

Earnings Conference Call Second Quarter 2024 Results

August 6, 2024



Safe Harbor Statement

Forward-Looking Statements

Unless context otherwise requires, in this presentation, references to “we”, “us” and “our” are to Southwest Gas Holdings, Inc. (NYSE: SWX) (“Southwest Gas” or the “Company” or “SWX”) together with its current and former consolidated subsidiaries, which include, among others, Southwest Gas Corporation (“Southwest”, “SWG”, “Utility” or “Natural Gas Distribution” segment), MountainWest Pipelines Holding Company (“MountainWest”, “MW” or “Pipelines and Storage” segment), Centuri Holdings, Inc., Centuri Group, Inc. (“Centuri” or “Utility Infrastructure Services” segment) and Great Basin Gas Transmission Company (“Great Basin” or “GBGTC”). The following are subsidiaries of Centuri: NPL Construction Co. (“NPL”), NPL Canada Ltd. (“NPL Canada”), New England Utility Constructors, Inc. (“Neuco”), Linetec Services, LLC (“Linetec”), Riggs Distler & Company, Inc. (“Riggs Distler”), Canyon Pipeline Construction, Inc. (“Canyon”), National Powerline LLC (“National Powerline”) and WSN Construction Inc. (“WSN Construction”).

This presentation 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 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”, “pursue”, “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 our expectations for our utility infrastructure services and natural gas operations, estimated future capital expenditures, projected rate base growth, O&M per customer expectations, our 2024 financial guidance and expected value drivers, 2024 – 2026 financial guidance and expected value drivers, 2024 financing plan, and expectations with respect to future dividends, expectations with respect to a separation of our remaining interests in Centuri, and the future performance of the Company, Southwest Gas Corporation and Centuri. The Company can provide no assurances that a separation of our remaining interests in Centuri will occur on the expected timeline or at all. For purposes of any forward-looking consolidated financial information at Southwest Gas, full consolidation of Centuri has been assumed in this presentation. 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, statements regarding the proposed transaction structure and timing of a separation of our remaining interests in Centuri, the timing and impact of executing (or not executing) on such transaction alternatives, 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, the potential for, and the impact of, a credit rating downgrade, future earnings trends, inflation, increasing interest rates, sufficiency of labor markets and similar resources, seasonal patterns, current and future 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. 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.

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 are 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, those discussed under the heading “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Quantitative and Qualitative Disclosure about Market Risk” 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, and other reports that we file with the SEC from time to time.

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.

Non-GAAP Measures

This presentation contains financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S. (“GAAP”). These non-GAAP measures include (i) Southwest Gas adjusted earnings (loss) per share, (ii) Southwest Gas adjusted net income (loss), (iii) Corporate and Administrative adjusted earnings (loss) per share, (iv) Corporate and Administrative adjusted net income (loss), (v) natural gas distribution segment adjusted earnings (loss) per share, (vi) natural gas distribution segment adjusted net income (loss), (vii) utility infrastructure services adjusted earnings (loss) per share, (viii) utility infrastructure services segment adjusted net income (loss), (ix) pipeline and storage segment adjusted earnings per share, and (x) pipeline and storage segment adjusted income (loss). Management uses these non-GAAP measures internally to evaluate performance and in making financial and operational decisions. Management believes that its presentation of these measures provides investors greater transparency with respect to its results of operations and that these measures are useful for a period-to-period comparison of results. Management also believes that providing these non-GAAP financial measures helps investors evaluate the Company’s operating performance, profitability, and business trends in a way that is consistent with how management evaluates such performance.

The amortization of certain acquisition intangible assets applies to our utility infrastructure services segment adjusted net income (loss) and therefore applies to adjusted net income at the Southwest Gas Holdings consolidated level as well. We believe this adjustment is a common adjustment in the infrastructure services industry and that this adjustment allows investors to more clearly compare earnings performance with Centuri peer performance; as such, beginning with the first quarter of 2024, the Company has presented this adjustment now that Centuri has completed its IPO and has begun as a public company. For comparison, the Company has recast adjusted net income for the second quarter and year to date periods of 2023 in this presentation, to add amortization of certain intangible assets in order to align the presentation of adjusted net income between periods, including related tax effects.

We do not provide a reconciliation of forward-looking Non-GAAP Measures to the corresponding forward-looking GAAP measure due to our inability to project special charges and certain expenses. Following the Centuri IPO, we are no longer reporting Utility Infrastructure Services EBITDA and Adjusted EBITDA. Centuri will report those metrics in its own earnings materials.

Speakers and Agenda

SPEAKERS



KAREN HALLER

PRESIDENT AND CEO
SOUTHWEST GAS HOLDINGS



ROB STEFANI

CFO
SOUTHWEST GAS HOLDINGS

PRESENTATION AGENDA

Strategic and Business Update

Financial Update

Guidance and Outlook

SWX: Becoming a Premier, Fully Regulated Natural Gas Utility

Positioned for Continued Growth and Success

- » Safely delivering reliable, sustainable, and affordable energy solutions
- » Significant population growth and strong demand across service territories
- » Clear strategic focus on optimizing utility performance
- » Working collaboratively with regulators to drive constructive regulatory outcomes to complement strong organic rate base growth
- » Partnering with stakeholders to establish frameworks across jurisdictions to support investment opportunities in emerging technology energy initiatives
- » SWX will update investors on its plans with respect to the balance of its 81% ownership stake held in CTRI at a future date. This may include a sale of CTRI shares, a distribution of CTRI shares to SWX shareholders, a potential exchange of CTRI shares for SWX shares, or some combination thereof

Committed to Delivering Value for SWX Stockholders

- » Raising 2024 Southwest net income guidance range to **\$233-\$243** million
- » Southwest targeting **9.25% to 11.25%** adjusted net income growth from 2024-2026 and **6.5% to 7.5%** rate base growth over the same period¹
- » Improving earned return on equity through constructive regulatory outcomes, utility optimization, and cost management efforts
- » Delivering competitive dividend to stockholders
- » Maintaining strong investment grade balance sheet

Advancing SWX's 2024 Strategic Priorities

Centuri Separation

Public Filing of S-1	Complete	<input checked="" type="checkbox"/>	2Q 2024
Centuri Deleveraging/Refinancing	Complete	<input checked="" type="checkbox"/>	2Q 2024
Initial Public Offering ("IPO") Execution	Complete	<input checked="" type="checkbox"/>	2Q 2024
Complete Separation		<input type="checkbox"/>	Pending

2024 Financing Plan

SWX Equity issuance under ATM ² program (less than \$100M) ¹		<input type="checkbox"/>	3Q – 4Q 2024
SWX \$550M Term Loan Extension	Complete	<input checked="" type="checkbox"/>	3Q 2024
SWG \$400M Revolving Credit Facility Extension	Complete	<input checked="" type="checkbox"/>	3Q 2024

2024 Utility and Regulatory Strategy

NV Rate Case Approval	Complete	<input checked="" type="checkbox"/>	2Q 2024
AZ Rate Case Filing	Complete	<input checked="" type="checkbox"/>	1Q 2024
CA Rate Case Filing		<input type="checkbox"/>	3Q 2024
GBGTC Rate Case Filing	Complete	<input checked="" type="checkbox"/>	1Q 2024
Utility Optimization Executing Planned Initiatives	Ongoing	<input type="checkbox"/>	1Q – 4Q 2024

Current Rate Case Activity

Southwest remains committed to a purposeful regulatory strategy intended to limit regulatory lag



Nevada

Requested

Docket #	23-09012
Filing Date	9/11/2023
Requested ROE	10.00%
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$70 million

Authorized

Order Date	4/8/2024
Effective Date	April 15, 2024
ROE	9.5%
Cap Structure	50% Debt / 50% Equity
Revenue Increase	~\$59 million



Arizona

Requested

Docket #	G-01551A-23-0341
Filing Date	2/2/2024
Requested ROE	10.15%, 0.81% FVI
Cap Structure	50% Debt / 50% Equity
Revenue Increase	\$126 million

Procedural Schedule

Intervenor Testimony	9/6/2024 – Rev. Requirement 9/20/2024 – Rate Design
Rebuttal Testimony	10/11/2024
Hearing	11/20/2024 – 11/22/2024 11/25/2024 – 11/27/2024



Requested

Docket #	RP24-514-000
Filing Date	3/6/2024
Requested ROE	13.05%
Cap Structure	44% Debt / 56% Equity
Revenue Increase	~\$16 million

Procedural Schedule

Motion Rates	September 2024
Intervenor Testimony	October 2024
Rebuttal Testimony	November 2024
Hearing	January 2025
Initial Decision	May 2025



California

Continue to Expect California Rate Case Filing in 3Q 2024

Anticipate a proposed increase in rate base of 60 – 70%

Delivering Strong Results



SOUTHWEST GAS



GAAP Net income of ~\$28 million, \$8 million year-over-year increase in 2Q 2024 net income



Approximately 40,000 new meter sets added during the last 12 months



NV general rate case approved (~\$59 million revenue increase), including an increase in allowed return on equity (9.5%) and an allowed equity capitalization of 50%



Operations and maintenance expenses increased by 1.8% over the first six months of 2024 compared with the same period in 2023, reflecting utility optimization and cost discipline



Advancing regulatory strategy: anticipate a CA rate case filing in 3Q 2024, previously filed AZ and GBGTC rate cases on track, and developments on the general AZ lag docket



Finished the second quarter with more than \$560 million in cash, following collection of previously deferred purchased gas costs



Southwest Gas
HOLDINGS



Completed an IPO of CTRI stock with proceeds used for debt reduction; generating significant value for shareowners



ATM program filed, with shelf expiring in November of 2026



\$550 million Term Loan maturity extended in the third quarter of 2024 to July 31, 2025, with a 17.5 basis point reduction in applicable spread



Nearly \$600 million in cash as of 6/30/2024; limited capital markets needs expected through the end of 2026

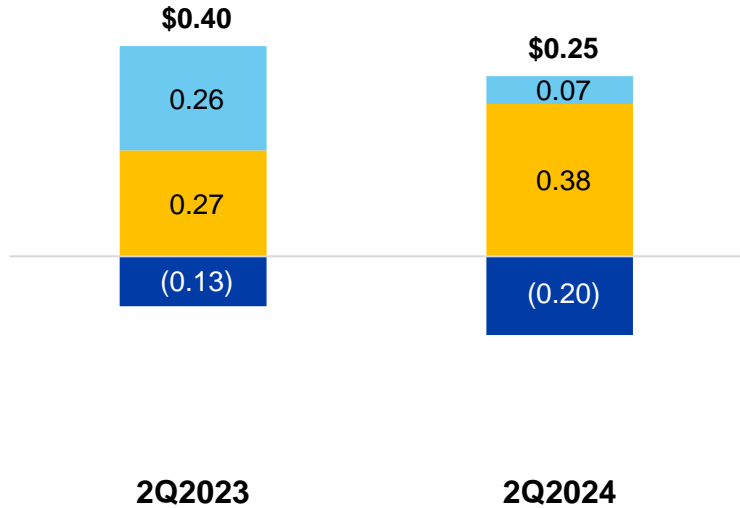
Financial Update



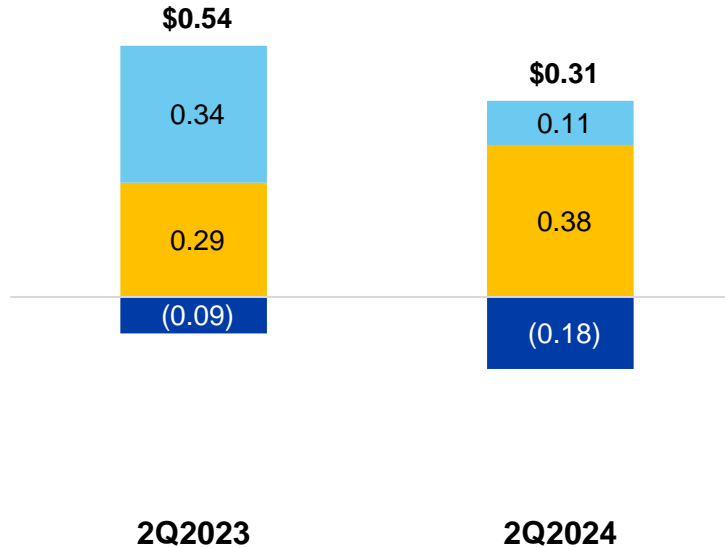
Southwest Gas
HOLDINGS

2Q 2024 SWX Earnings Per Share Results

GAAP SWX 2Q 2024 Diluted EPS Results



Adj. SWX 2Q 2024 Diluted EPS Results¹



■ HoldCo ■ Southwest ■ Centuri

Financial Highlights

- Consolidated second quarter 2024 adjusted net income of \$22.5 million resulting in adjusted earnings per share of \$0.31¹
- Southwest margin improved as a result of customer growth and recovery of investments
- HoldCo second quarter earnings impacted primarily by \$1.7 million of costs related to the Centuri Separation and interest expense on the \$550 million HoldCo term loan

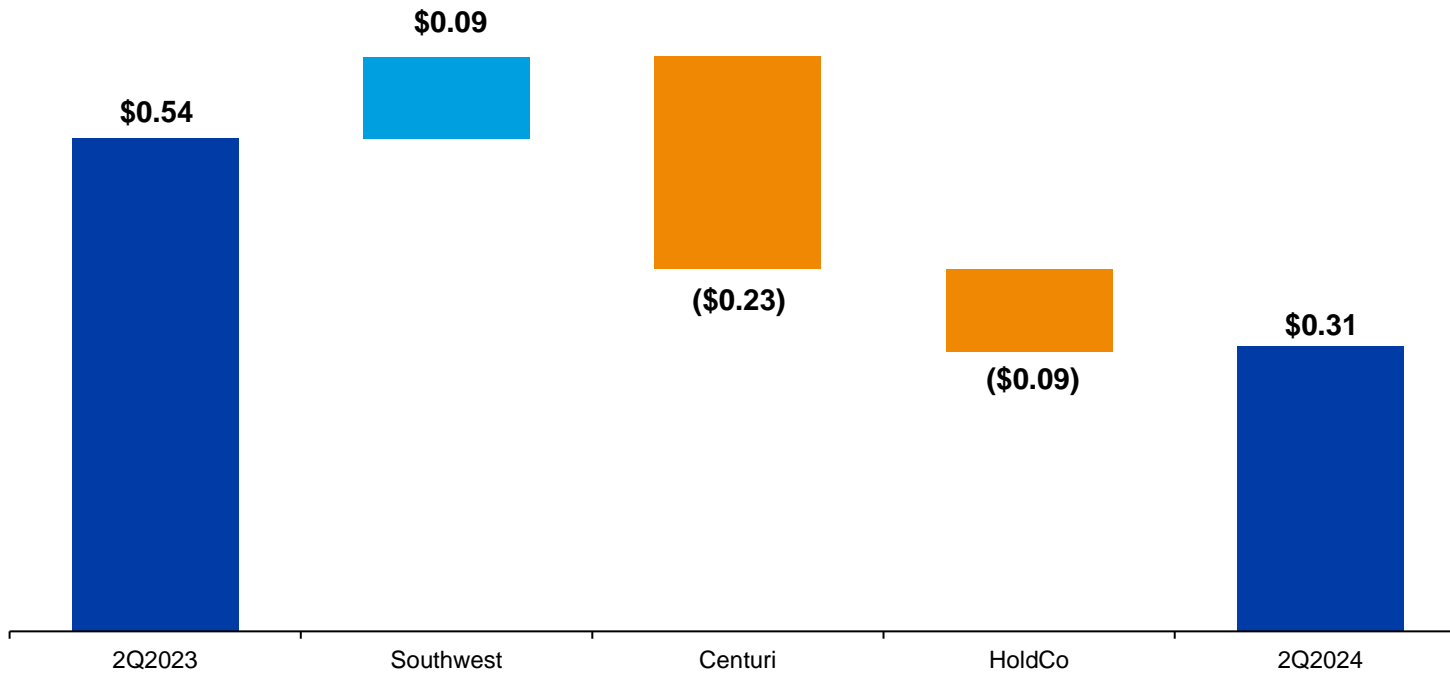
Notes: table may not add due to rounding

¹ Adjusted SWX net income and EPS for the three months ended June 30, 2024, adjusts for strategic review, including Centuri separation costs and the amortization of intangible assets (excluding amounts related to noncontrolling interest). Incrementally, the adjustments for three months ended June 30, 2023, further adjusts for the goodwill impairment and loss on sale, and consulting fees related to Utility optimization. See "Non-GAAP Measures" for more information and for full reconciliations of our non-GAAP financial measures.

2Q 2024 SWX Adjusted Diluted Earnings Per Share Walk

Adjusted Earnings Per Share¹

■ Favorable ■ Unfavorable



Financial Highlights

- Southwest benefited from higher margin from rate relief and customer growth, which was partially offset by modest O&M increases and reductions in interest income
- Centuri earnings impacted by lower volume of work under MSAs and lower bid work
- HoldCo earnings impacted by interest expense related to outstanding borrowings

Notes: table may not add due to rounding

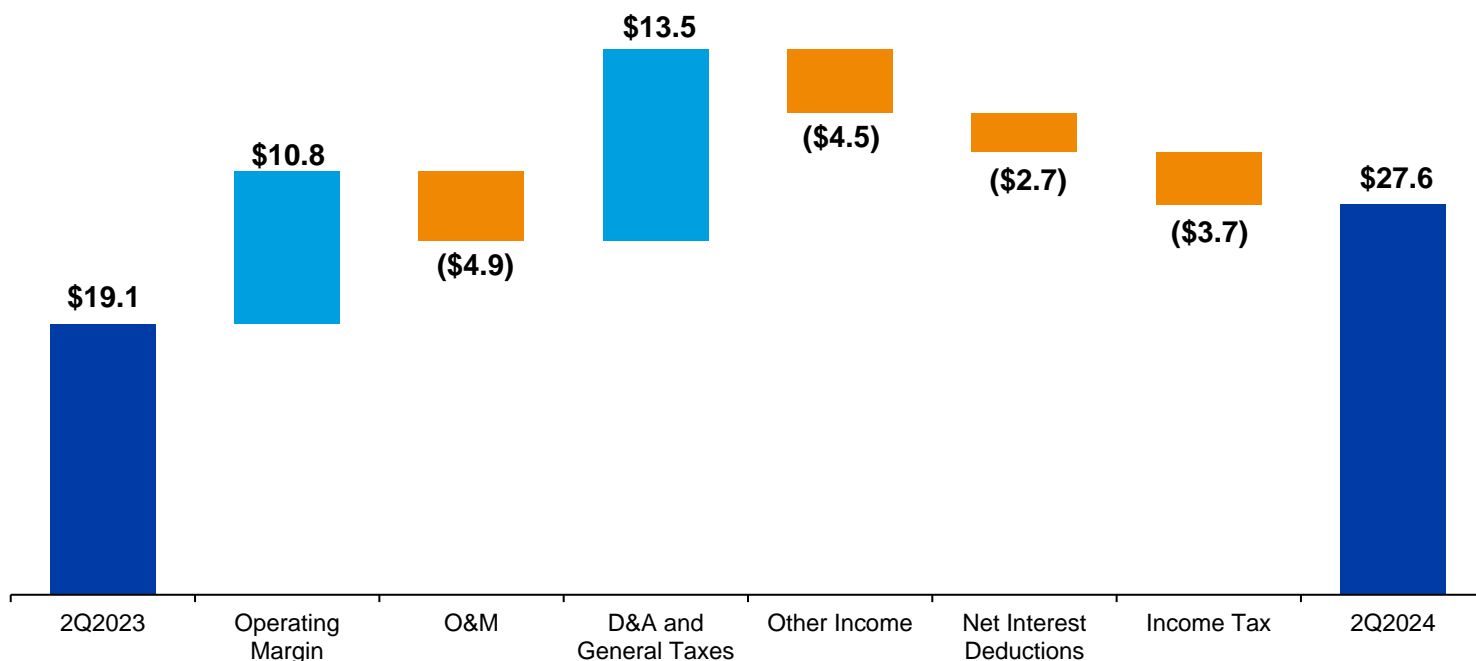
¹ Adjusted SWX net income and EPS for the three months ended June 30, 2024, adjusts for strategic review, including Centuri separation costs and the amortization of intangible assets (excluding amounts related to noncontrolling interest). Incrementally, the adjustments for three months ended June 30, 2023, further adjusts for the goodwill impairment and loss on sale, and consulting fees related to Utility optimization. See "Non-GAAP Measures" for more information and for full reconciliations of our non-GAAP financial measures.

2Q 2024 Southwest GAAP Net Income

NATURAL GAS DISTRIBUTION SEGMENT

GAAP Net Income (\$ in millions)

■ Favorable ■ Unfavorable



Highest second quarter net income on record

Year-over-year net income (loss) drivers include:

(parentheses indicate unfavorable net income drivers)

↑ favorable impact

↓ unfavorable impact

↑ Operating Margin¹

- \$18 million – Recovery of investments
- \$2 million – Customer growth
- \$2 million – Tracking mechanism surcharge components
- \$1 million – Customer late fee assessments
- (\$16 million) – Decrease in recoveries associated with regulatory programs offset in D&A below

↓ O&M

- General cost increases in a variety of areas (employee related labor and benefits, insurance costs, and leak survey and line locating activities)
- Partially offset by a reduction in external contractor and professional services

↑ D&A and General Taxes

- \$16 million – Lower amortization associated with regulatory account recoveries (offset in operating margin above)
- Partially offset by increase in depreciation reflective of a 7% increase in average gas plant in service since the corresponding second quarter of 2023²

↓ Other Income

- (\$5 million) – Decline in interest income related to carrying charges associated with the elevated deferred PGA³ balance
- (\$3 million) – Increase in values underlying COLI⁴ policies between periods
- (\$1 million) – Decrease in non-service-related components of employee pension and other postretirement benefit costs
- \$2 million – Increase in equity portion of the allowance for funds used in construction

↓ Interest

- Primarily driven by regulatory timing related to Southwest's industrial development revenue bonds

Notes: Chart may not add due to rounding

¹ Remaining variance primarily relates to miscellaneous revenue and customers outside of the decoupling mechanism

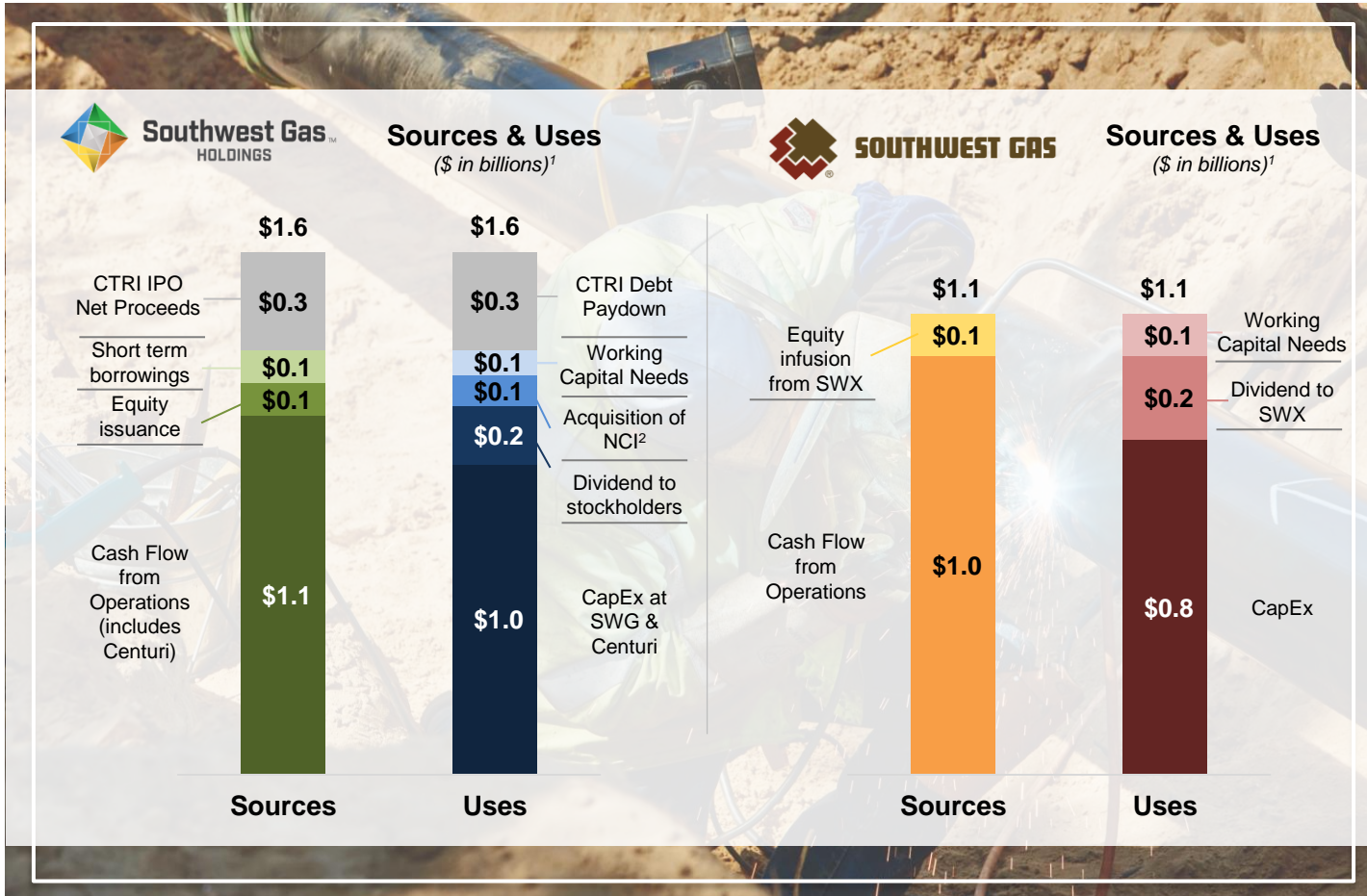
² Increase in plant was attributable to pipeline capacity reinforcement work, franchise requirements, scheduled pipe replacement activities, and new infrastructure

³ Purchased Gas Cost Adjustment ("PGA")

⁴ Company-Owned Life Insurance ("COLI")



2024 Financing Plan






Assumptions

- » Centuri IPO completed 2Q 2024; consolidated throughout 2024
- » Significant cash from collection of PGA at Southwest
 - » Cash flow from operations anticipated to fully fund capital plan
 - » Approximately \$600 million in PGA recoveries forecasted
- » Expect limited equity needs to be funded using ATM (less than \$100 million in 2024) depending on Centuri separation timing and strategy
- » No significant debt financing or refinancing at Southwest in 2024
- » Amended/extended Southwest Gas Holdings \$550 million Term Loan in 3Q 2024 as well as the Southwest \$400 million revolver

Balance Sheet Strength

SWX and SWG are committed to maintaining an investment grade profile

	Net Debt ¹ (\$ in billions)					Credit Ratings and Outlook ³					
	Total Debt	Cash	Net Debt	PGA ² Balance	Net Debt less PGA	Moody's		Standard and Poor's		Fitch	
						Ratings	Outlook	Ratings	Outlook	Ratings	Outlook
 Southwest Gas HOLDINGS	\$0.7	\$0.0	\$0.7	n/a	\$0.7	Baa2	Stable	BBB-	Positive	BBB	Negative
 SOUTHWEST GAS	\$3.5	\$0.6	\$2.9	\$(0.1)	\$3.0	Baa1	Stable	BBB	Positive	A-	Stable
 Centuri	\$1.0	\$0.0	\$1.0	n/a	\$1.0	Ba3	Negative	B+	Credit Watch Developing	Not Rated	Not Rated

Notes:

¹ As of 6/30/2024

² PGA Balances include purchased gas costs net of amounts received/refunded to or from customers

³ Issuer ratings shown for Southwest Gas Holdings and Centuri; Senior unsecured long-term ratings shown for Southwest Gas Corporation

Guidance and Outlook



Southwest 2024 and Forward-Looking Financial Guidance

2024 Guidance

	Current
Net Income ¹	\$233 - \$243 million
CapEx	~\$830 million

Forward-Looking Guidance

2024 – 2026 base yr 2024

	Current
Net Income ² (CAGR)	9.25% - 11.25%
Rate Base ² (CAGR)	6.5% - 7.5%
CapEx ³	\$2.4 billion

Southwest raised 2024 utility net income guidance range to \$233 – \$243 million. 2024 – 2026 utility net income CAGR guidance updated to 9.25% - 11.25% to reflect higher base year net income in 2024.

Positioned to Unlock Significant Stockholder Value



Enhancing SWX credit profile through strengthening capital and strategic flexibility by separation of Centuri



Maintain balance sheet flexibility and investment grade credit ratings



Positive regulatory developments and strong organic rate base growth



Optimizing the utility to deliver value through financial discipline, operational excellence, and constructive regulatory relationships



Safely delivering reliable, sustainable, and affordable energy solutions for new and existing customers, with a dedicated focus on service



Capital expenditure plan supported by increased economic development and customer growth throughout our service areas



Well positioned to continue delivering sustainable energy options for our customers

Contact Information

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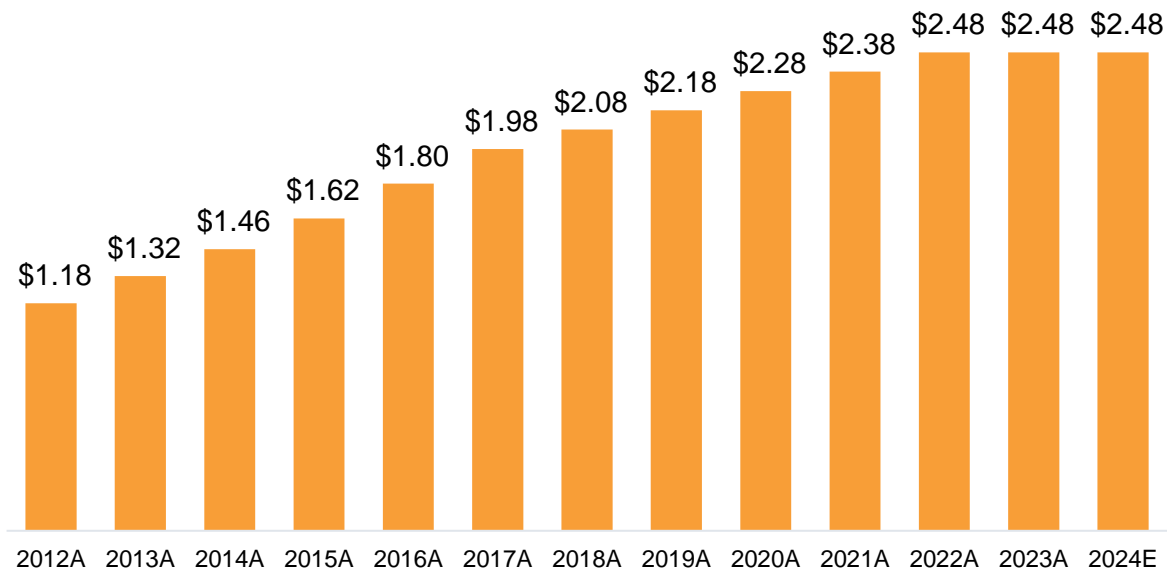
corpcomms@swgas.com



Maintaining a Competitive Dividend

Upon completion of the separation of Centuri, Southwest Gas Holdings plans to target a dividend payout ratio in line with gas utility peers

SWX Annual Dividend Per Share



- Southwest Gas Holdings is committed to paying a competitive dividend
- Southwest Gas Holdings has paid a dividend every year since 1956
- Upon completion of the separation of Centuri, Southwest Gas Holdings plans to target a dividend payout ratio in line with gas utility peers¹
- Until the planned separation has been completed, Southwest Gas Holdings expects to continue to pay its regular quarterly dividend¹
- Expect to size post-separation dividend off of future run rate earnings considering expected rate relief in Arizona, California, and Nevada¹

Utility Optimization Progress



In 2023 Southwest boosted its culture of continuous improvement and optimization by identifying opportunities to generate long-term benefits for all stakeholders



Accelerating our Pursuit of Excellence:

Striving to be a leader in safety, quality, customer service, operational performance, and cost management

2023 Summary

- » Formation of Office of Continuous Improvement & Optimization
- » Identified and prioritized company-wide initiatives
- » Finalized 6-year initiative playbook



Initiative Playbook

- » Initiative playbook contains several initiatives intended to drive value and long-term improvement across the organization
- » Investment in systems, technology, and processes



Value Driver Examples

- » Near-term Initiatives: outside services insourcing, customer contact center enhancements and fleet optimization
- » Long-term Initiatives: work management system modernization, advanced mobile leak detection deployment, information technology, application and storage optimization



Anticipating Results

- » Increase O&M savings to achieve flat O&M per customer over 2024-2026 forecast period



Successful insourcing of line locating activities in Southern AZ and Northern NV

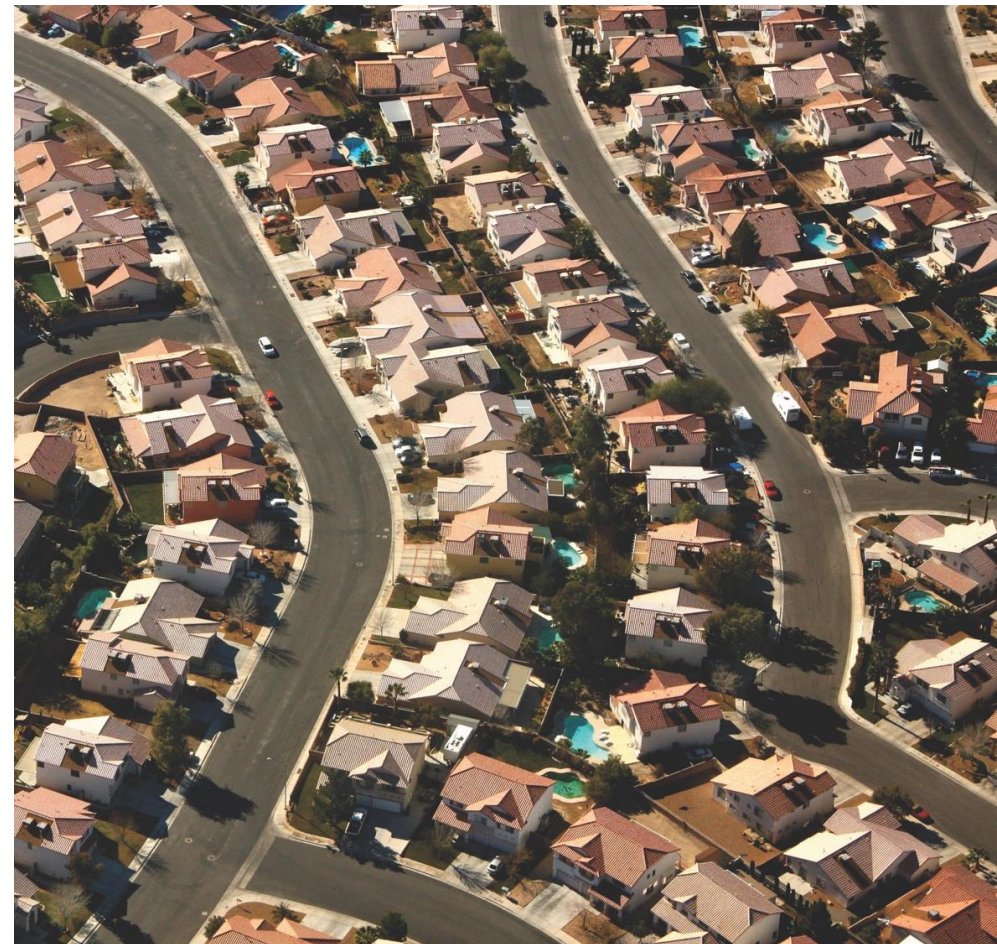


Process Optimization – Talent Acquisition Process Review Improvement

Summary of Gas Cost Balances and Recovery Mechanisms

PGA¹ Receivable Balance and Recovery Mechanism Summary

State	March 2024 Receivable Balance (\$ in millions)	June 2024 Receivable (Payable) Balance (\$ in millions)	Carrying Cost Rate	Gas Cost Rate Adjustment Frequency
AZ	\$135.9	\$31.5	1-Year Treasury Rate	Monthly ²
NV	\$42.0	\$(121.3)	Weighted Average Cost of Capital	Quarterly ²
CA	\$20.8	\$8.3	Commercial Paper Rate	Monthly ³
Total	\$198.7	\$(81.5)		



Southwest Net Income Drivers and Assumptions

Drivers	2024	2025	2026
Rate Relief	<ul style="list-style-type: none"> ▲ Nevada rates effective April 2024 ▲ GBGTC rates effective September 2024 	<ul style="list-style-type: none"> ▲ Arizona rates effective April 2025 	<ul style="list-style-type: none"> ▲ California rates effective January 2026
	<ul style="list-style-type: none"> ▲ Assumes rate case filings and outcomes in line with historical cadence and experience 		
Customer Growth	<ul style="list-style-type: none"> ▲ Anticipate customer growth of ~1.6% per year 		
O&M	<ul style="list-style-type: none"> ↔ Targeting flat O&M per customer 		
D&A	<ul style="list-style-type: none"> ▼ Increased YoY CapEx to support continued customer growth as well as one-time projects 	<ul style="list-style-type: none"> ▲ Expect declining capital to depreciation ratio after 2024 	
Financing Assumptions	<ul style="list-style-type: none"> Targeting 50/50 utility capital structure over time 		



Regulatory Update - Nevada

Rate Case Activity

Nevada Rate Case Outcome Summary

Dollars in millions

Proposed Revenue Increase¹	\$73.9	~98% of request after depreciation adjustment and before adjustments to cost of capital
Depreciation Expense	(\$6.8)	
Cost of Service Adjustment	(\$1.6)	
Stipulated Revenue Increase	~\$65.6	~\$297 million increase in rate base
Cost of Capital Adjustment	(\$6.5)	
Authorized Revenue Increase	\$59.1	

Cost of Capital

	Requested at Certification	Authorized
Target Equity Ratio	50%	50%
Return on Equity	10.00%	9.5%
Cost of Debt	4.51% NNV 4.50% SNV	Company's Position



Authorized \$59 million revenue increase in Nevada rates became effective in April 2024

O&M per customer



SWG Nevada⁵
\$191.95

Peer Group⁶
\$254.43

Notes: tables may not add due to rounding

¹ As of November 30, 2023 Certification. Request at test year was \$69.8M.

² Settlement Parties included Staff, BCP and the Southern Nevada Gaming Group.

³ Decoupled rate schedules consistent with those currently authorized.

⁴ Due to the timing of the 2020 rate case and COVID pandemic, the 2020 wage increase was not included in rates at that time.

⁵ Weighted average of Southern and Northern Nevada, based on application as filed.

⁶ As of December 31, 2022, utilizing average of peer group natural gas utilities (ATO, NJR, NWN, OGS, SR, & NI).

Regulatory Update - Arizona

Rate Case Activity

Arizona Rate Case Filing Summary

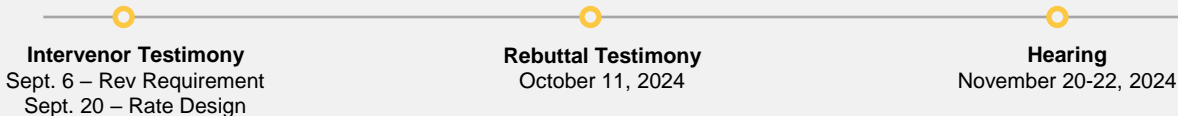
In February 2024, Southwest filed a rate case requesting a revenue increase of approximately \$126 million with rates anticipated to become effective April 2025

Target Equity Ratio	50%
Rate of Return	10.15%
Fair Value Return on Rate Base	0.81%
Rate Base	\$3.3 billion (~\$646 million increase, or ~24%)
Proposed Revenue Increase	~\$126 million

Notes

- » 364-Day Procedural Schedule
- » Continuation of full revenue decoupling¹
- » ~\$40 million increase in O&M
- » Test year from 11/1/22 – 10/31/23 with \$229 million of rate base requested in the post test year period of 11/1/23 – 10/31/24
- » Proposed Capital Tracker (~40% of AZ capital budget)
- » Proposed Unrecovered Gas Cost Expense Rate
- » No significant changes to rate design

Procedural Schedule



Proposed System Improvement Benefit (SIB) Mechanism

Encompass all required safety-related infrastructure investments that account for ~40% of the Company's Capital Budget dedicated to Arizona.²

Key Objectives

- Enhance Safety
- Minimize Regulatory Lag
- Minimize Customer Bill Impact
- Reduce Frequency of Rate Case Filings

Rate effective each February, subject to refund.

Regulatory Update – GBGTC and California

Rate Case Activity

GBGTC Filing Summary

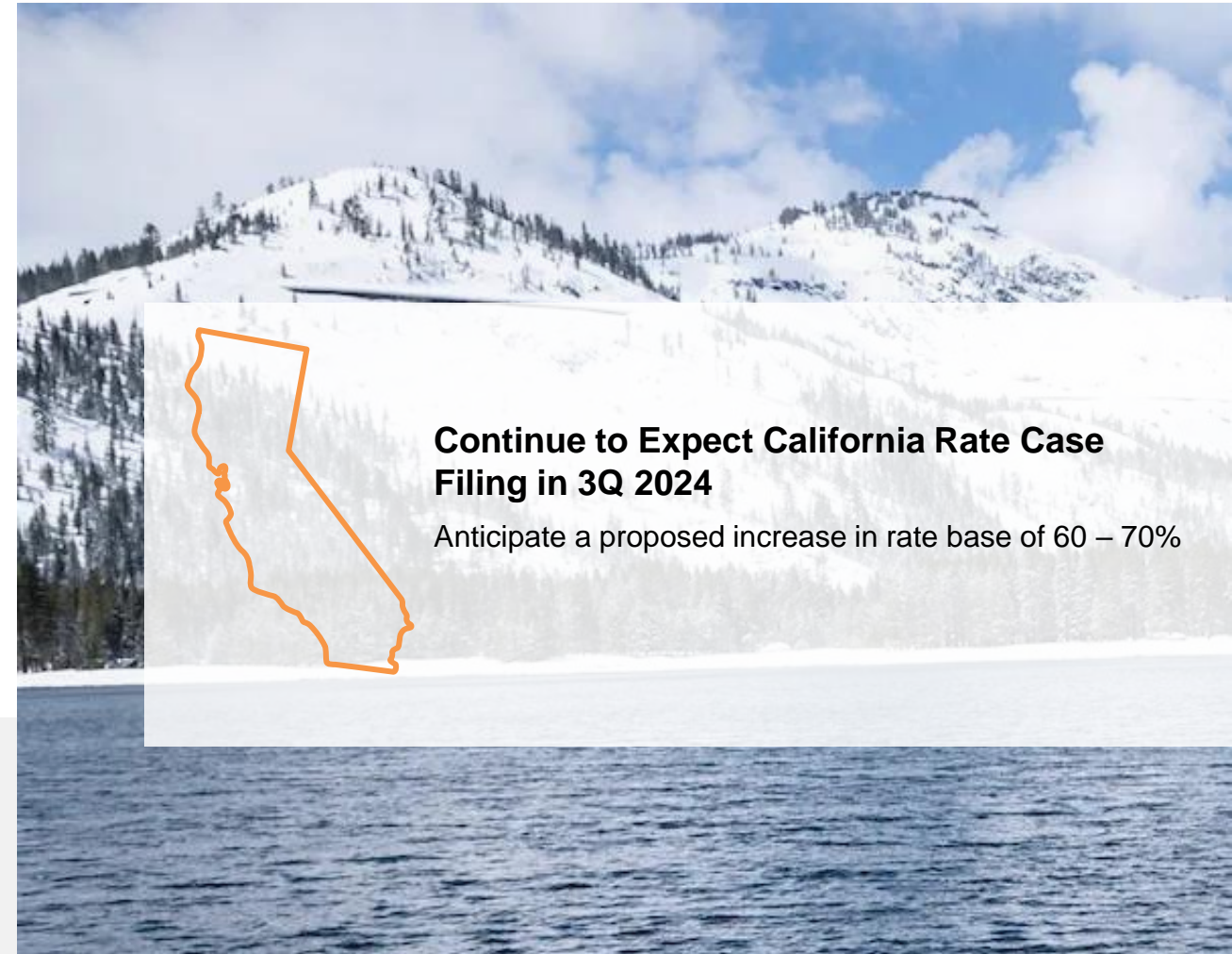
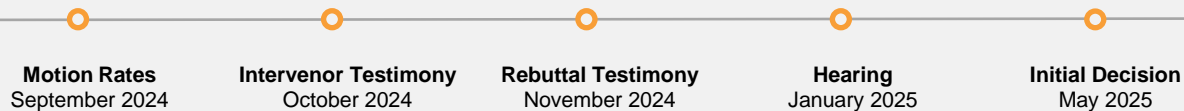
Filed GBGTC rate case on March 6, 2024 requesting a revenue increase of approximately \$16 million. Motion rates go into effect September 6, 2024, subject to refund.

Target Equity Ratio	56%
Return on Equity	13.05%
Rate Base	\$206 million (~\$99 million increase)
Proposed Test Year Revenue Increase	~\$16 million

Notes

- » Approximate \$1.5 million increase in depreciation expense related to proposed depreciation rates
- » No changes in rate design

Anticipated Procedural Schedule



Strong Demand Dynamics Supporting Value Creation

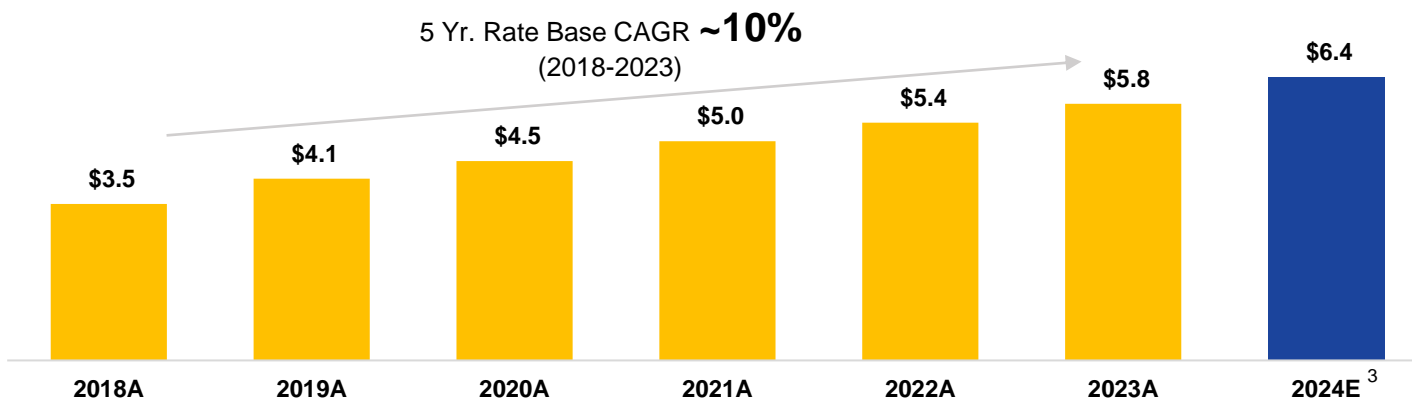


Strong Economic Growth Projected Across Service Areas

- From 2024 to 2029, projected population growth of 3.52% in Arizona and 2.61% in Nevada, compared to the 2.40% average growth in the US¹
- Continued growth in First-Time Meter Sets

~40k First-Time Meter Sets during the twelve months ended June, 30 2024

Rate Base² (\$ in billions)



\$2.4B

Capital Investment to Support Growth

6.5 – 7.5%

Rate Base Growth

Estimated 2024 – 2026

Plan Highlights

53%

in Safety & Integrity Management

28%

in New Business

90% - 95%

Expected percentage of three-year capital plan funded by internally generated cash

Notes:

¹ S&P Global Capital IQ, 22 April 2024.

² Rate base amounts reflect estimated total investment in facilities to provide utility service, less estimated retirements, depreciation, and deferred taxes plus working capital as of 12/31 of each year depicted. This is different than our authorized rate base, which is the rate base approved by our regulatory bodies in our most recent rate cases and that is reflected in current rates.

³ 2024E rate base assumes CapEx at 2024 guidance (~\$830 million)

Southwest Regulatory Update

Other Regulatory Activity



Arizona PGA Filing

Received ACC approval to increase the Gas Cost Balancing Account rate (for up to two years) to facilitate timely recovery of an approximate \$358 million purchased gas cost balance, effective August 1, 2023.

Arizona COYL Annual Surcharge Filing

In February, the Company submitted its annual COYL Surcharge filing requesting a \$1.8 million margin increase approved in June 2024.

California Hydrogen Demonstration Project

Application pending before California Public Utilities Commission (“CPUC”) for approval of a hydrogen-blending demonstration project in Northern California.

California Fort Irwin Expansion Project

CPUC approved the expansion of the Company’s service territory in Southern California to accommodate the construction of an ~21-mile pipeline to extend service to the Army’s National Training Center at Fort Irwin.

Great Basin 2023 Mainline Replacement Project

FERC issued order in February 2023 granting a certificate of public convenience and necessity (“CPCN”) for the construction and operation of the project which contemplates the replacement of ~20.4 miles of 16” pipe in Humboldt County. The current project estimate is ~\$47 million. Great Basin has requested authority from FERC to place the line in service April 24, 2024.

Great Basin 2024 – Expansion Project

In April 2024, the FERC issued the order approving SWG’s application to abandon and replace certain pipeline facilities and grant a CPCN to construct and operate certain facilities to expand the transportation capacity of the system. The current project estimate is ~\$15 million.

Nevada Annual Rate Adjustment Filing

The Company’s application filed in November 2023 contemplated a statewide decrease of ~\$11.4 million. Rate adjustments were implemented May 2024 pursuant to an all-party settlement. Following a limited scope hearing on certain gas purchases, the Company’s application was approved July 2024 as filed and its gas procurement practices were found to be reasonable and prudent.

Notes:

¹ Arizona Corporate Commission (“ACC”)

Legislative Activity - Nevada

Executive Order 2023-07

Outlines the state's energy priorities and policy objectives for the next decade

Focus

- » Supports an all-of-the-above approach to energy in the state
- » Emphasizes the importance of affordability and reliability of energy for consumers
- » Protects the use of natural gas in homes and businesses and ensures Nevadans continue to have all energy options available to them
- » Promotes economic development and investment in Nevada

SB 281 Gas Planning

Establishes an infrastructure planning process with the PUCN¹ for natural gas utilities. The rulemaking is currently underway at the PUCN

Requires three-year plan to include:

- » Current & projected demands for natural gas
- » Significant projects & investments
- » Energy efficiency & load management programs
- » Renewable energy & low-carbon fuel initiatives

Gas Planning Benefits



Supports investment in clean fuel technologies and R&D opportunities



Creates opportunity to seek regulatory pre-approval for certain investments



Reinforces natural gas's role in providing safe, reliable and affordable energy



Creates pathways for natural gas utilities to support greenhouse gas emissions reduction goals



Enhances transparency for customers and interested stakeholders

Notes:

¹ Public Utilities Commission of Nevada ("PUCN")

2Q 2024 Financial Results

CONSOLIDATED

Results of Consolidated Operations <i>(in millions, except per share items)</i>	Three Months Ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Natural gas distribution income	\$ 27.6	\$ 19.1	\$ 163.4	\$ 153.8
Utility infrastructure services income (loss)	5.1	18.8	(31.2)	6.9
Pipeline and storage loss	-	-	-	(16.3)
Corporate and administrative loss	(14.3)	(9.1)	(26.2)	(69.7)
Net income	18.3	28.9	106.1	74.8
Non-GAAP adjustments ⁽¹⁾	4.2	9.9	14.9	85.0
Adjusted net income	\$ 22.5	\$ 38.8	\$ 121.0	\$ 159.8
Basic earnings per share	\$ 0.26	\$ 0.40	\$ 1.48	\$ 1.07
Diluted earnings per share	\$ 0.25	\$ 0.40	\$ 1.47	\$ 1.07
Basic adjusted earnings per share	\$ 0.31	\$ 0.54	\$ 1.69	\$ 2.29
Diluted adjusted earnings per share	\$ 0.31	\$ 0.54	\$ 1.68	\$ 2.28
Weighted average common shares	71.839	71.536	71.784	69.901
Weighted average diluted shares	72.015	71.722	71.949	70.072

Notes: table may not add due to rounding

¹ Adjusted SWX net income and EPS for the three and six months ended June 30, 2024, adjusts for strategic review, including Centuri separation costs and the amortization of intangible assets (excluding amounts related to noncontrolling interest). Incrementally, the adjustments for three and six months ended June 30, 2023, further adjusts for the goodwill impairment and loss on sale and nonrecurring stand-up costs associated with integrating MW, and consulting fees related to Utility optimization. See "Non-GAAP Measures" for more information and for full reconciliations of our non-GAAP financial measures.

Summary of Operating Results

NATURAL GAS DISTRIBUTION SEGMENT

Results of Natural Gas Distribution <i>(in thousands of dollars)</i>	Three Months Ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Regulated operations revenues	\$ 510,093	\$ 487,866	\$ 1,563,026	\$ 1,402,745
Net cost of gas sold	242,479	231,053	872,476	732,222
Operating margin	267,614	256,813	690,550	670,523
Operations and maintenance expense	129,627	124,731	260,493	255,919
Depreciation and amortization	61,687	74,845	146,510	149,495
Taxes other than income taxes	21,228	21,604	44,131	44,344
Operating income	55,072	35,633	239,416	220,765
Other income	14,211	18,742	32,311	37,185
Net interest deductions	39,839	37,104	76,283	75,726
Income before income taxes	29,444	17,271	195,444	182,224
Income tax expense (benefit)	1,850	(1,849)	32,025	28,408
Segment net income	\$ 27,594	\$ 19,120	\$ 163,419	\$ 153,816

Non-GAAP Measures

(\$ in thousands, except per share amounts)

Adjusted SWX income and adjusted EPS for the three and six months ended June 30, 2024, adjusts for strategic review, including Centuri separation costs and the amortization of intangible assets (excluding amounts related to noncontrolling interest). Incrementally, the adjustments for the three and six months ended June 30, 2023, further adjusts for the goodwill impairment and loss on sale and sale-related expenses and non-recurring stand-up costs associated with integrating MW, and consulting fees related to Utility optimization.

Adjusted Corporate and Administrative loss and adjusted EPS for the three and six months ended June 30, 2024 adjusts for Centuri separation costs (excluding amounts related to noncontrolling interest). Incrementally, the adjustments for the three and six months ended June 30, 2023, further adjusts for goodwill impairment and loss on sale and MW stand-up, integration, and transaction-related costs, and consulting fees related to Utility optimization.

Adjusted Southwest income and adjusted EPS for the three and six months ended June 30, 2023 adjusts for consulting fees related to Utility optimization.

We do not provide a reconciliation of forward-looking Non-GAAP Measures to the corresponding forward-looking GAAP measure due to our inability to project special charges and certain expenses.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
SWX Adjusted Net Income and Adjusted EPS				
SWX net income	\$ 18,333	\$ 28,878	\$ 106,070	\$ 74,789
Goodwill impairment and loss on sale and sale-related expenses	-	397	-	73,085
Nonrecurring stand-up cost associated with integrating MW	-	-	-	2,856
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	-	2,395	-	2,395
Strategic review and Centuri separation	181	3,669	6,783	5,397
Amortization of intangible assets	5,685	6,670	12,353	13,338
Income tax effect of adjustments	(1,666)	(3,198)	(4,212)	(12,094)
SWX adjusted net income	\$ 22,533	\$ 38,811	\$ 120,994	\$ 159,766
Weighted average diluted shares	72,015	71,722	71,949	70,072
SWX adjusted EPS	\$ 0.31	\$ 0.54	\$ 1.68	\$ 2.28
Corporate & Admin. Adjusted Net Income and Adjusted EPS				
Corporate and Admin. net loss	\$ (14,315)	\$ (9,060)	\$ (26,173)	\$ (69,685)
Goodwill impairment and loss on sale	-	397	-	51,870
MW stand-up, integration, and transaction-related costs	-	-	-	291
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	-	359	-	359
Centuri separation cost	1,652	2,532	4,377	4,169
Income tax effect of adjustments	(396)	(789)	(1,050)	(13,606)
Corporate and Admin. adjusted net loss	\$ (13,059)	\$ (6,561)	\$ (22,846)	\$ (26,602)
Weighted average diluted shares	72,015	71,722	71,949	70,072
Corporate and Admin. adjusted EPS	\$ (0.18)	\$ (0.09)	\$ (0.32)	\$ (0.38)
Southwest Adjusted Net Income and Adjusted EPS				
Southwest net income	\$ 27,594	\$ 19,120	\$ 163,419	\$ 153,816
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	-	2,036	-	2,036
Income tax effect of adjustment	-	(489)	-	(489)
Southwest net income	\$ 27,594	\$ 20,667	\$ 163,419	\$ 155,363
Weighted average diluted shares	72,015	71,722	71,949	70,072
Southwest adjusted EPS	\$ 0.38	\$ 0.29	\$ 2.27	\$ 2.22

Non-GAAP Measures

(\$ in thousands, except per share amounts)

Adjusted MW loss and adjusted EPS for the six months ended June 30, 2023 adjusts for nonrecurring stand-up costs and goodwill impairment and loss on sale.

Adjusted Centuri net income (loss) and adjusted EPS for the three and six months ended June 30, 2024 and June 30, 2023, adjusts for strategic review costs, including the Centuri separation and the amortization of intangible assets.

We do not provide a reconciliation of forward-looking Non-GAAP Measures to the corresponding forward-looking GAAP measure due to our inability to project special charges and certain expenses.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
MW Adjusted Net Income and Adjusted EPS				
MW net loss	\$ -	\$ -	\$ -	\$ (16,288)
Nonrecurring stand-up cost associated with integrating MW	-	-	-	2,565
Goodwill impairment and loss on sale	-	-	-	21,215
Income tax effect of adjustments	-	-	-	5,580
MW adjusted net income	\$ -	\$ -	\$ -	\$ 13,072
Weighted average diluted shares	72,015	71,722	71,949	70,072
MW adjusted EPS	\$ -	\$ -	\$ -	\$ 0.19
Centuri Adjusted Net Income and Adjusted EPS				
Centuri net income (loss)	\$ 5,054	\$ 18,818	\$ (31,176)	\$ 6,946
Strategic review costs, including Centuri separation	(1,471)	1,137	2,406	1,228
Amortization of intangibles	5,685	6,670	12,353	13,338
Income tax impact of adjustments	(1,270)	(1,920)	(3,162)	(3,579)
Centuri adjusted net income (loss)	\$ 7,998	\$ 24,705	\$ (19,579)	\$ 17,933
Weighted average diluted shares	72,015	71,722	71,949	70,072
Centuri adjusted EPS	\$ 0.11	\$ 0.34	\$ (0.27)	\$ 0.26