

Q2 2026

Earnings Conference Call



Safe Harbor and Non-GAAP Financial Measures

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,” “confident,” “could,” “estimate,” “expect,” “future,” “goal,” “intend,” “likely,” “may,” “optimistic,” “opportunity,” “outlook,” “plan,” “possible,” “position,” “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 2026 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 executive orders, legislation and regulation including foreign trade policy; 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.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures which remove the after-tax impact of the legal settlement expense recognized during the second quarter of 2026. The Company believes these non-GAAP financial measures can provide more information to assist investors in evaluating current period performance and in assessing future performance. These non-GAAP measures, including adjusted net income, adjusted diluted earnings per share and adjusted return on equity, should be considered supplemental to, and not a substitute for, GAAP results and may not be comparable to similarly titled measures used by other companies. Reconciliations to the most directly comparable GAAP measures are included in the Appendix to this presentation.

Investor Relations Contacts

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Company Overview



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

1

Best in class utility:

Strong EPS growth and low
customer rates

2

Strategic diversification:

Enhances consolidated ROE
and cash flow

3

Internally financed growth:

No external equity needs
through at least 2030

Key Highlights

Financial Results

- Reported quarterly diluted loss per share of \$0.18 and adjusted diluted EPS of \$1.66¹
- Adjusted ROE of 15%¹ (trailing twelve months) on an equity layer of 60%

Positioned for Future Growth

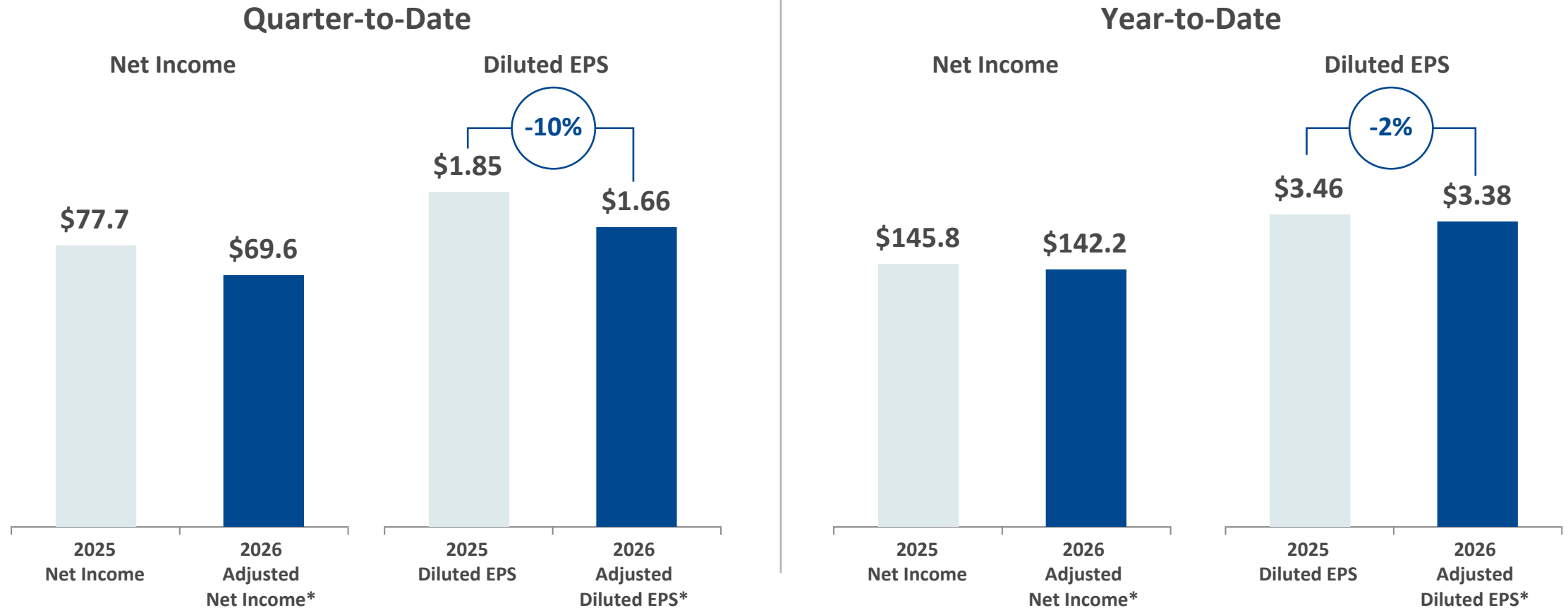
- Secured route permits for two of our large regional transmission projects
- Filed 15-year integrated resource plan in Minnesota
- Capitalized on growth opportunities from additional capacity in Georgia and Arizona

2026 Outlook

- Initiating adjusted diluted EPS guidance range of \$5.68 to \$6.08¹

Financial Summary

\$ in millions, except per share data



2026 Adjusted EPS Guidance Midpoint: \$5.88*

Electric Platform



Minnesota Rate Case

Docket 25-359

- Last rate request filed in 2020
- Interim rate revenue of \$28.6 million went into effect January 1, 2026, subject to refund
- Procedural schedule:
 - Intervenor testimony: June 2026
 - Rebuttal testimony: July 2026
 - ALJ report: January 2027
 - Decision expected: April 2027
- Amended net revenue increase request to \$42.3M from \$44.8M as part of rebuttal testimony
- Final rate implementation expected in the second half of 2027

Amended Request Filed with the Minnesota Public Utilities Commission

July 2026

Net revenue
increase:
\$42.3M
(16.7% increase)

ROE:
10.65%
(existing 9.48%)

Equity layer:
53.5%
(existing 52.5%)

Minnesota Integrated Resource Plan

Docket E017/RP-26-90

- Outlines preferred plan for meeting customers' anticipated capacity and energy needs over 15-year period
- Requests new resource additions, and reflects projects in development or under construction from previously approved resource plan
- Anticipate a hearing and final order in Q2 2027

Request Filed with the Minnesota Public Utilities Commission

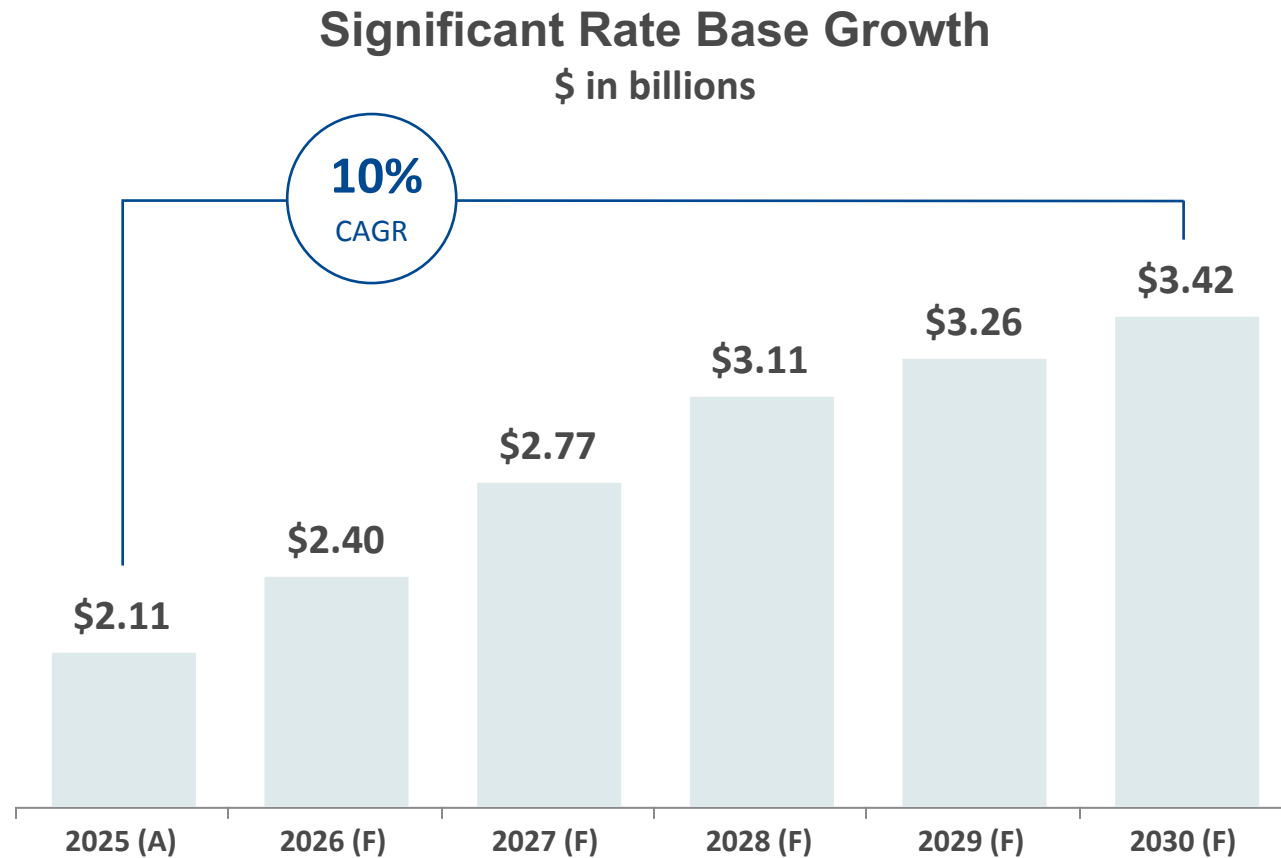
May 2026

Natural Gas
50 MW
2031-2032

Wind
50 MW
2035

Wind
50 MW
2040

Rate Base Investment Plan



1:1

Conversion of rate base growth
into Electric EPS growth

~ 90%

of our capital investment is
expected to be recovered
through riders and existing rates

Generation and Storage Project Updates

Solway Solar

Est. investment:
\$80M

Est. completion date:
2027

Recovery mechanism:
Approved riders
in MN and SD

Abercrombie Solar

Est. investment:
\$450M

Est. completion date:
2028

Recovery mechanism:
Approved riders
in MN and SD

Hoot Lake Battery

Est. investment:
\$120M

Est. completion date:
2028

Recovery mechanism:
Approved rider
in MN

Transmission Project Updates

MISO LRTP¹ Tranche 1

Est. investment:
\$475M

Est. completion date:
2030

Recovery mechanism:
**MISO tariff with
state riders**

MISO LRTP Tranche 2.1

Est. investment:
\$800M - \$1B

Est. completion date:
2034

Recovery mechanism:
**MISO tariff with
state riders**

JTIQ²

Est. investment:
\$450M - \$500M

Est. completion date:
2034

Recovery mechanism:
**MISO tariff with
generator payments**

Load Growth Opportunities

Well positioned to attract large loads

- Attractive service territory - low market energy prices and high renewable production
- Locations identified with minimal delivery costs to site
- Large load tariff filed in all jurisdictions (MN, ND and SD)

Load growth opportunity driven by

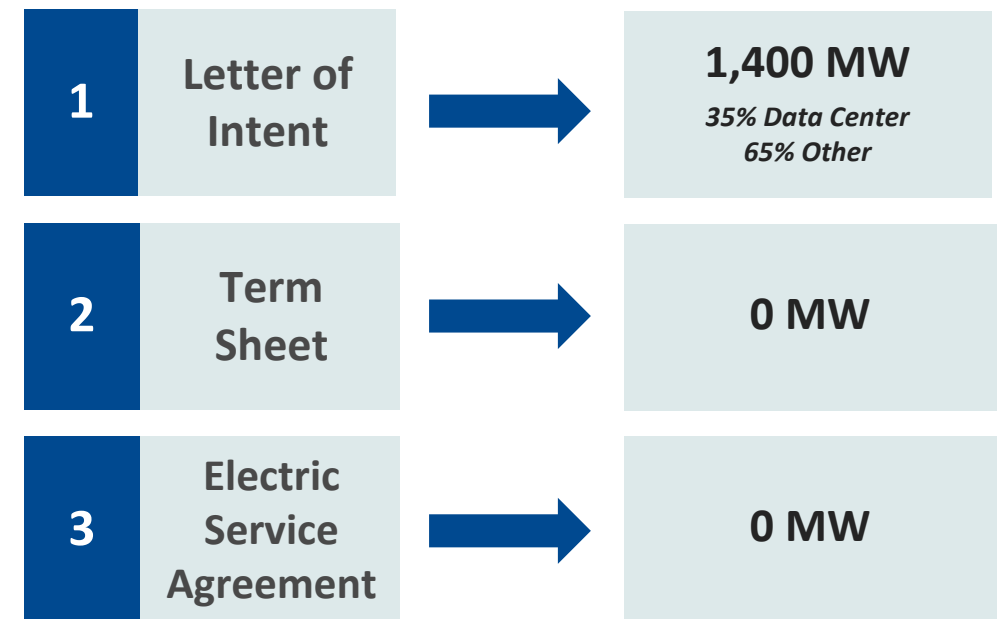
- Data centers
- Clean fuel
- Agriculture processing
- Thermal storage facilities

Benefits of adding large loads

- Distributes fixed costs across larger customer base
- Capital investment and earnings opportunity

Phases to Secure Large Load

Existing Opportunity

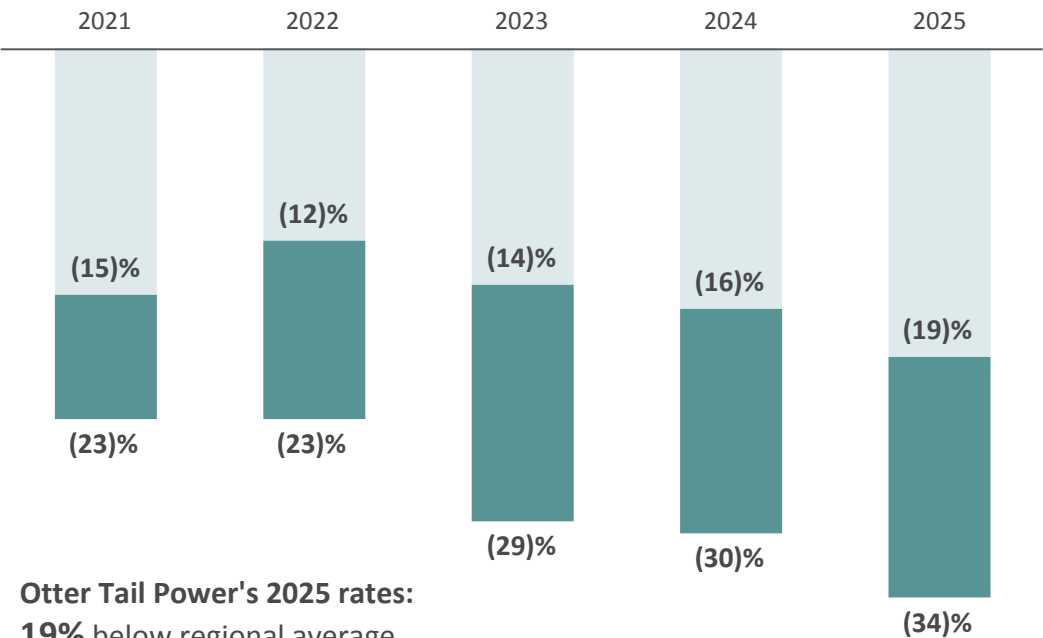


Phase 1 and 2 large load additions not included in load growth or capex forecast

Customer Rates and Affordability

Proven Track Record

Our Electric Rates Compared to Regional and National Averages¹



Otter Tail Power's 2025 rates:
19% below regional average
34% below national average

Looking Ahead

	5-Year CAGR
Rate Base Growth	10%
Affordability enablers:	
Net MISO system-wide recovery	3 - 4%
Renewable energy tax credits	2 - 3%
Other (reduced energy purchases, load growth, etc.)	0 - 1%
Estimated Customer Bill Impact	3 - 4%

Expected customer bill CAGR may vary by state and could be impacted by external factors, including market energy prices

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

Manufacturing Platform

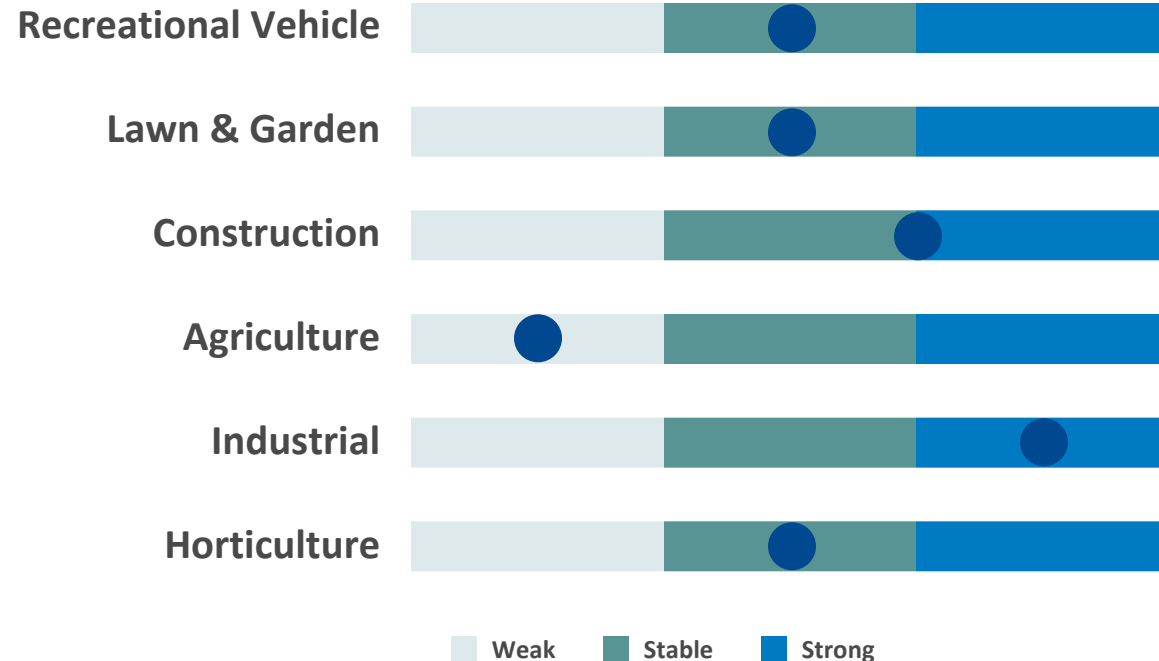


Industry Conditions: Manufacturing

BTD Manufacturing and T.O. Plastics

Industries Served

Industry Conditions



Dealer inventory levels have largely normalized

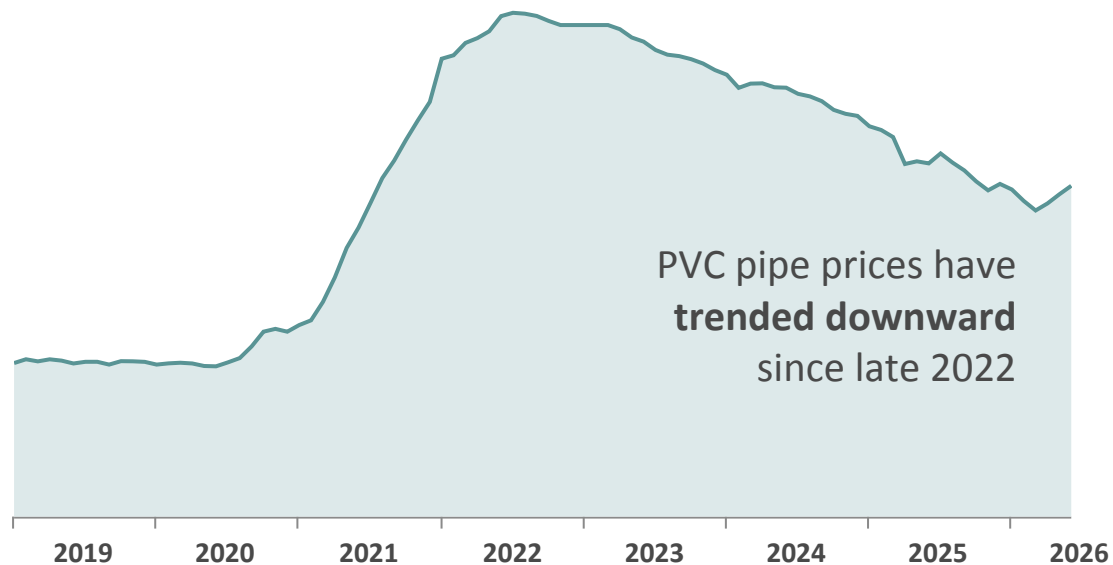
Agriculture industry conditions remain challenged due to weak farm economy

Long-term fundamentals remain strong

Plastics Pricing and Volume Trends

Northern Pipe Products and Vinyltech Corporation

Historical Average Sales Price of PVC Pipe¹



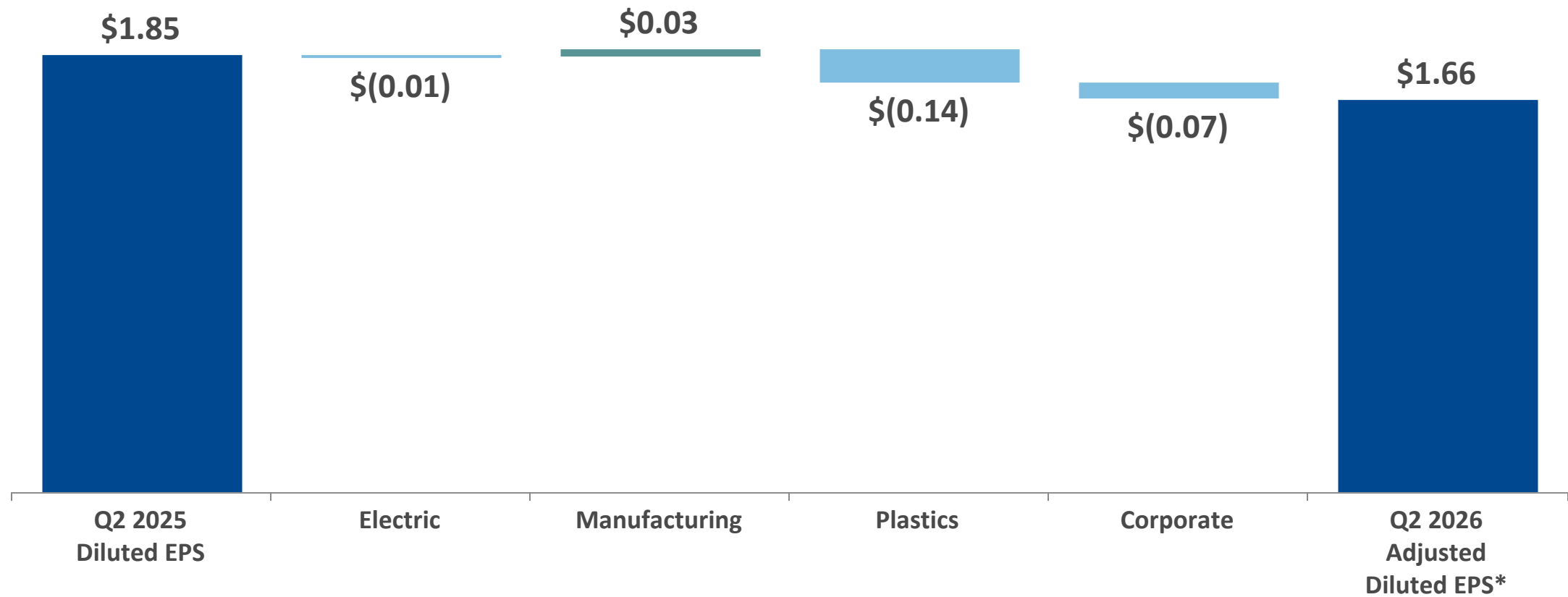
2026 Year-Over-Year Trends¹

	Q2	YTD
Average Sales Prices	↓ 14%	↓ 16%
Sales Volumes	↑ 15%	↑ 11%
Material Input Costs	↓ 2%	↓ 7%



Financial Results

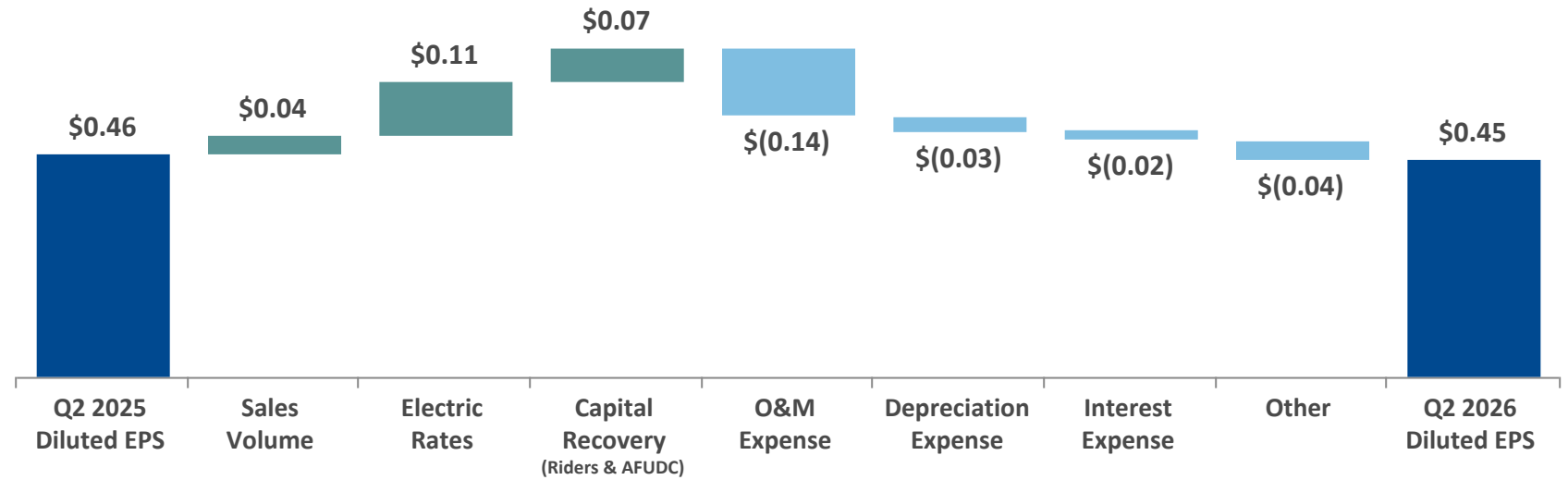
QTD Diluted EPS



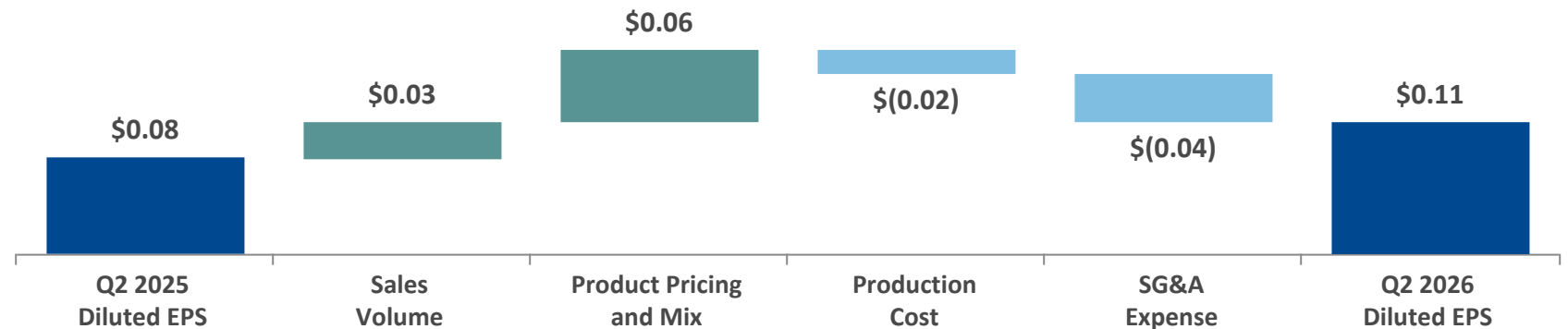
QTD Diluted EPS

Segment Level Detail

Electric

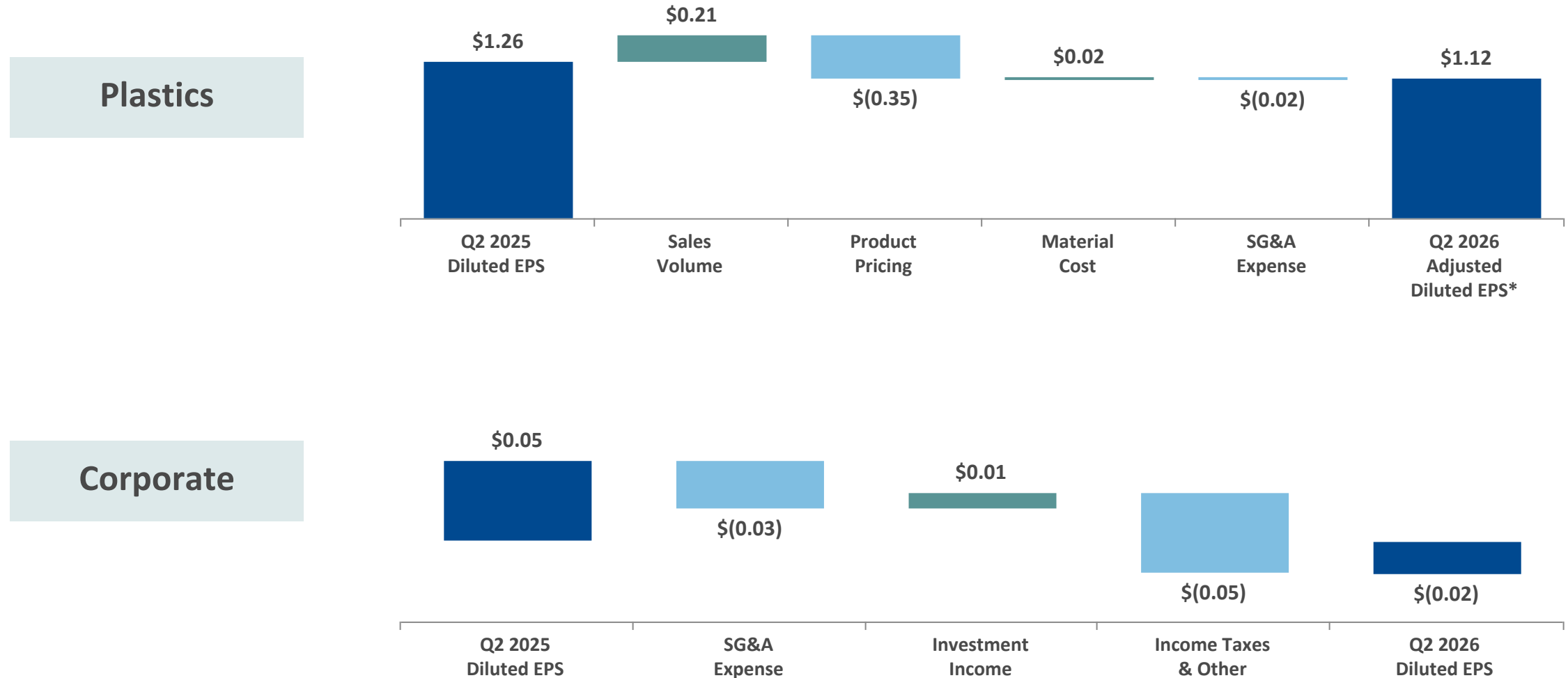


Manufacturing



QTD Diluted EPS

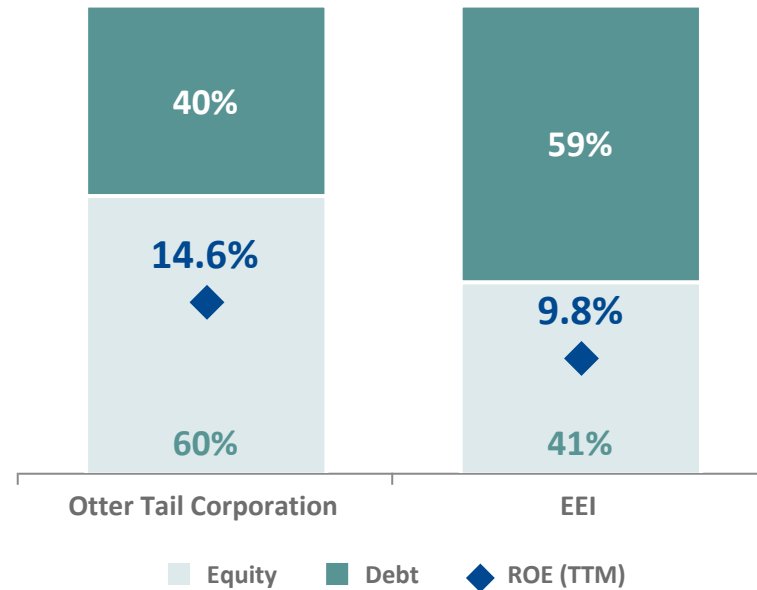
Segment Level Detail



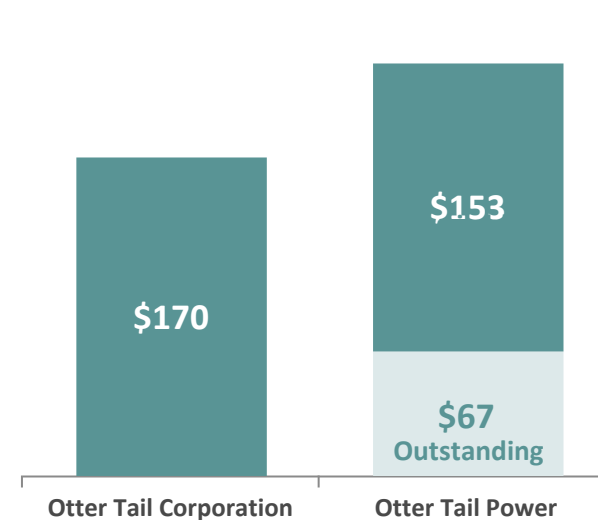
Balance Sheet

\$ in millions

Capital Structure and ROE¹
with comparison to EEI Peers²



Line of Credit Availability



Cash and Cash Equivalents



Credit Ratings	Otter Tail Corporation			Otter Tail Power Company		
	Moody's	Fitch	S&P	Moody's	Fitch	S&P
Long-term issuer default	Baa2	BBB	BBB	Baa1	BBB+	BBB+
Senior unsecured debt	N.A.	BBB	N.A	N.A.	A-	N.A.
Outlook	Stable	Stable	Positive	Stable	Stable	Stable

2026 Outlook

Diluted EPS	Actual		2026 Guidance February 16, 2026		2026 Adjusted Guidance ¹ August 3, 2026	
	2025		Low	High	Low	High
Electric	\$	2.32	\$ 2.61	\$ 2.69	\$ 2.61	\$ 2.69
Manufacturing		0.27	0.26	0.32	0.32	0.38
Plastics		4.05	2.49	2.71	2.97	3.19
Corporate		(0.09)	(0.14)	(0.10)	(0.22)	(0.18)
Total	\$	6.55	\$ 5.22	\$ 5.62	\$ 5.68	\$ 6.08
Return on Equity		15.6 %	11.5 %	12.3 %	12.5 %	13.3 %

Capital Expenditures

Customer-Focused Capital Investment Plan

<i>in millions</i>	2026	2027	2028	2029	2030	Total
Electric						
Renewable Generation and Storage	\$ 251	\$ 295	\$ 89	\$ 4	\$ 6	\$ 645
Transmission	80	167	167	186	255	855
Distribution	55	49	53	54	57	268
Other	50	36	24	23	20	153
Electric Total	\$ 436	\$ 547	\$ 333	\$ 267	\$ 338	\$ 1,921
Manufacturing & Plastics	31	27	29	23	19	129
Total	\$ 467	\$ 574	\$ 362	\$ 290	\$ 357	\$ 2,050

\$750M

Incremental investment opportunity for Electric¹

Driven by:

- Up to 200 MW of wind generation
- Accelerating transmission investment
- Delivery investment relating to new large loads

Financing Plan

No external equity needs through at least 2030

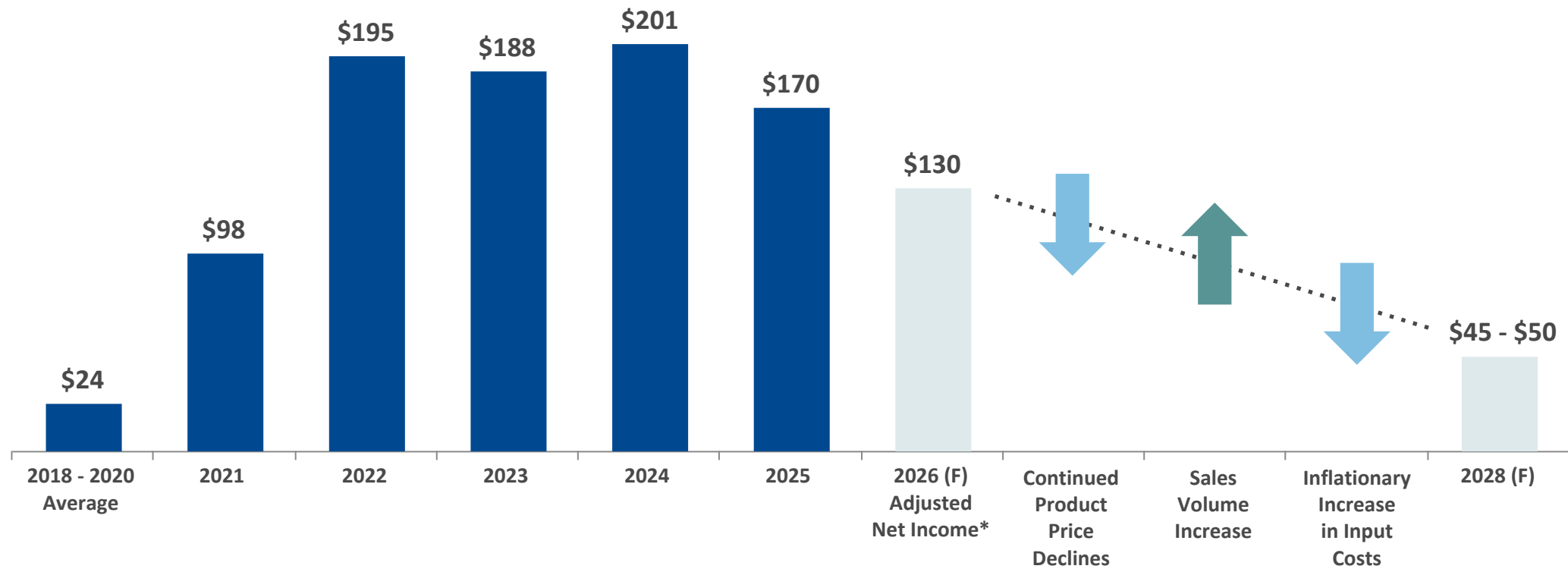
\$ in millions	2026	2027 - 2030 (F)	5YR Total
Long-Term Debt			
Otter Tail Power Company			
Issuances	\$ 170	\$ 620	\$ 790
Retirements	—	(162)	(162)
Otter Tail Corporation			
Issuances	—	—	—
Retirements	(80)	—	(80)
Net Debt Increase	\$ 90	\$ 458	\$ 548
Equity	\$ —	\$ —	\$ —

**Financing plan
supports utility
investments
without
external equity
over 5-year
period**

Long-Term Plastics Earnings Profile

Northern Pipe Products and Vinyltech Corporation

\$ in millions



Investment Targets

Total Shareholder Return: 10-12%

**Long-term EPS growth
rate: 7-9%** (2028 base year)

Dividend yield: ~ 3%

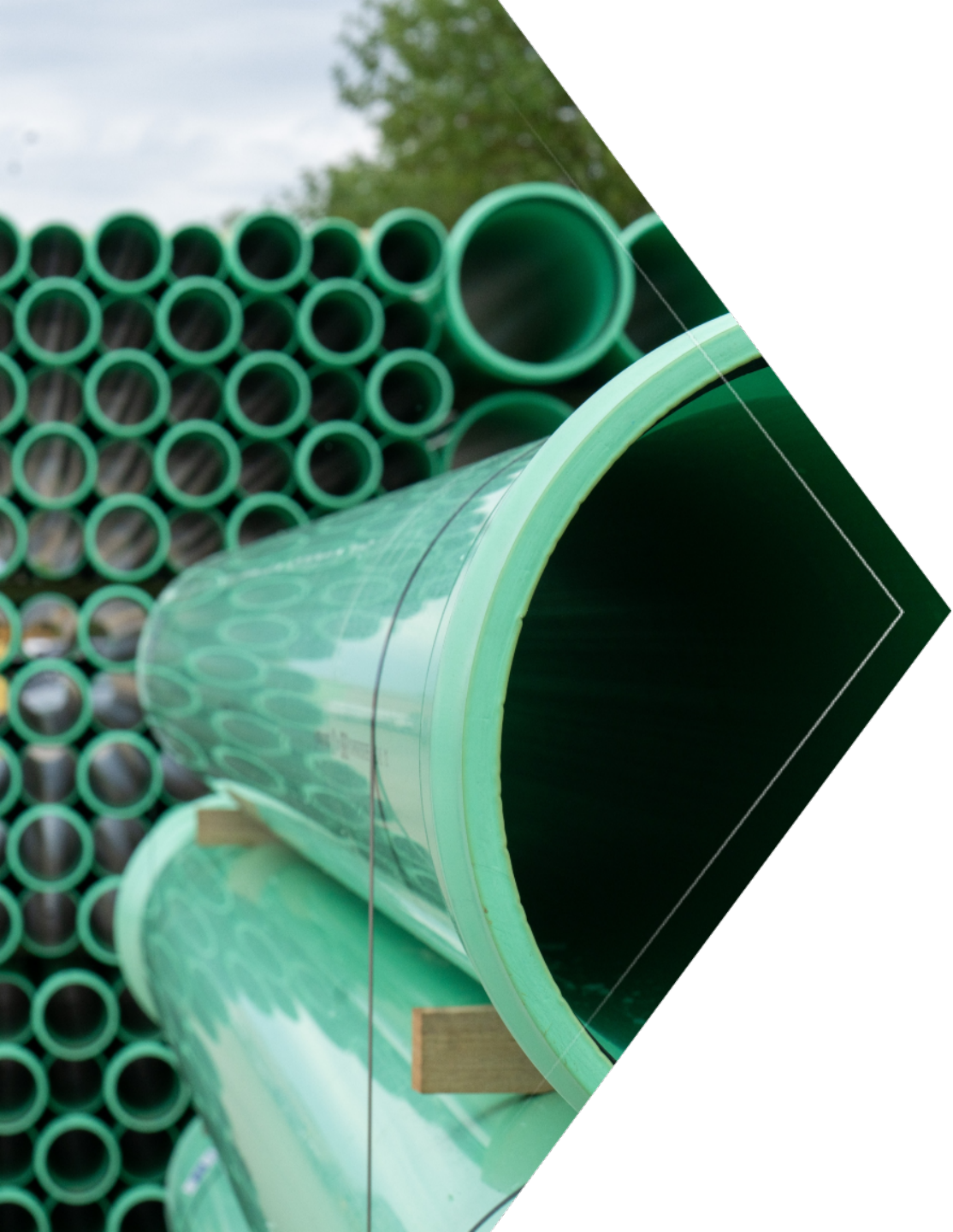
Dividend Growth Rate: 6-8%

Targeted payout ratio: 50-60%

**Long-Term Earnings Mix:
70% Electric / 30% Manufacturing**

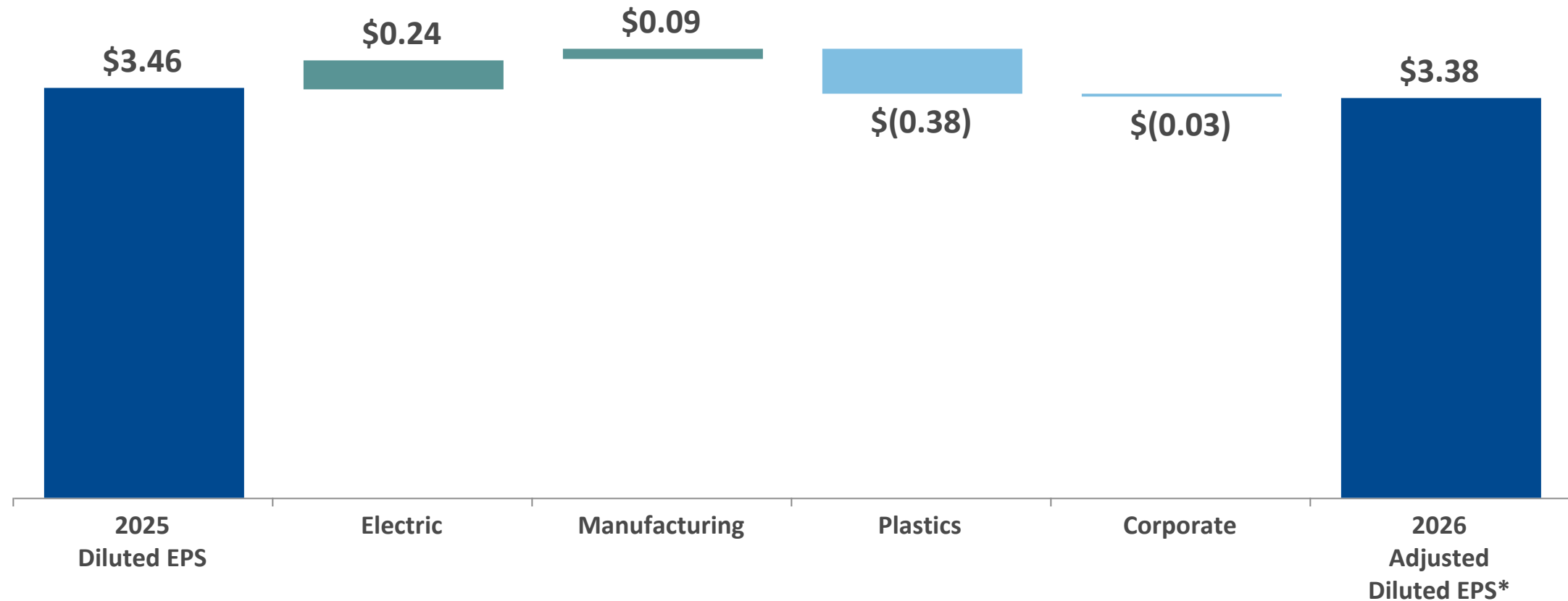
Key underlying assumptions

- Electric segment long-term EPS growth rate approximates rate base CAGR
- Plastics segment earnings of \$45M-\$50M in 2028
- Long-term earnings mix target reached in 2028



Appendix

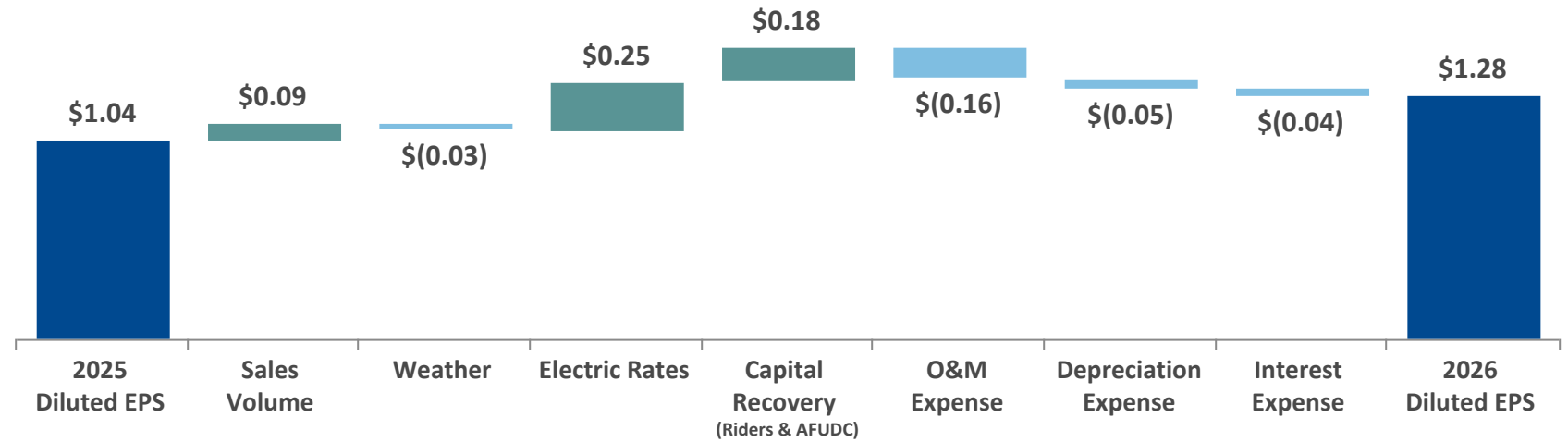
YTD Diluted EPS



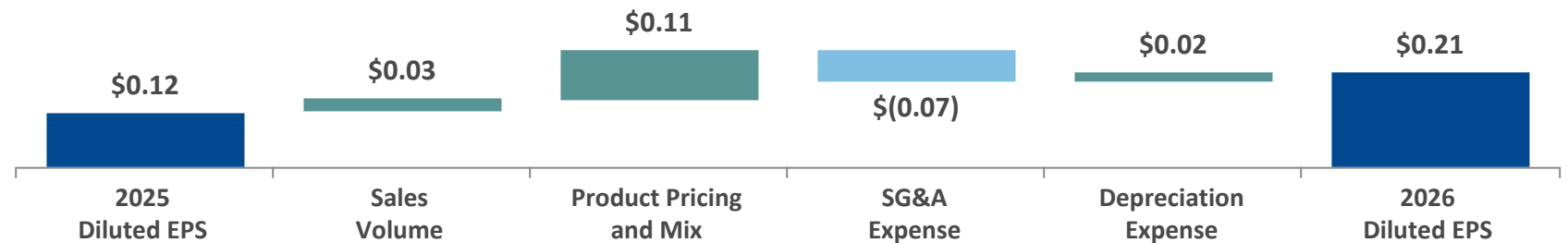
YTD Diluted EPS

Segment Level Detail

Electric

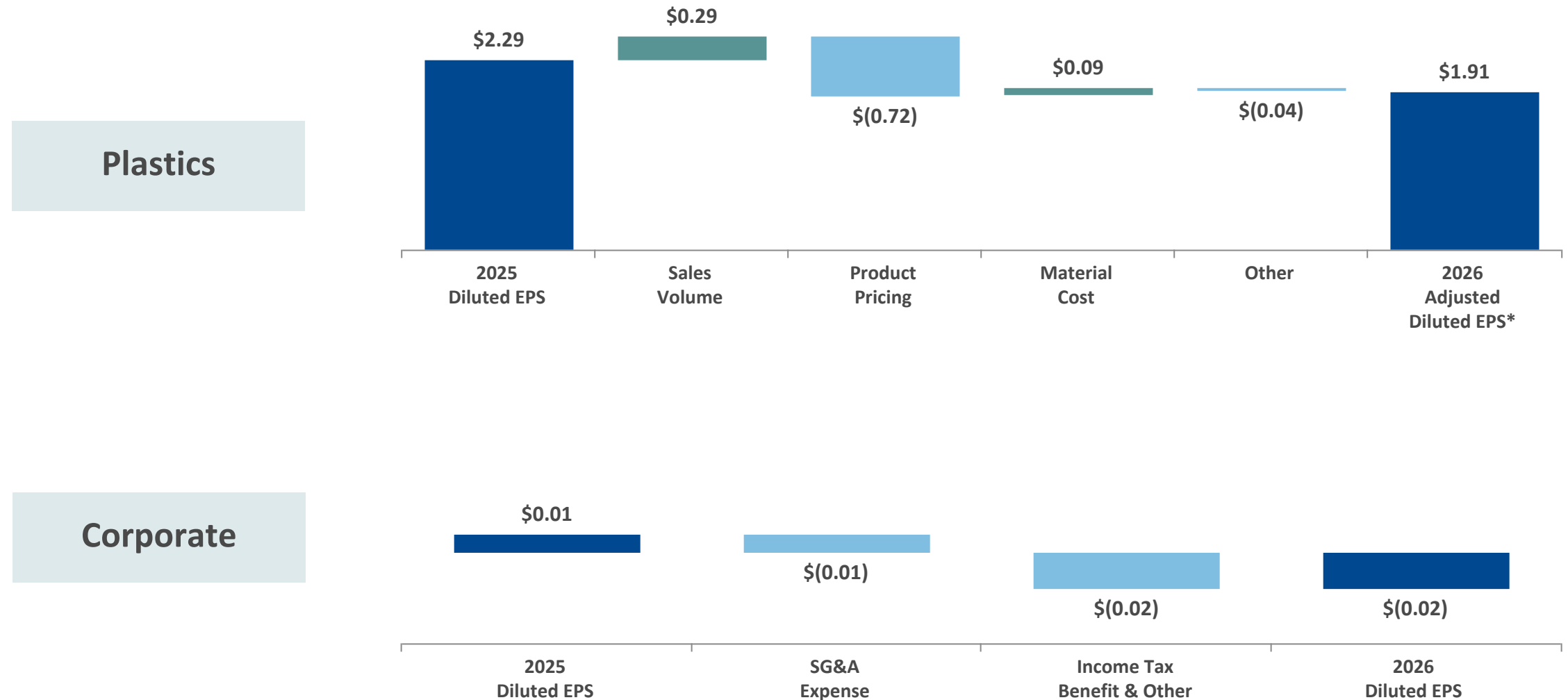


Manufacturing

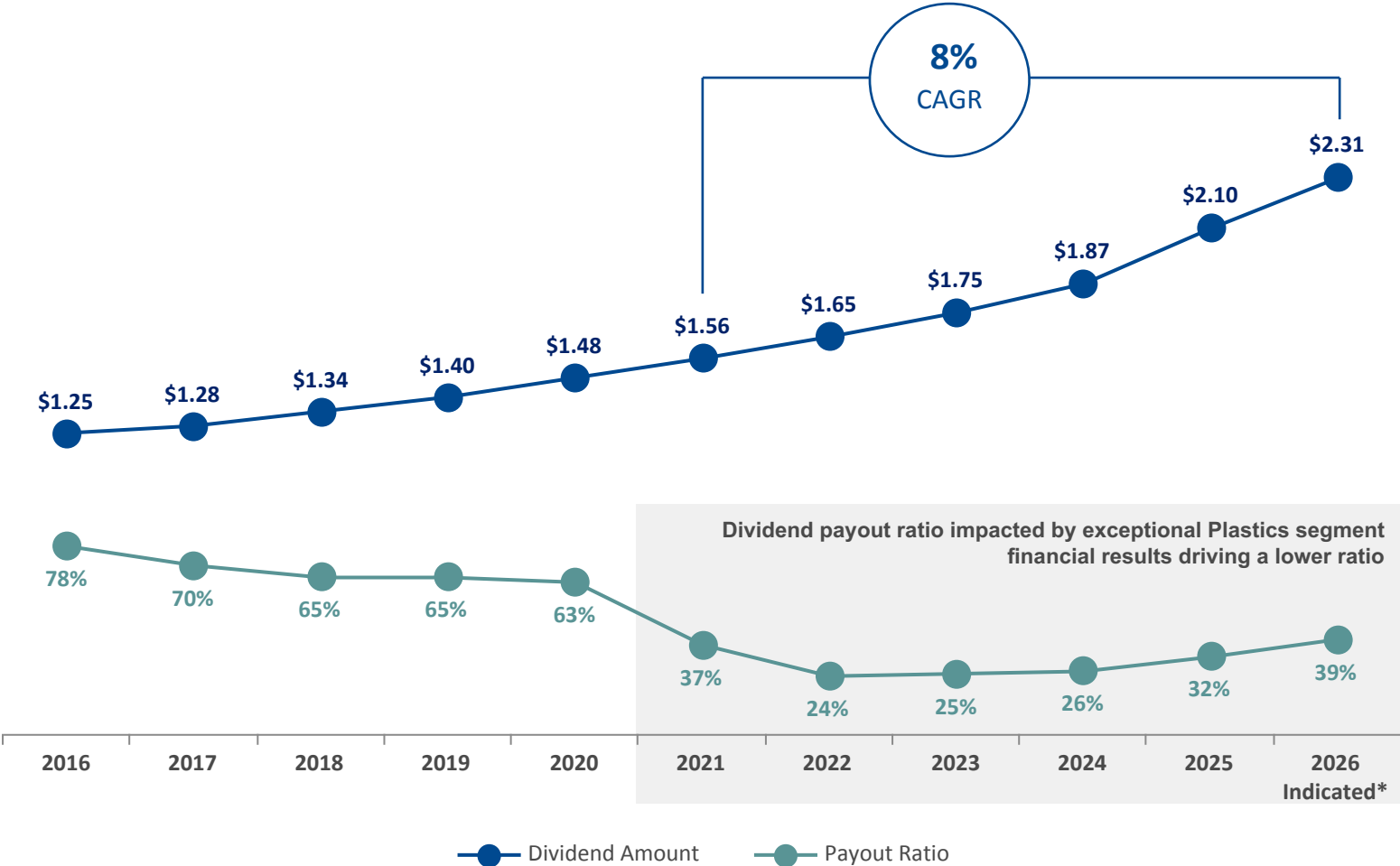


YTD Diluted EPS

Segment Level Detail



Dividend and Payout Ratio



87 consecutive years of dividend payments

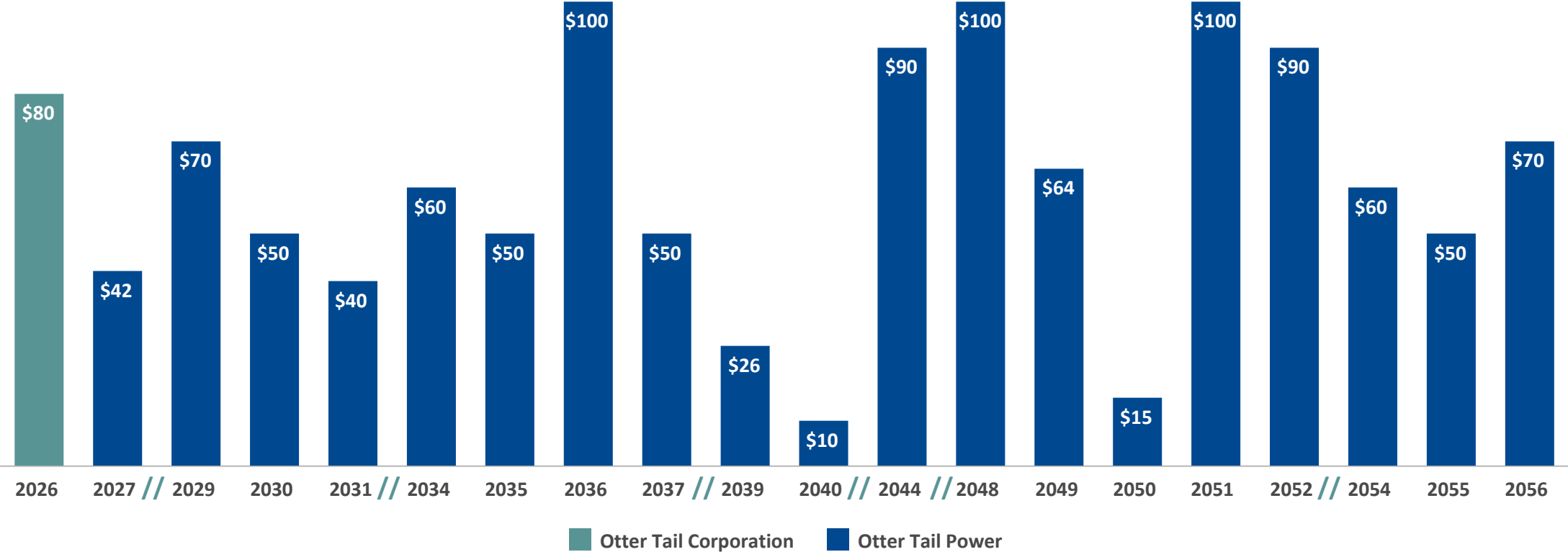
Indicated dividend for 2026: \$2.31 (10.0% increase)

Targeted dividend growth rate: 6-8%

* 2026 indicated dividend payout ratio is calculated using the midpoint of our adjusted earnings guidance, which removes the after-tax impact of the legal settlement expense recognized during Q2 2026

Debt Maturity Schedule

Weighted average
interest rate: **4.68%**



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%	Blackbox
Return on Rate Base	7.18%	7.53%	7.09%
Earnings Sharing Mechanism	No	Yes ²	No
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	No	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

Non-GAAP Reconciliations

Adjusted Net Income (Loss) and Adjusted Diluted Earnings Per Share

The following table presents reconciliations of net income (loss) to adjusted net income and diluted earnings (loss) per share to adjusted diluted earnings per share for our Plastics segment and on a consolidated basis for the periods presented

\$ in millions, except per share data	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Adjusted Net Income				
Plastics Segment Net Income (Loss)	\$ (30.1)	\$ 53.1	\$ 2.9	\$ 96.5
Add: Legal Settlement Expense	103.5	—	103.5	—
Less: Tax Effect of Adjustment ¹	(26.3)	—	(26.3)	—
Plastics Segment Adjusted Net Income	47.1	53.1	80.1	96.5
Consolidated Net Income (Loss)	(7.6)	77.7	65.0	145.8
Add: Legal Settlement Expense	103.5	—	103.5	—
Less: Tax Effect of Adjustment ¹	(26.3)	—	(26.3)	—
Consolidated Adjusted Net Income	\$ 69.6	\$ 77.7	\$ 142.2	\$ 145.8
Adjusted Diluted Earnings Per Share				
Plastics Segment Diluted Earnings (Loss) Per Share	\$ (0.72)	\$ 1.26	\$ 0.07	\$ 2.29
Add: Earnings Per Share Impact of After-Tax Legal Settlement Expense	1.84	—	1.84	—
Plastics Segment Adjusted Diluted Earnings Per Share	1.12	1.26	1.91	2.29
Consolidated Diluted Earnings (Loss) Per Share	(0.18)	1.85	1.54	3.46
Add: Earnings Per Share Impact of After-Tax Legal Settlement Expense	1.84	—	1.84	—
Consolidated Adjusted Diluted Earnings Per Share	\$ 1.66	\$ 1.85	\$ 3.38	\$ 3.46

Non-GAAP Reconciliations

Adjusted Return on Equity

The following table presents a reconciliation of return on equity to adjusted return on equity on a consolidated basis for the period presented

Trailing Twelve Months Ended June 30, 2026	
Consolidated	
Return on Equity	10.5 %
After-Tax Impact of Legal Settlement Expense ¹	4.1
Adjusted Return on Equity	14.6 %

Adjusted Forecasted Earnings

The following table presents a reconciliation of the midpoint of our revised 2026 earnings guidance and the midpoint of our 2026 adjusted earnings guidance for the Plastics segment

\$ in millions	
Plastics Segment	
Midpoint of 2026 Earnings Guidance	\$ 52.8
After-Tax Impact of Legal Settlement Expense	77.2
Midpoint of Adjusted 2026 Earnings Guidance	\$ 130.0

Adjusted Annual Earnings Guidance and Adjusted Forecasted Return on Equity

The following table presents reconciliations of our 2026 diluted earnings per share guidance range to our adjusted diluted earnings per share guidance range and our 2026 forecasted return on equity to our adjusted forecasted return on equity

	Diluted EPS Guidance: Low			Diluted EPS Guidance: High		
	Unadjusted	Adjustment	Adjusted	Unadjusted	Adjustment	Adjusted
Electric	\$ 2.61	\$ —	\$ 2.61	\$ 2.69	\$ —	\$ 2.69
Manufacturing	0.32	—	0.32	0.38	—	0.38
Plastics	1.13	1.84	2.97	1.35	1.84	3.19
Corporate	(0.22)	—	(0.22)	(0.18)	—	(0.18)
Total	\$ 3.84	\$ 1.84	\$ 5.68	\$ 4.24	\$ 1.84	\$ 6.08
Return on Equity / Adjusted Return on Equity	8.7 %	3.8 %	12.5 %	9.5 %	3.8 %	13.3 %