

# LENDER PRESENTATION

AUGUST 9, 2021



# DISCLOSURE



This document contains statements which constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (“Reform Act”). All statements other than statements of historical fact included or incorporated by reference in this document are forward-looking statements, including, without limitation, statements regarding the Company’s plans, objectives, goals, intentions, projections, strategies, future events or performance, and underlying assumptions. The words “may,” “if,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “continue,” “forecast,” “intend,” “promote,” “seek,” and similar words and expressions are generally used and intended to identify forward-looking statements. For example, statements regarding operating margin patterns, customer growth, the composition of our customer base, seasonal patterns, payment of debt, interest savings, replacement market and new construction market, forecasted operating cash flows and results of operations, sufficiency of working capital and current credit facility, the Company’s views regarding its liquidity position, projected financial performance and contract renewals are forward-looking statements. All forward-looking statements are intended to be subject to the safe harbor protection provided by the Reform Act.

A number of important factors affecting the business and financial results of the Company could cause actual results to differ materially from those stated in the forward-looking statements. These factors include, but are not limited to, customer growth rates, conditions in the construction market, the effects of regulation/deregulation, changes in capital requirements and funding, the impact of conditions in the capital markets on financing costs, changes in construction expenditures and financing, changes in operations and maintenance expenses, accounting changes, future liability claims, results of bid work, impacts of structural and management changes, construction expenses, differences between actual and originally expected outcomes of Centuri construction agreements, competition, and our ability to raise capital in external financings. In addition, the Company can provide no assurance that its discussions regarding certain trends relating to its financing and operating expenses will continue in future periods.

All forward-looking statements in this document are made as of the date hereof, based on information available to the Company as of the date hereof, and the Company assumes no obligation to update or revise any of its forward-looking statements even if experience or future changes show that the indicated results or events will not be realized. **We caution you not to unduly rely on any forward-looking statement(s).**

All financial figures and calculations reference Company provided documents and may not match the audited financials due to adjustments and the exclusion of certain subsidiaries.

We use certain information in this presentation that has been obtained from third parties, including Riggs Distler & Company, Inc. While we believe this information to be accurate, we have not independently verified all such information.

This presentation shall not be deemed an offer to sell, or a solicitation of an offer to purchase, any securities of Southwest Gas Holdings, Inc. or its subsidiaries.

Certain non-GAAP measures are used in this presentation, including EBITDA. For definitions of such non-GAAP measures and reconciliations to the most comparable GAAP measure, see the Appendix to this presentation.



# EXECUTIVE SUMMARY



- » Centuri Group, Inc. (“Centuri” or the “Company”) is a comprehensive utility services enterprise dedicated to delivering a diverse array of solutions to North America’s gas and electric providers
  - The Company generated LTM 6/30/21 revenue and compliance EBITDA of \$2,013 million and \$218 million, respectively
- » On June 28<sup>th</sup>, 2021, Centuri entered into a definitive agreement to acquire Riggs Distler & Company, Inc. (“Riggs”) for a total enterprise value of \$855 million
  - Riggs, a union electric utility services contractor primarily focused in the Northeastern U.S., generated LTM 6/30/21 revenue and adjusted EBITDA of \$479 million and \$61 million, respectively
  - On a run-rate basis, Riggs generated \$76 million of adjusted EBITDA (including 14 incremental Master Service Agreements (“MSAs”) awarded with two utility providers (who are existing customers), which are expected to contribute an incremental ~\$14 million of EBITDA by year-end 2022)
- » The acquisition enhances Centuri’s scale, geographic footprint, service offerings and financial profile, while retaining its MSA-driven utility services profile with long-term contracts and multi-decade average customer tenure with high quality counterparties
  - Pro forma for the acquisition, the combined company generated LTM 6/30/21 revenue and run-rate adjusted EBITDA of \$2,492 million and \$294 million<sup>1</sup>, respectively; note that Centuri has not modeled any cost synergies for the acquisition due to minimal overlap in the businesses today
- » The acquisition is expected to close in August or September, subject to regulatory approvals

# CENTURI OVERVIEW

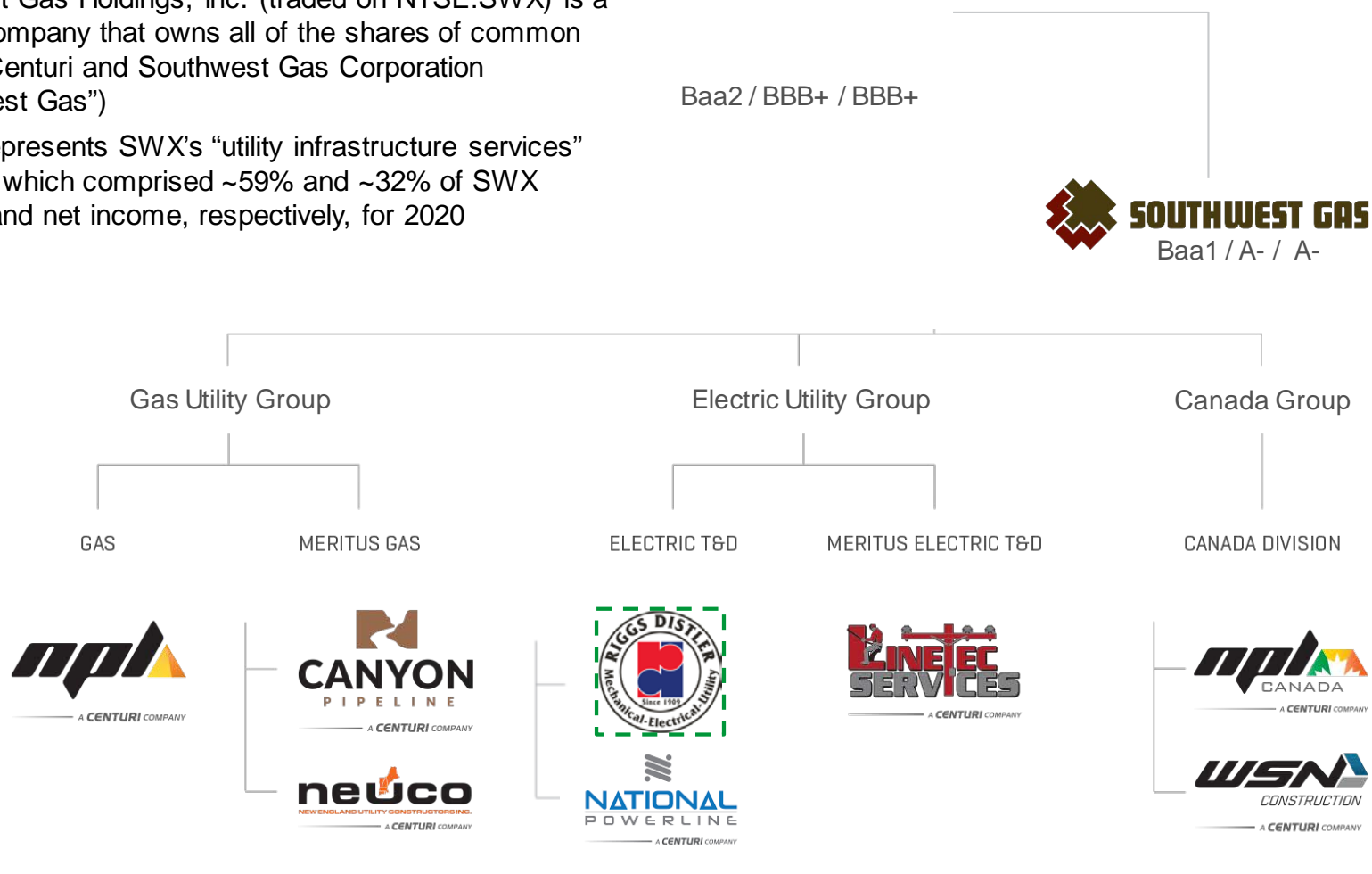


**THINK AHEAD »**

# CENTURI OWNED BY INVESTMENT-GRADE RATED SWX



- » Southwest Gas Holdings, Inc. (traded on NYSE:SWX) is a holding company that owns all of the shares of common stock of Centuri and Southwest Gas Corporation (“Southwest Gas”)
- » Centuri represents SWX’s “utility infrastructure services” segment, which comprised ~59% and ~32% of SWX revenue and net income, respectively, for 2020



CORPORATE PARENT

MARKET SEGMENTS

DIVISIONS

OPERATING ENTITIES

# SWX AND CENTURI: AN ALIGNED PARTNERSHIP



*“SWX and Centuri continue to provide a well-aligned partnership. Our shared vision includes a regulated utility cost of service focus and appreciation of the nuances of regulated utility models, a common cultural focus on safety, quality, infrastructure spending and replacement themes, shared market knowledge and utility relationships, operating scale, best practices and an extensive talent base and shared procurement cost efficiencies.”*

*“Centuri brings value to SWX shareholders over a range of future scenarios through continued transaction integration and execution of our growth plan, enhanced diversification from a service offerings and geographic footprint perspective and improved strategic optionality”*

*“The Centuri platform continues to be a really good partner with SWX...the focus on our utility services, the opportunity to lean into electrics, renewables and 5G, increased earnings and cash flows...we think there’s a lot of continued growth promise in the organization”*

– John Hester (SWX CEO), June 29<sup>th</sup>, 2021 M&A Call



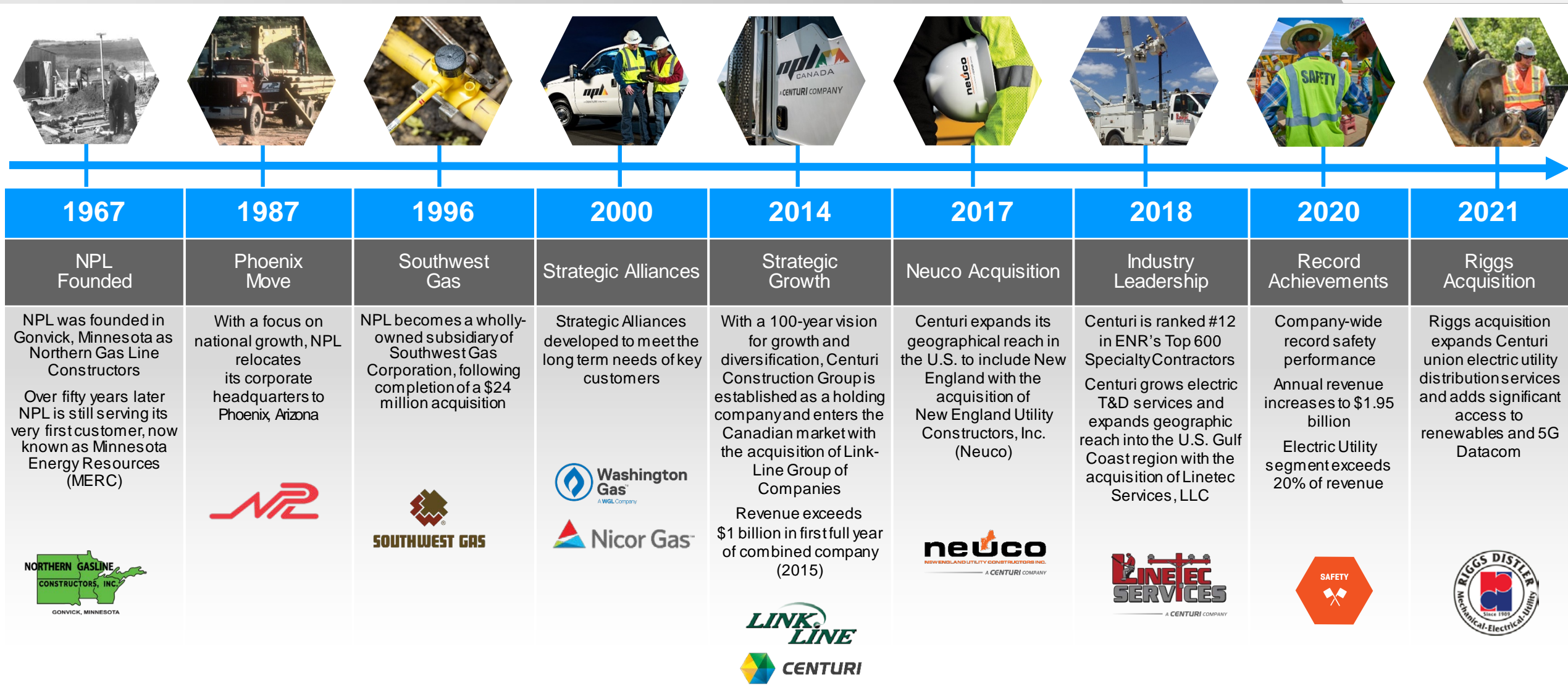
## Centuri is a Partner Subsidiary with Shared Vision...

- » Regulated utility cost-of-service focus
- » Appreciation of regulated utility model
- » Common cultural focus on safety and quality
- » Infrastructure spending / replacement theme
- » Shared market knowledge and utility relationships
- » Operating scale, best practices and talent base
- » Shared procurement and cost efficiencies

## ...Driving Scale, Growth and Optionality for SWX

- » Business mix focus on recurring, long-term, stable cash flows
- » Allows execution of growth plan
- » Provides additional cash flow to support investments
- » Improves scale and diversification
- » Provides exposure to attractive electric utility market
- » Increases scope of investment opportunities
- » Expands future optionality

# COMPANY HISTORY





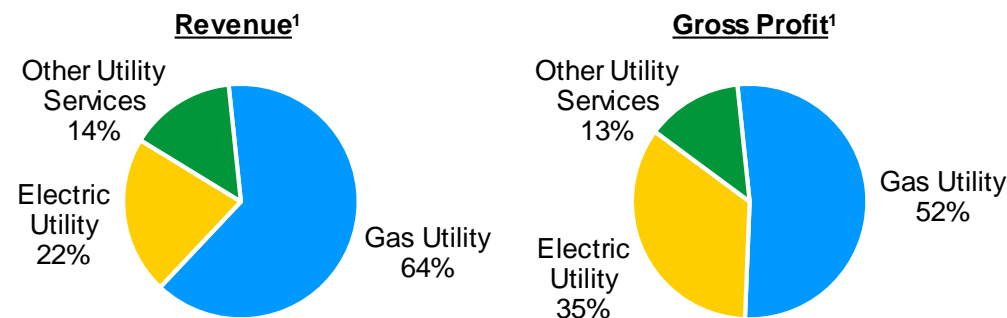
# CENTURI AT A GLANCE



## Overview

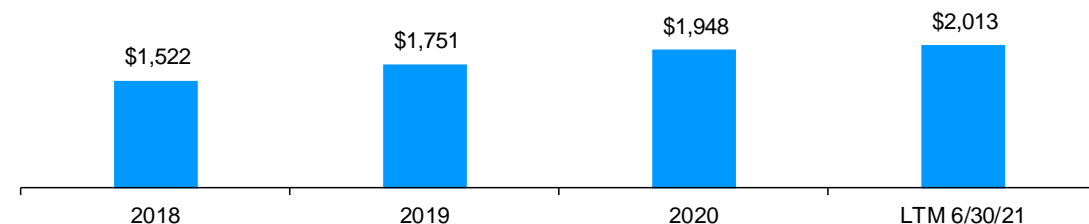
- » Comprehensive utility services enterprise dedicated to delivering a diverse array of solutions, including replacement and installation work, to North America's gas and electric providers
- » Headquartered in Phoenix, Arizona with more than 9,000 employees during peak season serving primarily utility customers across the U.S. & Canada
- » 50+ year operating history with significant growth trajectory, particularly with recent expansion into electric utilities
- » 77% of revenue from multi-year MSAs<sup>1</sup> that drive stable, recurring revenue
  - Heavily weighted toward unit price and time and materials contracts, with limited fixed-price lump-sum bids
- » Strong blue-chip customer base with primarily investment grade credit-rated, investor-owned utilities and municipalities
- » Operates in two key segments across the U.S. and Canada:
  - **Gas Utility:** provides installation, replacement and maintenance of gas distribution, local transmission, station and storage facilities
  - **Electric Utility:** provides transmission line, distribution line, substation and storm restoration electric services

## End Market Breakdown



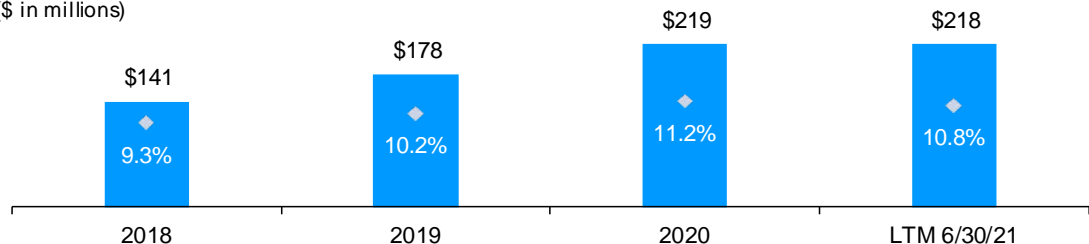
## Historical Revenue

(\$ in millions)



## Historical Compliance EBITDA & Margin















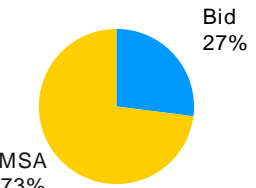
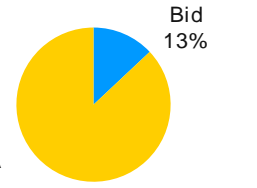
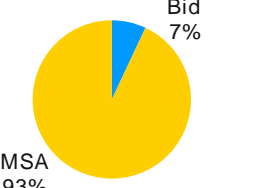
(\$ in millions)



















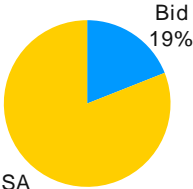
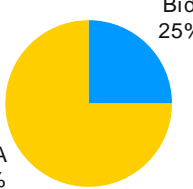
# COMPANY OVERVIEW



	Gas Utility		
Business			
Headquarters	Phoenix, Arizona	Lawrence, Massachusetts	Salt Lake City, Utah
Year Founded	1967	1972	2016
Primary Services	<ul style="list-style-type: none"> <li>» Distribution and urban pipeline construction</li> <li>» Pipeline integrity management</li> <li>» Station and facility construction</li> </ul>	<ul style="list-style-type: none"> <li>» Distribution and urban pipeline construction</li> <li>» Trenchless technology</li> </ul>	<ul style="list-style-type: none"> <li>» Urban pipeline construction</li> <li>» Pipeline integrity management</li> </ul>
Key End Market	<ul style="list-style-type: none"> <li>» Regulated gas utilities</li> <li>» Regulated combo utilities</li> </ul>	<ul style="list-style-type: none"> <li>» Regulated gas utilities</li> <li>» Regulated combo utilities</li> </ul>	<ul style="list-style-type: none"> <li>» Regulated gas utilities</li> <li>» Regulated combo utilities</li> </ul>
Geography	<ul style="list-style-type: none"> <li>» Throughout the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>» Massachusetts, New Hampshire, Maine</li> </ul>	<ul style="list-style-type: none"> <li>» Utah, Nevada, Arizona</li> </ul>
Select Customers	     	  	 
Contract Type <sup>1</sup>			
Employees	~4,500	~300	~225
Union Workforce	Yes	No	No

# COMPANY OVERVIEW (CONT'D)



	Electric Utility		Canada Group	
Business				
Headquarters	Alexandria, Louisiana	Phoenix, Arizona	Vaughan, Ontario	Cambridge, Ontario
Year Founded	2014	2019	1994	1996
Primary Services	<ul style="list-style-type: none"> <li>» Utility pole wire maintenance</li> <li>» Transmission and distribution line construction</li> <li>» Emergency electrical services restoration</li> </ul>		<ul style="list-style-type: none"> <li>» Distribution and urban pipeline construction</li> <li>» Pipeline integrity management</li> <li>» Telecommunication &amp; electric underground construction &amp; fabrication</li> <li>» Fabrication, gas pipeline, civil and industrial</li> <li>» Airport fueling systems</li> </ul>	
Key End Market	» Large investor-owned utilities (electric and combo) and municipalities		» Primarily regulated gas utilities	
Geography	» Throughout the Southeast, Southwest and Gulf Coast		» Alberta, British Columbia and Ontario	
Select Customers	     		   	
Contract Type <sup>1</sup>				
Employees	~1,500		~750	
Union Workforce	No (Linetec) / Yes (National Powerline)		Yes	

# BROAD EXISTING GEOGRAPHIC FOOTPRINT



## Centuri's Significant North American Presence Across Key Business Units

>9,000

employees supporting  
North American gas  
and electric utilities at  
peak season

- Centuri Corporate Headquarters
- Canyon Pipeline
- Linetec Services
- Neuco
- NPL
- NPL Canada
- National Powerline
- WSN Construction

- » Operations in 55 primary locations across 40 states and provinces in the U.S. and Canada
  - 37 U.S. States
  - 3 Canadian Provinces
- » Over 1,200 active crews and over 9,000 employees at peak season that are geographically dispersed by business unit



Gas Utility



Electric Utility



Canada Group

Existing Centuri Footprint

# DIVERSE, BLUE-CHIP CUSTOMERS



Top 20 Customers<sup>1</sup> | >89% of Revenue from Regulated Utilities

Customer #	Credit Rating	Revenue as % of Total	Revenue (\$ in Millions)	Relationship Length (Yrs)	Contract Length (Yrs)
1	A2/A	12%	\$244	43	5
2	Baa1/A- <sup>2</sup>	6%	119	25	7
3	A2/A	6%	113	20	5
4	Baa1/A-	6%	113	36	4
5	Baa2/BBB+	6%	112	7	3
6	A3/BBB+	5%	98	14	6
7	A2/A-	5%	97	17	5
8	Baa2/A-	5%	92	4	3
9	A3/A-	5%	90	26	12
10	Baa2/BBB+	4%	84	44	3
11	Baa2/BBB+	3%	68	14	8
12	Baa2/A-	3%	61	21	5
13	A3/A	3%	54	27	10
14	Baa2/BBB+	2%	49	4	4
15	A3/BBB+	2%	47	32	8
16	Baa1/BBB+	2%	43	5	2
17	A2/A- <sup>2</sup>	2%	39	54	7
18	A2/A-	2%	36	5	3
19	A2/A-	2%	31	29	5
20	Baa2/BBB+	1%	27	25	7
Total – Average			\$1,617	23	6

<sup>1</sup> As of LTM 6/30/21

<sup>2</sup> Denotes Parent Company Rating; Opco customer unrated

Note: Totals may not sum due to rounding | Source: Centuri management



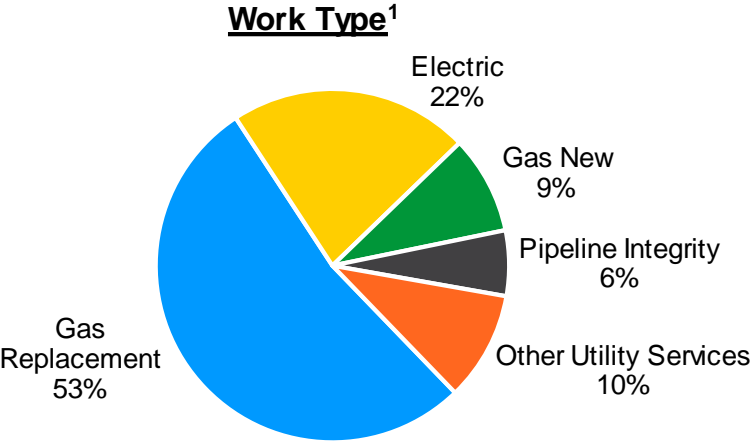
# DIVERSE REVENUE STREAMS UNDERPINNED BY STABLE MSA AGREEMENTS



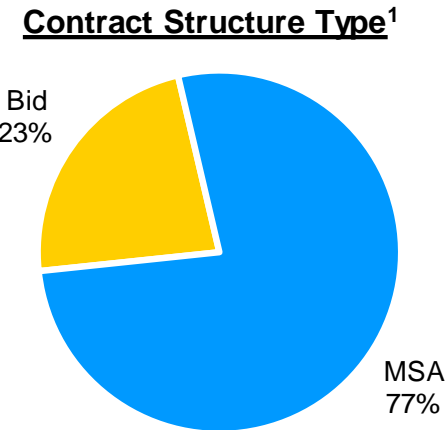
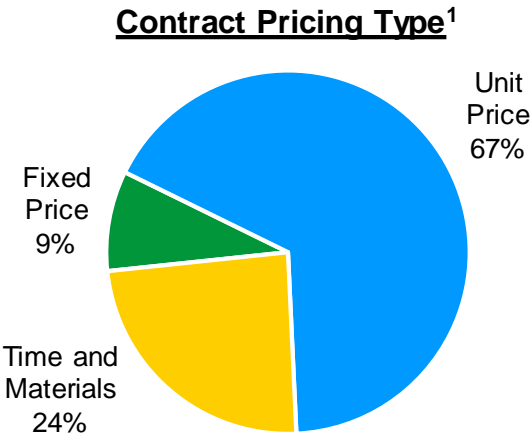
## Contract Overview

- » Centuri has two types of agreements with its customers: master service agreements (“MSAs”) and bid contracts
  - Under MSAs, customers issue work authorizations that describe the location, timing, and other details regarding a job; each work authorization is generally a single performance obligation
  - Generally bid contracts are performed for existing utility customers
  - **~77% of Centuri’s revenue<sup>1</sup> is contracted under multi-year MSA agreements with extension options, providing recurring revenue and earnings stability**
- » MSA and bid contracts are structured as either fixed price, unit price, or time and materials
  - Fixed price: set amount received for entire project scope
  - Unit price: pre-set price for discrete units of work in contract
  - Time and materials: pre-determined per-hour rates for employees and other direct costs
  - **~91% of Centuri’s revenue<sup>1</sup> is generated from time and materials or unit price contracts, driving margin stability and minimizing risk**

## Diverse Service Offerings...



## ...Anchored by Strong Contractual Agreements







# PROVEN BUSINESS STRATEGY AND TRACK RECORD OF SUCCESSFUL ACQUISITION INTEGRATIONS



- » Acquisition strategy has allowed Centuri to diversify its utility services platform and expand its geographic footprint
- » Disciplined and targeted approach to evaluating opportunities, including strategic fit and synergy opportunities
- » SWX has been supportive of Centuri's acquisition strategy, providing meaningful contributions in connection with acquisition financing
  - SWX commitment to cover the remaining 20% equity buyout of Linetec from 2022-2024; redeemable non-controlling interest fair value of \$201 million recorded at 6/30/21

## Acquisition History

Business	Purchase Price	Key Features & Achievements
<b>2014</b>  f/k/a Link-Line Group of Companies	\$205 million <sup>1</sup>	<ul style="list-style-type: none"> <li>» Expansion into Canadian market</li> <li>» Added Canada's 3 largest gas utilities as customers</li> </ul>
<b>2017</b> 	\$100 million	<ul style="list-style-type: none"> <li>» Expansion into New England</li> <li>» Entry into non-union gas market</li> <li>» Cumulative net cash returned through 2020 equals ~80% of purchase price</li> </ul>
<b>2018</b> 	\$379 million <sup>2</sup>	<ul style="list-style-type: none"> <li>» Expansion into Southeastern U.S.</li> <li>» Entry into non-union electric market</li> <li>» Significant equity contribution from SWX</li> <li>» Doubled size of business in first 25 months of ownership</li> </ul>
<b>2021</b> 	\$855 million	<ul style="list-style-type: none"> <li>» Expansion into Northeast and Mid-Atlantic</li> <li>» Expansion within union electric market</li> <li>» Expansion into 5G Datacom and renewables end markets</li> <li>» Enhanced ESG profile</li> </ul>

# RIGGS DISTLER OVERVIEW



**THINK AHEAD »**

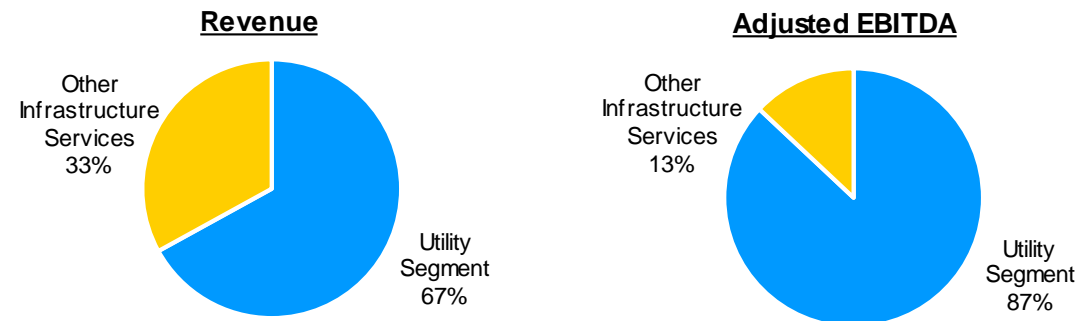
# RIGGS AT A GLANCE



## Overview

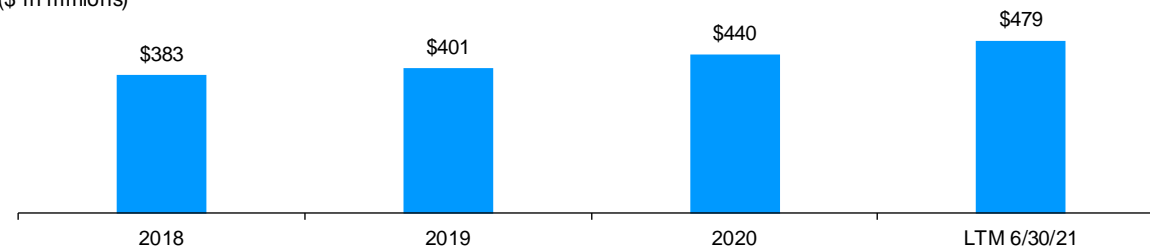
- » Leading utility services contractor (electric & gas) in the Mid-Atlantic and Northeast U.S.
- » Headquartered in Cherry Hill, NJ with ~1,500+ employees
- » 110+ year operating history with significant recent growth due to 16 newly awarded incremental MSAs (including 14 with two existing utility customers)
- » 74% of revenue derived from multi-year MSAs<sup>1</sup>
  - 119 MSAs including key client relationships with Exelon, Avangrid, National Grid and PSE&G
  - Long-standing relationships with top customers, with no customer representing more than 15% of revenue<sup>1</sup>
- » Operates in two reportable segments:
  - **Utility Segment:** provides overhead and underground electric distribution services, overhead electric transmission, substation, gas distribution and 5G Datacom services
  - **Other Infrastructure Services Segment:** provides mechanical, electrical and heavy civil services to a variety of customers including heavy industrial, renewable, utility & generation and government

## Segment Breakdown<sup>1</sup>



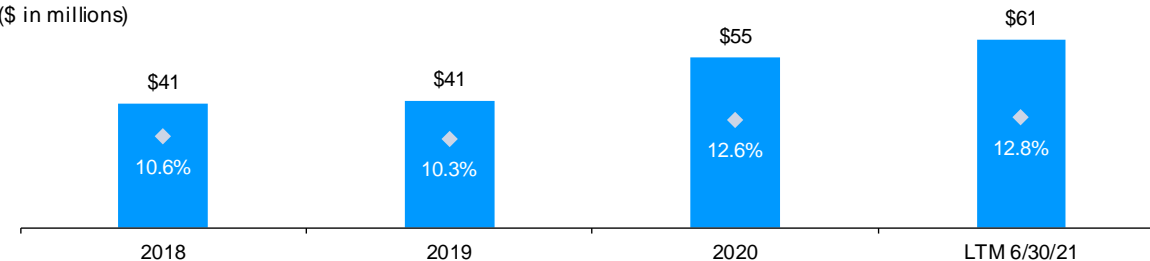
## Historical Revenue

(\$ in millions)



## Historical Adjusted EBITDA & Margin

(\$ in millions)





# MARKET LEADER IN NORTHEAST & MID-ATLANTIC



## Riggs By the Numbers

**20**

States  
Served

**200+**

Annual  
Customers

**~120**

Customer  
MSAs

**19**

Company  
Facilities

**1,200+**

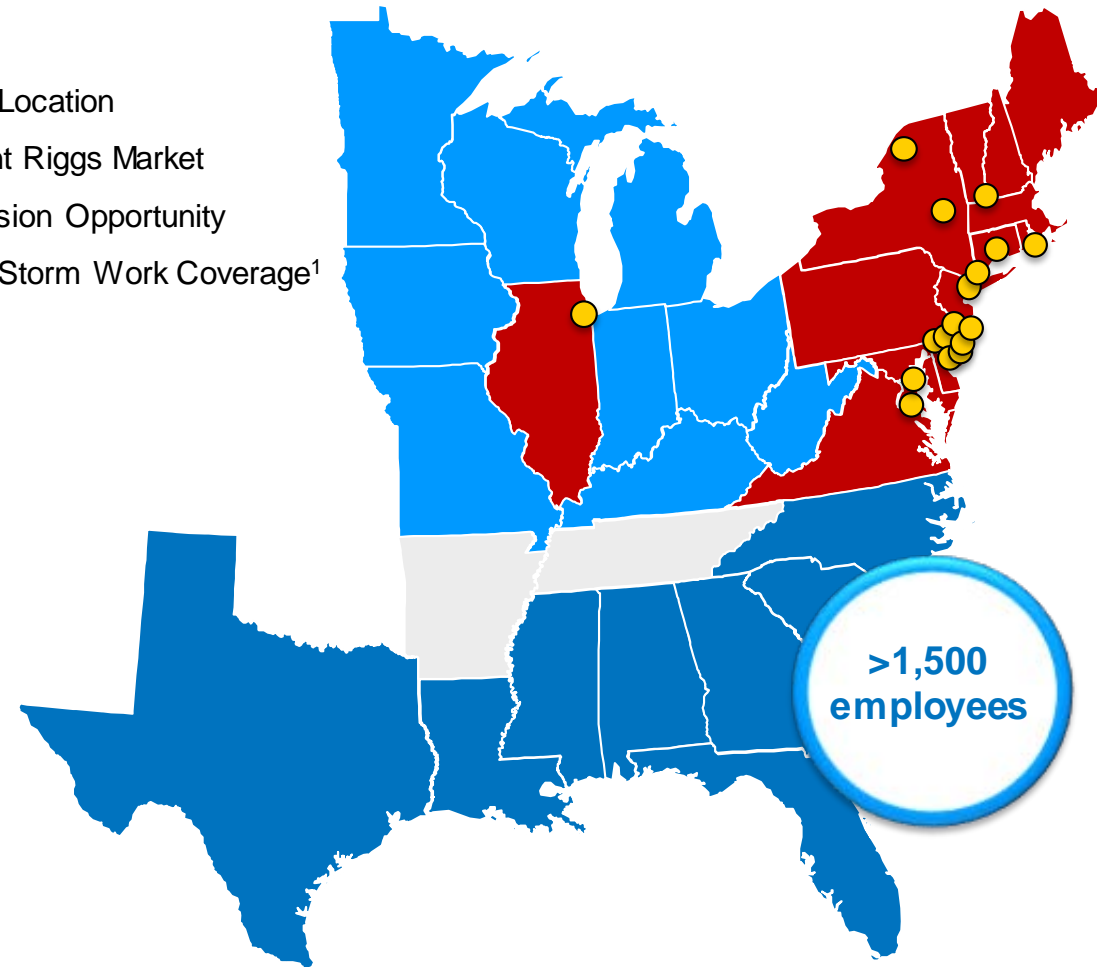
Company  
Vehicles

**800+**

Operating  
Equipment Units

## Geographic Footprint

- Riggs Location
- Current Riggs Market
- Expansion Opportunity
- Riggs Storm Work Coverage<sup>1</sup>



# ABILITY TO SERVE THE ENTIRE UTILITY AND INFRASTRUCTURE VALUE CHAIN



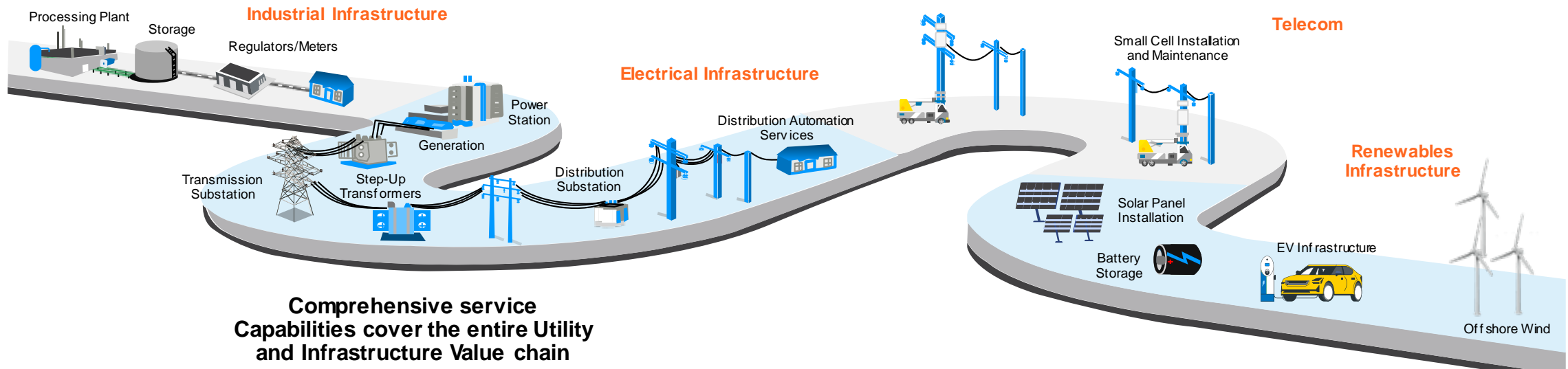
*Turnkey capabilities equip Riggs to serve as a one-stop shop for customers, resulting in revenue opportunities across the utility and infrastructure landscape*

## Unique Ability to Serve All Customer Needs

- » Platform supports transmission, distribution, substation, conventional and renewable generation, 5G datacom and other infrastructure services
- » Riggs primarily self-performs all work, which eliminates the need for subcontractors, optimizes scheduling, reduces costs and improves quality
- » Skilled union workforce and extensive footprint enable rapid response for normal-course and emergent work

## Why it Matters to Customers

- » Consolidate spend with a single, trusted provider
- » Single provider streamlines project delivery and reduces costs by eliminating layers of markup and duplicative indirect costs
- » Self-performing work ensures consistent execution, quality and accountability



Keeping Critical Infrastructure Operating at Peak Performance



# LONG-STANDING RELATIONSHIPS WITH BLUE-CHIP CUSTOMERS



- » Average relationships with top utility customers approaching 25 years
- » Complementary to Centuri's 23-year average tenure for top 20 customers
- » Extensive relationship and long-term contracts with major investor-owned utilities in the Mid-Atlantic and Northeast U.S.
- » Largest customer accounts for 15% of revenue, with no other single customer accounting for >12% of revenue<sup>1</sup>
- » Many customer relationships have multiple discrete MSAs, which are highly sticky contracts

**No material overlap between Riggs' top 10 customers and Centuri's top 20 customers**

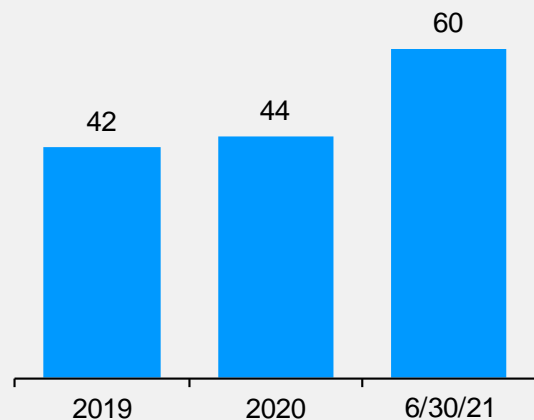
Customer	Credit Rating	MSAs	Utility	Other	Current Services	% of Revenue <sup>1</sup>
1	Baa1/A-	5	✓		OHD, UGD, OHT, Matting, Substation	15%
2	A2/BBB+	6	✓		OHD, UGD, Substation, Gas, Civil, Electrical	12%
3	Baa2/A-	2	✓		Gas	6%
4	A3/A	5	✓	✓	OHD, UGD, OHT, Matting, Gas, Civil, Electrical	5%
5	Baa1/A-	4	✓		OHD, OHT, Matting, Gas	4%
6	Baa2/BBB+	3	✓		OHD, OHT, Matting	4%
7	A3/A- <sup>2</sup>	-		✓	Electrical	3%
8	A2/A-	6	✓	✓	OHD, OHT, Substation, Electrical, Mechanical	3%
9	Baa1/A-	3	✓		OHD, OHT, Substation	3%
10	A3/A-	5		✓	Mechanical, Electric, Civil	2%
Total						57%

# HIGHLY RECURRING REVENUE UNDERPINNED BY LONG-TERM MSAs AND STABLE CONTRACTS

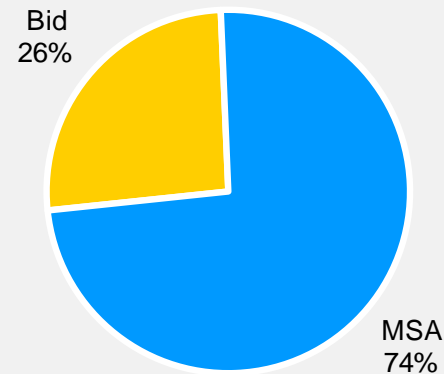


- » Riggs has 60 unique utility MSAs and 59 non-utility MSAs across multiple geographies
  - Annual volumes consistent given steady rate base driven nature of utility spending programs
  - Work across both segments is predominantly small ticket, short in duration and driven by ongoing maintenance requirements
  - The percentage of revenue generated from MSAs is expected to increase through 2022 onwards driven by ramp up of newly won MSAs and expected utility revenue synergies
- » While Riggs maintains a component of fixed price work it is able to maintain stability and predictability of cash flows by:
  - Performing primarily recurring maintenance oriented work under short-term and small-dollar jobs
  - Predominantly working with established customers; ~80% of fixed price done under MSA contracts and over 60% with utility customers

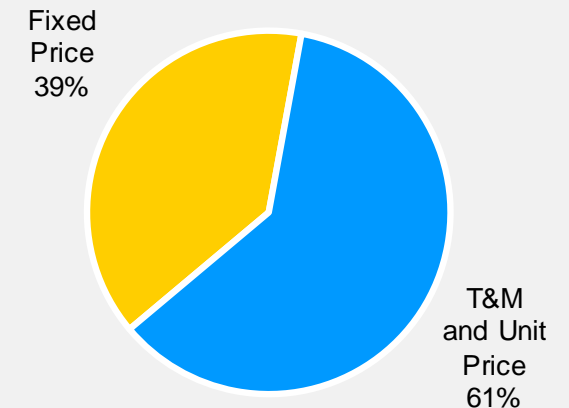
Utility MSA Count



Contract Structure Type<sup>1</sup>



Contract Pricing Type<sup>1</sup>





# RIGGS ADDS SIGNIFICANT CROSS-SELL AND GROWTH OPPORTUNITIES



## Compelling, Multi-Pronged Growth Avenues

- » Growth under existing contract vehicles driven by favorable industry tailwinds of electrification and reliability
- » Expansion of customer relationships, both with newly awarded contracts and cross-sell opportunities, e.g.
  - Expansion of Riggs' electric business with Centuri's Midwest customers
  - Acceleration of gas business growth with Riggs' electric customers
- » Further leveraging of relationships, capabilities and footprint to enter attractive service adjacencies

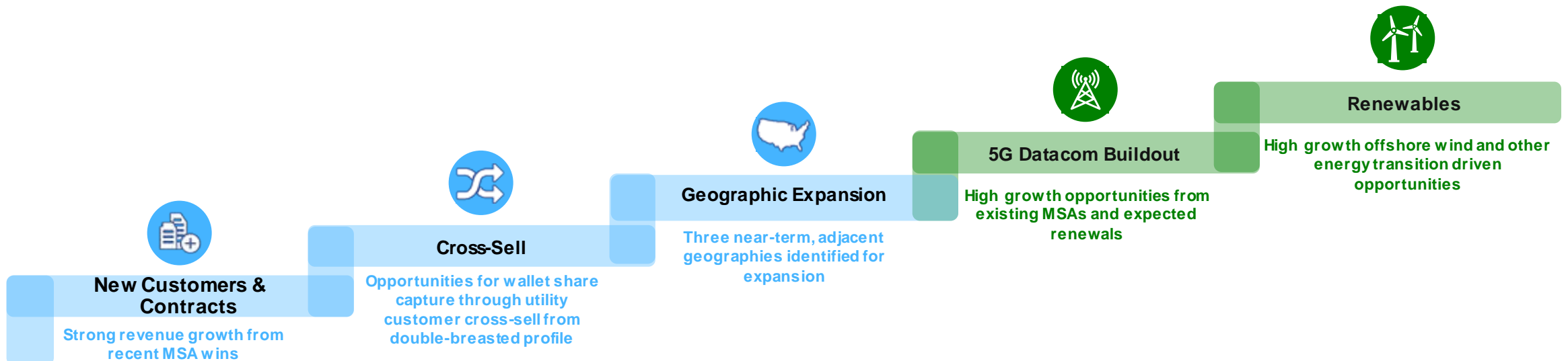
## Proven Integration Strategy

- » Centuri intends to follow integration playbook from prior successful acquisitions focused on supporting Riggs growth
- » Intention is to operate Riggs as a standalone business unit, retaining both existing management team and all employees
- » Centuri focuses on revenue growth in acquisitions, do not pursue acquisitions based on cost synergies and none included in forecast

## Riggs' Growth Avenues

### Core Growth

### Transformational Growth



# CENTURI INTENDS TO RETAIN KEY MEMBERS OF RIGGS MANAGEMENT



- » Post acquisition, the Riggs management team will continue to manage the Riggs business as a standalone operating company
- » Similar to the Neuco and Linetec acquisitions, Centuri intends to retain key members of management via multi-year employment agreements, signing bonuses and earn-up incentive programs
- » Riggs' management team averages approximately 23 years of industry experience, with CEO Steve Zemaitatis, Jr. having a 20+ year tenure with Riggs

Executives	Riggs Tenure	Industry Tenure
Steve Zemaitatis, Jr. <i>President &amp; CEO</i>	22 years	22 years
Albert Fosbenner <i>CFO</i>	2 years	25 years
Craig Zemaitatis <i>VP Overhead Distribution</i>	15 years	16 years
Manfred Konrath <i>VP Underground Distribution</i>	37 years	37 years
Scott Zemaitatis <i>VP Transmission</i>	17 years	19 years
Scott Donadio <i>VP Gas Distribution</i>	4 years	22 years
Chris Johnston <i>VP Electrical &amp; Substation</i>	3 years	24 years

Executives	Riggs Tenure	Industry Tenure
Kenneth McKay <i>VP General Counsel</i>	5 years	15 years
William Fischer <i>VP Heavy Industrial</i>	5 years	20 years
Craig Belfato <i>VP Mechanical</i>	2 years	20 years
Paul Creedon <i>VP Civil</i>	5 years	25 years
Jason McKay <i>Chief Information Officer</i>	4 years	21 years
Richard Neill <i>Senior Director of EHS</i>	3 years	28 years
Joseph Mason <i>Corporate Fleet Manager</i>	9 years	24 years
<b>Average</b>	<b>~10 years</b>	<b>~23 years</b>

# ACQUISITION RATIONALE



**THINK AHEAD »**

# RIGGS IS THE PERFECT FIT FOR CENTURI...

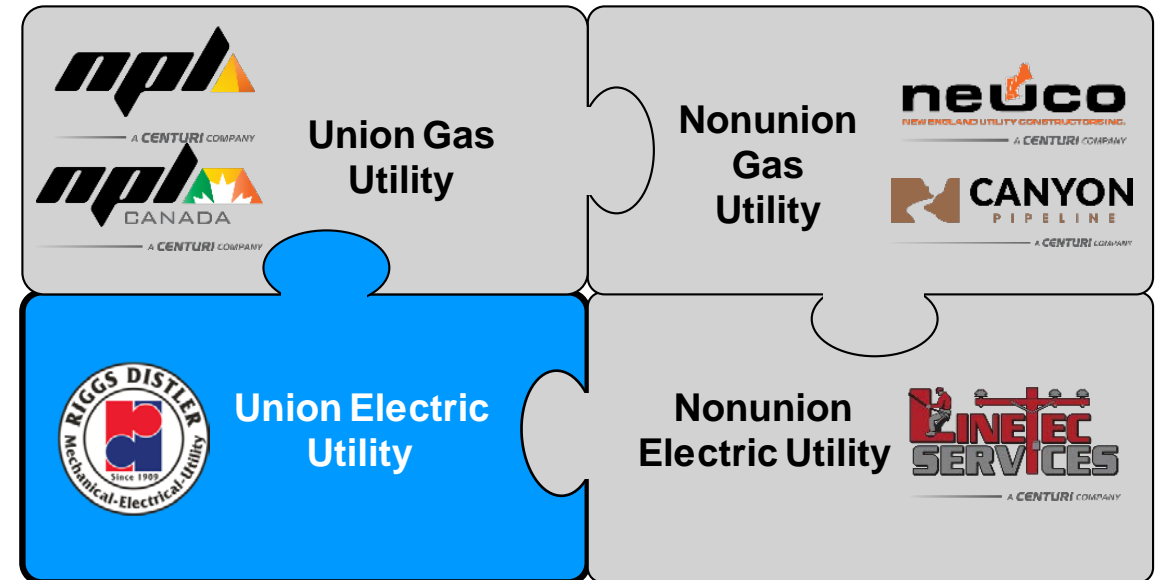


*Combining our existing industry-leading utility services platform with a scaled, union electric utility distribution focused provider*

## A Balanced Service Provider

- » Enhances electric utility distribution service capabilities, with ability to cater to union and nonunion markets
- » Access to attractive service adjacencies with outsized growth prospects in electrification, 5G and renewables
- » Complementary footprint with scale in a new attractive geography
- » Strong cultural alignment with shared focus on safety
- » World-class management teams bringing together expanded relationships and best practices
- » Retains low-risk, recurring, MSA-driven utility distribution services profile

## A Perfect Complementary Fit





# ...COMPLEMENTS CENTURI'S EXISTING BUSINESS...



	Centuri	+	Riggs																				
Business Overview	» Utility services enterprise dedicated to delivering a diverse and comprehensive array of solutions to North America's gas and electric providers		» Utility infrastructure services contractor with a primary focus on union electric and secondary work in gas distribution and power generation, including renewables and industrial services																				
Geographic Footprint	» 55 primary locations across 37 states and 3 provinces in the U.S. and Canada, respectively		» 19 company facilities serving 20 states with a focused presence in the Northeast and Mid-Atlantic																				
Financial Summary (LTM 6/30/21)	» Revenue: \$2,013 million » Compliance EBITDA: \$218 million (~11% margin)		» Revenue: \$479 million » Adj. EBITDA: \$61 million (~13% margin)																				
Utility Service Revenue Mix <sup>1</sup>	<table><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Gas Utility</td><td>64%</td></tr><tr><td>Electric Utility</td><td>22%</td></tr><tr><td>Other Utility Services</td><td>14%</td></tr></tbody></table>	Category	Percentage	Gas Utility	64%	Electric Utility	22%	Other Utility Services	14%		<table><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Electric Utility</td><td>52%</td></tr><tr><td>Other Infrastructure Services</td><td>24%</td></tr><tr><td>Gas Utility</td><td>12%</td></tr><tr><td>Other Utility Services</td><td>8%</td></tr><tr><td>5G Datacom</td><td>4%</td></tr></tbody></table>	Category	Percentage	Electric Utility	52%	Other Infrastructure Services	24%	Gas Utility	12%	Other Utility Services	8%	5G Datacom	4%
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5G Datacom	4%																						
MSA Revenue Contribution <sup>2</sup>	75%+		70%+																				

# ...ENHANCES SCALE & DIVERSIFICATION...



	2017 Centuri	Transformation	2021E Pro Forma Centuri <sup>1</sup>
<b>Business Units</b>		<p>Addition of electric utility creates comprehensive "pure-play" utility distribution services platform</p>	
<b>Revenue</b> (\$ in millions)	\$1,246	2x+ increase in revenue	\$2,500
<b>Adjusted EBITDA Margin</b>	~8%	~340 bps margin expansion	~11%
<b>Projected Growth</b>	Mid-Single Digit <sup>2</sup>	Attractive growth profile	Double Digit <sup>3</sup>
<b>MSA as % of Revenue</b>	71%	Growing MSA orientation	76% <sup>4</sup>
<b>Gross Profit by End Market <sup>4</sup></b>		<p>Increased access to electric utility distribution</p>	

<sup>1</sup> Reflects 2021 estimated figures unless otherwise noted

<sup>2</sup> 2017-2019 CAGR

<sup>3</sup> 2021-2023 CAGR

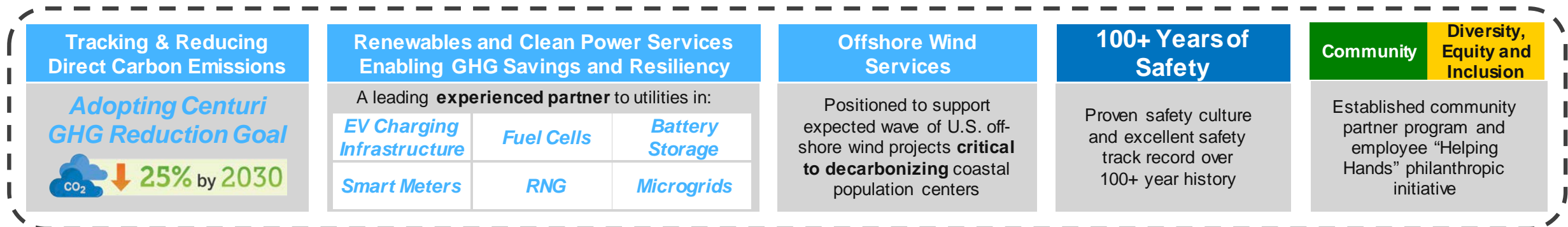
<sup>4</sup> Pro forma is LTM 6/30/21

Source: Centuri management

# ...ADDS ESG OPPORTUNITIES...



- » Provides real ESG market messaging opportunity for SWX and Centuri with renewable projects Riggs has accomplished so far
- » Riggs has experience building several of the renewable opportunities Centuri has been assessing
  - Solar Projects
  - Anaerobic Digester Facilities
  - Battery Storage
  - EV Charging
  - Fuel Cells
  - Microgrid
- » Increases pipeline replacement capabilities which dramatically reduce methane emissions through system modernization and leak repair
- » Participation in Offshore Wind (“OSW”) projects when finally realized
- » Riggs resume improves overall SWX ESG narrative



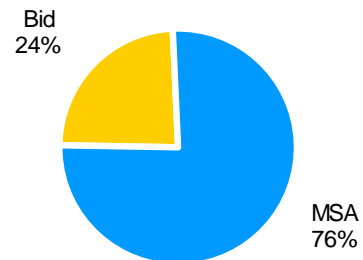
# ...AND REINFORCES CENTURI'S BUSINESS PROFILE



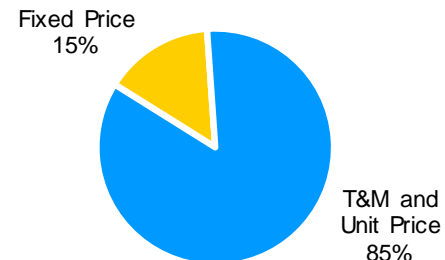
**Centuri + Riggs creates a premier diversified utility services company with balanced growth optionality**

## Low Risk...

**Revenue by Contract Structure<sup>1</sup>**



**Revenue by Contract Type<sup>1</sup>**



## ...Plus Favorable Competitive Position...

Double-breasted workforce		✓	✓	✓	✓
Gas distribution services	✓	✓	✓	✓	✗
No cross-country pipeline projects	✓	✗	✗	✗	✓
Electric distribution services		✓	✓	✓	✓
No cross-country electric transmission projects	✓	✗	✗	✗	✗
Enhanced ESG profile / Access to high-growth 5G		✓	✓	✓	✓

Denotes significantly increased capabilities from Riggs acquisition Denotes new capability from Riggs acquisition

## ...Drives Highest Growth and Least Volatility

Rank	10Y EBITDA CAGR <sup>2</sup>	10Y EBITDA Volatility <sup>3</sup>
1	Highest growth	Least volatile
2		
3		
4		
5		

# KEY CREDIT HIGHLIGHTS



**THINK AHEAD »**



# KEY CREDIT HIGHLIGHTS



- 1 Leading Utility Services Company
- 2 Consistent Free Cash Flow Generation
- 3 Commitment to a Conservative Credit Profile
- 4 Recurring and Stable Revenue from MSAs
- 5 Blue Chip Customer Base with Longstanding Relationships
- 6 Favorable Industry Tailwinds
- 7 Highly Experienced Management Team



# ENHANCED SCALE & DIVERSIFICATION...



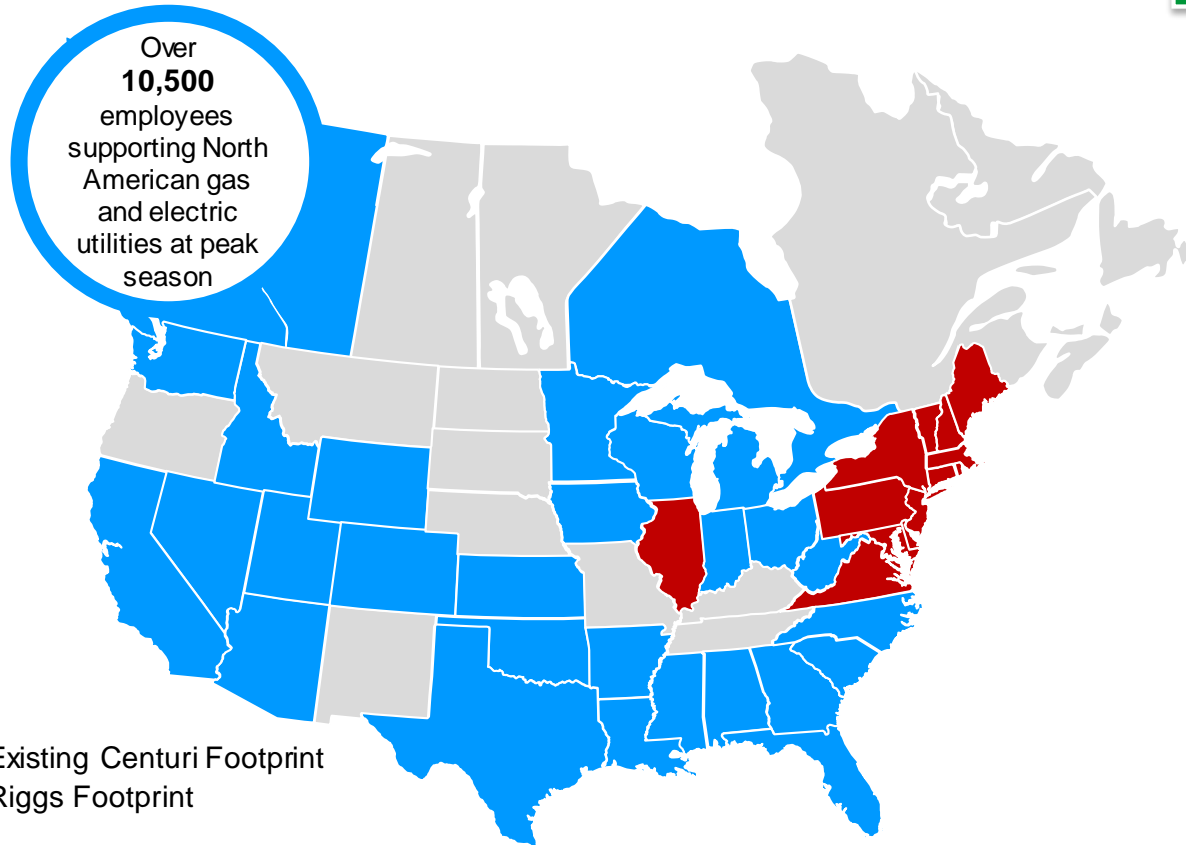
**\$2,492 million of Revenue<sup>1</sup>**

**\$294 million of Adjusted EBITDA<sup>1</sup>**

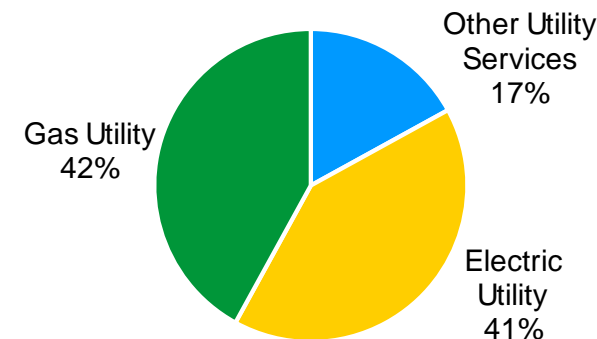
**Solidified North American Leader**



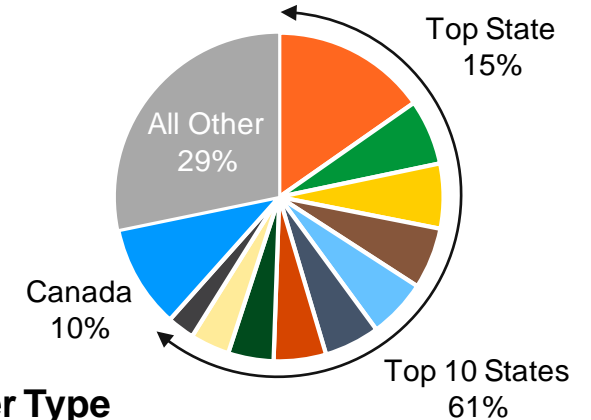
**Diverse Earnings Composition<sup>2</sup>**



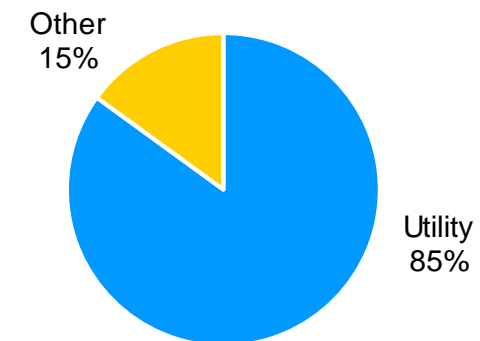
## End Market



## Geography



## Customer Type

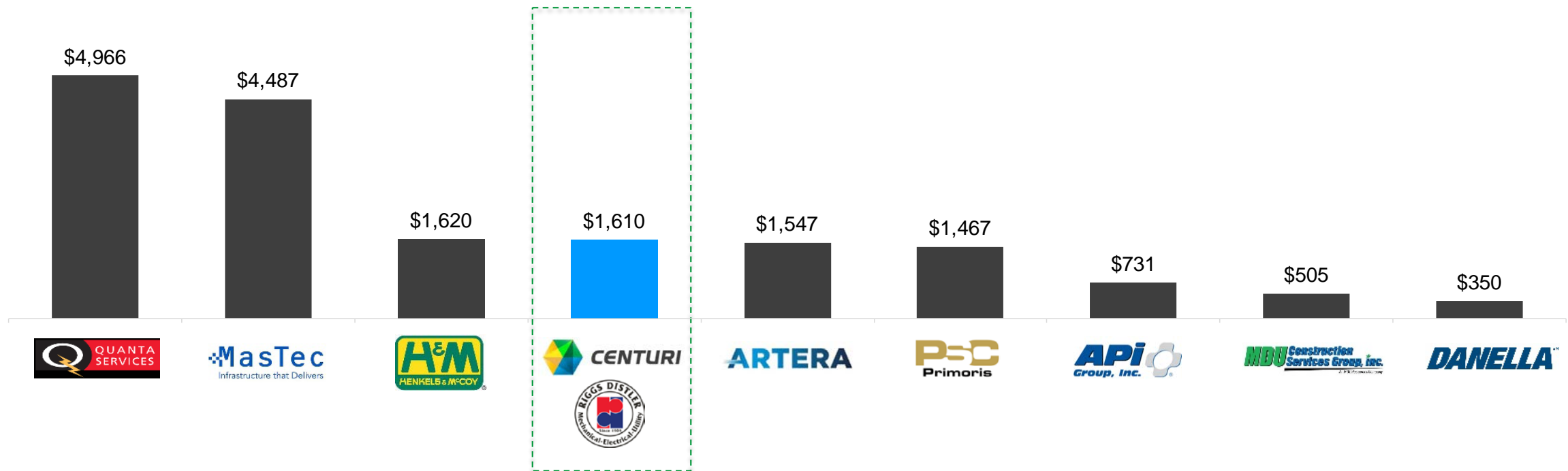


# ...CREATES TOP PLAYER IN UTILITY SERVICES SECTOR



## Top 10 Utility Services Firms<sup>1</sup>

(\$ in millions)



**Fourth largest utility services provider by total revenue**

# CONSISTENT FREE CASH FLOW GENERATION



- » **\$400+ million of Free Cash Flow generation since 2018**
- » Key cash flow drivers:
  - Stable, recurring revenue supported by majority MSA contract structure
  - Modest maintenance CapEx requirements, averaging ~2% of revenue over the last 3 years



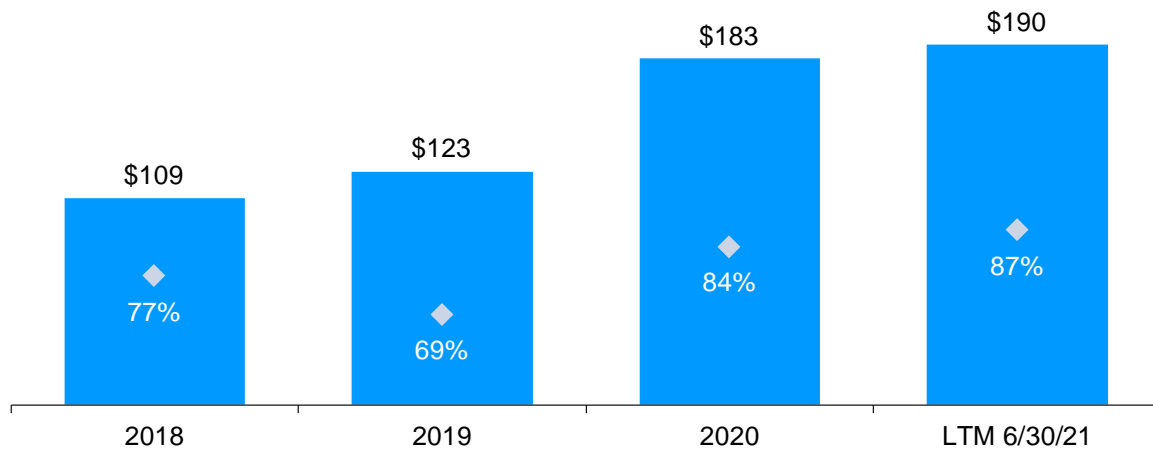
- » **\$100+ million in Free Cash Flow generation since 2018**
- » Key cash flow drivers:
  - Accelerated growth from recent MSA contract wins
  - Modest maintenance CapEx requirements, averaging ~2% of revenue over the last 3 years

*Allows Centuri to delever quickly and predictably following debt-financed acquisitions*

## Free Cash Flow and Free Cash Flow Conversion<sup>1</sup>

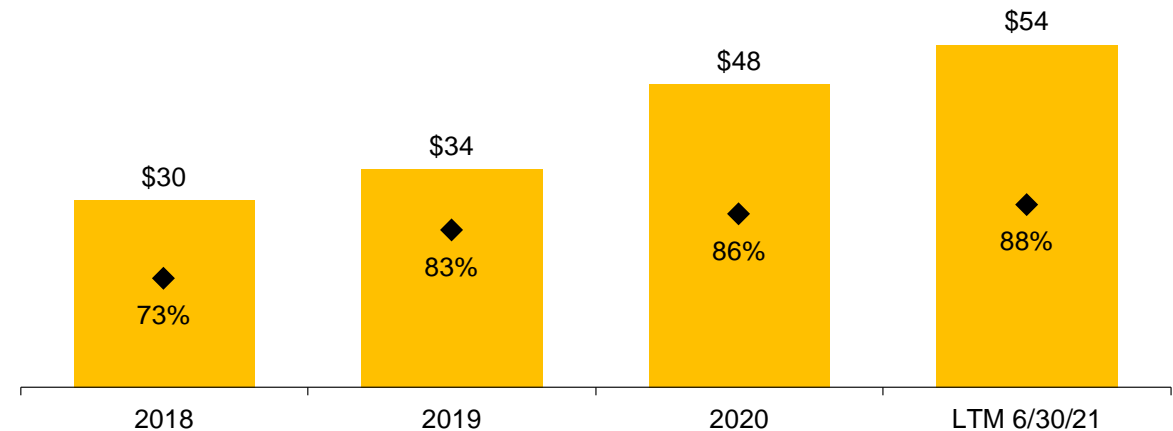
(\$ in millions)

■ Free Cash Flow    ◆ Free Cash Flow Conversion



(\$ in millions)

■ Free Cash Flow    ◆ Free Cash Flow Conversion

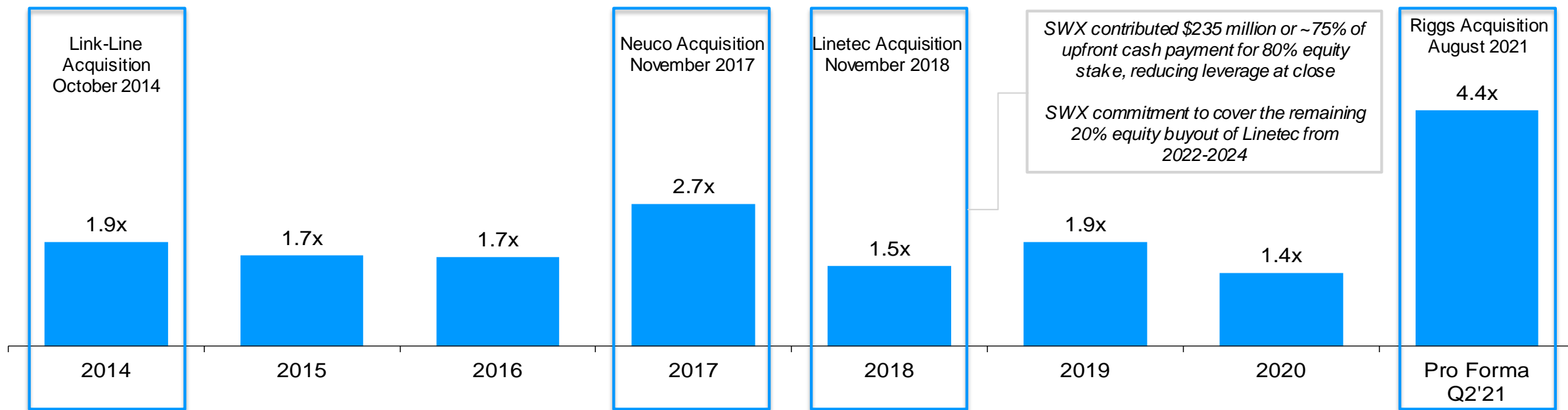


# COMMITMENT TO CONSERVATIVE CREDIT PROFILE WITH PROVEN DE-LEVERAGING



- » Centuri has a demonstrated history of prudence and discipline when managing its balance sheet, despite being acquisitive
- » Significant cash flow generation has allowed Centuri to consistently and quickly delever below its total leverage target of 3.0x following acquisitions
- » Meaningful balance sheet support provided by parent equity contributions from SWX
  - SWX contributed \$235 million in connection with the acquisition of an 80% stake in Linetec in 2018
  - SWX commitment to cover the remaining 20% equity buyout of Linetec from 2022-2024; redeemable non-controlling interest fair value of \$201 million as of 6/30/21

## Net Leverage<sup>1</sup> Over Time



**Peak leverage occurs in Q2 and Q3 due to working capital needs while trough occurs at year end**

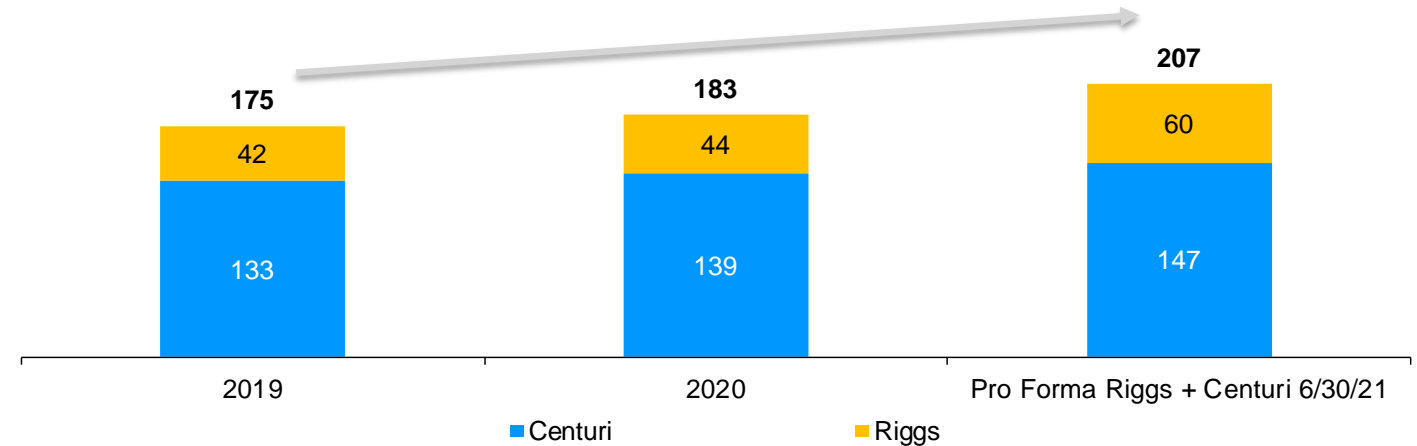


# HIGHLY VISIBLE, RECURRING REVENUE FROM CUSTOMER CONTRACTS



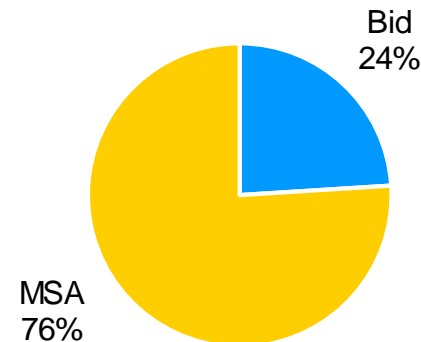
- ✓ *Sticky, multi-year MSAs with high renewal rates ensure consistent volume and create a stable revenue base*
- ✓ *Low-single digit built-in price escalators in MSAs to drive continued growth across existing contract base*
- ✓ *Growing MSA count, heavily weighted toward unit price and time and materials contracts that drive stable margins*
- ✓ *No material contract losses*

## Growing Utility MSA Count<sup>1</sup>

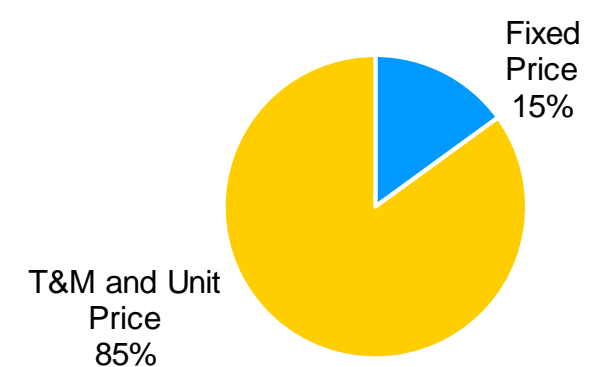


## Favorable Contract Mix

### Contract Type<sup>1</sup>



### Contract Structure<sup>1</sup>



# WELL-TENURED, BLUE-CHIP UTILITY CUSTOMER BASE

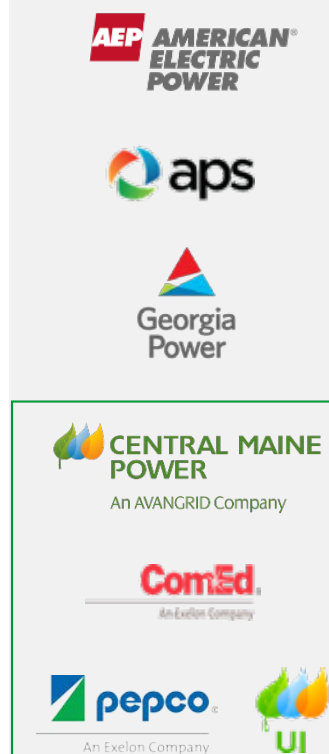


## Key Blue Chip Customers

### Gas



### Electric



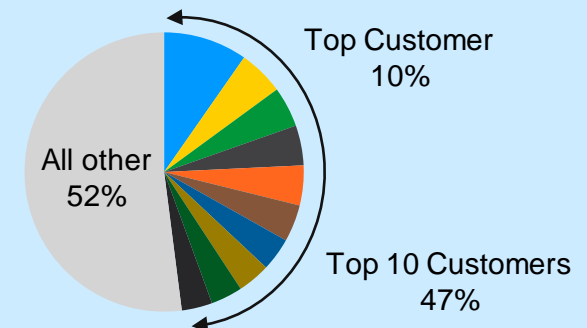
### Combination



## Key Statistics

**~25 Years Weighted Average Customer Tenure<sup>1</sup>**

**~5 Years Weighted Average Contract Length<sup>1</sup>**



Denotes new Centuri customers from Riggs acquisition

# FAVORABLE INDUSTRY TAILWINDS: AGING UTILITY INFRASTRUCTURE



**Strong tailwinds across utility end markets support long-term growth**

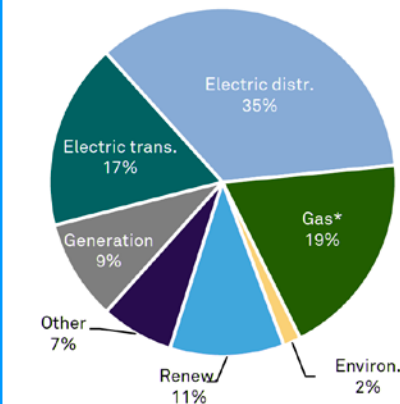
## Utility Capital Expenditures: History and Forecast

- » 2020 utility capital expenditures increase to \$130 billion (7.75% increase from the previous year)
- » 2021 appears on track to be another record year for energy infrastructure investments (over 9% increase)
- » 2022 and 2023 utility capex, compared with 2021, signal a potential decline in capital expenditures those years, it is anticipated that investments in both years will ultimately be successively higher
  - Companies' plans for future projects solidify and new opportunities arise in the years ahead
  - Still remain above 2021 spend levels
- » Considerable drivers exist to continue elevated spending over the next several years:
  - Escalating demand to replace and modernize aging infrastructure
  - Renewable portfolio standards of multiple states that include large expansions in low-carbon energy generation capacity
  - Federal infrastructure investment plans that are intended to steer conversion of the nation's power generation network to zero-carbon sources by 2035

### RRA Financial Focus - Utility Capital Expenditures Update

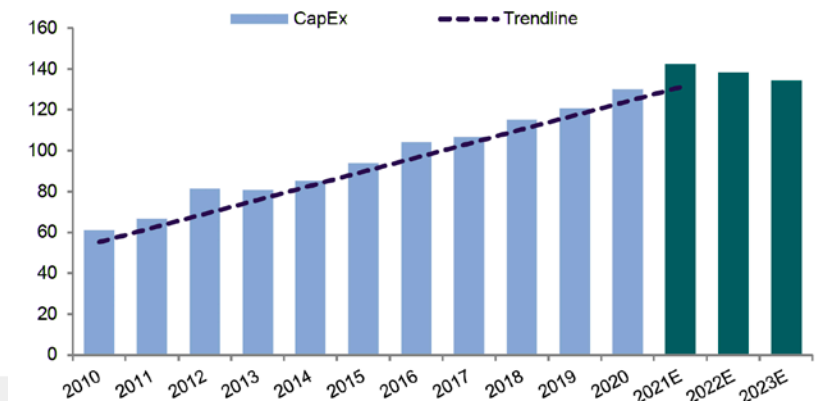
Energy utility capex plans on track for a record-breaking 2021

Capex by business category, 2021E-2023E



Compiled April 5, 2021.  
\*Gas includes pipeline, storage, distribution and other gas infrastructure.  
Source: S&P Global Market Intelligence

Energy utility actual and estimated capital expenditures (\$B)



Compiled April 5, 2021.  
Source: S&P Global Market Intelligence

# FAVORABLE INDUSTRY TAILWINDS: AGING UTILITY INFRASTRUCTURE



**Strong tailwinds across utility distribution end markets support long-term growth**

## Utility Distribution Outlook

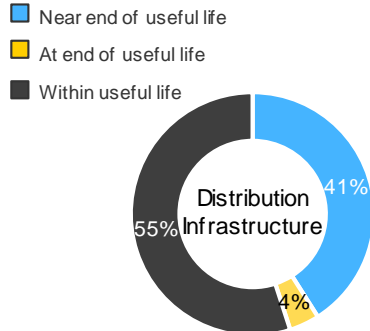


### Electric Utility Distribution

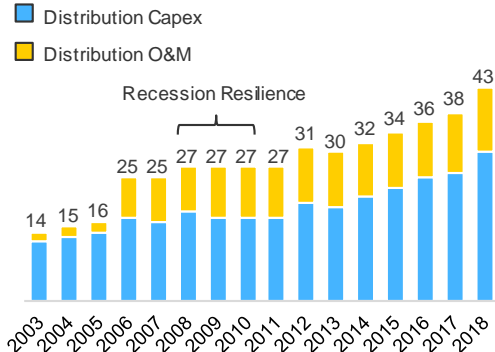
- » Aging infrastructure will demand significant replacements and upgrades to maintain system performance
- » Investment required to integrate renewable and distributed energy resources
- » Increasing need for additional electricity generation to meet demand

#### Aging Electric Infrastructure<sup>1</sup>

Electrical Distribution infrastructure age relative to useful lifespan



Investments in Distribution Infrastructure<sup>2</sup>  
(\$ in billions)

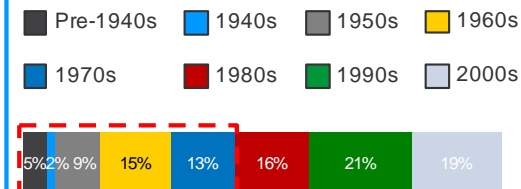


### Gas Utility Distribution

- » Aging natural gas distribution infrastructure has caused meaningful public health and safety risks, driving utilities to a multi-decade replacement cycle
- » This replacement cycle currently underway is regulatory-driven and has already been allocated funding

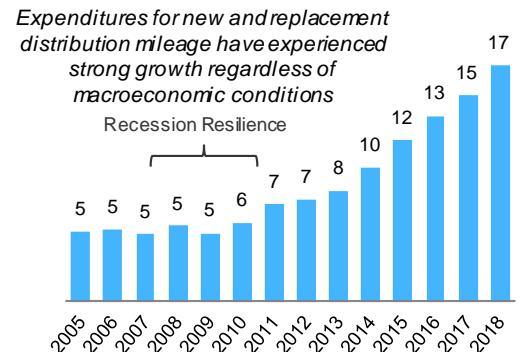
#### Crumbling Gas Infrastructure

Gas Distribution Pipelines Constructed<sup>3</sup>  
(By decade)



**Nearly 45% of gas distribution infrastructure is near or at the end of its useful life of 40 years**

Construction Spend on Distribution<sup>3</sup>  
(\$ in billions)



<sup>1</sup> Department of Energy

<sup>2</sup> Federal Energy Regulatory Commission

<sup>3</sup> American Gas Association; expenses include spending on distribution

# FAVORABLE INDUSTRY TAILWINDS: NEW HIGH-GROWTH INFRASTRUCTURE END MARKETS



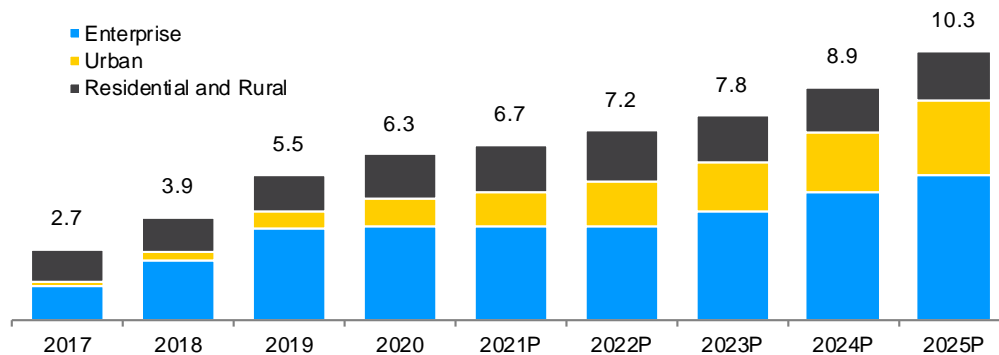
*Strong tailwinds across related infrastructure end markets support long-term growth*

## Wireless and Renewable Energy

### 5G Datacom

- » Small cell wireless density requires significant buildout, and existing utility infrastructure will be a key component to densification
- » Utility infrastructure will require make-ready work to realign existing pole attachments to support 5G equipment

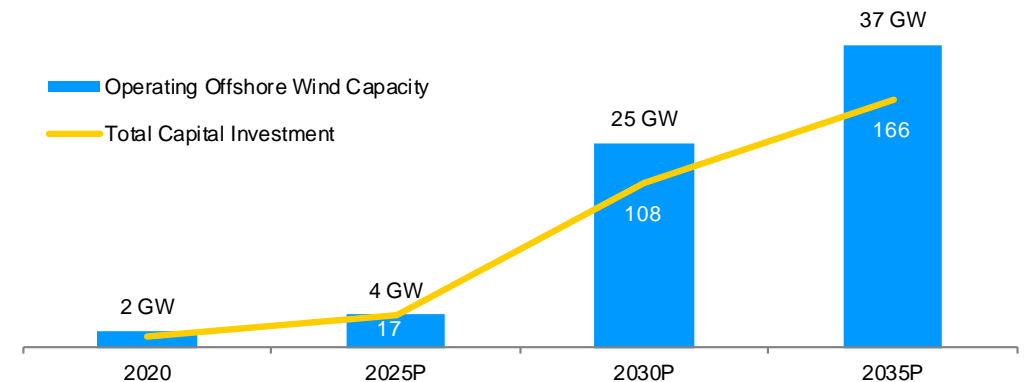
**Global Small Cell New Deployments by Environment<sup>2</sup>**  
(Units in millions)



### Energy Transition

- » Renewable energy accounts for ~18% of U.S. energy mix and is projected to reach 31% by 2050<sup>1</sup> as utilities move away from fossil fuels
- » Significant forthcoming buildout of renewable assets and supporting infrastructure

**Accelerating U.S. Capacity and Investment<sup>3</sup>**  
(Units in gigawatts; \$ in billions)





# HIGHLY EXPERIENCED MANAGEMENT TEAM



## Executive Leadership



**Paul Daily**  
President & Chief  
Executive Officer



**Kevin Neill**  
Executive Vice  
President, Chief  
Financial Officer &  
Treasurer



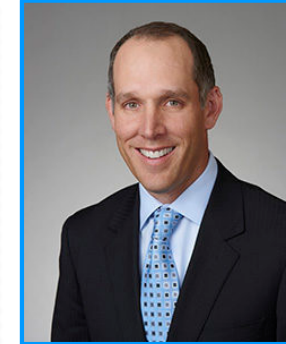
**Richard Delaney**  
Executive Vice  
President, Chief  
Operating Officer



**Rob Lyons**  
President, Centuri  
Power Group



**Michael Cicchella, Jr.**  
Executive Vice  
President, Chief  
Administrative Officer



**James Connell, Jr.**  
Executive Vice  
President, Chief  
Customer Officer



**Steve Adams**  
Senior Vice  
President, Centuri  
Power Group

## Experience

- » **35+ years** of experience across senior leadership of infrastructure engineering and construction companies
- » Joined Centuri in 2016 as CEO

- » **30+ years** of experience across financial reporting, accounting, investor relations and M&A
- » Joined Centuri in 2012 as CFO of NPL Construction

- » **34+ years** of experience across operations and management experience leadership
- » Joined Centuri in 2002 as President & COO of NPL Canada

- » **40+ years** of experience across operations and senior leadership of utility services companies
- » Joined Centuri in 2018 as EVP of Electrical Transmission and Distribution

- » **20+ years** of experience in utility services companies managing M&A, IT, Safety, Fleet, Supply Chain and HR
- » Joined Centuri in 2016 as SVP & CAO

- » **25+ years** of experience across various executive leadership roles driving customer and market development
- » Joined Centuri in 2006 as Director of Supply Chain & Asset Mgmt. for NPL Construction

- » **35+ years** of experience of operational leadership across the electric T&D industry (including President of PAR Electric, a >\$1.6B business)
- » Joined Centuri in 2019

## Prior Companies



# HISTORICAL FINANCIAL SUMMARY



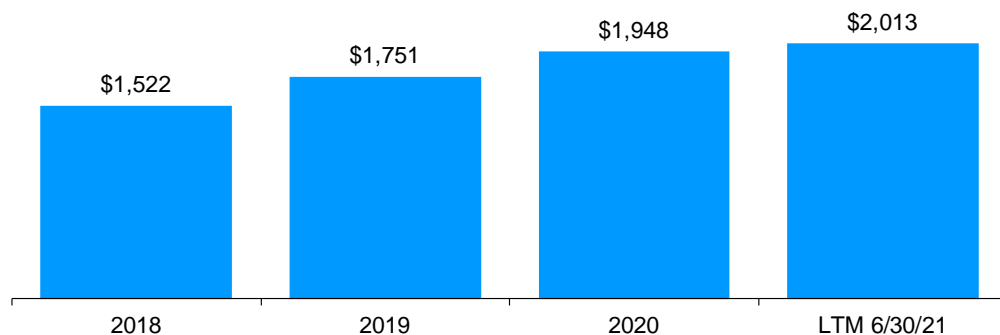
**THINK AHEAD »**

# CENTURI HISTORICAL FINANCIAL PERFORMANCE



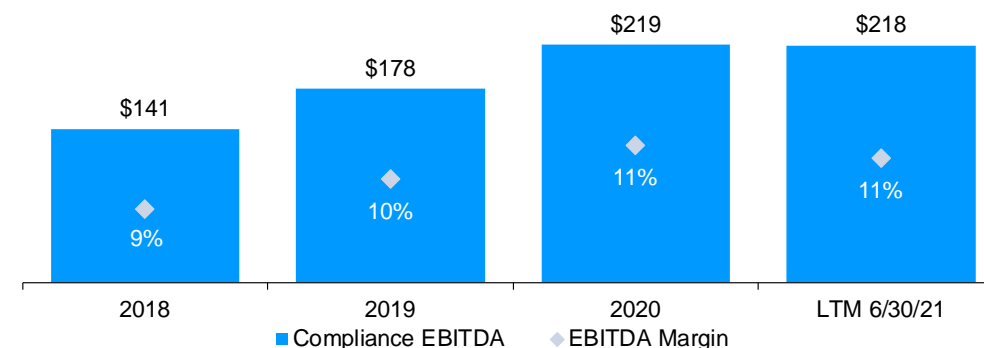
## Revenue

(\$ in millions)



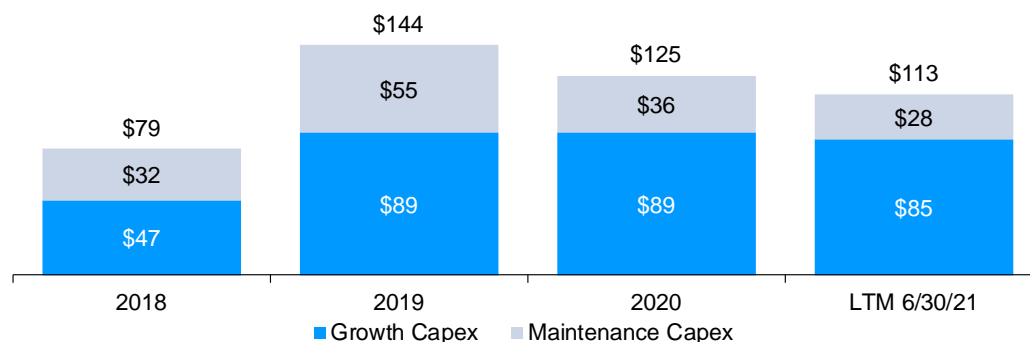
## Compliance EBITDA and Margin

(\$ in millions)



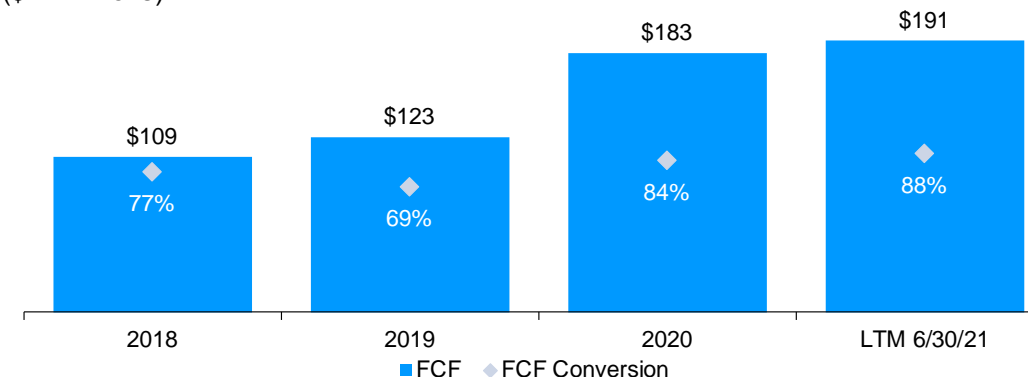
## Capital Expenditures<sup>1</sup>

(\$ in millions)



## FCF and FCF Conversion<sup>1</sup>

(\$ in millions)

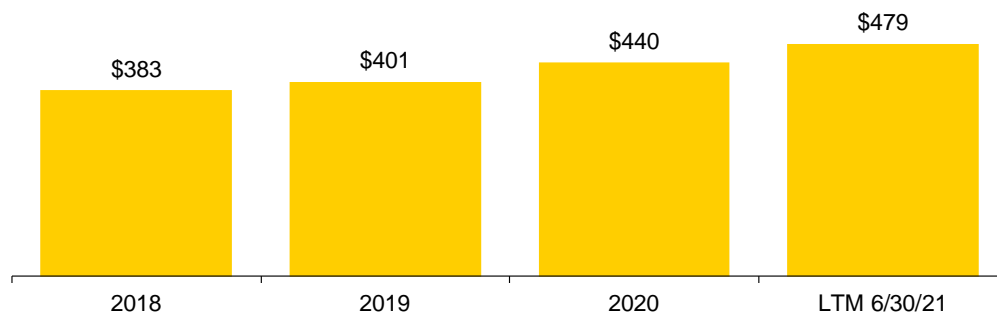


# RIGGS HISTORICAL FINANCIAL PERFORMANCE



## Revenue

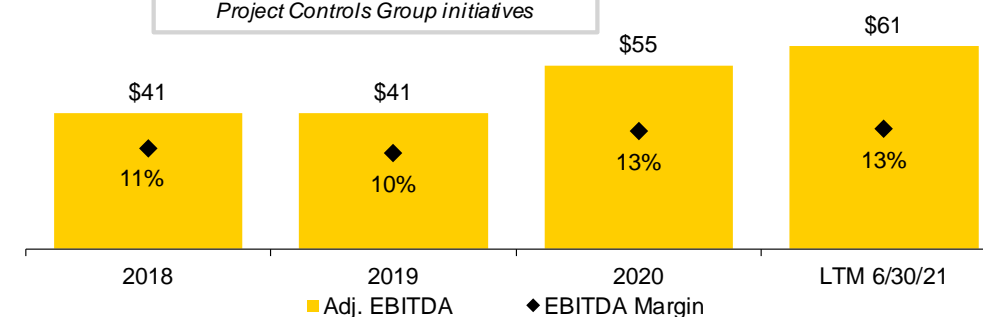
(\$ in millions)



## Adjusted EBITDA and Margin

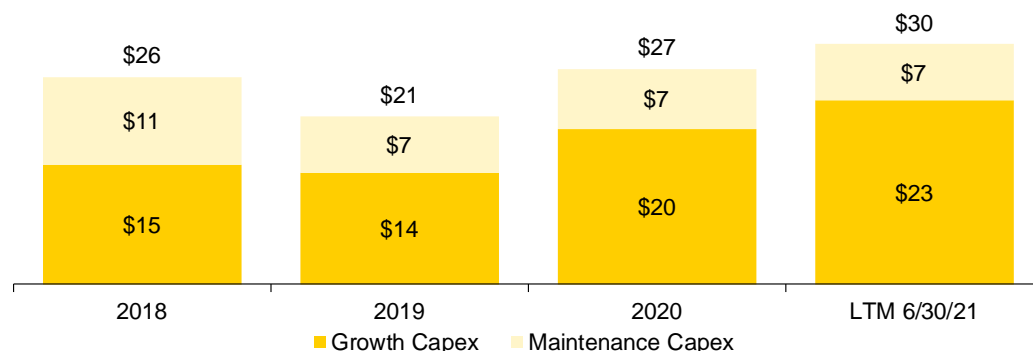
(\$ in millions)

>300 bps of margin expansion from 2019-2020 due to improved performance across both business segments, largely driven by Project Controls Group initiatives



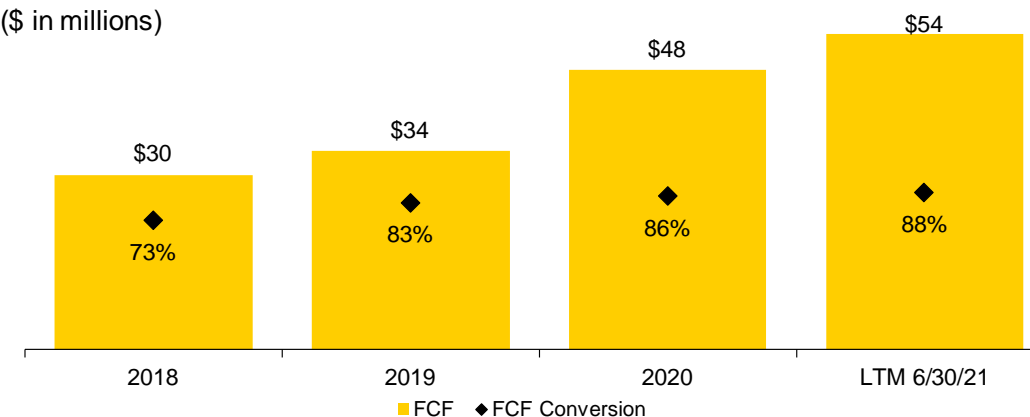
## Capital Expenditures<sup>1,2</sup>

(\$ in millions)



## FCF and FCF Conversion<sup>1</sup>

(\$ in millions)



# RECENT PERFORMANCE UPDATE



## Centuri Financial Summary

(\$ in Millions)	Actual Performance			
	FYE 2020	YTD 6/30/20	YTD 6/30/21	LTM 6/30/21
<b>Revenue</b>	<b>\$1,948</b>	<b>\$828</b>	<b>\$893</b>	<b>\$2,013</b>
% Y/Y Growth	-	-	7.8%	-
<b>Gross Profit</b>	<b>\$214</b>	<b>\$71</b>	<b>\$72</b>	<b>\$215</b>
% Margin	11.0%	8.6%	8.1%	10.7%
<b>Compliance EBITDA</b>	<b>\$219</b>	<b>\$79</b>	<b>\$78</b>	<b>\$218</b>
% Margin	11.2%	9.5%	8.7%	10.8%

Source: Centuri Financial Statements; Compliance Certificates

## Riggs Financial Summary

(\$ in Millions)	Actual Performance			
	FYE 2020	YTD 6/30/20	YTD 6/30/21	LTM 6/30/21
<b>Revenue</b>	<b>\$440</b>	<b>\$201</b>	<b>\$240</b>	<b>\$479</b>
% Y/Y Growth	-	-	19.5%	-
<b>Gross Profit</b>	<b>\$66</b>	<b>\$30</b>	<b>\$37</b>	<b>\$73</b>
% Margin	15.0%	15.2%	15.5%	15.2%
<b>Adjusted EBITDA</b>	<b>\$55</b>	<b>\$24</b>	<b>\$30</b>	<b>\$61</b>
% Margin	12.6%	12.2%	12.6%	12.8%

Source: Riggs Financial Statements

## Centuri Commentary

- » YTD revenues increased \$64 million y/y attributable to \$24 million of incremental electric utility services work from expansion with existing customers and securing work with new customers. The additional increase in revenues was attributable to increased work under existing MSA and bid projects for gas customers in the central and eastern U.S. regions and Canada
  - The YTD Q2'21 period included \$12 million of storm support revenue, which was primarily realized in Q1, compared to \$7 million during the prior year period
- » YTD Q2'21 gross profit and compliance EBITDA was roughly flat compared to the prior year period, primarily due to higher costs (i.e., fuel, rent expense, payroll, subcontractor costs) and lower revenues from two large customers during the YTD period (due to timing and mix of projects), resulting in less favorable fixed cost utilization

## Riggs Commentary

- » YTD Q2'21 revenue increased 19.5% y/y, largely attributable to base business growth and price escalators, ramping of new utility MSAs, and accelerated growth across 5G Datacom
- » YTD Q2'21 gross profit and adjusted EBITDA margin expansion is driven by strong margin performance on overhead transmission projects and transition to additional unit price contract structures in certain business units



# CONSERVATIVE FINANCIAL POLICIES



## Operating Philosophy

- » Lower risk contract profile, focusing on recurring services MSA contracts with blue-chip utility operators; contract pricing structures heavily weighted towards unit price and time & materials vs. lump-sum fixed price

## Leverage

- » Target total leverage profile of <3.0x
- » Will increase leverage for key strategic M&A opportunities up to 4.0x
- » Goal of quickly delevering to <3.0x total leverage within ~2 years; strong ability and willingness to deleverage

## Liquidity

- » Estimated liquidity at close of >\$300 million
- » Target liquidity of \$200 million for ongoing business needs

## Capital Deployment

- » Continued dividends to SWX based on 50% of trailing 3-year average of U.S. generated Net Income
- » SWX commitment to cover the remaining 20% equity buyout of Linetec from 2022-2024

## Capital Structure

- » Fully pre-payable capital structure to support deleveraging
- » Long-term funding at attractive rates while preserving operating, strategic and financial flexibility

# APPENDIX



**THINK AHEAD »**

# CENTURI COMPLIANCE EBITDA RECONCILIATION



Centuri Compliance EBITDA Reconciliation								
(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	LTM 6/30/21
Centuri Standalone Audited Net Income	\$24.3	\$14.6	\$20.5	\$23.7	\$26.9	\$26.7	\$53.6	\$51.8
Goodwill Amortization, Net of Taxes and NCI <sup>1</sup>	-	13.2	13.1	14.8	17.5	28.4	27.9	28.4
<b>Centuri Net Income Segment of SWX</b>	<b>\$24.3</b>	<b>\$27.8</b>	<b>\$33.6</b>	<b>\$38.5</b>	<b>\$44.4</b>	<b>\$55.1</b>	<b>\$81.5</b>	<b>\$80.2</b>
Income Tax Provision	14.8	18.5	19.9	2.4	18.4	21.4	31.1	30.8
Interest Expense	3.8	7.8	6.7	8.0	14.2	14.1	9.3	7.4
Depreciation & Amortization Expense	48.9	56.7	55.7	49.0	57.4	87.6	96.7	99.7
Acquisition Related Transaction Costs	5.1	-	-	2.6	6.9	-	-	-
<b>Compliance EBITDA</b>	<b>\$96.9</b>	<b>\$110.8</b>	<b>\$115.9</b>	<b>\$100.5</b>	<b>\$141.3</b>	<b>\$178.2</b>	<b>\$218.6</b>	<b>\$218.1</b>
Pro Forma Impact from Acquisitions	11.1	-	-	12.8	40.2	-	-	-
<b>Pro Forma Compliance EBITDA</b>	<b>\$108.0</b>	<b>\$110.8</b>	<b>\$115.9</b>	<b>\$113.3</b>	<b>\$181.5</b>	<b>\$178.2</b>	<b>\$218.6</b>	<b>\$218.1</b>

<sup>1</sup> Effective January 1, 2015, Centuri adopted the private company method of accounting for goodwill which requires amortization expense, which is reversed from the Southwest Gas Holdings, Inc. consolidated financial statements

# RIGGS ADJUSTED EBITDA RECONCILIATION



Riggs Distler Adjusted EBITDA Reconciliation				
(\$ in millions)	FY 2018	FY 2019	FY 2020	LTM 6/30/21
Net Income	\$10.2	(\$0.4)	\$14.0	\$17.6
Interest Expense	2.6	3.6	2.1	2.2
Income Taxes	(6.8)	5.5	5.0	6.4
Depreciation & Amortization	18.3	25.4	28.9	29.0
<b>Reported EBITDA</b>	<b>\$24.3</b>	<b>\$34.1</b>	<b>\$50.0</b>	<b>\$55.2</b>
Management Adjustments				
Management fees <sup>1</sup>	5.0	2.5	-	-
Transaction costs and non-recurring professional fees	1.9	1.0	0.4	0.7
One-time project losses <sup>2</sup>	3.5	3.3	-	-
Out-of-period contract adjustments	-	1.2	0.6	0.4
One-time recruiting fees	-	0.1	0.1	0.1
Non-recurring severance	-	-	0.1	0.2
Board of Director fees	-	0.2	0.2	0.2
Stock based compensation	-	0.9	1.3	1.8
Other non-recurring / out of period expenses	-	-	-	0.1
COVID-19 non-operating expenses <sup>3</sup>	-	-	0.7	0.3
<b>Management Adjusted EBITDA</b>	<b>\$34.7</b>	<b>\$43.3</b>	<b>\$53.4</b>	<b>\$59.0</b>
Reversal of out-of-period contract adjustments <sup>4</sup>	-	(1.2)	(0.6)	(0.4)
Stock based compensation (FY18)	0.6	-	-	-
Non-operating (income)/expense	0.0	(0.0)	(0.5)	-
Bank charges	(0.4)	(0.3)	(0.2)	-
Rental fees	0.6	-	-	-
Out-of-period normalization	-	(0.0)	-	-
<b>Diligence Adjusted EBITDA</b>	<b>\$35.5</b>	<b>\$41.8</b>	<b>\$52.1</b>	<b>\$58.6</b>
Pre-acquisition EBITDA <sup>5</sup>	8.8	1.7	3.2	2.6
<b>Pro Forma Adjusted EBITDA</b>	<b>\$40.5</b>	<b>\$41.4</b>	<b>\$55.4</b>	<b>\$61.2</b>
Utility Customer #1 MSA ramp				11.4
Utility Customer #2 MSA ramp				2.9
<b>Total Run-Rate Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$14.3</b>
<b>Run-Rate Adjusted EBITDA</b>	<b>\$40.5</b>	<b>\$41.4</b>	<b>\$55.4</b>	<b>\$75.5</b>

<sup>1</sup> Internal charges between Riggs and a former sister company for back-office support

<sup>2</sup> Unrecoverable project write-offs including those inherited from acquisitions

<sup>3</sup> Reconciliations exclude illustrative COVID add-backs related to operational disruptions; includes non-operating adjustments such as sanitation charges

<sup>4</sup> Diligence uncovered that out-of period contracts were a part of normal course of business

<sup>5</sup> Represents EBITDA from acquired businesses from FY18-20 where the businesses were not yet owned by Riggs (HT Sweeney, KT Power, Shelby Mechanical and New York Drilling)

<sup>6</sup> FY18-19 burdens of newly hired management which were added back under management fees

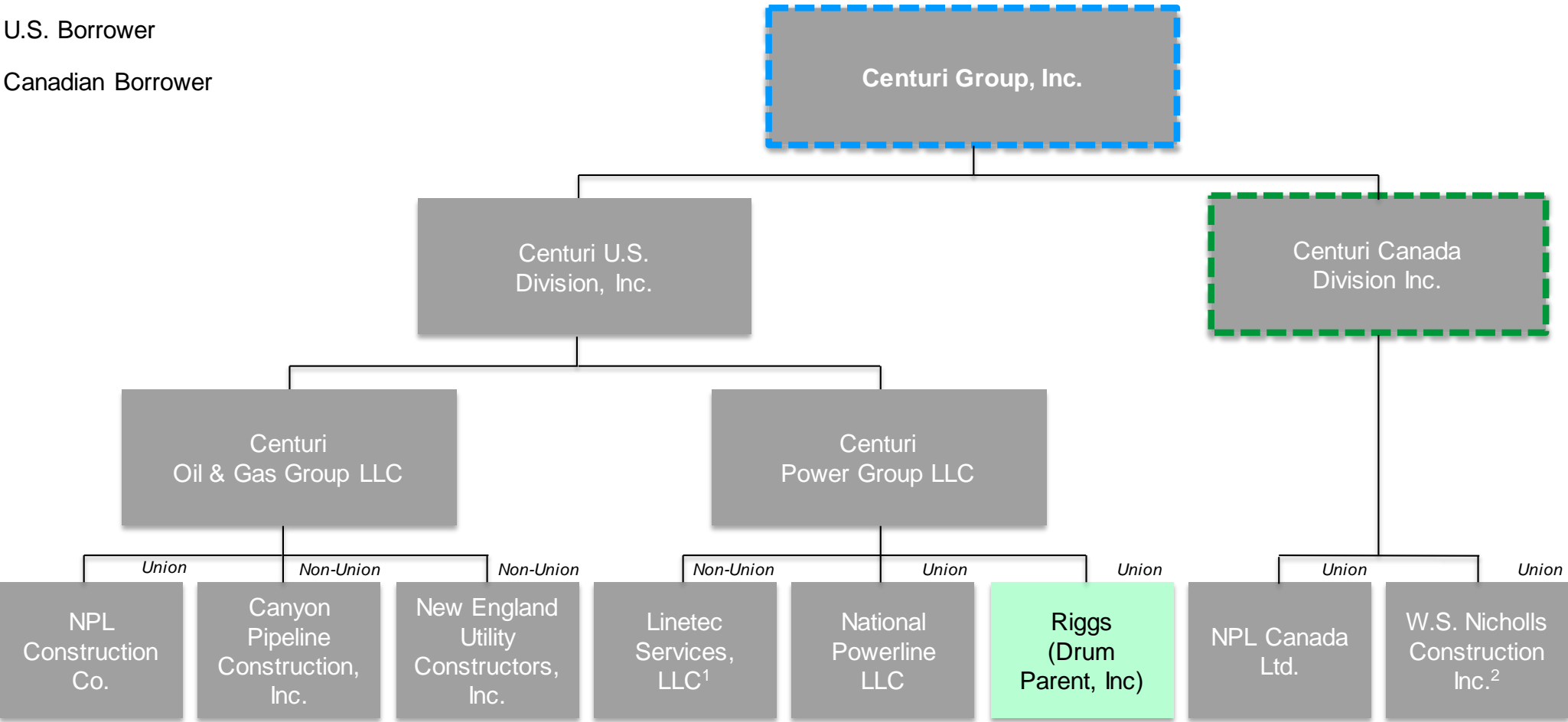
# PRO FORMA LEGAL STRUCTURE



U.S. Borrower



Canadian Borrower



<sup>1</sup> 80% owned by Centuri as of June 2021; remaining 20% equity to be purchased by 2024

<sup>2</sup> Owns a 50% equity interest in W.S. Nicholls Western Construction Ltd.

Source: Centuri management