

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” 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 2023 financial guidance and expected value drivers, and expectations with respect to future dividends, expectations with respect to a separation of Centuri and the ability to preserve the viability of a tax-free spin-off of Centuri, and the future performance of the Company, Southwest Gas Corporation and Centuri. The Company can provide no assurances that an initial public offering and/or separation of Centuri will occur on the expected timeline or at all. 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 of a Centuri separation and potential IPO, 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. Likewise, the Company can provide no assurance regarding utility infrastructure services segment revenues, EBITDA, EBITDA margin or growth rates, that projects expected to be undertaken with results as stated will occur, nor that interest expense patterns will transpire as expected, nor assurance regarding potential transactions or their impacts, including management's plans or expectations related thereto, including with regard to Centuri. 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) utility infrastructure services segment EBITDA, (x) utility infrastructure services segment adjusted EBITDA, (xi) pipeline and storage segment adjusted earnings per share, and (xii.) 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.

Speakers and Agenda

SPEAKERS



KAREN HALLER

PRESIDENT AND CEO
SOUTHWEST GAS HOLDINGS



ROB STEFANI

CFO
SOUTHWEST GAS HOLDINGS



JUSTIN BROWN

PRESIDENT
SOUTHWEST GAS CORPORATION



PAUL DAILY

PRESIDENT AND CEO
CENTURI GROUP, INC.

PRESENTATION AGENDA

Strategic Update

Financial Update

Business Update

Guidance and Outlook

SWX: Becoming a Premier, Fully Regulated Natural Gas Utility

Positioned for Continued Growth and Success

- Delivering safe, reliable, sustainable and affordable energy solutions across our footprint
- 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

Committed to Delivering Value for SWX Stockholders

- Targeting **5% to 7%** rate base growth over the next three years
- Increasing earned return on equity through constructive regulatory outcomes and cost management efforts
- Delivering competitive dividend to stockholders
- Maintaining strong investment grade balance sheet

Centuri Separation Update

- Confidentially submitted draft Registration Statement on Form S-1 for a potential initial public offering (“IPO”)
- Announced actions to help preserve Company’s ability to effectuate a tax-free separation of Centuri as additional separation alternatives are considered
- Continue to assess the attractiveness of a tax-free separation of Centuri (either following an IPO or in lieu of an IPO) against other taxable alternatives
- Importantly, extensive NOL position provides strategic flexibility with respect to separating Centuri

Executing SWX's 2023 Strategic Priorities

MW Sale

Closed

Complete



1Q 2023

RAS/RES

Ratings Analyses

Complete



1Q 2023

2023 Financing Plan

SWX Equity (~\$250 million) and SWG Bond (~\$300 million)

Complete



1Q 2023

SWX Term Loan (~\$550 million)



2Q 2023

2023 Utility and Regulatory Strategy

Arizona Rate Case Approval

Complete



1Q 2023

Arizona PGA Recovery Mechanism Approval



3Q 2023

Nevada Rate Case Filing



3Q 2023

Utility Optimization Review and Prioritization of Initiatives

On Track



1Q 2023 – 4Q 2023

Arizona Rate Case Filing



1Q 2024

Centuri Separation

Arizona Corporation Commission Approval

Complete



2Q 2023

Confidential Form 10 Submission with SEC



2Q 2023

Confidential Form S-1 Submission with SEC



3Q 2023

Centuri Deleveraging/Refinancing

On Track



4Q 2023 – 1Q 2024

Separation Day One



1Q 2024 / or post-lock up if IPO

Delivering Strong Results and Advancing Strategy



~\$19 million year-over-year increase in third quarter earnings



More than 41,000 new meter sets added during the last 12 months



Received approval from the Arizona Corporation Commission (“ACC”) to implement an increase in the Gas Cost Balancing Account rate to facilitate timely recovery of ~\$358 million in Arizona purchased gas costs effective August 1, 2023



Filed rate case with the Public Utilities Commission of Nevada (“PUCN”) in September of 2023 requesting a revenue increase of approximately \$70 million



Anticipating an Arizona rate case filing in the first quarter of 2024



Limited near-term equity needs for 2024 and 2025 (expect to be raised under the Southwest Gas at-the-market program)



~\$82 million (~38%) year-over-year increase in LTM third quarter adjusted EBITDA – LTM adjusted EBITDA of ~\$299 million¹



~\$83 million storm restoration services revenue earned year to date, an increase of \$47 million over the same period in 2022



\$157 million sustainable wind energy project revenues booked year to date of \$200 million projected for the full year



Successfully achieved substantial completion of a ~\$120M gas pipeline construction contract in Indiana



Confidentially submitted draft Registration Statement on Form S-1 for an IPO



Improved EBITDA margins expected to help organically de-lever Centuri over time

Utility Optimization Progress

Executing a multi-step evaluation process to optimize utility performance and deliver value to all stakeholders

1Q 2023

2Q 2023

3Q 2023

4Q 2023

Comprehensive Review and Identification of Potential Opportunities

Key Focus Areas

- Safe, reliable, sustainable, and affordable service
- Disciplined approach to O&M and cost management
- Maximizing CapEx effectiveness to support customer growth, system improvements, and evolving customer needs
- Optimization of rate case process
- Delivery of sustainable energy options for customers
- Industry leading operational performance

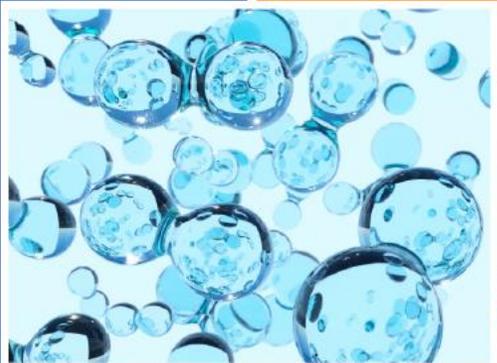
Initiative Development and Prioritization to Establish a Multi-Year Strategic Plan

Projected Outcomes

- Constructive regulatory outcomes
- Meet and exceed customer and regulator expectations
- Attractive rate base growth of 5% - 7%
- ROE improvement
- Financial stability and improved credit profile
- Earnings growth

Positioned to begin plan execution in 2024 to drive long-term positive change across the organization and accelerate our pursuit of excellence

Financial Update

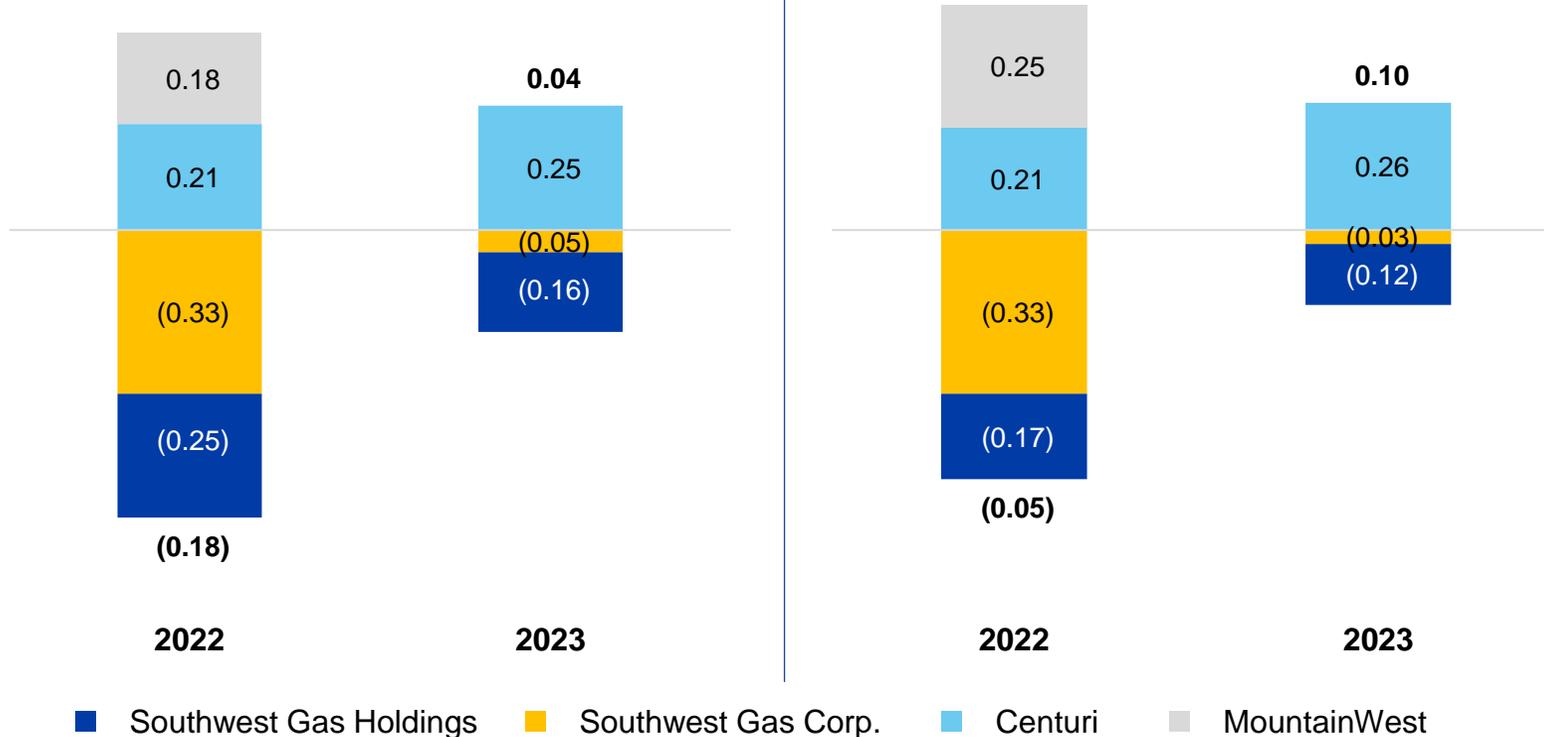


Southwest Gas
HOLDINGS

3Q 2023 SWX Results

GAAP SWX 3Q 2023 EPS Results¹

Adj. SWX 3Q 2023 EPS Results¹



Financial Highlights

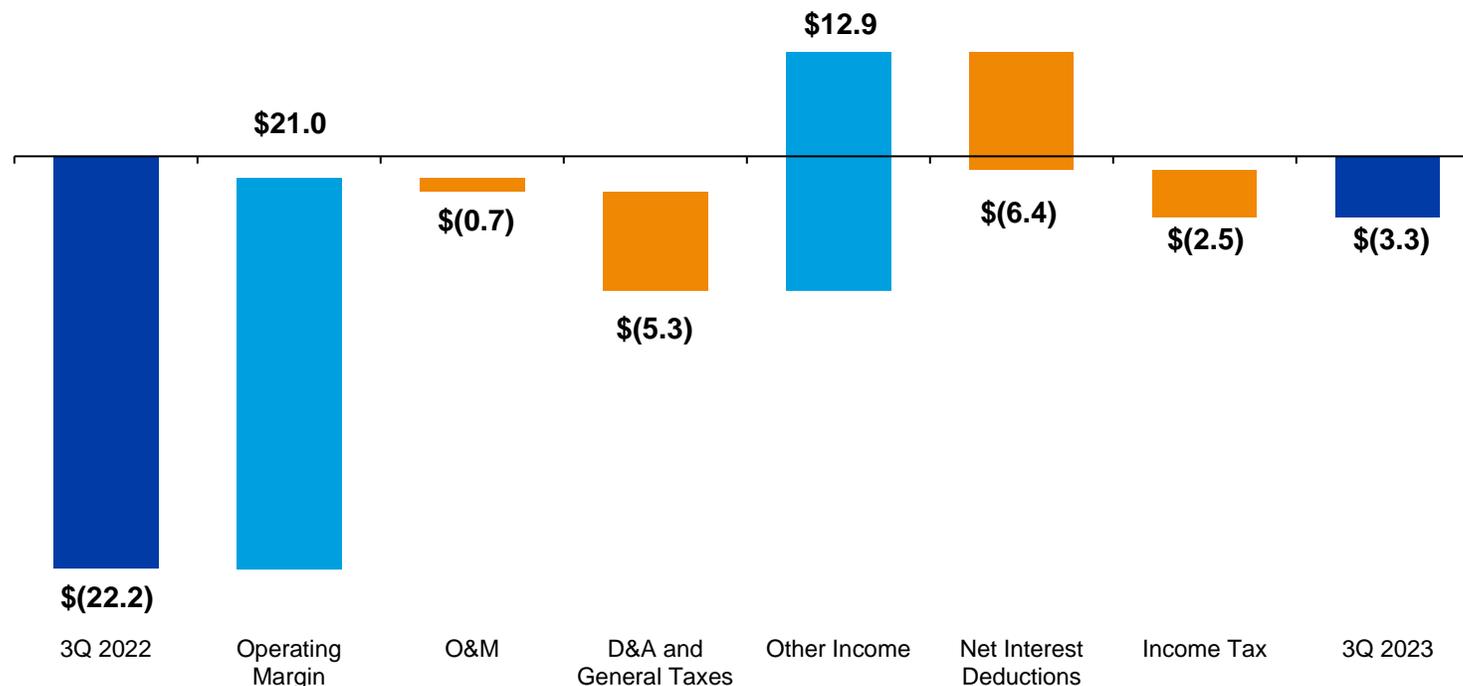
- Consolidated third quarter adjusted net income of \$7.5 million resulting in adjusted earnings per share of \$0.10
- SWG recorded its lowest seasonal third quarter net loss on record
- Centuri recorded its highest third quarter revenue and adjusted EBITDA on record
- Southwest Gas Holdings third quarter earnings impacted primarily by \$10 million in interest expense related to term loan for corporate purposes and \$3 million in costs related to the planned Centuri separation

3Q 2023 Southwest Net Income (Loss)

NATURAL GAS DISTRIBUTION SEGMENT

GAAP Net Income (Loss) (\$ in millions)

■ Favorable ■ Unfavorable



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

(parentheses indicate unfavorable net income drivers)

↑ favorable impact ↓ unfavorable impact

↑ Operating Margin¹

- \$14 million – Combined increase recovery of investment
- \$2 million – Customer growth
- \$2 million – Recovery associated with regulatory account balances

↓ O&M

- O&M remained relatively flat despite an increase in external contractor and professional services costs, including costs related to utility optimization
- Increases mostly offset by decreases in pension service cost and cost of fuel used in operations

↓ D&A and General Taxes

- (\$2 million) – Increase in amortization related to regulatory account recoveries
- Remaining increase largely related to 6% increase in average gas plant since 3Q 2022²

↑ Other Income

- \$9 million – Increase in interest income due to the increased receivable position related to the PGA³ mechanisms
- \$5 million – Decrease in non-service-related components of employee pension and other retirement benefit costs

↓ Interest

- Primarily driven by interest associated with the issuance of debt to fund investment plan and PGA balance

Lowest Seasonal Third Quarter Net Loss on Record

Notes: 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

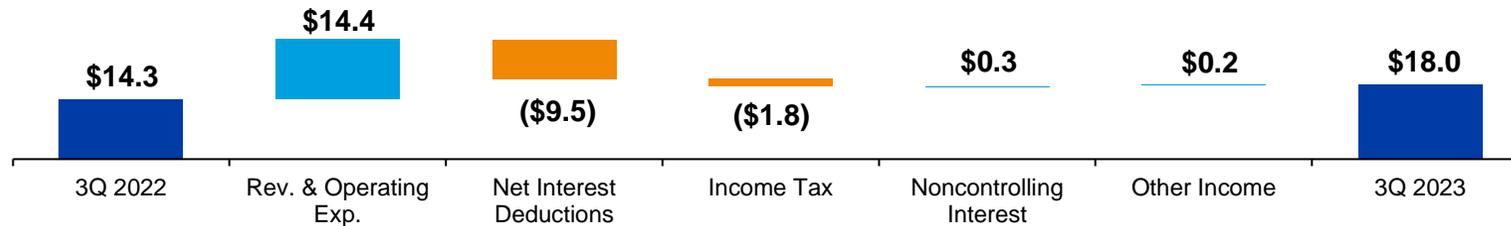
³ Purchased Gas Cost Adjustment ("PGA")

3Q 2023 Centuri GAAP Net Income

UTILITY INFRASTRUCTURE SERVICES SEGMENT

GAAP Net Income (\$ in millions)

■ Favorable ■ Unfavorable



Year-over-year drivers include:

(parentheses indicate unfavorable net income drivers)

↑ favorable impact

↓ unfavorable impact

↑ Revenues

- ~\$16 million – Total increase
 - \$45 million – Increased offshore wind revenue
 - \$11 million – Increased electric infrastructure services revenue
 - Partially offset by a decrease in gas infrastructure service revenue
 - Storm restoration services revenue remained relatively flat quarter-over-quarter

↓ Operating Expenses

- (\$6 million) Total increase – driven by higher volume of work and higher incentive compensation and increased subcontractor costs on offshore wind projects

↓ Net Interest Deductions

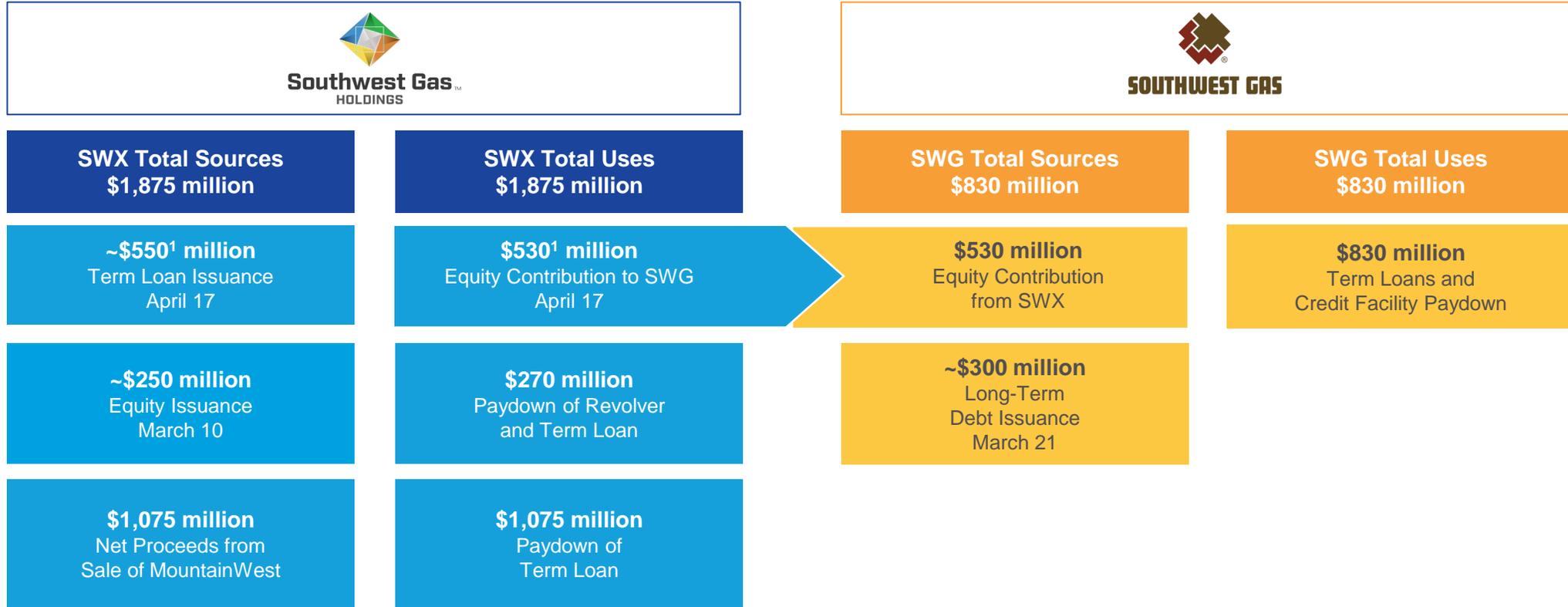
- Primarily due to higher interest rates on outstanding variable-rate borrowings associated with Riggs Distler acquisition

Record Third Quarter Revenue



Notes: May not add due to rounding.

2023 Financing Plan Complete



Limited Near-Term Equity Needs for 2024 and 2025²

Notes:

¹ Approximately \$20 million used to paydown SWX credit facility

² Expect to be raised under the Southwest Gas at-the-market program

Balance Sheet Strength

SWX and SWG are committed to maintaining an investment grade profile

	Net Debt ¹ (\$ in billions)					Credit Ratings and Outlook					
	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	\$0.6	\$0.0	\$0.6	n/a	\$0.6	Baa2	Stable	BBB-	Positive	BBB	Rating Watch Negative
 SOUTHWEST GAS	\$3.5	\$0.1	\$3.4	\$0.7	\$2.7	Baa1	Stable	BBB	Positive	BBB+	Stable
 Centuri	\$1.2	\$0.0	\$1.2	n/a	\$1.2	Ba2	Under Review For Downgrade	B+	Credit Watch Developing	Not Rated	Not Rated

Notes:

¹ As of 9/30/2023

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

Business Update



Southwest Gas
HOLDINGS

Strong Demand Dynamics Supporting Value Creation

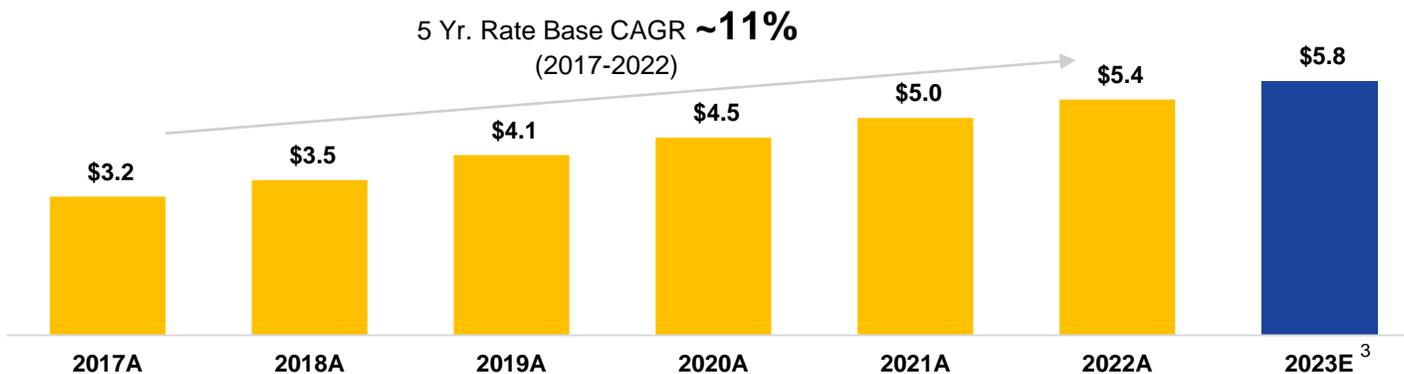


Strong Economic Growth Across Service Areas

- From 2023 to 2028, projected population growth of 3.76% in Arizona and 3.95% in Nevada¹
- Strong YTD 2023 increase in First-Time Meter Sets:

~30k First-Time Meter Sets through September 2023

Rate Base² (\$ in billions)



\$2B

Capital Investment to Support Growth

Estimated 2023 – 2025

Plan Highlights

46%

in Safety & Integrity Management

36%

in New Business & Reliability

65% - 70%

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

Notes:

¹ S&P Global Capital IQ, 17 October 2023

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 2023E rate base assumes CapEx at mid-point of 2023 guidance range (\$730 million)

Southwest Regulatory Update

Rate Case Activity

Nevada Rate Case Filing Summary

In September of 2023, SWG filed a rate case requesting a revenue increase of approximately \$70 million with rates anticipated to become effective April 2024

Target Equity Ratio	50%
Rate of Return	ROE: 10.0%
Rate Base	\$2.0 billion (~\$250 million increase)
Proposed Revenue Increase	\$69.8 million

Notes

- 210-Day Procedural Schedule
- Continuation of full revenue decoupling²
- ~\$8 million increase in Depreciation Expense³
- No significant changes to rate design
- \$27 million increase in O&M
- \$4 million Annual Leak Survey Regulatory Asset⁴

Anticipated Procedural Schedule



O&M Per Customer Compared to Peers



Anticipated Timing of Future Rate Case Filings



1Q 2024



3Q 2024



Great Basin
GAS TRANSMISSION COMPANY
A subsidiary of Southwest Gas

1Q 2024¹

Notes:

- ¹ Great Basin must file by May 2025 (FERC Docket No. RP19-1291-005)
- ² Decoupled rate schedules consistent with those currently authorized
- ³ Based on new depreciation rates as proposed

⁴ Proposed recovery over two years

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

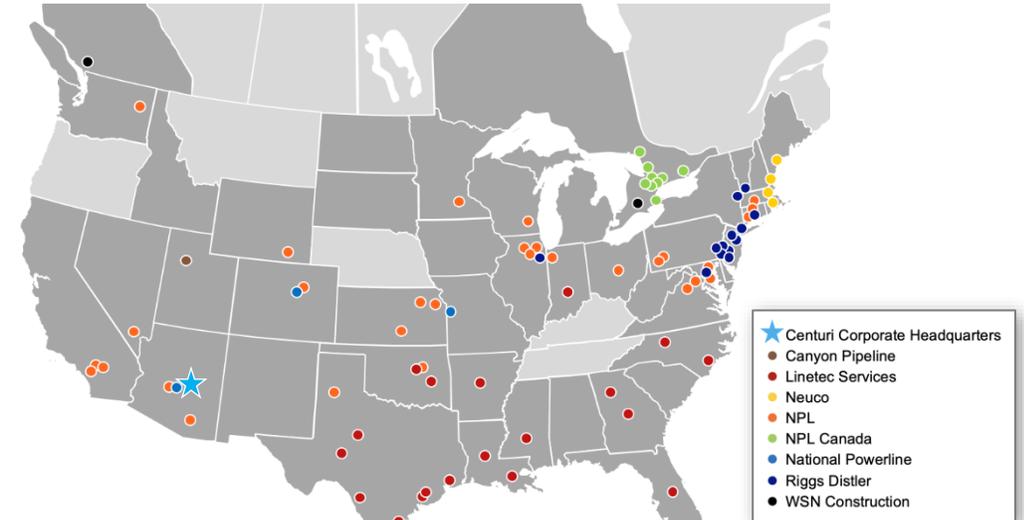
⁶ As of December 31, 2022, utilizing average of peer group natural gas utilities (ATO, NJR, NWN, OGS, SR, & NI)

Centuri: Strategic Utility Infrastructure Services Leader

High-Quality Utility Customer Base

Gas	Electric	Combination

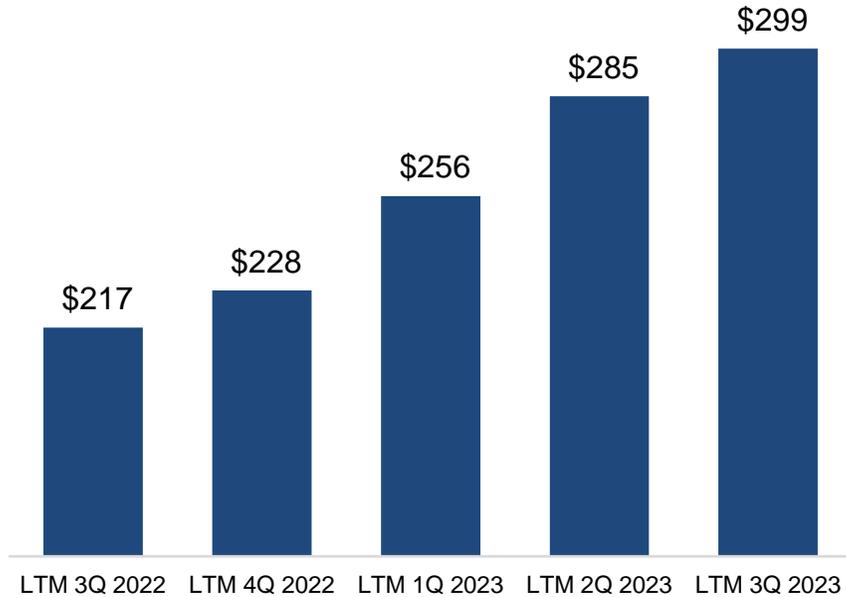
Service Territory



			GAS GROUP
			POWER GROUP
			CANADA GROUP

Centuri: Proven Performance Track Record

Centuri LTM Adjusted EBITDA¹
(\$ in millions)

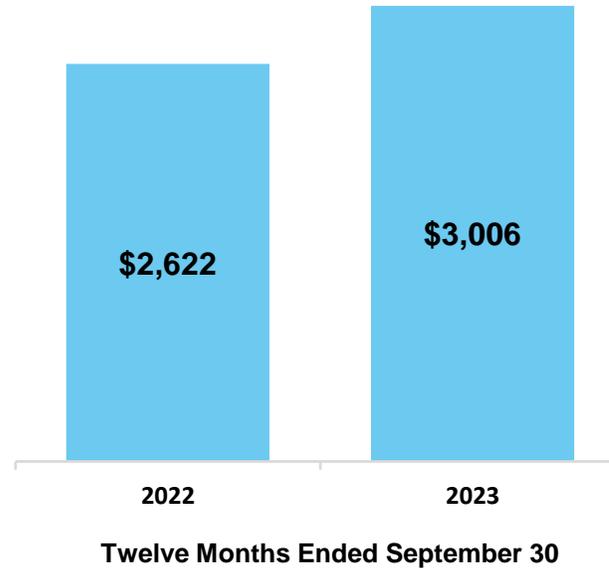


Driving Continued Growth in Adjusted EBITDA:

\$82M

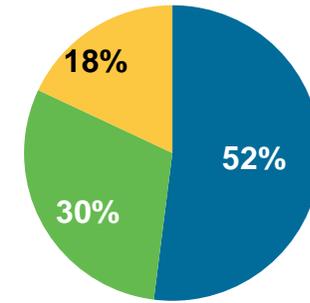
year over year increase in LTM adjusted EBITDA

LTM Revenue
(\$ in millions)

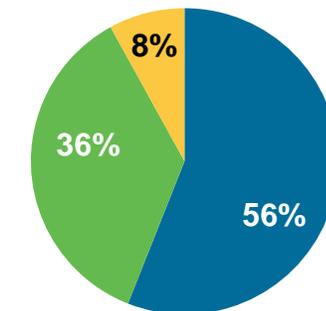


LTM Business Mix by Service Type

Revenues



Gross Profit



Guidance and Outlook



Southwest GasTM
HOLDINGS



Southwest and Centuri Guidance



SOUTHWEST GAS

2023 CapEx:

\$720 - \$740 million*

2023 Net Income¹:

\$215 - \$225 million*

3-year Rate Base CAGR²:

5% - 7%

3-year Total Capex²:

\$2.0 billion



Centuri

2023 Revenue:

\$2.8 - \$3.0 billion

2023 Adjusted EBITDA³

Margin:

9.5% - 11.0%

Notes:

* Indicates guidance ranges updated in the third quarter. As of 8/9/2023, Southwest Gas Corporation CapEx previously was \$700 - \$720 million and Net Income was \$205 - \$215 million

¹ Assumes \$3 - \$5 million COLI earnings

² 3-year: 2023 - 2025

³ Adjusted EBITDA excludes noncontrolling interest, strategic review costs, one-time acquisition costs, and non-cash stock-based compensation expense

Positioned to Unlock Significant Stockholder Value



Enhancing SWX credit profile through the sale of MountainWest and strengthening capital and strategic flexibility through 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



Providing safe, 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



Transitioning into a standalone world-class utility infrastructure services platform with strong leadership in infrastructure modernization and energy transition



Deleveraging the business organically in 2023 through EBITDA growth

Contact Information

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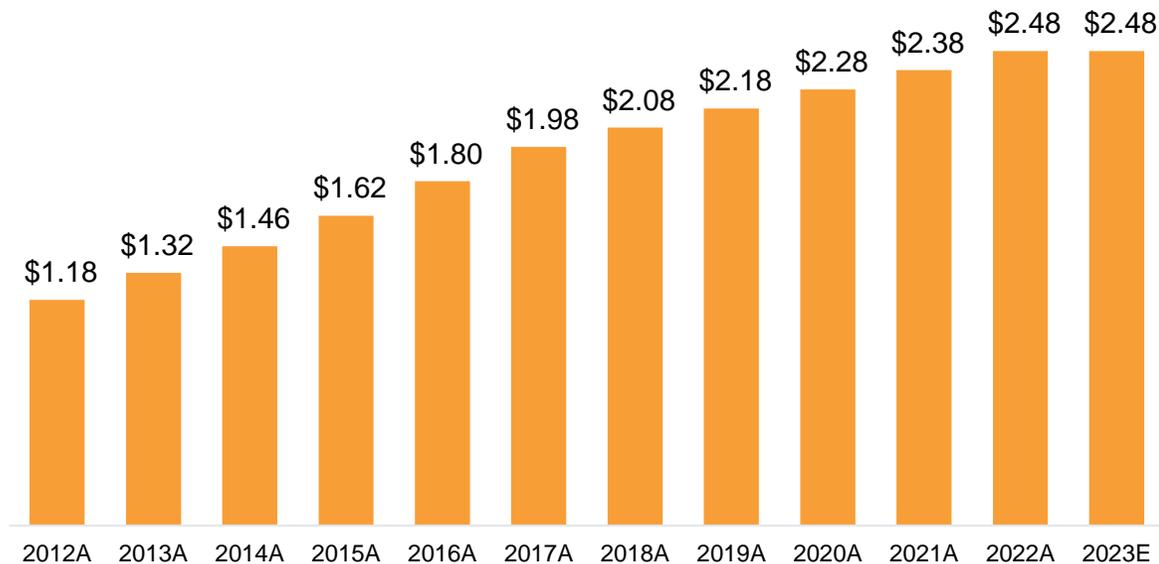
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Maintaining a Competitive Dividend

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



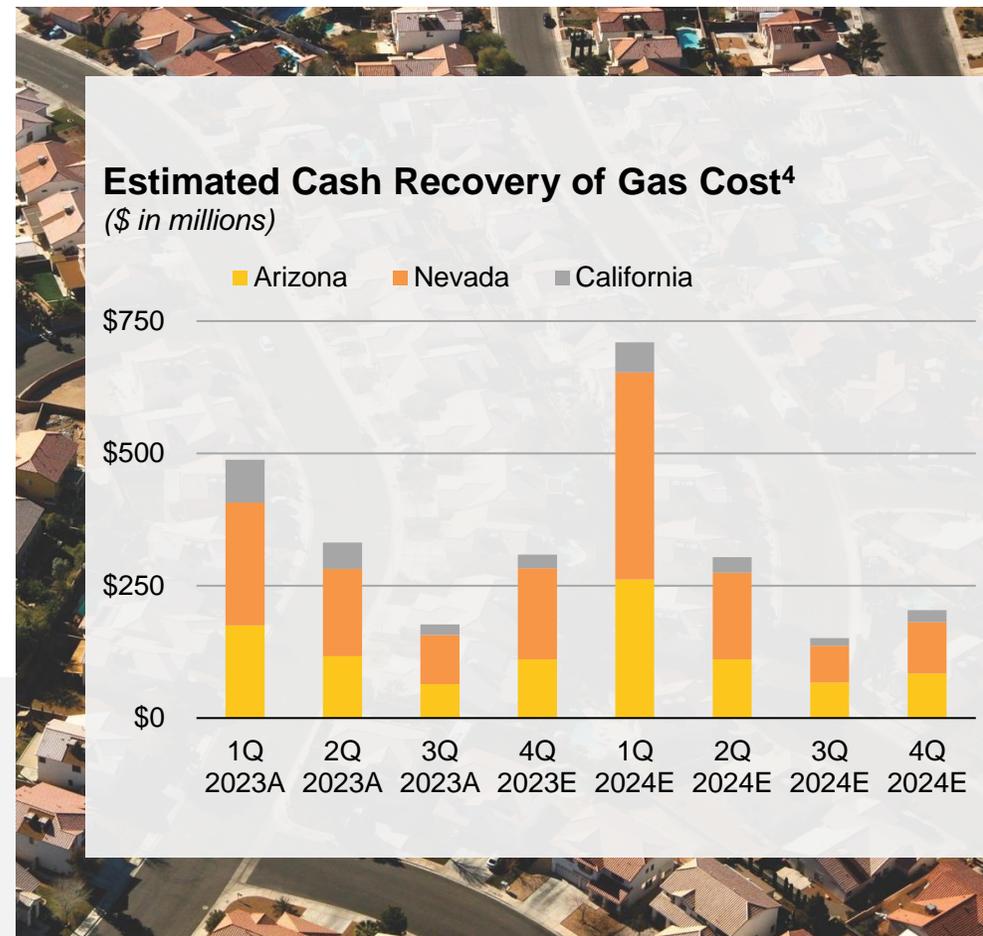
- Southwest Gas Holdings is committed to paying a competitive dividend
- Southwest Gas Holdings has paid a dividend every year since 1956
- Upon completion of the separation of Centuri, Southwest Gas Holdings plans to target a dividend payout ratio in line with gas utility peers¹
- Until the planned 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

Summary of Gas Cost Balances and Recovery Mechanisms

PGA¹ Balance and Recovery Mechanism Summary

State	Jun. 2023 Receivable Balance (\$ in millions)	Sept. 2023 Receivable Balance (\$ in millions)	Carrying Cost Rate	Gas Cost Rate Adjustment Frequency
AZ	\$338.8	\$301.3	1 Year Treasury Rate	Monthly ²
NV	\$410.4	\$351.6	Weighted Average Cost of Capital	Quarterly ²
CA	\$36.3	\$34.2	Commercial Paper Rate	Monthly ³
Total	\$785.5	\$687.1		

Balances by State as of 9/30/2023



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.

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.

California Fort Irwin Expansion Project

Filed application with California Public Utilities Commission (“CPUC”) in November 2022 seeking authority to expand its service territory in Southern California to accommodate the Ft. Irwin expansion project.

Nevada Annual Rate Adjustment Filing

The Commission approved an all-party settlement authorizing a statewide increase in revenues of ~\$12 million and found SWG’s gas purchases during the test period to be reasonable and prudent.

Great Basin 2024 – Expansion Project

Application filed with FERC in April 2023 seeking an order 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.

California Hydrogen Demonstration Project

Application pending before CPUC for approval of a hydrogen-blending demonstration project in Northern California.

Arizona COYL Annual Surcharge Filing

In June, the ACC approved the Company’s annual COYL Surcharge filing submitted in February 2023, authorizing the requested \$4.3 million margin increase.

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

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

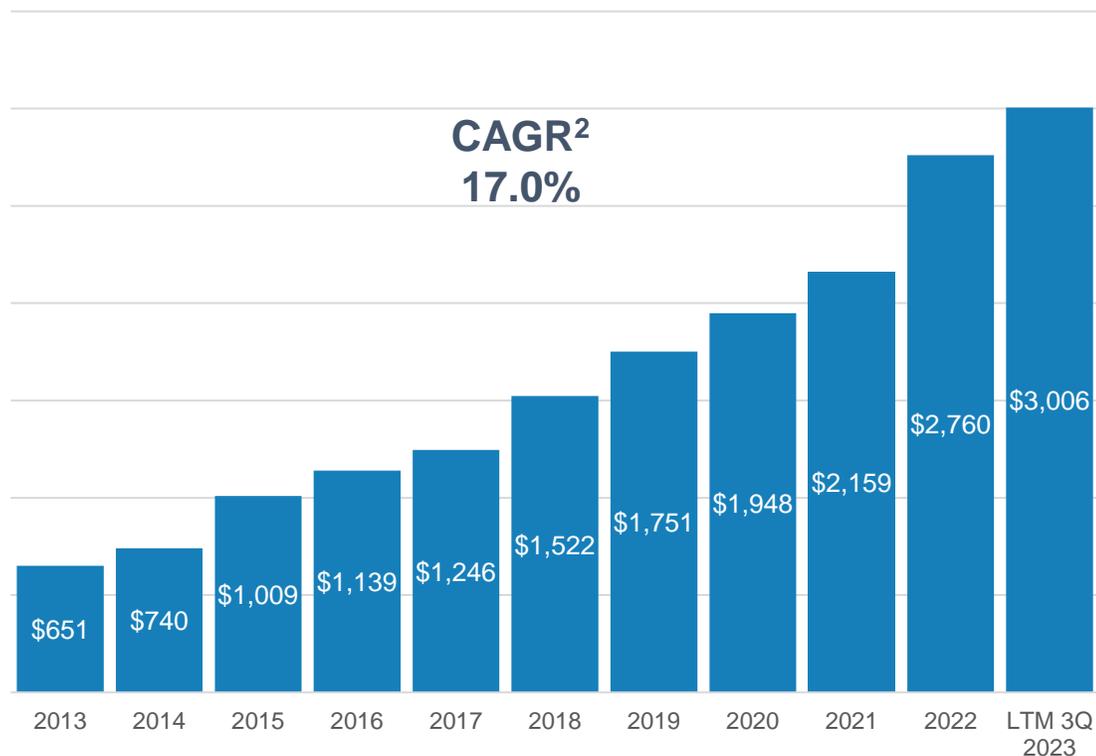
Notes:

¹ Public Utilities Commission of Nevada ("PUCN")

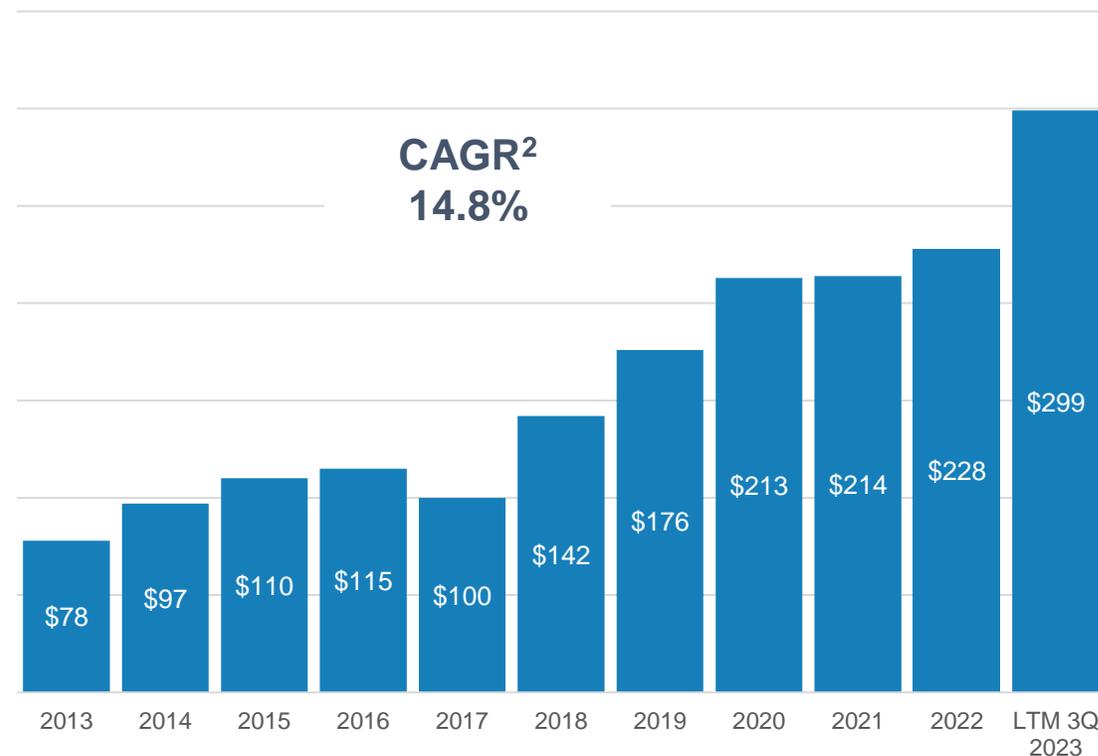
Proven Performance Track Record

(\$ in millions)

Revenues



Adjusted EBITDA¹



¹ Adjusted EBITDA excludes noncontrolling interest, strategic review costs, one-time acquisition costs, and non-cash stock-based compensation expense

² Compound annual growth from 2013 to LTM 3Q-23

Top 20 Customers

#	Revenue as % of Total	Revenue (\$ in Millions)	Relationship Length (Yrs)	Total Contract Length (Yrs)
1	7.7%	\$232	45	5
2	7.2%	\$215	4	2
3	6.5%	\$195	27	9
4	5.7%	\$171	6	4.7
5	4.7%	\$140	16	2
6	4.1%	\$124	38	4
7	4.0%	\$120	16	5
8	3.7%	\$110	9	3
9	3.4%	\$101	28	12
10	3.3%	\$99	22	5
11	3.2%	\$95	46	5
12	2.7%	\$81	16	3
13	2.5%	\$76	11	5
14	2.3%	\$70	43	10
15	2.3%	\$70	34	5
16	2.1%	\$63	27	4
17	1.8%	\$53	19	5
18	1.5%	\$46	28	5
19	1.5%	\$44	6	5
20	1.4%	\$43	9	1.4
Total Top 20 Revenue		\$2,148	Avg 22.8	Avg 5

¹ Last Twelve Months Ended September 30, 2023

3Q 2023 Financial Results

CONSOLIDATED

Results of Consolidated Operations <i>(in millions, except per share items)</i>	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2023	2022	2023	2022	2023	2022
	Natural gas distribution income (loss)	\$ (3.3)	\$ (22.2)	\$ 150.6	\$ 87.3	\$ 217.6
Utility infrastructure services income (loss)	18.0	14.3	24.9	(4.4)	31.4	3.2
Pipeline and storage income (loss)	-	12.3	(16.3)	44.3	(344.3)	44.3
Corporate and administrative loss	(11.5)	(16.8)	(81.2)	(50.0)	(107.2)	(72.2)
Net income (loss)	3.2	(12.3)	78.0	77.3	(202.6)	147.2
Non-GAAP adjustments ⁽¹⁾	4.3	9.0	79.2	41.3	437.8	62.1
Adjusted net income (loss)	7.5	(3.3)	157.2	118.6	235.2	209.3
Basic earnings (loss) per share	\$ 0.05	\$ (0.18)	\$ 1.11	\$ 1.19	\$ (2.91)	\$ 2.30
Diluted earnings (loss) per share	\$ 0.04	\$ (0.18)	\$ 1.10	\$ 1.19	\$ (2.91)	\$ 2.30
Basic adjusted earnings per share	\$ 0.11	\$ (0.05)	\$ 2.23	\$ 1.82	\$ 3.38	\$ 3.28
Diluted adjusted earnings per share	\$ 0.10	\$ (0.05)	\$ 2.22	\$ 1.82	\$ 3.38	\$ 3.27
Weighted average common shares	71.626	67.157	70.488	65.004	69.660	63.905
Weighted average diluted shares	71.851	67.157	70.676	65.148	69.660	64.051

Notes: table may not add due to rounding

¹ The three months ended September 30, 2023 include the additional goodwill impairment and loss on sale and sale related expenses, consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment, and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation. Incrementally, adjustments for the nine and twelve months ended September 30, 2023 further include non-recurring stand-up costs associated with integrating MW. The adjustments for the three, nine, and twelve months ended September 30, 2022 include non-recurring stand-up costs associated with integrating MW; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation.

Summary of Operating Results

NATURAL GAS DISTRIBUTION SEGMENT

Results of Natural Gas Distribution	Three Months Ended		Nine Months Ended		Twelve Months Ended	
	September 30,		September 30,		September 30,	
	2023	2022	2023	2022	2023	2022
<i>(in thousands of dollars)</i>						
Regulated operations revenues	\$ 394,603	\$ 303,944	\$ 1,797,348	\$ 1,358,425	\$ 2,373,992	\$ 1,809,639
Net cost of gas sold	170,056	100,441	902,278	544,216	1,147,278	678,896
Operating margin	224,547	203,503	895,070	814,209	1,226,714	1,130,743
Operations and maintenance expense	122,270	121,537	378,189	368,984	501,133	478,554
Depreciation and amortization	69,268	64,390	218,763	192,434	289,372	258,144
Taxes other than income taxes	21,147	20,693	65,491	62,443	86,245	82,652
Operating income (loss)	11,862	(3,117)	232,627	190,348	349,964	311,393
Other income (loss)	14,537	1,678	51,722	(440)	45,278	(97)
Net interest deductions	35,772	29,417	111,498	84,660	142,718	110,957
Income (loss) before income taxes	(9,373)	(30,856)	172,851	105,248	252,524	200,339
Income tax expense (benefit)	(6,122)	(8,657)	22,286	17,918	34,909	28,458
Segment net income (loss)	\$ (3,251)	\$ (22,199)	\$ 150,565	\$ 87,330	\$ 217,615	\$ 171,881

Summary of Operating Results

UTILITY INFRASTRUCTURE SERVICES SEGMENT

Results of Utility Infrastructure Services <i>(Thousands of dollars)</i>	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2023	2022	2023	2022	2023	2022
	Revenues	\$ 774,889	\$ 758,466	\$ 2,233,961	\$ 1,988,433	\$ 3,005,855
Cost of sales ⁽¹⁾	687,276	688,798	2,014,427	1,847,766	2,712,376	2,427,266
Gross profit	87,613	69,668	219,534	140,667	293,479	194,380
General and administrative expenses ⁽²⁾	27,993	23,714	81,632	74,985	115,844	99,675
Amortization of intangible assets	6,670	7,434	20,007	23,095	26,671	30,509
Operating income	52,950	38,520	117,895	42,587	150,964	64,196
Other income (deductions)	108	(110)	311	(743)	167	(603)
Net interest deductions	26,131	16,608	73,032	40,337	94,066	51,825
Income before income taxes	26,927	21,802	45,174	1,507	57,065	11,768
Income tax expense	8,235	6,466	16,416	3,350	18,793	4,754
Net income	18,692	15,336	28,758	(1,843)	38,272	7,014
Net income attributable to noncontrolling interests	736	991	3,856	2,557	6,905	3,791
Contribution to consolidated results	\$ 17,956	\$ 14,345	\$ 24,902	\$ (4,400)	\$ 31,367	\$ 3,223
Adjusted net income attributable to Centuri ⁽³⁾	\$ 18,368	\$ 13,867	\$ 26,235	\$ (3,192)	\$ 32,891	\$ 4,431

(1) Cost of sales during the three months ended September 30, 2023 and 2022 includes depreciation expense of \$28,417 and \$31,148, respectively. Cost of sales during the nine months ended September 30, 2023 and 2022 includes depreciation expense of \$87,467 and \$89,617, respectively. Cost of sales during the twelve months ended September 30, 2023 and 2022 includes depreciation expense of \$118,643 and \$118,704, respectively

(2) General and administrative expenses during the three months ended September 30, 2023 and 2022 includes depreciation expense of \$1,165 and \$1,229, respectively. General and administrative expenses during the nine months ended September 30, 2023 and 2022 includes depreciation expense of and \$3,508 and \$3,574, respectively. General and administrative expenses during the twelve months ended September 30, 2023 and 2022 includes depreciation expense of \$4,735 and \$4,734, respectively

(3) Excludes the impact of acquisition costs and strategic review costs, net of the impact of income tax adjustments

Non-GAAP Measures

(\$ in thousands, except per share amounts)

Adjusted SWX income (loss) and adjusted EPS for the three, nine, and twelve months ended September 30, 2023, adjusts for the goodwill impairment and loss on sale; consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation. Incrementally, the adjustments for the nine and twelve months ended September 30, 2023, further adjusts for nonrecurring stand-up costs associated with integrating MW. Adjusted SWX income (loss) and adjusted EPS for the three, nine, and twelve months ended September 30, 2022, adjusts for nonrecurring stand-up cost associated with integrating MW; and proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation costs.

Adjusted Corporate and Administrative income and adjusted EPS for the three, nine, and twelve months ended September 30, 2023, adjusts for goodwill impairment and loss on sale; proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation costs; and consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment. Incrementally, the adjustments for the nine, and twelve months ended September 30, 2023, further adjusts for MW stand-up, integration, and transaction-related costs. Adjusted Corporate and Administrative income and adjusted EPS for the three, nine, and twelve months ended September 30, 2022, adjusts for proxy contest, stockholder litigation, settlement agreement, and strategic review costs. Incrementally, the adjustments for the nine and twelve months ended September 30, 2022, further adjusts for MW stand-up, integration, and transaction-related costs.

Adjusted SWG income and adjusted EPS for the three, nine, and twelve months ended September 30, 2023, adjusts for the consulting fees related to Utility optimization opportunity identification, benchmarking, and assessment. There were no adjustments for the three, nine, and twelve months ended September 30, 2022.

Adjusted MW income and adjusted EPS for the nine and twelve months ended September 30, 2022, adjusts for nonrecurring stand-up costs and goodwill impairment and loss on sale. Adjusted MW income and adjusted EPS for the three, nine, and twelve months ended September 30, 2022, adjusts for nonrecurring stand-up costs.

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 September 30,		Nine months ended September 30,		Twelve months ended September 30,	
	2023	2022	2023	2022	2023	2022
SWX Adjusted Net Income and Adjusted EPS						
SWX net income (loss)	\$ 3,231	\$ (12,309)	\$ 78,020	\$ 77,294	\$ (202,564)	\$ 147,237
Goodwill impairment and loss on sale	183	-	73,268	-	528,693	-
Nonrecurring stand-up cost associated with integrating MW	-	5,670	2,856	19,601	10,151	42,402
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	1,851	-	4,246	-	4,246	-
Proxy contest, stockholder litigation, settlement agreement, strategic review, and Centuri separation	3,631	6,186	9,028	34,291	14,947	38,792
Income tax effect of adjustments	(1,366)	(2,839)	(10,188)	(12,572)	(120,257)	(19,124)
SWX adjusted net income (loss)	\$ 7,530	\$ (3,292)	\$ 157,230	\$ 118,614	\$ 235,216	\$ 209,307
Weighted average diluted shares	71,851	67,157	70,676	65,148	69,660	64,051
SWX adjusted EPS	\$ 0.10	\$ (0.05)	\$ 2.22	\$ 1.82	\$ 3.38	\$ 3.27
Corporate & Admin. Adjusted Net Income and Adjusted EPS						
Corporate and Admin. net (loss)	\$ (11,474)	\$ (16,775)	\$ (81,159)	\$ (49,962)	\$ (107,199)	\$ (72,193)
Goodwill impairment and loss on sale	183	-	52,053	-	57,872	-
MW stand-up, integration, and transaction-related costs	-	-	291	700	291	23,501
Proxy contest, shareholder litigation, settlement agreement, strategic review, and Centuri separation costs	3,082	6,824	7,251	32,681	12,927	37,182
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	278	-	637	-	637	-
Income tax effect of adjustments	(851)	(1,638)	(14,457)	(7,633)	(17,216)	(14,185)
Corporate and Admin. adjusted net (loss)	\$ (8,782)	\$ (11,589)	\$ (35,384)	\$ (24,214)	\$ (52,688)	\$ (25,695)
Weighted average diluted shares	71,851	67,157	70,676	65,148	69,660	64,051
Corporate and Admin. adjusted EPS	\$ (0.12)	\$ (0.17)	\$ (0.50)	\$ (0.37)	\$ (0.76)	\$ (0.40)
SWG Adjusted Net Income and Adjusted EPS						
SWG net income (loss)	\$ (3,251)	\$ (22,199)	\$ 150,565	\$ 87,330	\$ 217,615	\$ 171,881
Consulting fees related to optimization opportunity identification, benchmarking, and assessment	1,573	-	3,609	-	3,609	-
Income tax effect of adjustments	(378)	-	(867)	-	(867)	-
SWG adjusted net income (loss)	\$ (2,056)	\$ (22,199)	\$ 153,307	\$ 87,330	\$ 220,357	\$ 171,881
Weighted average diluted shares	71,851	67,157	70,676	65,148	69,660	64,051
SWG adjusted EPS	\$ (0.03)	\$ (0.33)	\$ 2.17	\$ 1.34	\$ 3.16	\$ 2.68
MW Adjusted Net Income and Adjusted EPS						
MW net (loss)	\$ -	\$ 12,320	\$ (16,288)	\$ 44,326	\$ (344,347)	\$ 44,326
Nonrecurring stand-up cost	-	5,670	2,565	18,901	9,860	18,901
Goodwill impairment and loss on sale	-	-	21,215	-	470,821	-
Income tax effect of adjustments	-	(1,361)	5,580	(4,537)	(101,678)	(4,537)
MW adjusted net income	\$ -	\$ 16,629	\$ 13,072	\$ 58,690	\$ 34,656	\$ 58,690
Weighted average diluted shares	71,851	67,157	70,676	65,148	69,660	64,051
MW adjusted EPS	\$ -	\$ 0.25	\$ 0.18	\$ 0.90	\$ 0.50	\$ 0.92

Non-GAAP Measures (continued)

(\$ in thousands, except per share amounts)

Adjusted Centuri income and adjusted EPS for the three, nine, and twelve months ended September 30, 2023 and September 30, 2022, adjusts for strategic review costs, including the Centuri separation.

Management believes that Centuri EBITDA, used in connection with net income provides useful information to investors as they evaluate Centuri performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Centuri adjusted EBITDA is adjusted for certain other items as described herein. Adjusted Centuri EBITDA for the three, nine, and twelve months ended September 30, 2023 and September 30, 2022 adjusts for pre-tax strategic review costs (including costs related to the Centuri separation) and non-cash share-based compensation expense. Incrementally, the adjustments for the twelve months ended September 30, 2022 adjusts for acquisition costs.

Centuri EBITDA and Adjusted EBITDA is provided below for the twelve months ended December 31, 2013 through December 31, 2022 and for the twelve months ended September 30, 2022, March 31, 2023, and June 30, 2023.

Because EBITDA and Adjusted EBITDA, as defined, exclude some, but not all, items that affect net income attributable to Centuri, such measures may not be comparable to similarly titled measures of other companies.

	Three months ended September 30,		Nine months ended September 30,		Twelve months ended September 30,	
	2023	2022	2023	2022	2023	2022
Centuri Adjusted Net Income and Adjusted EPS						
Centuri net income (loss)	\$ 17,956	\$ 14,345	\$ 24,902	\$ (4,400)	\$ 31,367	\$ 3,223
Strategic review costs, including Centuri separation	549	(638)	1,777	1,610	2,020	1,610
Income tax impact of adjustments	(137)	160	(444)	(402)	(496)	(402)
Centuri adjusted net income (loss)	\$ 18,368	\$ 13,867	\$ 26,235	\$ (3,192)	\$ 32,891	\$ 4,431
Weighted average diluted shares	71,851	67,157	70,676	65,148	69,660	64,051
Centuri adjusted EPS	\$ 0.26	\$ 0.21	\$ 0.37	\$ (0.05)	\$ 0.47	\$ 0.07
Centuri EBITDA and Adjusted EBITDA						
Centuri net income (loss)	\$ 17,956	\$ 14,345	\$ 24,902	\$ (4,400)	\$ 31,367	\$ 3,223
Net interest deductions	26,131	16,608	73,032	40,337	94,066	51,825
Income tax expense	8,235	6,466	16,416	3,350	18,793	4,754
Depreciation and amortization	36,252	39,811	110,982	116,286	150,049	153,947
Centuri EBITDA	\$ 88,574	\$ 77,230	\$ 225,332	\$ 155,573	\$ 294,275	\$ 213,749
Acquisition costs	-	-	-	-	-	196
Strategic review costs, including Centuri separation	549	(638)	1,777	1,610	2,020	1,610
Non-cash share-based compensation expense	1,316	(484)	2,149	1,183	2,618	1,554
Centuri Adjusted EBITDA	\$ 90,439	\$ 76,108	\$ 229,258	\$ 158,366	\$ 298,913	\$ 217,109

	2013	2014	2015	2016	2017	2018	2019	2020	2021	LTM 3Q 2022	LTM 4Q 2022	LTM 1Q 2023	LTM 2Q 2023
Centuri EBITDA and Adjusted EBITDA													
Centuri net income	\$ 21,200	\$ 24,300	\$ 26,700	\$ 32,600	\$ 38,400	\$ 45,000	\$ 52,400	\$ 74,900	\$ 40,400	\$ 3,223	\$ 2,100	\$ 13,700	\$ 27,756
Net interest deductions	1,100	3,800	7,800	6,700	8,000	14,200	14,100	9,300	21,000	51,825	61,400	72,600	84,543
Income tax expense	12,600	14,800	18,500	19,900	2,400	18,400	21,400	31,100	18,800	4,754	5,700	10,700	17,024
Depreciation and amortization	43,000	48,900	56,700	55,700	49,000	57,400	87,600	96,700	117,600	153,947	155,300	155,600	153,608
Centuri EBITDA	\$ 77,900	\$ 91,800	\$ 109,700	\$ 114,900	\$ 97,800	\$ 135,000	\$ 175,500	\$ 212,000	\$ 197,800	\$ 213,749	\$ 224,500	\$ 252,600	\$ 282,931
Write-off of deferred financing fees	-	-	-	-	-	-	-	-	700	-	-	-	-
Acquisition costs	-	5,100	-	-	2,600	6,900	-	-	14,000	196	-	-	-
Strategic review costs, including Centuri separation	-	-	-	-	-	-	-	-	-	1,610	1,800	1,900	833
Non-cash share-based compensation expense	-	-	-	-	-	-	100	800	1,700	1,554	1,700	1,100	818
Centuri Adjusted EBITDA	\$ 77,900	\$ 96,900	\$ 109,700	\$ 114,900	\$ 100,400	\$ 141,900	\$ 175,600	\$ 212,800	\$ 214,200	\$ 217,109	\$ 228,000	\$ 255,600	\$ 284,582