SIEBERT WILLIAMS SHANK & CO
WEST COAST UTILITIES VIRTUAL CONFERENCE
March 17-18, 2021



FORWARD-LOOKING STATEMENT

This presentation contains statements that may be considered forward-looking statements. The words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “outlook,” “plan,” “possible,” “potential,” “should,” “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 include statements regarding future earnings and earnings per share, 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 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 the impact and duration of the COVID-19 pandemic, seasonal weather patterns, the risk of increased cost or delays in rate base investments, the impact of government legislation and regulation, operational and economic risks associated with our electric generating and manufacturing facilities, and changing macroeconomic and industry conditions. 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.

AGENDA

- Business Overview
- Managing COVID-19 Impacts
- ESG Highlights
- Electric Platform
- Manufacturing Platform
- Financial Update

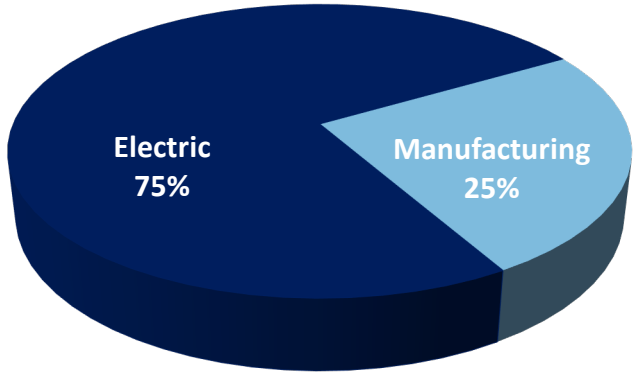
BUSINESS OVERVIEW

COMPANY OVERVIEW

OTTER TAIL CORPORATION

- ELECTRIC
  - OTTER TAIL POWER COMPANY
- MANUFACTURING PLATFORM
  - MANUFACTURING SEGMENT
    - BTD
    - T.O. PLASTICS
  - PLASTICS SEGMENT
    - NPP
    - VINYLTECH VT PVC • PIPE

Target earnings contributions



Electric
- Competitive low-cost operations
- Constructive regulatory environment
- Attractive rate base growth

Manufacturing
- Long-term growth potential
- Capacity utilization
- Diversification

STRATEGIC OUTLOOK

- High performing electric utility
  - Strong pipeline of rate base growth for at least 5 years
  - Supportive regulatory treatment
  - Solid management in place
  - History of excellence
- Disciplined, focused set of manufacturing companies
  - Incremental earnings growth
  - Premium return
- Commitment to strategy and talent development
  - Execution and performance throughout the corporation

COVID-19 OVERVIEW

MANAGING COVID-19 | WELL-POSITIONED OPERATIONALLY



In 2020 T.O Plastics shifted design and production resources to support the increased need for personal protective equipment and developed a face shield that enabled 600,000 people to work safely during the pandemic.

- Health and safety of employees and communities remains top priority.
- Strong financial results despite global pandemic challenges.
- Utility suspended disconnects for late payments and waived late-payment fees for customers affected by pandemic, reinstating standard bill collection procedures in ND and SD mid-September 2020.
- Production facilities deemed essential services and safely maintained production to support our customers.
- BTD utilized employee furloughs, while maintaining employee health insurance, to minimize layoffs while navigating the dramatic reduction in sales during the second quarter of last year.
- There have been no disruptions to our supply chains.
- Currently 16% of employees continue to work remotely.
- Investing in our region through capital projects under Minnesota Relief and Recovery Projects Act. Submitted 12 projects with estimated total cost of $153-173 million.
- Provided support to local COVID-relief and food shelves in communities in which we operate.



Otter Tail Power Company executed on a record year in capital spending during a global pandemic. Two significant projects, Merricourt Wind Energy Center and Astoria Station, marked major milestones in our generation resources transition.

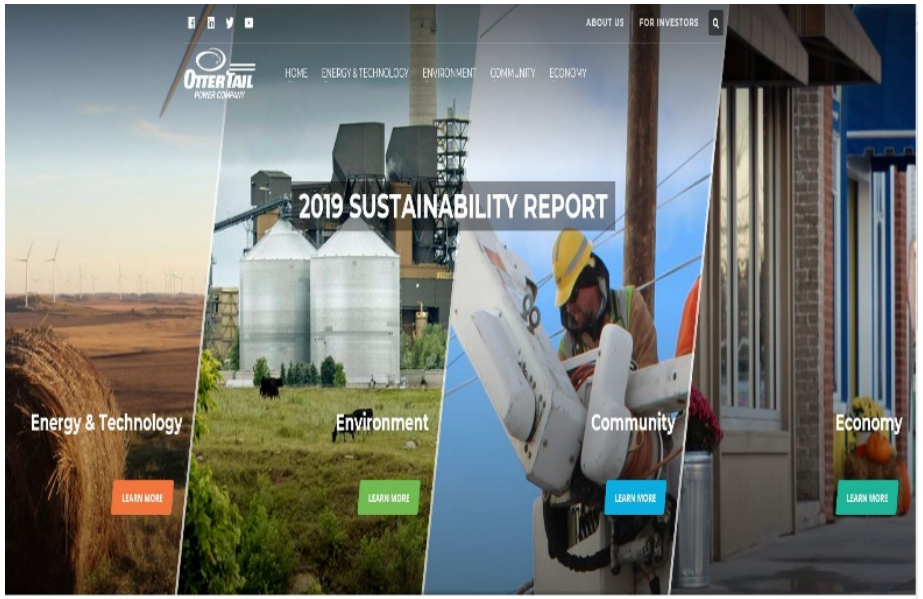
2020 FINANCIAL SUMMARY AND HIGHLIGHTS

	2020	2019
Operating Revenues (in millions)	$890.1	$919.5
Net Income (in millions)	$95.9	$86.8
Diluted EPS	$2.34	$2.17

- Consolidated EPS of $2.34, up 7.8%.
- Increased the annual dividend 5.7% from $1.40 to $1.48. Annual indicated rate for 2021 is $1.56 or 5.4% increase over the 2020 rate.
- Total shareholder return has grown at a compounded annual growth rate of 13.4% over the past 5 years.
- Otter Tail Power Company's net income increased $7.7 million, or 13.1%, driven by capital investments in energy generation and regional transmission projects.
- Manufacturing Segment's earnings down $1.9 million primarily due to negative impact on sales from COVID-19. BTD's net income increased $1.8 million in Q4 as their customers who serve recreational and lawn & garden end markets started to rebuild depleted inventories.
- Plastics Segment EPS increased $7.0 million, or 34.1%, driven by higher volumes of pipe sold and higher pipe prices.
- Issued ~ $50 million in new equity and completed our equity needs. Issued $75 million of new long-term debt at OTP.

ESG HIGHLIGHTS

Environmental

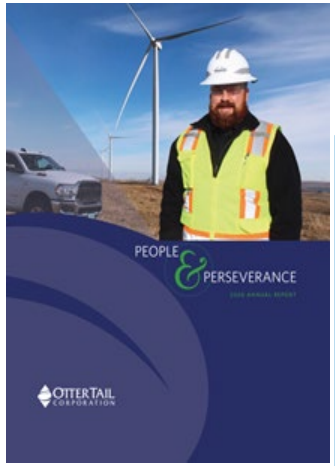


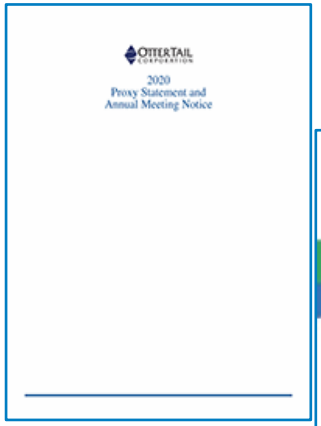
Social

Edison Electric INSTITUTE

EEI Sustainability Templates

Governance

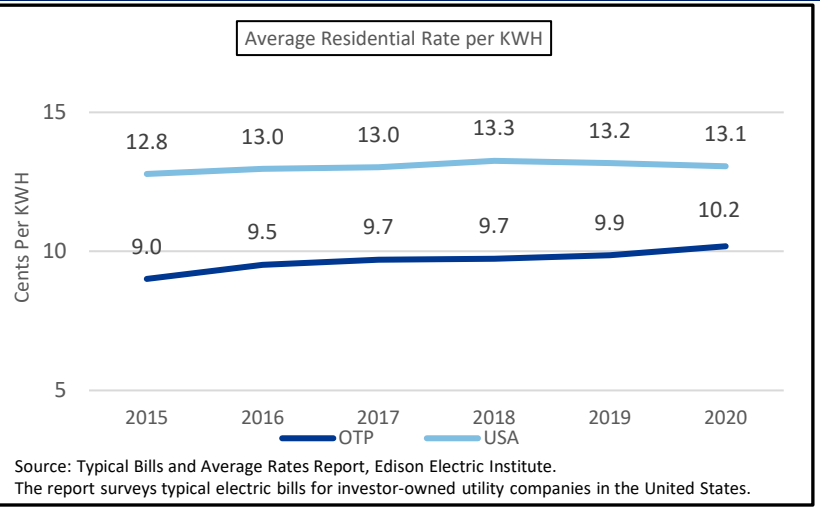




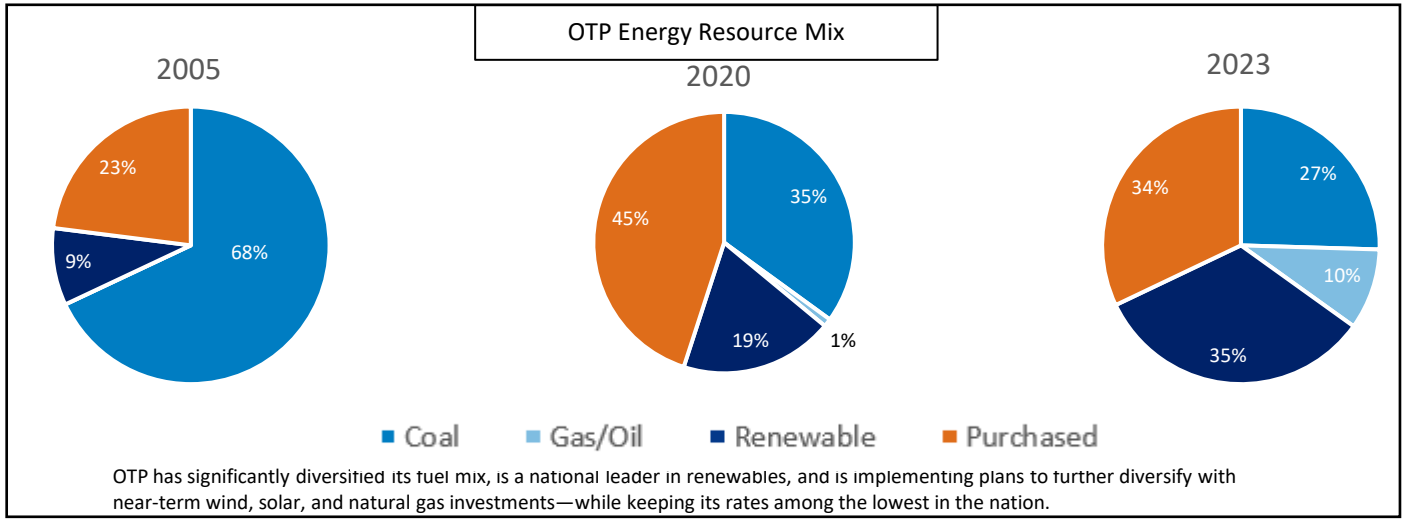


These documents provide details of Otter Tail Corporation's ESG practices.

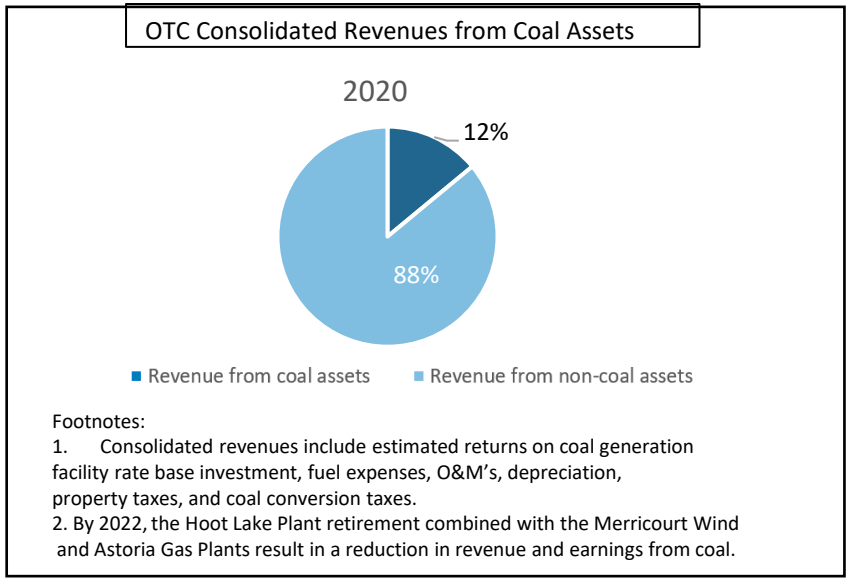
CLEANER ENERGY FUTURE



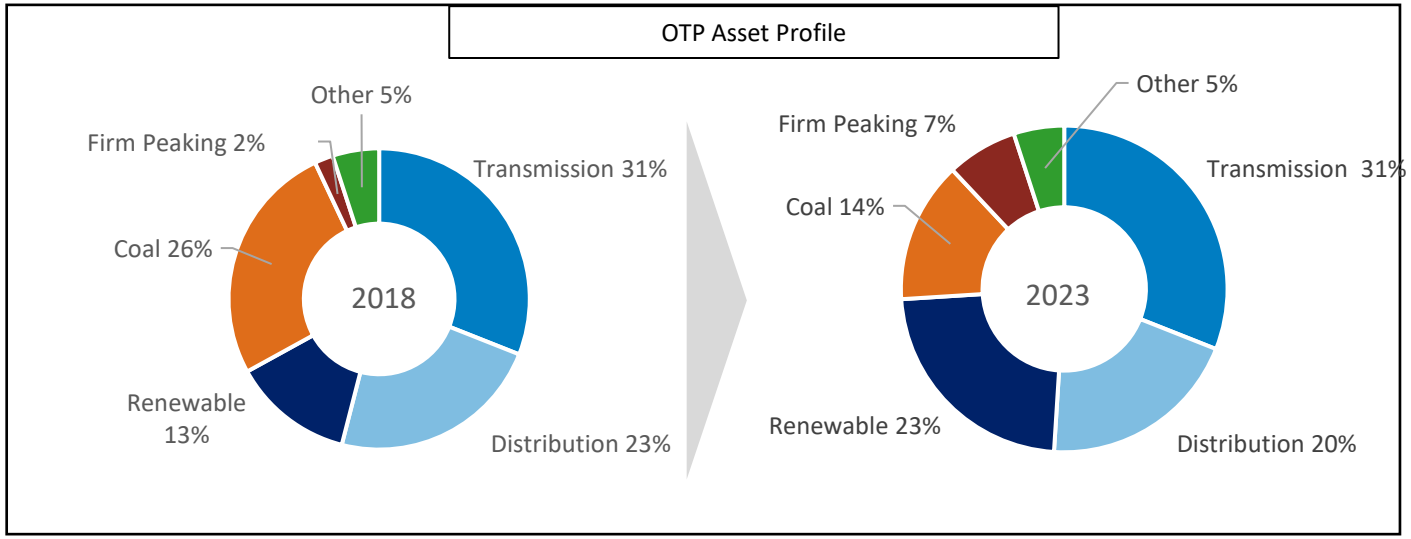
Source: Typical Bills and Average Rates Report, Edison Electric Institute.
The report surveys typical electric bills for investor-owned utility companies in the United States.



OTP has significantly diversified its fuel mix, is a national leader in renewables, and is implementing plans to further diversify with near-term wind, solar, and natural gas investments—while keeping its rates among the lowest in the nation.



Footnotes:
1. Consolidated revenues include estimated returns on coal generation facility rate base investment, fuel expenses, O&M's, depreciation, property taxes, and coal conversion taxes.
2. By 2022, the Hoot Lake Plant retirement combined with the Merricourt Wind and Astoria Gas Plants result in a reduction in revenue and earnings from coal.

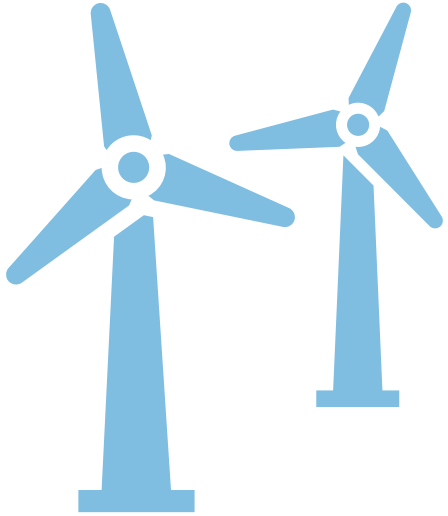


CLEANER ENERGY FUTURE

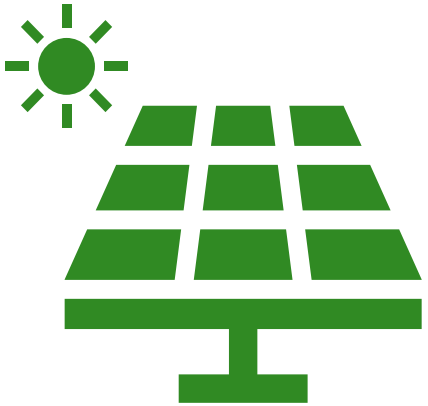
CO_2

47%

2023 carbon reductions compared to 2005



391 MW of wind in service (Includes owned and PPA generation)



~ 50 MW of solar in service by end of 2023

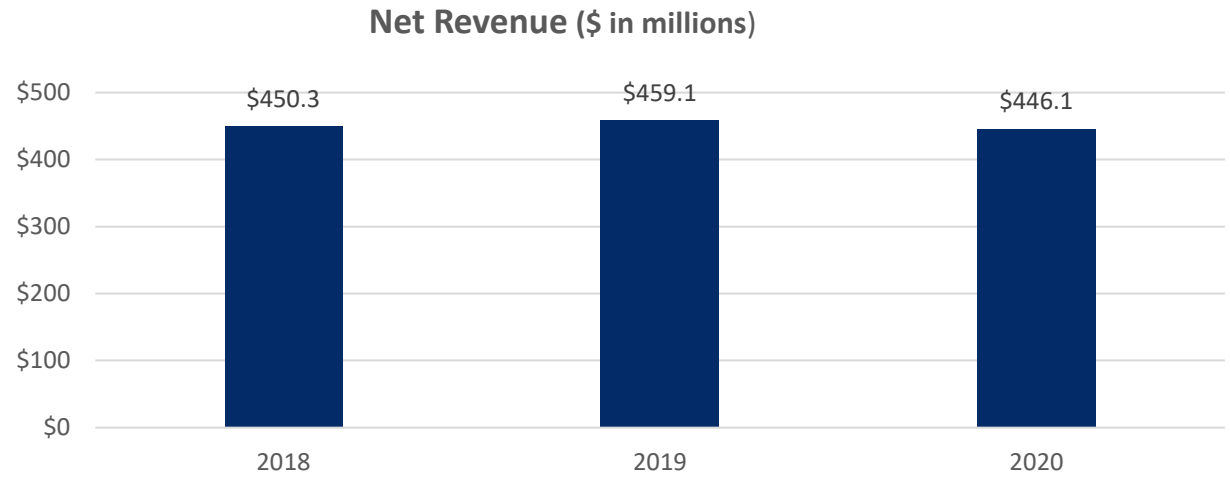
ELECTRIC PLATFORM

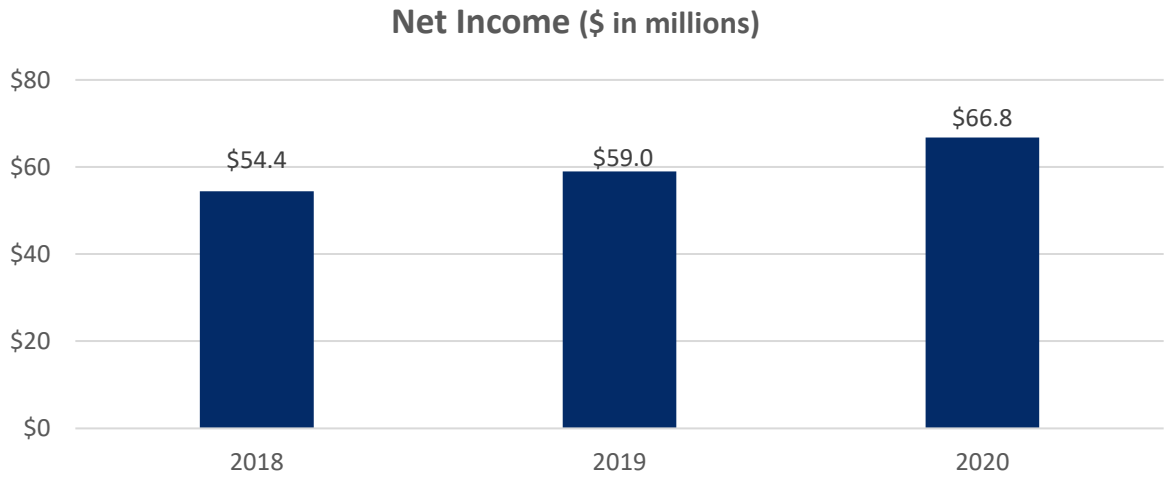


ELECTRIC OPERATIONS

Highlights

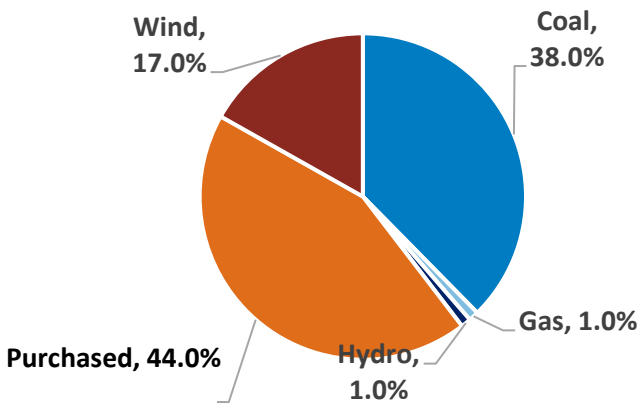
- Rate base growth opportunities.
  - Renewable generation.
  - Technology & infrastructure.
  - Transmission assets.
- Filed MN rate case in November 2020.
- Constructive regulatory environment.





ELECTRIC OPERATIONS

Energy by Source - 2020

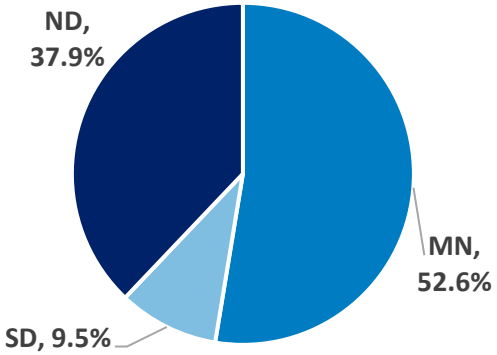


Service Area*

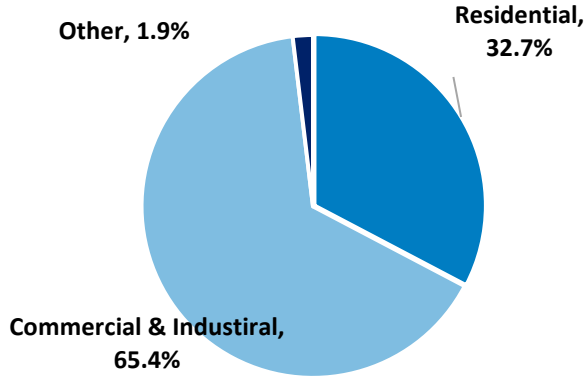


* Service area excludes Fargo, Minot and Grand Forks, ND.

Revenues by State - 2020



Revenues by Customer - 2020



2021 KEY REGULATORY MATTERS

Regulatory Matters	MN	ND	SD	Estimated Dates
North Dakota Advance Determination of Prudence for AMI Filing		X		Q1 2021
Minnesota Depreciation Order	X			Q1 2021
Minnesota Hoot Lake Solar Filing Rate Review Evidentiary Hearing	X			Q1 2021
Minnesota Rate Review Evidentiary Hearing	X			Q2 2021
Minnesota Integrated Resource Plan Filing	X			Q3 2021
Eligibility Determinations for Wind Farm (Ashtabula III) Purchase Filing		X		Q4 2021
Annual Updates to Capital Recovery Riders	X	X	X	2021

MINNESOTA RATE CASE

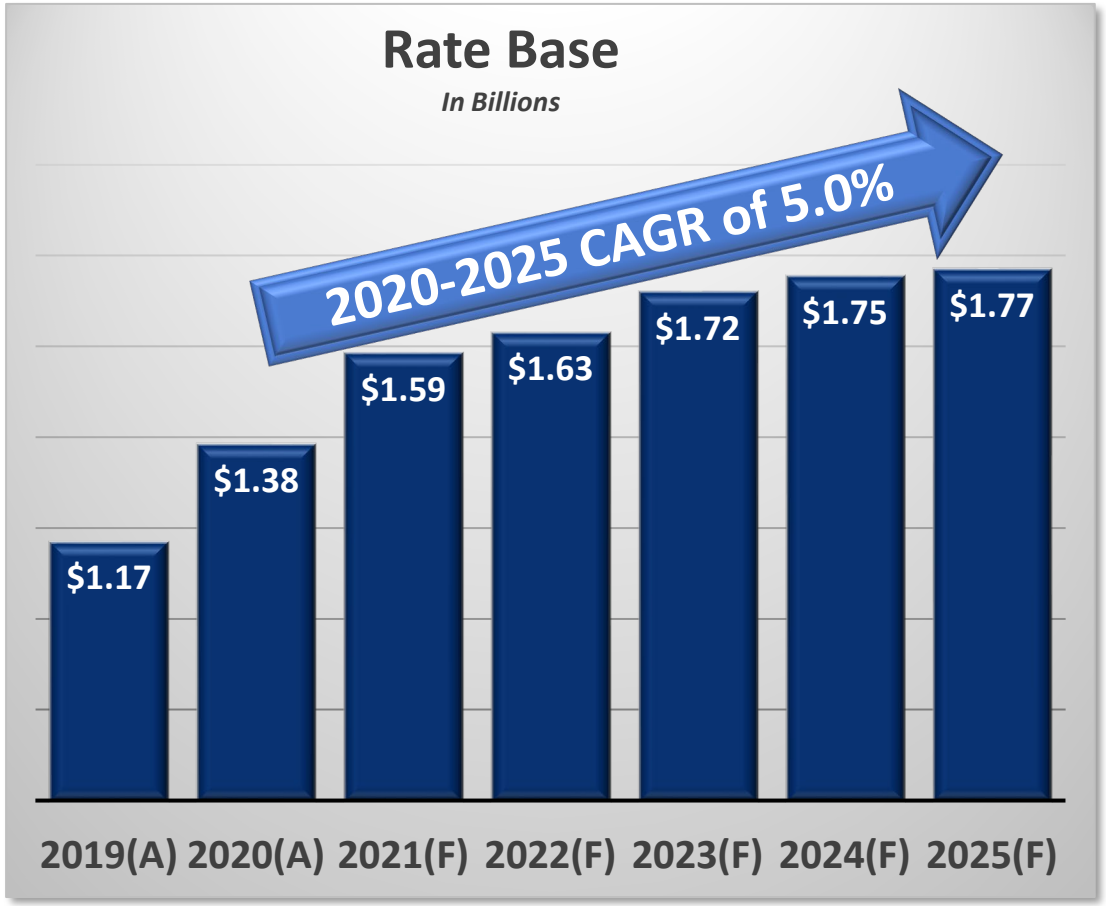


Filed November 2, 2020.

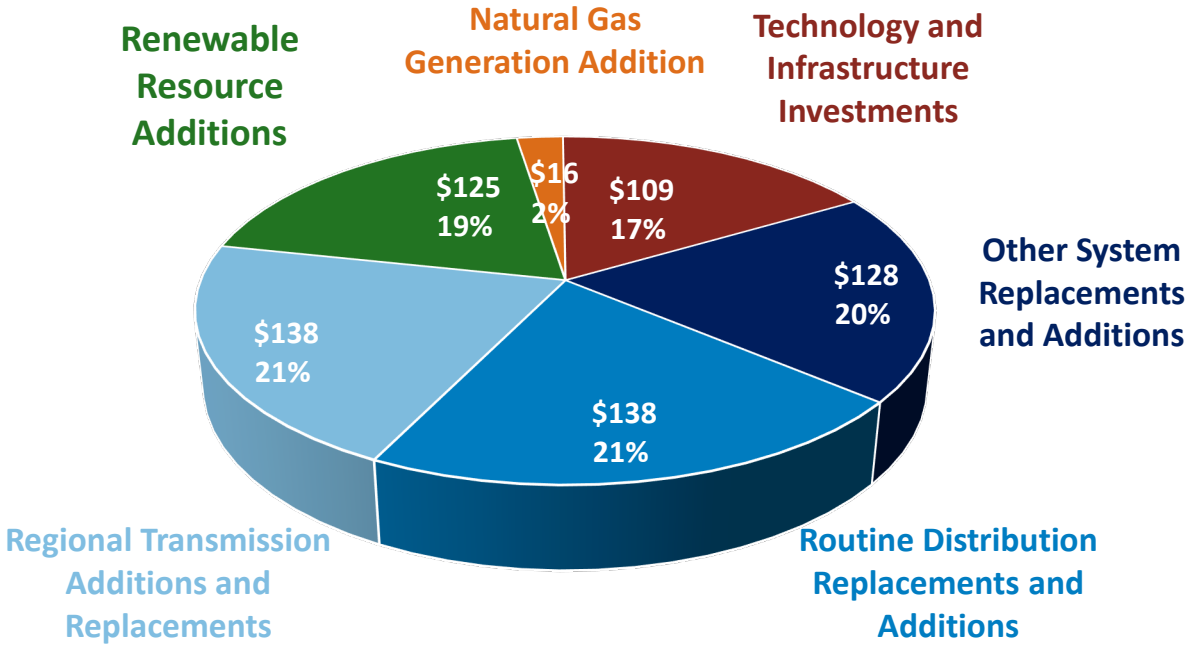
Driving factors
Cleaner energy
Smarter technologies
Rising costs

- Filed last Minnesota rate case in 2016.
- Request driven by new Astoria Station (MN IRP approved) and CIS system. Total request of $14.5 million, a 6.8% increase.
- Requested 10.2% ROE on a 52.5% equity layer.
- Requested approval to implement decoupling on customer bills. If approved, this will go into effect with final rates.
- In December the MPUC approved amended interim rate request of $6.9 million or 3.2 percent.
- Final determination within 13 months of filing.

RATE BASE GROWTH



Capital spending of $653 million from 2021 to 2025



Recovery Mechanism	Amount (in Millions)	Percentage
Depreciation (Rate Base Replacement)	$376	57%
Riders	227	35%
Rate Case	50	8%
Total	**$653**	**100%**

REGULATORY FRAMEWORK

	Minnesota	North Dakota	South Dakota
Renewable Riders	Rider recovery / Rate case	Rider recovery / Rate case	Phase-In Rider / Rate case
Transmission Riders	Rider recovery / Rate case	Rider recovery / Rate case	Rider recovery / Rate case
Non-renewable Generation	Rate case	In State Preference/ADP/ Rate Case (Astoria Station rider eligible)	Phase-In Rider / Rate case
Environmental Riders	MN plants and outstate plants with ADP: Rider recovery/rate case	Rider recovery / Rate case	Rider recovery / Rate case
Fuel Clause	Trued up annually	Trued up monthly	Trued up monthly
Rate Cases	Forward-looking test year	Forward-looking test year	Historical test year with known-and-measurable adjustments
Decoupling	No (Filed for in MN rate case)	No	No
Weather Normalization	No	No	No
Bad Debt Trackers	No	No	No
Allowed ROE	9.41%	9.77%	8.75%

A constructive regulatory environment provides for timely recovery of capital and a fair economic return.

We recover approximately 35% of our five-year capital expenditures through riders. (including phase-in mechanisms and direct billing generators).

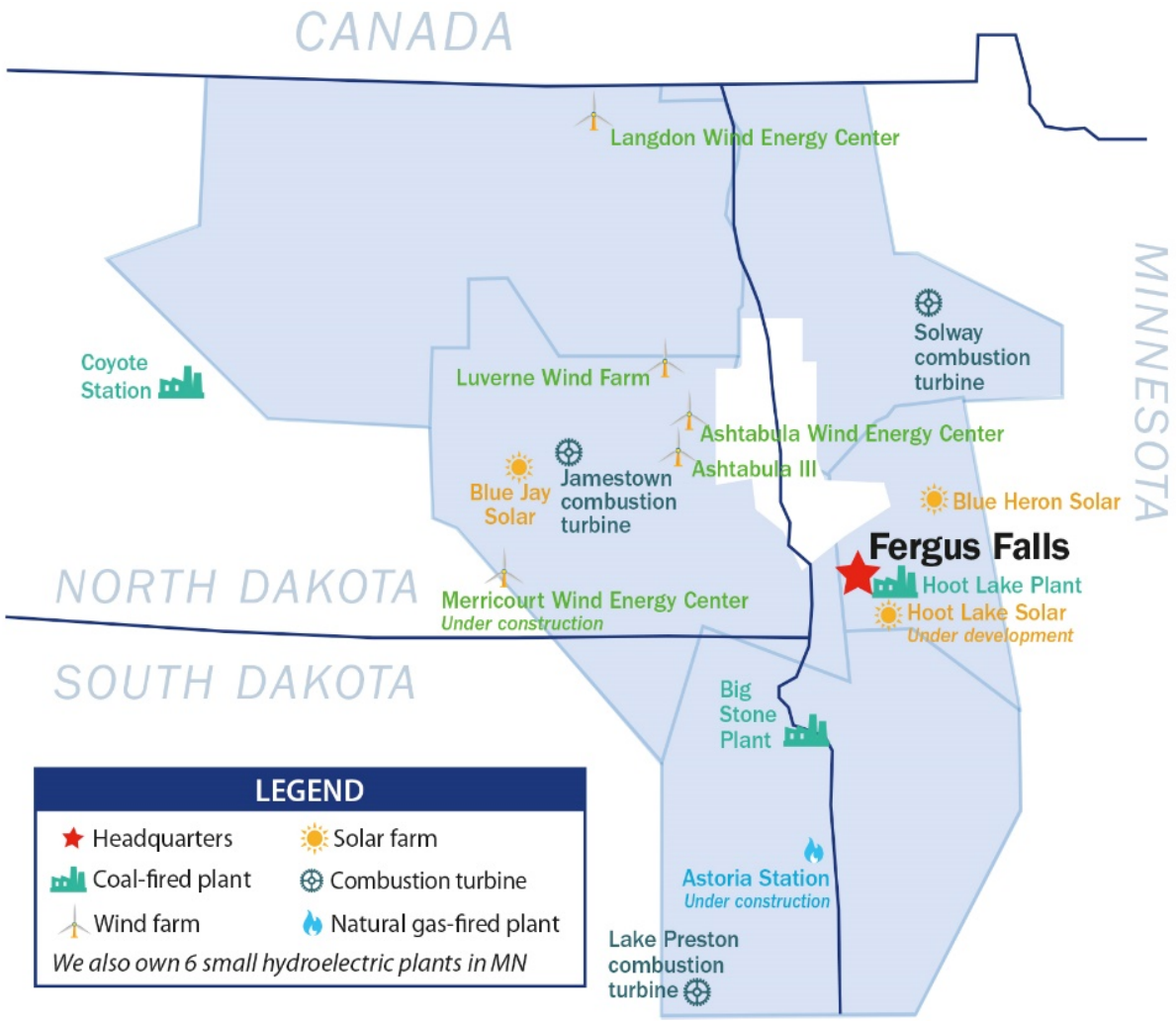
RATE BASE PROJECTS

Project	Our Investment (Millions)	In Service	Percent Complete	Recovery Mechanisms
Merricourt Wind Energy Center	$260	2020	100%	Rider/General Rate Case
Astoria Station 245-MW natural gas simple-cycle combustion turbine	$152.5	2020-2021	95%	Rider/General Rate Case - ND & SD AFUDC/General Rate Case - MN
SD transmission reliability project	$35	Phase I 2019 Phase II 2021	100% 85%	Rider/General Rate Case
Self-fund transmission	~$50	2019-2021	100%	Facility Service Agreement
Hoot Lake Solar	$60	2022-2023	9%	Rider/General Rate Case – MN General Rate Case- ND & SD
Innovation 2030	$145	2019-2024	~10%	Rider/General Rate Case - MN
Ashtabula III: option to buy 62.4 MW wind farm	$50	Option to purchase 2022	~5%	Rider/General Rate Case

COMPLETED MERRICOURT WIND ENERGY CENTER

Otter Tail Power's Wind Portfolio	
Wind Resources	**Megawatts**
Merricourt	150.0
Langdon	40.5
Luverne	49.5
Ashtabula I	48.0
PPA's	102.9
Total	**390.9**

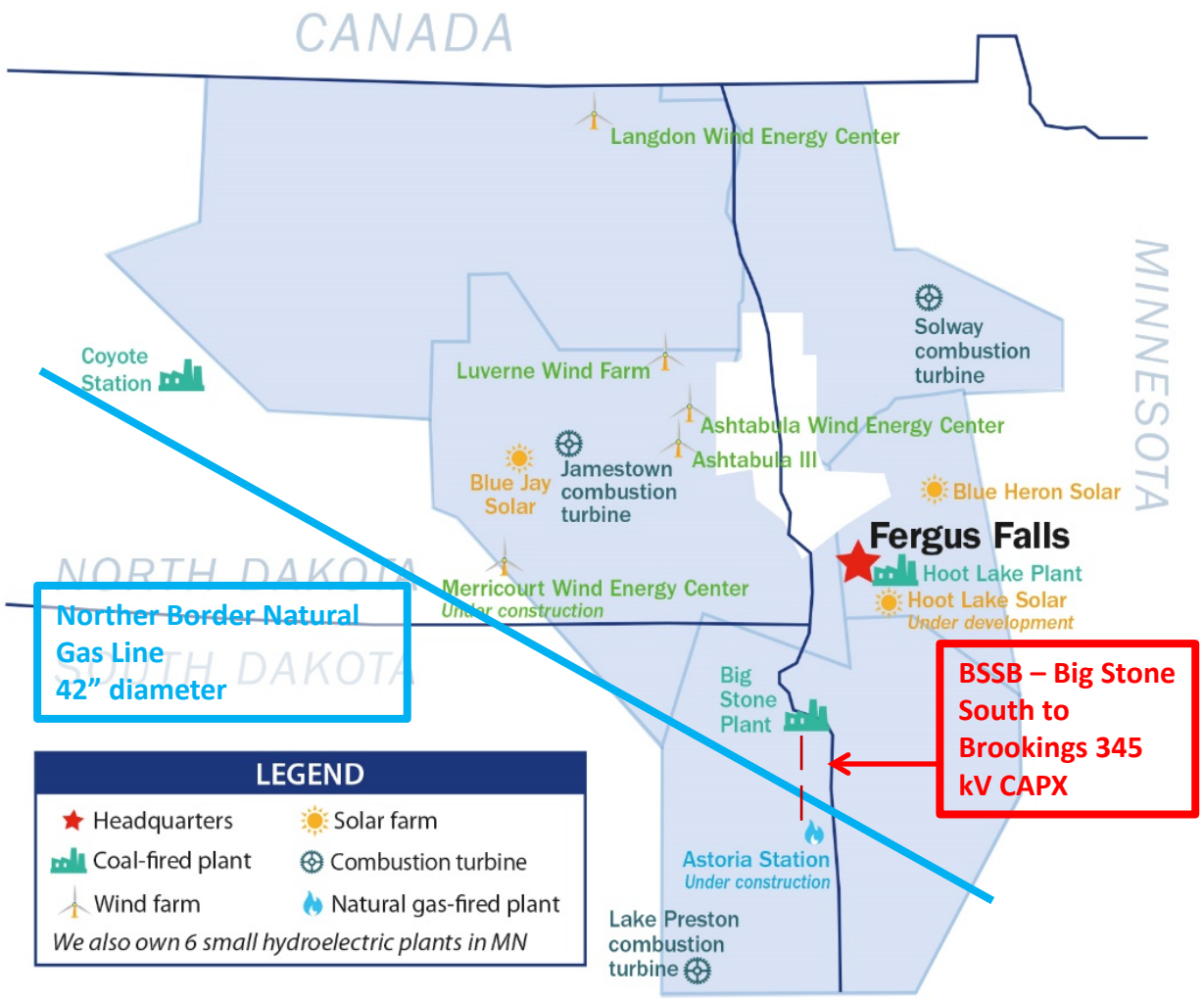
- Merricourt was the single largest capital project in OTP's history at ~$260 million.
- 150 MWs with an estimated capacity factor of ~ 50% to 55%.
- Project was commercially operational by the end of December 2020.
  - Completed on time and on budget with 100% PTC qualification.
- ND PSC approved Renewable Resource Rider.
- SD PUC approved Phase-In Rider eligibility.
- MN PUC approved IRP and Renewable Rider eligibility.
- FERC-approved Generator Interconnection Agreement.



ASTORIA STATION NATURAL GAS PLANT

Project	Astoria Station
Description	245-MW simple-cycle combustion turbine
Schedule	Estimated completion April 1, 2021
OTP Cost	$152.5 million

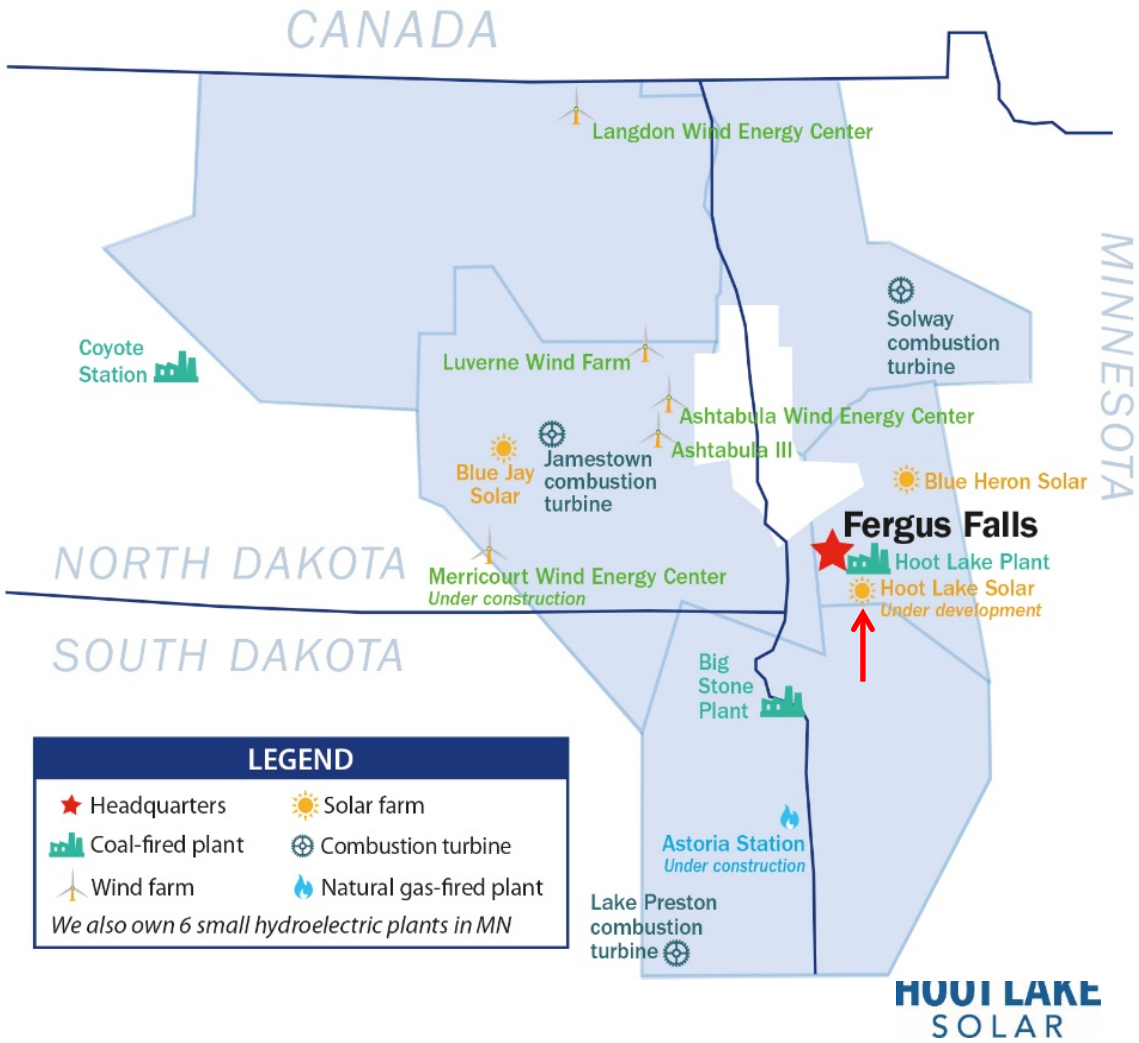
- MN PUC approved 2017 Resource Plan.
- ND PSC approved Advance Determination of Prudence and use of Generation Cost Recovery Rider.
- SD PUC issued site permit and approved Phase-In Rider eligibility.
- FERC approved Generator Interconnection Agreement.
- Project continues to be on schedule for completion in Q1 2021.
- Astoria Station provides approximately 100 MW more dispatchable capacity compared to soon-to-be-retired Hoot Lake Plant's 140 MW—with projected 85% less carbon emissions from historic Hoot Lake Plant levels.



HOOT LAKE SOLAR PROJECT

Project	Hoot Lake Solar
Description	49.9-MW self-build solar
Schedule	2020-2023
OTP Cost	$60 million

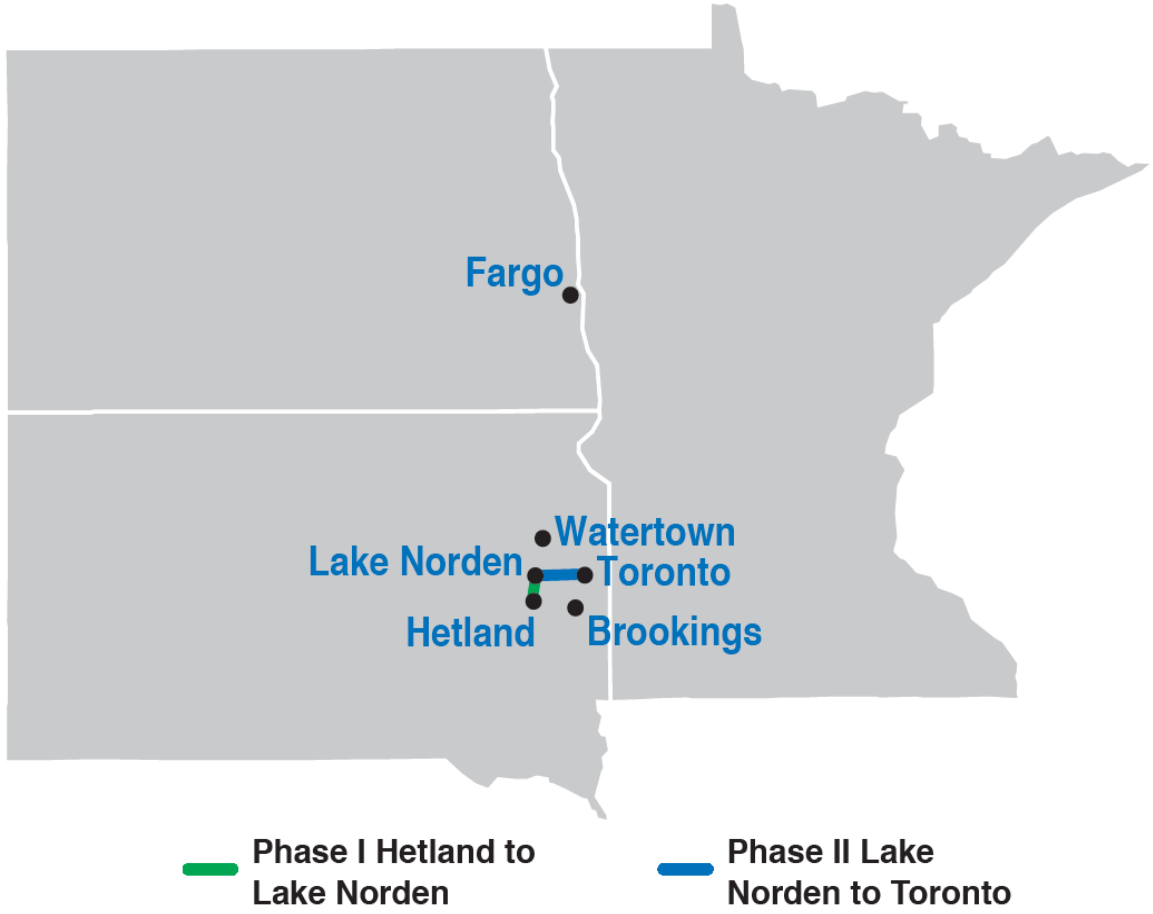
- Qualifies for investment tax credit of 26%. Safe-harbor equipment secured.
- Eligible to meet utility-scale portion of MN Solar Energy Standard (1.5% of retail sales). Seeking regulatory approval in MN.
- Currently completing the environmental assessment of proposed site and obtaining all necessary permits.
- Construction likely to begin in 2022.
- The project will generate enough energy to power approximately 10,000 homes each year.
- Upon completion, up to 35% of Otter Tail Power's energy is projected to come from renewable resources, all while keeping average residential rates among the lowest in the nation.



SOUTH DAKOTA TRANSMISSION RELIABILITY PROJECT

Project	South Dakota Reliability Project
Description	115-KV transmission line
Schedule	Phase I - In service March 2019 Phase II - In service June 2021
OTP Cost	$35 million

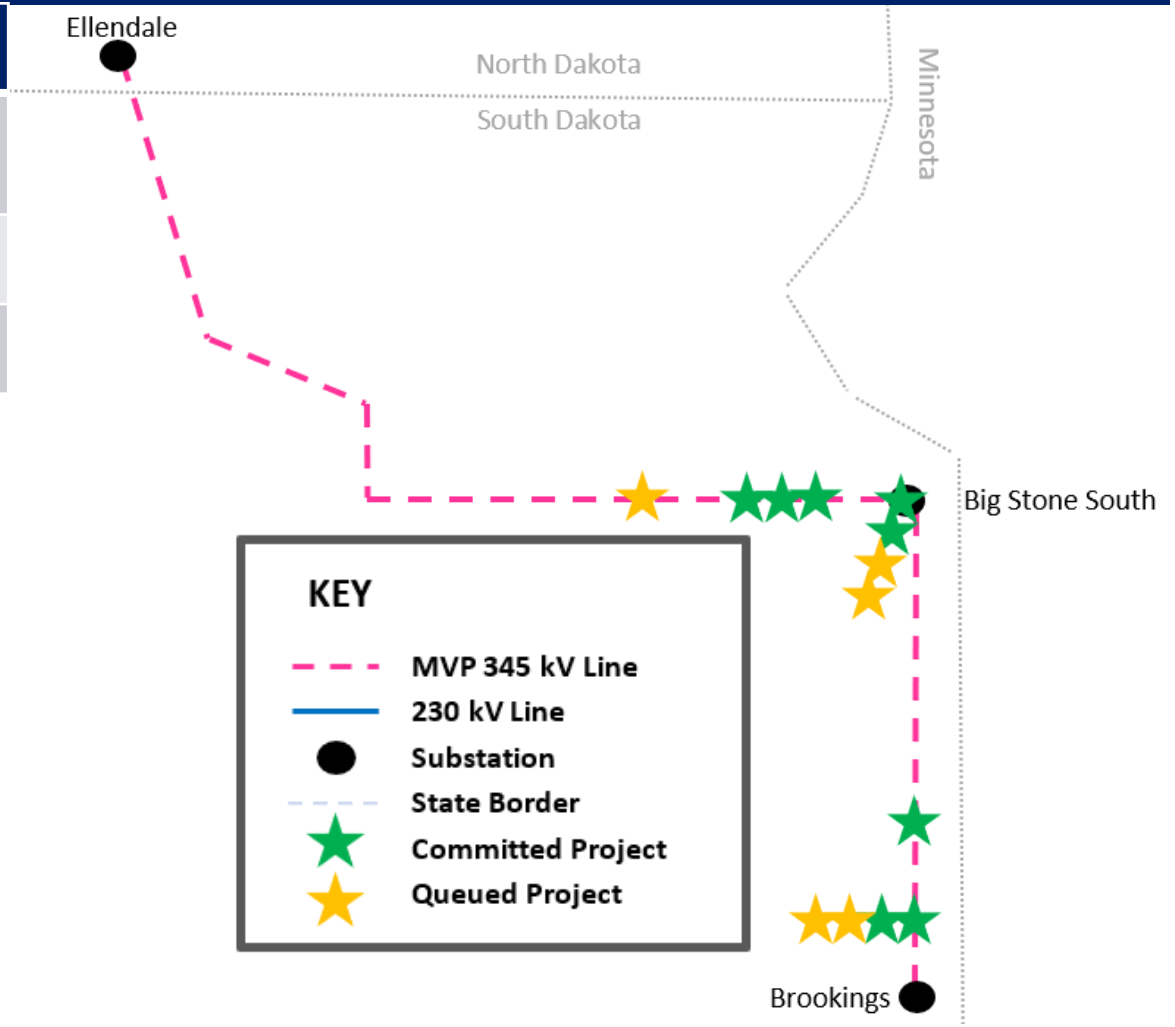
- Transmission line to improve reliability in the southern portion of our service territory.
- Capital project recovered through a transmission rider.
- Phase I is complete and Phase II is under way.
- Phase II is fully permitted with 100% of the easements secured, 100% of materials on-site and approximately 40 (out of 43 total) miles of structures set.



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	~$50 million

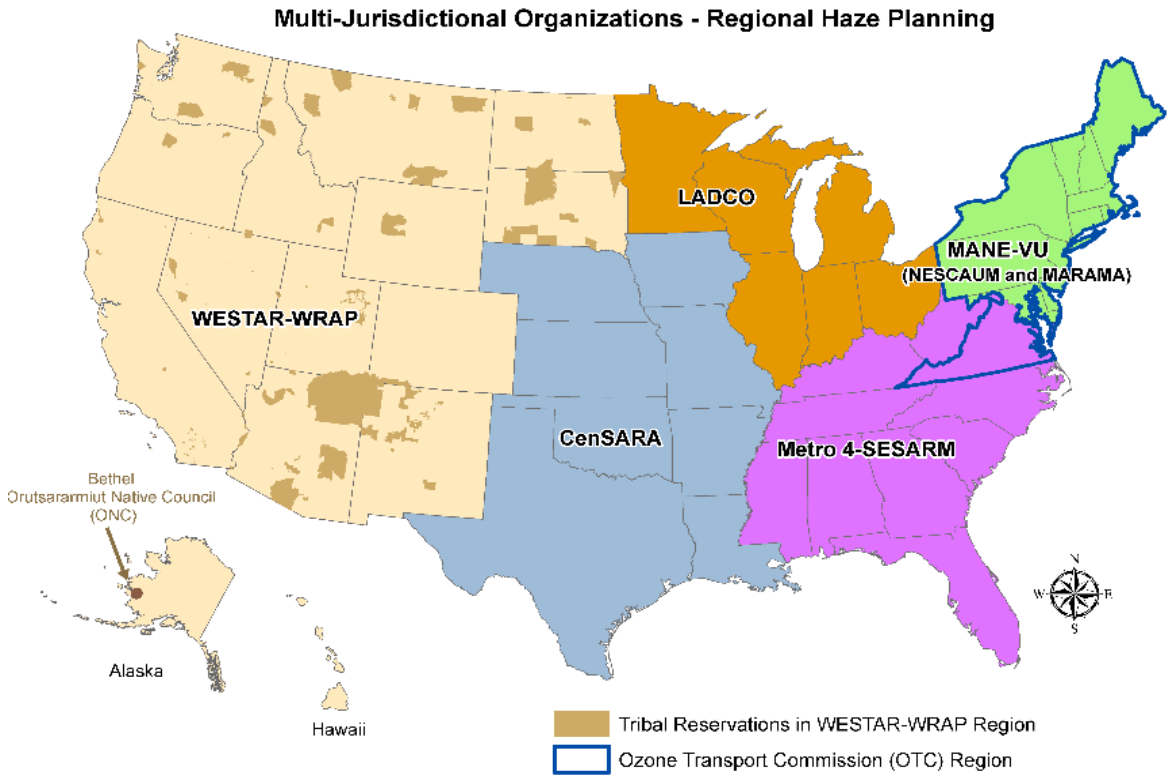
- Approximately 23 different transmission upgrades identified. All transmission network upgrades are complete as of January 20, 2021.
- Facility Service Agreement (FSA) allows Otter Tail Power Company to recover cost of transmission upgrades over 20-year period from the generator interconnection customers.
- FERC has approved 28 of 33 FSAs, with 5 FSAs pending FERC approval.



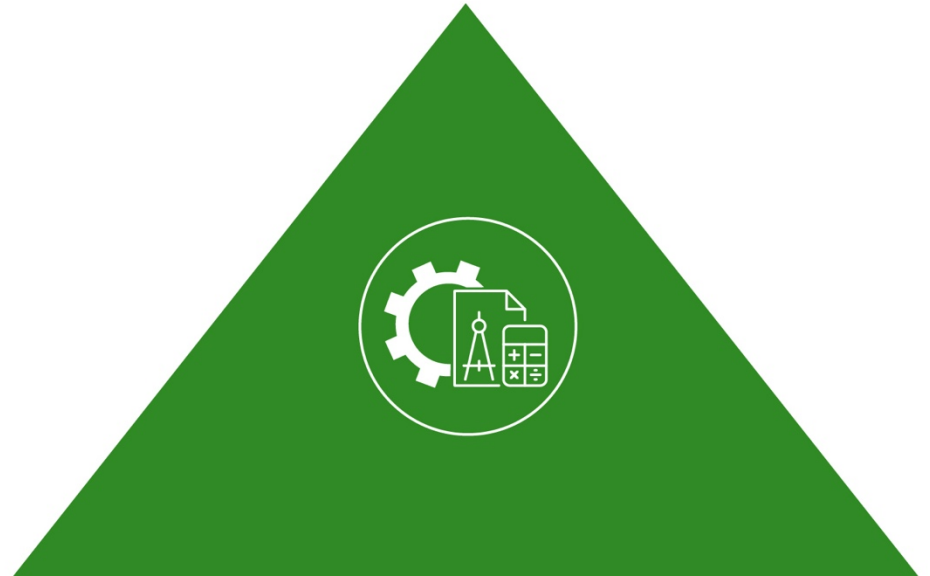
Note: Some upgrades have more than one FSA as part of that project.

COYOTE STATION REGIONAL HAZE UPDATE

- Continue to monitor progress on Round 2 of Federal Regional Haze Rule compliance planning process in North Dakota.
- North Dakota Department of Environmental Quality (DEQ) is expected to begin the Public Comment Period regarding its recommendation on Coyote Station compliance strategy in early 2021.
- State of North Dakota is expected to submit its State Implementation Plan to the EPA in July 2021.



MANUFACTURING PLATFORM



BTD

T.O. PLASTICS

northern pipe products

VINYLTECH VT PVC • PIPE

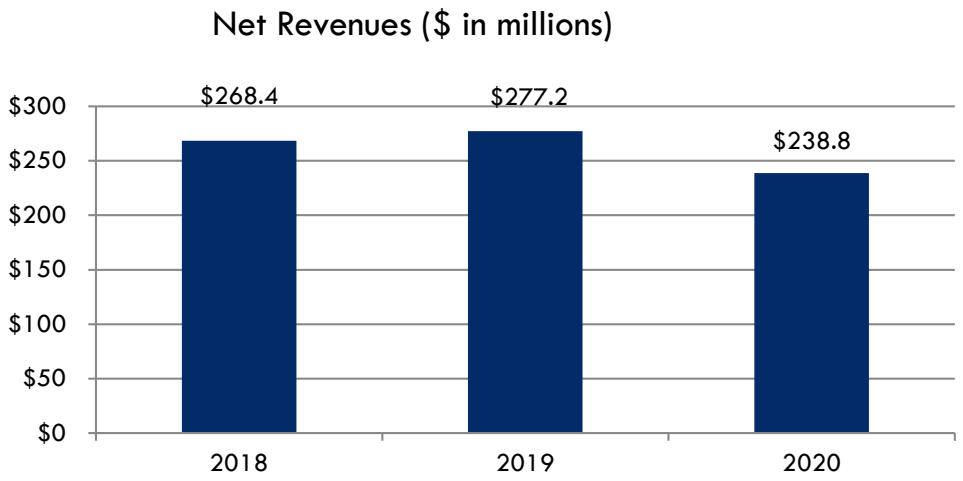
MANUFACTURING

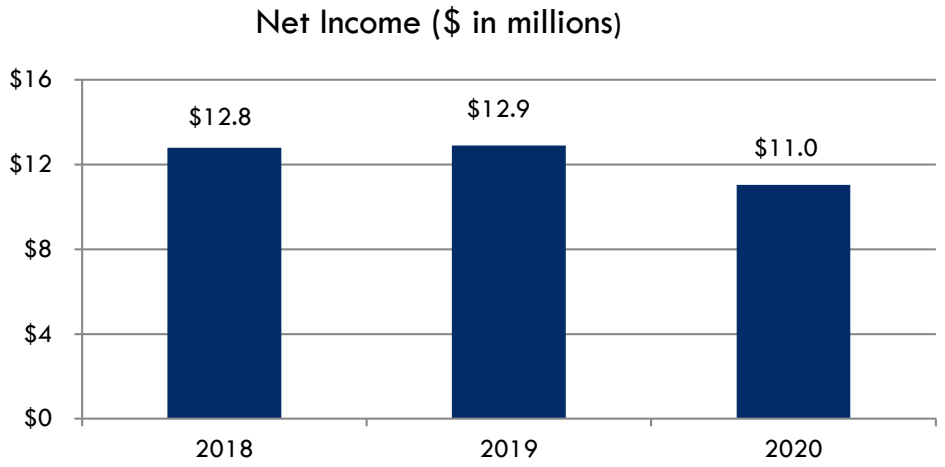
- Contract metal fabrication – stamping, machining, tube bending, tool & die making, welding, painting, assembly. (One stop shop for customer needs)
- Growth opportunities with existing customer base and expansion with new customers.
- Ability to pass through commodity exposure to customers

- Manufacturer of plastic thermoformed horticultural containers, contract life science, industrial packaging and material handling components.

Highlights

- Impacted by slowdown of oil and gas fracking equipment.
- In Q2 2020, COVID-19 related issues at BTD negatively impacts EPS by an estimated $.09 as many customers initiated temporary plant shut-downs which resulted in lower sales, lost labor productivity, and increased costs related to PPE.
- In Q3 & Q4 2020, BTD started to experience a recovery in sales driven by strong recreational vehicle, agricultural, and lawn & garden end market sales.

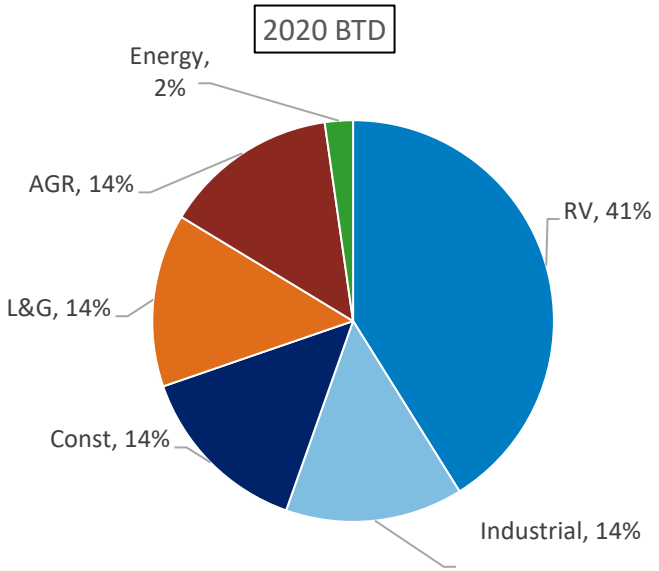


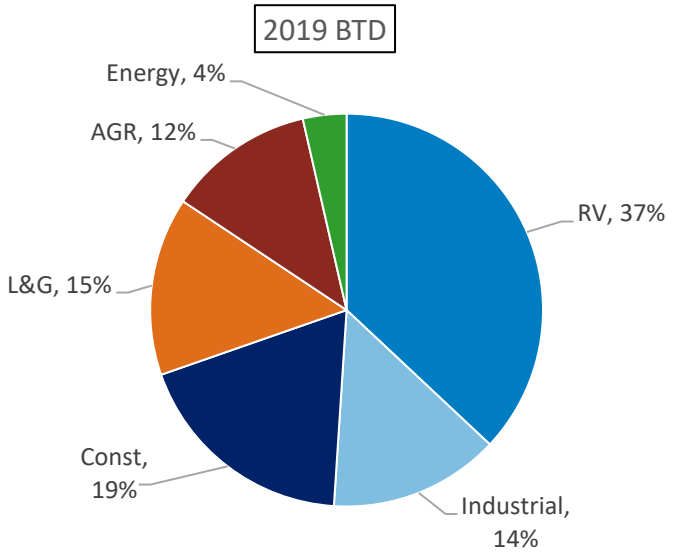


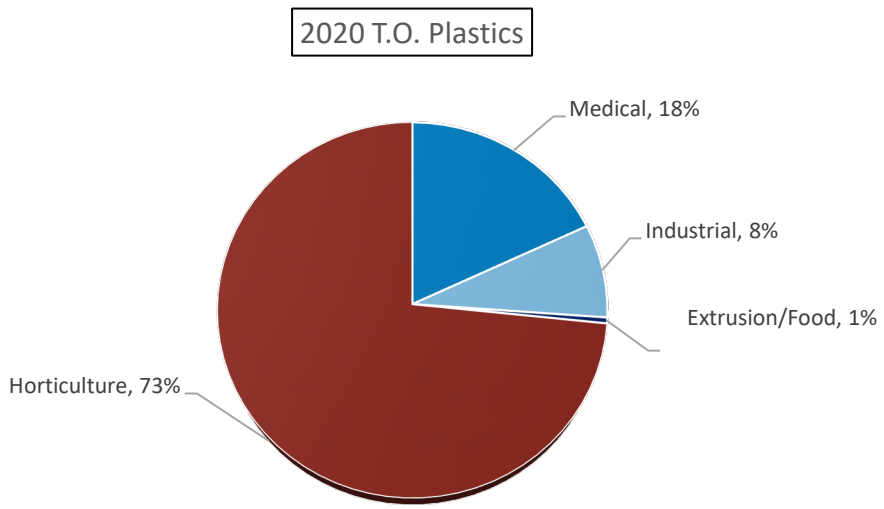
MANUFACTURING LOCATIONS

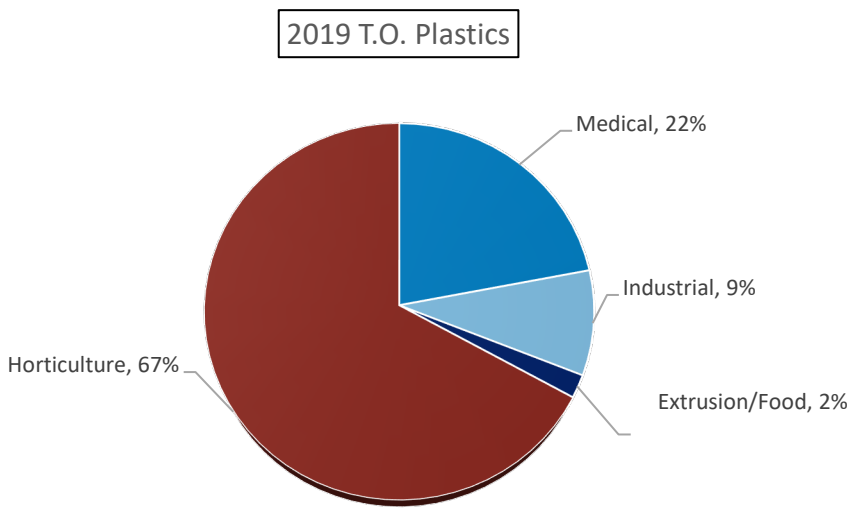


MANUFACTURING SALES BY END MARKETS







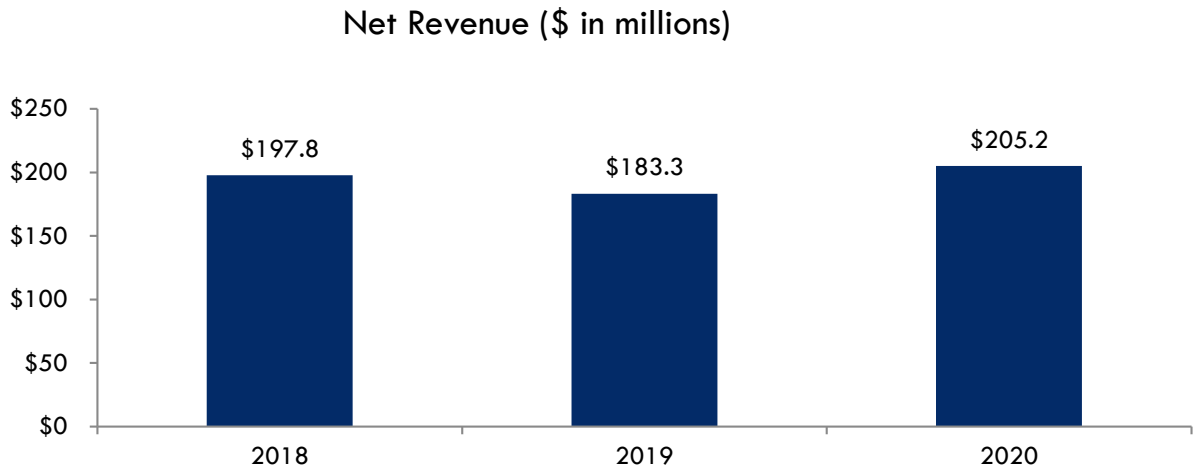


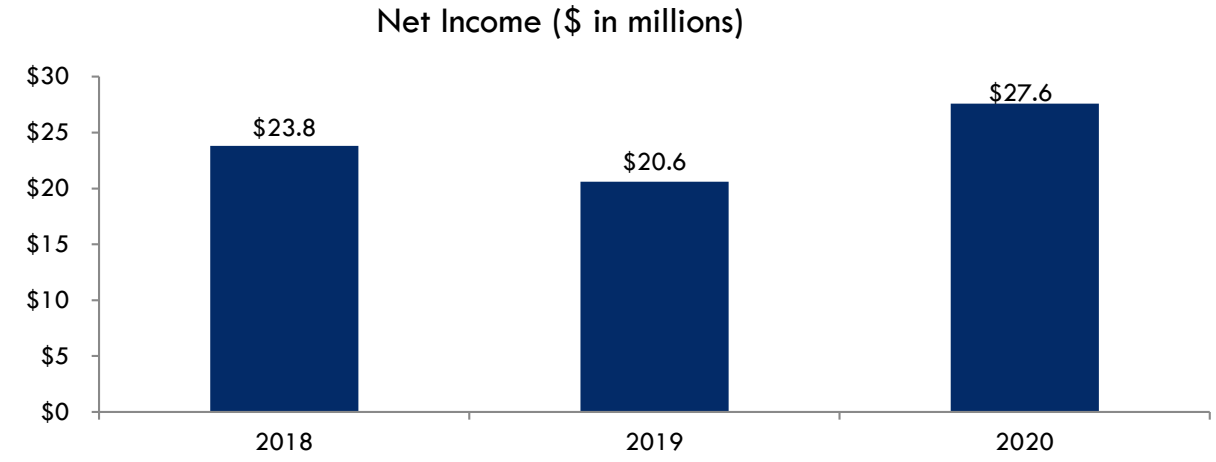
PLASTICS

- Manufactures and sells PVC (polyvinyl chloride) pipe to distributors. Pipe is used in municipal water, rural water, wastewater, and storm drainage systems.
- Plants located Fargo ND & Phoenix AZ.
- Approximate production capacity of 300 mm lbs. of PVC (~ 2.5% of total market).

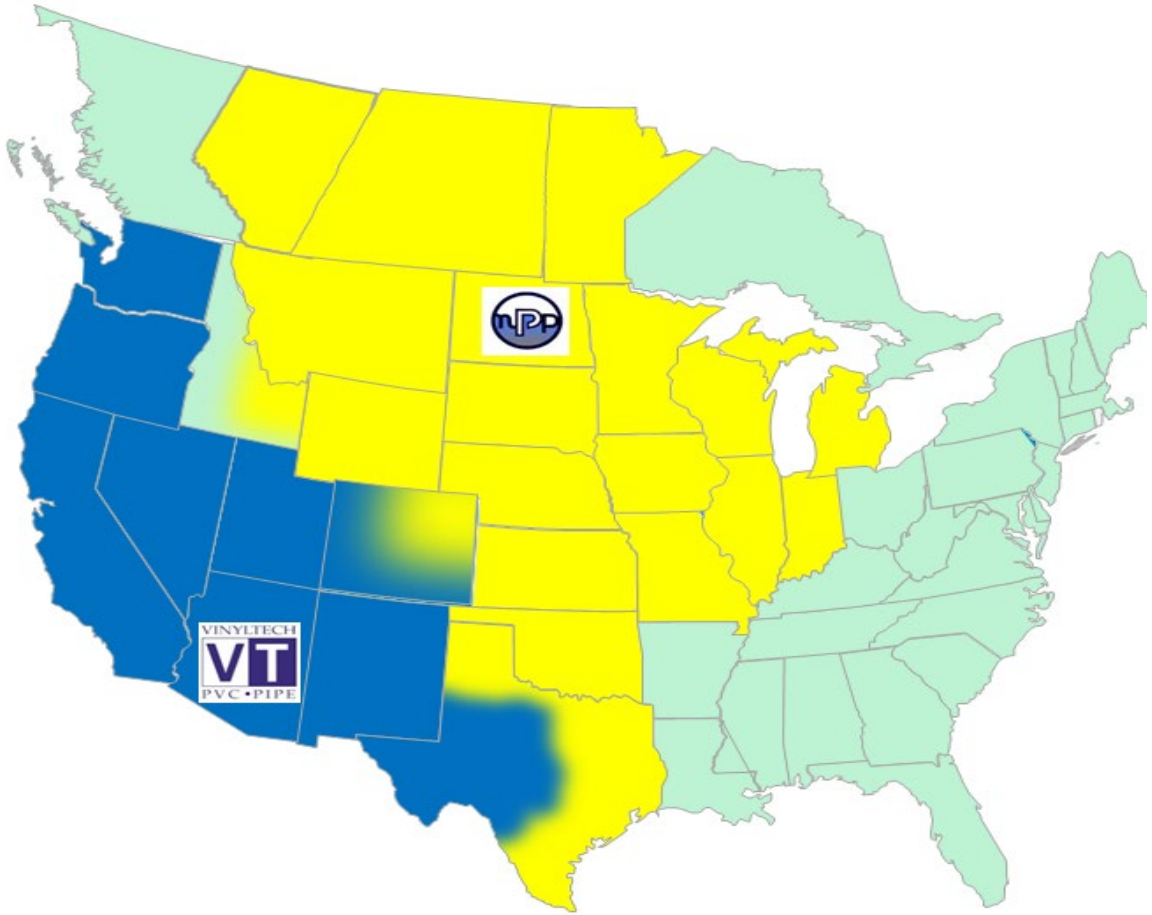
Highlights

- Managing business well in diverse business cycles.
- Operational excellence.
- Excellent customer service provides competitive advantage.
- Have had limited impacts from COVID-19 on sales.
- Strong residential housing market coupled with favorable market conditions drives record earnings in 2020.
- Several resin suppliers were impacted by winter weather in February 2021, causing temporary plant closures and supply constraints.





PLASTICS LOCATIONS



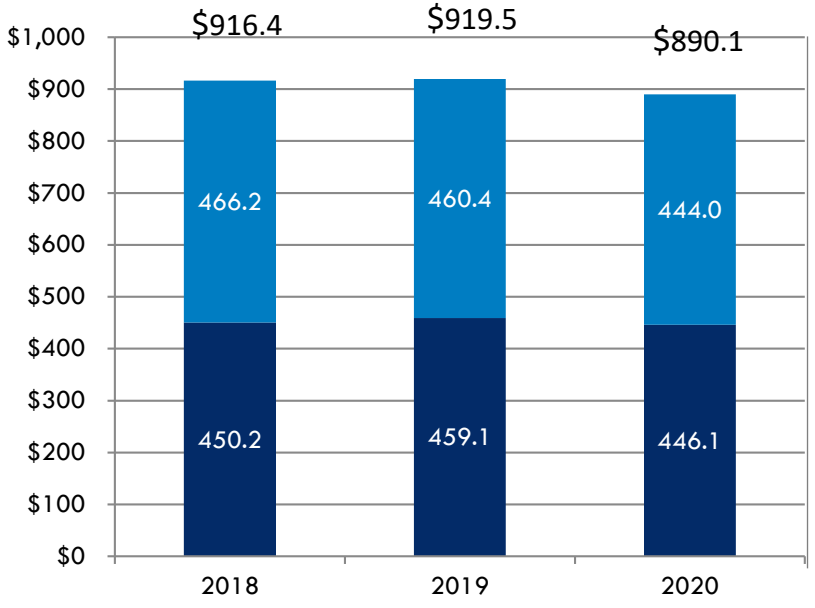
NPP
17 States Served:
East Idaho, Montana, Wyoming, Colorado, North & South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, East Texas, Wisconsin, Illinois, Michigan & Indiana.
3 Canadian Provinces Served: Alberta, Saskatchewan, Manitoba

VT
9 States Served: Arizona, California, Nevada, New Mexico, Colorado, Oregon, Washington, Utah and Western Texas

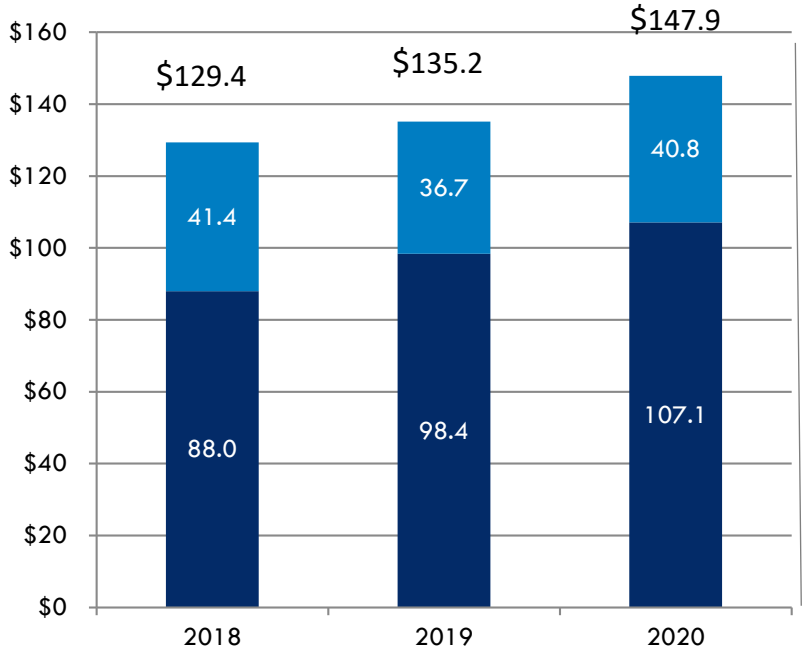
FINANCIAL UPDATE

FINANCIAL OVERVIEW ($ IN MILLIONS)

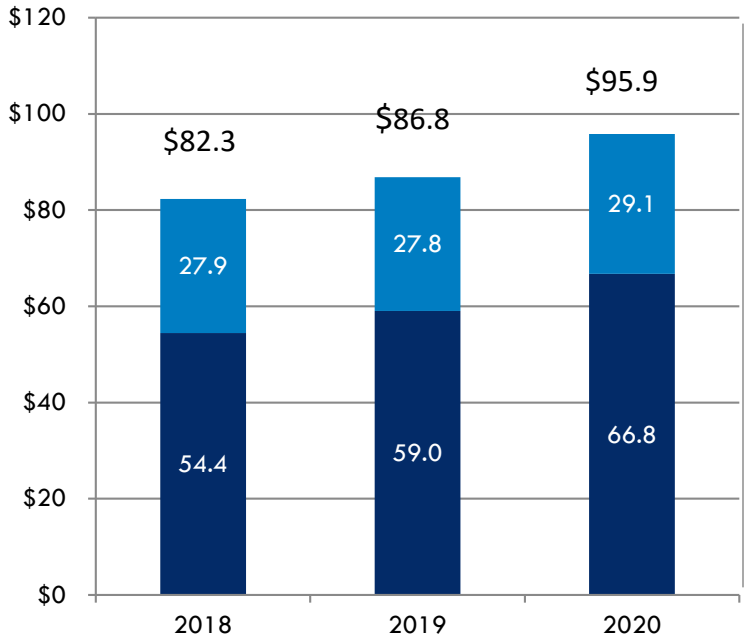
Revenue Sources



Operating Income

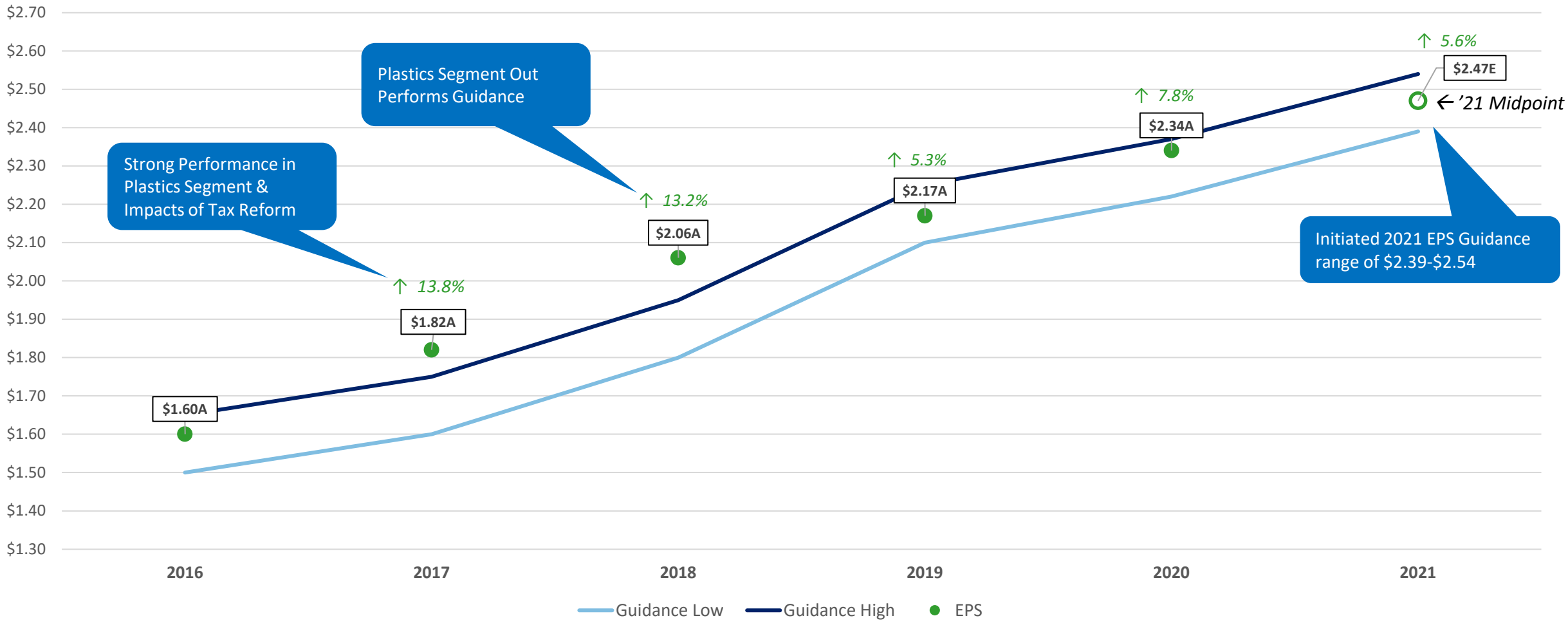


Net Income



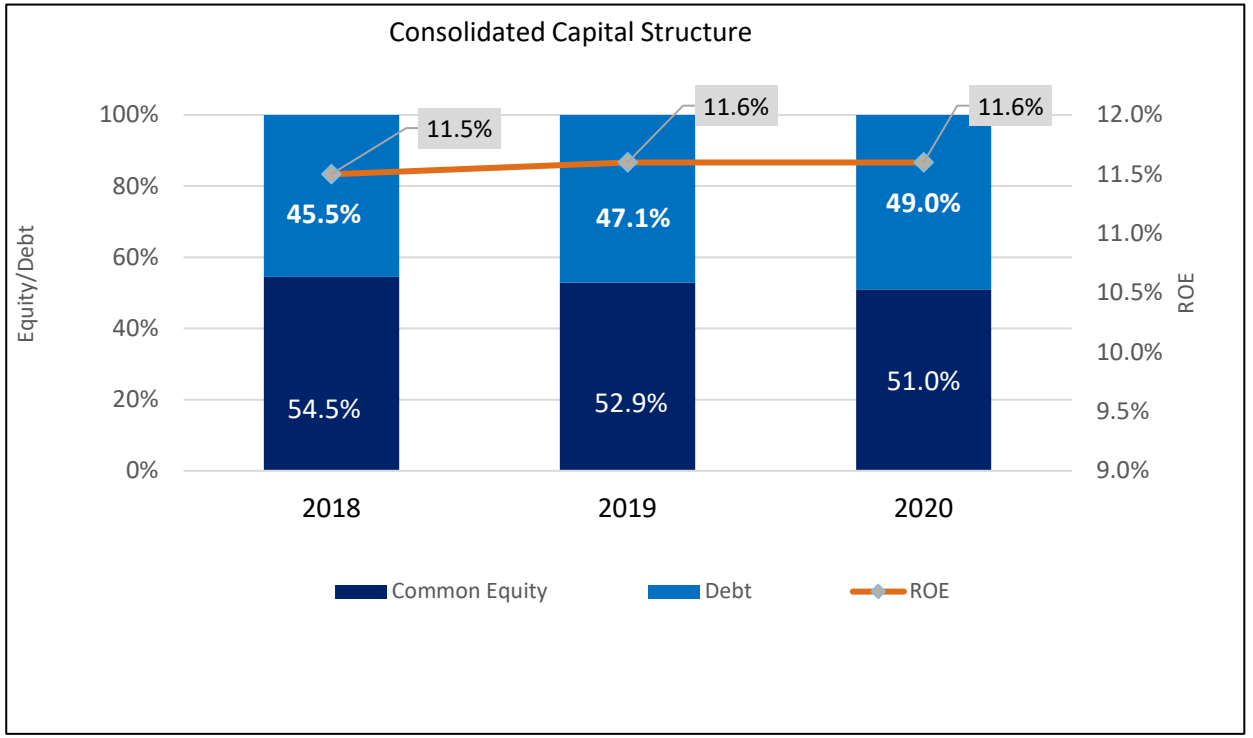
Electric Platform Manufacturing Platform (including unallocated corporate costs)

EPS COMPARED WITH ORIGINAL EPS GUIDANCE RANGES



LIQUIDITY, CAP STRUCTURE & CREDIT RATINGS

	OTP	OTC
Line of Credit Facilities	$ 170,000,000	$ 170,000,000
Outstanding		
Borrowings	15,830,771	65,166,054
Letters of Credit	14,101,139	-
Unused Amount at 12/31/20	$ 140,068,090	$ 104,833,946
Unused Amount at 12/31/19	$ 154,523,861	$ 164,000,000
Expiration Date	**October 31, 2024**	**October 31, 2024**



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	Negative

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

2021 EARNINGS GUIDANCE & FINANCING PLANS

	2020 EPS by Segment	2021 EPS Low Guidance	2021 EPS High Guidance
Electric	$ 1.63	$ 1.80	$ 1.83
Manufacturing	0.27	0.28	0.32
Plastics	0.67	0.52	0.56
Corporate	(0.23)	(0.21)	(0.17)
Total	$2.34	$2.39	$2.54
Return on Equity	11.6%	11.1%	11.8%

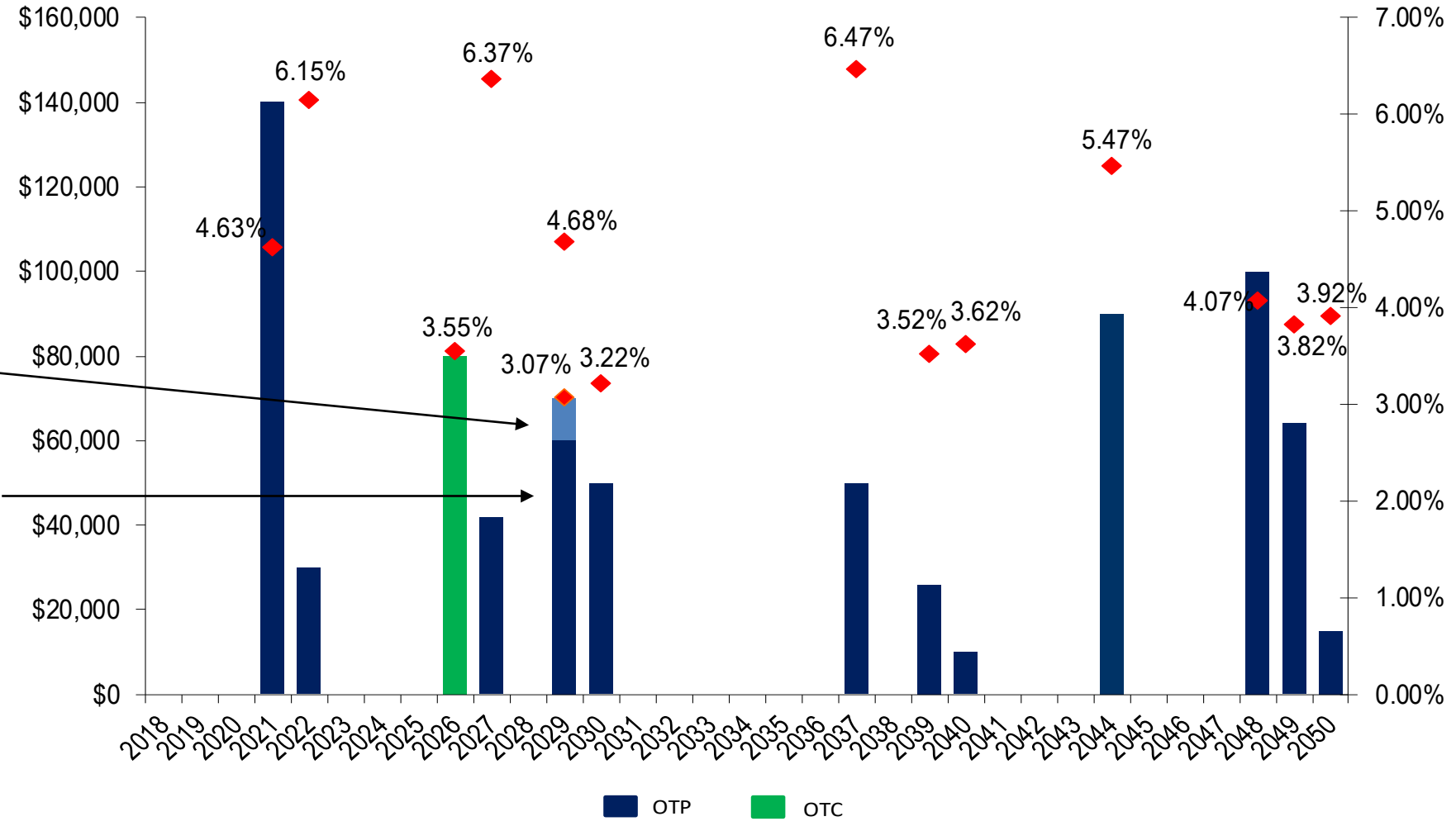
Long-Term Financing

Long-Term Debt	2020 (Actual)	2021-2025 (Planned)
LT Debt Retirements (OTP)	--	$170M
LT Debt Issuances (OTP)	$75M	$230M
OTC (Parent) Issuances/Retirements	--	--
New Equity Issuances	~$50M	--

BOND MATURITY SCHEDULE

2019 Senior Unsecured Notes
$10M at 3.07%

2013 Senior Unsecured Notes
$60M at 4.68%



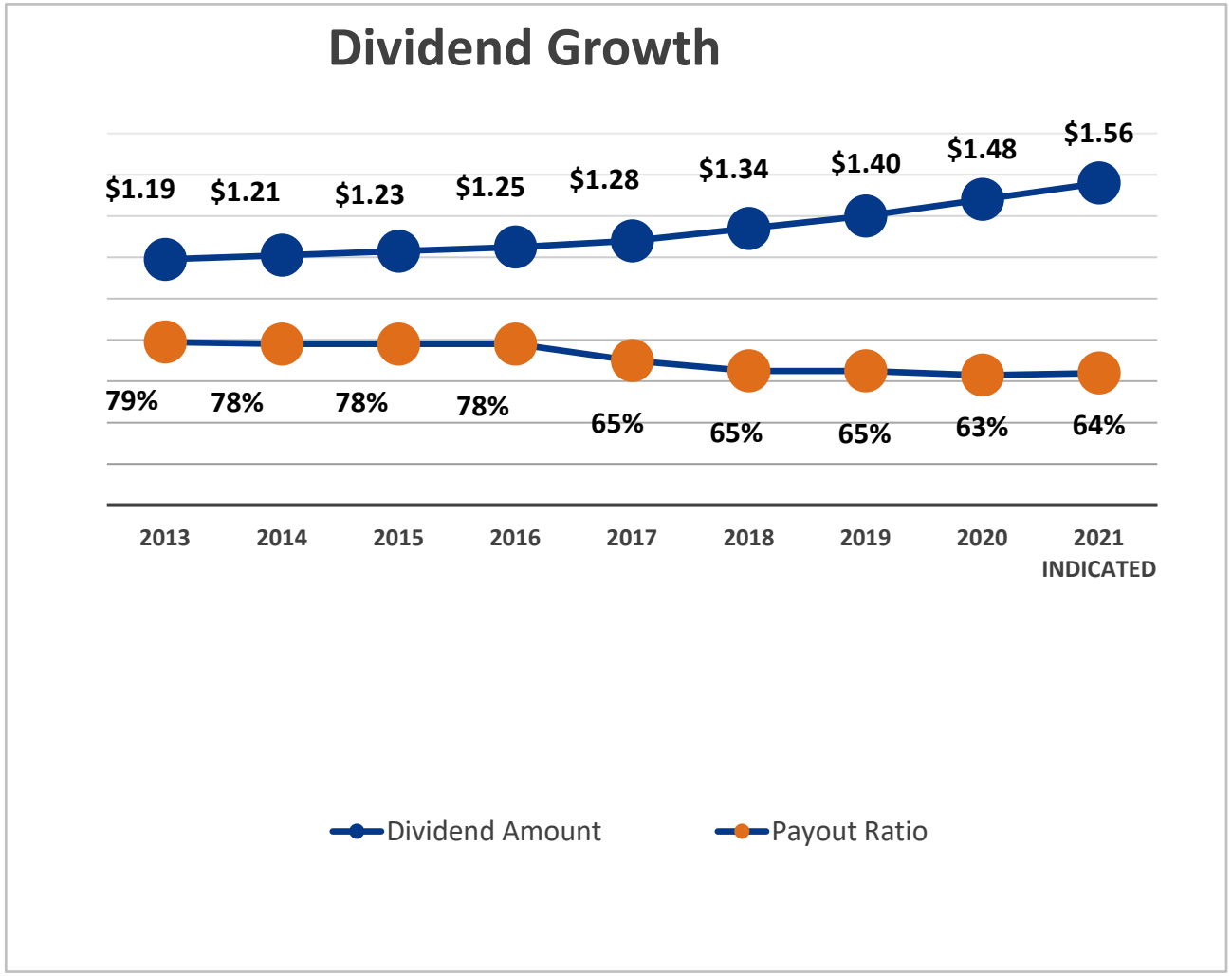
CAPITAL EXPENDITURES

(in millions)	*2020*	*2021*	*2022*	*2023*	*2024*	*2025*	*Total*
Electric Segment:							
Renewables and Natural Gas Generation		$ 31	$ 104	$ 3	$ 1	$ 1	$ 140
Technology and Infrastructure		6	25	32	28	18	109
Distribution Plant Replacements		24	27	30	30	27	138
Transmission (*includes replacements*)		23	25	31	30	29	138
Other		29	30	25	23	21	128
Total Electric Segment	$ 357	$ 113	$ 211	$ 121	$ 112	$ 96	653
Manufacturing and Plastics Segments	15	20	20	36	15	18	109
Total Capital Expenditures	**$ 372**	**$ 133**	**$ 231**	**$ 157**	**$ 127**	**$ 114**	**$ 762**
Total Electric Utility Average Rate Base	**$ 1,385**	**$ 1,585**	**$ 1,630**	**$ 1,720**	**$ 1,754**	**$ 1,769**	
Rate Base Growth		14.4 %	2.8 %	5.5 %	2.0 %	0.9 %	

Utility spend represents 86% of Total Cap. Ex.

HISTORY OF DIVIDEND GROWTH

- Consecutive annual dividends without interruption paid since 1938.
- Indicated 5.4 % increase of $.08/share.
- Strong balance sheet, liquidity, cash generation profile, and commitment to enhancing shareholder returns.



OTTR INVESTMENT THEME

Total Shareholder Return	8%-10%*
EPS growth rate	5-7%
Dividend Yield	~ 3%
Dividend Payout Ratio	60-70%
Dividend growth rate	Align with earnings

Balanced Growth and Income Strategy

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

Manufacturing businesses provide above-average earnings growth potential

Attractive dividend growth and yield

Strong returns on equity

Stable and Growing Utility Base

Competitive, low cost integrated electric operations

Rate Base growth (~ 5% CAGR) with supportive regulatory environments

Investment opportunity in generation, transmission and renewables

Successful Manufacturing Businesses

Platform of companies enhances OTTR's earnings growth

Organic growth opportunities exist

Utilization of existing capacity

Operational excellence

Investment Grade Credit Quality

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

* Defined as EPS growth rate plus dividend yield