



Southwest Gas[™]
HOLDINGS

2017 Annual Shareholders Meeting

Building on the past. Shaping the future.

May 4, 2017





Presented by

JOHN HESTER
PRESIDENT AND CEO



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Safe Harbor Statement



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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 2017 expectations for our construction services and natural gas operations segments, as well as statements regarding our strategic 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 2016 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, including the proposed Arizona rate case settlement;
- Changes in operating expenses;
- Changes in rate design, infrastructure tracking mechanisms;
- Customer growth rates;
- Conditions in housing markets;
- The effects of regulation/deregulation;
- The impacts of construction activity at our construction services segment;
- 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.



Business Segments & Net Income

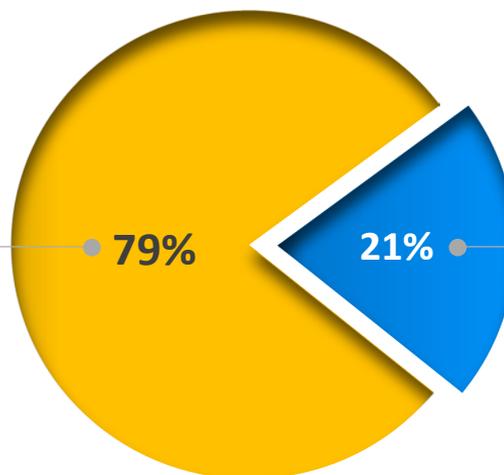
Natural gas operations

Construction services

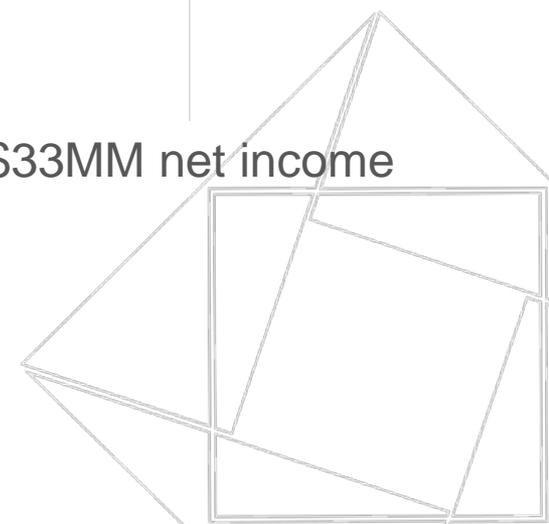


\$152MM
TMTD 12/31/16 Net Income

\$119MM net income



\$33MM net income



Regional Leader in Natural Gas Distribution



Headquartered in
Las Vegas, NV

Largest distributor of natural gas in **Arizona** and **Nevada**; Distributes and transports natural gas in parts of **California**



1,984,000 customers in service territory at 12/31/2016

Over **99%** of customers are residential and small commercial



Centuri Construction Group

Construction Services



Headquartered in
Phoenix, AZ

Operates in several
major markets across
U.S. and **Canada**



One of North America's
largest providers of
utility and **energy**
construction services



2016 Highlights



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Consolidated Results

- Dividend increased for the 11th straight year (10%)
- Achieved record EPS of \$3.20
- 2016 Total Shareholder Return of 42.5%
- Holding Company effective January 2017

Natural Gas Segment

- Arizona rate case settlement
- Operating margin of \$924 million
- Added 28,000 customers
- Invested \$457 million in the gas system

Construction Services Segment

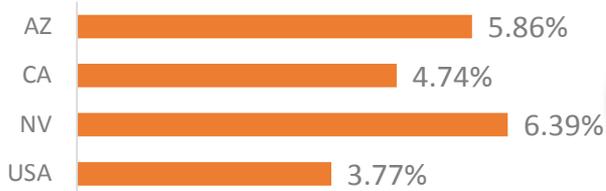
- Contributed record net income of \$32.6 million
- 4th consecutive year of increased earnings contribution
- NPL celebrating 50th anniversary in 2017

Growth

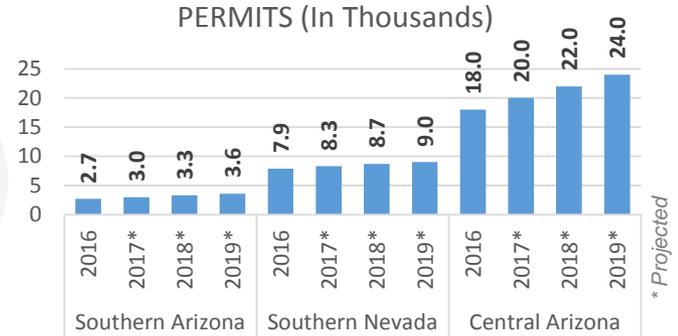


SOUTHWEST GAS

PROJECTED POPULATION % CHANGE 2017-2022



Source: S&P Global Market Intelligence



Source: Arizona Data from RL Brown Housing Reports; Nevada data from Las Vegas Housing Market Letter

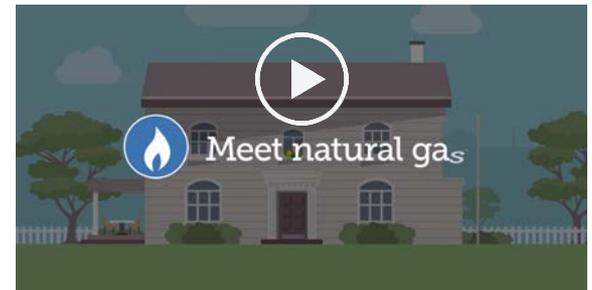
Mesquite

- 1M+ therms/year
- Residential & commercial conversion opportunities
- Infrastructure investment opportunities



15 CNG stations

- \$1.1M margin
- 10 more stations by 2025



View video on <https://yourenergymyamerica.com>

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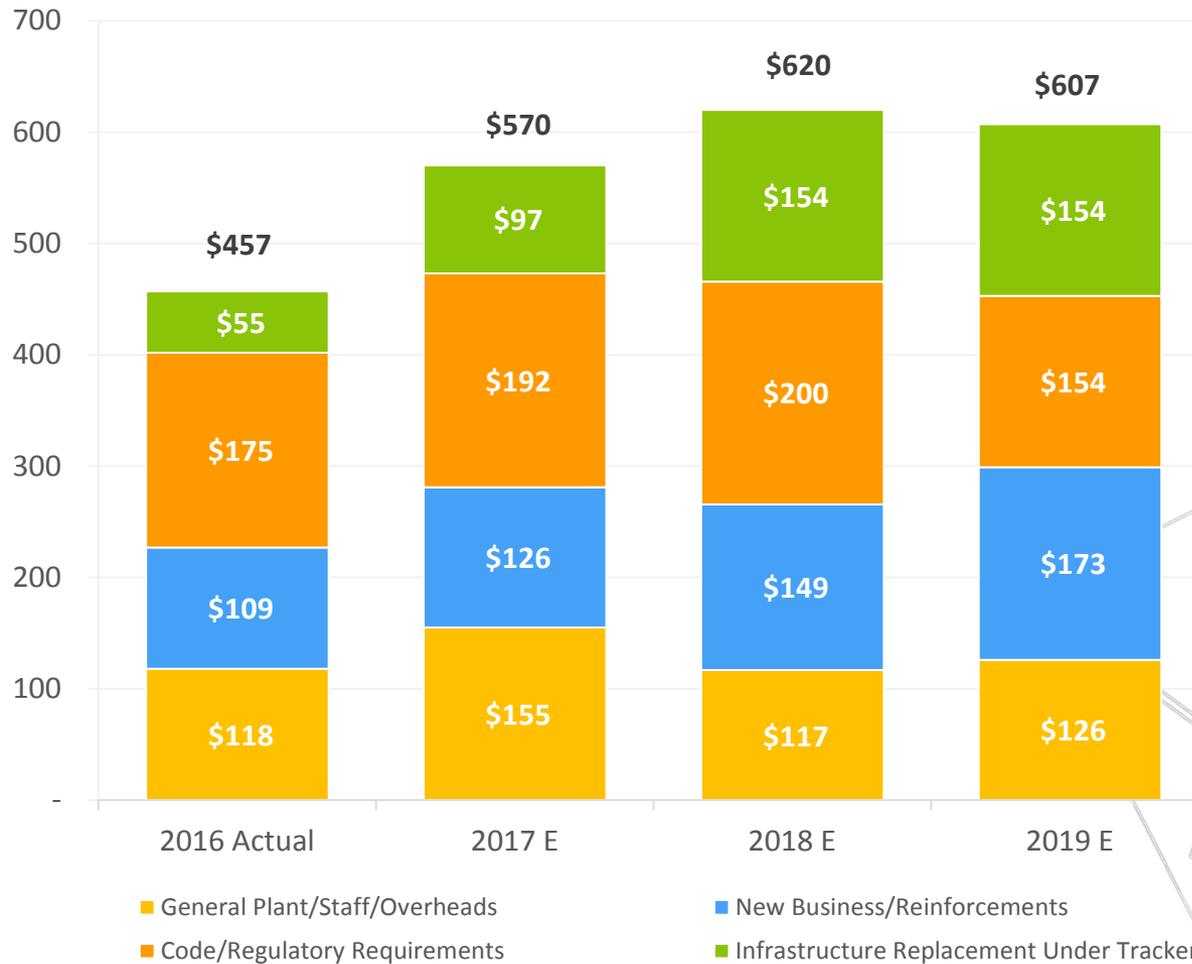


Capital Expenditures

Natural Gas Operations (In Millions)



SOUTHWEST GAS



- 2017-2019 Estimate \$1.6 - \$1.8 billion
- Chart reflects upper end of estimated range of capital expenditures for 2017-2019

Regulatory Collaboration

Natural Gas Operations



SOUTHWEST GAS

Decoupling

- All three of the company's state regulatory jurisdictions have implemented a decoupling mechanism

Infrastructure Recovery Mechanisms

- Arizona COYL & VSP Programs
- Nevada GIR Mechanism
- California IRRAM/COYL

Major Infrastructure Projects

- Paiute Pipeline Company 2018 Expansion Project
- Nevada SB 151 – Expansion/Economic Development Legislation
- Arizona LNG Facility

Investment Grade Credit Ratings



Southwest Gas Holdings, Inc.

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

Southwest Gas Corporation

	Moody's	S&P	Fitch
Issuer Rating	A3	BBB+	A-
Senior Unsecured	A3	BBB+	A
Outlook	Stable	Stable	Stable



Customer Satisfaction



Cogent Report Residential Customer Champion Award



Top scoring utility in our service area in the *Utility Trusted Brand & Customer Engagement* study by Cogent Report

93% Customer Satisfaction

Southwest Gas continues to maintain a high level of customer satisfaction over the years

J.D. Power™ Ranked Us Second in the West for Customer Satisfaction

Southwest Gas ranked second in the west region amongst gas utilities in the J.D. Power™ *Gas Utility Customer Satisfaction Study*SM

Customer Experience Committee

Strategy and tactics dedicated to enhancing the customer experience



SOUTHWEST GAS COMMUNITYCARE



\$ 1.7M
Employee
donations in
2017

474
Local charities
supported
since 2012

\$ 7M
Employee
donations since
2012

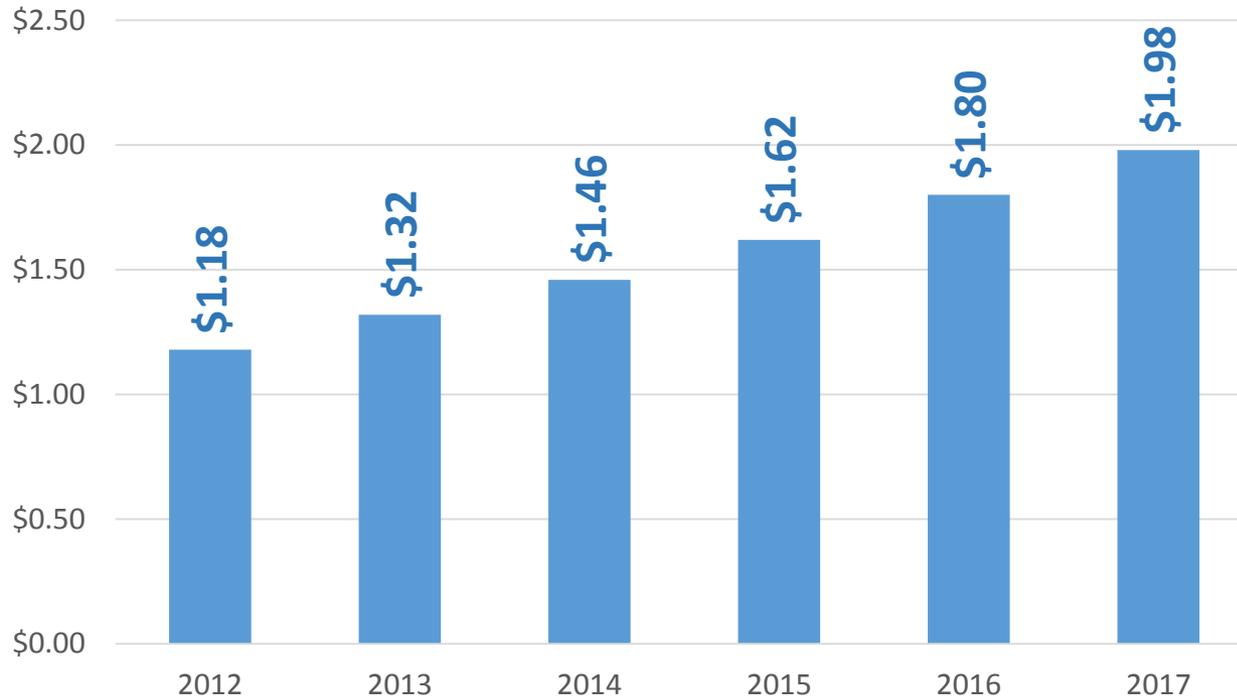
3000
Volunteer
hours in
2016

Dividend Growth



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10.9% 5-Year CAGR



CAGR = compound annual growth rate



Stock Price Graph



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Southwest Gas Corporation
Common Stock Closing Price
March 31, 2007 – March 31, 2017



Building on the past. Shaping the future.



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