Minnesota Utility Investors

2023 Annual Meeting

October 9, 2023

OTTER TAIL CORPORATION

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," "could," "estimate," "expect," "future," "goal," "intend," "likely," "may," "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 2023 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, long-term investment risk, seasonal weather patterns and extreme weather events, counterparty credit risk, 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, cyber security threats or data breaches, the impact of government legislation and regulation including foreign trade policy and environmental, health and safety laws and regulations, the impact of climate change including compliance with legislative and regulatory changes to address climate change, expectations regarding regulatory proceedings, 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.

Company Overview



Electric Platform Highlights

- Attractive rate base growth
- Competitive low-cost operations
- Constructive regulatory environments

Manufacturing Platform Highlights

- Diversification
- Enhanced return on equity (ROE)
- Long-term organic growth potential

OTTR Investment Theme

Financial Performance Targets	
Total Shareholder Return[1]	8-10%
Long-Term EPS Growth Rate	5-7%
Dividend Yield	~ 3%
Long-Term Targeted Dividend Payout Ratio	55-65%
Dividend Growth Rate	5-7%
Equity Layer	55-60%

[1]*Defined as EPS growth rate plus dividend yield*

Balanced Growth & 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

Successful Manufacturing Businesses

- Platform of companies enhances OTTR's earnings growth
- Organic growth opportunities exist
- Utilization of existing capacity
- Operational excellence

Stable & Growth Utility Base

- Competitive, low cost integrated electric operations
- Rate base growth (~6.5% 2022-2027 CAGR) with supportive regulatory environments
- Investment opportunity in generation, transmission, distribution refurbishment, and renewables

Investment Grade Credit Quality

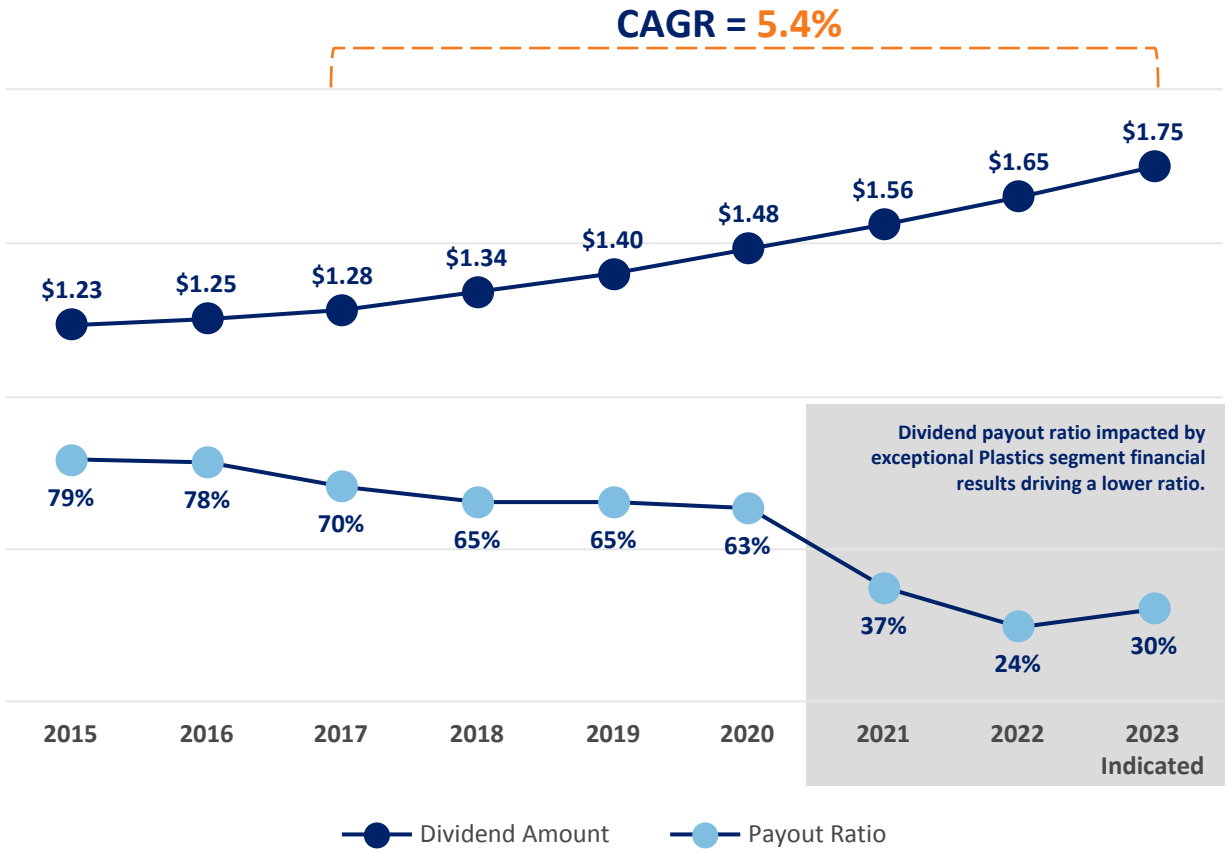
- Investment grade senior unsecured credit ratings
- Strong balance sheet and equity ratio coupled with available liquidity
- Committed to maintaining investment grade credit ratings; operations are managed in a way that reflects this commitment

History of Dividend Growth

Our Dividend Story

- Paid annual dividend without interruption since 1938
- 6.1% increase, or $0.10 per share, indicated for 2023
- Strong balance sheet, ample liquidity, history of cash generation and commitment to enhancing shareholder returns

Dividend Growth & Payout Ratio



Electric Platform



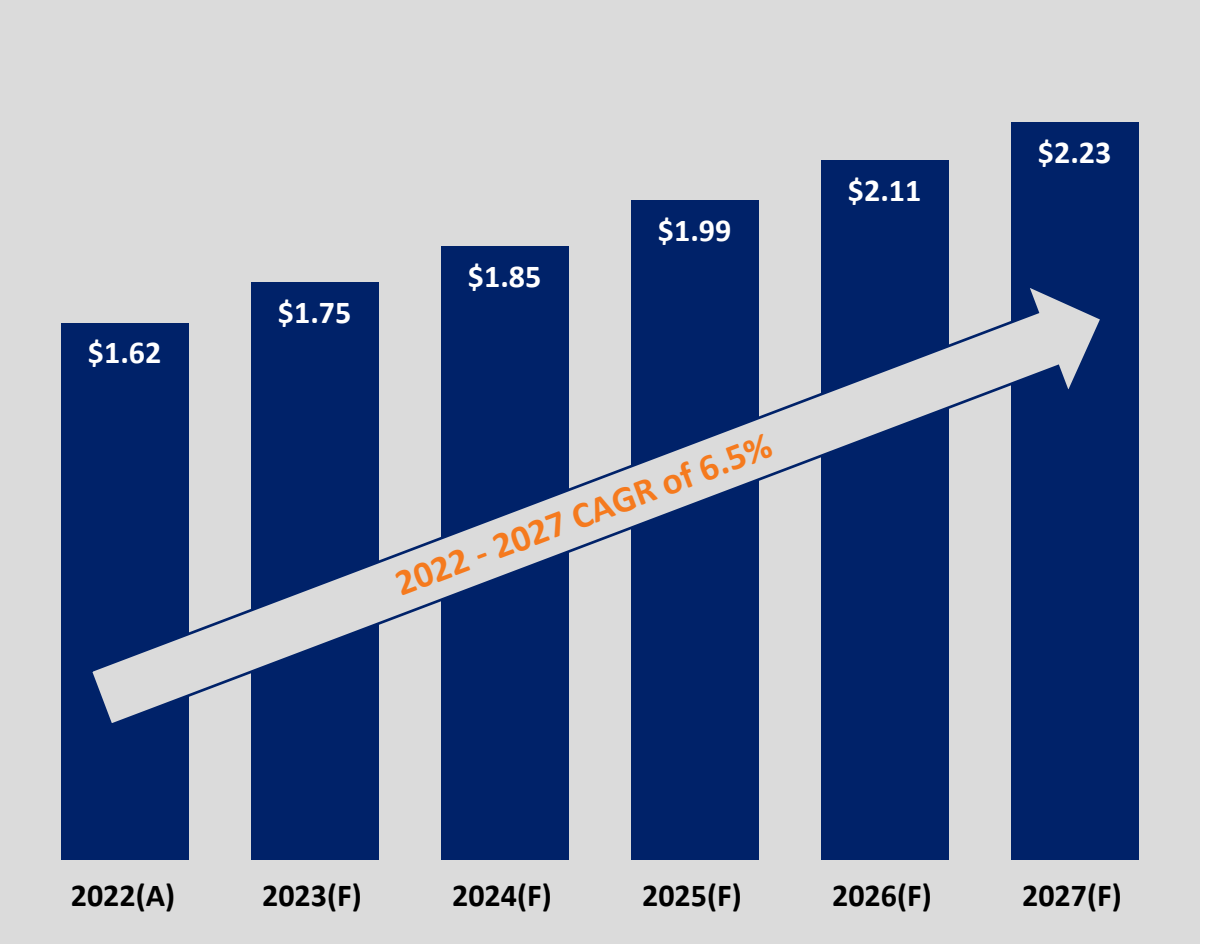
Electric Operations

- Vertically integrated, regulated utility with generation, transmission and distribution facilities
- Serve more than 133,000 residential, commercial and industrial customers
- Service area encompasses approximately 70,000 square miles of western Minnesota, eastern North Dakota and northeastern South Dakota

Highlights

- Rate base growth opportunities:
  - Renewable generation - Hoot Lake Solar and wind repowering
  - IRP includes additional investments in wind and solar generation resources
  - Technology & infrastructure - Advanced Metering Infrastructure
  - Transmission investments - MISO Long Range Transmission Planning (LRTP)
- Constructive regulatory environments
- New data mining and crypto infrastructure load as well as agricultural processing load

Rate Base



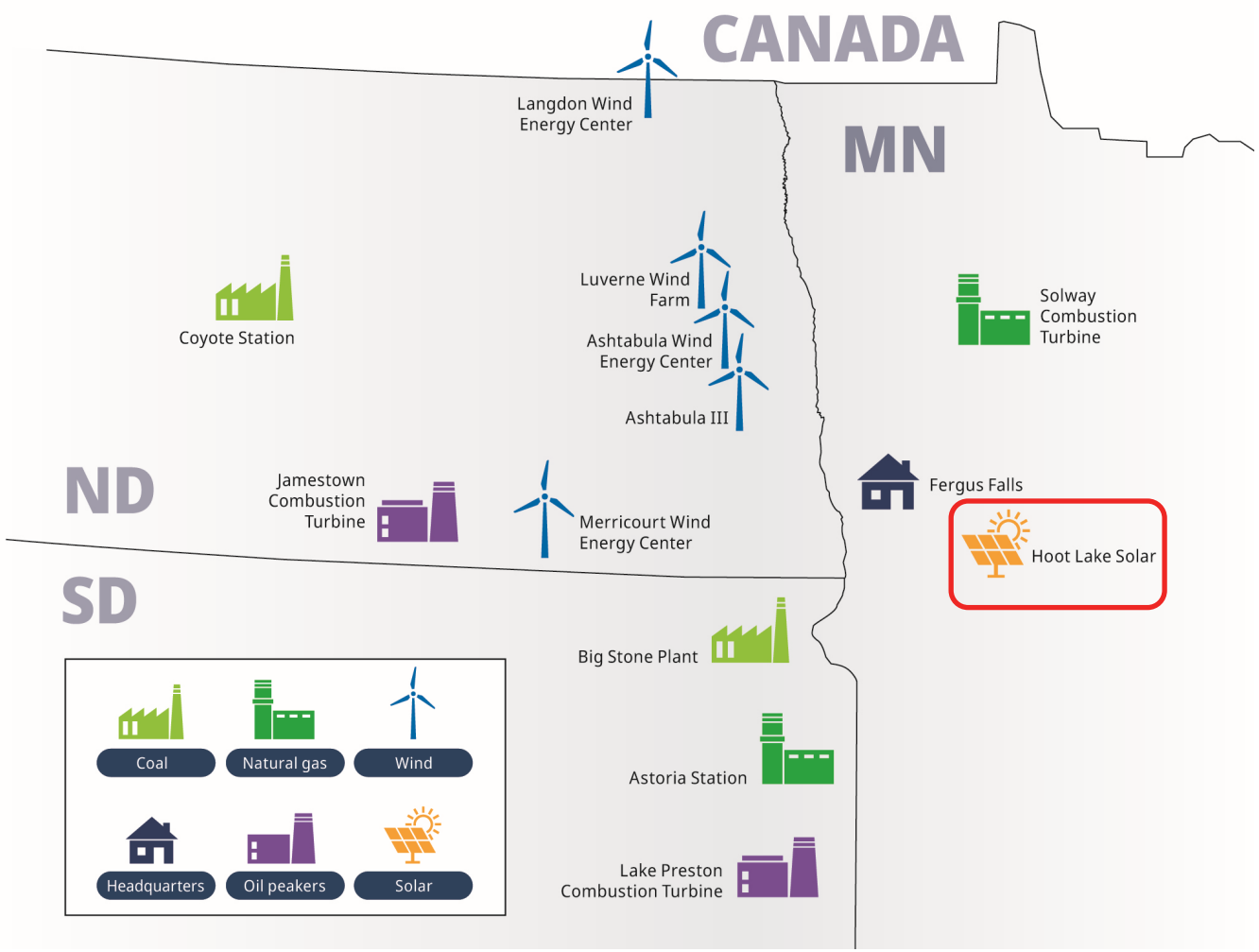
$ in billions

Hoot Lake Solar

Project	Hoot Lake Solar
Description	49-MW self-build solar
Schedule	2020-2023
Otter Tail Power Cost	~ $62 million

Project Summary

- Qualifies for investment tax credit of 40% after IRA passage
- Eligible to meet utility scale portion of MN Solar Energy Standard (1.5% of retail sales)
- MPUC approved 100% of costs and benefits to be assigned through MN renewable rider
- Construction began May 2022
- Fully operational in August 2023



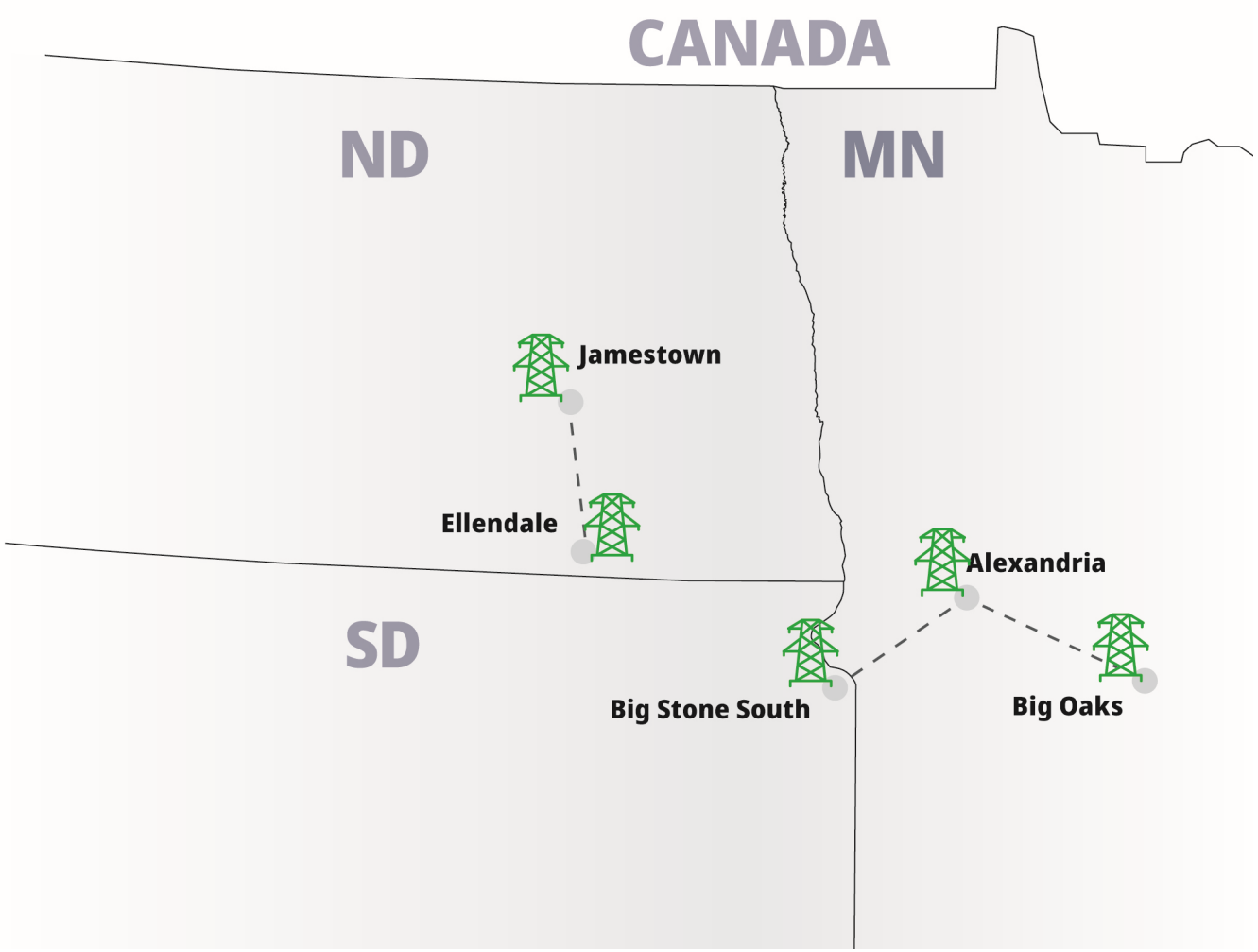
Note: The map only depicts our material generation assets

MISO Long Range Transmission Planning (LRTP)

Project	MISO LRTP
Description	LRTP Tranche 1 Transmission Projects
Schedule	In development
Otter Tail Power Cost	~$410 million

Project Summary

- MISO recently approved its Long Range Transmission Plan which includes two 345kV projects in Otter Tail Power service territory:
  - Jamestown - Ellendale
  - Big Stone South - Alexandria - Big Oaks
- Currently in initial development phases of these projects
- OTP is the owner of the Jamestown and Big Stone South substations
- Approximately $120 million of the capital investment is expected to occur before 2028

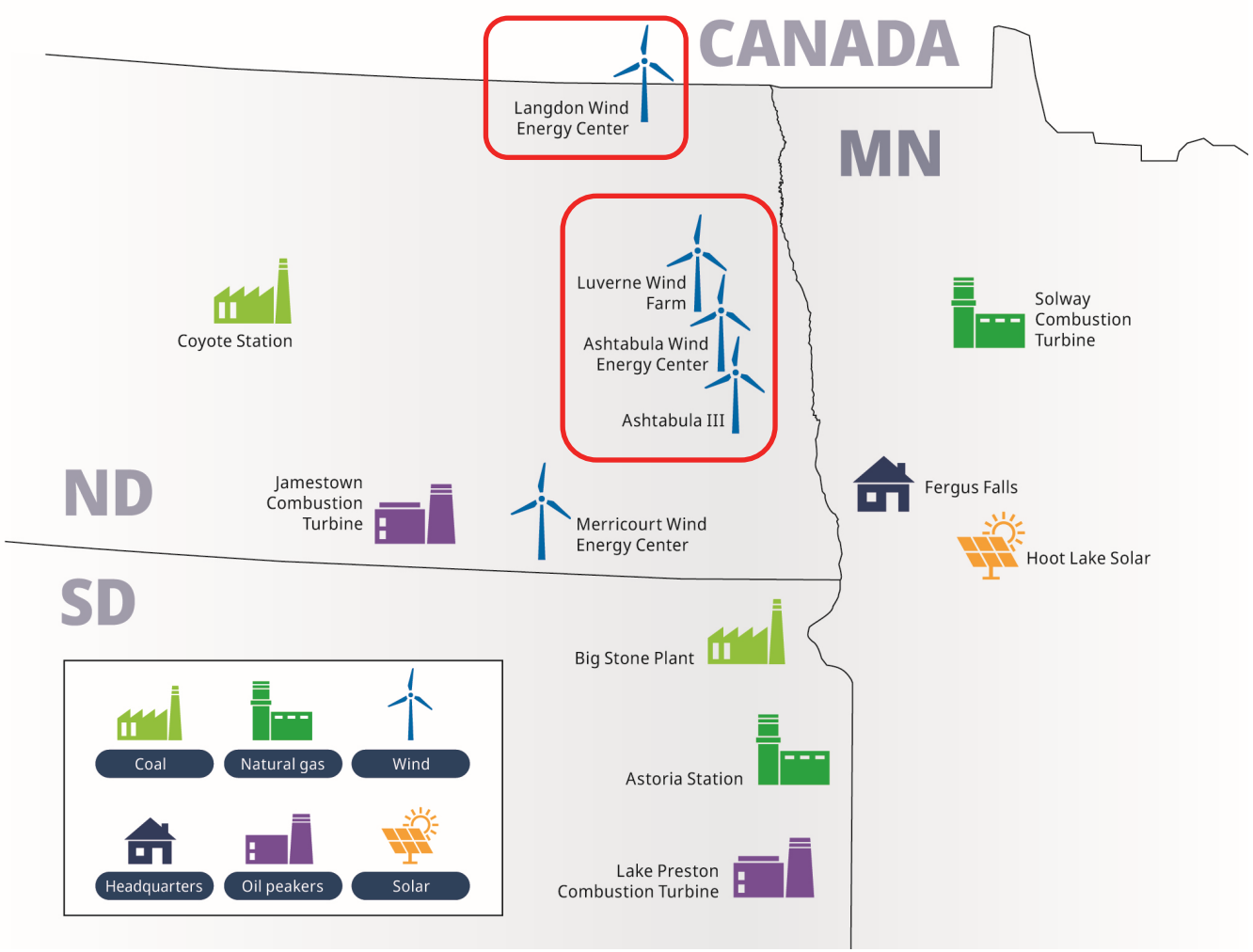


Wind Repowering

Project	Wind Repowering
Description	Equipment upgrades at wind facilities
Schedule	In development
Otter Tail Power Cost	~$230 million

Project Summary

- Upgrade and refurbishment of wind turbines at the Langdon, Ashtabula, Luverne, and Ashtabula III wind energy facilities in 2024 and 2025
- The project is currently under development
- Targeting the wind repowering at Langdon to be operational in the 2nd half of 2024
- Remainder of the projects are expected to be operational in 2025
- Qualifies for production tax credits after IRA passage
- Repowering is anticipated to lower customer bills, demonstrating our continued focus and commitment to customer affordability



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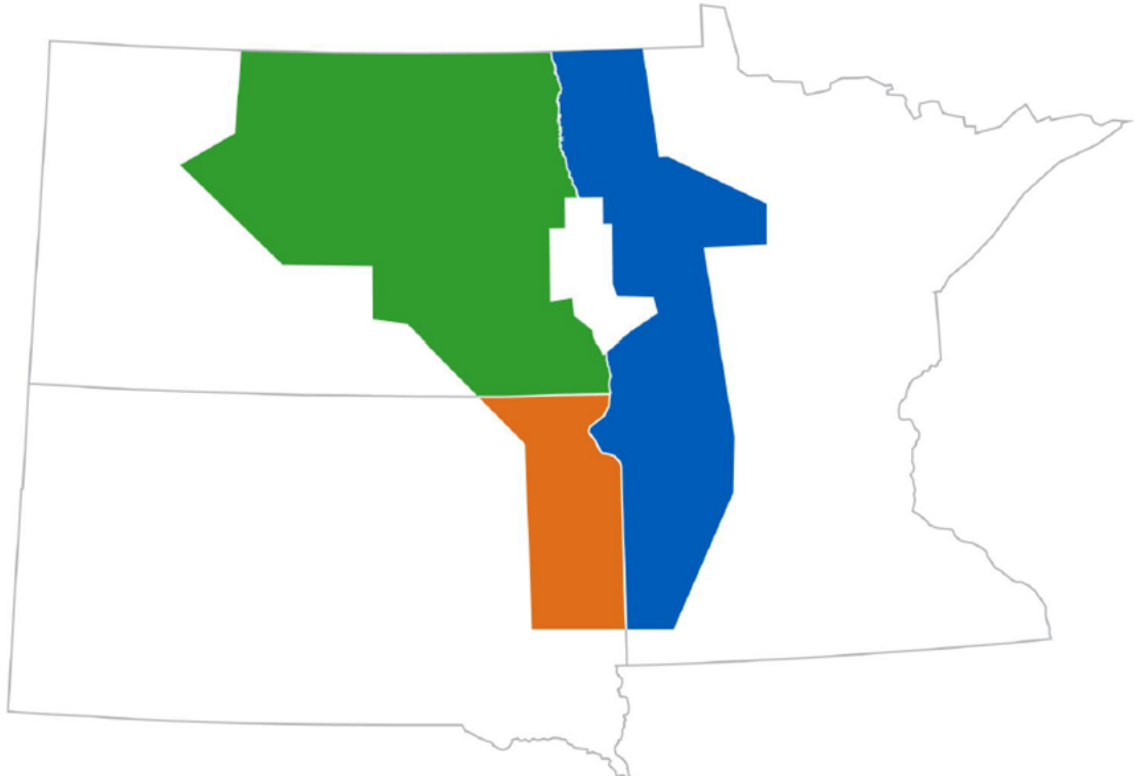
Integrated Resource Plan

Integrated Resource Plan (IRP)

- Supplemental IRP filed March 2023, jointly in MN, ND, & SD
- Required filing in MN and ND
- Preferred 5-year plan, requested authority to:
  - Add on-site LNG fuel storage at Astoria Station
  - Add 200 MW of solar generation in 2027-2028
  - Commence activities to add 200 MW of wind generation in 2029
  - Withdraw from our 35% ownership interest in coal-fired Coyote Station should major non-routine capital investments be required
- In May, the Minnesota Public Utilities Commission decided to reintegrate the Astoria Station onsite fuel decision timeline with the remainder of the IRP
- We anticipate a hearing in early 2024



Manufacturing Platform

BTD

T.O. PLASTICS

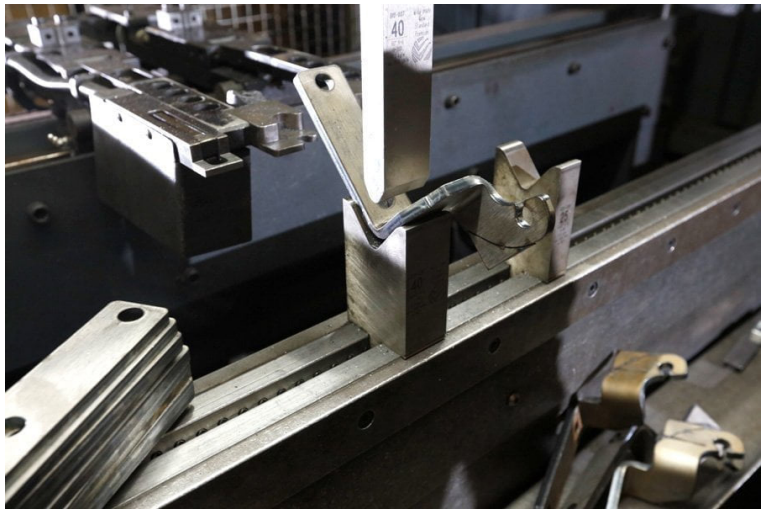
northern pipe products

VINYLTECH VT PVC • PIPE

Manufacturing Operations

BTD

- Contract metal fabrication – stamping, machining, tube bending, tool & die, laser cutting, welding, painting, assembly. A 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



T.O. PLASTICS

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



Plastics Operations

northern pipe products

VINYLTECH VT PVC • PIPE

- Manufactures and sells polyvinyl chloride (PVC) 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 350 mm lbs. of PVC





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