

Q1 2025

INVESTOR DECK



Forward-Looking Statement

Except for historical information contained here, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “future,” “goal,” “intend,” “likely,” “may,” “opportunity,” “outlook,” “plan,” “possible,” “potential,” “predict,” “probable,” “projected,” “should,” “target,” “will,” “would” and similar words and expressions are intended to identify forward-looking statements. Such statements are based upon the current beliefs and expectations of management. Forward-looking statements made herein, which may include statements regarding 2025 earnings and earnings per share, long-term earnings, earnings per share growth and earnings mix, anticipated levels of energy generation from renewable resources, anticipated reductions in carbon dioxide emissions, future investments and capital expenditures, rate base levels and rate base growth, future raw materials costs, future raw materials availability and supply constraints, future operating revenues and operating results, and expectations regarding regulatory proceedings, as well as other assumptions and statements, involve known and unknown risks and uncertainties that may cause our actual results in current or future periods to differ materially from the forecasted assumptions and expected results.

The Company’s risks and uncertainties include, among other things, uncertainty of future investments and capital expenditures; rate base levels and rate base growth; risks associated with energy markets; the availability and pricing of resource materials; inflationary cost pressures; attracting and maintaining a qualified and stable workforce; changing macroeconomic and industry conditions that impact the demand for our products, pricing and margin; long-term investment risk; seasonal weather patterns and extreme weather events; future business volumes with key customers; reductions in our credit ratings; our ability to access capital markets on favorable terms; assumptions and costs relating to funding our employee benefit plans; our subsidiaries’ ability to make dividend payments; cybersecurity threats or data breaches; the impact of government legislation and regulation including foreign trade policy and environmental; health and safety laws and regulations; changes in tax laws and regulations; the impact of climate change including compliance with legislative and regulatory changes to address climate change; expectations regarding regulatory proceedings, assigned service areas, the construction of major facilities, capital structure, and allowed customer rates; actual and threatened claims or litigation; and operational and economic risks associated with our electric generating and manufacturing facilities. These and other risks are more fully described in our filings with the Securities and Exchange Commission, including our most recently filed Annual Report on Form 10-K, as updated in subsequently filed Quarterly Reports on Form 10-Q, as applicable. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information.

Otter Tail Corporation

Diversified, growing and delivering value



ELECTRIC

Founded in 1907

Serve approximately
134,000 customers in
MN, ND, SD

Regulated and vertically
integrated electric utility



MANUFACTURING

Owned and operated
for over 20 years

Diverse end-markets

High utilization of asset base



northern pipe products



Investment Thesis

01

Strategic diversification for growth over long-term cycles

04

Uninterrupted dividend for 86 years, part of **9-11% TSR target**

02

Internally financed investment: **Growth without equity needs**

05

Utility industry leading ROE and **TSR track record**

03

Long-term EPS growth rate: **6-8%**

06

Targeted earnings mix: **65% Electric / 35% Manufacturing**

Vision & Mission

Executing Our Vision

Build top performing companies in a diversified organization with an electric utility as the foundation

Mission

Deliver value by building strong electric utility and manufacturing platforms

- 1 For our shareholders we deliver above average returns through commercial and operational excellence and growing our businesses
- 2 For our customers we commit to quality and value in everything we do
- 3 For our employees we provide an environment of opportunity with accountability where all people are valued and empowered to do their best work



Living our Values

Integrity, Safety, People,
Performance, Community

Balanced Growth and Income Model

Strategic Diversification

Electric platform has significant **rate base growth plan**,
and our **manufacturing platform generates incremental cash to help fund the plan**

To navigate long-term cycles and consistently achieve **targeted 9-11% TSR**

ELECTRIC

Delivers **more predictable earnings** stream
through **consistent rate base growth**

Lowers overall risk to our portfolio

Improves credit quality

Preserves our **ability to fund the dividend**



MANUFACTURING

Consistently accretive returns with limited
capital needs enabling utility rate base growth
without equity issuance

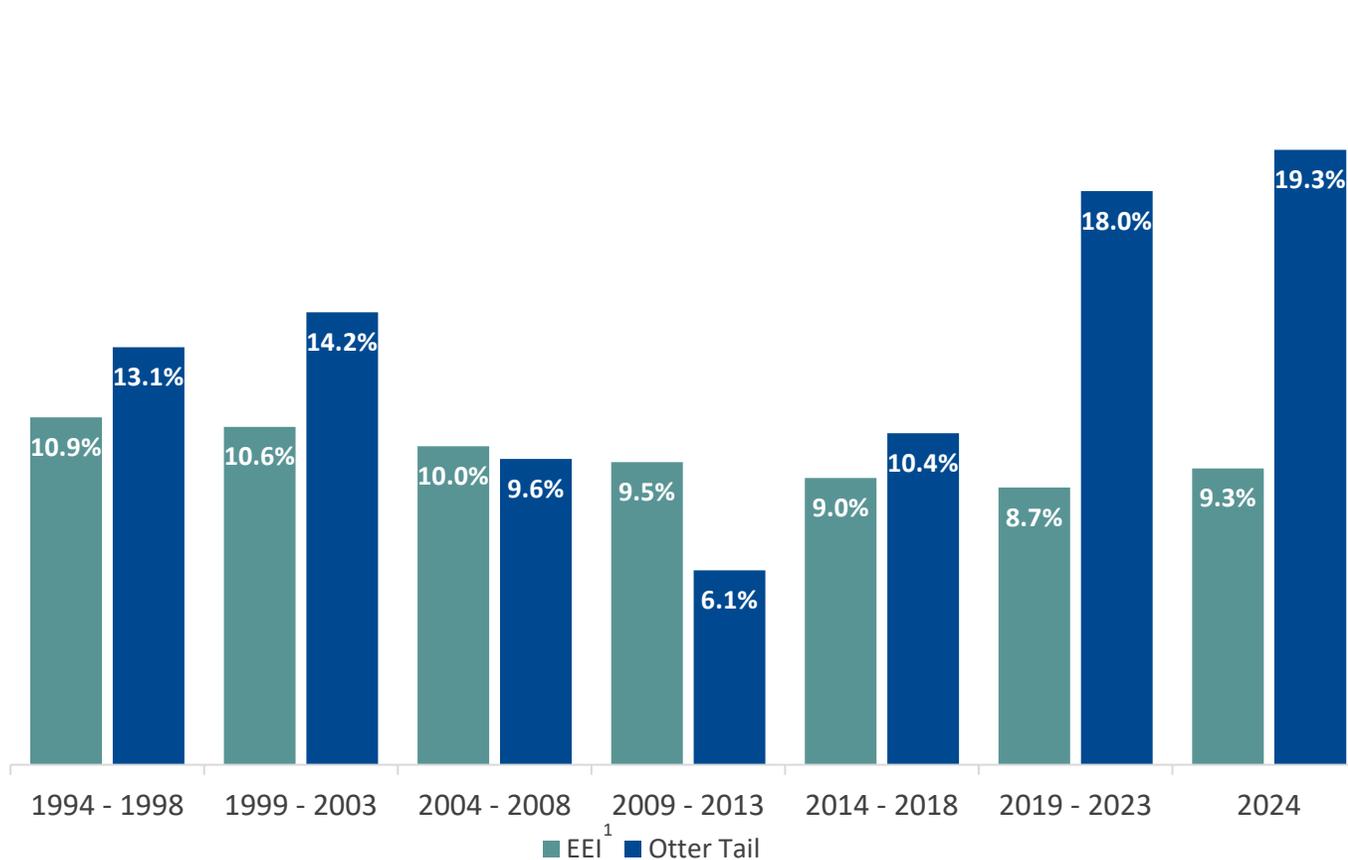
Opportunities to deploy capital with **attractive
rates of return** historically and going forward

Growth opportunities with
existing customers



Balanced Growth Driving Returns over Long-Term Cycles

Our diversification has enabled us to produce a higher ROE than our utility peers over the long-term



Since 1994, Otter Tail's strategic diversification and capital efficiency has resulted in **an ROE of 12.1%, greater than the broader Utility sector's ROE of 9.8%**²

Our complementary platforms have underpinned **consistent earnings growth** over long-term cycles

During the period **2009-2013** we completed a **realignment of our manufacturing portfolio** following the global financial crisis, focusing on the well positioned businesses we have today

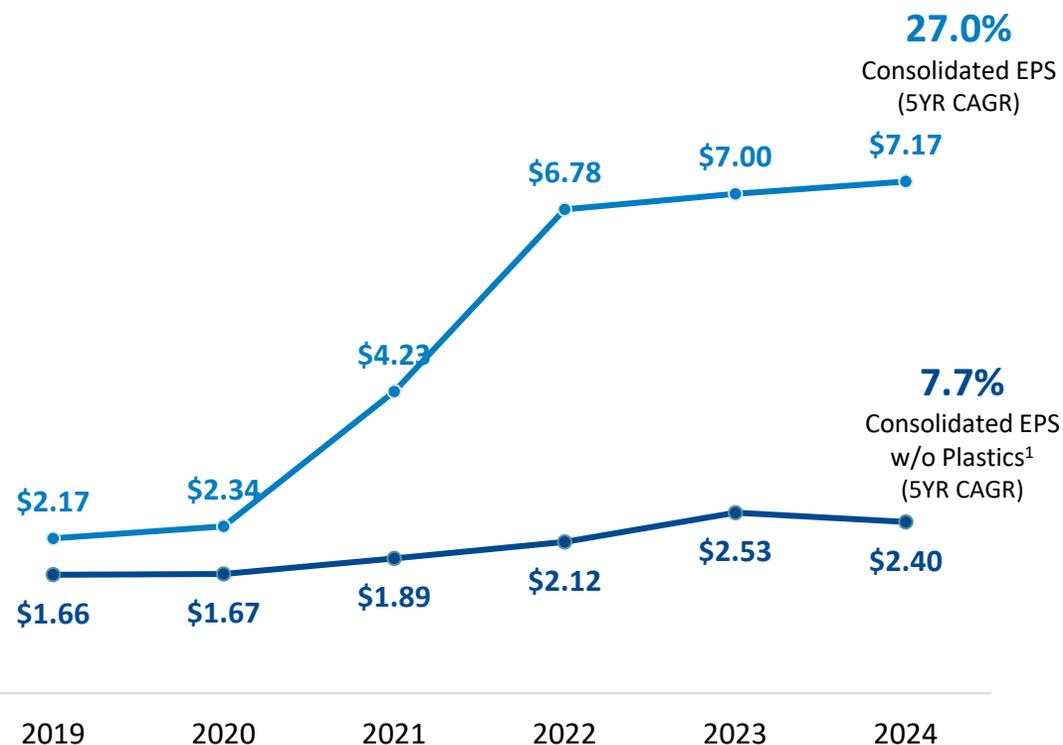
¹ Source: S&P Capital IQ; Edison Electric Institute (EEI) comprised of existing investor-owned electric utilities. Average ROEs shown exclude impact of outliers (ROEs +/- 30%)

² Data represents ROE from 1994 through 2024

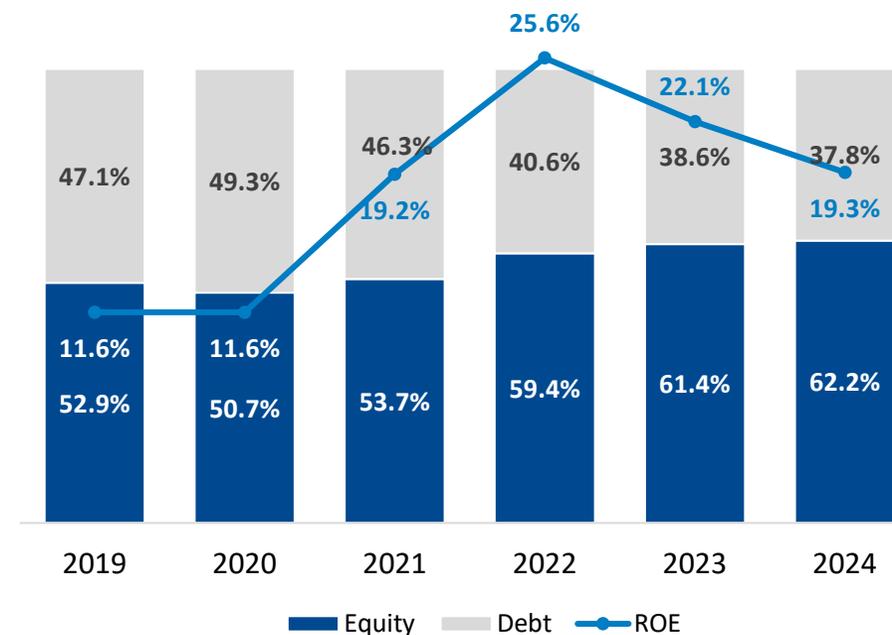
Track Record of Consistent Results

Attractive ROE with defensive balance sheet

EPS Growth



Consolidated Capital Structure and ROE



Attractive earnings growth with and without Plastics

Significant ROE expansion since 2019

Attractive Long-Term TSR Algorithm

Earnings drivers in Electric and Manufacturing



ELECTRIC

Rate base growth
Load growth
Efficiency



MANUFACTURING

Growth with existing customers
Efficiency
Limited capital needs

6-8% long-term EPS growth

Sales growth

Incremental cash flow to fund growth
without the need for raising equity

Operational, commercial and talent excellence

Dividend yield ~3%

86 years of uninterrupted dividends

Target 50-60% long-term payout ratio

9-11%
TSR



Otter Tail Power Company:

Delivering Consistent
Earnings Growth

Otter Tail Power Company

Regulated and vertically integrated electric utility

Constructive regulatory jurisdictions

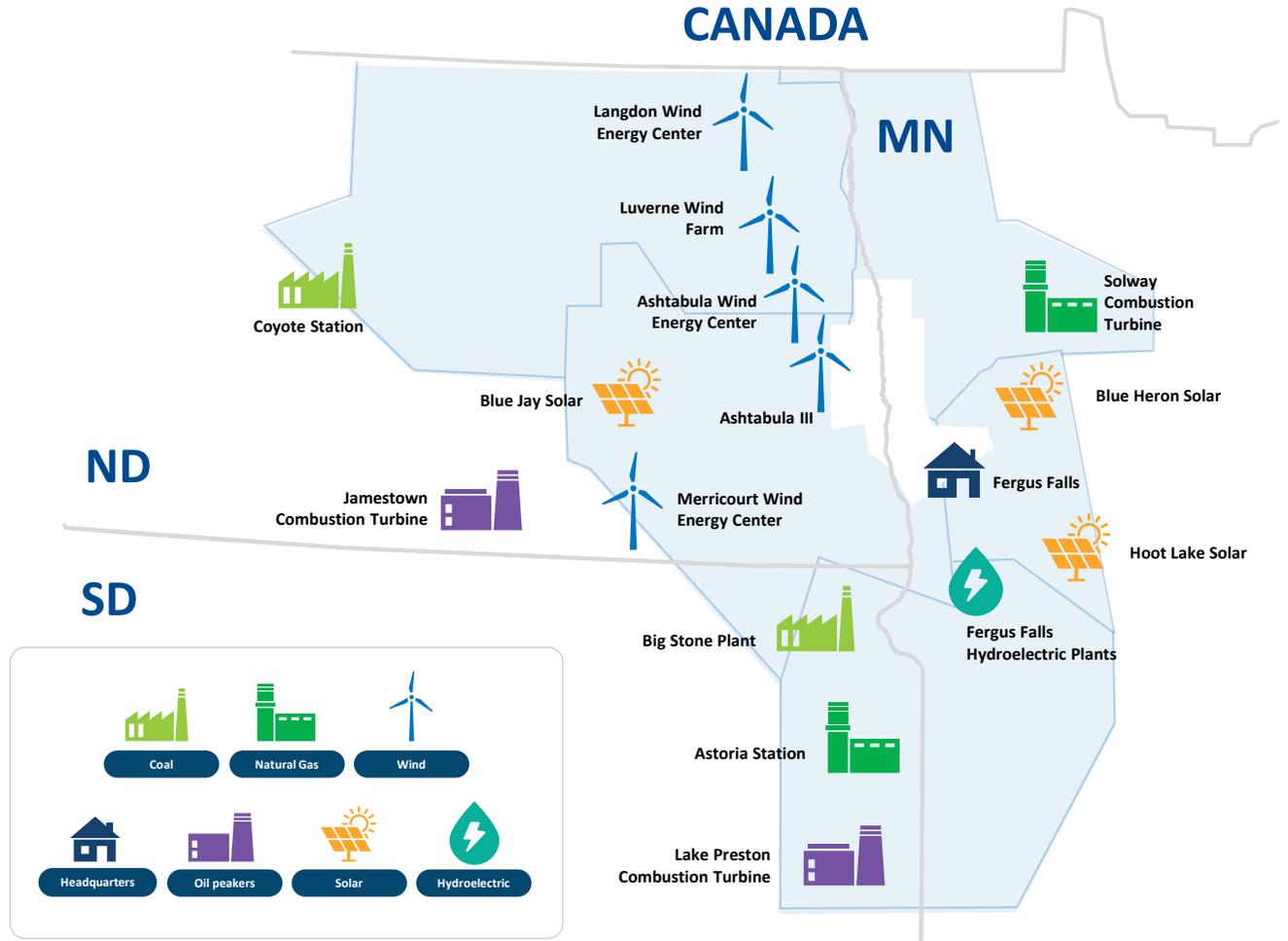
Low-cost generation resources

Providing some of the **lowest rates** in the nation

Servicing over **134,000 customers** across 70,000 square miles

5-year capital spending plan: **\$1.4B¹**

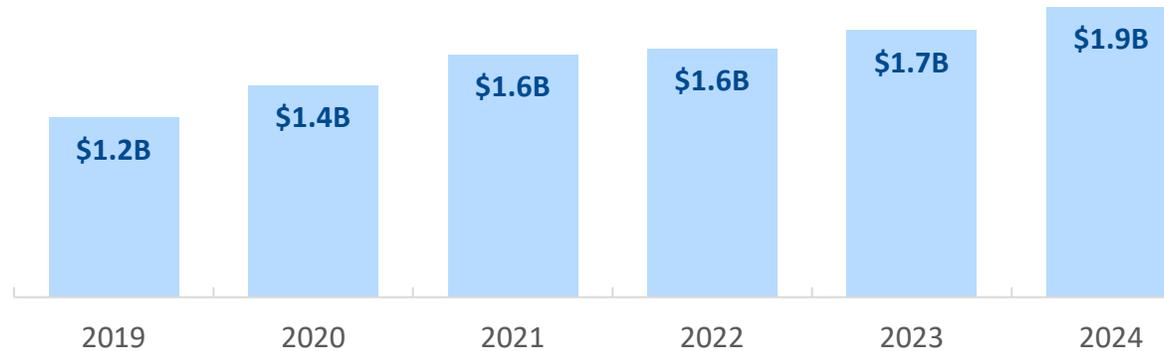
Rate base **CAGR Target: 9.0%¹**



Our “All of the Above” Energy Mix

Rate Base Growth:

Long history of delivering...



Otter Tail Power has **proven track record of converting rate base growth into earnings growth at 1:1 ratio**

Rate base and earnings growth driven by delivering on prudent projects with strong execution

... and a clear path forward



Attractive rate base growth through investments in:

- 1 Renewable generation
- 2 Regional transmission
- 3 Grid reliability

Investing in Renewable Generation & Storage to Support a Clean Energy Future



Levers to support affordability as we transition:

Tax credits

Reducing energy costs (i.e., no fuel)

High wind net capacity area

Wind Repowering

\$230M capital investment

Est. completion date:
2024 and **2025**

Upgrade equipment at four owned wind facilities

Expected to lower customer bills through increased output and tax credits

Solar Development

Est. **\$550M** capital investment

Generating capacity:
Solway Solar **50 MW**
Abercrombie Solar **295 MW**

Est. completion dates:
2026 and **2028**

Integrated Resource Plan Investments

Up to **500 MW** of new renewable generation

Up to **75 MW** of battery storage

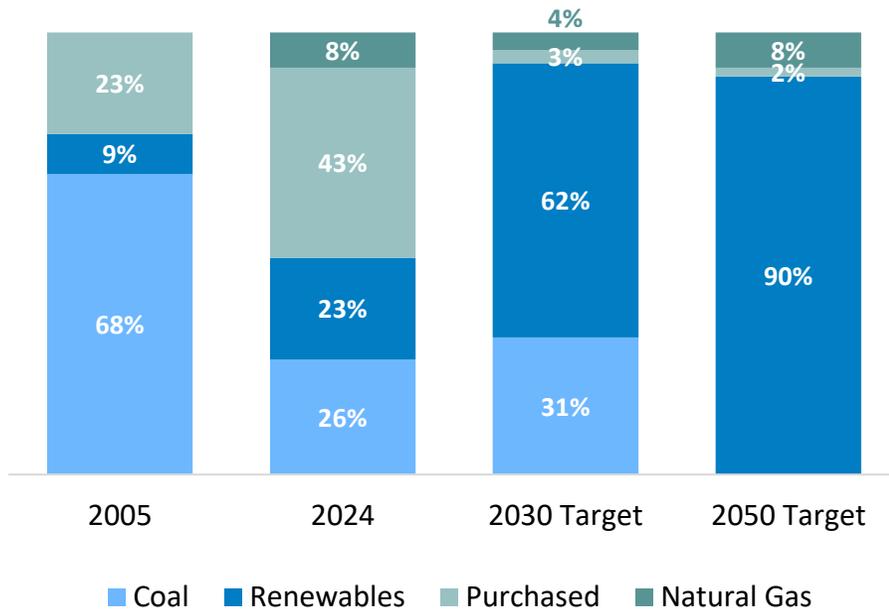
Designated MN portion of Coyote Station as an emergency-only resource



Approved by the MN Commission in May 2024

Changing Energy Mix Supports Reliability, Affordability and Significantly Lower Emissions

Otter Tail Power Energy Resource Mix



We are driving a **balanced energy transition** focused on maintaining reliability and affordability, while shifting our energy mix to more renewables

As a result of our changing energy mix, we are targeting reduced emissions

By 2030, We are Targeting

55%



Of owned and contracted energy generation is renewable (Excluding MISO market purchases)

50%

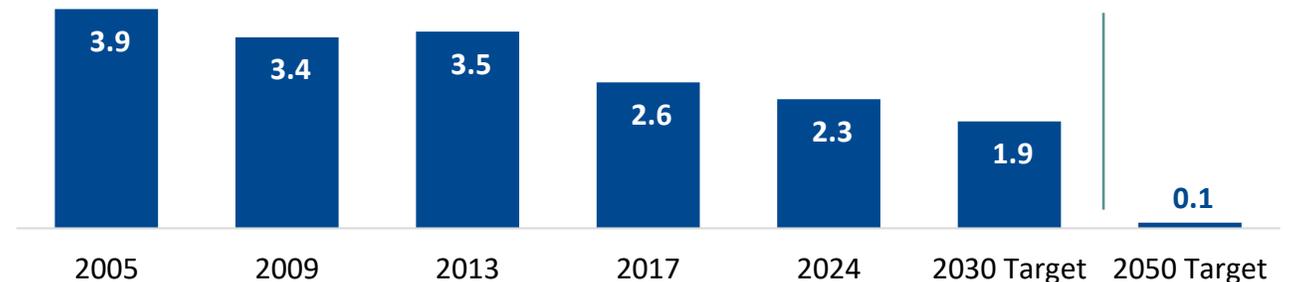


Reduction in carbon emissions from owned generation resources by 2030 from 2005 levels

Carbon emissions targeted to be **97% below** 2005 levels by 2050 on our owned generation

Otter Tail Power Scope 1 CO2 Emissions

(in million metric tons)



Transmission Investment Priorities

MISO¹ LRTP² Tranche 1

Est. **\$475M** capital investment

Two 345 kV projects

Est. completion date: **2032**

Part of \$10B MISO plan

MISO¹ LRTP² Tranche 2.1

Est. **\$700M** capital investment

Two 345 kV projects
One 765 kV project

Est. completion date: **2034**

Part of \$23B MISO plan

JTIQ³

Est. **\$450M** capital investment

Two 345 kV projects

Est. completion date: **2034**

Focused on **reducing interconnection backlog** along the MISO-SPP⁴ seam

Projects intended to help support grid reliability

Expect projects to have **very limited impact** on Otter Tail Power customer rates as cost is allocated to new generation or across the entire MISO footprint, of which our customers comprise only a small portion

¹ MISO: Midcontinent Independent System Operator

² LRTP: Long Range Transmission Planning

³ JTIQ: Joint Targeted Interconnection Queue

⁴ SPP: Southwest Power Pool

Load Growth Opportunities

Well positioned to attract large loads

- Approved tariffs in place
- Locations identified with minimal delivery costs to site
- Attractive service territory - low energy prices and high renewable production

Load growth opportunity driven by

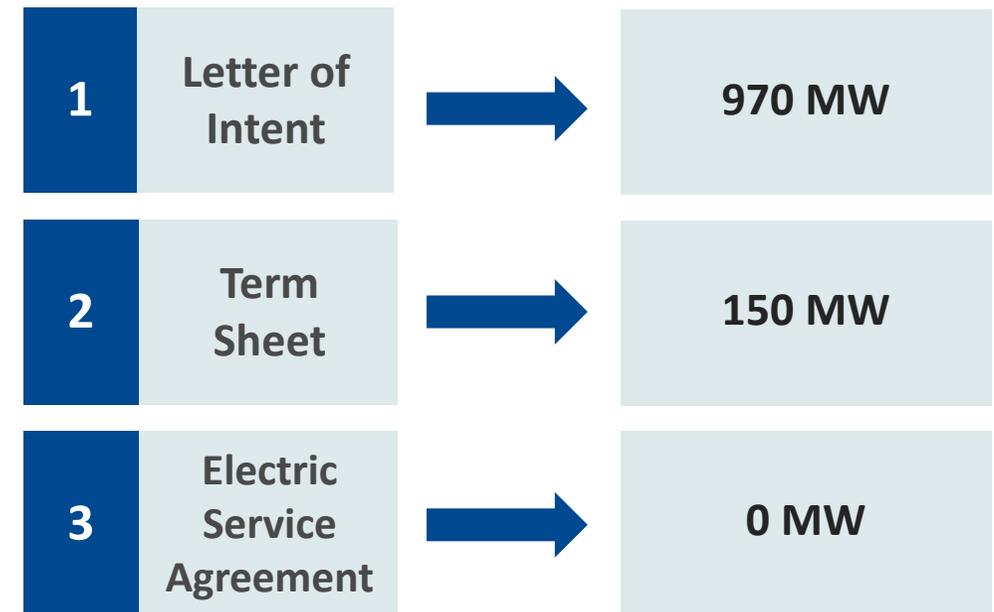
- Data centers
- Crypto mining
- Clean fuel
- Agriculture processing

Benefits of adding large loads

- Supports rate affordability for existing customers
- Capital investment and earnings opportunity

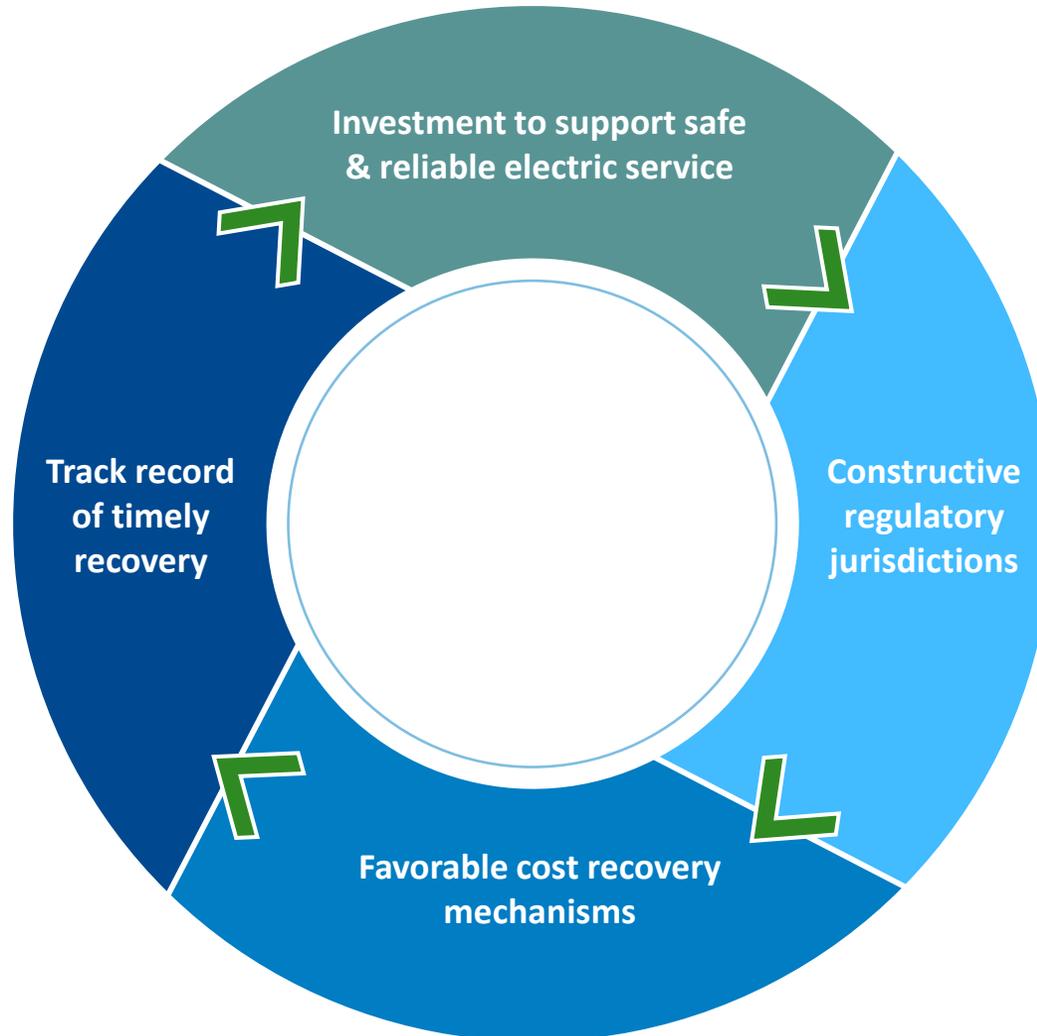
Phases to Secure Large Load

Existing Opportunity



No adjustments currently made to load growth projections

Constructive Regulatory Environment



Otter Tail's jurisdictions are rated as **Constructive or Neutral**¹

MN Average/2

ND Average/1

SD Average/2

We anticipate to recover **~ 95%** of our 5-year capital expenditures through existing riders, rates, MISO tariffs and direct billings to non-OTP customers

Focus on Affordability during Growth

Investing to ensure:

Safe;
Reliable;
Efficient; and
Increasingly clean electric service



Rate base growth



Some of the lowest rates in the nation



Ensuring affordability:

Through

- IRA tax credits
- MISO system wide recovery
- Reduced energy costs
- Technology enabled savings

Leveraging existing low-cost asset base

Least cost investment focus

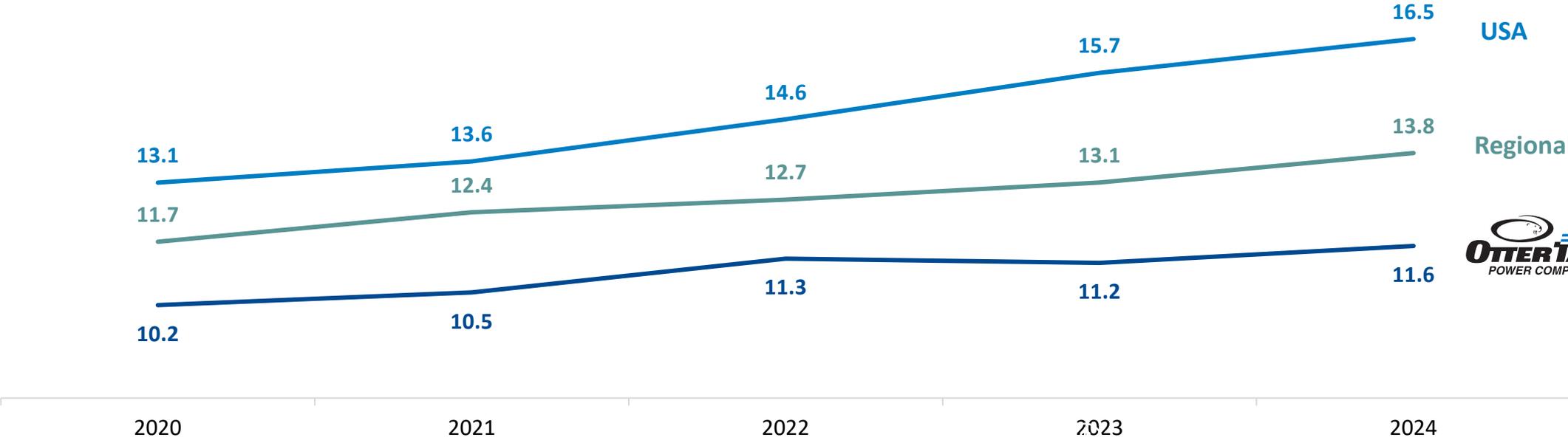


A balanced approach:

Investing to ensure reliability and efficiency while achieving affordability for customers through various mechanisms

Delivering Affordability for Customers

Average Summer Residential Rate in Cents per kWh¹



Otter Tail Power's 2024 rates >>
 16% below regional average |
 30% below national average

¹Source: Edison Electric Institute, Typical Bills and Average Rates Report

Driving Operational and Commercial Excellence in Electric

A strong foundation and levers to drive operational and commercial excellence:

Strong Foundation:

Vertical integration of generation, transmission and distribution:

- enables efficiency,
- cost control,
- compelling customer offering

Levers for Excellence:

Actions across the organization

- Preparedness to file rate cases when needed for timely recovery,
- Optimize recovery mechanisms,
- Focus on continuous improvement,
- Provide solutions in partnership with customers to develop load growth opportunities



Safety

2024 total recordable incident rate
1.34 (2023 EEI¹ peer average 1.37)

Reliability

2024 SAIDI² of 141 (target <155)
2024 SAIFI³ of 1.19 (target <1.43)

Project execution

In-serviced Merricourt Wind Energy Center, Astoria Station and Hoot Lake Solar on time and on-budget

Efficiency

Advanced metering infrastructure (AMI) – automated meter reading to reduce cost and improve communication

¹ Edison Electric Institute

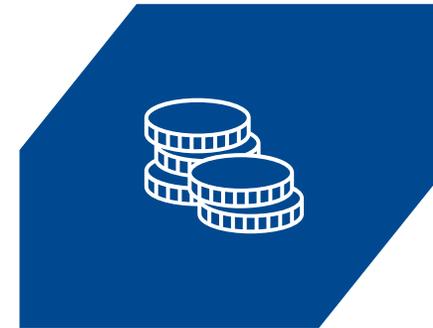
² System Average Interruption Duration Index: average length of time (in minutes) a customer was without power for the entire year

³ System Average Interruption Frequency Index: number of service interruptions lasting more than 5 minutes that the average customer experienced during the year

Financial and Operational Targets



Electric platform to contribute
65%
of consolidated earnings



Convert rate base growth to earnings growth at a
1:1
ratio



Deliver attractive rate base growth; target
9.0%
CAGR to 2029



Achieved
ROE
to approximate allowed ROE



Delivering customer affordability
through balanced investment and multiple mechanisms

Electric Operations:

Key takeaways



Otter Tail Power Company positioned to deliver value to customers AND investors through long-term cycles

3

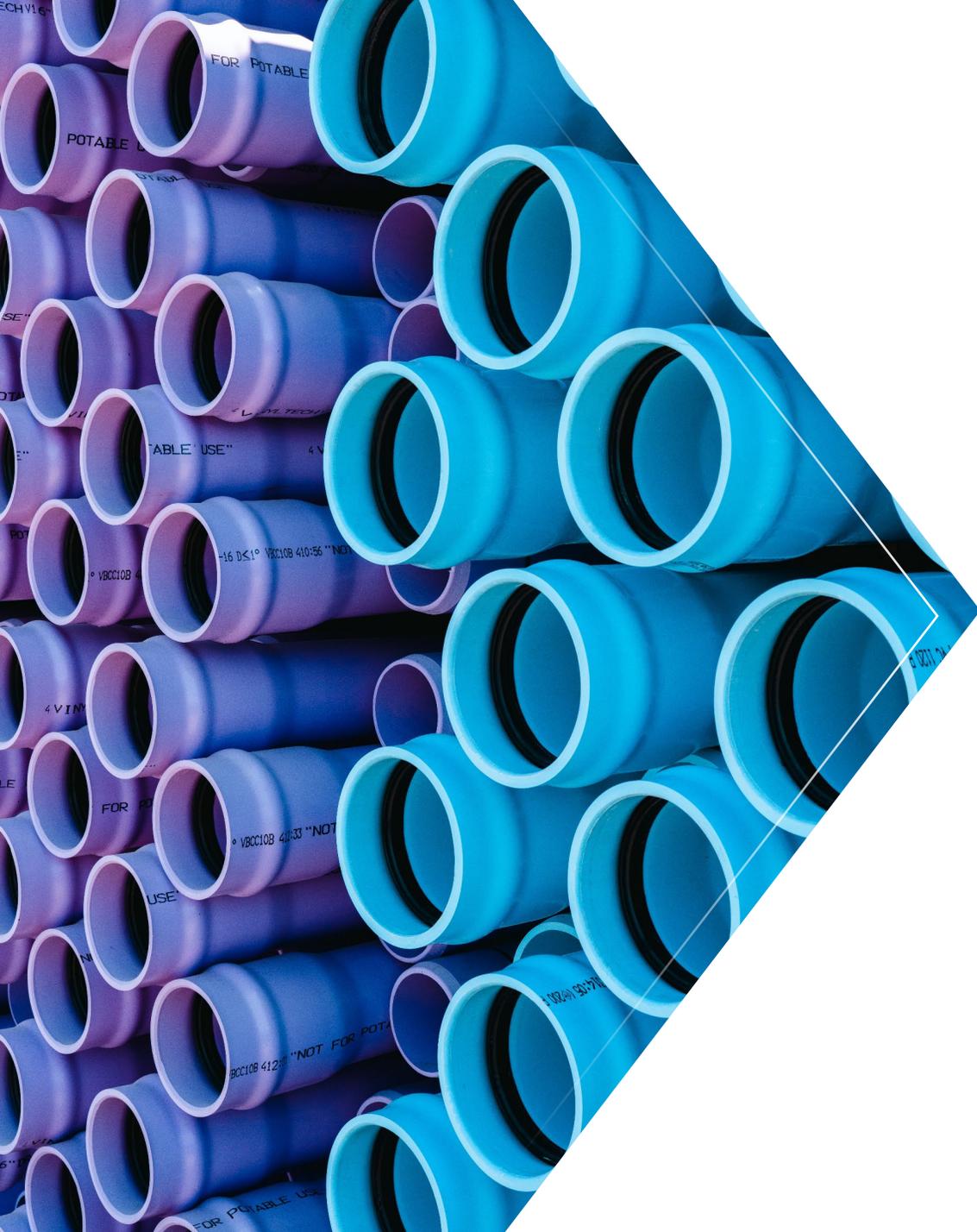
Proven track record of strong rate base growth (converting to earnings at 1:1 ratio) and clear path to significant future rate base expansion

2

Strategically positioned in constructive regulatory environment

1

Customer focused with emphasis on safety, reliability and affordability



Manufacturing Operations:

Consistently Accretive Returns

Robust Manufacturing Platform

MANUFACTURING PLATFORM

Manufacturing Segment



BTD

Providing metal fabrication for custom machine parts and metal components



T.O. PLASTICS

Delivering custom thermoformed plastic products and packaging



Plastics Segment



npp
northern pipe products



VINYLTECH
VT
PVC • PIPE

Manufactures PVC pipe for municipal water, rural water, wastewater, storm drainage systems and other uses

Delivering Value Through :

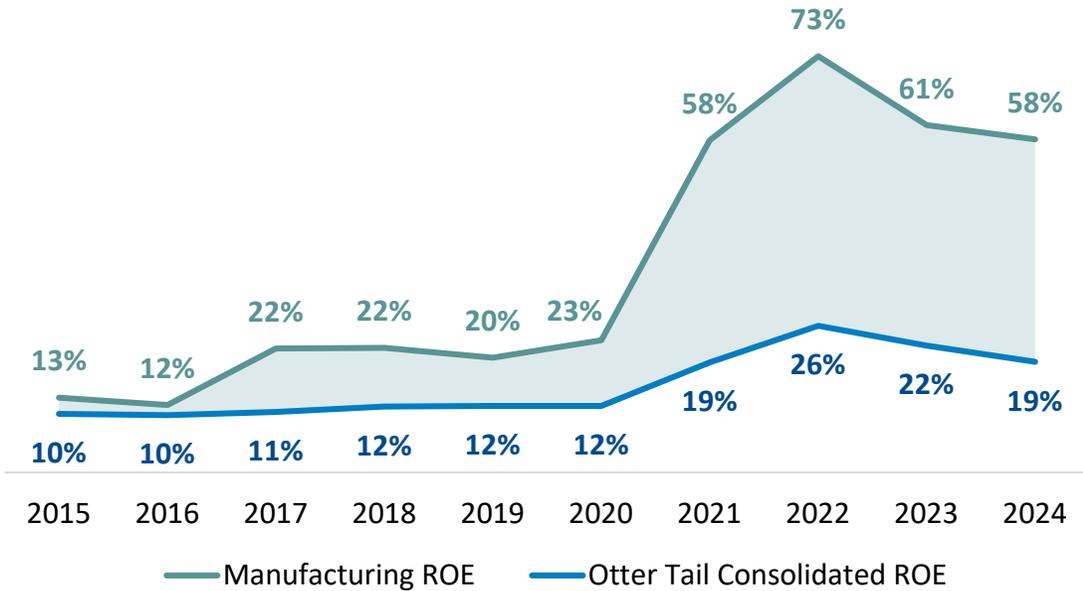
High quality products 

Innovative and cost-effective manufacturing techniques 

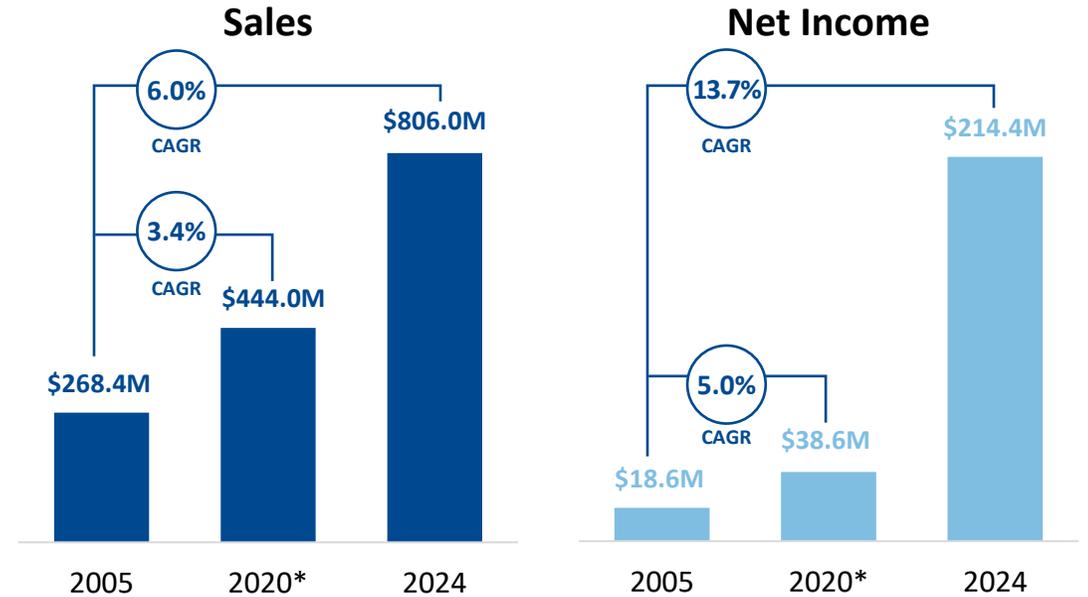
Strong customer relationships and breadth of service offering

Delivering Consistently Accretive Returns

Manufacturing Platform ROE has been consistently accretive to the Otter Tail group's returns



Significant growth in sales and net income within the Manufacturing Platform since 2005



Long-term ownership of Manufacturing Platform

Organic growth opportunities

Core competence is production / engineering – leveraged to ensure high quality products and service

Broad and diversified end-markets

Underpinned By Competitive Advantages Across Manufacturing Platform

Manufacturing Segment

Serving diversified end markets

With **high value**, custom products and solutions

Providing a **one-stop shop** for customers



Plastics Segment

High-quality customer service in highly-regulated industry

Responsive and reliable, with inventory management enabling **consistent delivery** of broad range of products

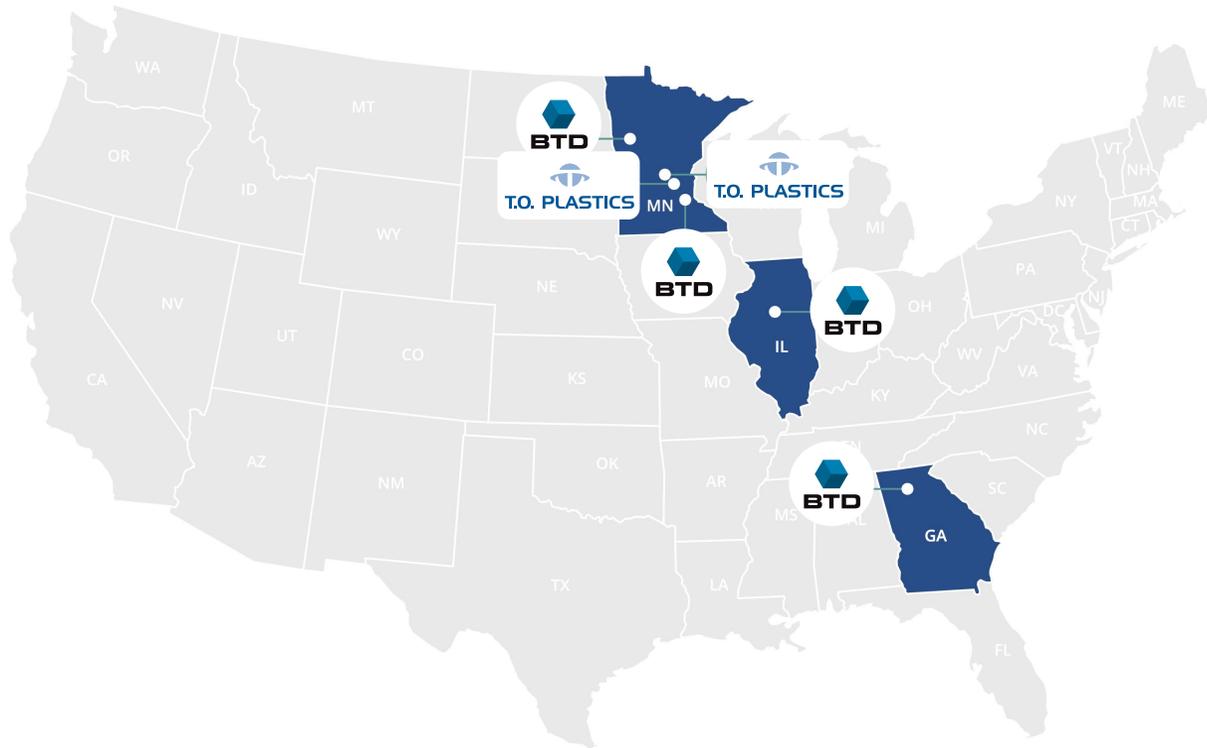
Manufacturing and engineering excellence

Agile operations

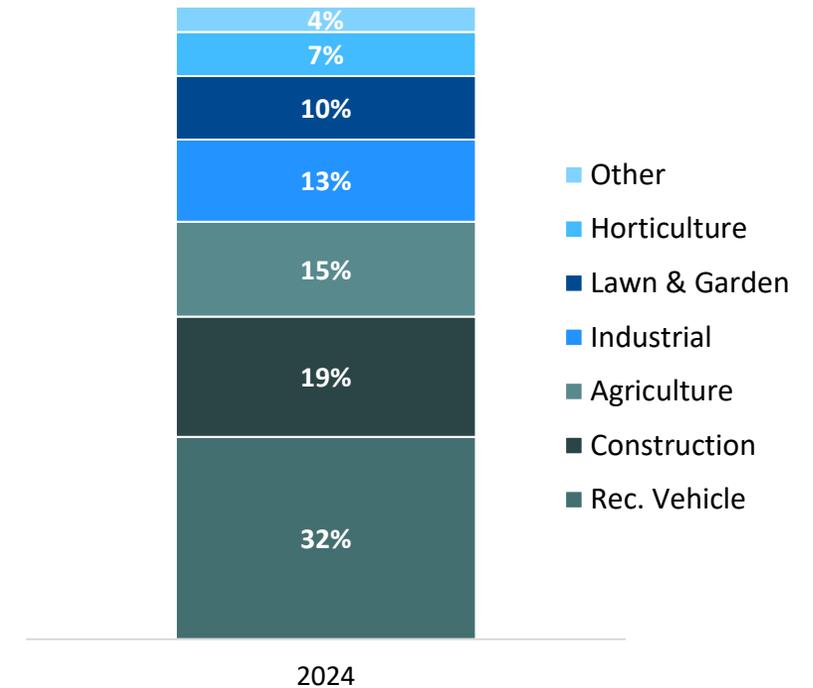
Focus on continuous improvement

Strong customer relationships through breadth of services

Serving Diversified Markets: Manufacturing Segment



Servicing wide array of customers



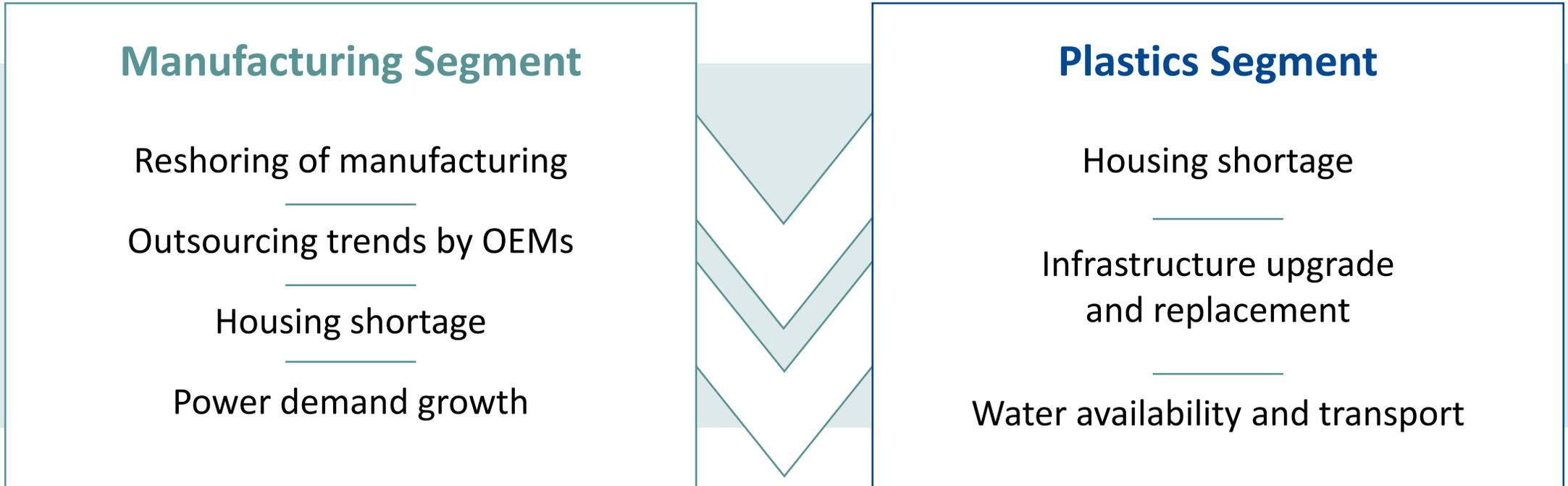
Located where our customers are

Expanding in Southeast US to support growing markets

Defensive positions growing with well established world-class customers

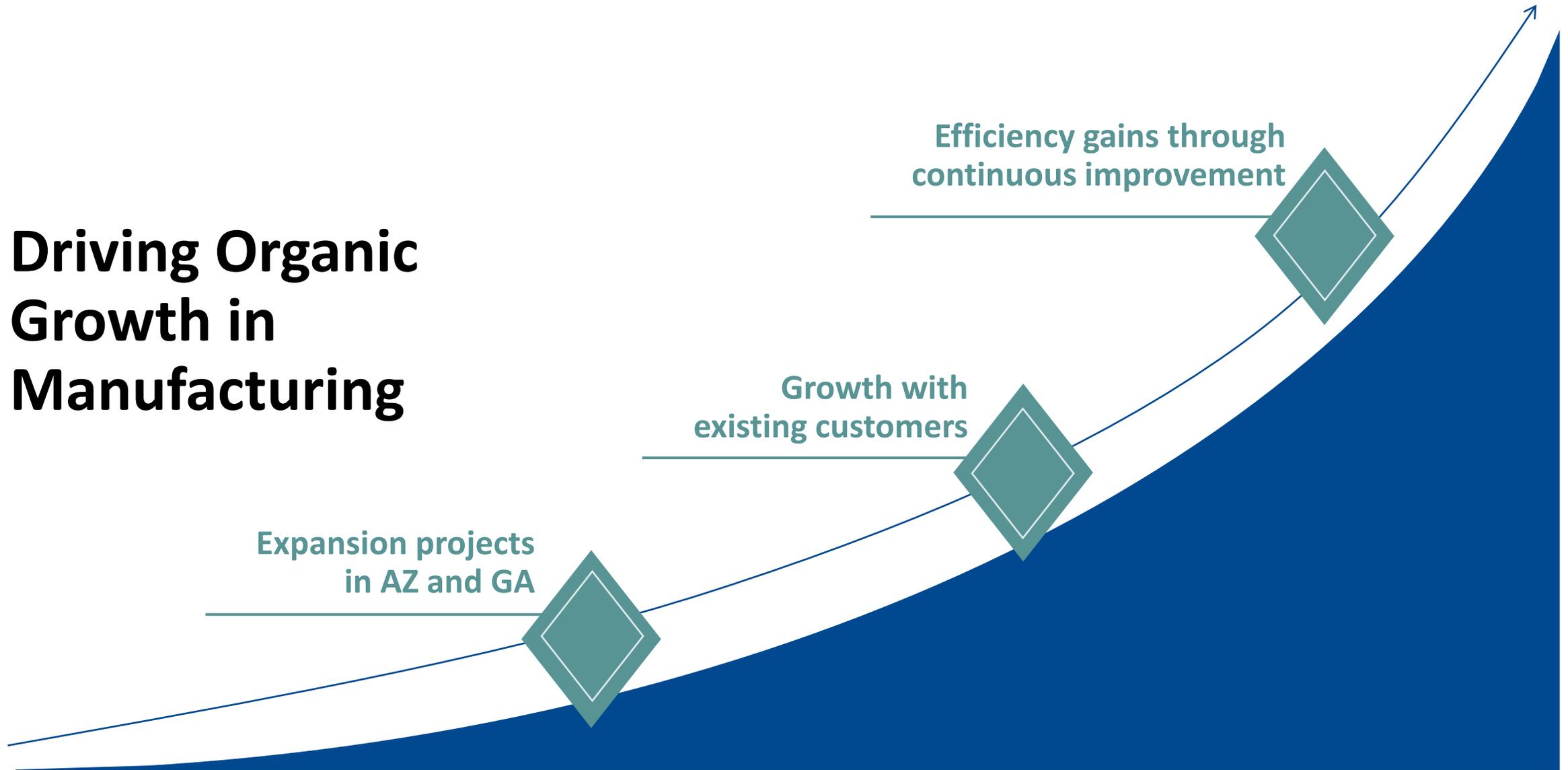


Positive Long-Term Trajectory for Serviced Markets



Serving end markets with **long-term stability** and **attractive growth opportunities** while **managing near-term cyclical**

Driving Organic Growth in Manufacturing



Delivering Growth at BTD Georgia

Attractive opportunity within Southeast region unlocking up to **\$35M incremental sales opportunity** and supporting long-term growth outlook

FOCUSED ON: Facility expansion + implementing automation

Expansion of BTD's facility in Georgia creates new opportunities for BTD to capture sales

- **Increasing capacity** to grow with customers as their businesses are expanding in the Southeast
- Delivering customer satisfaction and efficiency gains through **improved operations**

Targeting early 2025 go-live with current plans:



ON TIME

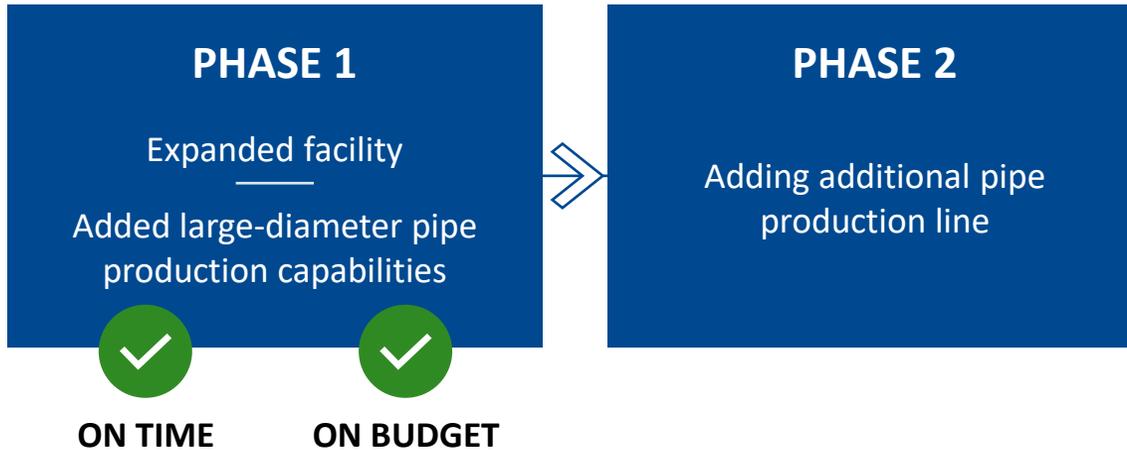


ON BUDGET



Driving Growth in Plastics

Multi-phased expansion project at Vinyltech in Phoenix, AZ



Delivering

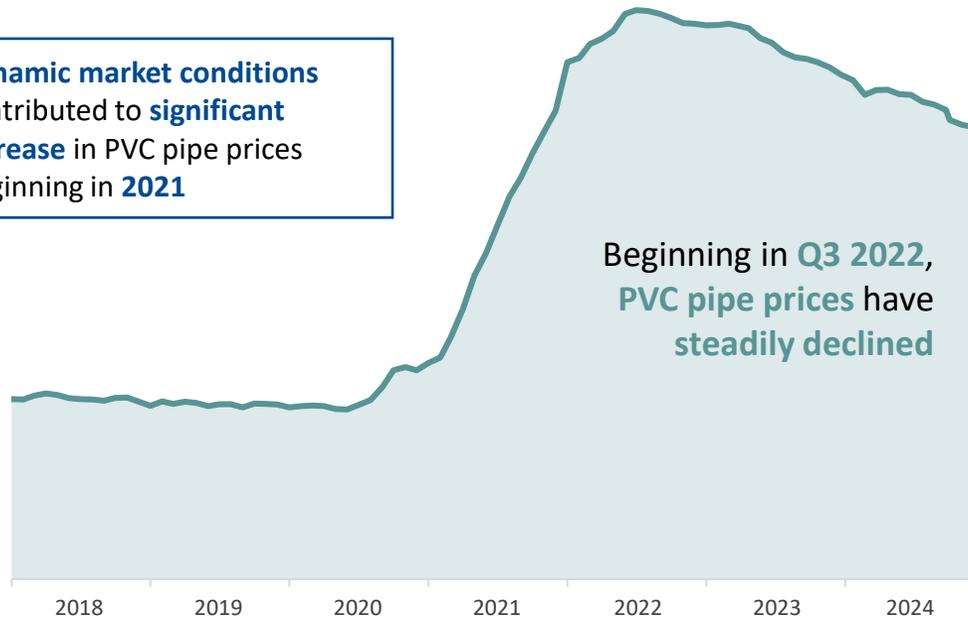
- Increased plastics segment production capacity by +15% (phase 1 and 2)
- Increased resin and pipe storage
- Freed up large diameter capacity at Northern Pipe Products in Fargo, ND
- Large-diameter production capability improves service to Southwest customers



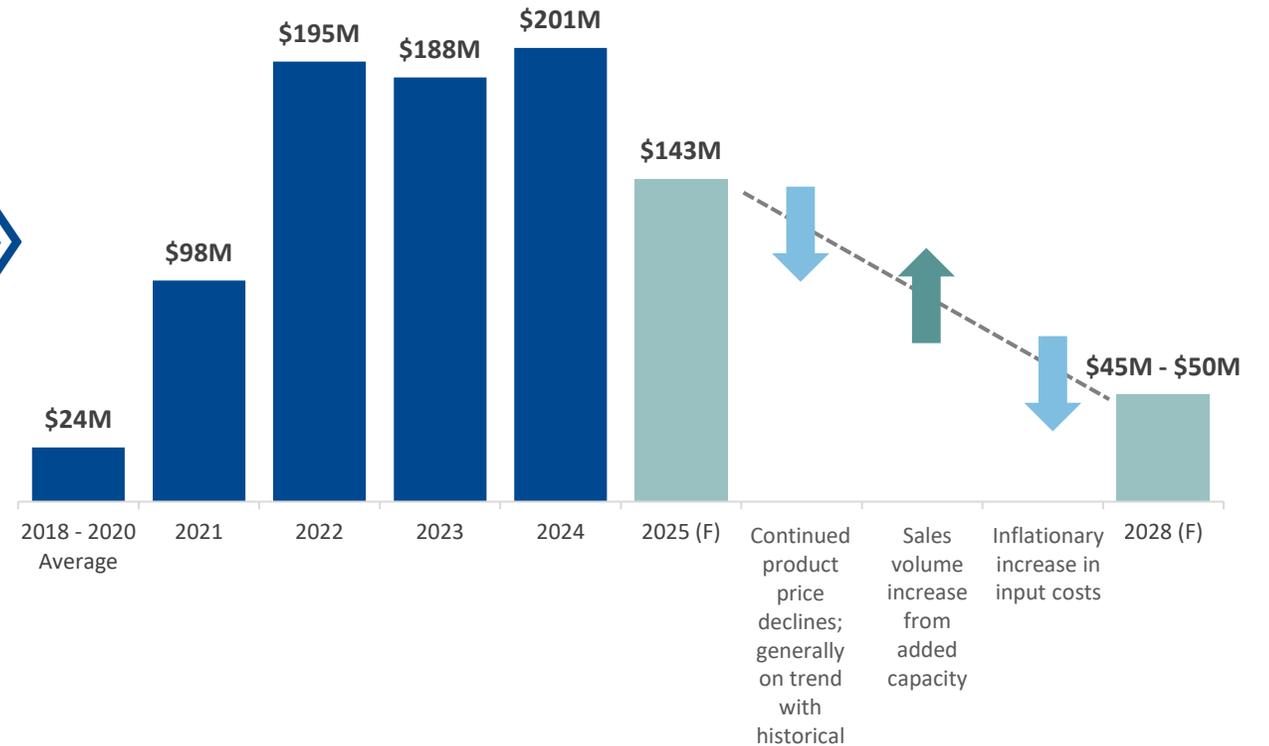
Understanding the Normalization of Plastic Profits

Historical Sales Price of PVC Pipe

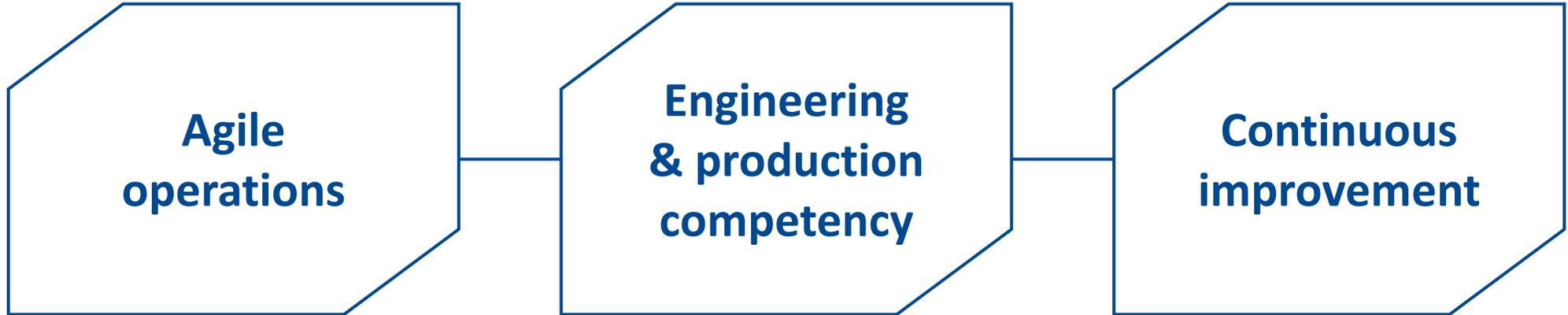
Dynamic market conditions contributed to **significant increase** in PVC pipe prices beginning in **2021**



Sales Price Decline Drives Earnings Normalization



Driving Operational and Commercial Excellence in Manufacturing



Safety

2024 total recordable incident rate 1.83 (2023 peer average¹ 2.79)

Reliability

Heavy focus placed on on-time delivery

Project execution

Expansion projects are progressing on time and on budget

Efficiency

Efficiency and safety gains stemming from the use of robotics at BTD, and 24/7 operations across the platform

¹ Peer average determined based on amounts reported by the Bureau of Labor Statistics for comparable North American Industry Classification System (NAICS) industries.

Manufacturing Financial and Operational Targets



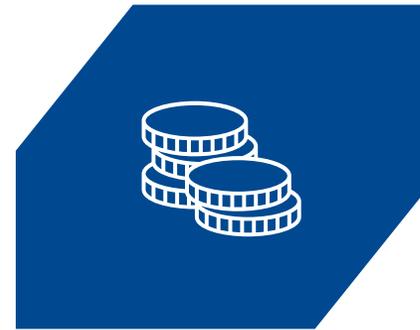
Manufacturing platform to contribute **35%** of consolidated earnings



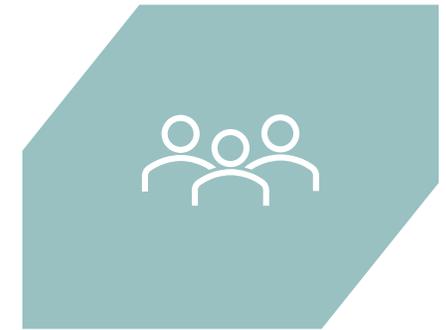
Free cash flow **positive**



Consistently achieve **accretive returns**



Drive **organic growth** with existing customers



Ongoing **efficiency gains** and production reliability

Maintain historical track record of **growth** and **accretive returns**

Manufacturing Operations:

Key takeaways



Manufacturing set to continue driving ongoing accretive returns and incremental cash flow

3

Attractive growth opportunities across all business areas of Manufacturing

2

Defensive market positions – growing with well-established customers

1

Core competency in engineering / production drives efficiency and continuous improvement





Financial

Section

Attractive Long-Term TSR Algorithm

Earnings drivers in Electric and Manufacturing



ELECTRIC

Rate base growth
Load growth
Efficiency



MANUFACTURING

Growth with existing customers
Efficiency
Limited capital needs

6-8% long-term EPS growth

Sales growth

Incremental cash flow to fund growth
without the need for raising equity

Operational, commercial and talent excellence

Dividend yield ~3%

86 years of uninterrupted dividends

Target 50-60% long-term payout ratio

9-11%
TSR

2025 Outlook

Diluted EPS	Actual		2025 Guidance	
	2023	2024	Low	High
Electric	\$2.01	\$2.16	\$2.29	\$2.35
Manufacturing	0.51	0.33	0.21	0.27
Plastics	4.47	4.77	3.26	3.50
Corporate	0.01	(0.09)	(0.08)	(0.04)
Total	\$7.00	\$7.17	\$5.68	\$6.08
Return on equity	22.1%	19.3%	13.8%	14.6%

Capital Allocation Priorities

Focused on driving organic growth and consistent shareholder returns

01

Investment in
the business

\$1.6B capex planned
for 2025-2029

(with ~ **92%** directed
to Electric Platform)

02

Cash returns to
shareholders

Target **50-60%** long-
term payout ratio

03

Opportunistic
M&A

Electric: focused on
strategic expansion
opportunities

Manufacturing:
focused on
opportunistic fill in

04

Opportunistic returns
to shareholders

Via **share repurchase
program** or increased
dividend

MAINTAIN INVESTMENT GRADE CREDIT RATINGS

Capital Expenditures

Capital Investments <i>In millions</i>	2025 (F)	2026 (F)	2026 (F)	2028 (F)	2029 (F)	Total 2025 -2029(F)
Electric						
Renewable Generation	\$ 101	\$ 127	\$ 118	\$ 179	\$ 4	\$ 529
Transmission	59	93	162	114	100	528
Distribution	37	37	36	37	34	181
Other	54	51	31	27	25	188
Electric Total	\$ 251	\$ 308	\$ 347	\$ 357	\$ 163	\$ 1,426
Manufacturing & Plastics	27	27	27	25	23	129
Total	\$ 278	\$ 335	\$ 374	\$ 382	\$ 186	\$ 1,555

\$650M

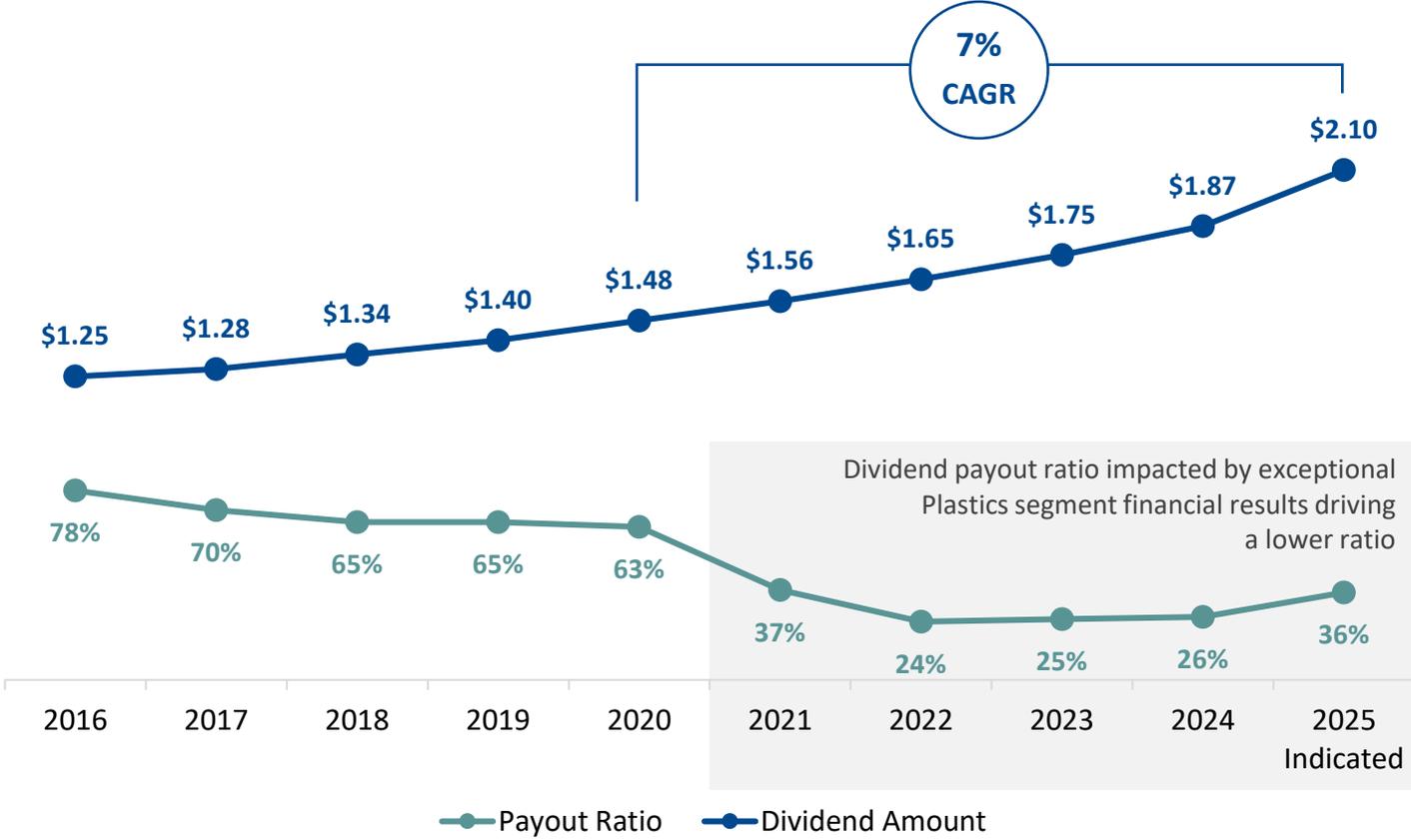
Incremental investment opportunity for Electric segment in later part of 5-year period

Driven by:

- Up to 200 MW of wind generation
- Up to 75 MW of battery storage
- Dual-fuel additions
- Delivery system investment for new large loads

Dividend – A Key Part of Our TSR

Dividend Growth & Payout Ratio



86 consecutive years of dividend payments

Indicated dividend for 2025: \$2.10 (12.3% increase)

Targeted dividend growth rate (2025 base year): 6-8%

Strong Balance Sheet Supports Long-Term Strategy

**Strong
balance
sheet:**

Equity ratio **62%**

\$347 million of cash and marketable securities

Unused capacity on lines of credit

Parent company debt **<10%** of total debt

**Disciplined
capital
deployment**
focused on:

ROE

Cash Flow

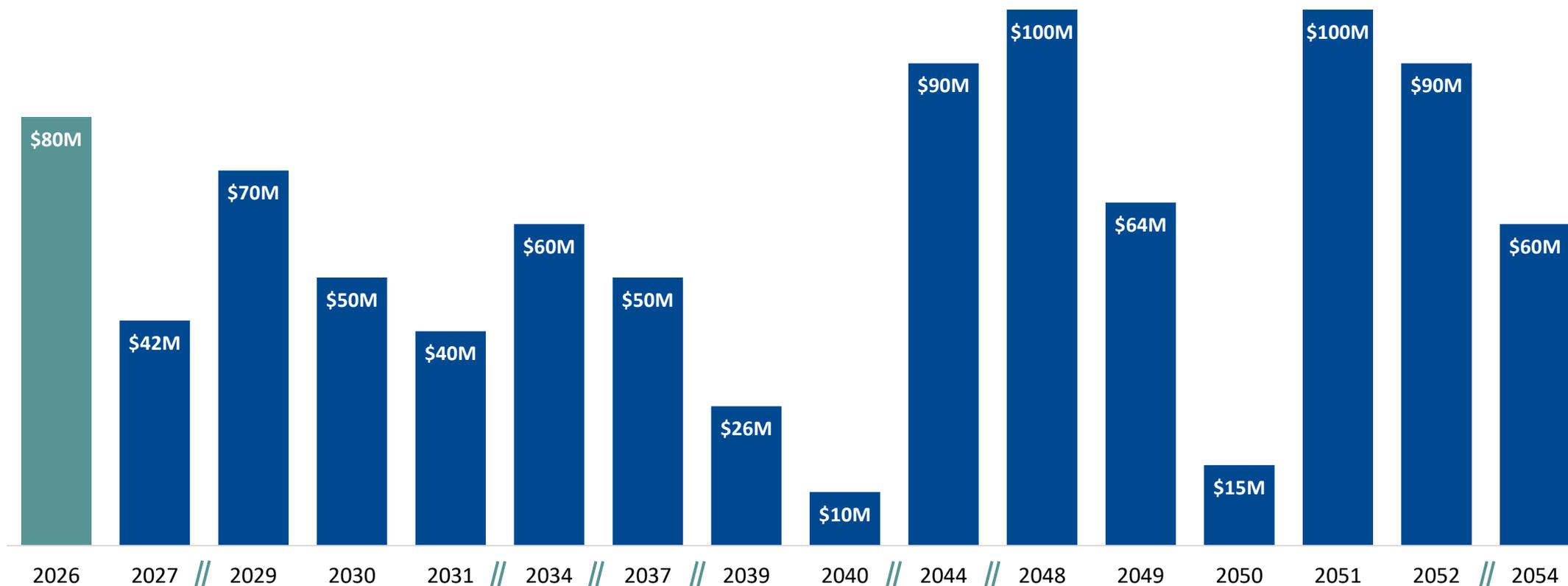
Five-Year Financing Plan

	2025 (Planned)	2026-29 (Planned)	5 Year Total
\$ in millions			
LONG-TERM DEBT			
Otter Tail Power Company			
Issuances	\$ 100	\$ 515	\$ 615
Retirements	-	(112)	(112)
Otter Tail Corporation			
Issuances	-	-	-
Retirements	-	(80)	(80)
Net Debt Increase	\$ 100	\$ 323	\$ 423
EQUITY	\$ -	\$ -	\$ -

Credit Ratings	Otter Tail Corporation			Otter Tail Power Company		
	Moody's	Fitch	S&P	Moody's	Fitch	S&P
Corporate Credit / Long-Term Issuer Default	Baa2	BBB	BBB	A3	BBB+	BBB+
Senior Unsecured Debt	N.A.	BBB	N.A.	N.A.	A-	N.A.
Outlook	Stable	Stable	Stable	Negative	Stable	Stable

Well Balanced Debt Maturity Schedule

Weighted average
interest rate: **4.40%**



■ Otter Tail Corporation ■ Otter Tail Power

Investment Thesis

1

Strategically diversified portfolio positions Otter Tail to deliver long-term value to shareholders. **Target 65% of earnings from Electric**

2

Electric has visibility on converting **rate base growth** into earnings 1:1 over the long-term through strong execution of attractive investments

3

Manufacturing platform drives consistently **accretive returns** and **incremental cash flow** to fund Electric rate base growth

4

Strong balance sheet supports disciplined capital deployment, financing investment without equity issuance

5

Clear path to **achieving long-term 9-11% TSR** including dividends



Investor Relations Contacts



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Tyler Nelson

Vice President of Finance and Treasurer

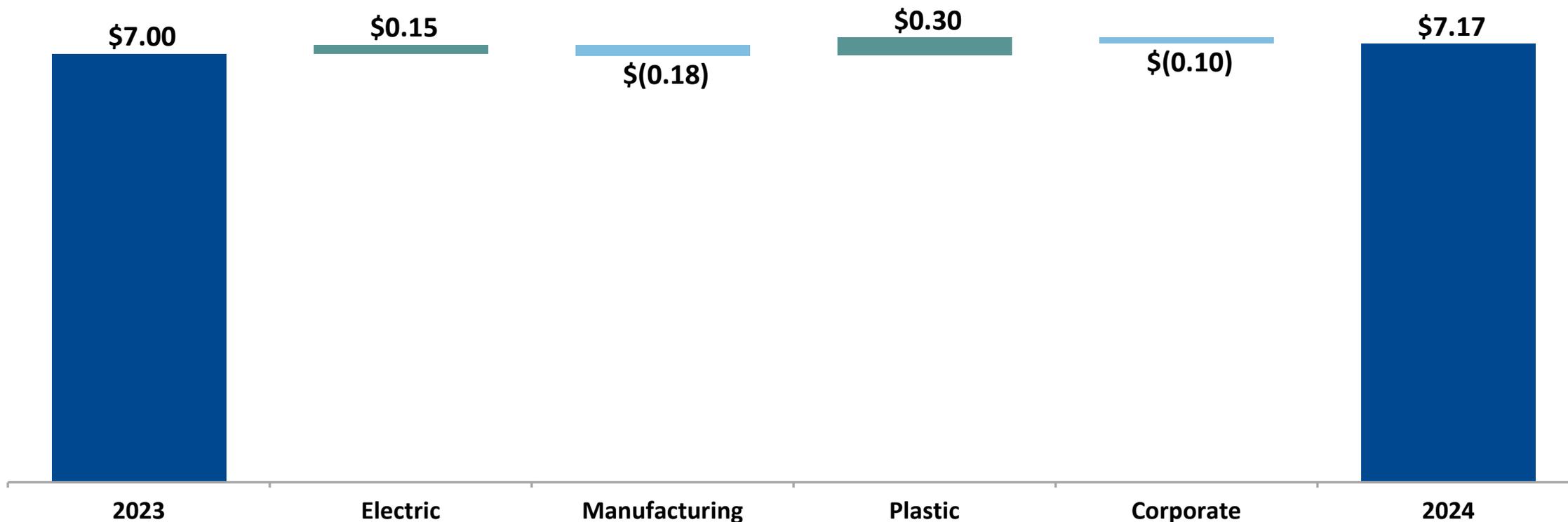
tnelson@ottertail.com



Appendix

Financial Performance

Diluted EPS: 2023 vs 2024



Otter Tail Power Regulatory Framework

	Jurisdiction		
	Minnesota	North Dakota	South Dakota
Utility Commissioners	Appointed	Elected	Elected
Rate Case Test Year	Future	Future	Historical ¹
Allowed Return on Equity	9.48%	10.10%	8.75%
Earnings Sharing Mechanism	No	Yes ²	Yes ³
Rider Recovery for:			
Renewable Generation	Yes	Yes	Yes
Non-Renewable Generation	No	Yes	Yes
Transmission	Yes	Yes	Yes
Customer and Distribution Technology	Yes	Yes	Yes
Cost of Energy Recovery Adjustment	Annually	Monthly	Monthly
Decoupled Rates (residential and commercial)	Yes	No	No

¹ Historical test year with known and measurable adjustments

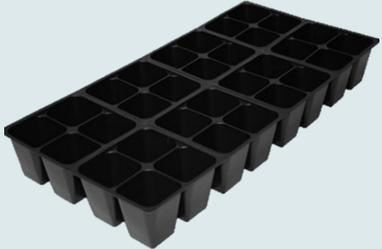
² Earnings above a 10.20% return on equity will be shared with 70% refunded to North Dakota customers

³ Earnings above an 8.75% ROE up to a maximum of a 9.50% ROE due to weather-normalized revenue will be shared with 50% refunded to South Dakota customers. Earnings in excess of a 9.50% ROE will 100% be refunded to South Dakota customers

Manufacturing & Plastics Products



Components for world class customers



Horticulture Containers



Medical Device Packaging



northern pipe products



PVC Pipe



Senior Management Team



Chuck MacFarlane

President and CEO

Years in Role: **10**

Years with Company: **23**



Todd Wahlund

Vice President and CFO

Years in Role: **1**

Years with Company: **32**



Tim Rogelstad

**Senior Vice President,
Electric Platform**

Years in Role: **11**

Years with Company: **36**



John Abbott

**Senior Vice President,
Manufacturing Platform**

Years in Role: **10**

Years with Company: **10**



Jennifer Smestad

**Vice President,
General Counsel and
Corporate Secretary**

Years in Role: **7**

Years with Company: **24**

Board of Directors



Jeanne Crain

Audit Committee;
Compensation and Human
Capital Management
Committee



John Erickson

Chair of Audit Committee;
Corporate
Governance Committee



Steven Fritze

Chair of Audit Committee;
Corporate
Governance Committee



Dr. Kathryn Johnson

Compensation and Human
Capital Management
Committee; Corporate
Governance Committee



Dr. Michael LeBeau

Compensation and Human Capital
Management Committee;
Chair of Corporate
Governance Committee



Mary Ludford

Audit Committee; Corporate
Governance Committee



Chuck Macfarlane

President and CEO



Nathan Partain

Chairman of the Board



Thomas Webb

Audit Committee; Chair of
Compensation and Human Capital
Management Committee