



2023 INVESTOR FACT SHEET



OVERVIEW

Otter Tail Corporation achieved record financial results in 2022. Our diversified business model, including an electric utility and manufacturing and plastic pipe businesses, produced consolidated net income and diluted earnings per share of \$284.2 million and \$6.78 respectively, compared with \$176.8 million and \$4.23 in 2021; earnings per share increased 60.3% year over year. Our return on equity in 2022 was 25.6%.

BUSINESS STRATEGY

Our strategy is to continue to invest in rate base growth opportunities in our regulated electric utility, which will lower our overall risk, create a more predictable earnings stream, maintain our credit quality and preserve our ability to fund the dividend. Over time, we expect the electric utility business will provide approximately 65% of our overall earnings. We expect our manufacturing and plastic pipe businesses will provide approximately 35% of our earnings, and will continue to be a fundamental part of our strategy. Reliable utility performance along with rate base investment opportunities over the next five years will provide us with a strong base of revenues, earnings and cash flows.

We also look to our manufacturing and plastic pipe companies to provide organic growth. Organic internal growth comes from new products and services, market expansion and increased efficiencies. We expect much of our growth in these businesses in the next few years will come from utilizing expanded plant capacity from capital investments currently underway, including expansion projects in our manufacturing and plastics segments, as well as the ongoing focus placed on continuous improvement.

We will continue to review our business portfolio to identify opportunities to improve our risk profile, enhance our credit metrics and generate additional sources of cash to support the organic growth opportunities in our electric, manufacturing, and plastics segments. We will also evaluate opportunities to allocate capital to potential acquisitions. We are a committed long-term owner and therefore we do not acquire companies in pursuit of short-term gains. However, we will divest operating companies that no longer fit into our strategy and risk profile over the long term. We maintain a set of criteria used in evaluating the strategic fit of our operating businesses. The operating company should:

- ▶ maintain a minimum level of net earnings and a return on invested capital in excess of our weighted average cost of capital,
- ▶ have a strategic differentiation from competitors and a sustainable cost advantage,
- ▶ operate within a stable and growing industry and be able to quickly adapt to changing economic cycles, and
- ▶ have a strong management team committed to operational and commercial excellence.

DEPENDABLE DIVIDENDS

Diversity in our business investments allows for stability and consistency in earnings by lessening the impact of a downturn in any one business or market. We have paid dividends on our common shares each quarter since 1938. The annual indicated rate for 2023 is \$1.75 per share, which is a \$0.10 increase over the 2022 rate.

WWW.OTTERTAIL.COM

The latest investor and corporate information is available online at www.ottertail.com.

Otter Tail Corporation stock trades on the Nasdaq Global Select Market under the symbol OTTR.



VISION

We will build a strong and focused diversified organization with an electric utility as our foundation.



MISSION

Otter Tail Corporation delivers value by building strong electric utility and manufacturing platforms.

FOR OUR SHAREHOLDERS we deliver above average returns through operational excellence and growing our businesses.

FOR OUR CUSTOMERS we commit to quality and value in everything we do.

FOR OUR EMPLOYEES we provide an environment of opportunity with accountability where all people are valued and empowered to do their best work.



VALUES

INTEGRITY: We conduct business responsibly and honestly.

SAFETY: We provide safe workplaces and require safe work practices.

PEOPLE: We build respectful relationships and create an environment where all people can thrive.

PERFORMANCE: We strive for excellence, act on opportunity, and deliver on commitments.

COMMUNITY: We improve the communities where we work and live.

A REMARKABLE YEAR



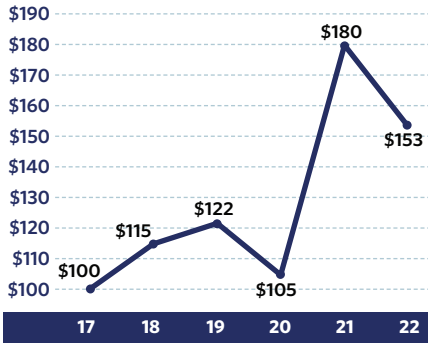
ELECTRIC PLATFORM

Otter Tail Power Company

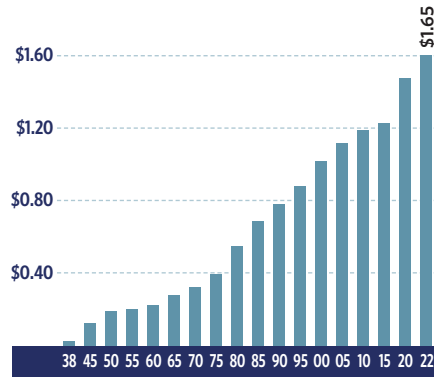
Electric utility
 Headquarters: Fergus Falls, MN
 Founded 1907
 President, Tim Rogelstad
 728 full-time employees
www.otpc.com



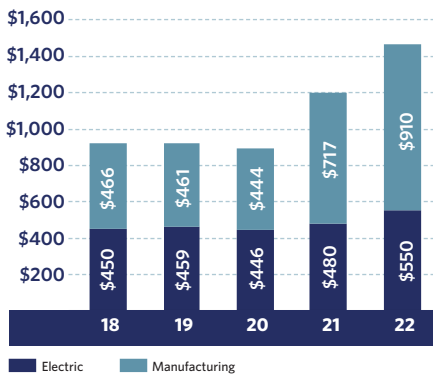
GROWTH OF \$100 INVESTMENT IN OTTER TAIL COMMON STOCK MADE DECEMBER 31, 2017 (with dividends reinvested)



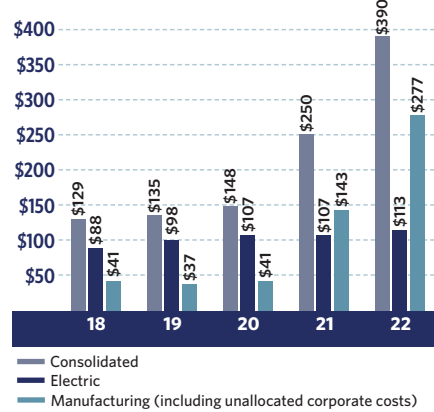
DIVIDEND PAYMENT HISTORY



REVENUE BY PLATFORM (millions)



OPERATING INCOME BY PLATFORM (millions)



MANUFACTURING PLATFORM

BTD Manufacturing, Inc.

Metal fabricator
 Headquarters: Detroit Lakes, MN
 Acquired 1995
 President, Paul Gintner
 1,281 full-time employees
www.btdmfg.com



T.O. Plastics, Inc.

Custom plastic parts manufacturer
 Headquarters: Clearwater, MN
 Acquired 2001
 President, Paul Meschke
 204 full-time employees
www.toplastics.com



Northern Pipe Products, Inc.

PVC pipe manufacturer
 Headquarters: Fargo, ND
 Acquired 1995
 President, Terry Mitzel
 95 full-time employees
www.northernpipe.com



Vinyltech Corporation

PVC pipe manufacturer
 Headquarters: Phoenix, AZ
 Acquired 2000
 President, Terry Mitzel
 78 full-time employees
www.vtpipe.com





FOR MORE INFORMATION CONTACT

Kevin Moug, Chief Financial Officer & Sr. Vice President
 Beth Osman, Manager, Investor Relations
 Otter Tail Corporation Shareholder Services
 P.O. Box 496, Fergus Falls, MN 56538-0496
 Phone: 800-664-1259
 Email: sharesvc@ottertail.com
www.ottertail.com

SELECTED CONSOLIDATED FINANCIAL DATA

	2022	2021	2020
<i>(thousands, except number of shareholders)</i>			
Revenues			
Electric	\$549,699	\$480,321	\$446,130
Manufacturing	397,983	336,294	238,769
Plastics	512,527	380,229	205,249
Intersegment Eliminations	0	0	(41)
Total Operating Revenues	\$1,460,209	\$1,196,844	\$890,107
Net Income	284,184	176,769	95,851
Operating Cash Flow	389,309	231,243	211,921
Capital Expenditures	171,134	171,829	371,553
Total Assets	2,901,661	2,754,830	2,578,354
Long-Term Debt, Net of Current Maturities	823,821	734,014	624,432
Return on Average Common Equity (percent)	25.6	19.2	11.6
Common Shares Outstanding	41,631	41,552	41,470
Number of Common Shareholders	11,748	12,038	12,344

SELECTED ELECTRIC OPERATING DATA

	2022	2021	2020
Revenues (thousands)			
Residential	\$143,888	\$135,361	\$127,260
Commercial and Industrial	318,494	262,408	254,951
Transmission	52,213	48,835	44,001
Sales for Resale	18,539	17,936	4,857
Other Electric	16,565	15,781	15,061
Total Electric	\$549,699	\$480,321	\$446,130
Annual Retail Kilowatt-Hour Sales Growth (percent)	16.8	0.3	(3.9)
Average Revenue Per Kilowatt-Hour			
Residential	10.99¢	10.90¢	10.05¢
Commercial and Industrial	7.54¢	7.52¢	7.40¢
All Retail	8.41¢	8.47¢	8.15¢

DILUTED EARNINGS PER SHARE BY SEGMENT

	2022	2021	2020
Electric	\$1.91	\$1.73	\$1.63
Manufacturing	0.50	0.41	0.27
Plastics	4.66	2.34	0.67
Corporate	(0.29)	(0.25)	(0.23)
Reported Earnings Per Share	\$6.78	\$4.23	\$2.34

CAPITAL STRUCTURE (PERCENTS)

	2022	2021	2020
Short-Term and Long-Term Debt	40.6	46.3	49.3
Common Equity	59.4	53.7	50.7
	100.00	100.00	100.0

KEY STATISTICS

(as of December 31, 2022)

Nasdaq..... OTTR

Otter Tail Corporation:

Issuer default ratings

Fitch..... BBB-/stable

Moody's Investor Service..... Baa2/stable

Standard & Poor's..... BBB/negative

Otter Tail Power Company:

Senior unsecured debt ratings

Fitch..... BBB+/stable

Moody's Investor Service..... N.A./stable

Standard & Poor's..... BBB+/stable

Year-end stock price..... \$58.71

52-week stock price high and low

High..... \$82.46

Low..... \$52.60

Market-to-book ratio..... 2.0

Annual dividend yield..... 2.8%

Shares outstanding..... 41.6 million

Market capitalization..... \$2.4 billion

Average daily trading volume..... 162,420

FIVE LARGEST HOLDERS

The Vanguard Group, Inc.

Cascade Investment, LLC

Blackrock Institutional Trust Company, N.A.

First Trust Advisors, L.P.

Dimensional Fund Advisors, L.P.

ANALYST COVERAGE

KeyBanc Capital Markets Inc.

Maxim Group

Sidoti & Company, LLC

Siebert Williams Shank

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