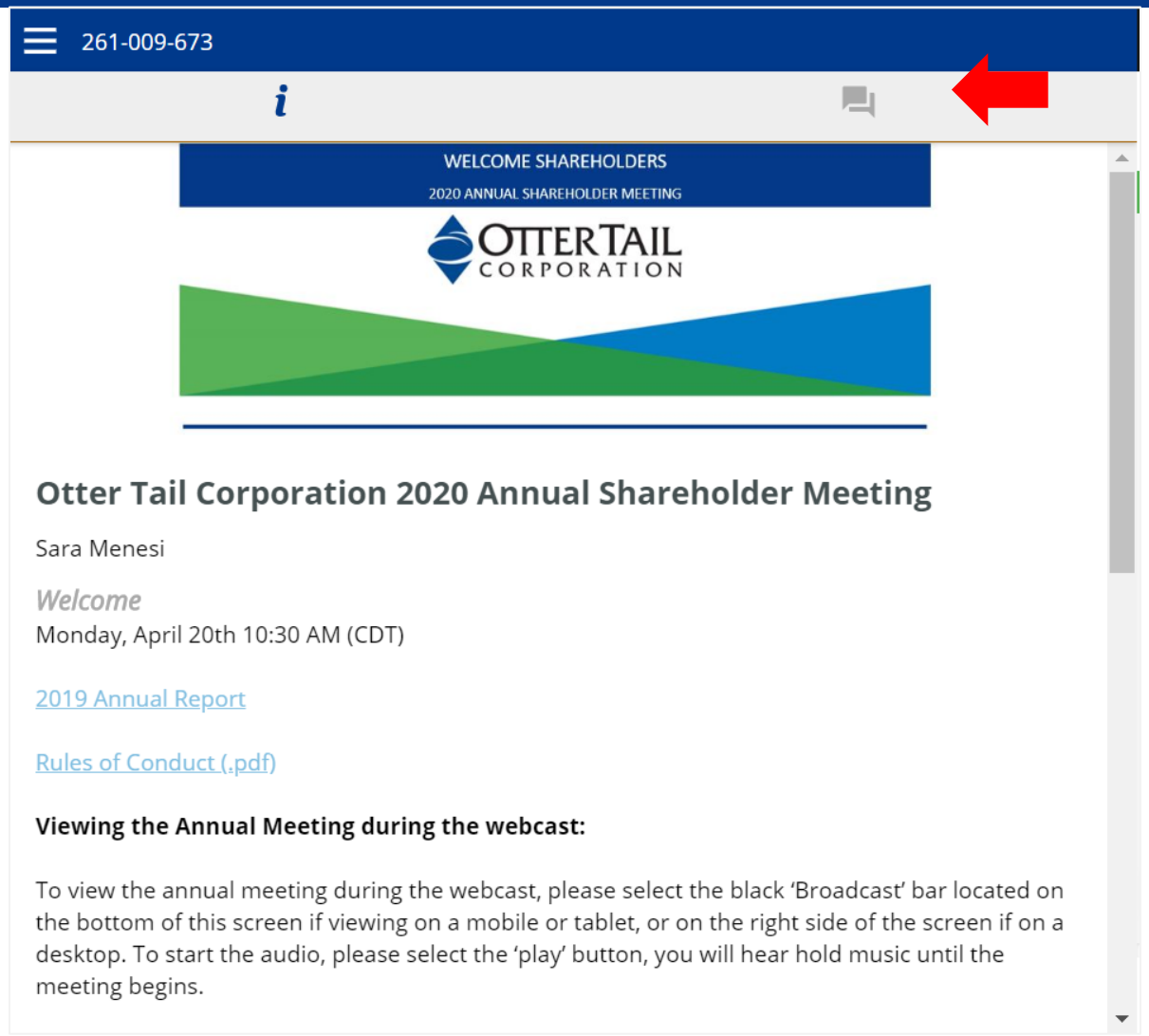
WELCOME SHAREHOLDERS
2020 Annual Shareholder Meeting

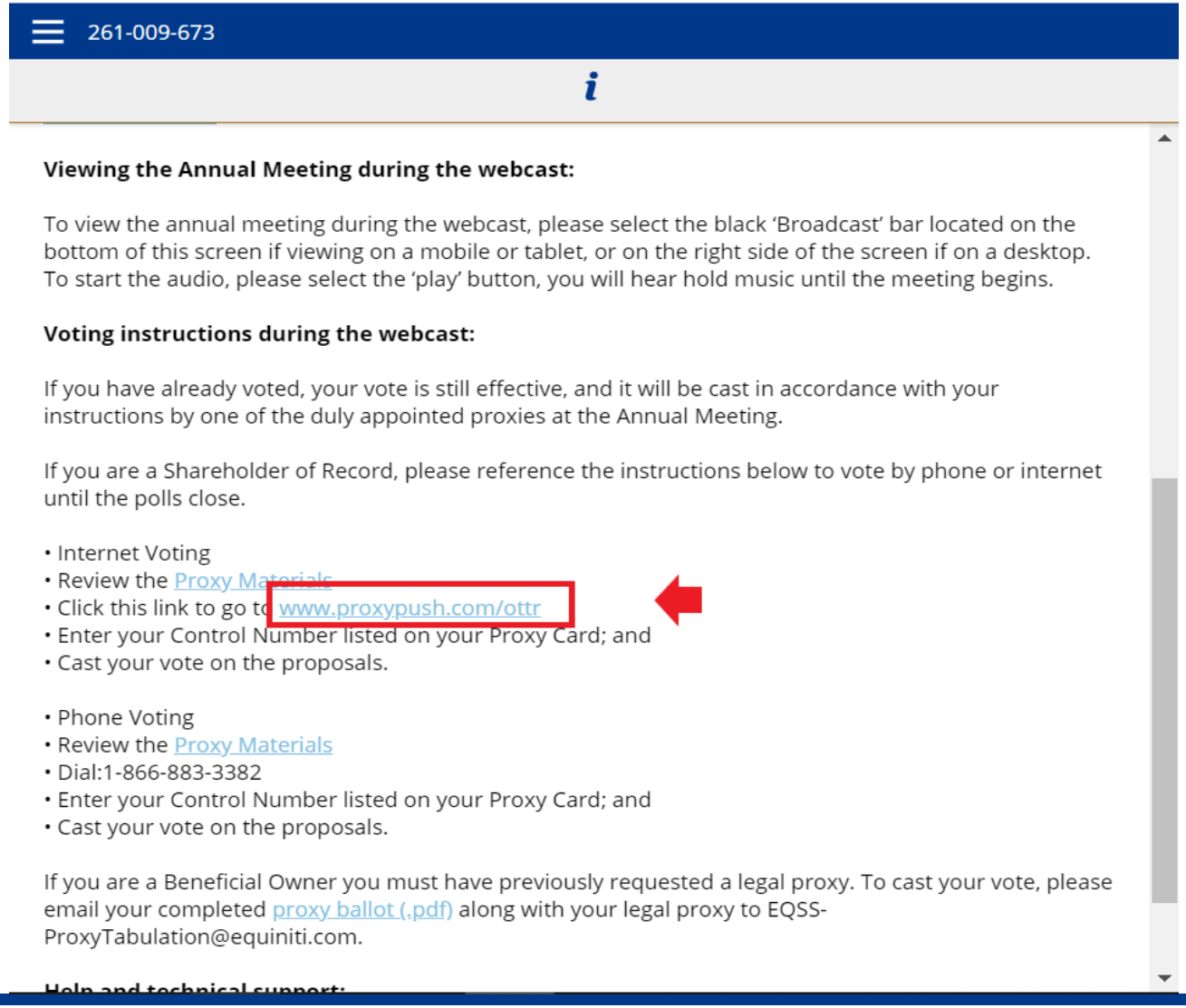


ASK A QUESTION



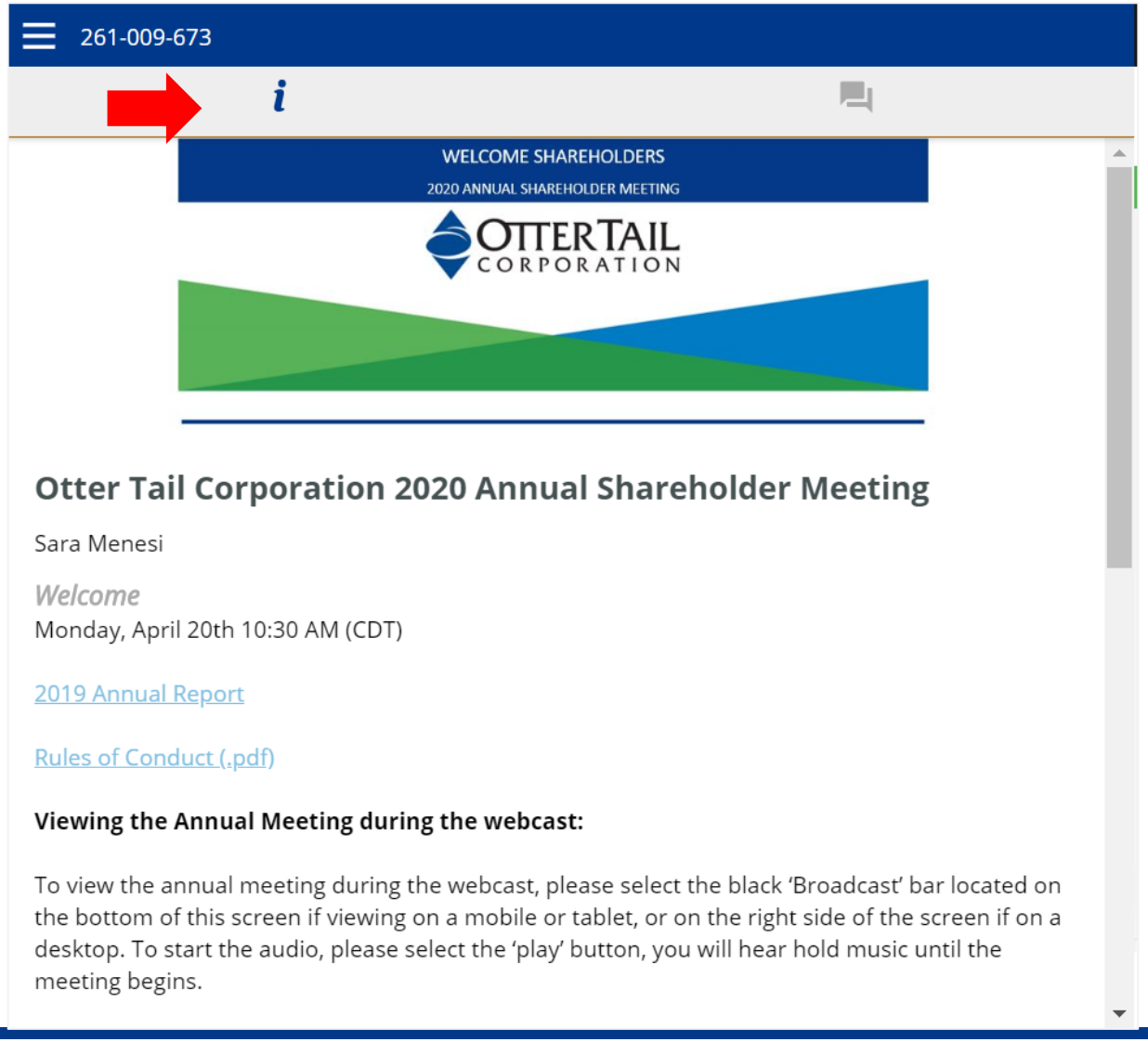
To ask questions, please click on the question icon

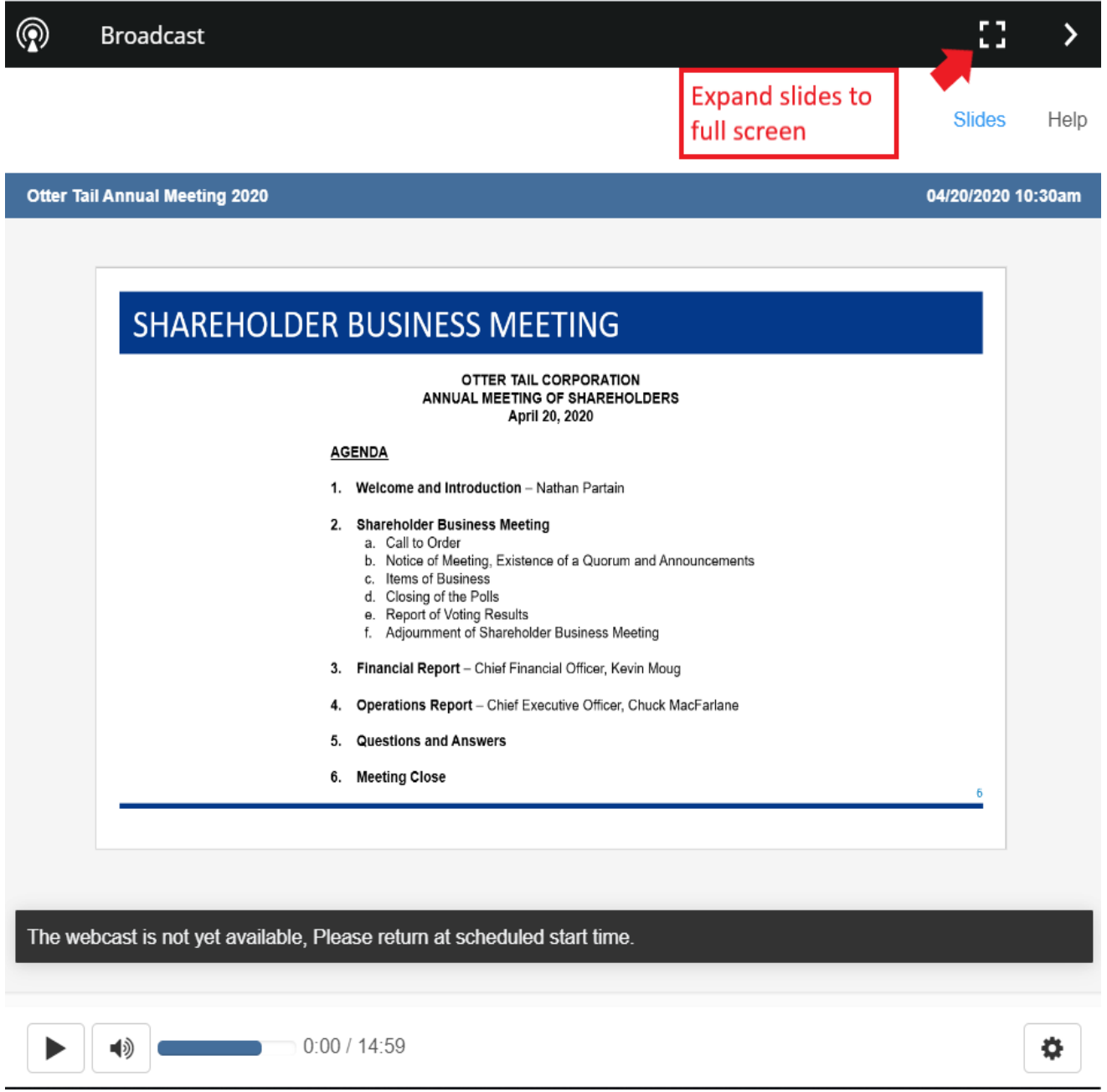
VOTING LINK


261-009-673
i
Viewing the Annual Meeting during the webcast:
To view the annual meeting during the webcast, please select the black 'Broadcast' bar located on the bottom of this screen if viewing on a mobile or tablet, or on the right side of the screen if on a desktop. To start the audio, please select the 'play' button, you will hear hold music until the meeting begins.
Voting instructions during the webcast:
If you have already voted, your vote is still effective, and it will be cast in accordance with your instructions by one of the duly appointed proxies at the Annual Meeting.
If you are a Shareholder of Record, please reference the instructions below to vote by phone or internet until the polls close.
• Internet Voting
• Review the Proxy Materials
• Click this link to go to www.proxypush.com/ottr
• Enter your Control Number listed on your Proxy Card; and
• Cast your vote on the proposals.
• Phone Voting
• Review the Proxy Materials
• Dial:1-866-883-3382
• Enter your Control Number listed on your Proxy Card; and
• Cast your vote on the proposals.
If you are a Beneficial Owner you must have previously requested a legal proxy. To cast your vote, please email your completed proxy ballot (.pdf) along with your legal proxy to EQSS-ProxyTabulation@equiniti.com.

LINK TO WELCOME SCREEN

Click this icon to return on the welcome page




Broadcast
Expand slides to full screen
Slides
Help
Otter Tail Annual Meeting 2020
04/20/2020 10:30am
SHAREHOLDER BUSINESS MEETING
OTTER TAIL CORPORATION
ANNUAL MEETING OF SHAREHOLDERS
April 20, 2020
AGENDA
1. Welcome and Introduction – Nathan Partain
2. Shareholder Business Meeting
a. Call to Order
b. Notice of Meeting, Existence of a Quorum and Announcements
c. Items of Business
d. Closing of the Polls
e. Report of Voting Results
f. Adjournment of Shareholder Business Meeting
3. Financial Report – Chief Financial Officer, Kevin Moug
4. Operations Report – Chief Executive Officer, Chuck MacFarlane
5. Questions and Answers
6. Meeting Close
6
The webcast is not yet available, Please return at scheduled start time.
0:00 / 14:59

SHAREHOLDER BUSINESS MEETING

OTTER TAIL CORPORATION
ANNUAL MEETING OF SHAREHOLDERS
April 20, 2020

AGENDA

1. **Welcome and Introduction** – Nathan Partain

2. **Shareholder Business Meeting**
   a. Call to Order
   b. Notice of Meeting, Existence of a Quorum and Announcements
   c. Items of Business
   d. Closing of the Polls
   e. Report of Voting Results
   f. Adjournment of Shareholder Business Meeting

3. **Financial Report** – Chief Financial Officer, Kevin Moug

4. **Operations Report** – Chief Executive Officer, Chuck MacFarlane

5. **Questions and Answers**

6. **Meeting Close**

OTTER TAIL CORPORATION

2020 ANNUAL SHAREHOLDER MEETING

Financial Report – Kevin Moug, SVP & CFO

FORWARD LOOKING STATEMENT

- This presentation contains statements that may be considered forward looking statements. Such statements contain the word “expect,” “anticipates” or words of similar meaning, or speak to management’s expectations regarding the EPS growth goals, sales, total shareholder returns, financing activities and rate base growth. These statements speak of Otter Tail’s plans and expectations. Actual results could differ materially, because the realization of those results is subject to many uncertainties including: regulatory approvals and results; the direct or indirect impacts from the novel coronavirus (COVID-19) pandemic on our sales, our operations and our ability to complete construction projects; unanticipated construction costs or delays; economic conditions in the states we do business in; and other factors, some of which are discussed in more detail in Otter Tail’s Form 10-K for the year ended December 31, 2019. The information in this presentation was prepared as of April 19, 2020. Otter Tail undertakes no obligation to update any forward-looking information statement to reflect developments after the statement is made.

2019 HIGHLIGHTS

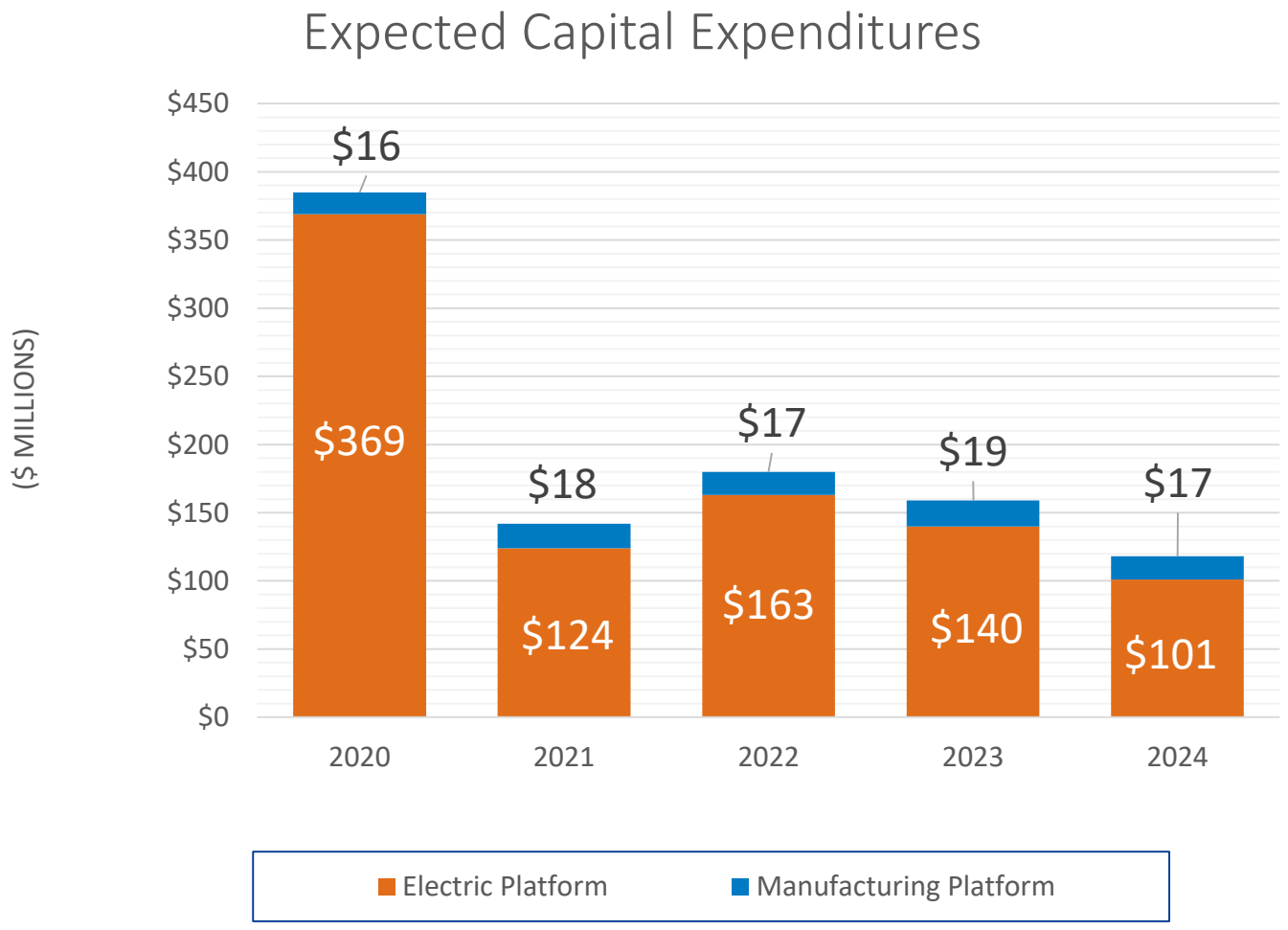
Financial Summary

	2019	2018
Operating Revenues (in millions)	$919.5	$916.4
Net Income (in millions)	$86.8	$82.3
Diluted EPS	$2.17	$2.06
Return on Equity	11.6%	11.5%
Total Shareholder Return	6.1%	14.7%

Highlights

- Consolidated EPS of $2.17, up 5.3%.
- Increased the annual dividend rate 4.5% from $1.34 to $1.40. Annual indicated rate for 2020 is $1.48 or 5.7% increase over the 2019 rate.
- Total shareholder return has grown at a CAGR of 14.4% over the past 5 years.
- Otter Tail Power continues to execute its rate base growth plan. Grows rate base by 6.1% in 2019.
- BTD, our contract metal fabricator and largest manufacturing company, celebrated 40 years of innovation and growth.
- Exceptional safety performance from all our companies results in Corporation's lowest OSHA rate on record.
- Completed a $175 million private placement of debt.
- Issued $19.8 million, net of commissions, in new equity.

CAPITAL EXPENDITURE INVESTMENTS



- Electric Platform rate base growth with investments in transmission, wind, solar, natural gas and technology.
- Manufacturing Platform capital consists of maintenance capital as already well positioned for growth with existing capacity.

STRONG LIQUIDITY

Otter Tail Corporation	Moody's	Fitch	S&P
Corporate Credit/Long-term Issuer Default Rating	Baa2	BBB-	BBB
Senior Unsecured Debt	N.A.	BBB-	N.A.
Outlook	Stable	Stable	Stable

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

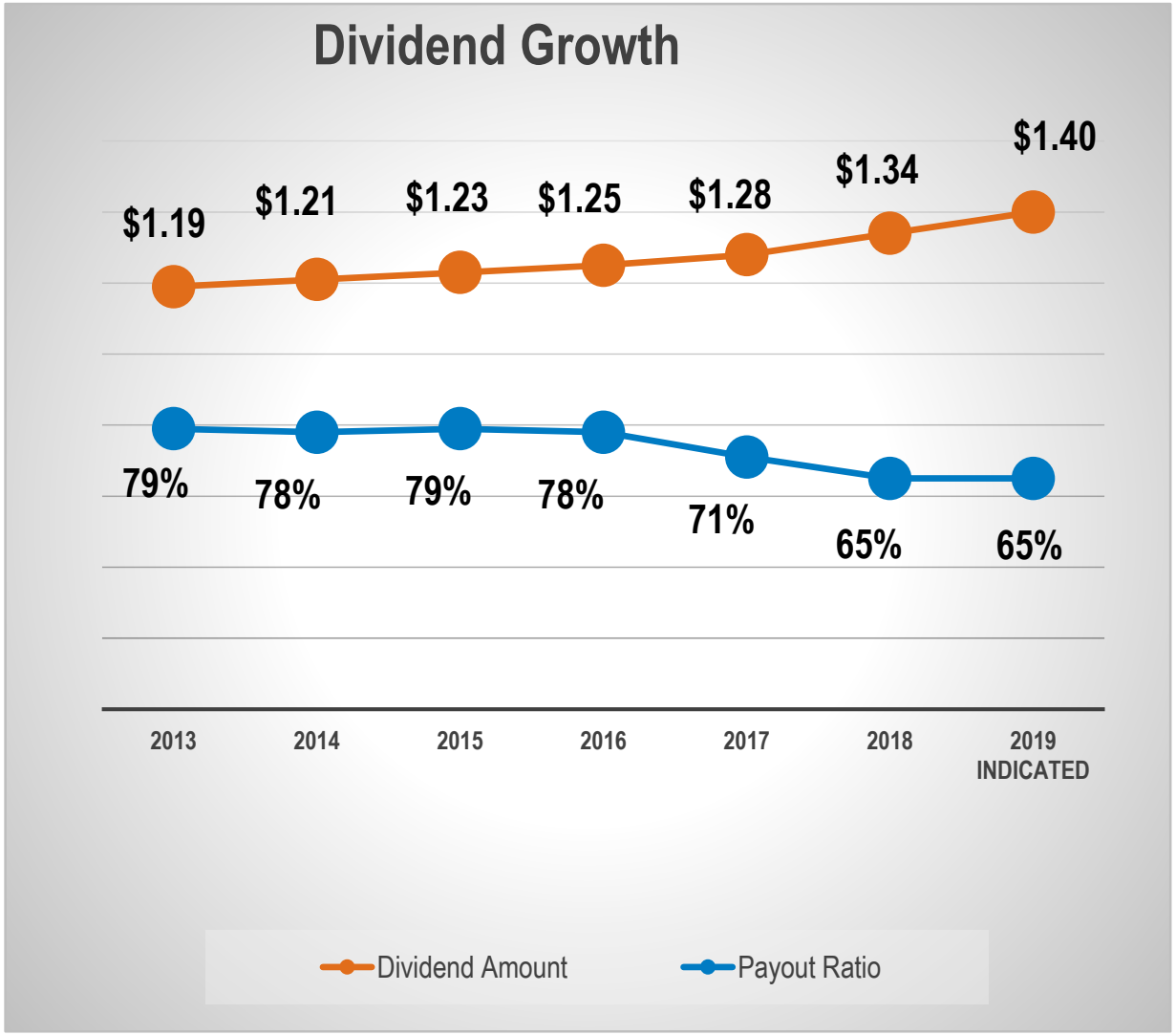
STRONG LIQUIDITY

	December 31, 2019		April 13, 2020	
	OTC	OTP	OTC	OTP
Total Credit Capacity	$170.0	$170.0	$170.0	$170.0
Outstanding				
Borrowings	(6.0)		(15.8)	
Letters of Credit		(15.5)		(14.1)
Unused	$164.0	$154.5	$154.2	$155.9
Expiration Date			October 31, 2024	October 31, 2024

- $175 million Private Placement completed in October 2019.
- Issued $30 million of equity under ATM, DRIP & ESPP in Q4 ‘19 & Q4 ‘20.
- Ability to increase OTTR credit facility through accordion feature up to $290 million.
- Ability to increase OTP credit facility through accordion feature up to $250 million.

HISTORY OF DIVIDEND GROWTH

- Consecutive annual dividends without interruption paid since 1938
- Indicated increase of $.06/share (4.5%)
- Strong balance sheet, liquidity, cash generation profile and our commitment to enhancing shareholder returns



INVESTMENT HIGHLIGHTS

5-7% EPS growth-
based off from 2019 EPS

Total Shareholder Return
~ 8-10%

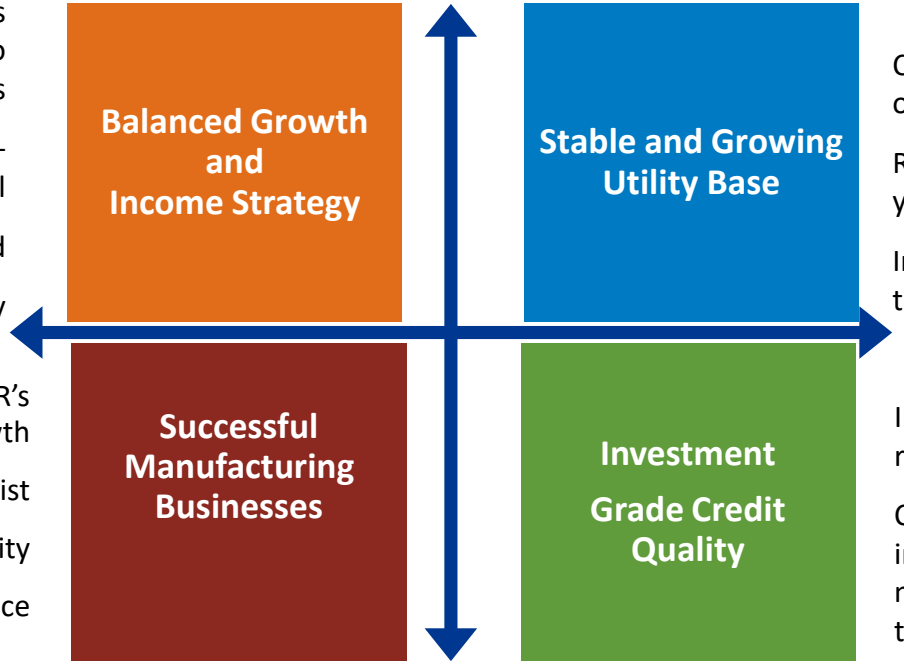
Dividend yield ~ 3%
Dividend growth in line with EPS growth while maintaining a Payout ratio of 60-70%

Strong and stable regulated electric operations provide cash flow to support dividends

Manufacturing businesses provide above-average earnings growth potential

Strong dividend yield

Strong returns on equity



Competitive, low cost integrated electric operations

Regulated rate base capex over the next 5 years will drive growth

Investment opportunity in generation, transmission and renewables

Platform of companies enhances OTTR's earnings growth

Organic growth opportunities exist

Utilization of existing capacity

Operational excellence

Investment grade senior unsecured credit ratings

Company is committed to maintaining investment grade credit ratings and will manage its operations in a way that reflects this commitment

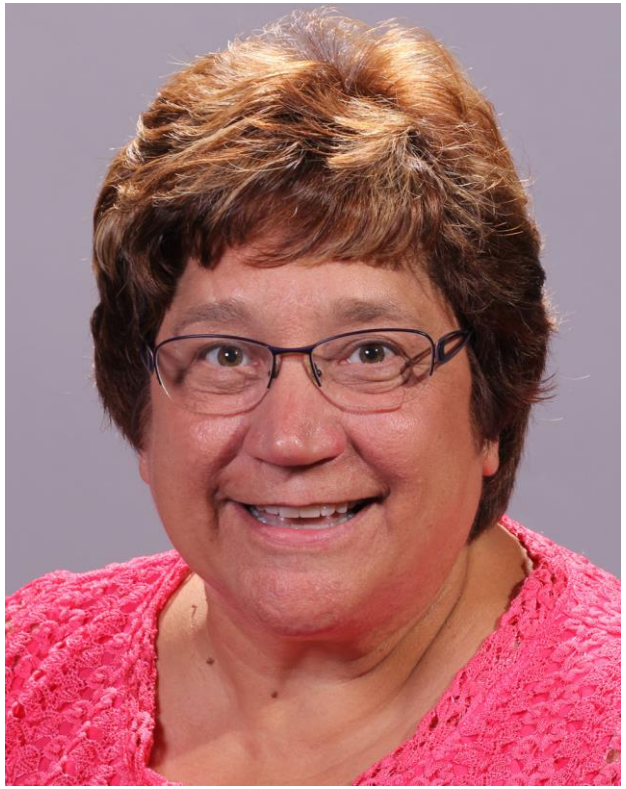
THANK YOU

OTTER TAIL CORPORATION

2020 ANNUAL SHAREHOLDER MEETING

CEO Report – Chuck MacFarlane

BEST WISHES!



Debbie Wilke

- Vice President, Accounting, Tax, and Reporting; Otter Tail Corporation.
- Began her career with the company in 1980.
- Celebrating 40 years in June.
- Will retire July 2020.

FORWARD LOOKING STATEMENT

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2019 ANNUAL REPORT



ELECTRIC UTILITY

OTTER TAIL POWER COMPANY



MERRICOURT WIND ENERGY CENTER

Project	Merricourt Wind Energy Center
Description	150 megawatts Capacity factor ~ 50% to 55%
Schedule	2017 - 2020
OTP cost	$258 million

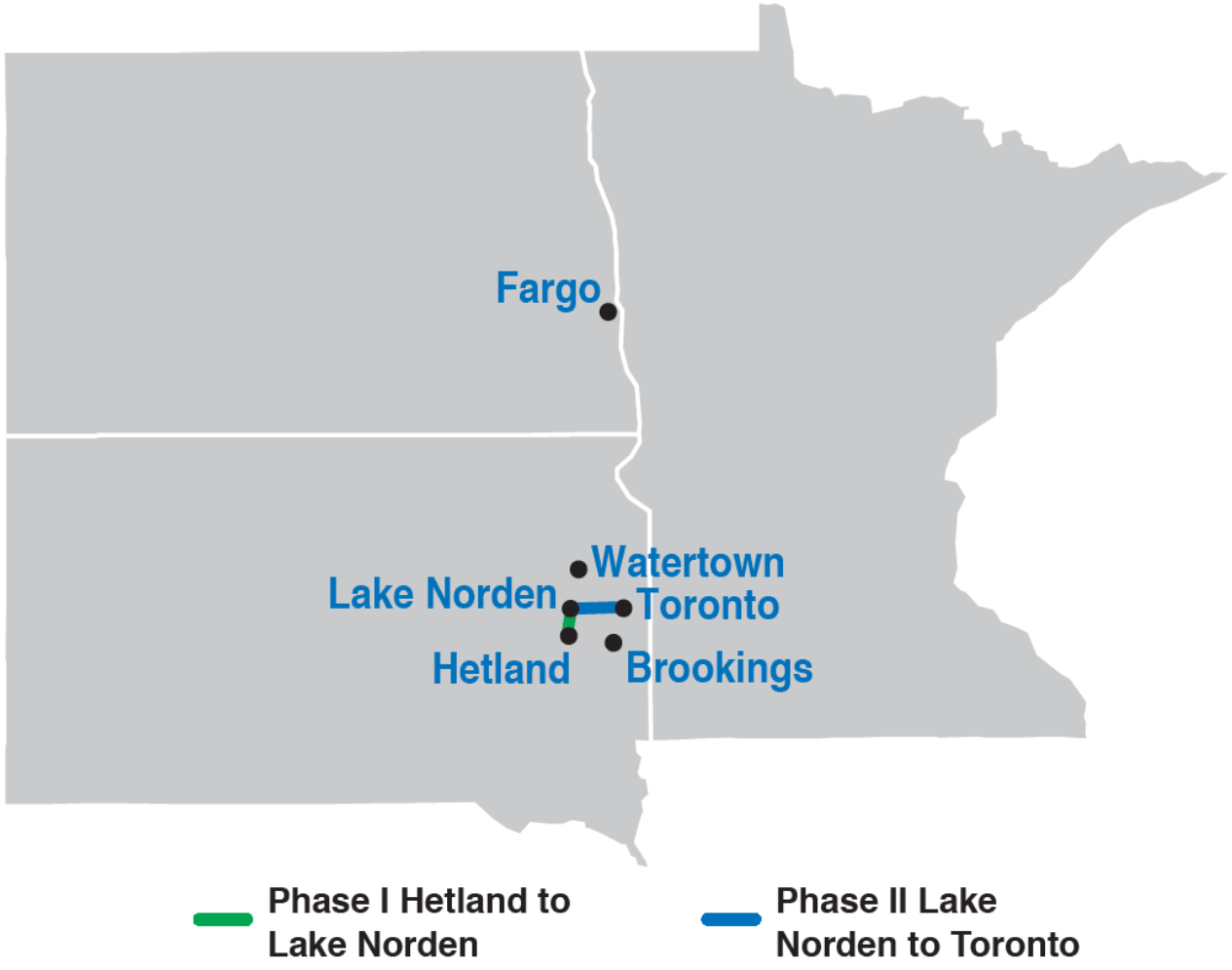


ASTORIA STATION

Project	Astoria Station Natural Gas Plant
Description	245-megawatt simple cycle unit
Schedule	2020 - 2021
OTP cost	$158 million

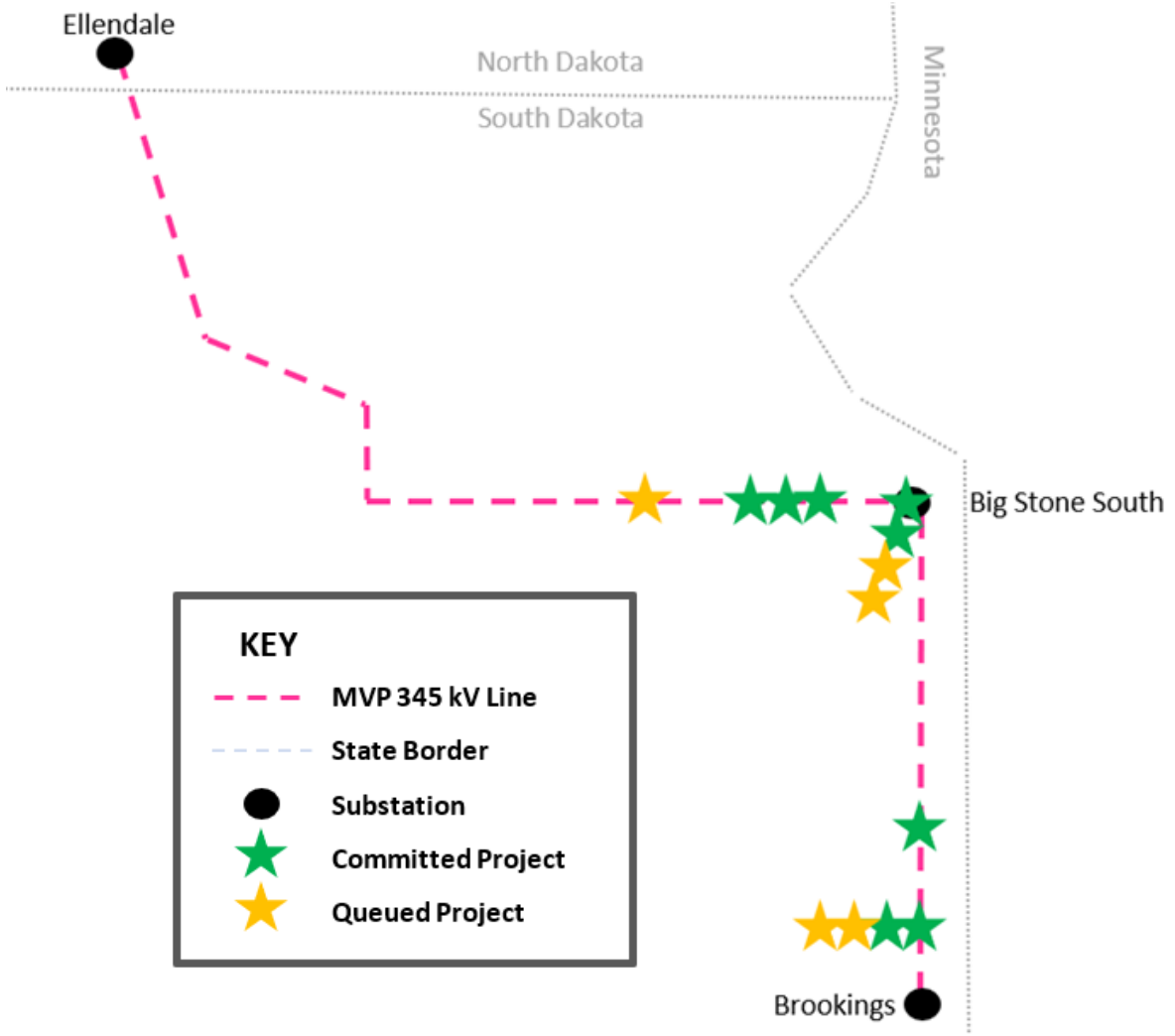


SOUTH DAKOTA TRANSMISSION RELIABILITY PROJECT



SELF-FUND TRANSMISSION PROJECTS

Project	Self-Fund Transmission Projects
Description	OTP to fund transmission upgrades associated with new generator interconnections.
Schedule	2019 - 2021
OTP cost	~$45 million



ESG HIGHLIGHTS

2022 Projections

30%

RENEWABLE RESOURCES

that we own or secure through power purchase agreements

30%

CARBON REDUCTION

from 2005 levels

30%

LOWER RATES

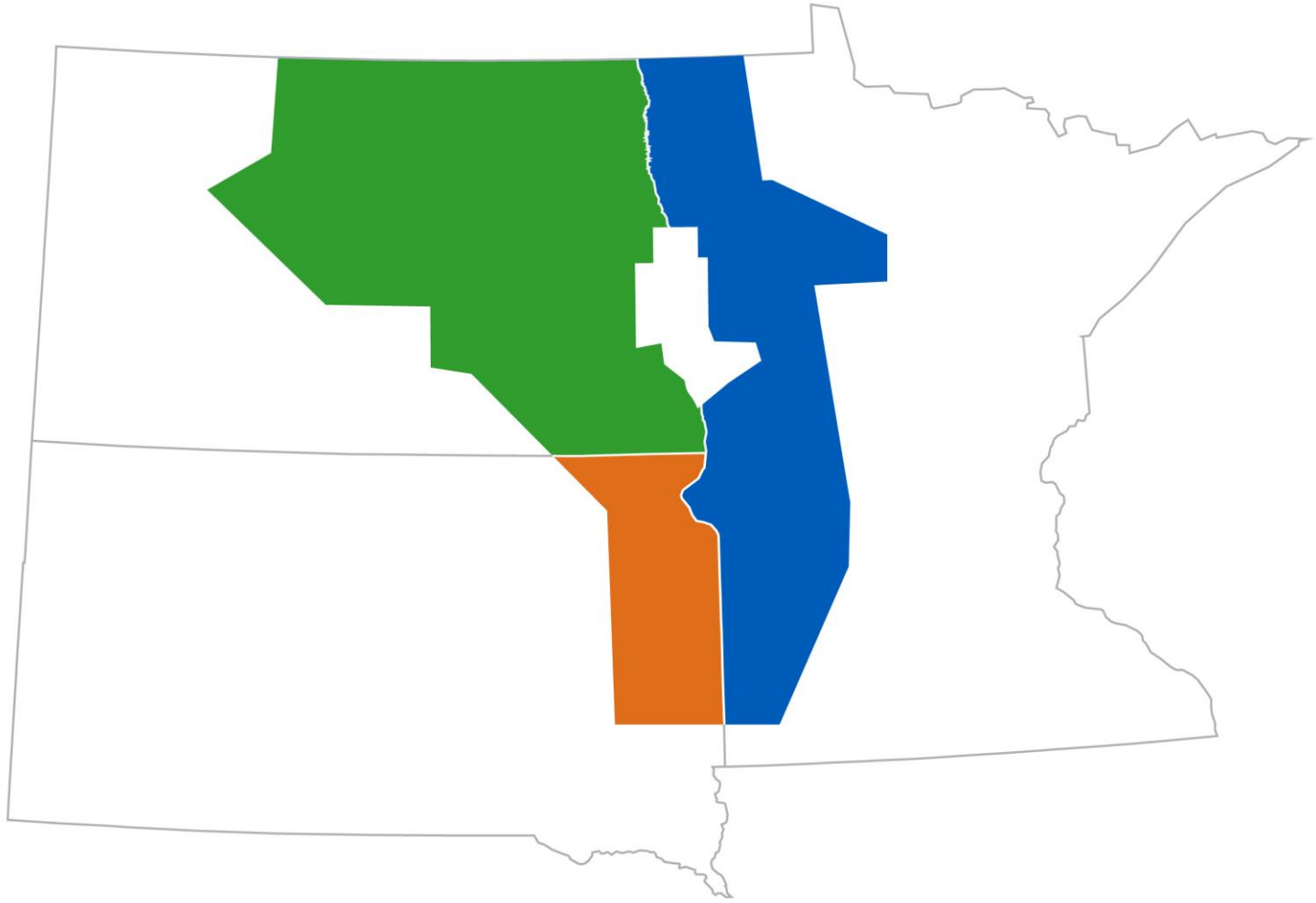
compared to the national residential average

SOLAR ENERGY

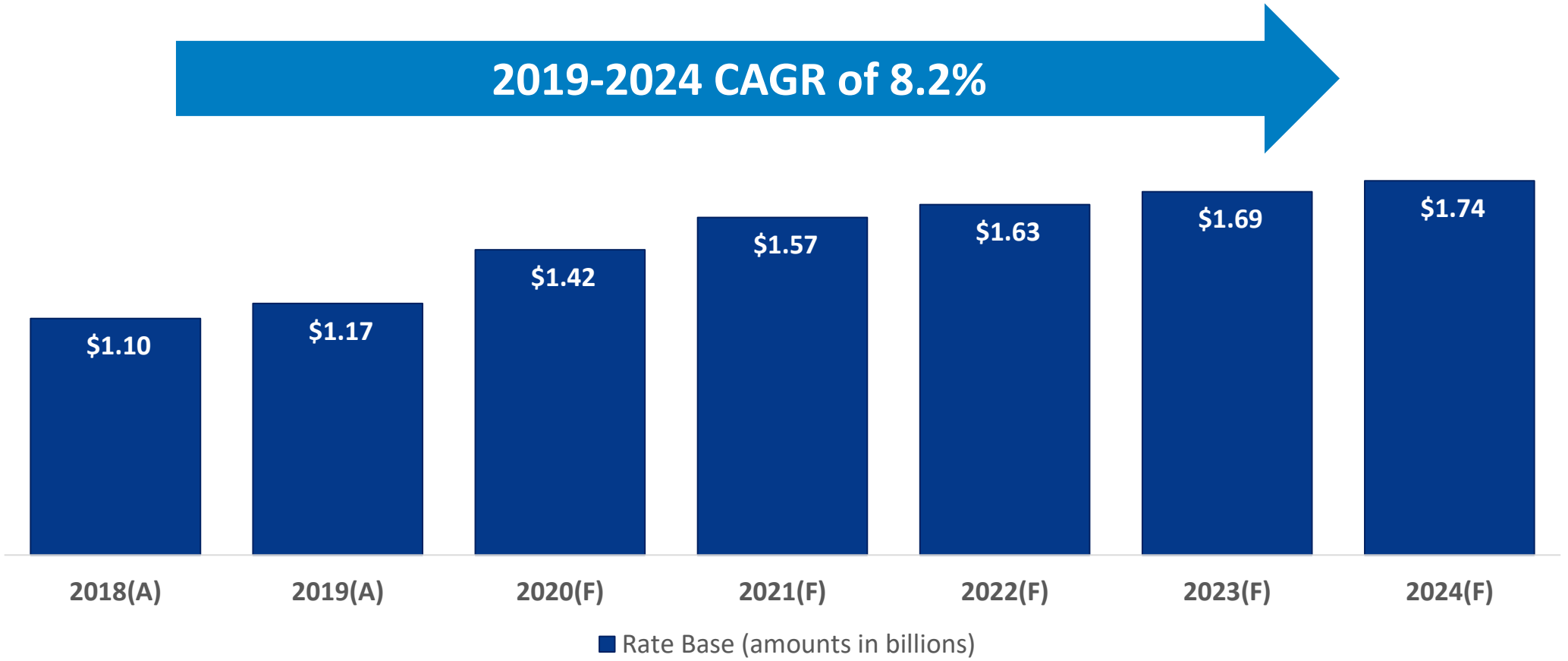


- Exploring options for solar active projects of approximately 30 megawatts or more, solar plus storage proposals, and self-build options.
- Today we have 47 small solar units (667 kilowatts) interconnected.

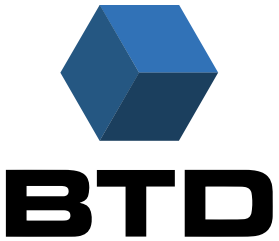
INTEGRATED RESOURCE PLAN



RATE BASE GROWTH



MANUFACTURING PLATFORM









CUSTOM METAL FABRICATOR

BTD



CUSTOM PLASTIC PARTS MANUFACTURER

T.O. PLASTICS



PLASTICS SEGMENT





STRATEGIC OBJECTIVES

GROW

OUR
BUSINESSES

ACHIEVE

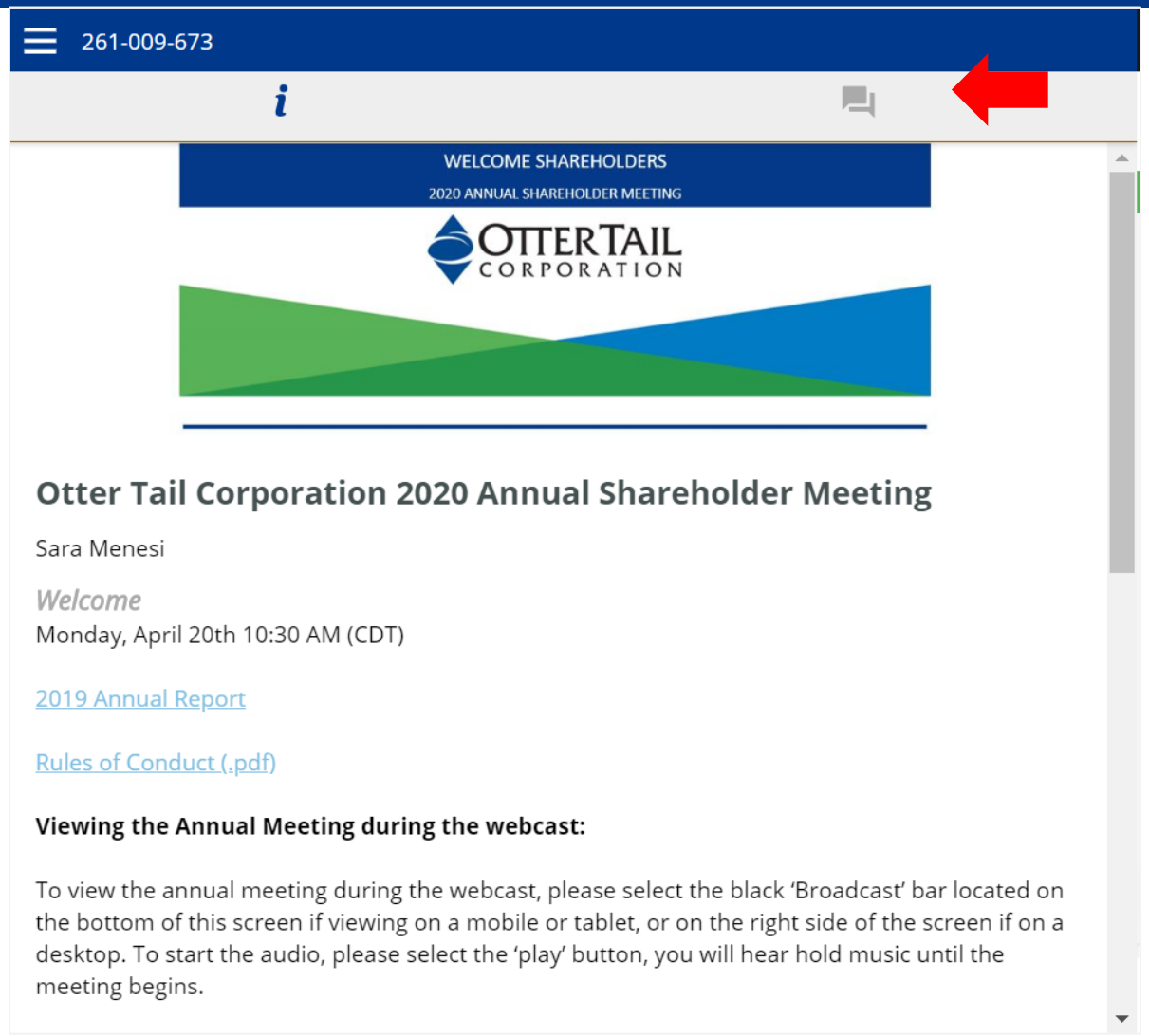
OPERATIONAL AND
COMMERCIAL EXCELLENCE

DEVELOP

OUR
TALENT

THANK YOU

ASK A QUESTION



To ask questions, please click on the question icon

THANK YOU

