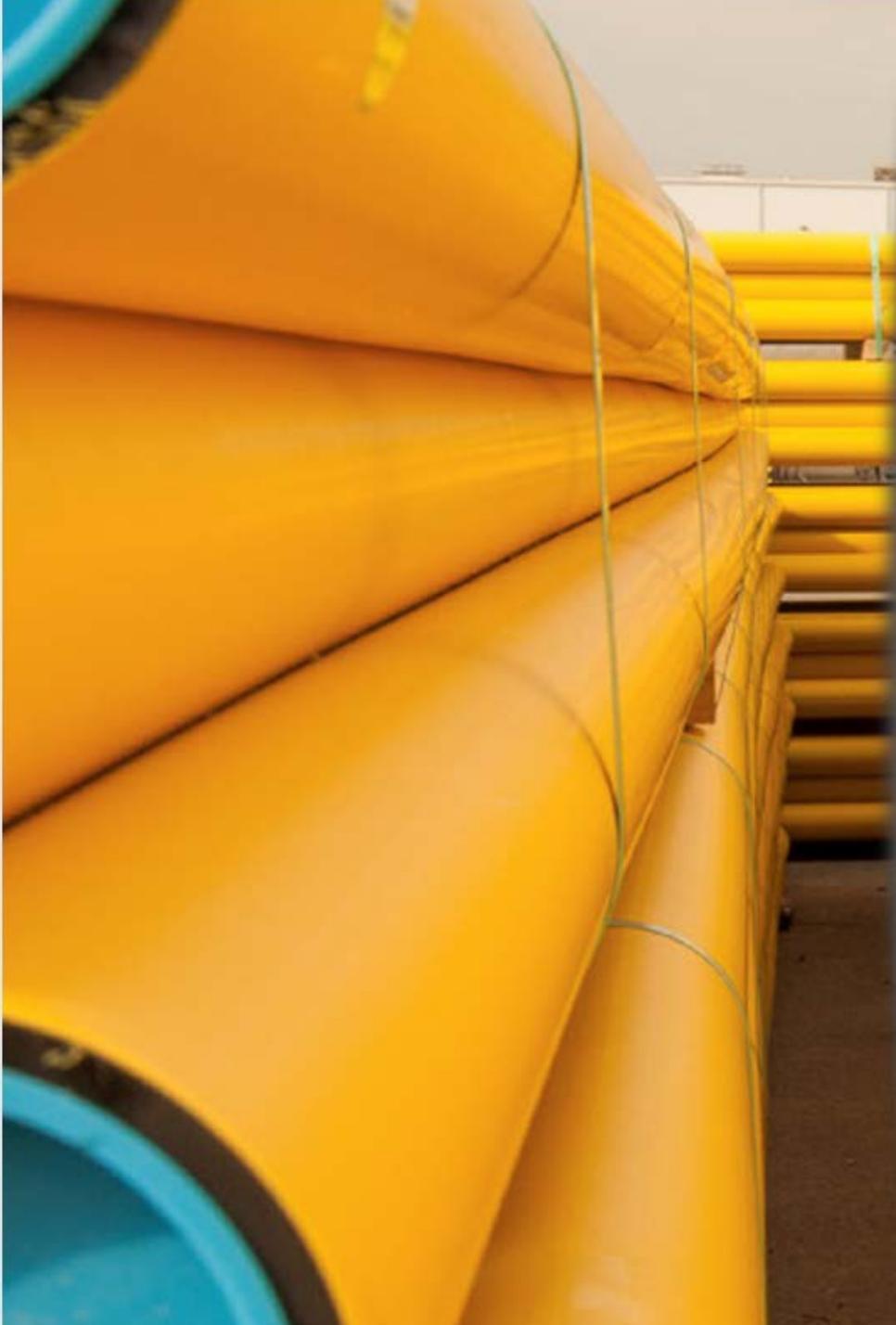
Utility Infrastructure Services



20+ YEARS

Average customer relationship





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Financial Overview

2019 Highlights



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Consolidated Results

- Diluted EPS of \$3.91 for twelve months ended March 31, 2019
- Dividend increase for the 13th straight year (\$0.10 increase to \$2.18 annually)
- Reaffirm 2019 EPS guidance range of \$3.75 to \$4.00

Natural Gas Segment

- Added 32,000 net new customers (1.6% growth rate)
- Arizona general rate case filed in May 2019
- Quarterly financial results positively impacted by COLI results

Utility Infrastructure Services Segment

- Revenues increased \$52.8 million (\$47.6 million resulting from Linetec)
- Quarterly net loss improved by \$3 million

Summary Operating Results

(In thousands, except per share amounts)



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	THREE MONTHS ENDED MARCH 31,		TWELVE MONTHS ENDED MARCH 31,	
	2019	2018	2019	2018
Results of Consolidated Operations				
Gas operations income	\$ 103,389	\$ 90,349	\$ 151,882	\$ 170,229
Infrastructure services income (loss)	(8,031)	(11,001)	47,947	34,693
Other - corporate and administrative	(549)	(257)	(1,834)	(1,298)
Net income	<u>\$ 94,809</u>	<u>\$ 79,091</u>	<u>\$ 197,995</u>	<u>\$ 203,624</u>
Basic earnings per share	<u>\$ 1.78</u>	<u>\$ 1.63</u>	<u>\$ 3.91</u>	<u>\$ 4.23</u>
Diluted earnings per share	<u>\$ 1.77</u>	<u>\$ 1.63</u>	<u>\$ 3.91</u>	<u>\$ 4.23</u>
Average number of common shares	53,369	48,416	50,640	48,105
Average shares (assuming dilution)	53,424	48,459	50,701	48,139



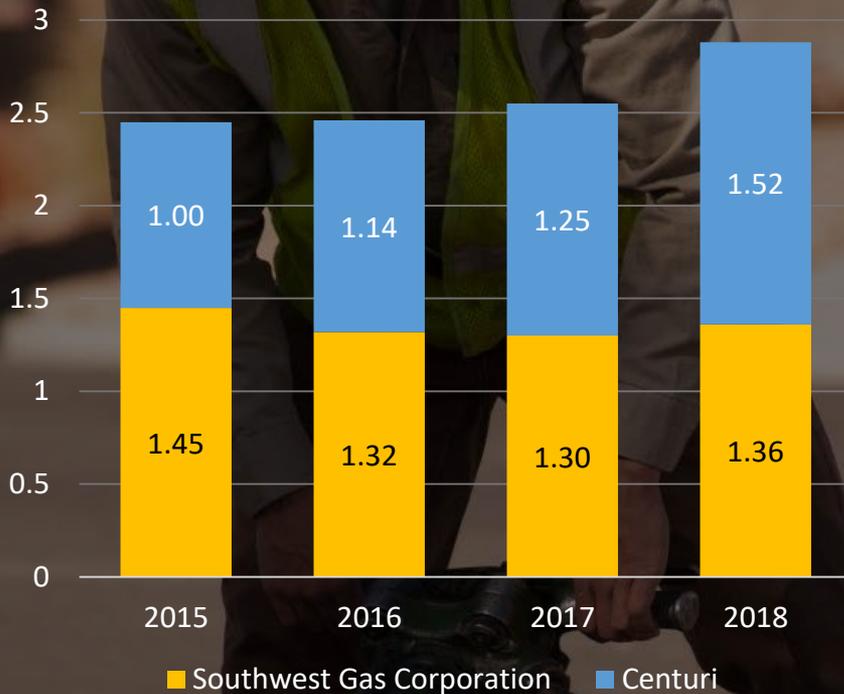
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Future Focus: Performance

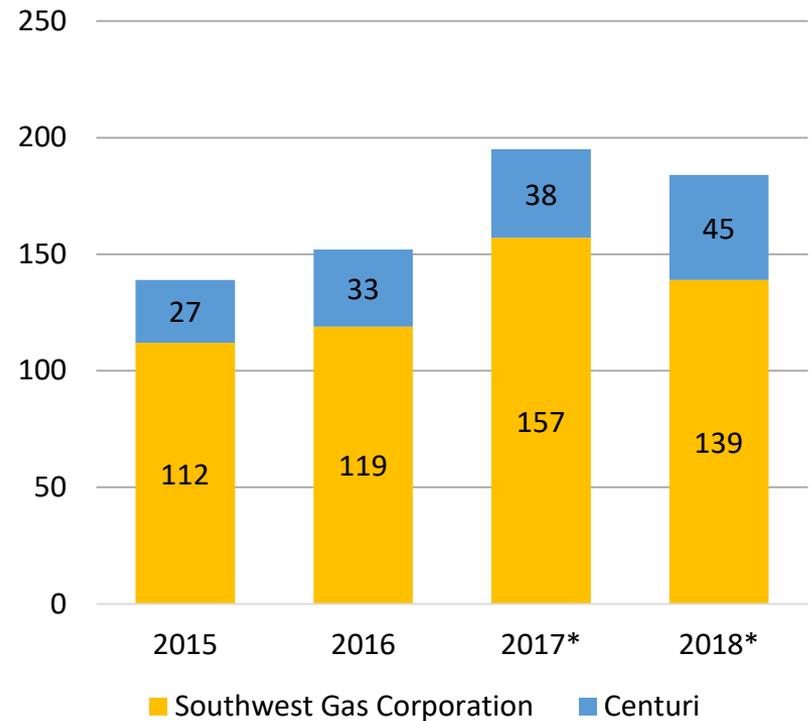
Financial Performance



Annual Revenue History by Segment
(billions of dollars)



Annual Net Income History by Segment
(in millions of dollars)



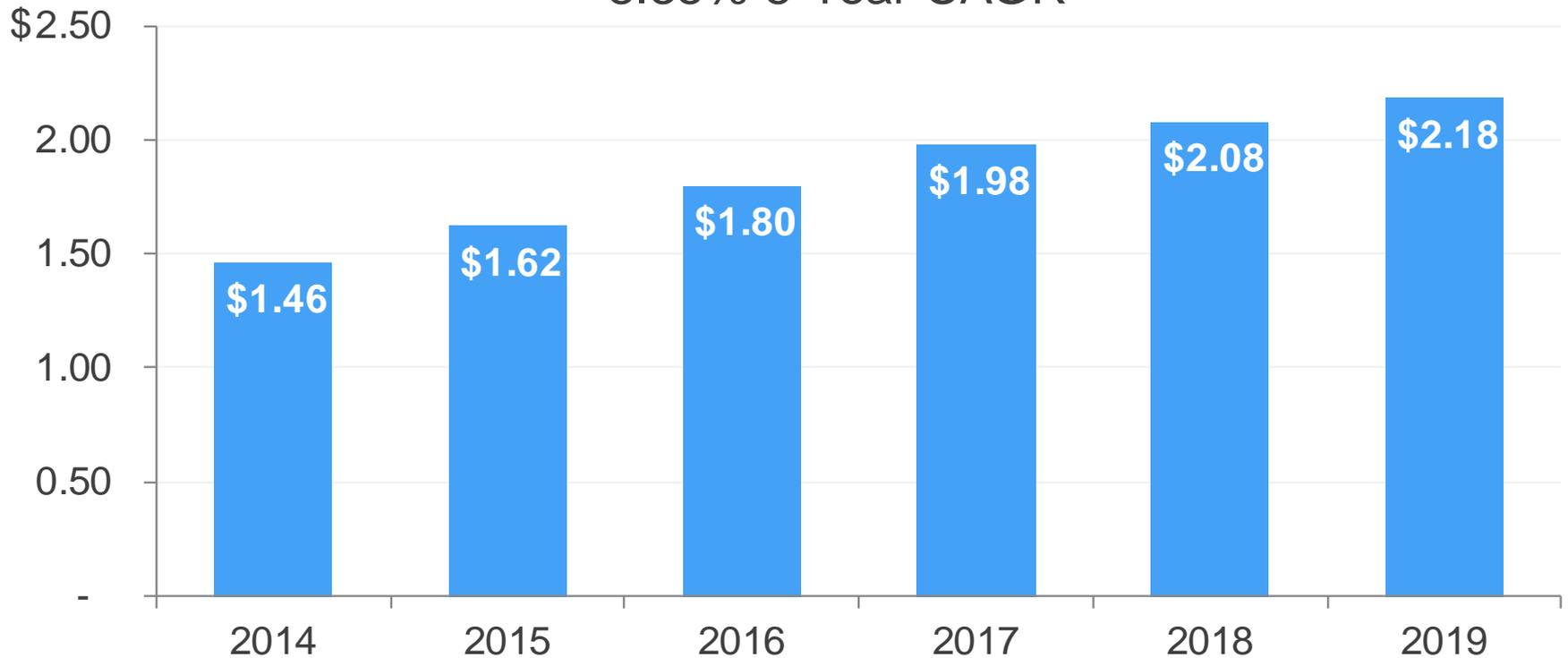
* Excludes corporate and administrative impacts at the holding company.

Dividend Growth



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8.35% 5-Year CAGR



CAGR = compound annual growth rate

Investment Grade Credit Ratings



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Southwest Gas Holdings, Inc.

	Moody's	S&P	Fitch
Issuer Rating	Baa1	BBB+	BBB+
Outlook	Stable	Negative	Stable

Southwest Gas Corporation

	Moody's	S&P	Fitch
Senior Unsecured	A3	BBB+	A
Outlook	Stable	Negative	Stable

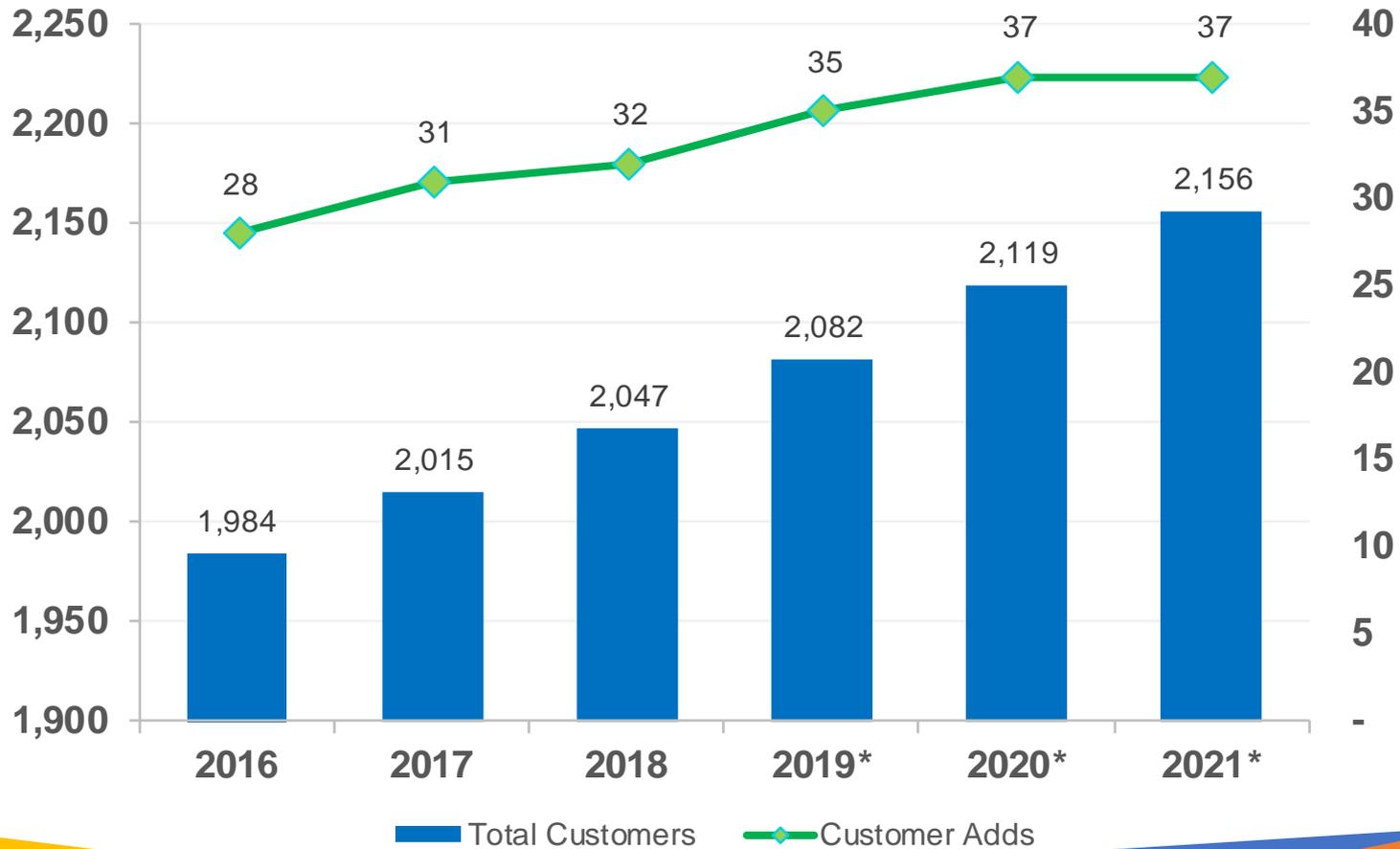
Customer Growth

Natural Gas Operations



SOUTHWEST GAS

Year ended December 31,
(In thousands)



* Projected

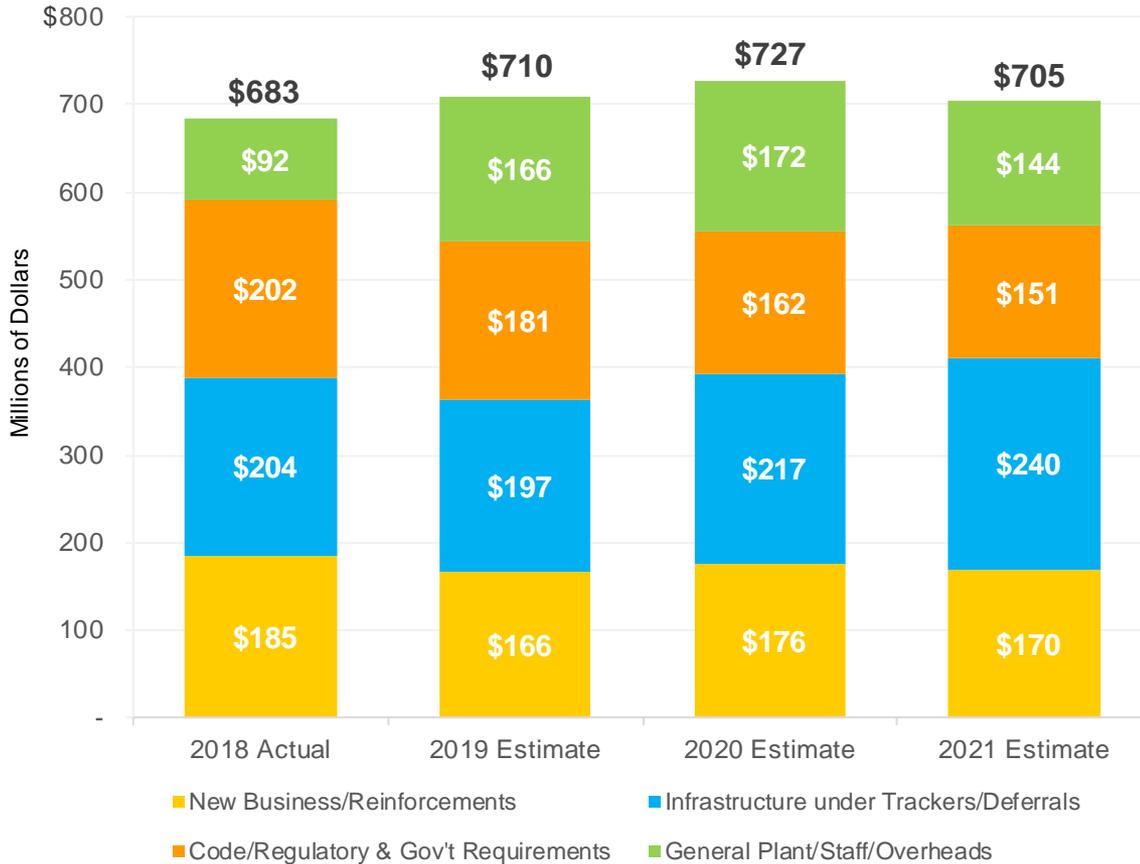
Capital Expenditures

Natural Gas Operations

(In millions)



SOUTHWEST GAS



\$2.1 Billion
Capital Investment
 Estimated 2019-2021

LONG-TERM FINANCING ACTIVITY

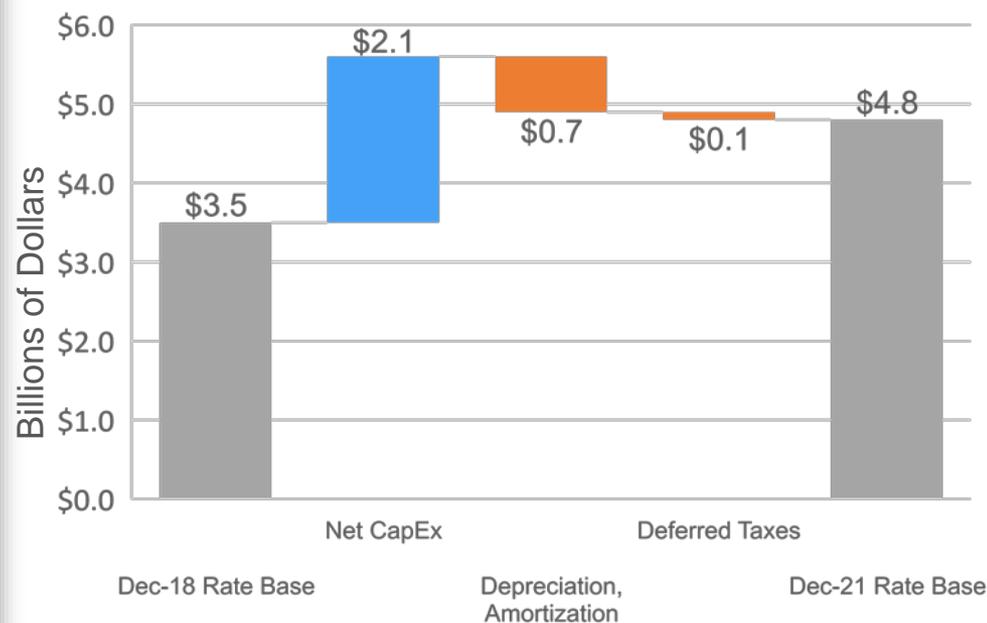
- Expect to fund approximately 45% to 50% through internal cash flow
- Anticipate funding remaining needs through a balance of debt and equity (ATM program)



SOUTHWEST GAS

RATE BASE GROWTH

■ Increase ■ Decrease ■ Total



Projecting 11.1% CAGR in rate base over next three years

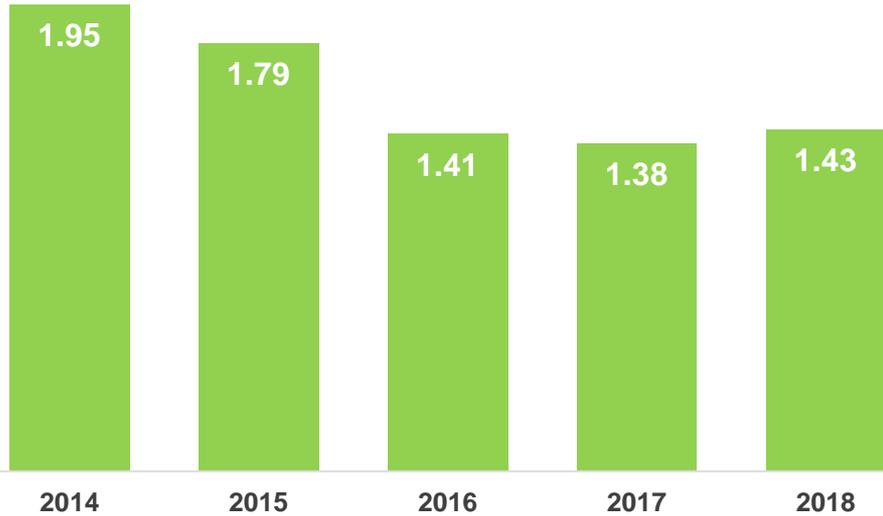
Rate base amounts reflect estimated total investment in facilities necessary to provide utility service. This is different than our authorized rate base, which is the rate base investment that has been approved by our regulatory bodies and that is reflected in rates.

Continued
growth of our
rate base

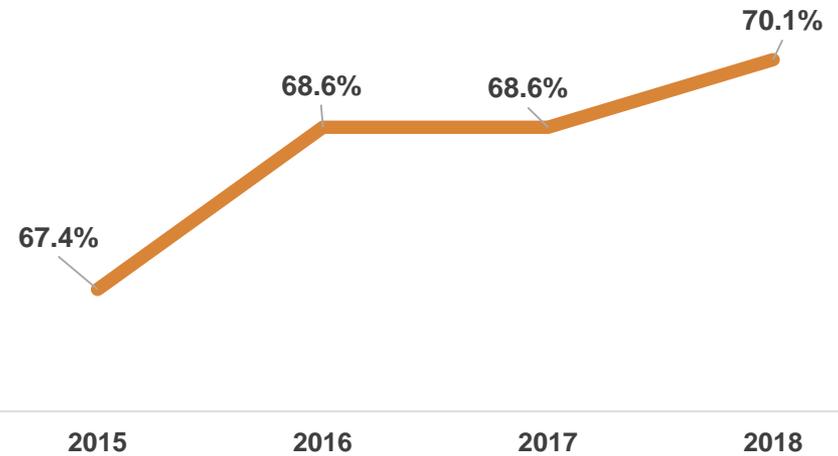
Excellence in Damage Prevention & Emergency Response



Damages per 1,000 tickets



Arrival on scene within 30 minutes





Southwest Gas™
HOLDINGS

Future Focus: Partnerships

Compelling Value Proposition to Customers



Monthly natural gas bill lowest among residential utilities



Sources:

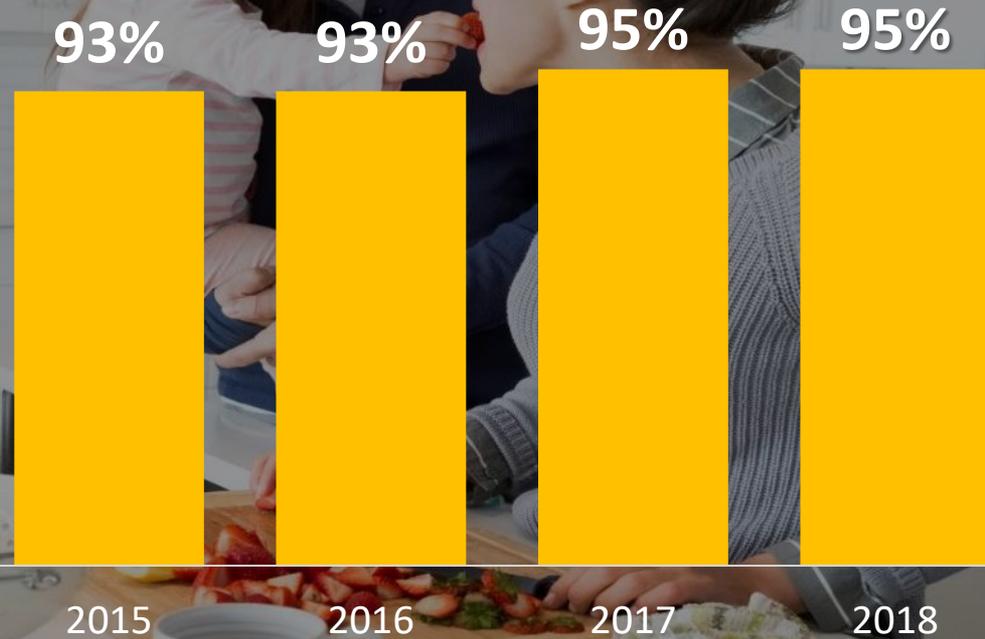
- **Natural Gas \$39** – 2017 Southwest Gas average monthly residential bill
- **Water \$78** – Circle of Blue (www.circleofblue.org); Price of Water 2017: Four Percent Increase in 30 Large U.S. Cities
- **Cable/Satellite TV \$101** – USA Today (www.usatoday.com); TV Rate Hikes: Why Cable Bills are Rising Again and What Can You Do
- **Electric \$123** – U.S. Energy Information Administration (www.eia.gov); Electricity data
- **Mobile Phone** – Federal Communications Commission (<https://apps.fcc.gov>); March 2017 average cell phone bill for 2 smartphones
- **Photo** – Richmond American Homes (www.richmondamerican.com); Granite Falls

Customer Satisfaction



**2018
Customer
Champion**
Cogent Reports™

**2018
Most Trusted
Utility Brand**
Cogent Reports™



Regulatory Collaboration

Natural Gas Operations



SOUTHWEST GAS

Regular rate case filings

- Nevada
- Arizona
- California
- Paiute

Supportive infrastructure cost recovery

- Customer-owned Yard Line (COYL)
- Gas infrastructure recovery (GIR)
- Vintage steel pipe (VSP)
- Mobile home parks

Collaborative growth

- Mesquite
- Southern Arizona LNG project
- 2018 Paiute Pipeline expansion

Serving our Communities



SOUTHWEST GAS

Spread the Word



FUEL for LIFE

Employee Giving
Powered by Southwest Gas

\$2.1M
Employee
donations in
2018

\$1,153
Average
employee
donation
in 2018

81%
Employee
participation
in 2018

Southwest
Gas
Foundation

Spread the Word Nevada



BLUE Building Lives
Up Everywhere.

Employee Volunteerism
Powered by Southwest Gas

8,000
Employee
volunteer
hours
(2016-2018)

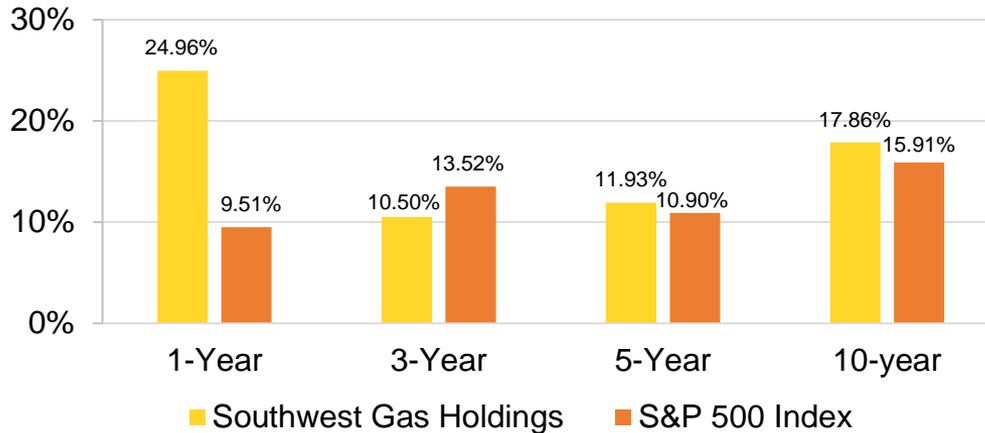
Bill
assistance
programs

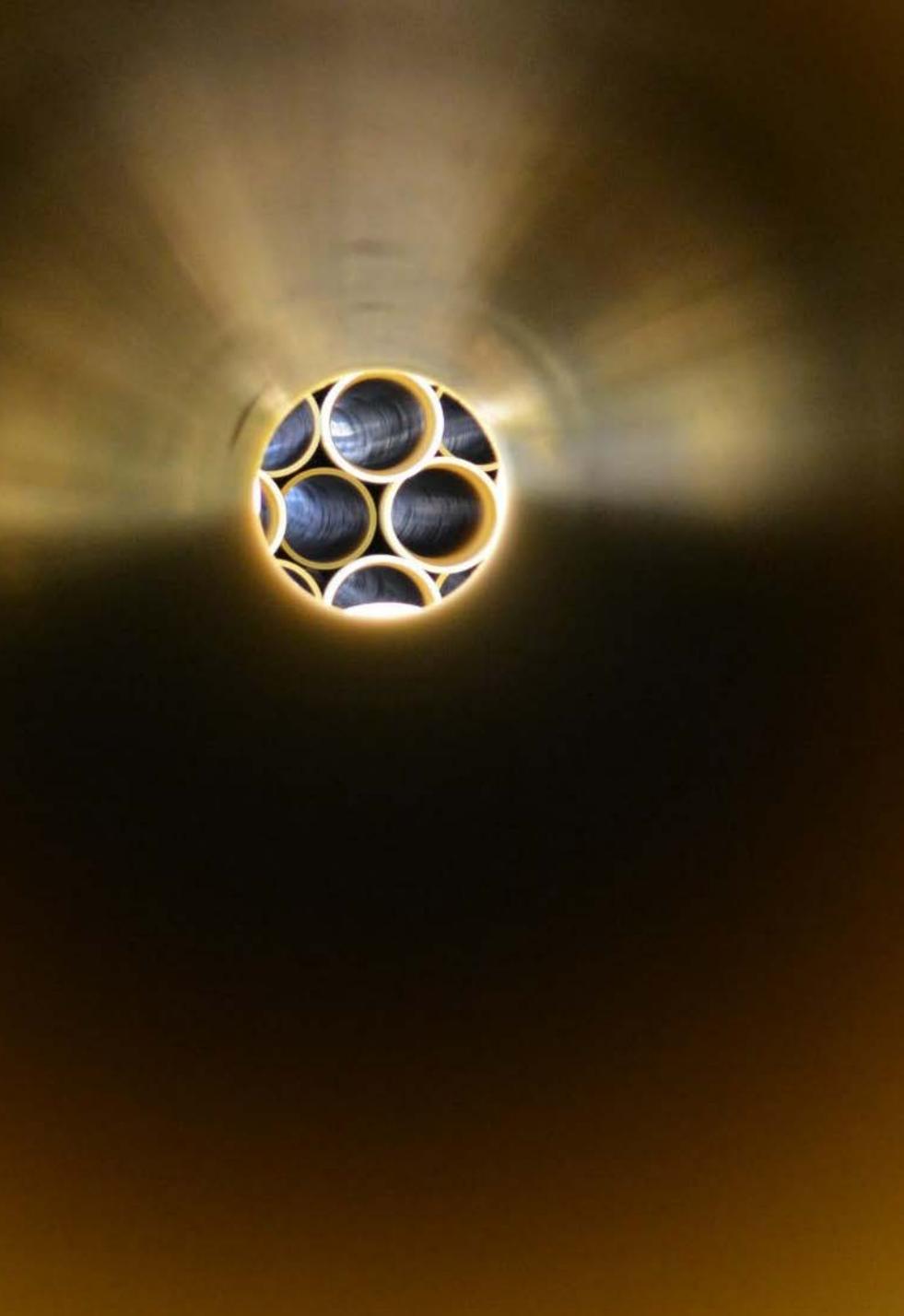
Future Smiles Positively Kids

Investors

- Committed to building long-term shareholder value
- We value input from shareholders and maintain a robust program of shareholder engagement

Total Returns for Periods Ended
March 31, 2019





Southwest Gas™
HOLDINGS

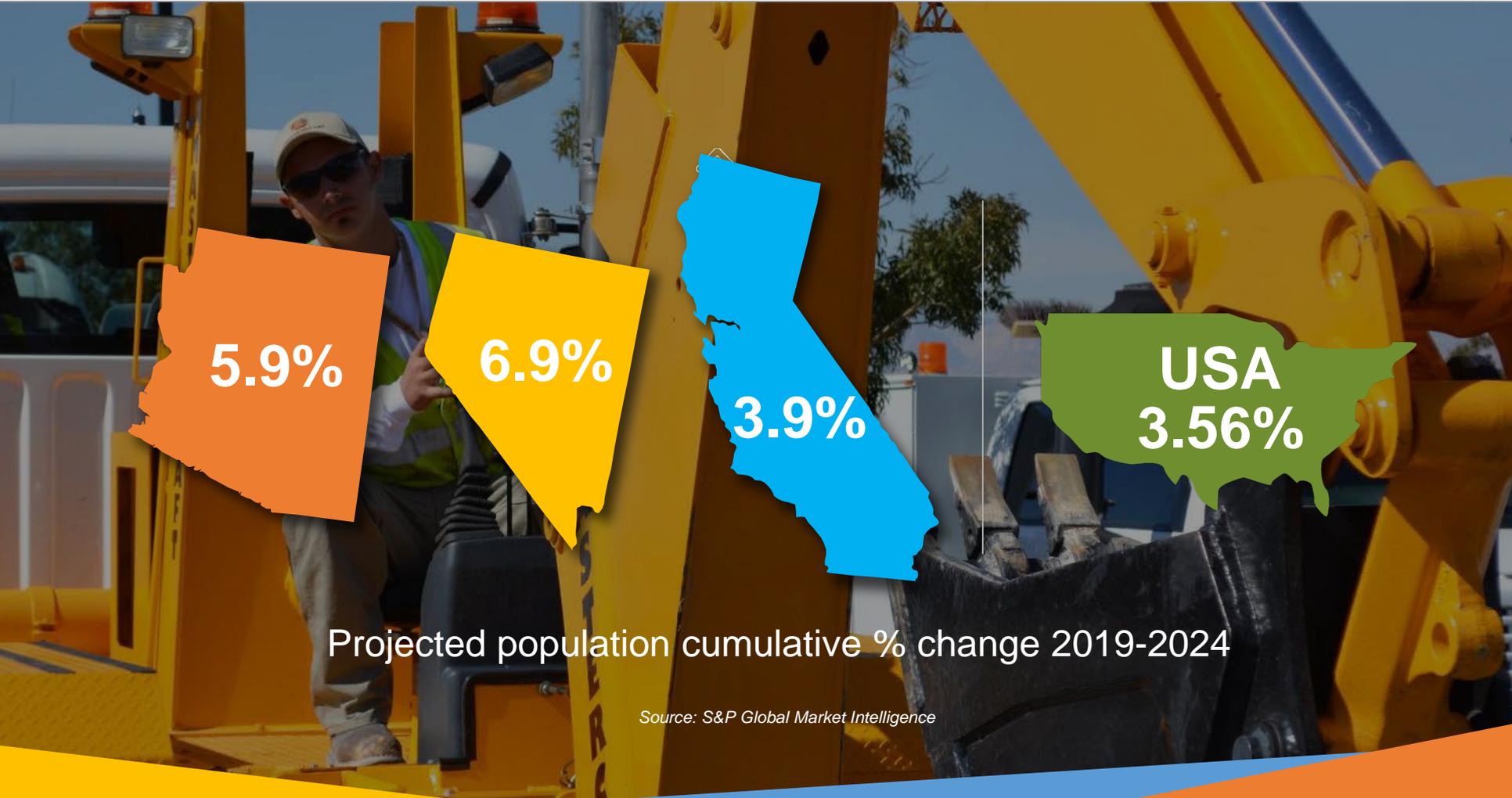
Future Focus: Possibilities

Growth & Economic Conditions

Natural Gas Operations



SOUTHWEST GAS



Projected population cumulative % change 2019-2024

Source: S&P Global Market Intelligence

Economic Expansion

Natural Gas Operations



Resorts World Las Vegas - 2020¹



Palmeraie Phoenix - 2020²



Las Vegas Raiders - 2020³



Raytheon Expansion Tucson - 2020⁴

¹ Source: Resorts World Las Vegas (www.rwlasvegas.com); Media Gallery

² Source: AZ Big Media (azbigmedia.com); \$2 Billion Palmeraie project breaks ground in Scottsdale

³ Source: Las Vegas Review Journal (www.reviewjournal.com); Economists weigh economic impact of stadium for Raiders in Las Vegas

⁴ Source: Arizona Central (www.azcentral.com); Raytheon's \$550 million expansion in Tucson allows for cutting edge missile testing

Sustainable Engagement



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E

ENVIRONMENTAL



ENVIRONMENTAL STEWARDSHIP

- Carbon Emissions
- Renewables
- Energy Efficiency
- Emissions Mitigation
- Damage Prevention

S

SOCIAL



EMPLOYEES, CUSTOMERS & OUR COMMUNITY

- Customer Satisfaction
- Diversity & Inclusion
- Employee Engagement
- Community Involvement

G

GOVERNANCE



RESPONSIBLE CORPORATE PRACTICES

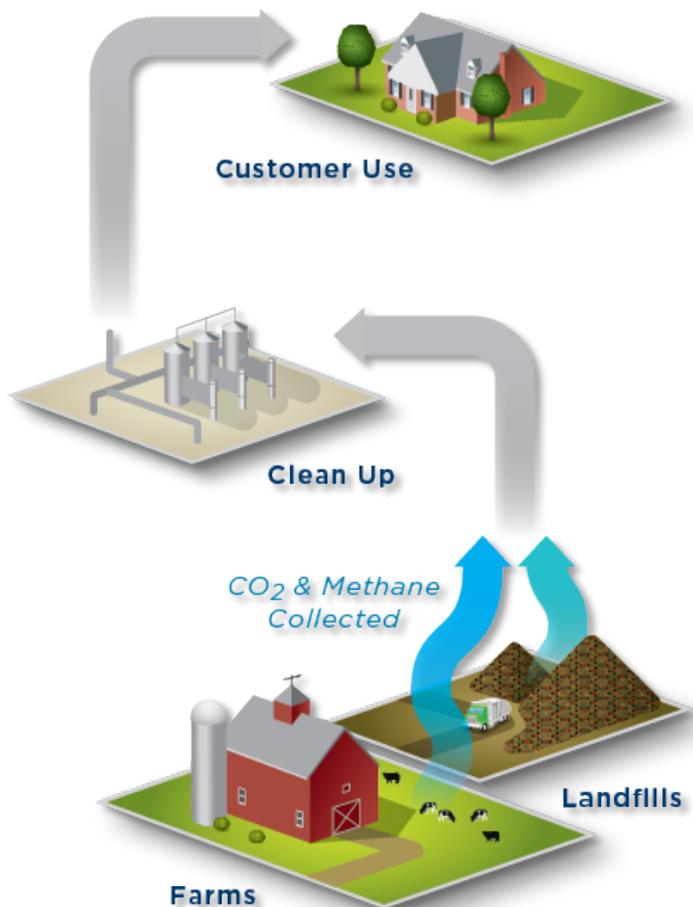
- Independent board
- Risk management
- Investor engagement
- Compliance & Ethics

Greenhouse Gas Emission Goal



- LED lighting
- Energy efficient windows and coverings
- Computerized HVAC
- Solar canopies
- Energy Star® rated bill management system
- Add CNG and alternative fuel vehicles

Renewable Natural Gas (RNG)



- Deliver carbon neutral resource to market
- Creatively explore collaboration and partnership opportunities

“Use of RNG can provide benefits in terms of fuel security, economic revenues or savings, local air quality and greenhouse gas emission reductions.”

- United States Environmental Protection Agency (EPA);
www.epa.gov/lmop/renewable-natural-gas

Compressed Natural Gas (CNG)



- Strategic partnerships with fleet owners, station operators and vehicle conversion providers
- Achieves air quality and sustainability goals

**14.9M
Therms**
delivered in 2018
to fuel customers'
fleets

Displaced
**11M
Gallons**
Diesel fuel

Removed
**5,500
Vehicles**

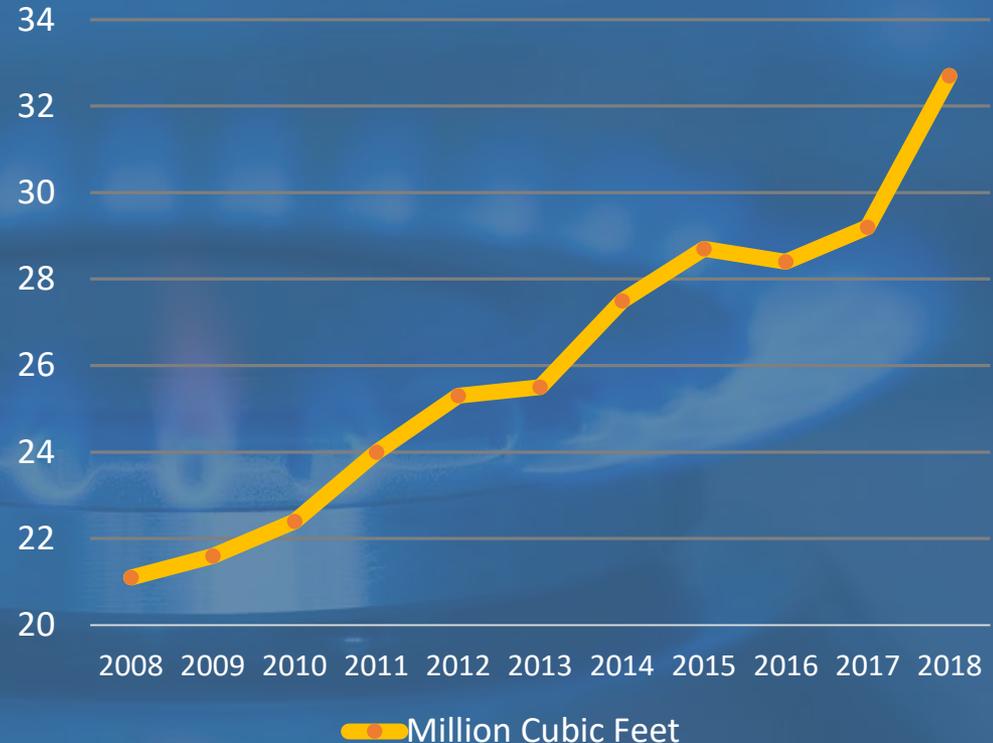
Reinvesting In Our Future



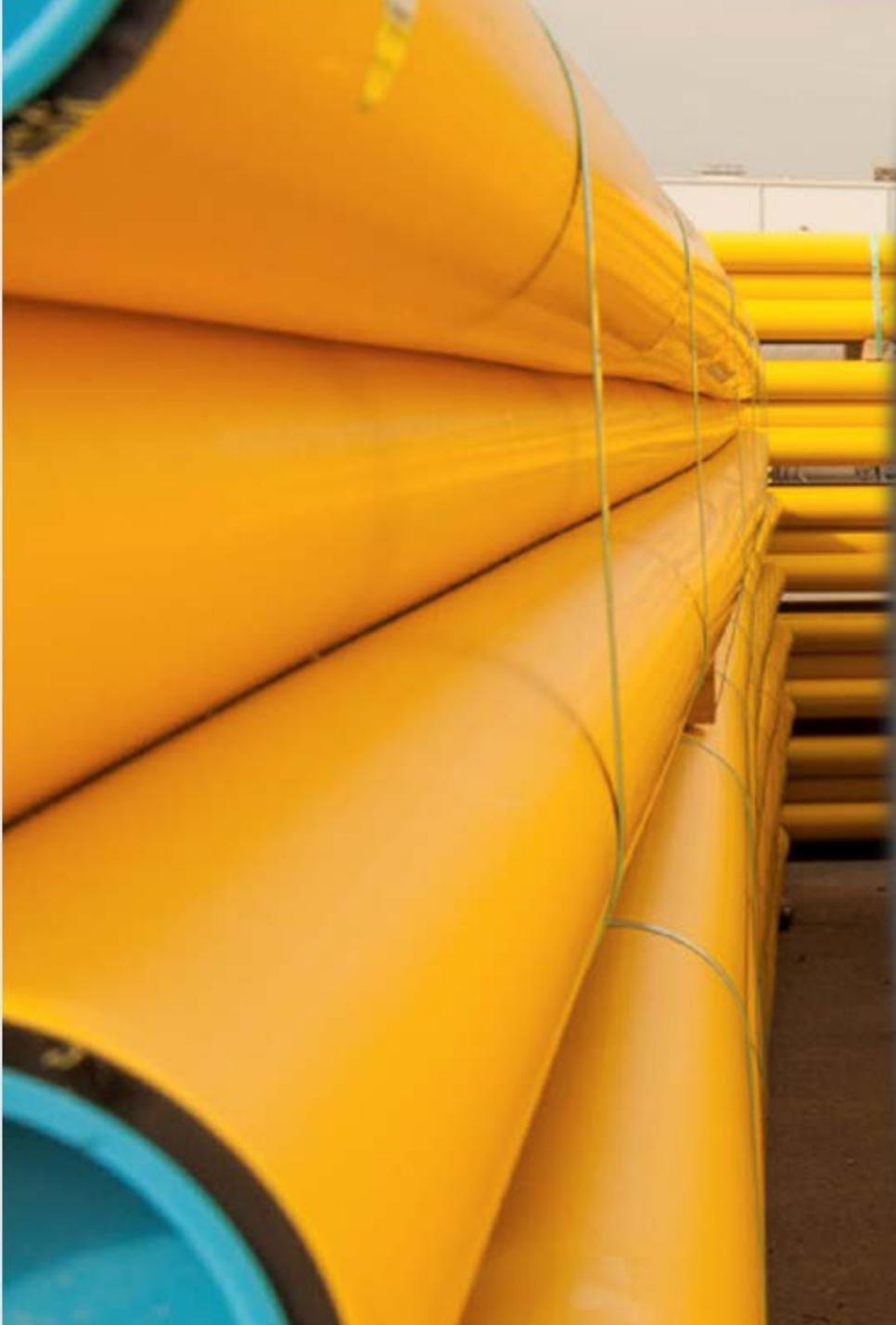
“The shift from coal to natural gas has helped lower carbon dioxide emissions and other pollution.”

The New York Times

Domestic Natural Gas Production



Source: U.S. Energy Information Administration
<https://www.eia.gov/dnav/ng/hist/n9050us2a.htm>



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Long-Term Value Drivers

Value Proposition For the Future



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Well-
positioned
for future
success

- Complementary utility-based business segments
- Excellent growth prospects with a proven track record of success
- Diversified geographic footprint with constructive regulation
- Unwavering focus on safety, quality and customer satisfaction



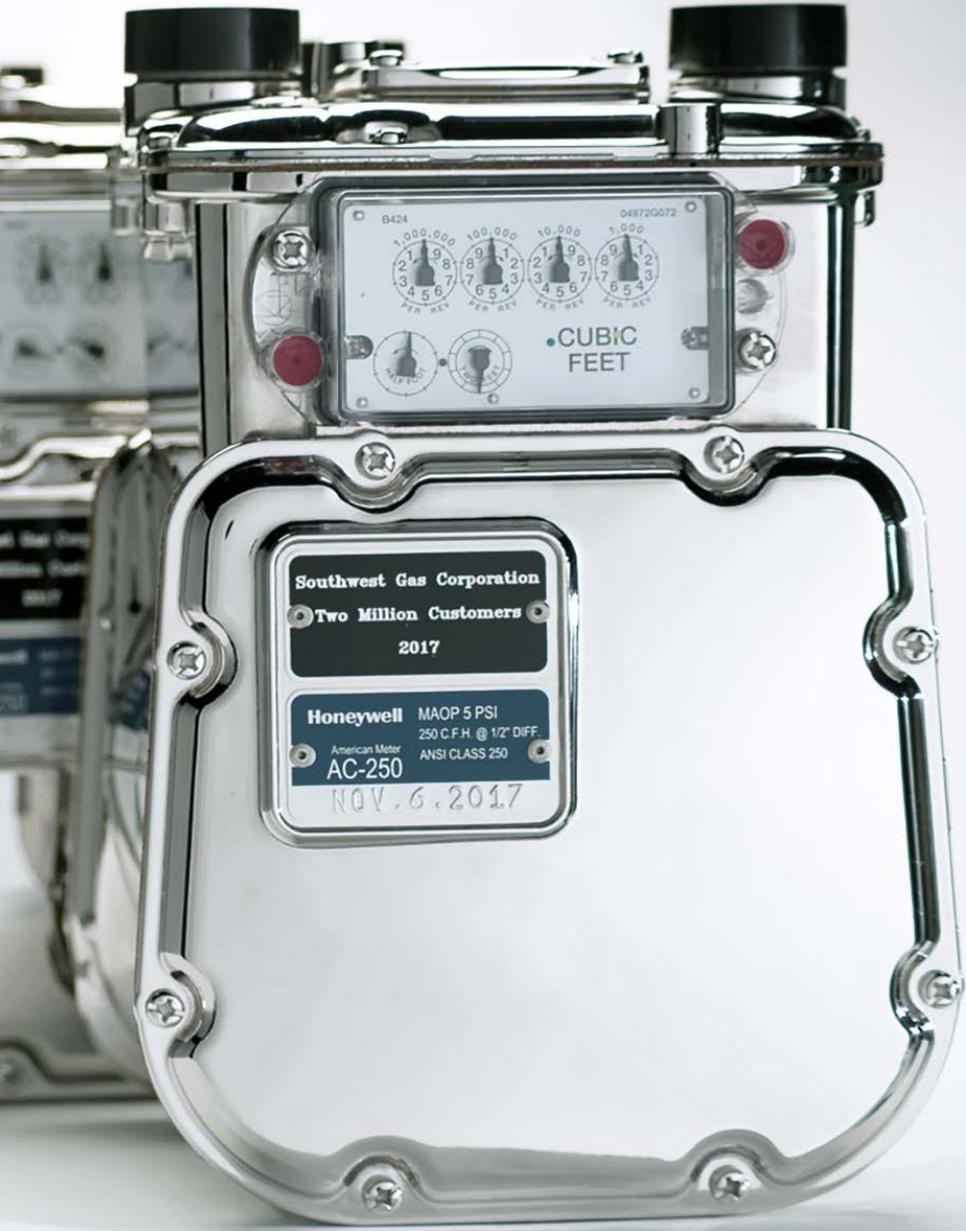
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SOUTHWEST GAS



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APPENDIX

Summary Operating Results

Natural Gas Operations

(In thousands)



SOUTHWEST GAS

THREE MONTHS ENDED MARCH 31,

2019

2018

Results of Natural Gas Operations

Gas operating revenues	\$ 520,677	\$ 494,313
Net cost of gas sold	192,604	185,732
Operating margin	328,073	308,581
Operations and maintenance expense	105,542	102,190
Depreciation and amortization	57,612	49,961
Taxes other than income taxes	16,206	15,257
Operating income	148,713	141,173
Other income (deductions)	5,946	(4,603)
Net interest deductions	23,099	19,255
Income before income taxes	131,560	117,315
Income tax expense	28,171	26,966
Segment net income	\$ 103,389	\$ 90,349

Summary Operating Results

Natural Gas Operations

(In thousands)



SOUTHWEST GAS

TWELVE MONTHS ENDED MARCH 31,

2019

2018

Results of Natural Gas Operations

Gas operating revenues	\$ 1,384,092	\$ 1,334,019
Net cost of gas sold	426,260	393,898
Operating margin	957,832	940,121
Operations and maintenance expense	408,165	389,687
Depreciation and amortization	199,467	190,688
Taxes other than income taxes	60,847	58,421
Operating income	289,353	301,325
Other income (deductions)	(6,691)	(9,747)
Net interest deductions	85,584	71,778
Income before income taxes	197,078	219,800
Income tax expense	45,196	49,571
Segment net income	\$ 151,882	\$ 170,229

Summary Operating Results

Utility Infrastructure Services
(In thousands)



	THREE MONTHS ENDED MARCH 31,	
	2019	2018
Utility infrastructure services revenues	\$ 312,862	\$ 260,017
Utility infrastructure services expenses	300,465	258,952
Depreciation and amortization	19,927	12,517
Operating income (loss)	(7,530)	(11,452)
Other income (deductions)	875	263
Net interest deductions	3,269	3,196
Income tax expense	(2,468)	(2,587)
Noncontrolling interests	575	(797)
Segment net loss	\$ (8,031)	\$ (11,001)

Summary Operating Results

Utility Infrastructure Services
(In thousands)



	TWELVE MONTHS ENDED MARCH 31,	
	2019	2018
Utility infrastructure services revenues	\$ 1,575,130	\$ 1,314,366
Utility infrastructure services expenses	1,429,202	1,215,959
Depreciation and amortization	64,806	50,263
Operating income	81,122	48,144
Other income (deductions)	374	354
Net interest deductions	14,263	9,678
Income tax expense	18,539	4,520
Noncontrolling interests	747	(393)
Segment net income	<u>\$ 47,947</u>	<u>\$ 34,693</u>

Service and Contract Types

Utility Infrastructure Services

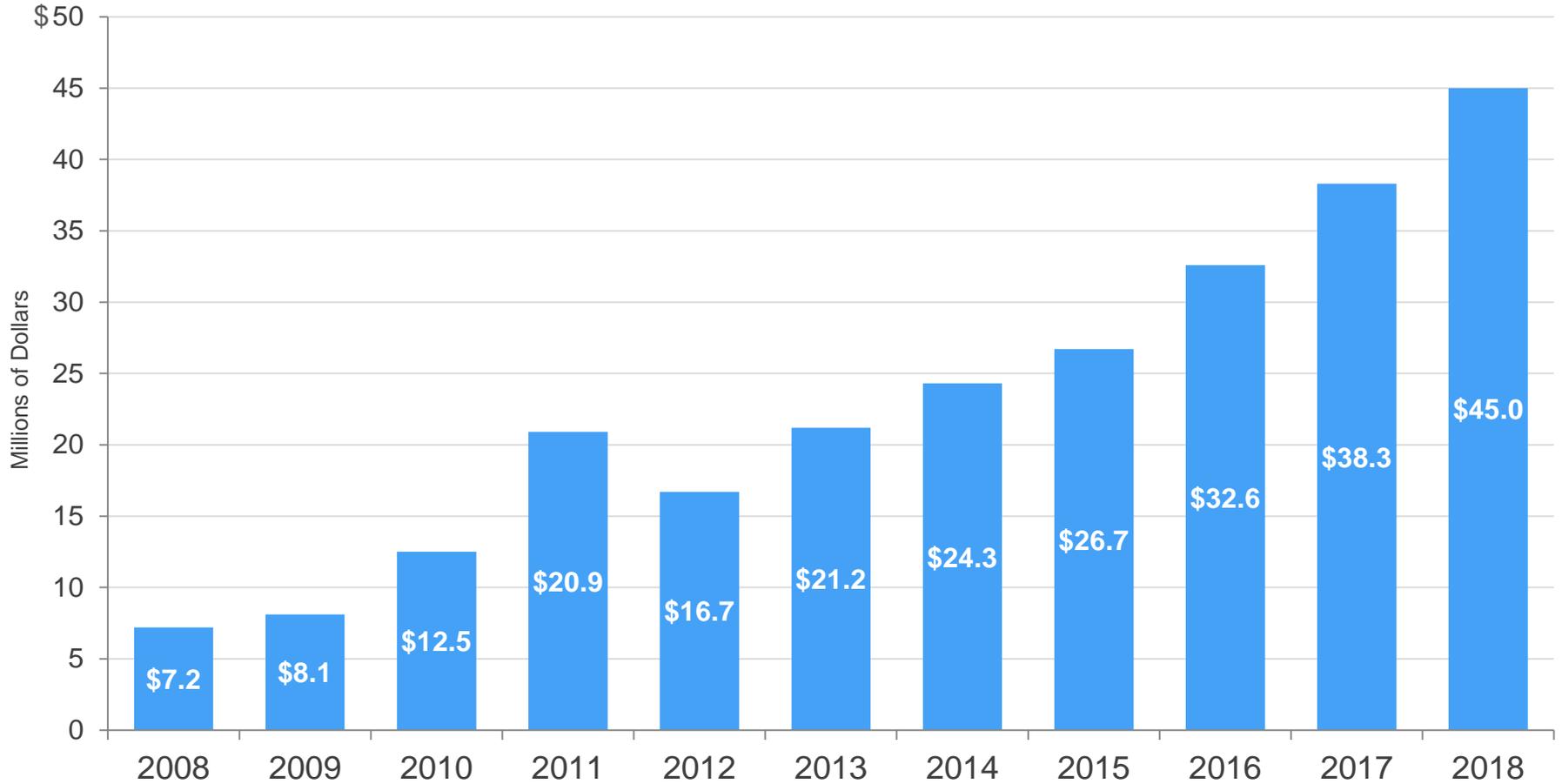


	Three months ended March 31,				Twelve months ended March 31,			
	(Thousands of Dollars)		(Percentage)		(Thousands of Dollars)		(Percentage)	
	2019	2018	2018	2017	2019	2018	2018	2017
Service Types:								
Gas infrastructure services	\$ 197,893	\$ 193,527	63.3%	74.4%	\$ 1,128,048	\$ 938,342	71.6%	71.4%
Electric power infrastructure services	52,301	5,402	16.7%	2.1%	79,528	19,893	5.1%	1.5%
Other	62,668	61,088	20.0%	23.5%	367,554	356,131	23.3%	27.1%
Total Utility infrastructure services revenues	<u>\$ 312,862</u>	<u>\$ 260,017</u>	<u>100.0%</u>	<u>100.0%</u>	<u>\$ 1,575,130</u>	<u>\$ 1,314,366</u>	<u>100.0%</u>	<u>100.0%</u>

	Three months ended March 31,				Twelve months ended March 31,			
	(Thousands of Dollars)		(Percentage)		(Thousands of Dollars)		(Percentage)	
	2019	2018	2018	2017	2019	2018	2018	2017
Contract Types:								
Master service agreements	\$ 235,655	\$ 194,464	75.3%	74.8%	\$ 1,143,603	\$ 932,804	72.6%	71.0%
Bid contract	77,207	65,553	24.7%	25.2%	431,527	381,562	27.4%	29.0%
Total Utility infrastructure services revenues	<u>\$ 312,862</u>	<u>\$ 260,017</u>	<u>100.0%</u>	<u>100.0%</u>	<u>\$ 1,575,130</u>	<u>\$ 1,314,366</u>	<u>100.0%</u>	<u>100.0%</u>
Unit priced contracts	\$ 235,686	\$ 197,322	75.3%	75.9%	\$ 1,296,783	\$ 1,013,642	82.3%	77.1%
Fixed price contracts	38,538	25,541	12.3%	9.8%	130,295	137,724	8.3%	10.5%
Time and material contracts	38,638	37,154	12.4%	14.3%	148,052	163,000	9.4%	12.4%
Total Utility infrastructure services revenues	<u>\$ 312,862</u>	<u>\$ 260,017</u>	<u>100.0%</u>	<u>100.0%</u>	<u>\$ 1,575,130</u>	<u>\$ 1,314,366</u>	<u>100.0%</u>	<u>100.0%</u>

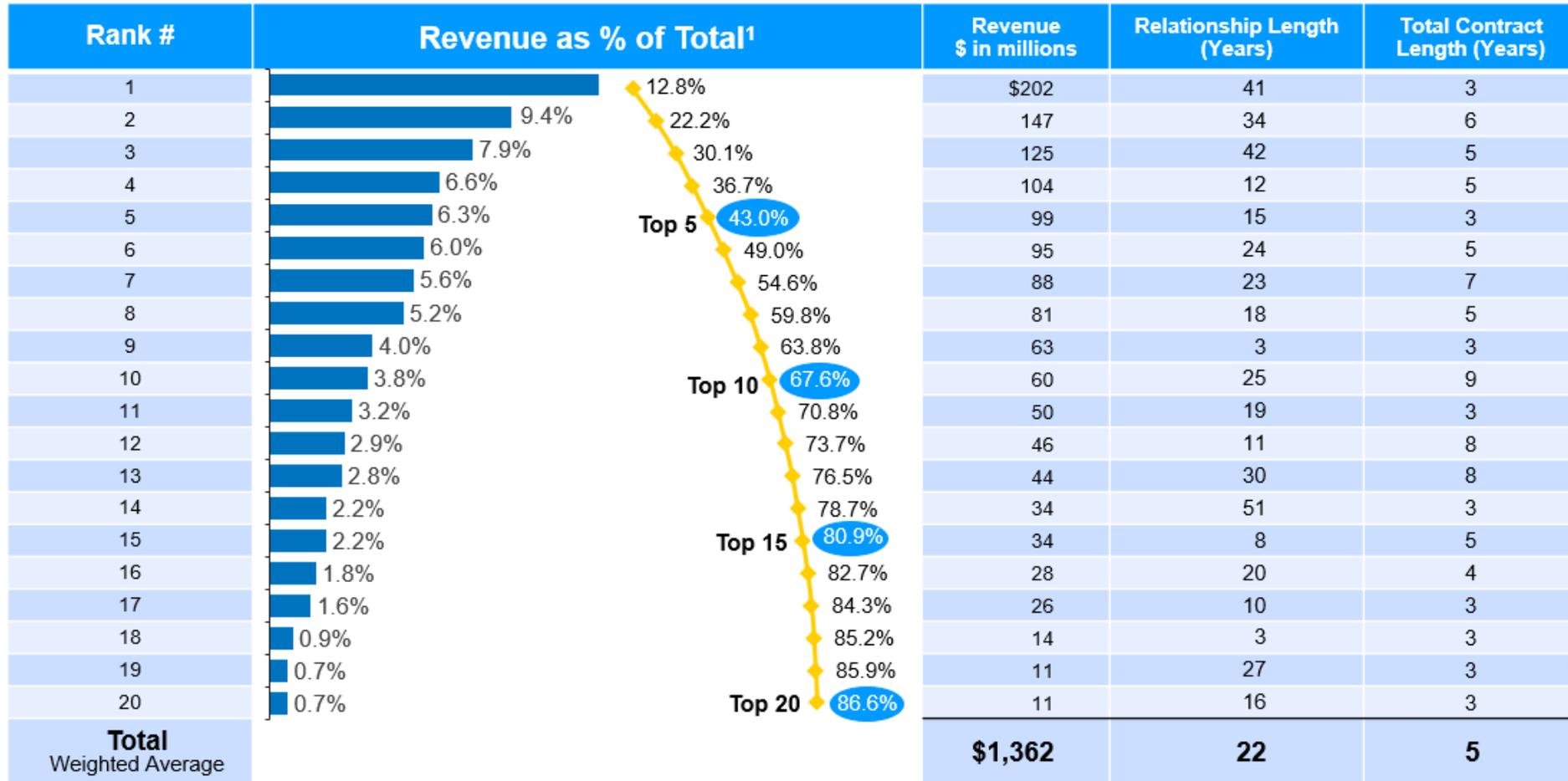
Annual Net Income History

Utility Infrastructure Services



Top 20 Customers

Utility Infrastructure Services



¹Twelve months ended March 31, 2019

Regulation - Commissions

Commissioner Update

Natural Gas Operations



SOUTHWEST GAS

Arizona Commissioners	Party Affiliation	Term Ends
Robert L. Burns (Chair)	R	Jan. 2021
Andy Tobin	R	Jan. 2021
Boyd Dunn	R	Jan. 2021
Justin Olson	R	Jan. 2023
Sandra Kennedy	D	Jan. 2023

California Commissioners	Party Affiliation	Term Ends
Michael Picker (President)	D	Jan. 2021
Liane Randolph	D	Jan. 2021
Clifford Rechtschaffen	D	Jan. 2023
Martha Guzman Aceves	D	Jan. 2023
Genevieve Shiroma	D	Jan. 2025

Nevada Commissioners	Party Affiliation	Term Ends
Ann Pongracz (Chair)	D	Sept. 2019
Hayley Williamson	D	Sept. 2020
CJ Manthe	R	Sept. 2021

FERC Commissioners	Party Affiliation	Term Ends
Neil Chatterjee (Chair)	R	June 2021
Cheryl LaFleur	D	June 2019
Bernard McNamee	R	June 2020
Richard Glick	D	June 2022
Vacant	-	-

Authorized Rate Base and Rates of Return

Natural Gas Operations



<u>Rate Jurisdiction</u>	<u>Authorized Rate Base (In thousands)</u>	<u>% of Total Rate Base</u>	<u>Authorized Rate of Return</u>	<u>Authorized Return on Common Equity (ROE)</u>	<u>Decoupled</u>	<u>Authorized Common Equity Ratio</u>
Arizona	\$ 1,324,902	46 %	7.42 %	9.50 %	✓	51.70 %
Southern Nevada	1,110,380	38	6.65	9.25	✓	49.66
Northern Nevada	134,230	5	6.98	9.25	✓	49.66
Southern California	159,277	5	6.83	10.10	✓	55.00
Northern California	67,620	2	8.18	10.10	✓	55.00
South Lake Tahoe	25,389	1	8.18	10.10	✓	55.00
Paiute Pipeline Company ¹	87,158	3	8.46	11.00	✓	51.75
Total	<u>\$ 2,908,956</u>	<u>100 %</u>		<u>9.49 %</u>		
Weighted average authorized ROE				<u>9.49 %</u>		

¹Estimated amounts based on rate case settlement.

ACC – Arizona Corporation Commission
PUCN - Public Utilities Commission of Nevada
CPUC - California Public Utilities Commission
FERC - Federal Energy Regulatory Commission

Regulation – Regulatory Proceedings

Arizona General Rate Case
Natural Gas Operations



	Southwest Gas Requested
Rate Relief	\$57 Million (8.1% increase)
Rate Base	\$2.0 Billion (\$670 million increase)
ROE	10.3%
Capital Structure - Equity	51.1%
Rate Design	Continuation of Decoupling Mechanism
Other Proposals	Continuation of Property Tax Tracker Continuation of COYL Program Continuation of VSP Replacement Program Proposal for a Plastic Pipe Replacement Program Proposal for a Renewable Natural Gas Program
Estimated Effective Date	April 2020

Regulation – Regulatory Proceedings

Natural Gas Operations



SOUTHWEST GAS

Upcoming General Rate Cases

- California
 - Expect to file a general rate case before September 1, 2019
 - Continuation of post test year annual attrition increases of 2.75% through 2020
 - Incremental revenue of \$2.8 million effective January 2019
- Paiute Pipeline Company
 - Expect to file a general rate case by May 31, 2019

Customer Data Modernization Initiative Applications

- Southwest is embarking on an initiative to replace both its customer service system and gas transaction system, which are referred to as the Customer Data Modernization Initiative (CDMI)
- Total cost for the CDMI is an estimated \$174 million and is currently expected to be completed during the third quarter of 2021

Regulation – CDMI Applications



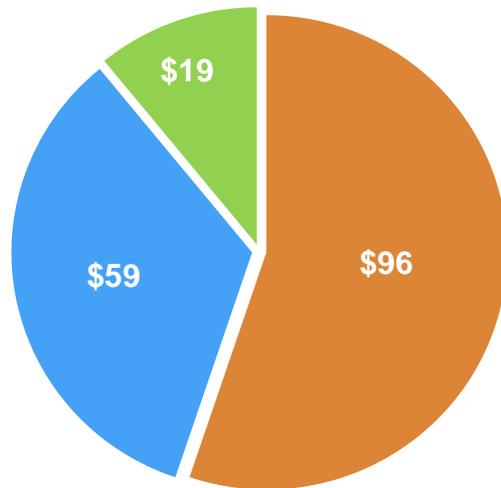
SOUTHWEST GAS

Natural Gas Operations

(In millions)

Total Estimated Cost:
\$174 Million

Allocation by State Rate Jurisdiction



- Arizona
- Nevada
- California

- Applications filed in March 2019 with both the ACC and PUCN to authorize the establishment of a regulatory asset to defer the revenue requirement related to the CDMI
- Application filed in April 2019 with the CPUC to authorize a two-way, interest bearing account to record actual revenue and costs associated with CDMI

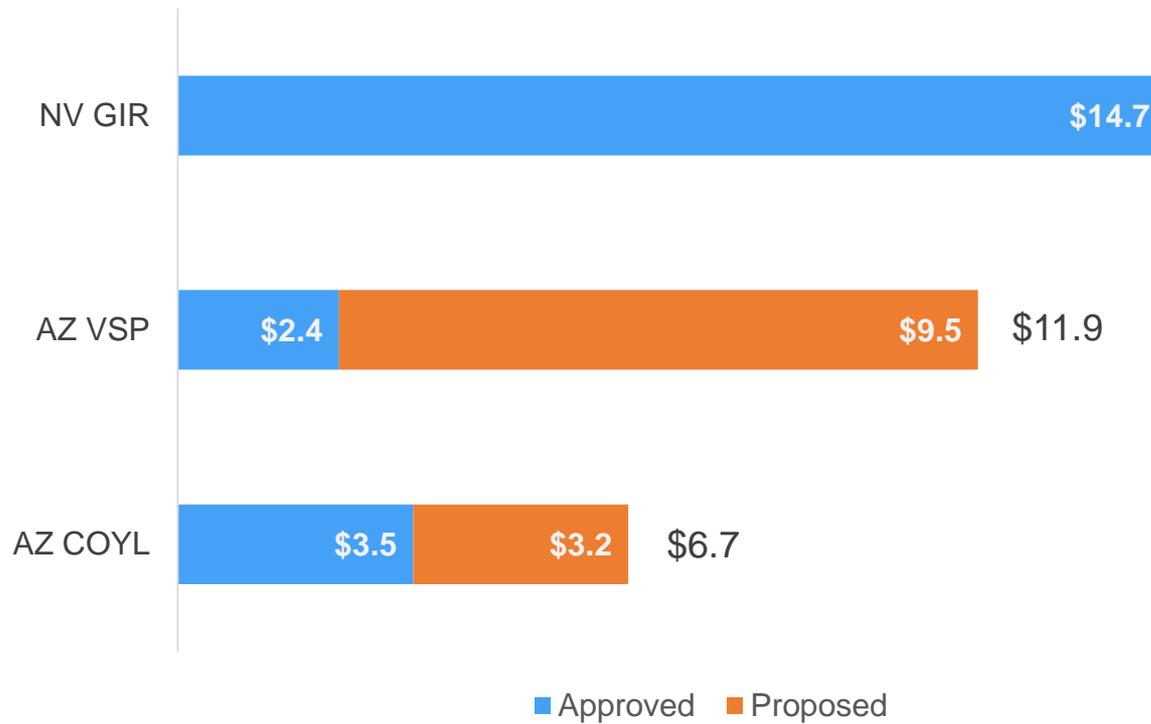
ACC – Arizona Corporation Commission
PUCN - Public Utilities Commission of Nevada
CPUC - California Public Utilities Commission

Infrastructure Replacement Programs

(In millions)



2019 Surcharge Revenue

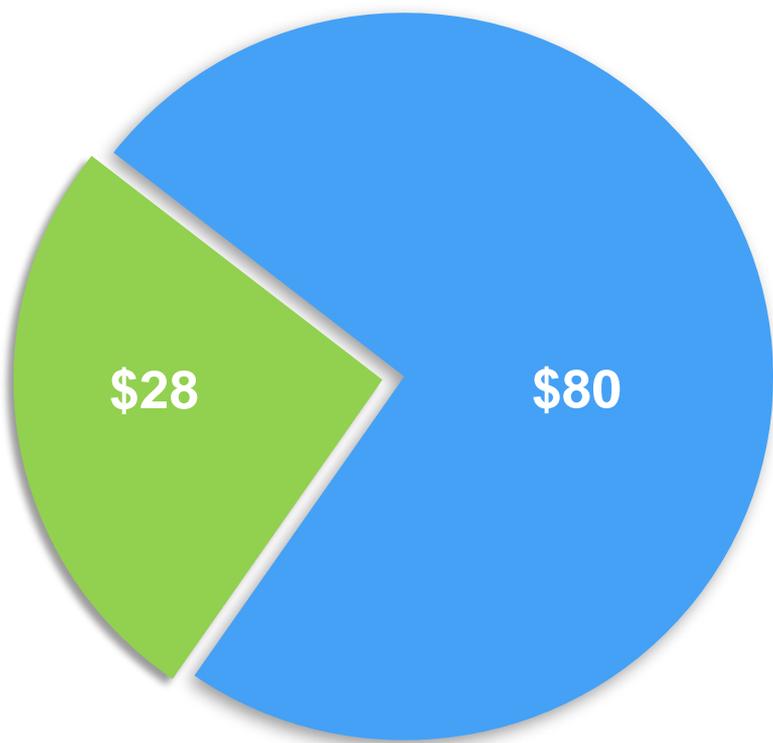


Regulation – Expansion Projects

Natural Gas Operations



\$ in millions



ARIZONA LNG FACILITY

- Approved \$80 million, 233,000 dekatherm LNG facility
- Approximately \$64 million spent through March 2019
- LNG facility is expected to be completed and placed in service before year end 2019

SOUTHERN NEVADA EXPANSION

- PUCN approved \$28 million expansion project in May 2018 to extend facilities to Mesquite, NV (SB 151 project)
- Estimated annual revenue requirement of \$2.8 million
- Began serving customers in February 2019 using a temporary virtual pipeline and compressed natural gas
- Approach main to provide permanent supply is anticipated to take an additional two years to complete

Economic Overview – Service Areas



SOUTHWEST GAS

Natural Gas Operations

	<u>Unemployment Rate</u>		<u>Employment Growth</u>	
	<u>March 2018</u>	<u>March 2019</u>	<u>March 2018</u>	<u>March 2019</u>
Southern California ¹	4.1%	4.5%	3.2%	1.4%
Southern Nevada ²	5.1%	3.8%	2.4%	3.0%
Northern Nevada ³	4.8%	3.8%	0.2%	0.1%
Southern Arizona ⁴	4.3%	4.4%	0.9%	1.4%
Central Arizona ⁴	4.1%	4.1%	3.2%	2.8%

¹ Source: State of California Employment Development Department, California Labor Market Review, <http://www.labormarketinfo.edd.ca.gov>

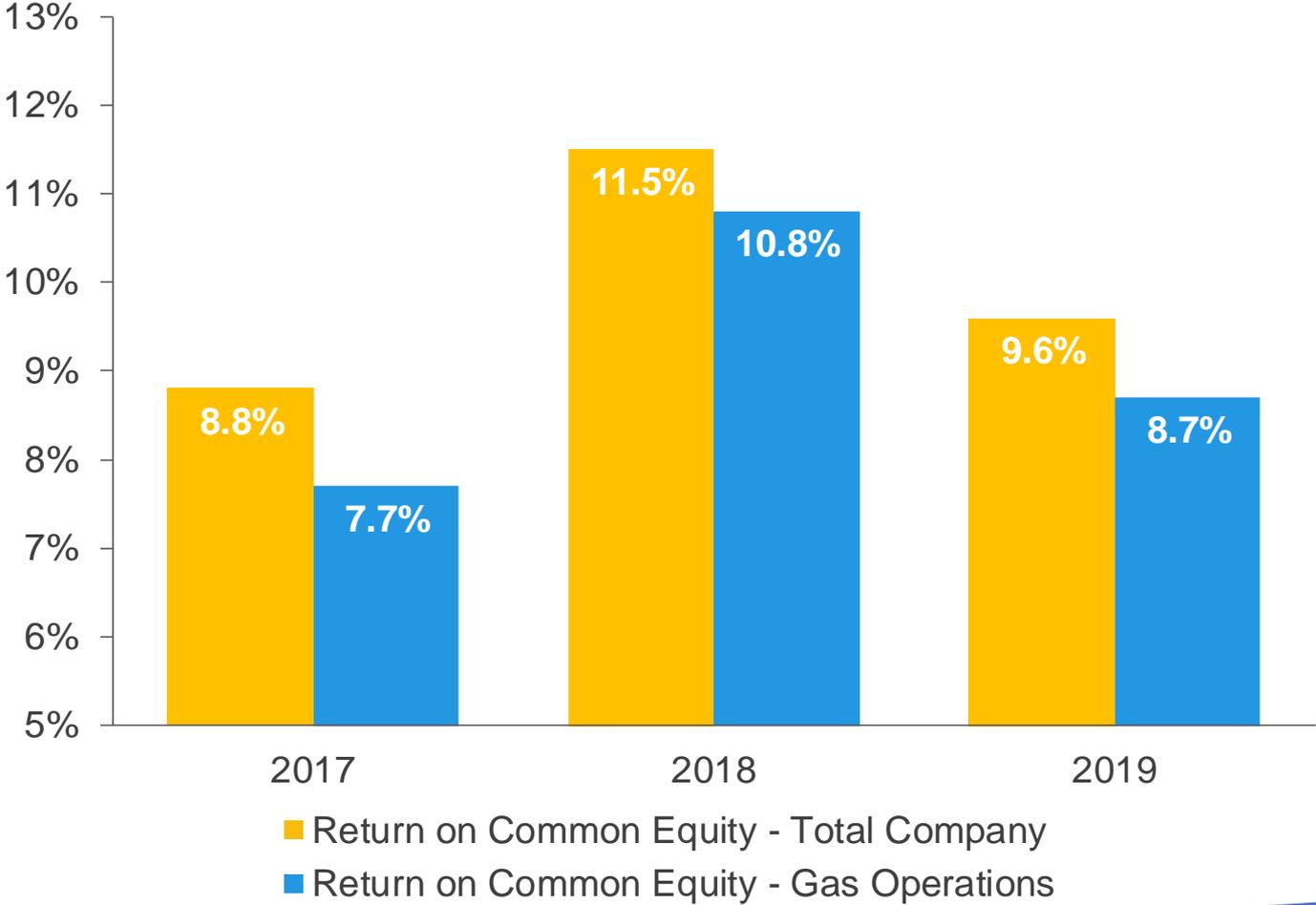
² Source: Nevada Department of Employment, Training and Rehabilitation (DETR), Economy In Brief, <http://nevadaworkforce.com>

³ Source: Nevada DETR, Data Search: Total Employment (Carson City, Churchill, Douglas, Elko, Humboldt, Lyon, and Pershing Counties), <http://nevadaworkforce.com>

⁴ Source: Arizona Office of Employment & Population Statistics, Employment Report, <http://laborstats.az.gov>

Return on Common Equity

Twelve months ended March 31, 2019



Consolidated Capital Structure

(In millions)



Southwest Gas
HOLDINGS™

<u>Capitalization at March 31,</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Equity ¹	\$ 1,571	\$ 1,666	\$ 1,737	\$ 1,876	\$ 2,429
Long-Term Debt ²	1,525	1,438	1,590	2,023	2,141
Total Permanent Capital	\$ 3,096	\$ 3,104	\$ 3,327	\$ 3,899	\$ 4,570
<u>Capitalization ratios</u>					
Equity ¹	50.7%	53.7%	52.2%	48.1%	53.2%
Long-Term Debt ²	49.3%	46.3%	47.8%	51.9%	46.8%
Total Permanent Capital	100.0%	100.0%	100.0%	100.0%	100.0%

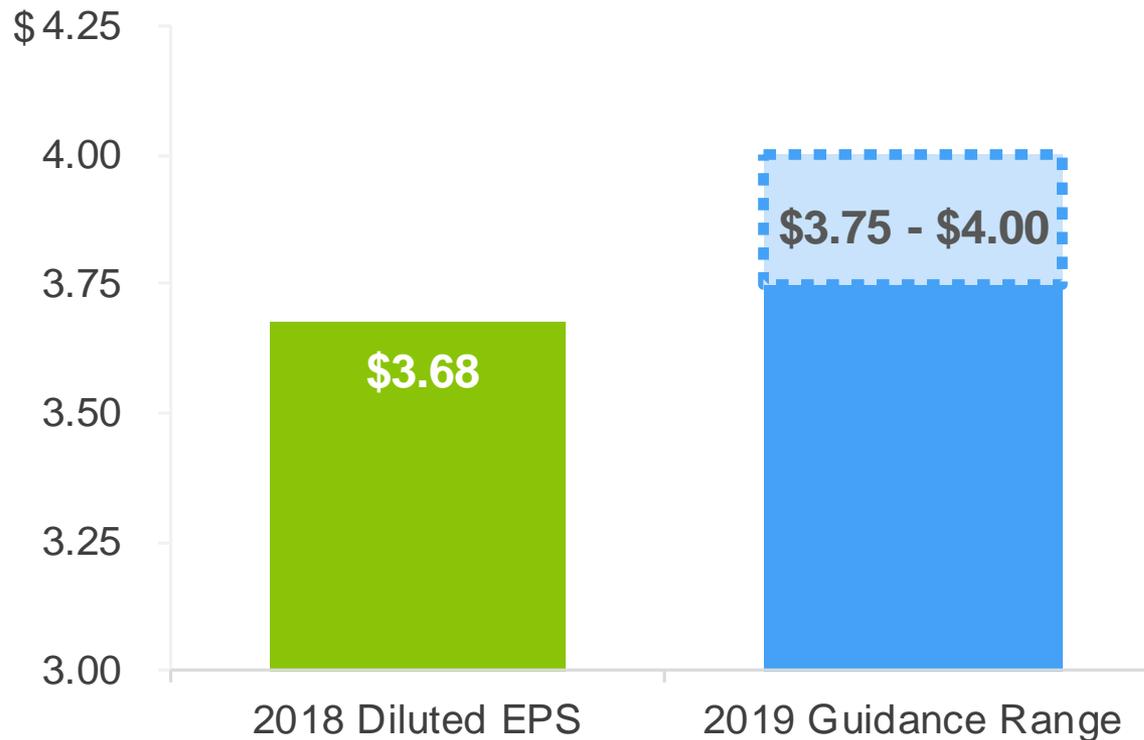
¹Includes redeemable noncontrolling interests

²Includes current maturities of long-term debt

2019 EPS Guidance*



Diluted Earnings Per Share



* Changes in economic conditions, events, or other circumstances that the Company cannot currently anticipate could materially impact earnings and, in turn, result in earnings for 2019 significantly above or below this EPS guidance

2019 EPS Guidance*



Southwest Gas
HOLDINGS

Natural Gas Operations

- Operating margin for 2019 is anticipated to benefit from customer growth (similar to 2018), infrastructure tracker mechanisms, expansion projects, and rate relief, including from the recently concluded Nevada general rate proceeding and California attrition. Combined, these items are expected to produce an increase in operating margin of 4% to 5%.
- On a comparative basis, operating income is expected to increase modestly.
- Capital expenditures in 2019 are estimated at approximately \$710 million, in support of customer growth, system improvements, and accelerated pipe replacement programs.

Utility Infrastructure Services

- Centuri has a strong base of large utility clients (many with multi-year pipe replacement programs) that are expected to sustain, and over time, grow its business. That, coupled with the recent Linetec acquisition, is expected to result in revenues for 2019 that are 15% to 20% greater than 2018 levels.
- Operating income is expected to be approximately 6.0% to 6.5% of revenues.
- Net income expectations reflect earnings attributable to Southwest Gas Holdings, net of noncontrolling interests. Changes in Canadian exchange rates could influence results.

* Changes in economic conditions, events, or other circumstances that the Company cannot currently anticipate could materially impact earnings and, in turn, result in earnings for 2019 significantly above or below this EPS guidance.

Non-GAAP Measures



SOUTHWEST GAS

Non-GAAP Measures – Southwest recognizes operating revenues from the distribution and transportation of natural gas (and related services) to customers. Gas cost is a tracked cost, which is passed through to customers without markup under purchased gas adjustment (“PGA”) mechanisms, impacting revenues and net cost of gas sold on a dollar-for-dollar basis, thereby having no impact on Southwest’s profitability. Therefore, management routinely uses operating margin, defined as operating revenues less the net cost of gas sold, in its analysis of Southwest’s financial performance. Operating margin also forms a basis for Southwest’s various regulatory decoupling mechanisms. Operating margin is not, however, specifically defined in accounting principles generally accepted in the United States (“U.S. GAAP”) and is considered a non-GAAP measure. Management believes supplying information regarding operating margin provides investors and other interested parties with useful and relevant information to analyze Southwest’s financial performance in a rate regulated environment.

Reconciliation of Revenue to Operating Margin (Non-GAAP measure)

	THREE MONTHS ENDED MARCH 31,		TWELVE MONTHS ENDED MARCH 31,	
	2019	2018	2019	2018
	(In thousands)			
Natural Gas Operations				
Gas Operating Revenue	\$ 520,677	\$ 494,313	\$ 1,384,092	\$ 1,334,019
Less: Net cost of gas sold	192,604	185,732	426,260	393,898
Operating Margin	<u>\$ 328,073</u>	<u>\$ 308,581</u>	<u>\$ 957,832</u>	<u>\$ 940,121</u>