



UTILITY HOLDING COMPANY

- Holding company headquartered in Las Vegas, Nevada.
- Investment thesis: high-growth rate-regulated natural gas utility with utility infrastructure services upside.
 - History of strong EPS and dividend growth
 - Seasonality of subsidiaries highly complementary
 - Shareholder dividend paid continuously since 1956
- Holding company structure established in 2017 to provide financial flexibility for overall organization:
 - Provides financial and capital allocation support to operating subsidiaries
- Sustainability and ESG stewardship:
 - Sustainability report (January 2019)
 - GHG reduction goal: 20% from fleet, facilities and other initiatives by 2025 (based on 2015 levels)
 - CNG and RNG initiatives
 - SWX 2018 diverse supplier spend: \$374mm
 - Community service and employee well-being programs
 - Independent and diverse Board of Directors

FINANCIAL SUMMARY

Market data (5/10/19)

Share price	\$83.25
52-week trading range	\$70.34 - 85.97
Common shares outstanding (mm)	53.4
Equity market capitalization (\$mm)	\$4,445
Total enterprise value (\$mm)	\$6,760

2018 Reported EPS

Utility (including COLI)	\$2.80
Centuri	0.91
Holdings	(0.03)
Total diluted EPS	<u>\$3.68</u>

2019 EPS guidance

\$3.75 - 4.00

2019 annual dividend rate

\$2.18

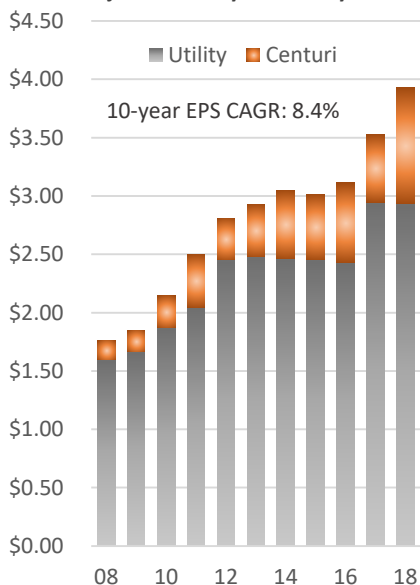
Dividend yield	2.62%
Target payout ratio	55 - 65%

Credit ratings

	Holdings	SWGC
Fitch	BBB+	A
Moody's	Baa1	A3
S&P	BBB+ (neg)	

LONG-TERM EPS GROWTH

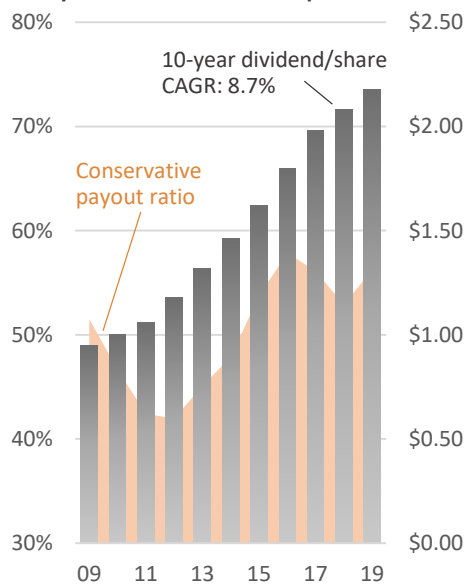
Adjusted EPS by Subsidiary



Note: Adjusted EPS includes normalized COLI and excludes one-time tax reform impacts and deal expenses. See swgasholdings.com for a reconciliation of EPS and adjusted EPS.

EXCELLENT DIVIDEND GROWTH

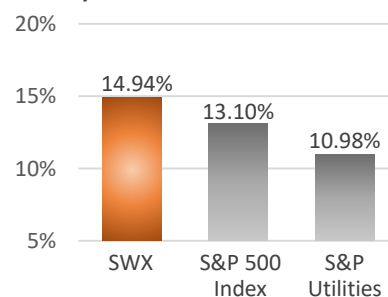
Payout Ratio and Dividend per Share



Note: 2009-2018 payout ratio based on Adjusted EPS. 2019 payout ratio based on midpoint of 2019 EPS guidance.

PREMIUM SHAREHOLDER RETURN

10-year Total Shareholder Return



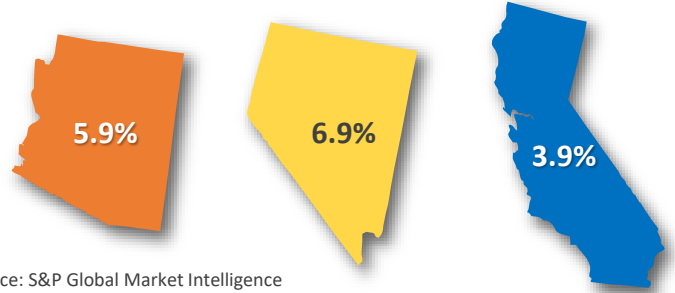
Note: Total Shareholder Return includes share price appreciation and reinvested dividends.

ANALYST COVERAGE

Argus Research Company
Bank of America Merrill Lynch
Citi Investment Research
Jefferies LLC
KeyBanc Capital Markets
UBS Securities LLC
Wells Fargo Securities LLC
Williams Capital Group, LP

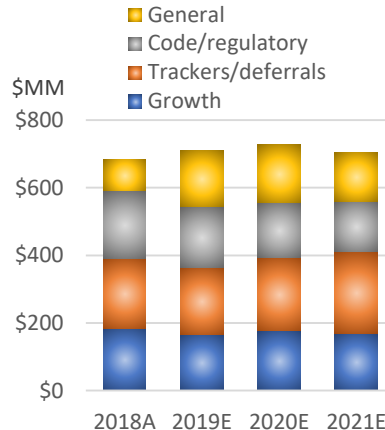
- 2.05MM customers throughout Arizona, Nevada and California at year-end 2018
- High-growth service territory includes metropolitan Phoenix and Las Vegas
- Customer growth expected to exceed 100,000 throughout 2019-2021
- 11% rate base CAGR for 2019-2021
- Constructive rate mechanisms reduce regulatory lag
- FERC-regulated Paiute Pipeline asset
- 2,312 employees at year-end 2018
- Efficient operations:
 - Increasing customers/employee ratio
 - Relatively stable O&M/customer ratio
- Key safety and quality initiatives:
 - Infrastructure replacement
 - 1.43 damages per 1,000 tickets in 2018, better than AGA peer median
 - Incident response time within 30 minutes: 70%
 - 95.1% customer satisfaction

Projected Population Cumulative % Change (2019-24)

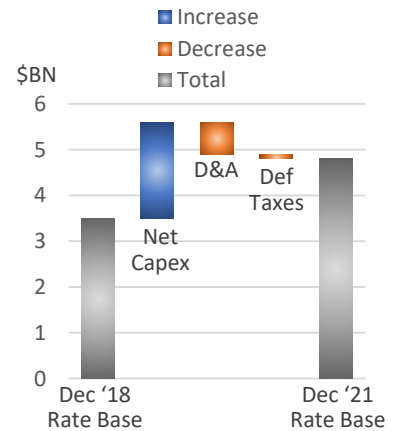


Source: S&P Global Market Intelligence

\$2.1B Capex (2019-2021)

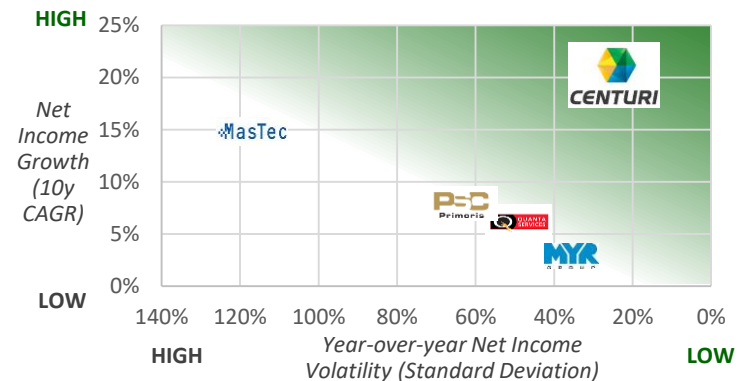


11% Rate Base Growth



- One of North America's largest specialty utility contractors
- Serves 28 markets across the U.S. and Canada
- Increased utility service work due to aging infrastructure and heightened safety regulations
- All top-20 customers are investment grade utilities or municipalities
 - Represent over 86% of revenues
 - Average relationship is over 20 years
 - Work generally performed under multi-year contracts (average contract length of 5 years)
- 10yr (2008-18) net income CAGR of 20%
 - Lowest net income volatility among peers
- Successful acquisitions have rounded out low risk, high growth diversified platform
- Emphasis on safety culture, employee development and long-term customer alliances

Highest Net Income Growth at Lowest Volatility (10y)



High Quality Service Offering Mitigates Execution Risk

	CENTURI	QUANTA SERVICES	MasTec	P&C	MYR
Double-breasted workforce	✓	✓	✓	✓	✓
Gas distribution construction	✓	✓	✓	✓	✗
No cross-country pipeline projects	✓	✗	✗	✗	✓
Electric distribution construction	✓	✓	✓	✓	✓
No cross-country electric transmission projects	✓	✗	✗	✗	✗

SOUTHWEST GAS HOLDINGS, INC.
Regulation G Reconciliation of GAAP and Non-GAAP Measures

Southwest Gas Holdings, Inc. ("Southwest") reports its financial results in accordance with generally accepted accounting principles ("GAAP"). However, Southwest believes the graph of adjusted earnings per share by operating segment is meaningful, as it allows investors to evaluate its financial performance on a more comparable basis over time by normalizing the impacts from Company Owned Life Insurance ("COLI") related income, adjusting for one-time acquisition costs, and the one-time impact from tax reform. These non-GAAP measures used to construct the adjusted EPS graphs are not intended to be considered by the user in place of the related GAAP measures, but rather as supplemental information to our financial results. The tables below reconcile the non-GAAP financial measures and the most comparable GAAP financial measures.

	Twelve Months Ended December 31,											
(In thousands, except per share amounts)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Results of Consolidated Operations (GAAP)												
Contribution to net income - gas operations	\$ 53,747	\$ 79,420	\$ 91,382	\$ 91,420	\$ 116,619	\$ 124,169	\$ 116,872	\$ 111,625	\$ 119,423	\$ 156,818	\$ 138,842	
Contribution to net income - utility infrastructure services	7,226	8,062	12,495	20,867	16,712	21,151	24,254	26,692	32,618	38,360	44,977	
Contribution to net income - corporate and administrative	-	-	-	-	-	-	-	-	-	(1,337)	(1,542)	
Net Income	\$ 60,973	\$ 87,482	\$ 103,877	\$ 112,287	\$ 133,331	\$ 145,320	\$ 141,126	\$ 138,317	\$ 152,041	\$ 193,841	\$ 182,277	
Diluted earnings per share (GAAP)	\$ 1.39	\$ 1.94	\$ 2.27	\$ 2.43	\$ 2.86	\$ 3.11	\$ 3.01	\$ 2.92	\$ 3.18	\$ 4.04	\$ 3.68	
Average shares (assuming dilution)	43,775	45,062	45,823	46,291	46,555	46,758	46,944	47,383	47,814	47,991	49,476	
Diluted earnings per share by segment (Non-GAAP)												
Gas operations	\$ 1.23	\$ 1.76	\$ 2.00	\$ 1.98	\$ 2.50	\$ 2.66	\$ 2.49	\$ 2.36	\$ 2.50	\$ 3.27	\$ 2.80	
Utility infrastructure services	0.16	0.18	0.27	0.45	0.36	0.45	0.52	0.56	0.68	0.80	0.91	
Corporate and administrative	-	-	-	-	-	-	-	-	-	(0.03)	(0.03)	
Total diluted earnings per share	\$ 1.39	\$ 1.94	\$ 2.27	\$ 2.43	\$ 2.86	\$ 3.11	\$ 3.01	\$ 2.92	\$ 3.18	\$ 4.04	\$ 3.68	
Adjustments to net income (Non-GAAP)												
Contribution to net income - gas operations	\$ 53,747	\$ 79,420	\$ 91,382	\$ 91,420	\$ 116,619	\$ 124,169	\$ 116,872	\$ 111,625	\$ 119,423	\$ 156,818	\$ 138,842	
Less: Actual COLI related income (a)	(12,000)	8,500	9,800	700	6,600	12,400	5,300	(500)	7,400	10,300	(3,200)	
Add: Average COLI related income (a)	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	4,118	
Less: Tax reform impact (b)	-	-	-	-	-	-	-	-	-	8,000	-	
Add: Allocation of corporate and administrative (c)	-	-	-	-	-	-	-	-	-	(1,074)	(1,165)	
Adjusted contribution to net income - gas operations	\$ 69,865	\$ 75,038	\$ 85,700	\$ 94,838	\$ 114,137	\$ 115,887	\$ 115,690	\$ 116,243	\$ 116,141	\$ 141,562	\$ 144,995	
Contribution to net income - utility infrastructure services	7,226	8,062	12,495	20,867	16,712	21,151	24,254	26,692	32,618	38,360	44,977	
Add: Acquisition costs (d)	-	-	-	-	-	-	3,250	-	-	1,690	5,003	
Less: Tax reform impact (b)	-	-	-	-	-	-	-	-	-	12,000	-	
Add: Allocation of corporate and administrative (c)	-	-	-	-	-	-	-	-	-	(263)	(377)	
Adjusted contribution to net income - utility infrastructure services	\$ 7,226	\$ 8,062	\$ 12,495	\$ 20,867	\$ 16,712	\$ 21,151	\$ 27,504	\$ 26,692	\$ 32,618	\$ 27,787	\$ 49,603	
Contribution to net income - corporate and administrative	-	-	-	-	-	-	-	-	-	(1,337)	(1,542)	
Add: Allocation of corporate and administrative (d)	-	-	-	-	-	-	-	-	-	1,337	1,542	
Adjusted Net Income	\$ 77,091	\$ 83,100	\$ 98,195	\$ 115,705	\$ 130,849	\$ 137,038	\$ 143,194	\$ 142,935	\$ 148,759	\$ 169,349	\$ 194,598	
Adjusted diluted earnings per share (Non-GAAP)												
Gas operations	\$ 1.60	\$ 1.66	\$ 1.87	\$ 2.05	\$ 2.45	\$ 2.48	\$ 2.46	\$ 2.46	\$ 2.43	\$ 2.95	\$ 2.93	
Utility infrastructure services	0.16	0.18	0.27	0.45	0.36	0.45	0.59	0.56	0.68	0.58	1.00	
Corporate and administrative	-	-	-	-	-	-	-	-	-	-	-	
Adjusted diluted earnings per share	\$ 1.76	\$ 1.84	\$ 2.14	\$ 2.50	\$ 2.81	\$ 2.93	\$ 3.05	\$ 3.02	\$ 3.11	\$ 3.53	\$ 3.93	

(a) Actual COLI related income was subtracted and replaced with the 11-year average COLI related income of \$4,118.

(b) Adjusts for the favorable tax expense benefit associated with revaluing deferred tax assets and liabilities in 2017 due to federal tax reform. The impacts by segment were \$8,000 for gas operations and \$12,000 for utility infrastructure services.

(c) Allocates corporate and administrative expenses to operating segments.

(d) Adjusts for the initial after-tax acquisition costs by Centuri for the following acquisitions by year: 2014 - Link-Line Group of Companies of \$3,250; 2017 - Neuco of \$1,690; and 2018 - Linetec Services of \$5,003.